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Bridging States and Markets

International Migration
in the Early 1990s

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Preface

This book is one of the outcomes of a long-standing cooperation at varying levels of intensity. Although the geographic distance between us (usually Paris to Berlin) offered many chances to experience commuting, our productivity was greatly enhanced by the Alexander-von-Humboldt fellowship to Mirjana Morokvasic. This provided financial support for her stay in Berlin in 1991/1992. The Free University, and especially the unit of Professor Jürgen Fijalkowski, offered friendly and inspiring hospitality during that period.

Some of the contributions in this book were originally given as papers at an international conference sponsored by the Social Science Research Center Berlin - WZB - in May 1991. It was exactly this time of transitions that shaped the perspectives of the analyses and also animated the discussions. Our decision to refrain from a thorough updating of the manuscripts was guided by the intention to document this "in between" period : no longer the old Europe, not yet the new one. These times are changing so rapidly that we, as the editors, feel like the Red Queen in Alice in Wonderland: Having to run even faster in order to stay at the same place.

For helping to bring this book to fruition, we would particularly like to express our sincere thanks to the following persons: Dagmar Simon greatly encouraged the project at different critical points in time; David Antal accomplished the translation of some of the papers; Ruth Tregale carried out the cumbersome job of language editing the whole manuscript; Heike Regulin provided valuable technical assistance during the editing process; Tamara Koriath was responsible for organizational assistance in the context of the "Transitions" conference. Last but not least, Brigitte Freihoff provided extremely efficient secretarial help. Without her humour, patience and diligence this book would hardly have seen the light of day.

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Corporate Human Resource Policies Dealing with a Multicultural Workforce: West Berlin and Toronto in Comparison

Hermann Kurthen

This chapter discusses an empirical investigation conducted between 1986 and 1988 into the employment of so-called foreigners by 79 companies in the blue collar sector of Berlin's manufacturing industry (Kurthen/Gillmeister/Fijalkowski 1989), and a follow-up study carried out in 1990-91 of 40 companies in the manufacturing industry of Toronto, Canada.

Surveys were conducted to examine the role of company human resource policies in managing a multi-ethnic and multi-racial workforce. The investigation paid particular attention to the potential for ethno-racial discrimination¹ towards so-called foreigners, or non-ethnic and non-citizen Germans, and towards non-White, so-called visible minorities². The study also attempted to determine the perceptions of management, union representatives and workers towards problems of inter-ethnic relations and their resolution.

1 At its simplest, discrimination means making a distinction between things and making a choice based on that distinction. Discrimination, particularly ethno-racial discrimination, limiting the opportunities of certain classes or groups of people, is the focus of this investigation. As explained later, such discrimination is governed by many factors, such as specific interests and attitudes, traditions, rules and regulations. It can take many different forms, vary from one situation to another and occur at any point in employment. For the purpose of this report, ethno-racial discrimination in employment will refer to any attitude or practice, willful or unintentional, that effectively limits the rights of an individual or a group to economic opportunities because of irrelevant traits, especially skin colour and ethnic origin (Finlayson 1990: 8).

2 The term "visible minority" arises from Whites' concept of themselves. Whites do not perceive themselves as a race, but rather as the norm and therefore "not visible". Clearly the term springs from unconscious concepts of an Anglo-Saxon-dominated society and does not fit a real entity. Nevertheless, for purposes of this report the term is used because it is still employed in Canada within public discourse, in race relations legislation, in statistical reports of Statistics Canada and by other employment equity and human rights agencies.

The main research questions addressed the extent and "rationale" of ethno-racial discrimination in corporate personnel policies, types of discriminatory, ethnically-oriented personnel policies, strategies human resource managers adopted to deal with a multicultural workforce, and reactions to the introduction of anti-discriminatory employment equity legislation.³

After reviewing some preliminary responses to these questions, this paper will recommend methods of preventing or reducing further discrimination in the workplace.

The companies⁴ surveyed were drawn from the manufacturing industry, because the technological level of manufacturing and skill requirements, the system of wages, benefits and unionization, and the organization of industrial hierarchies and human resource policies and methods is quite similar in both countries, creating a good basis for comparing human resource policies.

The following considerations provided the background to the study: The majority of the very heterogeneous population of 4.6 million so-called foreigners in Germany, many of them recruited in the 1960s and early 1970s as "guest workers," has since settled permanently and taken root in the country. They will soon enjoy freedom of movement within the European Common Market, and are, in fact, immigrants. The fabric of Europe and Germany is becoming more and more that of a multi-ethnic society, with all the advantages and conflicts that can already be observed in other immigrant societies. Therefore, the question of what Germany can learn from the experience of other countries has been raised.

3 Employment equity describes programmes to remedy discrimination in employment and to ensure that all groups are able to participate, to use their skills, and to attain their full potential in employment. It is uniquely Canadian, and was coined to counteract the negative connotation associated with the American term, "affirmative action" which had, over time, become associated with quotas (Finlayson 1990: 63).

4 Case studies provide more in-depth information on attitudes and policies within organizations than standardized surveys. Therefore the study was based partly upon qualitative, open-ended interviews and partly upon questionnaires. One hundred interviews were conducted in Berlin and 60 in Toronto with managers as well as with shop stewards, supervisors, foremen and workers. In addition, in both cases about twenty interviews were carried out with representatives of trade unions and employers' organizations, government officials, minority group representatives and others. The recorded interviews were subsequently transcribed by subject; in conjunction with data from the questionnaire, the transcripts were then encoded and evaluated by computer with the help of SPSS.

Employment segmentation and occupational mobility are key factors in determining the social position of individuals and groups. In the case of immigrants and minorities, they are an indicator of social assimilation, integration or segregation. Thus my research focused on the degree of equality or discrimination in the workplace. Although ethno-racial and sex discrimination are worldwide phenomena, one must ask to what extent differences exist, and how employers deal with a multicultural workforce in different societies and work environments. Do legal regulations and micro-economic rationality effectively counteract discrimination by race, colour and national origin, as assumed in neo-classically oriented economic literature? What impact do management, employees, governments, and unions have on ethno-racial relations on the shop floor? What can we learn from negative and positive human resource policy examples in developing effective corporate strategies to improve relationships and cooperative action among diverse cultures, races and population groups in the workplace? Can employment equity legislation promote greater equality, fewer tensions and less discrimination? What is the response of the majority group to the advancement of minorities in employment? What remedies should be taken, and which recommendations can be transferred from the North American context to Germany and Europe?

