

KRISTIN SURAK

## GUESTWORKERS: A TAXONOMY

**J**UST OVER A century ago, a young Max Weber assumed his first professorship in Freiburg with a highly politicized inaugural lecture in which he invited the audience to follow him to the eastern marches of the Reich. There he described the Junkers' turn to Polish seasonal labourers—people with 'inferior physical and intellectual standards of living' brought in to work the sugar-beet fields. These 'troops of nomads recruited by agents in Russia, who cross the frontier in tens of thousands in spring and leave again in autumn', appeared desirable, 'because by employing them one can save on workers' dwellings, on poor rates, on social obligations, and further because their precarious situation as foreigners puts them in the hands of the landowners.' Yet these 'unviable colonies of starving Slavs' were propping up an outmoded, labour-intensive system of production, and represented essentially a 'side-effect of the death throes of the old Prussian Junkerdom'. The neophyte went on to rally the audience with the call that 'the German race should be protected in the east of the country, and the state's economic policies *ought to* rise to the challenge of defending it.'<sup>1</sup>

A century later, the brand of racial chauvinism to which Weber gave unabashed expression has gone out of vogue, but not the fundamental issues he raised: employer preferences for temporary migrant workers as a cheap and exploitable labour source, broker networks channelling them across borders, fears of such workers shoring up outdated industries or inhibiting economic modernization, and—perhaps especially—worries about foreigners degrading the nation. After the Second World War, Germans would no longer speak of 'troops of nomads' but 'guestworkers', a refurbished version of the Nazi euphemism for *Fremdarbeiter*. But the phenomenon is much broader. Today, over fifty countries run temporary migrant-worker programmes: state-organized schemes for the import

of foreign labourers, admitted on a temporary basis for the purpose of work, and granted limited or no option for changing this status. Yet the ubiquity of such schemes has provoked little comparative analysis. Investigations of individual programmes are plentiful, with small—two- to three-*n*—case studies common; but their evolution across the twentieth century and the globe has yet to be examined.<sup>2</sup>

Five questions can guide an initial exploration of this terrain. First, what has been the place of guestworkers within the global flows of migrant labour since the late nineteenth century? Second, in what does the specificity of guestworker programmes lie? Third, what are the contradictions that—as with so much of social life—can be regarded as inherent to them? What kind of typology can we use to understand them? Where are they headed?

### *Migrants or guestworkers?*

In 2010 the United Nations counted some 214 million international migrants in the world, of whom about half were migrant workers. Of the latter, nearly 20 million were guestworkers—slightly more than the number of refugees, according to UN estimates.<sup>3</sup> Though not an

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<sup>1</sup> Max Weber, 'The Nation State and Economic Policy', in Weber, *Political Writings*, Cambridge 1994, pp. 1–28. Translation modified.

<sup>2</sup> Two exceptions to the small-*n* rule are Cindy Hahamovitch, 'Creating Perfect Immigrants: Guestworkers of the World in Historical Perspective', *Labour History*, vol. 44, no. 1, 2003, which provides a broad historical overview but shies away from analytic conclusions, and Martin Ruhs, *The Price of Rights: Regulating International Labour Migration*, Princeton 2013, which tests hypotheses about the relationship between migrants' rights and the parameters of labour-migration programmes, broadly defined, but limits its analysis to the present.

<sup>3</sup> Manolo Abella, 'Policies and Best Practices for Management of Temporary Migration': Paper presented at the International Symposium on International Migration and Development, UN Secretariat, Italy 2006, pp. 4–6. This offers details on the substantial definitional and measurement difficulties of pinning down the number of guestworkers globally. An approximate estimate based on figures collected by the *Migration News* centre at the University of California, Davis, yields the figure given here. In 2008, the OECD claimed 2.3 million temporary foreign workers, to which can be added 1.6 million in Singapore, Hong Kong, and Taiwan. The nascent temporary migrant-worker programmes elsewhere in Southeast Asia—largely government attempts to regulate flows already in place—have tagged about a million guestworkers apiece in Thailand and Indonesia. Tipping the scale, the Gulf States count approximately 13 million guestworkers.

inconsiderable proportion, 20 per cent is still clearly a minority. It seems logical therefore to assume that guestworker programmes form a rather specialized, perhaps even in some measure atypical, sub-set within the wider phenomenon of worldwide labour migration.

However, the statistical distribution between guestworker schemes and migrant labour conceals their structural relationship, which is the inverse. What typically makes immigrants economically desirable to employers—their submissive malleability as rightless outsiders who perform the undignified tasks that natives shun—are precisely the qualities that make them undesirable as members of a society.<sup>4</sup> If we take this paradox as a baseline for exploring patterns of migration, from the crystallization of the modern nation-state in the late nineteenth century onwards, a deduction would be that guestworker programmes of one kind or another are, virtually by definition, its ideal-typical resolution: they are designed to achieve the first (malleable labour) without incurring the second (unwanted members). Viewed in this light, they could be seen less as a sub-set of immigration more broadly considered, than as the rule from which departures are to be explained. Namely, at points in their economic development, nation-states, as caretakers of capital and the demos, will typically call up migrants as extraneous labour, but seek to repel them as durable intruders.

