

THE MIGRANT ECONOMY AND THE FUTURE OF CANADA¹

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Introduction

If we want to understand the dynamisms at work in the real world, it is important to put aside the paradigms which have structured and moulded our way of contemplating the reality which surrounds us. A heritage of the nineteenth century, these paradigms, among which we find those of the Nation-State and the international economy, make up powerful barriers to the perception of the transformations which disrupt the order which was instituted on a global scale at the end of the Second World War. This order, we recall, was considered to be permanent and, furthermore, the basis of an irreversible process of economic growth.

Use of the notion of a *migrant economy* to qualify the regime of accumulation which, at the moment, marks the internationalized process of capital reproduction, is a way of breaking off from the former schemes of the comprehension and interpretation of the economic relationships among nations. In order to outline the specific characteristics of this regime of accumulation, which has expanded continuously during the last fifteen years, we may take three themes. That the change was facilitated : **technologically**, by the revolution in communications: facilitated in the **economic** sphere by competitive strategies of large industrial groups, and facilitated **politically** by the break-up of the Soviet empire and with China's access to the intensive practice of capitalism. In the face of such profound change it is a necessary operation to identify the major challenge that contemporary States, notably Canada, have to face.

The postulates of classical economics are based on a representation of the world which, in seeking to understand the dynamics of the international trade of goods and services, stresses the factorial endowments and the comparative or competitive advantages of nations entering into mutually beneficial relationships. At the centre of this representation lies the sovereign State, the departure and arrival point of trade flows, and the idea of comparative benefits, the guidance and orientation principle of these transactions.

The notion of a **migrant** economy, without denying the reality of the Nation-States and the regulating capacity of the institutions they have created

over time, relativises considerably the idea of autonomy traditionally associated with their existence. In practice, the Nation-States continue to govern the work-force flows and population movements within the territory over which they have jurisdiction. They also take charge of, by the bias of different economic and extra-economic mechanisms, part of the conditions of reproduction of the work force which circulates therein. Thirdly, they undertake part of the reproduction process of capital which, for one reason or another, firmly establishes itself in the area that the Nation-States govern. But the complete process of reproduction of this capital escapes them. In continual flux, this capital, having become nomadic, practically no longer has any positive identification with the State to which one would normally associate or link it. Capital obeys only a principle of guidance and allocation, that of the optimal conditions of economic development and profitability. Now, these conditions are changing and the most efficient capital is that which, on the one hand, is successful in laying down the production standards recognized throughout the world, and that which, on the other hand, can profit from [through the mechanisms of relocation or rapid disintegration of activity] the advantages put at its disposal by governments competing against one another to attract it. At the preliminary stage, the migrant economy indicates a decisive transfer of the capitalist impetus outside of the regulation space of the Nation-State, which considerably reduces the room for manoeuvre for governments to anticipate and, *a fortiori*, to regulate all types of flows (be they positive or negative) which cross their borders.

The migrant economy also challenges the principle of factorial endowments and comparative advantage as the foundations of the relative competitiveness of socio-economic space. The intensive circulation of capital and of specialized workforces throughout the world takes place in an economy marked more and more by the production of synthetic goods and by the supply of intangible services. This makes possible, in fact, configurations of the encounter between capital and labour which fail to respect the parameters of geographic entrenchment of this fundamental relationship of wage-earning societies. Mobile human resources, coupled with the slight infrastructure required by international services for computerized distribution in fact increases the number of "virtual" corporations. These corporations materialise and destructure for the duration of a contract whilst profiting from the optimal efficiency generated by industrial partnerships. They centre exclusively around development and implementation strategies geared to an opportunistic search for business deals. The virtual corporation is an organizational form typical of what post-Keynesian economics strives for;

chaos. That is to say, perpetual motion as a founding principle of entrepreneurial action and managerial culture. This ever-changing motion, once again, renders the enterprise less sensitive to the usual constraints of spatial locations and registers the principle of deterritorialization as central to its strategies. Such practices undermine the regulatory capacity of the national governments and mostly eliminate the principle of factorial endowment as a criterion for the establishment of capital within a given location.

The consequences that States, including Canada, face from this analysis of the new regime of accumulation are threefold:

- First, such States are led into the bustle of an economic system the variations of which they have problems in understanding . This is because those variations now follow unpredictable tangents, as a result of obeying the determining principle of "inventive disorder". Thus, all States presently existing experience in two ways (though each State differently) the macroeconomic chains led by the international expansion of this economic system. Firstly, they sometimes benefit from it as they try to lay down the institutional conditions to take advantage from the new regime of accumulation. Secondly, they also suffer the consequences as they appear incapable of managing such changes without a tremendous increase in public deficits.

