Challenging the Dominant Globalization-Migration Discourse

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Challenging the Dominant Globalisation-Migration Discourse: Should 'the Washington Consensus' Actually be 'the Paris Consensus,' and Are Remittances Really a Desirable Capital Generator for Third World Countries?

"We asked for workers, and have been given human beings."
– Max Frisch[1]

The problems facing the new global migrant worker are representative of the challenges of globalization, and recursively, contributing to the challenges of globalization. In this essay I will attempt to briefly go through some of the history of globalization as we know it today, then describe its characteristics in relation to migration, and finally discern the place of the temporary migrant worker according to that paradigm. I will argue that the challenges arise partially because international finance institutions that inform migration policy have increasingly come to view migration, particularly temporary migrant workers, as potential generators of international capital flows, demonstrating the dominance of neoliberal conceptualisation within the contemporary migration development discourse. This is indeed a challenge because policy directions guide how globalization occurs, and therefore which problems arise.

Globalization is not a process that lends itself easily to categorization or definition, as it is not a single process. It cannot be explained with certainty, and be applicable to all people in all circumstances. It involves economic integration; cultural stability; the transfer of policies across borders; the spread of knowledge; relations and discourses of power. It has been identified and defined in variously different ways, with associations referencing progress, development and stability, integration and cooperation, while others referring to regression, colonialism and destabilization. Migration as a phenomenon is implicated in all these processes, and migration trends are affected by them (Al-Rodhan, 2006).

The term globalization itself invites hidden agendas, and its interpretation will depend on the subject's individual political ideology, geographic location, social status, cultural background, and ethnic & religious affiliation. Narrowing down the broad terms of 'migration' and 'globalisation,' I will discuss globalisation in terms of the global economy and migration in terms of labour migration. First then, it is important to identify certain aspects of global capitalism, such as it is, in order to understand and contextualise the contribution of migration to the challenges of globalization.

The prevailing globalization discourse is that the Clinton/Gore administration made globalization public policy through the State Department partially, but more directly through the US Treasury and the IMF. They emphasized the relentless force of global markets, the need for all countries to abide by strict fiscal and monetary policies, and the revolutionary effects of new IT and communications technology. By 1999, globalization was synonymous with the so-called "Washington Consensus" (Albrow, 2002). Journalist and advocate of that administration Thomas Friedman verbosely defined this understanding of globalization as:

"The inexorable integration of markets, nation-states and technologies to a degree never witnessed before – in a way that is enabling individuals, corporations and nation-states to reach around the world farther, faster, deeper and cheaper than ever before, and in a way that is also producing a powerful backlash from those brutalized or left behind by this new system…Globalization means the spread of free-market capitalism to virtually every country in the world"(Al-Rodhan, 2006).

Bill Clinton and Tony Blair wanted a definition for their "third way" approach to globalization and politics, and so enlisted Anthony Giddens, who had already promoted globalization as a conceptualization appropriate for social transformation, to develop 'third way' thinking. His definition put it that:

"Globalisation can thus be defined as the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa" (Al-Rodhan, 2006).

In 'The Third Way, The Renewal of Democracy' he wrote that it is "not only, or even primarily, about economic interdependence, but about the transformation of time and space in our lives" (Albrow, 2002). The definition by Giddens, a sociologist, is much more appropriate to the understanding of globalization as a broad phenomenon, though Friedman's is more accurate in terms of the understanding of globalization by international finance institutions.

Abdelal, though, disputes the predominant discourse of the centrality of the United States in the creation of a liberal regime for international finance, which led to the shifting of the balance of power from governments toward financial markets. Rather, he argues that Europeans directed the effort to "codify the norm of capital mobility" (Abdelal, 2006). He singles out Britain, Germany and the Netherlands for supporting liberal rules for capital movements, but in particular, three policy makers in the EU, OECD, and IMF who crafted formal and informal liberal rules for those organisations: Jack Delors of the EC, Michel Camdessus of the IMF and Henri Chavranski of the OECD. They three share much in common, but the most glaring characteristic they share is their nationality: they are all French.

The French displayed a consistent approach to the liberal imperatives of globalisation, and it was those three that were primarily responsible for a doctrine of 'managing' globalization with formal rules, even if they were liberal rules. It also involved the notion that organisations governing global finance should consist of bureaucracies that are autonomous from the demands of member governments. It was an approach of managed globalisation, as opposed to the more ad hoc approach of the US. Ingrained in the French attitude was the resolution that in order to liberalise, you must first organise. One motivating factor was that they saw capital controls as hurting the poor and middle class, since the rich could move their capital out of the country, and so sought to remove them.