Departures from this standard can then be classified into three kinds of exception. The first are settler societies, where land is so abundant and labour so scarce that immigration is a condition of constructing the nation-state as such. The pre-eminent cases are the United States and the ‘White Dominions’ of the British Empire, Canada, Australia and New Zealand, where native populations were wiped out or suppressed in the course of Western overseas expansion. The second are countries where overall demographic deficiencies threaten absolute labour shortages and/or military weakness in a competitive strategic environment. Again, members are needed and return not enforced. The France of the Third Republic, haunted by military defeat and a precocious onset of

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<sup>4</sup> Aristide Zolberg drew attention to this paradox in his extensive historical research into the role of the state in regulating cross-border flows. See Zolberg, ‘Global Movements, Global Walls: Responses to Migration, 1885–1925’, in Wang Gungwu, ed., *Global History and Migrations*, Boulder 1996, p. 294. Much broader welcome mats are, of course, typically unrolled for immigrants taking up highly skilled jobs, including greater rights and paths to permanent residence or citizenship.

the demographic transition, sought to overcome its numerical inferiority to Germany by welcoming immigrants to man its heavy industries. Colonial empires formed a third type of exception: migrants might enter the metropole with substantial rights, as fellow-nationals or overseas subjects of the Crown, under no compulsion to return; post-war colonial migration to Britain, France and the Netherlands, or pre-war Korean migration to Japan, are cases in point. Of course, guestworker programmes have existed in all three of these exceptions to the rule, but their significance has been far less.

### *Enter the state*

If guestworkers are foreign labourers without a guarantee of permanent settlement in the country making use of them, they are, nonetheless, a specific kind of temporary migrant. This is evident if we look back at a typical pattern of their use in much of the nineteenth century. Exposed so vividly by Marx, the spread of capitalist production in his time—and after it—relied on pools of workers on the margins of metropolitan economies, ‘reserve armies of labour’, to ensure the flexibility of production costs, holding down wages in upswings of the business cycle and cutting payrolls in downturns.<sup>5</sup> In Victorian England, it was the Irish who supplied such a reserve. But in still peripheral zones of an expanding world market, especially where plantation economies were installed, migrants often had to be imported from much greater distances to fill the fields and supply the necessary pools.

This demand gave birth to the so-called coolie trade, which took hold in the wake of slavery’s abolition. Here, private capital organized the labour flows, with public authorities playing, at most, a light regulatory role. Networks of trading companies and labour-brokers filled ships with human cargo in Guangzhou, Madras and Calcutta, departing for the West Indies, North America, Southeast Asia, and British-held Africa. Imperial reliance on indentured labour in the mining and plantation industries of Southeast Asia would stretch into the early twentieth century, managed by brokers and employers who would simply renew contracts if debts had not been paid off. States, in this period, had not yet elaborated an infrastructure for oversight, and formal immigration regimes were minimal. Illegality—later to become a central issue in policy-making—had little meaning.

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<sup>5</sup> Karl Marx, *Capital*, vol. I, Chapter 25.

This relatively open system, driven by the dynamics of primitive accumulation in the periphery, would begin to change around the close of the nineteenth century. Economic downturns in plantation production, coupled with gradual restrictions on indentured labour, led to a decline of the coolie trade, while metropolitan societies started to enforce greater control over their own borders. Temporary migrant labour would still be needed, but—in a decisive shift—it was to be organized and superintended by the state. *Laissez-faire* gave way to regulation. Though a constant of capitalism, employer demands for exploitable sources of labour alone do not make for guestworkers. It is the state that creates them, at once sanctioning their traversal of its borders and ensuring the transience of their stay.

Government protection of both the economy and the nation are the dual drivers behind modern guestworker schemes. The state can superintend an inflow of cheap and flexible workers required by capital, but rarely can it afford to treat the people in whose name it rules in the same way. Foreigners are more easily reduced to mere labour power. To maximize economic utility while minimizing social cost, their entrance can be controlled, exit monitored and employment options restricted. These become possible functions of the state once a bureaucratic apparatus with the capacity for enforcing an immigration regime is in place; and pressing functions, once workers become voters, trade unions impinge on labour markets and the provision of public welfare begins.