The Position of Ethno-racial Minorities in Germany and Canada

A comparison of ethno-racial similarities between Germany and Canada must first consider the two countries' similarities with respect to their political, economic, legal and cultural systems. Both countries are among the ten most industrially developed societies in the western world, with high standards of living, highly developed infrastructures and welfare systems, similarly advanced industrial capitalist economies with close ties to the world market, relatively stable three- or four-party systems, military integration into the NATO treaty system and a cultural affinity to western culture and civilization. Moreover, the industrial labour relations system in both countries is quite institutionalized, and industrial law regulates many aspects of employment, although the Anglo-Saxon legal system and a comparatively high degree of fragmentation of Canadian unions mark a difference from Germany. Similarities also exist with regard to

the occupational and sectorial structure of the economy, social stratification, income distribution and other indicators.

However, the countries' sizes and populations differ significantly. Canada is the second-largest country in the world in size, with a population of only 27 million; while Germany, since reunification, is the largest nation in Europe with its population of 77 million, but encompasses only 3.57 percent of the land area of Canada. Nonetheless, both societies depend on labour migration, and about six percent of each country's population is comprised of immigrants or ethno-racial minorities. Whereas Canada's existence and survival are closely linked to its history of immigration, Germany's labour migration was always seen as a temporary instrument to fill jobs during economic booms. Accordingly, labour migrants are neither legal citizens, nor are they socially and culturally accepted by Germans, although they enjoy equal rights with regard to industrial law, union participation and access to most welfare benefits. Nevertheless, the de-facto immigration of some 4.6 million labour migrants since the 1960s has created a similar situation in Germany as in Canada. Labour migrants were treated as ethno-racial minorities because of their non-German origin; they became a sub-strata of the host society and, as a minority, reacted either by assimilation into the dominant group or by segregation into economic and cultural niches. In Canada, similar processes can be observed. However, the pressure for assimilation is less developed there because Canada is made up of two dominant cultural groups, Anglo-Saxons and Francophones, which are themselves divided and striving for hegemony. Canada has never been a homogeneous cultural entity or nation. This fact is reflected by Canada's great respect for cultural and ethno-racial diversity and sense of tolerance, in legislation and in the constitution. Comparative research into ethno-racial relations must take these differences into consideration when investigating the extent of, and rationale for, ethno-racial discrimination or tolerance.

Because my research focused on ethno-racial relations in employment, two locations were chosen that highlight the issues and problems inherent in multi-ethnic and multi-racial societies. Berlin and Toronto represent two highly industrially developed metropolitan areas with an above-average percentage of ethno-racial minorities or foreigners. In 1987, labour migrants and their families comprised about twelve percent of the 2.15 million West Berliners, and about

twelve percent of the working population.⁵ About 17 percent of the 3.43 million Torontonians and 16 percent of Toronto's working population were so-called visible minorities, or non-White by skin colour, in 1986.

There are additional similarities with regard to the distribution of ethno-racial minorities within sectors of the economy. In Toronto as well as in Berlin, these groups are concentrated in the manufacturing, goods production and service sectors.

Labour migrants or foreigners in Germany have a similar status and position within the labour market as newly arrived immigrants or visible ethno-racial minorities in Canada. Compared with Germans or White, established Canadians, both groups have a lower position or status in several aspects of work, employment and unemployment. For example, research provides evidence that both minority groups suffer because of restrictions on obtaining certain qualified jobs and obtaining promotions; they earn significantly less than Whites or native Germans for similar work. They are also concentrated in certain occupations, and possess fewer seniority rights and less job security than the average employee.

Moreover, in both cities ethno-racial minorities are concentrated in stressful, semi-skilled or other manual labour in companies and jobs with "secondary" labour market characteristics. This can be said in particular for minority females. In many instances, they face double jeopardy in the workplace, as discrimination is often based on both gender and race. As a result, they are represented to an even lesser degree in managerial and supervisory positions than White or German women (Finlayson 1990: 40). Furthermore, they are far more subject to various kinds of open or subtle discrimination or exclusion by co-workers, supervisors, management and unions, as will be discussed later.

Significant ethno-racial stratification exists in both countries, but the subordinate position of minorities is less visible and less profound in Toronto than in Berlin. Although the statistical data available are not in every case comparable because of different methods of data collection, the general conclusion is justified that the representation of (male) visible minorities in Toronto, particu-

5 About 73 percent of all currently employed foreign workers in West Berlin were recruited as so-called guest workers from Mediterranean countries in the 1960s and 1970s. About two thirds of these former labour migrants are of Turkish or Kurdish ethnic origin, about 21 percent Yugoslavs and nine percent of Italian, Greek, Spanish or Portuguese origin.

larly in managerial and clerical positions, is much better than in Germany. These occupations are less exclusive of minorities in Canada, partly because of the influx of many highly qualified "Third World" immigrants into Canada.⁶ Moreover, a declining birthrate, ageing population, lack of skilled labourers, and the expansion of Toronto's economy create an optimistic outlook for an increase in employment opportunities for minorities in the future.

For Berlin, the analysis of survey and statistical data gives the impression that the situation of labour migrants is slowly improving. There are above all tendencies to spread from the manufacturing industry into the service sector and local government services. Within the manufacturing industry, which still remains a central city employer despite a notable decline in employment in the past decade, foreigners make up 20 percent of the workforce. In general, employment of foreigners in West Berlin has remained remarkably stable. Despite continuing technological and economic change, which affects the employment of foreigners generally, decisive changes in employment did not occur in Berlin during the 1970s and 1980s, neither at the branch level nor in the economy as a whole. Even at the company level such changes are almost the exception. A massive process of replacement of foreign or Turkish workers by unemployed Germans in the unskilled and semi-skilled sector has not occurred.

Ethno-racial Workplace Discrimination in Germany and Canada

It is not surprising that employers are not trend-setters in equality. Businesses are established to provide services and to produce and sell goods; they are not established for the purpose of removing barriers to equity. However, they support the notions of fairness and of treatment of individuals based on qualifications or meritocratic principles. Therefore business must be judged according to these principles. Discrimination, if uncovered, should produce a sense of outrage because of its violation of business's own code of conduct.