- This new regime of accumulation, that we identify with the term <<migrant economy>>, equally challenges the postulates which have assured the growth of industrial economies in the post-war period : notably that of mass consumption, by a maximal number of households and individuals, of material goods within a national space. In fact, it is around the invention, manufacture and marketing of goods and services of high added-value that competitive relationships among *economic zones*, and their relative hierarchy, are established and shaped. In other words, growth potential is no longer, as previously, based on mass production of commonplace objects for consumption by an extremely large number of households living within a given space -a national space of preference. Instead it is based on the creation and manufacture of complex goods, at a very high ratio of capital/labour, for sale to specialized clientele spread out throughout the entire world. This major shift from the regime of accumulation which marked numerous industrial States after the last war -characterised as <<Fordism>>- lays down in their midst the conditions of a decisive reconfiguration of social stratification . This reconfiguration presently appears in three principal ways: by the wearing down of the middle classes (which, we must not forget, were the pillars of stability in the post-war political system in western societies); by

the underlying polarization of the revenue strata; and by a general increase in the number of outcasts, among whom we find those who receive financial assistance, those who are newly unemployed, all those who are unstable, forced to retire, etc. We thereby see the premises of a latent social restlessness of which urban uprisings and smuggling are only the first symptoms.

- The third consequence generated by the new regime of accumulation concerns the re-engineering of capital. This takes on many aspects: the downsizing, flattening, rightsizing of enterprises; the rationalization of the production process as part of a relentless productivity search. Equally, as a route to filtering human resources; and the elimination of some capital through the intensification of competition. All these operations, both encouraged and geared by governments, maximizes the competitiveness of the production apparatus system but does so to the detriment of the employment base. Considering the actual over-capacities of the production systems, and considering also that the major challenge of late century capitalism is to aim to shrink and compress the space/time of the human action and the reproduction process of the capital, we can assume that the trend will continue noticeably to increase.

If my argument is correct, one should understand that the consequences of the migrant economy for the international positions of countries is of major importance. Let me summarize what I think regarding that matter:

1• The extension and the deepening of the internationalization phenomena in the last twenty or so years is at the centre of a dramatic rupture of the Nation-State as the convergence structure for economic flows. The process of reproduction of the most active capital looks down on the boundary principle, challenging, by its very fact, the fundamental dynamisms inherent in the Keynesian-type models founded on the idea of an economy centred on itself, and obeying endogenous impulses. The present configuration of international economic relations and the competitive interactions favour the re-creation, in the economic world-space, of *strong zones* and *weak zones*, these zones do not necessarily coincide with the well known model that opposes <<first world>> countries with <<third world>> countries. In fact, this image of the subordination of States, in relation to each other, is less and less valid, the boundaries themselves having become a sort of <<changing structure of spatial socio-economic configuration>>. In the very heart of those countries previously characterized by Fordism are developing forms of social marginality and economic *déphasages* which witness the establishment

of new circuits of capital distribution that modify the acquired representation of intra and international trade relations. Similarly, many high growth zones, marked by the presence of industries producing high-tech goods and using highly-trained labour, are situated within States identified earlier as being dependent or subordinate. This process has reached the point where it becomes difficult to establish a fixed configuration of the international division of labour and of hegemonic relationships among States. The movement of capital, on the one hand, and the legal or illegal flows of labour, on the other hand, upset the prevailing hierarchy among countries at the level of their developmental characteristics. This inaugurates an era marked by the collapse, into one single world, of the three or four which previously revolved around one dominant economy, that of the USA.

2• The increase in competition provoked by the internationalization of economies and the spatial restructuring of trade networks has particularly forced capital to review its implantation and operation strategies around the world. Instead of, as before, starting on the international scale [while referring nevertheless to the national economy, to which it "belongs" or with which it is linked] capital becomes migrant, making nomadism its guiding principle. This nomadism, which marks the mutation of the multi-national firm to the <<apatride>> firm, is expressed in the logic underlying the strategy of expansion of the firm throughout the world. This strategy is linked to the general coherence of the internal operations of the firm itself (intra-firm trading networks) and to the general coherence of the firm's operations in relation to its rivals in the world space (worldwide trading networks). In such a system, the movements of capital and the displacement of production activities are continual and they have little to do with the requirements of the national identification of enterprises or with the factorial endowments or the optimal specializations acquired by States. The structural foundations of the system are, on the one hand, the constraints linked to the internationalization of the firm and, on the other hand, those following the pressures of world competition. It is important to really grasp the consequences of this transfer that we symbolically designate by the term <<nomadism>>, because it refers to a significant alteration of the general reproduction process of capital. This process, from then on, has the world space as its scene. Not only is the circulation of money and merchandise done at this scale, but the implementation of the production processes and the fulfilment of the consumption processes equally follows it. Even the configuration of labour markets is affected by this trend. The consequences of this realignment of the reproduction process of capital are enormous:

- first, the relative equation between production processes and consumption processes, so important for the general equilibrium of national economies at the time of Fordism, can now be achieved on a global scale, the result being that the constraints of aggregate demand for the firms no longer operates, or much less so than before, at the Nation-State scale;
- secondly, because (a) the determination and the distribution of industrial specializations at the world scale are functions of the deployment strategies of firms in the heart of zones specifically selected for their competitive advantages; and (b) that the optimal circulation of capital and of the work force between borders renders null and void the acquired economic specialization patterns. Thus the theory of comparative advantage and of economic growth stages (cf. the idea of forerunner and late developer countries) has become outdated in tackling the problem of the position and the hierarchy of countries at the heart of world economy.

Let us now address the consequences of the migrant economy in respect of the whole process of reproduction of the work force and the new forms of social stratification it brings up.

Few observers have hitherto attempted to view the problem of employment and unemployment in a world perspective. Labour regulation and the politics of adaptation or regeneration of the work force remain the exclusive duty of the Nation-State. So far, these interventions have not been very successful and it is easy to understand why. It is because the migrant economy, in not reaching its equilibrium at the national scale, modifies the functioning of economic and social circulation and paralyses the regulating effects expected by the decision-makers following their application of classical theories regarding the structuration of the labour markets. These markets are now shaped more and more by exogenous impulses linked to internationalized circulation flows. We would be wrong, in fact, to depict labour markets as a meeting place of <<nationalized>> capital and labour. Capital and the labour force already exist as international flows, deterritorialized (*désenchâssés*). Capital, as we well know, is in perpetual motion. It is the feature of the migrant economy to accelerate the cycle and to orientate it towards all profitable locations, across all the available space. From now on, capital will displace a part of the specialized work force whenever it needs to cutback or make its turnover even more efficient. The case of "virtual" corporations, mentioned earlier, makes up an obvious example of this tendency. <<Fixed>> labour (*main-d'œuvre enchâssée*), which capital needs only

Diagram 1 on this page (reduced to A5 size)

in order to perform certain duties locally to complete its turnover, undergoes the entire migration cycle in a negative manner. This differentiation (between a specialized work force, made up of experts of all kinds which travel all over the world and which expensively sells its abilities, ideas and talents (do we see here the emergence of a new diaspora?), and a labour force spatially more stable which is dependant on the itinerary of the migrant capital) is at the origin of new forms of social stratification in the heart of wage-earning societies.

Diagram 1 sketches the dynamics at work. In a migrant economy regime, social space is marked by two strong dividing lines: that of international networks and that of local networks, which distinguish the <<winners>> and the <<losers>> of the system. In the international networks circulate two social categories which situate themselves each at one end of the scale: the internationalist meritocracy, at the top of the scale, and the migrant lumpenproletariat, at the bottom of the scale. The first category is supported by international capital and supranational governments. The second one is largely supported by mafioso networks, which play a considerable rôle in the reproduction of the migrant economy regime. There is presently no social or political antagonism between the internationalist meritocracy and the migrant lumpenproletariat, these two categories profiting, each in their own way, from the evolution of the system (the lumpenproletariat often being poverty-stricken in comparison with its past situation.).

At the level of local networks evolve two categories which do not have any particular affinities, which even maintain opposing relationships, but which are marked by the same objective condition, that of their depreciation and their underlying fall towards a precarious status of existence. These two categories are, on the one hand, the civil servants, the union workers for the most part, the employees of large firms, briefly those who belonged previously to the upper middle class strata; on the other hand, the unstable statuaries, the financially assisted and all those who are pushed aside, including, more and more, the non-specialized workers and the under-educated.

The opposition between, on the one hand, the individuals circulating in international networks (who are in the process of social ascension, objectively and subjectively) and those who evolve in the local networks (who stagnate and drop socially) are strong and are deepening, notably on the question of the downsizing of the State, on the opening up of markets (cf. commercial agreements) and on the range of public regulation. The internationalists' plead for less government and for less regulation (at the national level, at least), while the localists, who are dependent on the State's

control apparatus for their monthly salary or transfer, want to conserve their privileges.