The German case is emblematic of this development. Economic growth transformed the mass exits from Germany to North America of the mid-1800s into mass in-migration, supplemented by labour imports, largely from Polish areas, by the end of the century. In 1886 Bismarck's anti-Polish campaigns briefly closed the eastern border, but Junker pressure soon reopened doors under an informal agreement that workers should return home during winter. Limits were placed on the areas and industries in which foreigners could labour, but oversight and enforcement initially lay in the hands of employers rather than the government; the state remained on the sidelines, as economic forces channelled the flows. Brokers with networks stretching deep into Russia recruited workers, while employer associations—not the German or Prussian state—issued 'worker legitimization cards' and extracted fees from migrants to manage their seasonal return. By 1913, about 300,000 Poles burrowed in Ruhrgebiet mines, and nearly one million foreign workers toiled in

Prussia. Sugar-beet production was so dependent on Weber's 'colonies of starving Slavs' (they carried out nearly two-thirds of Prussian agricultural work) that despite xenophobic concerns, Berlin was reluctant to regulate them for fear of harming the industry.<sup>6</sup>

This did not last for long. The First World War reshaped these massive transfers as the state tightened its grip over cross-border mobility. The Weimar Republic continued the passport and visa regime put in place during the War, established official recruitment bureaux in sending countries and set up government agencies to regulate the labour market. Union grievances were met by state quotas on the number of foreigners allowed to work in specific industries, with visas offered only if a labour shortage was confirmed. By the time of the Great Depression, employers had to apply for permission to hire foreign workers, who encountered great difficulties in obtaining visas after five years and were subject to penalties for overstaying. Such was the shape of a transition general to the economies of the West in this period. Guestworkers are born when it is no longer sufficient to speak of *Arbeitgeber* and *Arbeitnehmer*, and the *Arbeitsvermittler* that connect them, but when an additional party—the *Arbeitsausrichter*, or the state—supervenes to direct the flows and safeguard the boundary between nationals and foreigners.

### *Contradictions*

What are the characteristic dynamics between the parties that constitute guestworker regimes? For employers, guestworkers supply a convenient reservoir of labour that can easily be dispensed with and which offers the advantage of depressing wages. Migrant labourers are typically target-earners, hoping to pocket more than they would in the poorer regions they come from, in order to obtain defined, but not unchanging, goals back home: a house, a plot of land, a small business, schooling for their children. The middlemen who connect the two skim off profits from the labour trade. The calculus of interests is more complex for the state, which

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<sup>6</sup> *Inter alia*: Knuth Dohse, *Ausländische Arbeiter und bürgerlicher Staat: Genese und Funktion von staatlicher Ausländerpolitik und Ausländerrecht*, Königstein 1981, pp. 32–4; Imre Ferenczi, *Arbeitslosigkeit und die internationalen Arbeiterwanderungen*, Jena 1913, pp. 72–4; Klaus Bade, 'Labour, Migration and the State: Germany from the Late 19th Century to the Onset of the Great Depression', in Bade, ed., *Population, Labour and Migration in 19th and 20th-Century Germany*, Hamburg 1987, pp. 59–86.

stands as the political guardian of capital, with a vital stake in economic development, and as the embodiment of national legitimacy to the populace in whose name it rules. Voters and employers may both want growth, but citizens want security—material and psychological—as well. Stable jobs, social benefits and traditional identities matter to them as they do not to capital. The state cannot afford to ignore these, and office-holders may, indeed, actively whip up anxieties over them. While employers prefer the logic of the business cycle or other economic temporalities to determine flows, with little turnover of the labour force otherwise, the state may have an interest in preventing the passage of time and acculturation from wearing away the boundary between its native population and ‘others’, who may contribute to, but should not unduly benefit from, ‘our’ collective goods, let alone sully the purity of the nation.

Tensions between these temporal logics, partially aligned but never wholly coincident, nearly always surface as guestworker programmes run their course. They are over-determined in turn by a third, more fundamental contradiction—a forward-propulsion of migration flows themselves. The middlemen channelling workers across borders do so most often for a profit, extracted from employers at the onset of flows when demand exceeds supply, and subsequently from migrants as paths become well-worn and supply exceeds demand. Migrants paying off their debts will seek to extend their employment until some savings may be pocketed, while the impact of chain migration and remittances back home can raise the earning targets they aim for. The result of these tensions, in the absence of state supervision, can be seen in the coolie trade. Most coolies carried contracts for five years of work plus a return voyage. But the passage home was in many cases foregone. Of the Chinese recruited to build US railroads, harvest cotton and dig mines, only half returned—a rate comparable to that of many European immigrants to America. About 90 per cent of Indian labourers sent to the Caribbean remained.<sup>7</sup>

### *Typology of forms*

The three-way dynamics, and the contradictions to which they give rise, are formal properties of any guestworker regime as an abstract structure. But what of its concrete variations? In surveying the programmes that have taken hold in different regions of the world, five major forms

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<sup>7</sup> Zolberg, ‘Global Movements, Global Walls’, pp. 288, 291.

can be discerned, based on the location and scale of guestwork within the labour market.