Although the case studies provided unique pictures of each individual organization, a variety of elements were found common to all organizations. In

6 Sixteen percent of non-Whites in Toronto have university certificates, degrees or diplomas, compared to only twelve percent of the general population (Finlayson 1990: 72).

many respects, the organizations that participated in the surveys can be viewed as open minded towards the questions raised. They were generally open to review of their policies and eager to learn more about managing a multicultural workforce. However, the outcome of the studies in Berlin and Toronto indicates that there is still a long way to go before workplace discrimination is abolished. The often-postulated "colour-blindness" and "rationality" of management decisions is called into question by the outcome. Ethno-racial bias in management's hiring and firing decisions enforce or reinforce existing ethno-racial and gender disadvantages or labour market segmentation. Management decisions result from conflicting interests and pressures, contradictory assessments and personal preferences and prejudices, as well as other influences such as economic calculation, the experiences of the corporate actors and customer expectations. The assumption that individual merit determines employment decisions is hardly more than wishful thinking or, in the worst case, a cynical comment that hides discrimination, favouritism, and luck. Although ethno-racial discrimination occurs in Germany as well as Canada, its extent, targets and expression differ significantly in the two countries. In particular, awareness of open discrimination of minorities on the part of management and floor respondents was found to be evolving in Canada, although so-called "systemic" discrimination⁷ and ethno-racial stereotypes still exist, though in a more subtle manner than in Germany. Various respondents stated, "We are not discriminating against anyone" or "In our company we have no problems"; later, during the interview, they revealed ethno-racial stereotypes or, after questioning, admitted inter-racial tensions, slurs, harassment or complaints of discriminatory treatment. However, compared with previous studies in Canada (Henry and Ginzberg 1985; Billingsley and Muszynski 1985; Swartz and Weiner 1987)⁸ there seems to have been a

7 For the definition of "systemic", see chapter 5.

8 The study conducted by Henry and Ginzberg in Toronto in 1985 found that despite almost identical resumé's, a White applicant received three job offers for every one offered to a Black. White applicants also received different treatment, i.e., were treated fairly and courteously, compared to the non-White applicants who were accorded rude, negative and sometimes blatantly hostile treatment. Other discriminatory practices were discovered by the studies carried out by Billingsley and Muszynski (1985) and Swartz and Weiner (1987), for example the allocation of undesirable shifts to visible minority employees, lack of promotion, job segregation and verbal abuse. Further discriminatory barriers were the use of Canadian credentials and of unwarranted language skills.

significant reduction in overt practices and intentional, expressed ethno-racial discrimination as well as an increase in employment equity business activities.⁹

What are the reasons? First, the different ethno-racial composition, qualification, and the legal status of minorities, as well as Canada's perception of itself as a bilingual, multi-ethnic and multicultural immigration society are undoubtedly reasons for the different outcomes. In Canada, the changing legal environment is having a positive effect on employers' anti-discrimination activities and attitudes. Ethno-racial equality and anti-discrimination is not only formally enshrined in the Canadian constitution, as is the case in Germany. Since the 1980s, equity is also enforced by various laws on the federal, provincial and municipal levels, including employment and pay equity, and by institutions such as the Human Rights Commissions, which penalize ethno-racial harassment, discrimination and other violations.¹⁰ Certainly in the province of Ontario, and particularly in the Toronto area, acceptance of attempts to ensure greater equity for members of visible minorities, as well as for women, aboriginal peoples and people with disabilities has significantly increased. This suggests that education

9 Swartz and Weiner (1987) reviewed in 1986-87 twelve of the 199 companies surveyed by Billingsley and Muszynski (1984) and found that in the meantime nine, or 75 percent, of these organizations had implemented some kind of written policy related to employment equity. In 1984 only 18 percent had any sort of policy on race-related employment issues (Finlayson 1990: 75).

10 The Ontario Legislature established the Human Rights Commission in 1962 to prohibit and eliminate overt and intentional discrimination. After it became evident in the 1970s that the "voluntary" approach to equity in business was not working and that unintentional "systemic" discrimination prevailed, the Ontario Human Rights Code and the Canadian Human Rights Act were passed in 1981, introducing a more coherent approach to establishing employment equity. In 1985, Canada's Charter of Rights and Freedoms came into effect with guarantees of programmes and remedies. After extensive research, in the so-called "Abella" report a Royal Commission recommended mandatory employment equity for federal jurisdiction employers, which was proclaimed in the federal Employment Equity Act in 1986. In addition, a non-statutory program for contract compliance was initiated by the Canadian Government in 1986. At the municipal level, the City of Toronto became the first Canadian municipality to implement a contract compliance program for its suppliers of goods and services in 1987. Further mandatory legislation on the provincial and municipal level is expected for Ontario and Toronto in the early 1990s. Correspondingly, in the 1980s the government of Ontario and the City of Toronto established various agencies as watchdogs or as institutions with employment equity responsibilities, for example the Ontario Women's Directorate, Directorates for Native Affairs, Persons with Disabilities, and Race Relations.

and the changing legislative climate have had some effect on employer equity activities. Companies appear to understand the issue of race relations in the workplace much more quickly if they are forced to follow standards set by law.¹¹ As a union chairperson in a car plant commented: "Without mandatory legislation and government intervention, the progress of the voluntary, 'market force' oriented approach is so slow that it would have taken another 120 years for us to achieve equal representation of the target groups".

Second, slow but visible changes have occurred in Canada in the public attitude towards ethno-racial equality, fostered by statements by politicians and parties, media reports, improved self-presentation and representation of minorities in public affairs, and better education of the population.

Third, socio-economic factors in Canada at the moment create a supportive equity climate, ease workplace competition and fear of job losses on the part of White employees and reduce the employers' taste for discrimination; these factors include, for example, a favourable economic climate and a labour shortage, particularly in skilled trades; increased representation of minorities and immigrants in the available labour pool because of a growing influx of "Third World" immigrants; and high upward social mobility even within lower social strata.

Moreover, daily interaction between people and immigrants from different ethno-racial, cultural, national and religious backgrounds has clearly left a mark on Canadian society.

