

LABOUR MIGRATION AND DEVELOPMENT: TOWARDS A NORTH-SOUTH VISION FOR CHANGE

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ABSTRACT

This article is adapted from a presentation made at a meeting of policy experts of the Organization of Economic Cooperation and Development, and the Trade Union Advisory Council. The presentation provided the "trade union expert perspective" at the seminar held in Paris, October 17, 2007, entitled "Fair Labour Migration – from vision to reality." Tracing an alternative approach to understanding 'global labour supply', the article makes links between jobless growth, trade and investment liberalization, and the increased use of temporary migrant workers around the world. The article concludes with proposals for a broad framework of change leading to decent work and sustainable development – in both the global North and the global South.

GLOBAL LABOUR SUPPLY

In conventional analysis, the increasing aging population of Northern countries, and increasing birth rates of Southern countries are taken as key determinants of global labour supply. In reality, national employment data, wages and working conditions are far more crucial. China, India, Indonesia, and South Korea are four instances which help demonstrate this re-interpretation of global labour supply.

According to figures of the International Labour Organization (ILO), employment in the "traditional formal sector" of China (i.e. state and collectively-owned enterprises) decreased by 59 million jobs between 1990 and 2002.¹ In the same period, only 24 million jobs were created in the "new and emerging formal sector", defined by the ILO as cooperatives, joint-ventures, limited liability corporations, share-holding corporations and foreign companies. Taking into

account employment in the "informal, urban sector" (i.e. registered small enterprises and individually-owned enterprises), the ILO cites an overall increase of 1.7 million workers in regular employment for the 13 year period. Needless to say, this is far below the growth of the labour force in China between 1990 and 2002.

In terms of wages, according to a survey of the Ministry of Labour and Social Security, base assembly line wages in the manufacturing belt (Pearl River Delta, Guangdong province) have been frozen at \$80 per month since 1997.² This translates as a drop in real wages of 30%. Despite these low wages, employment in the manufacturing sector in China fell by 16 million workers between 1990 and 2006.³

Paralleling the situation of decreasing employment and real wages in China are the situations of workers in India, Indonesia and South Korea. In India, employment in what is known as the "organized sector" (i.e. not necessarily unionized, but firms with more than 10 employees) did not increase between 1993 and 2000, despite 4.7 per cent growth in gross domestic product.⁴ Regardless, then, of liberalized trade and investment since India's joining of the global trading system, manufacturing jobs in the organized sector continue to amount to only 6 million of the total 48 million manufacturing jobs in the country.⁵

Taking the instance of informal labour in Indonesia as an indicator, the share of non-agricultural, informal sector employment increased from 65 per cent to 70.8 per cent in the short period of 1998-2003. And in South Korea, recently-joined member of the OECD, the number of "irregular workers" within the formal sector (i.e. those earning an average of 53 per cent of wages earned by full-time, permanent workers) increased from 42 per cent to 55 per cent in roughly the same short period (1997-2003).⁶ Meanwhile, in the South Korean informal sector, labour force share of self-employed workers and their unpaid family members has mounted to one-third of the labour force.⁷

Returning to global labour supply, what these figures show is that in the most dynamic region of capitalist accumulation in the world economy today, the employment and income effects of growth are poor, leading to an increase of workers searching for better jobs, including beyond national borders. This is also true of sectors of the labour force with university education. The Ministry of Education of China, for example, estimates that of the 5 million graduates for the year 2007, 1.5 million will not find employment.⁸

Additionally, as the global climate of war continues, an increasing number of displaced people, many of whom are workers, will join the enlarging number of workers searching for employment outside of their countries of origin. The United Nations High Commissioner for Refugees recently reported, for example, that 2.2 million internal refugees have been barred entry to 11 provinces within Iraq.⁹ Like the Chinese and other Asian workers already

mentioned, displaced Iraqi workers have little choice but to search internationally for employment, particularly those with language and other abilities.

TRADE AND INVESTMENT LIBERALIZATION AND THE GLOBAL INTEGRATION OF LABOUR MARKETS

Increased migration of workers and the global integration of labour markets must be understood within the context of trade and investment liberalization over the past 25 years. In China, which as demonstrated above, is a large source of global labour supply, liberalization based on foreign investment and the production of exports has severely lessened the state's capacity to plan and direct the economy. While information technology (i.e. DVDs, notebooks, cell phones) account for 28 per cent of Chinese exports, domestic value-added amounts to a mere 15 per cent of these exports.¹⁰ At the same time, as pointed out in the previous section, informal sector jobs and irregular employment are on the rise in countries where much of the import content of Chinese exports is being produced.