1. *Core-Industrial*. The first is representative of what is both the earliest and longest-lasting of all guestworker programmes, which for over a century has provided the bulk of the labour force in South Africa's key industrial sector. In the gold mines of the Rand, discovered in 1886, cheap, disposable labour transformed what were—by Canadian or Australian standards—low-quality and hard-to-reach deposits into the cornerstone of the South African economy. In 1897, the Boer government of the Transvaal signed an agreement with Portugal for the Chamber of Mines to import labour from Mozambique to man the shafts on a rotational basis, without permanent population loss from the sending regions. To alleviate the fierce competition for workers, the mines were given power by treaty to establish a hiring agency and a web of recruiting stations and transport lines, including more than 1,500 miles of roads, which left little of the rural hinterland untouched. After Britain seized the Transvaal, the colonial government continued the agreement and negotiated successive modifications. Following independence, Pretoria was eager to continue the system of labour import treaties, which would make neighbouring states—Malawi, Botswana and Lesotho, as well as Mozambique—economically dependent on the earnings sent home from those toiling underground. With techniques borrowed from convict labour regimes, migrant workers were locked in closed compounds for the duration of their stay, usually a year or two, with compulsory remittances, and atrocious working conditions.<sup>8</sup>

More striking is the continuity of the system since the end of apartheid, even as the sector declines in importance. Industrial restructuring in the 1990s actually brought heightened dependence on guestworkers. The force that might have secured an end to the system, the National Union of Mineworkers, a close ally of the African National Congress when it took power, has merely called for its reform. The Chamber of Mines, for its part, has had no difficulty persuading the government that the South African economy is too exposed and reliant on mining to permit any

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<sup>8</sup> Jonathan Crush, 'Migrations Past: An Historical Overview of Cross-Border Movement in Southern Africa', in David McDonald, ed., *On Borders: Perspectives on International Migration in Southern Africa*, New York 2000, pp. 14–15; R. Mansell Prothero, 'Foreign migrant labour for South Africa', *International Migration Review*, vol. 8, no. 3, 1974, pp. 384–5.



tampering with the status quo.<sup>9</sup> Competition between sending states, meanwhile, undercuts attempts to improve the conditions of their nationals abroad, as each tries to close secret deals to secure larger quotas—and remittances—rather than greater security for its citizens. With three South Africans laid off for every foreign miner, guestworkers still constitute over half of the labour force in the mines, at a time when youth unemployment in South Africa runs close to 40 per cent. The unique continuity of this core-industrial variant of the guestworker phenomenon has not tempered its savagely exploitative character, as the 2012 massacre of strikers in the platinum mine of Marikana reminds us.

2. *Regional-Supplemental*. A second model involves guestworkers concentrated in a regional sub-section of the labour force. This is also occupationally selective, but overall economic dependence is less. Poles moving into Prussian agriculture under the Kaiserreich were a forerunner. During the Second World War, the US pushed the form further: military mobilization and stepped-up industrial production saw western agriculturalists calling for seasonal workers to address labour shortages in their ‘factories in the fields’. The US government pressed a reluctant Mexico into a bilateral agreement for the import of guestworkers by waiving grievances over the nationalization of American oil companies. The Mexican state presented the programme to its citizens as a step towards modernization of the country, with participants acquiring new farm techniques and equipment in the service of *la familia mexicana*. In this case, the US government—not, as in Junker Prussia, the local landowners—became the formal employer and guarantor of the rights of the temporary immigrants under the Bracero Agreement of 1942.<sup>10</sup> Though set to expire within five years, the programme proved popular among employers in California and Texas, who by 1947 had recruited more than 800,000 hands on seasonal contracts which excluded the option of naturalization. The Korean War spurred renewal of the programme, which would induct around two million *braceros* before it finally expired in 1964, on the eve of a general immigration reform. In its place came an expanded H-2 permit system—under the control of

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<sup>9</sup> On the post-apartheid situation, see Jonathan Crush and Clarence Tshitereke, ‘Contesting Migrancy: The Foreign Labour Debate in Post-1994 South Africa’, *Africa Today*, vol. 48, no. 3, 2001, pp. 49–70.

<sup>10</sup> Deborah Cohen, ‘Caught in the Middle: The Mexican State’s Relationship with the United States and Its Own Citizen-Workers, 1942–1954’, *Journal of American Ethnic History*, Spring 2001, pp. 111–5.

the Immigration and Naturalization Service rather than the Department of Labour—to recruit low-skilled workers on temporary contracts.<sup>11</sup>

Symptomatically for guestworker schemes, the principal legacy of the Bracero Programme came to lie outside it, in the development of mass irregular migration across the Rio Grande. Associated employer's fees for hiring through the programme ensured that Mexicans entering without papers remained the cheapest form of labour.<sup>12</sup> Though the number of people slipping past formal controls is notoriously difficult to estimate, in 1948 around 70,000 Mexicans were illegally working in the US, and by 1952 the figure had risen to 1.5 million. At the close of the decade more than 3.6 million irregular migrants from Mexico had been arrested—over double the numbers in the 1940s.<sup>13</sup>