On the other hand, Germany's perception of itself remains that of a non-immigrant society with a relatively homogeneous ethno-national population and culture. A clear expression of this perception is the unequal legal, political and cultural status of migrants, compared with Canada's treatment of immigrants as citizens with immigrant status. In West Germany and most other West European 'non-immigrant' societies, labour migrants are neither legal citizens, nor are they assimilated in social status. Nevertheless, they enjoy equal rights under industrial law and in regard to representation of workers' interests within the works councils and trade unions. Because of migrants' inferior legal position and

11 In 1979 the Canada Employment and Immigration Directorate began to contact more than 1,400 employers, offering them assistance in developing an affirmative action plan. By July 1984, only five percent had accepted, confirming the ineffectiveness of a voluntary approach (Finlayson 1990: 61).

a cultural acceptance of ethno-racial selectivity, overt and hidden discrimination and the use of ethnicity as an ascriptive criteria in manpower policies as well as in attitudes and daily interaction and communication persists in Germany, often unaccompanied by any subtle awareness of its discriminatory effects.

The Typology of Discrimination in Corporate Personnel Policies

The following hypotheses on personnel screening processes are based on the literature and my own research. The allocation process of labour in human resource decisions is, generally speaking, based either on universal rules of meritocratic achievement or on intentional or unintentional, unfavourable or favourable discrimination. The following types of discrimination were found to be relevant: unequal treatment and discrimination based on *unequal legal, formal or traditional status and position* of individuals or a group of people on the one hand and unequal treatment and discrimination based on *ascriptive*, non-individual criteria such as ethnicity, national origin, sex, age, religious affiliation and the like on the other. Two main kinds of ascriptive discrimination can be distinguished:

First, disparate treatment derived from *prejudiced assessment* of individuals. Prejudiced discrimination may arise from deeply rooted emotional and personality-related conflicts, uncritical acceptance of exclusive social norms and customs, or economic, social, political and cultural competition for power, status, and resources. For example, co-workers may fear job and wage competition with foreigners, immigrants and minorities and make them scapegoats for unemployment and economic instability; an employer may dislike Blacks because of xenophobia and intentionally not hire them.

Second, unequal treatment originating from *statistical discrimination*, e.g. assumptions based on *generalized experiences* concerning performance and qualification patterns, social behaviour and other criteria. For example, an employer may prefer Asian computer clerks because of stereotyped personality traits or an assumed cultural work ethic. Statistical discrimination can be based on various considerations:

- (1) *generalized experience* concerning performance, qualifications, turnover, sick-leave and other work related habits;

- (2) generalized stereotypes of *social behaviour* used to promote labour control, stabilization of a specific ethno-racial mix or the "fitting in" of an applicant or group;
- (3) *uncritical use of traditional stereotypes* regarding employment and management of specific groups;
- (4) *lack of time, personal resources, commitment, information and awareness* also may lead to inappropriate generalizations;
- (5) some generalizations are nurtured by the stereotypical, "self-colonizing" *behaviour* of individuals who, in a circular process, have internalized a "culture of marginality, oppression and inferiority" created by past and present discrimination (Oppenheimer 1991).¹²

Occasionally, inequality may arise from "systemic" or constructive discrimination. This kind of exclusive practice or differential treatment is *unintentional* and "hidden" in the workings of the organizational "system", without conscious intent and awareness on the part of managers engaging in the practice. In fact, on the surface such practices may often seem to be neutral, partly because of the complexity of personnel systems and human resources evaluation processes. Such discrimination often involves long-standing formal or informal policies or practices accepted by everyone, even though they have an adverse impact on entire groups of people for non-job-related reasons. A practice may also be unjustified and unfair because it is based on inappropriate grounds not connected with business necessity. Because of its impersonal nature, this discrimination is not as likely to produce a response and is more difficult to resolve. It becomes noticeable when considering patterns of recruitment in the workforce that exclude certain groups; for example, constant under- or over-representation of designated groups in certain occupations, non-recognition of equivalent credentials or individual potential ("Canadian experience required"), biased testing (e.g. scored "paper-and-pencil" tests), narrow recruitment channels, non-job-related qualifications and experience (e.g. years of experience or a formal level of education), job stereotypes, exclusive seniority clauses, and the use of subjective or non-verifiable criteria (assessment of "leadership" or "initiative"). Even

12 An indirect "internalized" form of discrimination derives from self-restraint by non-Whites or women who do not apply for jobs because of anticipated rejection. There is good reason to believe that many potential incidents of discrimination never occur because potential victims tend to avoid situations in which discrimination is likely to occur (Finlayson 1990: 11).

ignoring differences between applicants and refusing to take account of them may be discriminatory.

The Canadian Experience

Company Characteristics and Discriminatory Attitudes and Action

A greater awareness of discrimination and a more positive attitude towards employment equity and ethno-racial diversity were found in companies with the following characteristics: more than 1,000 employees, an established personnel policy or staff members responsible for corporate equity policy, an employment equity commitment by senior management, support by a progressive or influential union, and, in companies subordinate to the federal government, equity legislation and continuous governmental review. On the other hand, more biased and "personalized" screening methods were found to be quite widespread in smaller companies and companies with a strong "silent majority" of White, male, skilled employees.

The respondents' answers revealed a wide range of perceptions and attitudes about visible minorities. Because in Toronto awareness of open prejudice and stereotyping seems to be well developed, only a few respondents frankly demonstrated their prejudices or generalizations, for example by making derogatory remarks and stereotyping the personality traits or work habits of minorities. Respondents did cautiously hide their biases if questioned directly about visible minorities. However, when more subtle questions were asked - for example, opinions about employment equity, Canadian immigration and multiculturalism policy, unemployment, and recent incidents such as the appointment of a turban-wearing Sikh to the Royal Mounted Police or the shooting of young Black car thieves by White Toronto policemen - this reluctance to openly express bias disappeared. These issues provoked many ethnocentrist, superior, contemptuous, patronizing or exploitative remarks, clearly revealing an apparent

willingness to engage in ethno-racial bias and to project fears and aggressions onto minorities.¹³

Various kinds of labelling and stereotyping by gender, race, and national and ethnic origin were found, particularly towards Chinese ("They are good with numbers, but stick together"), Blacks ("rebellious and easily offended") and West Indians ("lazy, fun loving"). Prejudice was often rationalized by experienced behaviour, and therefore could not easily be disproved. Another endemic expression of prejudice and arrogance in the workplace are racist jokes, slurs, and intolerance of the expression of different cultural habits (dress, taste, odors, religious practices and other behaviour). White respondents who revealed such problems in their companies often did not understand, for example, that racist jokes further alienate minority groups and must be taken seriously. Instead, they considered this kind of behaviour a part of normal social interaction, or merely an insignificant aspect of a "personality clash" that need not be taken seriously as long as it has no effect on the company's performance or productivity. By contrast, non-White respondents stressed the widespread existence and "painful experience of harassing remarks, subtle unequal treatment or ethno-racial favouritism - for example, the "silent" way in which co-workers were able to make minorities quit a job.