Within this context of liberalized trade and investment and jobless growth, it follows that labour-rich states such as China and India are demanding more access to job markets (at all skill levels) in international trade negotiations, for example, through Mode IV of the General Agreement on Trade in Services (GATS).¹¹ Also flowing from this context is the "decent work for decent life" campaign led by the International Trade Union Confederation (ITUC). The campaign aims to put the notion of decent work at the center of development, economic, trade, financial and social policies, both nationally and internationally.¹²

Building on discussions of GATS Mode IV at the World Trade Organization, certain governments, the private sector, the International Organization for Migration (IOM), and the World Bank are developing the International Migration and Development Initiative (IMDI) - a set of measures to liberalize and integrate labour markets around the world. According to the rationale of the IMDI:

A hands-on approach is needed to facilitate the mobility of labour, which until now has not benefited from the same level of liberalization as capital and goods. A new approach, one which aims to facilitate the matching of labour demand and supply, should address the needs of all types of economic migrants, the skilled and less skilled, in sectors from health care to hotels, restaurants, construction, IT and education on both a temporary and permanent basis.¹³

Despite the obvious connection to unions, the IMDI does not include the

participation of unions. At the first Global Forum for Migration and Development (Brussels, July 2007), the International Trade Union Confederation, Public Service International, and others therefore urged, in an open letter to United Nations (UN) Secretary General Ban Ki-Moon that the UN reclaim leadership in the process of global migration policy discussion. The open letter underlines two principles for this process: that it be based on a human rights framework, thereby assuring the rights of all workers, and that it include full participation of unions and non-governmental organizations.¹⁴

For its part, the OECD Development Centre recognizes unions as "key stakeholders" in shaping a "new mobility system."¹⁵ The OECD however does not call for migration policy to occur within the UN institutional framework, which is a shortcoming from a labour perspective.

SOCIO-ECONOMIC DEVELOPMENT AND SKILLS FORMATION

In his classic work, *The Strategy of Economic Development*, Albert Hirschman (1958) proposed the concept of 'linkages,' in which the role of development policy is to attempt to trace and extend the backward and forward linkages of all economic activity. For example, a policy to nurture the production of cooking oil leads to job creation in the cultivation of oil seeds (backward linkage), as well as jobs in the processing of oil seeds and basic food products for the nourishment of citizens (forward linkages). The political choice of assumptions at the time was that local and coordinated industries within national spaces are optimal because they help achieve full employment and domestic demand.

With the neoliberal shift initiated by Northern governments in the early 1980s and the growth of knowledge sector industries, the notion of linkages between industries and in turn, the organic coordination of skill sets of workers is being eroded from one national economy to the next. Employers in the knowledge sector seek workers with a mix of skills and attitudes which do not fall into familiar occupational categories; for example, 'e-skills,' digital literacy in standardized global software packages, 'entrepreneurship,' and 'team-player' qualities. Employers then combine and re-combine skills according to their changing needs. With the establishment of high capacity telecommunications infrastructure, pieces of work are passed along from worker to worker, across borders, depending on the particular combination of skills required for specific projects.¹⁶

With growing government support for the International Migration and Development Initiative, and increased employer and government support for the temporary as opposed to permanent migration of workers, the same type of breaking-down of skill sets is likely to occur in several more occupations. The process is further accelerated by the dismantling of national qualification systems

and public education, as governments and development agencies invite multinational corporations to provide certification courses and create global skills standards. From a labour perspective, the direction of these overlapping processes is not leading toward social and economic development which encompasses both decent work and sustainability.

Also veering away from such encompassing development is the increasing migration of female labour. Caring labour has historically been undervalued in capitalist economies, from the unpaid work of women in the home, to the work of personal assistants, to the provision of health services. The use and abuse of domestic migrant workers in relatively wealthy homes around the world over the past five decades have occurred within this historic tradition. The global integration of labour markets will only fortify the under-valuing of caring labour. A recent case in Western Canada exemplifies the point, whereby cleaning and dietary support workers for some hospitals of British Columbia are to be hired from outside of Canada at a rate of 12 dollars per hour. This compares with a rate of 17 dollars per hour (plus additional benefits) in other parts of the province, where hospitals have not yet been privatized and local labour is still being used.¹⁷

Another example from the health sector demonstrates the relation between the out-migration of caring labour and the undermining of people-oriented development. According to an estimate in 2004, countries of Sub-Saharan Africa were short some 620,000 nurses to meet targets of the Millennium Development Goals.¹⁸ Meanwhile, some 23,000 African health professionals migrate, per year, to countries of the global North.

FRAMEWORK FOR CHANGE: HOW TO MAKE MIGRATION A TOOL FOR SUSTAINABLE DEVELOPMENT AND DECENT WORK¹⁹

In conclusion, migration can be a tool for sustainable development and decent work if trade unions and other social forces are able to:

- Establish the right to permanent residency and citizenship rights for migrant workers in all sectors
- Re-establish and deepen societal respect for collective bargaining
- Increase unionization to cover all major sectors of the economy, including those dominated by female workers
- Assure the welcoming and servicing of migrant workers as union members
- Establish forums for participatory economic planning and decision-making in local, national, and regional spheres, through which ecologically- and socially-sound development come into being from the global South to the global North.