Such unintended consequences have not dulled the appetite for temporary foreign labour in Washington, where expanded guestworker schemes form a key component of the immigration reforms now under discussion. The Senate has already approved a package that would combine a 'border surge', doubling electronic barriers and agents to keep out the unwanted, with entry for larger numbers of temporary workers. The annual intake of highly skilled guestworkers would increase to 110,000; more controversially, farm workers could double to 120,000—the final figure to be determined by a market-research bureau funded by guestworker fees. House Republicans have opted for a more piecemeal but capacious approach, with a series of separate bills that would grant entrance to up to half a million guestworkers. Each would be obliged to spend two months a year back home, with wages docked to ensure they do so: 10 per cent of their total earnings would be paid only upon final exit. Whether either version will actually materialize, given current Congressional deadlock, is another question.

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<sup>11</sup> Kitty Cavalita, *Inside the State: The Bracero Program, Immigration and the INS*, New York 1992, provides the most detailed examination of the scheme's rise and decline.

<sup>12</sup> The US government sought to deal with irregular entrants by 'drying out the wetbacks'—workers found without papers were taken across the border and given official documents—an extra trip that soon most *braceros* were making. In 1949, 20,000 guestworkers entered through formal channels, and 87,000 wetbacks had their status regularized after entry: Philip Martin, *Promise Unfulfilled: Unions, Immigration and the Farm Workers*, Ithaca 2003, p. 47.

<sup>13</sup> Philip Martin and Michael Teitelbaum, 'The Mirage of Mexican Guest Workers', *Foreign Affairs*, November–December 2001, p. 122.

3. *National-Supplemental*. Distinct from this pattern, and outstripping it in economic importance, is the national-supplemental variant of guestworker programmes elaborated in the Old World, where labour shortages ran deep after the war. Countries with substantial colonies, including the UK, France and the Netherlands, had little need to search elsewhere for labour. (France's small guestworker programme set up under the Office National de l'Immigration was largely ineffective; Britain's miniature programme expired after five years.) The subjects of their overseas possessions could enter the labour market with some rights as nationals, though these doors were gradually closed from the 1960s on, with voluntary repatriation schemes introduced by the 1970s.

Without colonial hinterlands, it was the German-speaking countries that resorted to large-scale guestworker programmes in a strict sense. Though Switzerland and Austria had their own variants, the Federal Republic set the pace.<sup>14</sup> A series of bilateral agreements across the 1950s and 60s secured workers from Italy, Greece, Yugoslavia and above all Turkey. In many cases, states struggling with high unemployment joined forces with German employers in organizing and promoting these programmes, while within the Federal Republic a fully developed state bureaucracy, with offices in the sending states, mediated between employers and workers. By the turn of the 1970s, 2.5 million foreigners were toiling in West Germany, present across manufacturing and services. This was a guestworker system on a nationwide scale. Where in the US, the Bracero Programme at its height never amounted to more than 0.6 per cent of the labour force, in West Germany *Gastarbeiter*, at a peak of 11 per cent, were nearly twenty times more numerous in relative terms.

At the beginning, the 'rotation principle' by which workers were offered contracts of one or two years, as in South Africa, was no dead letter. About 75 per cent of a total of nearly 19 million arrivals in the Federal Republic returned to their homelands.<sup>15</sup> But a policy that allowed firms to request workers by name encouraged longer-term employment, and by the turn of the 1970s, the rotation system had broken down: more than half of all guestworkers had been in the country for more than six years.

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<sup>14</sup> For the development of guestworker programmes in Switzerland, see Hans-Joachim Hoffman-Nowotny, *Das Fremde in der Schweiz: Ergebnisse soziologischer Forschung*, Zurich 2001.

<sup>15</sup> Elmar Hönekopp, 'Labour Migration to Germany from Central and Eastern Europe: Old and New Trends', *IAB Labour Market Research Topics* 23, 1997, p. 1.

The end of recruitment with the 1973 oil shock saw the encouragement, but not enforcement of return. For meanwhile, converging pressures had increased the rights of migrants: courts limited deportations; protests by unions, churches and charities relaxed restrictions on family reunion; *Kindergeld* was extended to newcomers. The upshot was the opposite of the policymakers' intention: while the size of the migrant labour force shrank, the size of the immigrant population grew. How far this outcome is from any social consensus can be seen from the reverberations of Thilo Sarrazin's fear—the anxiety of a social-democrat—that Germany thereby risks 'undoing itself'. Weber would have shared it. Switzerland, with guestworker flows of similar magnitude, is also no poster child for integration.