When management considered such occurrences to be a serious threat to company image and productivity, the companies participating in the survey handled ethno-racial incidents much more consistently and actively, with less ignorance and bias, than is the case, for example, in Germany. Frequently reported methods of handling complaints included confronting the aggressor, holding joint discussions with the parties involved as well as supervisors, shop stewards or unions, and disciplinary action. Some employers admitted their fear of the involvement of the human rights commission or of a negative public response should complaints be brought to the attention of the media. In my re-

13 According to sociologist Frances Henry, "a study conducted in British Columbia found that 25 percent of majority respondents felt that Indo-Canadians were not acceptable in "our" community whether they were immigrants or born in Canada. An additional eleven percent would not admit them into the country... A study conducted by Li in Saskatoon found that nearly 42 percent of the majority population were opposed to East Indians coming to Canada and 26 percent were against further Chinese immigration to Canada. About one quarter of Li's sample felt that Canada would be harmed by East Indians coming to this country" (Henry and Ginzberg 1985: 9).

search, however, I observed no obvious differences in the substance and handling of White and non-White complaints. This differs from the findings of Billingsley and Muszynski (1985), although their conclusion that many employers lack unequivocal policies or non-ambivalent responses to race relations was not completely disproved.

How Employers Promote and Hire

The majority of employers in Toronto promote un- and semi-skilled labourers from within the firm. Similarly, the hiring process from outside was found to be systemically biased because of widespread informal word-of-mouth and walk-in hiring. Consequently, if the labour market in a company's neighbourhood consisted of mainly White non-immigrants, the percentage of employed minorities and immigrants was found to be low. However, even in the case of a dominant non-White community, uneven ethno-racial distribution continued to prevail in many cases because employers were biased towards hiring of Whites. As some personnel directors explained, their companies yielded to pressure from unions and employees who wished to preserve jobs for their families, relatives and friends. Some organizations that claimed to recruit minorities in reality did not. Instead, they used a preferential selection process, making no special effort to expand or diversify their pool of applicants. They snapped up qualified minority group members only because no Whites were available.

Further elements in subjective decision making are hiring criteria and hiring standards. My research determined that subjective judgements such as communication skills, manner or attitude and the ability to "fit in" ranked high on employers' lists of preferred characteristics. From this point of view, visible minorities are often "not sufficiently educated or qualified". The varied definitions of "right attitude" or "fit" provide a good indication of the personal and cultural biases involved in finding "the best qualified candidate." There is a great probability that employees are perceived as "qualified" if they behave in a predictable manner, "like us." Even regularly-used application forms and "scientifically proven tests" have, with few exceptions, never been tested for cultural biases, or the respondents did not know if they had been tested. Moreover, other selection criteria mentioned, such as well-written and spoken English, formal credentials and resumés, are biased in many cases because they

are either irrelevant to the jobs offered or contain incorrect information. Recommendations by co-workers are also highly positively biased. It is wrong to assume that the persons involved in the hiring process can clearly determine the "best qualified" candidate, even less so since the "most skilled" for the task involved is not always the "most highly qualified" in terms of merit or credentials.

Female immigrants were found to be another target of discrimination. They are often relatively underemployed regardless of educational background, due to non-acceptance of their credentials and preference for candidates with "pure language ability", "Canadian experience" or "Canadian reference".

Asked to list the benefits and costs of a multicultural or a more homogeneous workforce, the vast majority of respondents in Toronto expressed satisfaction with the current ethno-racial mix. Once again, this is quite a different attitude to that found in Berlin. Respondents referred, for example, to business's need to draw from a wide labour pool, gain creativity, satisfy non-White customers, improve a company's image, or find the best-qualified applicants for the jobs available. When discussing costs and disadvantages, respondents made the following arguments, among others: ethno-racial or cultural diversity creates potential communication problems, tensions and grievances between and among races and ethnic groups; costs are incurred through higher training expenditures; staff must be employed to comply with employment equity legislation; organizational coordination increases the demand to accommodate different needs (e.g. religious holidays); language differences increase misunderstandings, segregation and the tendency for groups to "stick together." As in Germany, these supposed or real costs and benefits in most cases were not of such importance that employers were unable to manage them. Even if employers wished to change the ethno-racial mix, as in Germany, many of them were unable to accomplish this simply because their companies depended on minority employment.

Resistance to Anti-Discrimination Legislation and Progress

There is a common discontent with federal and provincial legislation or government intervention. Almost half of all human resource managers were not aware of the existence, content and consequences of equity legislation for their organizations, nor did they have a clear understanding of the concept of

"systemic discrimination" and its implications for reviewing human resource policies.

Many opposed any government intervention in business affairs as a threat to the autonomy of business action, profitability, employee performance, and meritocratic principles. Equity legislation was often confused with pay equity or a "quota system;" many assumed that they were being forced to hire "unqualified" or "less able" minorities in order to fill racial quotas, leading to lower job performance standards, reduced productivity and work morale,¹⁴ and increased racial tensions and operating costs (more staff, committees, training). Others saw no need for such legislation because "race is not a criteria in our company." Within the organizational hierarchy, departmental supervisors, foremen and charge-hands also lacked knowledge. They were even more reluctant to accept the new multi-ethnic reality in the workplace and were inexperienced in managing it successfully. Employees felt threatened by supposed "reverse discrimination" and loss of seniority. In fact, equity policies question traditional "old-boy networks," prevalent male buddy favouritism and the exclusive "gatekeeper" function of traditional benefit plans and seniority rules. Furthermore, they raise the peer group's fears of competition for past and future privileges, for example, jobs for sons and daughters.

In smaller companies in particular, pay equity raised many objections, as it was on the public agenda during the period of my research. Pay equity was often bluntly rejected as counterproductive and unfair. Pay equity indeed threatens the established job hierarchy and psychological job ranking system, including unequal work evaluation standards that favour males.