It is in this setting that the fraying out of the middle class is done, whereby a small group rejoins the internationalists (*vis-à-vis* whom they maintain a relationship of dependence and subordination), the majority undergoing the pressure of the migrant economy regime by way of a reduction of their lifestyle, a stagnation of their aspirations and a depreciation of their culture (founded on the criteria of massification, universality and homogeneity).

Generally speaking, we see that the direction of economic pressure and the direction of the underlying downfall, for a majority of individuals, leads to increased material difficulties and an increased social instability.

Let us now look at the structuring of identities in the migrant economic regime. Diagram 2 brings out how the new forms of the social and economic polarization that mark the States in the migrant accumulation regime favour the appearance of original identities. It has been said that the internationalization of capital created strong economic zones and gave rise to international players who identified with extra-state control stakes. The feeling of belonging to metropolises in expansion, as opposed to the outlying or peripheral regions colonized by the former (or simply marginalized) traces a first identity line, that of <<spatial identities>>, which no longer coincides territorially with the State. The fact of circulating or evolving in developed and rising international networks (global networks), instead of downgraded and stagnant ones, marks a second identity line, the line of <<social identities>>, which is no longer related to the profession of an individual, but to the place it occupies in the global communication. We then understand the importance of plurilingualism, which has practically become a discriminating criterion socially and culturally speaking; unilingualists being a downgraded category. This identifying line - of the network that people belong to - is in expansion as is the <<political identity>> line which opposes, on the one hand, the international players structuring their actions and their aspirations in function of worldwide stakes, and, on the other hand, the national corporatists, whilst the theoretical as well as the practical imaginary remains based on the state-nationalist axiology.

At this stage of its development, the migrant economy exacerbates two identity lines in the process of decline. One of them is related to the integration of individuals into the labour market and opposes the <<protected>> and the <<precarized>>; the other identity line is

Diagram 2 on this page (reduced to A5 size)

linked to the generation gap and opposes the <<Fortysomethings>> with the <<Twentysomethings>>. I define generation as a type of community of destiny which is more or less shaped socially and not always coincide with the age of the individuals. I say these identities are in the process of regressing because they are linked to social trends without the possibility of reproduction: with age, some of the younger generation will see the objective condition of his resentment against baby boomers disappear, whilst protected workers will in the near future become a more and more rare category.

Diagram 2 shows that the migrant economy favours the explosion and the implosion of States, this movement being actually fed by the grief of individuals, social categories or social movements anxious to register their materiality, their power and their destiny in the general condition of reproduction of their political reference entity, whether it is a province, a transnational community or the world.

The diagram equally shows who are the winners and the losers in the migrant economy regime. According to our argument, the most under-privileged category is most likely to be formed by young people living in a peripheral region, part of local communication networks, unstable, jeopardized and unilingual, belonging to a visible or audible minority which is the victim of discrimination, and imagining and linking their future to the existence of reactionary groups (that certain small extreme right wing groups consciously stir up). At the other extremity, the winners are formed by international technocrats - no matter what their ethnic origin, their religion or their sex - evolving in global networks, living in large cities, plurilingualists and assured of a permanence in the network, identifying with universal causes and reinforcing *de facto* the affirmation of an internationalist culture, those in which they are actually supporters, if not definers.

The religious, ethnic, racial and gender identities cross the entire social space but are not by themselves a sufficient criterion or determinant of whether or not one belongs to the category of <<winners>> or to that of the <<losers>>. Depending on circumstance and actual situations (for instance: personal strategy of career promotion, affirmative-action politics, etc.), they reinforce the misery of some or improve the conditions of others.

The Migrant Economy and the Future of Canada

It is now time to utilise the above arguments in order to discuss Canada's future. Firstly, in the economic sphere, as a result of undergoing the impulses generated by the migrant economy, the Canadian space will be

marked by polarization phenomena which will stress the gap between the strong zones and the weak zones. The former ones will intersect with actual networks of large metropolises, with Toronto, Montréal and Vancouver leading the rest. Energized by the international distribution of capital and by that of the specialized work force and the lumpenproletariat, these metropolises will develop by following a pattern of which the large American cities, notably New York and Los Angeles, represent the most advanced prototypes. They will concentrate within themselves, in places called technopoles (frequently located in the secure suburbs), the most profitable activity sectors, of which one of the evident characteristics is to internationalise. At the same time they will welcome the labouring masses who will find a way to employ themselves in the depreciated and unskilled sectors of the labour market located in city centres. Taken between these two extremes, members of the middle class, in the process of downgrading, will enlarge the ranks of the unemployed, this phenomenon being increased by the stagnation of the public labour market which, historically, has shown itself as a powerful formation and consolidation place for the middle class. The weak zones, for their part, will support the distant areas of the metropolises, thereby favouring the ascent of regionalisms. The spontaneous demonstrations which have taken place in various regions of Quebec and which rose up in protest against the government's decision to centralize the services or activities in large city centres, attests to precisely this aggravation of *intranational* struggles. This regionalization takes its origin mostly from a rise of consciousness, by the population, of their situation on the edge of an economic system entirely centred on the metropolises, and their exclusion, by the state bureaucracies, from the decision processes affecting their future. A regional basis to identity (the region here being defined as the territorial incarnation of the spatially fragmented political subject) will soon mark the Canadian political scene.