4. *Primary.* The 1973 oil shock that brought guestworker programmes in Europe to a halt was the impetus for their spectacular takeoff in the Middle East, where the oil revenues of the Gulf States—Saudi Arabia, Kuwait, Qatar, Bahrain, the United Arab Emirates, Oman—tripled within five years. There, for the first time in history, guestworkers would become not a complementary, but the primary labour force in the local economies. Before the oil shock, an estimated one million foreign workers could be found in the GCC states; within two years, the figure had trebled. While nationals planted themselves in public administration and state agencies, aliens assumed almost the entirety of private-sector employment. Saudi Arabia's size—at almost 30 million, its population is nearly twice that of the other GCC states combined—is such that guestworkers account for 'merely' half of its total labour force, though 80 per cent of private-sector employment. In the smaller Gulf States, dependence on guestworkers reaches dizzying heights. In Oman and Bahrain, they supply about 75 per cent of the labour force and 80 per cent of private-sector employment. In Kuwait, the UAE and Qatar, the figures rise to 85–95 per cent of the labour force and nearly 100 per cent of all private-sector employment.<sup>16</sup>

Though the free movement of labour in the region was discussed in the 60s, tremendous economic growth brought a hardening of national

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<sup>16</sup> Making skilful use of the limited data available, Martin Baldwin-Edwards has produced the clearest statistical picture of labour migration in the GCC states: 'Labour Immigration and Labour Markets in the GCC Countries: National Patterns and Trends', Kuwait Programme on Development, Governance and Globalization in the Gulf States, London School of Economics, March 2011.

borders. Visa-waivers and naturalization options for fellow-Arabs were cancelled by the mid-70s. While states like Germany and Switzerland had turned to close neighbours for guestworkers as a safeguard of their return, fear of pan-Arab calls for the sharing of oil wealth and overthrow of monarchies encouraged GCC countries in the opposite direction, substituting once strong patterns of informally organized intra-Arab migration with massive flows of migrant labour from South and Southeast Asia, a transfer that accelerated with the 1991 Gulf War.<sup>17</sup> The shift in recruitment was accompanied by a change in organization. Whereas trans-border labour flows had once been run by oil companies and labour brokers, now states developed their own management of them, in the form of a sponsorship or *Kefala* system. To enter a GCC state, migrants must be sponsored by an employer, whose name is recorded in their visa as the only person for whom they can legally work, and who assumes legal and financial responsibility for the worker. Visas usually last for two years and are renewable, yet naturalization is forbidden. The strict limits on employment under the *Kefala* system, however, have multiplied the number of illegal immigrants, since anyone who does not work for the employer specified on his or her visa is in violation of the law. Already by the early 1990s, about 15 per cent of the foreign workforce across the region was illegal. Today an estimated 30 per cent of the UAE guestworkers carry documents naming fictitious companies, and 70 per cent of visas for Saudi Arabia are traded on the black market.<sup>18</sup>

The *Kefala* system has thus not only failed to ensure rotational migration, but renders migrants peculiarly vulnerable to abuse, since any complaint can lead to swift dismissal and a seat on a plane home. The elaborate recruitment industry that has grown up around the system has transformed excess demand into excess supply, and working conditions have worsened correspondingly. The transportation, passport and medical costs once covered by the sponsor have been devolved to agents, who quickly pass them on to migrant workers. Across the 80s and 90s, mass influx led to a fall in wages and a rise in recruitment fees and debt bonds, which migrants must work ever longer to pay off. Yet the profitability to employers and middlemen of a status quo where legality and illegality

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<sup>17</sup> Andrzej Kapiszewski, 'Arab versus Asian Migrant Workers in the GCC Countries', UN Expert Group Meeting on International Migration and Development in the Arab Region, May 2006.

<sup>18</sup> Baldwin-Edwards, 'Labour Immigration in the GCC Countries', pp. 40–1.

blend into each other is often a stronger force than government controls: mass deportations are not enforced. Meanwhile native unemployment is on the rise, particularly among youth, with estimates as high as 35 per cent for Saudi Arabia. The public sector, known for over-staffing and low productivity, is saturated, yet the education system continues to produce nationals geared for such jobs. Weak efforts to respond to social concerns by replacing foreign with native workers have met with little success, as most natives still aim for comfortable jobs in the administrative apparatus of regimes that are parasitic to a degree never witnessed before on guestworker labour.