A decisive aspect of the approach was the liberalisation of capital flows in Europe. Re-writing of EC's rules to favour capital freedom was based on idiosyncratic logic: they accepted complete capital liberalisation because it was part of the European project. The drive towards capital freedom constituted a French quid pro quo with Germany who wanted such a rule: so capital freedom was exchanged for the promise of a monetary union.

In a move that was subtle and strategic, liberalization of capital movements was used as the first step in a sequence of events to culminate in a European monetary union. The strategy produced a logic that would spill over from capital movements to monetary integration. Pascal Lamy, reflecting on his time as Chief of Staff in the European Commission under Delors, remarked in 2004 that "we needed to erode German resistance and capital freedom was the price to pay" (Abdelal, 2006).

By 1990 the institutional foundations of the internationalization of finance among European and developed countries had been laid. The only institutional void in the architecture of globalization was the codification of capital mobility in a global organization. Glibly, the IMF so-called catechism used to be, under Laroisére (until he left in1987) that:

"Thou must give freedom to current payments, but thou must not necessarily give freedom to capital" I was comfortable with the idea that the fund would not move toward compulsory freedom of capital. By the time I left the fund in 1987 I was not aware of any discussion of changing the articles to bring the capital account within our jurisdiction" (Abdelal, 2006).

Two fundamental proposals to change the Fund's Articles were undertaken at the IMF during the mid-nineties by Camdessus. The first was a new purpose for the Fund: to promote the liberalization of capital flows. Listing capital account liberalization as one of its purposes would let it, for the first time, attach capital liberalization as one of the conditions for loans. The second was to assume jurisdiction over the international financial regulations of its members so that they could not, without Fund approval, impose restrictions on capital movements. This would place the IMF at the centre of global finance; however, the proposals were killed by the US Congress in 1999 when House Democrats threatened to withhold support for an increase in the US contribution to the Fund unless the US withdrew support for the amendment. Of course, the US is at the centre of global finance today, and has been the biggest beneficiary of liberalised capital, as well as one of the most vocal advocates for it in contemporary discourse. It is worth noting though that when we say "the Washington consensus," we may mean "the Paris consensus."

In any case, the result of globalisation, or at least the economic globalisation as envisioned by Friedman, is what we are left with, and John Gresham and Alec Irwin identify three characteristic trends of the new global economy. The first, (Gershman & Irwin, 2002) is the notion of free trade – "the unhindered movement of goods and services on an international scale." They note that most global trade is between rich countries. There is therefore a differential impact of trade between wealthy and poor countries, which reflects, in part, differences in what the respective traders bring to market. Wealthy countries tend to export goods and services, while poor countries export primary commodities. This is in part, as we will see why, remittances seem like such an attractive and lucrative capital generator for developing country, but such an attitude then necessarily sees labour as another commodifiable resource to be exploited, as oil might be.

The second trend identified is the rise of transnational corporations or TNCs. Of the 100 largest economies in the world, 51 are corporations. The United Nations Conference on Trade and Development estimates that TNCs account for 73 million jobs, only three-percent of labour force. But excluding agriculture, they employ approximately twenty-percent of labour (Gershman & Irwin, 2002). The increasing dominance of TNCs is indeed one of most salient features of contemporary economic globalization. Export development strategies, growing liberalization of trade and foreign investment, and the advance of communication technologies have all contributed to the rise of TNCs. Revealingly, many key TNC infrastructure investments have been courted by governments with tax breaks, incentives and the relaxation of labour laws in order to create a "good investment climate," so the notion of a guiding hand of the free market is unconvincing.

The third trend is Finance Capital, the movement of which has been the most dramatic globalization of economic activity. Though the activities of international speculators using advanced technology to navigate the global marketplace seems separate and unrelated from the struggles of the impoverished migrant worker, we shall see how international traders exert an increasingly direct influence on them.

The argument for the liberalising of free movement of labour is an oft repeated one; namely that the opportunity for offshore employment is held out as a positive for the labour-supply of developing and transition economies, particularly low and semi-skilled workers who would be unemployed otherwise (Stallings, 2007). This operates on the economic axiom that something is better than nothing. Temporary migrant workers provide a means for labour-receiving countries to meet labour shortfalls to satisfy labour market needs that cannot be met from local sources, because they are either unwilling or unable. Therefore, migration enables global labour resources to be more fully and efficiently deployed. The temporariness is a conceptual characteristic that has its justification in the World Trade Organisation's attempts to advance labour market liberalisation through the General Agreement on Trade in Services and, more particularly, Mode 4 of the GATS covering the 'Movement of Natural Persons' (Rosewarne, 2010). The World Bank also articulated this facet of temporariness in *Global Economic Prospects 2006,* where the Bank accepts that the free international movement of people is too sensitive an issue to be circumvented, and so proposes a compromise in the form of temporary labour migration (Rosewarne, 2010). Governments then retain their rights to regulate their borders and restrict the movement of people and labour shortages may be addressed.