In general, the majority of human resource managers interviewed take a formal and legalistic approach towards compliance with legislation. They do not embrace legislation out of "good business sense," but out of fear of government fines, a negative corporate public image and customer, union or employee pressure. Because of lack of identification and commitment to the goals of equity programmes, compliance requirements are often ignored or only partly followed. For example, concentration on data collection and official reports does not really help to improve the position of the target groups. Although managers were often

14 On the other hand, many employers complained about the work-ethics of young Canadian-born workers and emphasized their experience with hard-working immigrants or non-Whites, particularly from Asia.

sceptical about the necessity, advantages and outcome of anti-discriminatory employment equity legislation, they expressed at least a willingness to follow the legislation if implemented, out of a desire to do "what is right and legal." Indeed, compared with the findings of earlier studies equity activities and awareness have improved, although on a low level. Special programmes for the so-called four designated groups, race-related management training, participation in workshops, formal equity commitments by senior management, data collection and even the establishment of employment equity committees and coordinators have improved.¹⁵ However, there is still a long way to go.

An unsolved problem is the conflict between employment equity legislation, concerned with the equal representation of target groups based on merit, and seniority rights, concerned with preference based upon length of stay within an organizational unit. Because hiring of target groups did not start until recently, they are at a great disadvantage at every economic downturn or in the case of lay-offs. Seniority tends to perpetuate the subordinate position of target groups, but is on the other hand the key to unionization. Thus the Canadian unions are in a dilemma, as they fight simultaneously for equality, solidarity and fairness on the one hand, and seniority rights on the other. As long as many union members perceive equity legislation as an obstacle to seniority, the struggle to reduce discrimination in the workplace is handicapped.

Compared with prior research in Toronto, the results of the Canadian survey indicate that, though the awareness of management as well as of the public has increased, employers still face considerable race-related problems, although they are reluctant to admit it. During the interview period, at a time when the Canadian economy was suffering from an economic downturn and rising unemployment, some respondents even speculated upon a tendency towards increasing racism, particularly at lower occupational levels where job competition

15 In 1984 only about four percent of 199 questioned organizations, all of which were large, reported pro-active race-directed employment policies. Another four percent had special human rights sections or officers to whom racial minorities could direct complaints. Three percent had developed a systematized affirmative action plan to deal specifically with recruitment, selection, promotion, training and lay-off policies that affect visible minorities. Six percent mentioned a special programme for women, three percent for handicapped, and three percent for ethno-racial minorities. Around one fifth conducted management "training" in race relations; in many cases, this simply meant handing out government information brochures and advising trainees to become acquainted with the new legislation (Finlayson 1990: 58).

is relatively severe and the consequences of unemployment most felt. Indeed, some public polls signalled growing ambiguity, dissatisfaction or even resistance to governmental action concerning employment and pay equity, bi- and multiculturalism, a non-race-related immigration policy, and other anti-discriminatory measures. If such sentiments become popular and institutionalized, this could have dangerous consequences for Canada's future. Changing demographics¹⁶ dictate the need for the country to address the issues of racism, equal opportunity and multicultural co-existence on all societal levels, including the private business sector. To prevent a backlash against anti-racist, equality-oriented policies and to stabilize attitudes of mutual tolerance and ethno-racial harmony, it is important not to give in to such sentiments, but to hold to the course of establishing positive race relations and employment policies and developing a mandatory approach that covers at least medium and large size companies. Furthermore, it is necessary to inform, educate and convince employers and the public in a firm, unequivocal voice about the goals, timetables, costs and benefits of human rights and anti-discriminatory legislation (Finlayson 1990: 90). On the other hand, mistakes should be corrected when they occur and any insensitive pushing of the programme should be avoided. Government, business, labour and community organizations should work out long-range plans to create greater equality and tolerance in the society. If need be, a Systemic Discrimination Unit should be established to administer employment equity effectively, possessing legislative power to audit employers. The special needs of target groups must be addressed in a flexible manner, financed and solved; for example, through language and skill-training programmes using the untapped potential of minorities already living in the country. Other measures should be taken to prevent ghettoization and segregation of minorities by providing incentives for relocation to less developed areas, and improving the infrastructure and housing situation.¹⁷

Companies themselves have to correct false assumptions about enshrined self-referential hiring norms based on the White, Anglo-Saxon, usually male

16 53 percent of immigrants to Canada now come from less developed countries. Women and visible minorities will soon constitute Canada's biggest source of labour force growth (Finlayson 1990: 85).

17 For further evaluation of the Canadian experience, see Kurthen (1990).

culture. Other attitudes, policies and institutionalized corporate barriers have to be reviewed, such as self-congratulatory statements on racial tolerance and meritocratic screening, or the belief that discrimination is an individual problem and solutions are individual in nature ("individuals are responsible for gaining 'our' credentials"). Moreover, reviews must become permanent, and special programmes, outreach recruitment, awareness training and other measures should be encouraged.

The German Experience

Perception of Labour Migrants and Their (Dis)advantages

Article 3 of the Federal Republic's constitution, as well as Article 20 of Berlin's constitution, outlaw any ethno-racial, religious, national, lingual, political or gender discrimination. Although there have been some important cases before the Constitutional Court and plenty of media reports have been published on the issue of discrimination, the subject is not very high on the public agenda. Particularly within the business community, managers' awareness of discrimination in the workplace is not very well developed. Fifty-three percent of the managers interviewed in the Berlin survey used ethnicity as an ascriptive device for screening job applicants, for example by generalizing past experiences with minorities or using positive or negative ethno-racial stereotypes. A majority of the respondents was critical or sceptical about the integration of labour migrants into the workforce or the society. However, managers whose companies employed significant numbers of foreigners responded in a more positive manner, referring, for example, to the greater exploitability of labour migrants, such as their lower demands for better wages and working conditions and their high performance and willingness to work overtime, their lower rate of alcoholism, greater discipline and unbroken desire for earnings. In general, foreigners were said to be different with regard to their work-related and socio-cultural behaviour. Negative problems most often mentioned included deficits in qualifications, absenteeism and sick-leave, problems of social intercourse and communication, low adaptability and identification with the goals of the organiza-