The restructuring of identities will equally express itself at the social level. The separations will establish themselves from two reference matrixes: that of the network people are connected to (international or local) and that of the community of destiny they belong to (those holding protected jobs versus those whose situation is jeopardized). Of course, one should not pretend that upgradings and downgradings will not be possible within the system. One has to admit, however, that the fragmentation of the social web will reinforce itself following the above oppositions. Urban uprisings of different intensities, activated, on the one hand, by the popular ideology of economic competition, and, on the other hand, by the decrease in social mobility and the shrinking of

the young generation's aspirations, will burst out into the open. The outcasts, given their number, will force the social security system to the edge of its limits and the <<flaws>> will increase. These flaws will express themselves in different ways: by the irremediable loss of individuals in favour of mafioso networks, by the increase in disengagement and disillusionment, by the expansion of the under-privileged, by an augmentation of crime, delinquency and illegal activities. A sad prospect for a State where the quality of life was, till recently, among the highest in the world .

The migrant economy interface is one of unemployment, the fear of unemployment and, for part of the work force, depreciation. During the next few years there will be a peak in the proportion of the active population wishing to join the wage-earning class on an enduring basis, but who will, nevertheless, be kept at the margins of economic production. At the present time, reasonable estimations published by business unions, suggest that the unemployment rate stands at around 25 percent of the available labour force. There are estimates elsewhere that the internationalization of the economy will profit, in the G-7 countries at least, a quarter of the workers, but that three-quarters of the work force will be subjected to negative consequences. According to this scenario, about 50% will be tossed about by unpredictable capital movements and 25% will definitely be downgraded. In the time of migrant economy, one must wonder if the wage earning class, for the most part, is not in the middle of undergoing, once again, a noticeable transformation of its condition. This transformation consists of a jeopardization, a depreciation and a relative exclusion from the general reproduction process of global capital, contrary to their experience during the era of Fordism. It must be stressed that current level of unemployment in Western States is due to the transformation of work processes, to challenging new practices of enterprises and to the deployment of capital on the world scale, rather than related to a downward trend in the economic cycle, to a sudden period of economic difficulty, or to rigidities of labour markets. It has to do with the development and extension of a new regime of accumulation and it is now timely to evaluate its disastrous social and economic consequences. Consequences which are certain, before long, to generate unpredictable effects on the political level.

Internally, Canada will therefore experience [following the example of other States of the western world] some implosion tendencies which, by the social and regional turbulence that they will provoke, will undermine its capacity to reproduce itself as a unitary and solidified entity. Nor is it evident, either, that Canada will hold onto the position it now occupies in the concert

of nations. We have earlier seen that the migrant economy, by the reconfigurations it would generate on the orientation level of the economic and social flow between the zones, would significantly alter the usual conception of the relationships of nations. That is, a conception of the developed and dominant <<first world>>, on the one hand, and a <<third world>> in the process of developing and being subordinated, on the other hand. On what criteria will Canada continue to belong to the <<first world>> - and will this label still have meaning in the future? One can express some reservations about it. Canada, as an integral part of the international circulation space of capital, already belongs to a world that is in the process of becoming unified, (which does not however signify, it is important to recall, that it is also becoming homogenised). The future of the country will be marked by the appearance of social and spatial *déphasages* which will sow the seeds of deep social malaise, which will be expressed by dissention. It will thus pose terminal problems for the collective project that is defined by the four archetypes of the present neo-liberal ideology (State Enterprise, Instrumental Reason, Performance Optimization and TechnoScience, which face the four disintegrating archetypes of this ideology: Local Communities, Solidarity, Developmental Ethics, Ecosociality - and which have certainly contributed to the rapid development and then to the consolidation of the migrant economy.

Note

1. This article is the English version of a longer paper originally written in French and presenting a more sophisticated argument. The original references and notes have been omitted.

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