5. *Marginal*. Finally, there is one major region of the world market where the diametrically opposite pattern holds. There guestworkers have until now remained structurally marginal as a proportion of the workforce. In this region, the swift transition from agrarian to fully developed industrial societies has been followed by some of the lowest birth rates in the world, posing the obvious demographic challenge: how is economic dynamism to be maintained with a steadily ageing population and shrinking workforce? Left to itself, the logic of capital would point to the import of foreign labour to make good the domestic shortfall. Japan, South Korea and Taiwan have, to a remarkable degree, resisted this. High fertility and mass rural-to-urban migration provided sufficient labour to rebuild their economies after the Second World War, most rapidly in Japan. But when Japanese employers in the early 70s proposed admitting foreign workers to keep production costs down, they met harsh union and media criticism, and were quickly silenced by the government, which took other steps to promote growth. These included mechanization, overseas production, mobilization of youth and women workers and wage increases—hallmarks of what would later be dubbed the ‘developmental state’. Their success reinforced a strong consensus that growth was possible without opening doors.<sup>19</sup>

Yet by the late 80s, buoyant economies outgrew the status quo, and Japan, South Korea and Taiwan saw the numbers of illegal workers growing, alongside employer demands for low-cost foreigners. Wary of incurring the well-known unintended consequences of *de jure* guestworkers, Japan

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<sup>19</sup> Kajita Takamichi, ‘Nihon no Gaikokujin Rōdōsha Seisaku’, in Kajita Takamichi and Miyajima Takashi, eds, *Kokusai kasuru Nihonshakai*, Tokyo 2002, pp. 15–44; David Chiavacci, *Japans neue Immigrationspolitik: Ostasiatisches Umfeld, ideelle Diversität und institutionelle Fragmentierung*, Wiesbaden 2011.

and Korea instituted small *de facto* versions in the form of ‘intern’ and ‘trainee’ programmes, enabling around 100,000 to 200,000 workers from China and Southeast Asia to labour for up to three years, for less than the minimum wage, under the guise of ‘skill transfer’. Brokers implement the scheme under a layer of bureaucracy, with typically exploitative results. Japan’s programme has been criticized by the US and UN for implementing forced labour akin to slavery.<sup>20</sup> In Korea such abuses have faced sharper criticism. Concerted civil-society pressure over extensive rights violations obliged the Korean government in the early 2000s to shift to a formal guestworker scheme, aimed at undercutting the role of brokers and checking the multiplication of illegal workers, who by this time outnumbered trainees. The new programme allows 270,000 guestworkers into the country for up to five years, in designated occupations. Upward expansion in both societies is hindered by parallel employment systems for co-ethnics—typically Japanese-Brazilians and Korean-Chinese—who work in semi-skilled jobs, and roughly match the guestworkers in numbers, though not in rights. Unlike other foreigners, they have greater labour-market freedom and can either renew their visas indefinitely or apply for permanent residence. But this is a drop in the bucket for a country like Korea with a labour force of 25 million, not to speak of Japan with a labour force of 65 million.

Taiwan set up a formal guestworker scheme much earlier, starting in the 1990s, to funnel foreign workers into manufacturing and construction jobs. The programme was intended as a temporary measure until technology could substitute for labour in these fields, but it was soon expanded into other sectors, of which carework has become the fastest-growing. A close eye is kept on the national labour market in managing the programme, which currently has about 475,000 participants. The government allocates a limited number of quotas to employers in sectors deemed in need of foreign labour; competition for these is fierce, as it also is for the licensed broker agencies that handle the matching of workers to jobs. The threat of losing a much sought-after slot for hiring a foreigner, and the substantial deposit paid to the government for each migrant—returned only when an airline company has verified he or she is back in the country of origin—keeps employers on guard against

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<sup>20</sup> See, for example, Jorge Bustamante, ‘Report of the Special Rapporteur on the Human Rights of Migrants’, United Nations Human Rights Council, Seventeenth Session, 2011, p. 10.

'runaways', holding the number of irregular workers down to an estimated mere 20,000.<sup>21</sup> But if the problem of a growing illegal population has been avoided, that of rotation has not. These 'temporary workers for permanent jobs' have seen their length of stay repeatedly extended, and discussions are now underway about increasing the current nine-year limit to twelve.

In sum, despite long life expectancies and rock-bottom birth rates (Taiwan and Korea typically compete for last place in the world), the contribution of guestworkers to the total labour force is minimal—4 per cent or less—in all of these countries. Though marriage migration is increasingly encouraged, in none of them is the settlement of low-skilled workers or their transformation into consumers on the agenda. Outsourcing jobs in manufacturing to cheap-wage locations in China or Southeast Asia, in which Japanese companies historically took the lead, has been one response to diminishing supplies of labour at home. Robotization, in which again Japan has been in the global vanguard, is another. But neither construction nor services lend themselves readily to such solutions. The reluctance of East Asian states to institute guest-worker programmes of any size suggests a limit to the structural analysis I outlined earlier.