NOTES

1. Ajit Ghose, "Employment in China: Recent trends and future challenges," Employment Analysis Unit, Employment Strategy Department, Employment Strategy Papers, 2005/14, ILO, 1, p. 27, as cited by Martin Hart-Landsberg and Paul Burkett, in "China, Capitalist Accumulation and Labour," Monthly Review, vol. 59, no. 1, May 2007.
2. As cited by Martin Hart-Landsberg and Paul Burkett, in "China, Capitalist Accumulation and Labour," Monthly Review, vol. 59, no. 1, May 2007.
3. Ajit Ghose, "Employment in China: Recent trends and future challenges," Employment Analysis Unit, Employment Strategy Department, Employment Strategy Papers, 2005/14, ILO, 1, p. 29, as cited by Martin Hart-Landsberg and Paul Burkett, in "China, Capitalist Accumulation and Labour," Monthly Review, vol. 59, no. 1, May 2007.
4. Asian Development Bank, Labor markets in Asia, Manila: Asian Development Bank, 2005, pp. 18, 20, as cited by Martin Hart-Landsberg and Paul Burkett, in "China, Capitalist Accumulation and Labour," Monthly Review, vol. 59, no. 1, May 2007.
5. Simon Long, "Now for the Hard Part: A Survey of Business in India," Economist, June 3, 2006, p.10, as cited by Martin Hart-Landsberg and Paul Burkett, in "China, Capitalist Accumulation and Labour," Monthly Review, vol. 59, no. 1, May 2007.
6. Ajit Ghose, "Employment in China: Recent trends and future challenges," Employment Analysis Unit, Employment Strategy Department, Employment Strategy Papers, 2005/14, ILO, 1, as cited by Martin Hart-Landsberg and Paul Burkett, in "China, Capitalist Accumulation and Labour," Monthly Review, vol. 59, no. 1, May 2007.
7. "The Self-Employed in Plight," Korean Herald, February 12, 2005, as cited by Martin Hart-Landsberg and Paul Burkett, in "China, Capitalist Accumulation and Labour," Monthly Review, vol. 59, no. 1, May 2007.
8. Ministry of Education, as cited by Guan Xiaofeng and Wang ShanShan, "Job Shortage to Affect Graduates," China Daily, November 29, 2006, as cited by Martin Hart-Landsberg and Paul Burkett, in "China, Capitalist Accumulation and Labour," Monthly Review, vol. 59, no. 1, May 2007.
9. "Doors closing on Iraqi displaced," BBC World Service, 10 October, 2007, http://news.bbc.co.uk/1/hi/world/middle_east/7036949.stm
10. Lee Branstetter and Nicholas Lardy, "China's Embrace of Globalization," National Bureau of Economic Research, Working Paper Series, No. 12373, July 2006, p. 19, as cited by Martin Hart-Landsberg and Paul Burkett, in "China, Capitalist Accumulation and Labour," Monthly Review, vol. 59, no. 1, May 2007.
11. Though focused at one particular sector, for a brief overview of GATS Mode IV, see "GATS: Impact on Company Secretaries," by Parveen Nagree-Mahtani and Sandeep Farias. For a more extensive treatment of the subject, see Bjorn Jensen, "Labour Mobility and the Global Economy: Should the World Trade Organization Set Migration Policy?" Philadelphia: American Friends Service Committee, July 10, 2006.
12. For more information on this campaign, see http://www.decentwork.org//index.php?option=com_content&task=blogcategory&id=13&Itemid=27.
13. International Organization for Migration, "Global Labour Mobility: A Catalyst for Development," Policy Focus September 2006, <http://www.iom.int/jahia/jsp/index.jsp>
14. See "Open Letter to UN Secretary General Ban Ki-Moon on the Occasion of the Global Forum on Migration and Development, Brussels, 9-11 July, 2007, http://www.itucsi.org/IMG/pdf/FINAL_Press_Statement_-_call_to_UN_General_Secretary.pdf
15. See Jeff Dayton-Johnson, L. Katseli, G. Maniatis, R. Munz, D. Papademetriou, Gaining from Migration- Towards a New Mobility System. Paris: OECD: 2007
16. For further analysis on this topic see "What will we do?: Occupational Identity and the Knowledge-Based Economy," by Ursula Huws, Monthly Review vol. 57, no. 8, January 2006, <http://www.monthlyreview.org/0106huws.htm>
17. Hospital Employees' Union Press Release, "Hospital contractor's plan to hire overseas workers points to Bill 29 privatization failure," Burnaby, 11 October, 2007, <http://www.heu.org/~documents/news%20releases/nr%2010-11-7%20foreignworkerscompass.pdf>

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19. For a comprehensive set of policy recommendations, see "Analysis, Solidarity, Action - a Workers' Perspective on the Increasing Use of Migrant Labour in Canada," position paper of the Canadian Labour Congress, http://canadianlabour.ca/index.php/Labour_and_Migration/1117