tion, group solidarity, conflict readiness and imperfect command of cultural standards. These disadvantages, however, were only in a few cases expected to seriously affect a company's output. Similarly, ethnocultural and normative differences were reported in religious practice, customs and standards of behaviour, but these were not decisive factors outweighing the economic benefits of their employment. It is worth noting that on the basis of long years of experience, larger companies with a more sophisticated personnel policy and stronger or more active unions have more success in dealing with foreigner problems assumed to be "typical," such as overstaying holidays, tendencies towards concentration and segregation in the workplace, and hostility and tensions among and between ethno-racial groups. In fact, ethno-racial tensions, turnover, absenteeism and other reported "disadvantages" stem in many cases from management mistakes in handling a multi-ethnic workforce.¹⁸ The response of management to ethno-racial hostilities, slurs, and harassment remains weak, unsteady and in some cases ignorant. Grievances, for example, were in some cases not adequately handled because of fear of "stirring up tensions." Similarly, existing remedies on the corporate level or legal actions were not adequately taken. A clear, public anti-discriminatory commitment by management and union shop stewards was observed in only a few cases. This is not only a mistake in personnel management from the point of view of Germans' responsibility to their past history, but also an economic impediment from the point of view of a company's productivity and success over the long term. Work environments are powerful shapers of behaviour and attitudes. If individuals, or groups of individuals, experience a positive work environment, one in which their individual abilities, skills and potential are fully recognized and utilized, it is far more likely that relationships within and between diverse groups in the society will be harmonious. Equal opportunity and treatment then becomes not only an important business strategy. It becomes a powerful tool in promoting and creating a positive race relations climate within a company as well as within the society.

18 For example, the turnover of foreigners has been greatly reduced in recent years due to the pressure of high long-term unemployment. A high turnover of foreigners was often the result of particular conditions in the company, such as rigid and discriminatory selection and promotion criteria, an atmosphere at work which is hostile to foreigners and a "your face doesn't fit" policy towards them.

Union and Co-worker Discrimination

In about 60 percent of all companies surveyed, a tendency was found towards discrimination on the part of German co-workers or shop stewards (Vertrauensleute, Betriebsräte). In many cases the "dominance" argument was used to legitimate the exclusion of foreign workers from equal power sharing. Some fear was expressed of group cohesion, especially among Muslim Turks, or imagined suspicion of "Mafia"-like behaviour. Not only managers, but also shop stewards, emphasized the foreigners' union solidarity and their potential for mobilization and unionization. Indeed, in some - mostly larger - companies in the metal industry, migrant labourers have an above-average rate of unionization. Therefore, foreign workers, particularly Turks, were considered in many interviews to be the "classical" type of worker, more actively involved in collective labour conflicts than the "individualistic" Germans. However, within the ranks of the union, foreigners are under-represented in higher and more responsible functions. Younger foreigners, particular Turks, with good knowledge of the German language, better education and higher aspirations challenge the traditional "division of labour representation" and call these privileges into question. They are increasingly demanding and achieving greater influence in unions and work councils in order to counteract long-standing disparities in job allocation and in the companies' internal power structures. These shifts are by no means always free of conflict, but must be assessed as a necessary passage to greater political and social integration and equality of foreigners in the future.

Hiring and Selection

In general, appointments rank higher than dismissals within the spectrum of personnel policies, because - as Windolf/Hohn (1984) have pointed out - engagements offer greater scope for decision making and choice of action than terminations and lay-offs, which in Germany are relatively restricted by legal regulations and the unions. Because of the threat of considerable financial costs for redundancy payments, the suitability of candidates is even more carefully scrutinized on appointment. On the skilled level, internal recruitment prevails. External recruitment, mostly through advertisements, is only used as a last resort. The qualification requirements, and the lack of resources and networks, virtually

exclude foreigners from that occupational sector. At the unskilled level, where there is less competition with nationals, firms tend to hire personnel through co-option of their migrant personnel.¹⁹ Walk-in applicants and word-of-mouth recruitment offer advantages such as reduced costs, applicants on file, on-the-job training by acquaintances or relatives, social control, etc. Nevertheless, networking by foreigners themselves is often viewed with mixed feelings, because of fears of favouritism, whereas patronage by Germans is often considered less embarrassing. In general, internal and word-of-mouth recruitment operates to the disadvantage of women, people with disabilities and minorities, as it tends to replicate the organizations' existing, mostly dominant White, male workforce or occupational segmentation. Walk-in methods also can have an extremely discriminatory impact. Applicants using this method were often rejected arbitrarily by "gatekeepers" such as switchboard operators and receptionists, many of whom have not been trained to apply objective criteria in determining eligibility for employment.

Compared with the hiring period of labour migrants in the 1960s and 1970s, selection criteria seem to have been raised, partly because of the relatively high unemployment rate. Raising language requirements is a measure frequently employed in internal selection. Increasing standards relating to knowledge of the German language, which recently occurred in 62 percent of the companies studied, places older and female foreigners and recent immigrants at a disadvantage.

The most important methods of personnel reduction are individual dismissals and such "soft" methods as early retirement and abrogation of contracts. Not filling vacancies and lay-offs are used by one third of all companies reviewed, mainly establishments affected by economic downturns and seasonal market fluctuations. Mass redundancy is the least-used method of personnel adjustment. However, when the method is used, foreigners are affected more than the average. Generally, foreigners and Turks quit less frequently than Germans for personal or conduct reasons or at their own request, because they are aware of their higher labour market risk, slimmer prospects of re-employment and loss of

19 Another type of discrimination exists with regard to recruitment channels. Germans are twice as likely to be hired through ads, four times as likely to be hired through the Labour Exchange, but four times less likely to find a job by word-of-mouth or walk-ins. Migrants thus have little chance of finding a job through both the formal and informal recruitment channels used by companies to fill vacancies.

seniority. Contrary to stereotypes, foreigners are quite willing to adapt to a corporate culture and therefore give little cause for dismissals due to misconduct, absenteeism or sick-leave.