This is seen as an orderly way to address labour market shortages without government having to relax border controls. Regulating for temporary workers is seen as a valve or lock so that migration can be controlled or ended, should social tensions flare. It is also seen as an antidote to illegal migration, because it discourages undocumented labour. The critical point in advocacy of temporary migration is that it holds that strategic opportunity for further labour market liberalisation: such programs may facilitate larger legal flows.

The second reason, proselytised by international and multinational financial institutions, is that remittances provide a growing source of foreign exchange and source of capital, exceeding in many cases private international capital flows and the official development assistances to developing countries. World Bank data highlights the importance of the growth of remittances, which has tripled in the last decade, and estimated to be worth USD 250 billion in 2008 (Rosewarne, 2010). Rosewarne contends that the advocated sale of labour power by international and multilateral financial institutions is seen primarily as a means of generating money capital from the host countries into the labour-sending countries. This is partially to remedy the failure of the liberalisation of global financial markets to affect shifts in financial flows to the developing (labour-sending) countries through investment. Remittances are therefore seen as an attractive alternative source of capital. In addition to this, remittances are seen as an attractive opportunity to extend the reach of financial markets into the developing world, introducing the prospect of generating money capital that could set up the base for a more embracive development of capitalist social relations, and moreover, money or financial markets in these economies. This attitude is precisely encapsulated by the campaign slogan of the Inter-American Development Bank boasting their ability at "banking the unbanked," where individuals and families buy their way into the international circuit of labour, and leverage remittances and earnings in a 'financial democracy' (Rosewarne, 2010).

So what is wrong with offshore earnings providing a material means for supporting the reproduction of workers and families, and injecting additional capital into the economy? Nothing in theory, but a great deal in practice.

The dominant economic rationale of the international bodies informing contemporary migration-development discourse is fundamentally founded in defining migrant workers as factors of production, where labour-sending countries have an over-supply of factor resources, to be meted out and utilised through migration. As a result of this definition, temporary migrant workers are left with little or no labour market status, as they are incorporated into the international labour market in a severely restricted manner, with none of the *laissez faire* agency envisioned by the dominant economic discourse, where workers are "free to choose." They may have a new capacity to exercise their labour power as workers, where they may before have been unemployed in their home countries. However, the terms of this arrangement are predetermined, and their ability to exercise their agency as social subjects is extremely limited as they are incorporated into the global political economy as if mere inputs into the production process, commodities to be used and disposed of. Often times, what little rights they do have will be tied to a having a contract of employment with a specific employer, stipulating the specific occupation and the duration of their right to work, residence permits being contingent on employment so even the manner in which they exercise their labour power is bound, and in effect qualifies as indentured (Rosewarne, 2010).

In 1995, negotiations were undertaken by the WTO under the auspices of the OECD to provide a charter that would have actually restricted government regulation of foreign investment and enshrined repatriation of profits (Tieleman, 2000). This Multilateral Agreement on Investment would have provided some element of organisation to globalisation, but in such a way that the current pathologies that commodity labour would have been protected. Negotiations stalled in 1998 when France withdrew from negotiations, though not out of opposition to the liberalisation, but rather because of problems relating to the issue of national sovereignty, and that respect for different cultures (i.e. French culture) be a requirement for French support (UK Dept. of Trade & Industry, 1999). There was French consensus that the process of liberalisation be maintained, just not on the MAI terms. Attempts were then made to introduce a similar investment agenda into the new "Millennium Round" of trade liberalisation talks, which directly lead to the WTO Ministerial Conference mass civil disobedience protests colloquially known as the *Battle of Seattle.* The attempt failed, and as of May 2006, the OECD promotes a non-binding set of liberalising good practices known as Policy Framework for Investment (Gershman & Irwin, 2002).

It is broadly those *good practices* where the challenges of globalisation are reflected by and contributed to by migration. In 1999, in the lead up to the WTO meeting in Seattle, the United Nations Human Development report argued that “an essential aspect of global governance is responsibility to people-to equity to justice, to enlarging the choices for all,” stating that “the challenge is to ensure that the benefits are shared equitably and that this increasing interdependence works for people-not just for profits” (UNHDR, 1999). A cynic may find so broad and optimistic statement contrived, but it underscores the fundamental problem of the contemporary migration development discourse, and of modern economic globalisation: that the factors of production including money and labour capital are commodified to the extent that it does not even occur to the international financial institutions informing policy that there might be a problem in the first place. Perhaps, then, Irwin and Gershman are correct when they write that “redistribution is the missing link in development policy” (Gershman & Irwin, 2002).

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[1] Originally published as Tagebuch 1966-1971, Suhrkamp (1972)

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