### *Social determinants*

What is this limit? The dynamics of the relationships between employers, states, migrants and their brokers can illuminate much in the outcomes, intended and unintended, of guestworker programmes around the world. But the range of variations in their scale is explicable by reference to what is missing from this trio—namely, the social structures in which they have arisen. This is brought home by the East Asian anomaly, whose lesson is that what we need is not simply a typology of guestworker programmes, but a taxonomy of the forms of social organization in which they have taken shape. Corresponding respectively to core-industrial, regional-supplemental, national-supplemental, primary and marginal programmes are what can be termed colonial, settler, autochthonous, rentier and isolate historical settings. Colonial

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<sup>21</sup> Yen-fen Tseng and Hong-zen Wang, 'Governing Migrant Workers at a Distance: Managing the Temporary Status of Guestworkers in Taiwan', *International Migration*, vol. 51, no. 4, 2011, pp. 1–19.



South Africa, settler North America, rentier Persian Gulf, as fundamentally different orders are relatively self-descriptive. What of the other two forms? 'Autochthonous' describes for the most part long-inhabited and densely populated areas, and 'isolate' the same, but with significantly more limited interactions with their neighbours—the contrast, essentially, between Western Europe and East Asia.

It is within the context of these different forms of social organization that the role and character of guestworker programmes are negotiated, as the respective states in each zone mediate the contradictions between the requirements of capital accumulation and national legitimacy. Colonial South Africa, a racist society founded on institutionalized violence, could develop the core of its wealth creation through the most ruthless and intransigent system, which it has bequeathed to the present-day post-colonial, but still greatly unequal, order. Settler America, reinforced by slave labour and replenished by successive waves of immigrants, required temporary migrants as no more than a regional supplement. Western Europe, where the state had a colonial hinterland, could dispense with formal complements to its labour force. But where it lacked such a reserve, in Germany or elsewhere, extensive levies of guestworkers would be called on, admitted grudgingly to greater rights only when demographic facts on the ground could no longer be ignored. Vice-versa, the despotisms of the Gulf, sitting on vast oil wealth and fearful of regional migration as a threat to their political survival, have resorted overwhelmingly to out-of-area guestworkers as the safest way to build modern economies and preserve their power by distribution of rents to their citizen clienteles. Finally, in the Far East, where the Cold War ensured that historical isolates largely remained such, resistance to foreign workers of any kind has been much stronger than in Europe. There, developmental states have largely continued to rely on local labour reserves for the least desirable jobs.

Looking at the overall history of guestworker programmes, from Witwatersrand to the Central Valley, Abu Dhabi to Bavaria, are any general evolutionary trends discernible? Two, at least, stand out. Of these, the first is the trajectory of their positions within the economies in which they have appeared. They begin in agriculture, where the import of temporary supplies of migrant labour is ideal for seasonal rhythms of work, and mining, where underground labour makes for closed working environments, lending themselves to segregated compounds. Even before

the state created guestworker programmes proper, these were the two key locations of migrant labour in the Second Reich, and would form the basis of the first major schemes in the mines of the Rand and on the farms of California and Texas. In a second phase, their centre of gravity moved to manufacturing—most prominently in the factories of the *Wirtschaftswunder* in Germany. In a third phase, their leading application shifted to services and construction, above all in the Gulf. Thus the pattern of their location has tracked the global path of capitalist development, in Colin Clark and Jean Fourastié's terms, from primary to secondary to tertiary sectors. Of course, that movement has never been uniform. Today micro-guestworker schemes in Europe and North America—typically industry-specific quotas bifurcated into high-end technologies and low-end services—also include provision for seasonal work in agriculture. Nonetheless, a rough general transition up the sectoral ladder is apparent.

A second kind of transformation we can trace in these schemes remains internal to them all. This is the universal tendency of programmes that are designed to use alien workers for a period, and then discard them before they can sink roots in national soil, to end by creating what they set out to avoid: permanent immigrant communities. For the reasons we have seen, guestworker programmes are always subject to leakage and overspill, as families arrive, courts mitigate, brokers thrive and bureaucrats weaken. That is their basic contradiction, and one that has become increasingly difficult to check. Its effects are apparent too in what is not a guestworker programme, yet reveals certain commonalities with one. The number of migrant labourers from the countryside in China today—some 250 million—is larger than that of all international migrants, of whatever kind, put together. These workers cross no foreign borders, and are not subject to compulsory return. But the *hukou* system of residential registration, forbidding them legal residence in the urban centres where they toil, suggests more than one analogy to guestworker schemes. Created by the state, it functions to provide workers to enterprises while enforcing a juridical separation between those with and those without relevant rights, leaving employers unencumbered with permanent employees who might organize and make demands on them, and local governments not burdened with extending the social benefits to which urban residents are entitled. But like guestworker programmes, the *hukou* system is also showing cracks as civil-rights groups raise critical voices, and as the ideological difficulties of policing such

a division within the body of the citizenry unfold. Thus it too cannot prevent illegal yet long-term residence, as labour designed to be limited becomes indefinite, and families without permits cluster on the margins of big cities. Weber would not be surprised. This would appear to be the destiny of every major arrangement for the supply of temporary labour, one captured perhaps most succinctly by the French saying that 'it is only the provisional that endures'.