Types of Discriminatory Screening

In the Berlin survey, the following types of personnel hiring policies towards the foreign workforce were observed. Intentional and continuous unequal treatment of foreigners in hiring processes based on openly-expressed ethno-racial prejudices, as well as discriminatory treatment frankly legitimized by the foreigners' subordinate legal and political status were not discovered. However, preference for German labourers based on statistical generalizations and systemic discrimination were manifest in 62 percent of the Berlin sample, or 49 out of 79 companies. Twenty-one percent of all companies expressed ascriptive generalizations regarding the performance, trainability, flexibility, work motivation and other criteria relevant to the labour process of foreign labourers. Thirty-two percent of all companies referred to informal company norms ("fit"), social suitability, social regulation and stabilization as well as cultural distance, conflict readiness or group cohesion as grounds for rejection. One in ten companies had a more or less informal and arbitrary quota with regard to the "ethno-racial mix," ranging from five percent to 60 percent. In most of these cases, ethnic "dominance" played an important role in the managers' argumentation.²⁰ However, due to the situation in the labour market, barely half, or 24 out of 53 companies with pro-German sentiments were able to pursue their preference. Thirty-eight percent of all companies interviewed hired applicants without screening by using generalizations or manifestly biased recruitment and screening devices. Twenty-six companies (33 percent of the sample) belonged in the "indifferent" category, which comes closest to the ideal of personnel selection in

20 The emphasis was on the majority in their own country, which should manifest itself in numerical superiority: "We are a German company in Germany" or "Cooperation between Germans and foreigners works, but only as long as the Germans feel they are masters in their own house." Furthermore, management feared that placing foreigners in "key positions" (foreman, skilled worker) might increase the problem of controlling them, and on the other hand that a possible "loss of confidence" on the part of the Germans might lead to conflicts and terminations of skilled Germans and supervisors.

accordance with meritocratic rules, principally according to qualification, as well as the suitability and performance of the individual worker. There also exists, in part, an "offensive indifference" with which some companies or personnel managers and work councils attempt to achieve and maintain more equal treatment for foreigners even against internal resistance. Four companies (five percent of the sample) openly preferred foreigners. Due to stress factors, poor remuneration and low qualifications, these companies had to come to terms with the non-availability of Germans and expressed no regret at that decision.

The Road to Social Progress

If generalized conclusions are to be drawn, the present situation of labour migrants in Berlin could be described as an "intermediate position." There are tendencies towards both gradual integration and equality (employment, promotion, vocational training, representation of interests) and consolidation of the marginal status of some groups holding jobs with poor opportunities for communication and cooperation, high stress levels and resultant health impairment, involving monotonous piece-work in shifts, poor prospects for qualification or promotion and a high risk of dismissal. This is connected with signs of a consolidation of ethno-racial socio-cultural integration as well as segregation or the persistence of discrimination and rejection. This intermediate situation may change as a result of the decisive economic and political events in Germany since 1989, particularly the downturn of the East German economy and sharply rising unemployment. The possibility cannot be ruled out that we may soon observe a sharp increase in competition and replacement of foreigners by East Germans, particularly in the secondary labour market, which is said to be shrinking simultaneously due to technological innovation and rationalization. A high level of unemployment or economic insecurity could intensify discrimination against foreigners, hinder integration and counteract the liberal assumption of a prevalence of micro-economic rationality, universalistic rules of interaction, equality and tolerance in the long run.

The Canadian experience indicates that an evolutionary liberal approach is not very likely to bring about the necessary results. The achievement of equal opportunities and rights in employment as well as in the political system is a crucial prerequisite to more harmonious economic and social development.

Therefore it is necessary to strengthen the position of labour migrants once they have taken root in Germany and become de-facto immigrants.²¹ Their legal position must be improved through reform of the Alien Law and their naturalization facilitated by encouraging dual citizenship or granting them landed immigrant status. Moreover, there is a need to develop a serious anti-discriminatory or equal employment policy and a commitment to human rights by the government, employers, unions and the public in Germany. We recommend a series of initiatives for that purpose; for example, decisions by the Constitutional Court should be instigated, political support by inter-parliamentary commissions gained and a nationwide consultation process launched, comparable to the Royal Commissions and the "Abella" report in Canada (Kurthen, Gillmeister, Fijalkowski 1989: 319 ff.). This must be combined with organizational changes starting at the top levels of management, including workers' interest representation, assisted by further awareness training of the management and workforce as well as training and promotion programmes for target groups.

Such ethno-racial integration policies in the framework of the European unification process of the 1990s could be successful at all levels, because there is a strong desire for tolerance and identification with democratic values and institutions on the part of labour migrants beyond their ethno-cultural diversity. It is important now, at a time of worldwide economic dependence, internationalized labour markets and global challenges, that the relevant actors in Germany bury the idea of ethno-racial national homogeneity and start to rebuild Germany as a multi-ethnic western and European society based on the principles of equality, humanity, freedom, and solidarity regardless of skin colour, race, ethnic or national origin, language, culture and religion.

Considering the experiences and scientific analysis of multi-ethnic and multi-racial societies such as the US and Canada, we can derive the conclusion that government and law enforcement institutions have a major role to play in implementing anti-discriminatory measures. Government has the infrastructure that makes it an effective resource for business, as well as the ability to communicate the social and economic value to be gained by the elimination of

21 From the point of view of the foreigners there is little reason to repatriate, even if they receive financial incentives, because they anticipate even worse living conditions and work prospects in the home-country than in Germany. This was proven by the failure of a repatriation campaign by the West German Conservative government in the early 1980s.

discrimination. Although employers should be given as much autonomy as possible in deciding how such efforts should be structured and carried out within their organizations, government should set the standards as to what constitutes an effective strategy and monitor the outcome (Finlayson 1990: 87 ff.). Other government and business activities include providing incentives and awards; offering consultative services; implementing equity plans within government agencies; collecting public and corporate statistical "flow" (mobility) and "stock" data based on consistent definitions; and initiating research and pilot projects as well as special training programmes for discriminated groups. The most important task is the development of widely accepted, mandatory anti-discriminatory legislation based on the constitutional principles of equal treatment and opportunity as well as respect for human and individual rights.

Compliance with the principles of anti-discrimination and equality will not be a disadvantage for the economy and the business world. On the contrary, it is good business in an increasingly meritocratic and equality-oriented environment. Fairness in the workplace makes good business sense because it enhances a workplace free of conflict, promotes productivity by fully utilizing the labour pool as well as individual potentials, and improves the corporate public image. Research also has shown that a strong anti-discriminatory or human rights commitment, combined with effective, public, visible sanctions, clear responsibilities, goals and timetables, periodical reviews of responsible persons and departments, and a policy of active equal opportunity, is crucial to reducing ethno-racial tensions in the workplace and in society.

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