



TEMPORARY MIGRATION UNDER MODE 4 OF GATS: A CHALLENGE FOR DEVELOPMENT

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- 1994 adoption of GATS (General Agreement on Trade in Services) marked new shift in international trade rules to include services trade; also necessitated new definitions of how trade takes place – hence the four modes of GATS
- mode 4 of GATS covers ‘presence of natural persons’ (ie temporary migration of service providers), though no definition of how temporary
- estimates of mode 4 trade ca \$30-40bn pa (barely 2% of total services trade); also far less than total remittances to developing countries, which now run at \$160bn pa (World Bank GEP 2006)
- focus within WTO on skilled workers: intra-corporate transferees (ICTs), business visitors (BVs) and contractual service suppliers (CSSs) – this last in turn subdivided into employees of juridical persons (EJPs) and independent professionals (IPs)
- estimates (eg Alan Winters) suggest that increase in temporary migration into OECD countries equivalent to 3% of their workforce could generate an extra \$150bn pa in global welfare, shared equally between developed and developing countries and due more to migration of unskilled than skilled workers
- some developing countries view mode 4 liberalisation as key gain from Doha Round of WTO negotiations; India leading on ‘service provider visa’ for highly skilled, plus greater scope for Mutual Recognition Agreements (MRAs); see collective request submitted March 2006
- LDCs pressing (tactically) for semi-skilled and unskilled labour to be included
- common cause made between business in EU and USA and major developing country service exporters
- EU has made new mode 4 commitments for ICTs and CSSs; US has rejected calls for mode 4 liberalisation beyond Uruguay Round commitments (not least because this exceeds power of USTR), so US HI-B visa quota stays at 65,000 pa

- theoretical attraction of matching global movement of capital with increased mobility of labour; cf original free trade philosophies
- concern from trade unionists North and South (and from migrant labour organisations) that migration under WTO = commodification of labour, since temporary migrants have neither rights nor protection in host country; also concern over 'social dumping' (wage parity issue)
- major concern over economic strategies which advocate export of skilled labour from developing countries – esp given impact of brain drain in key public services such as health, education, social workers etc
- need to locate migration debate away from WTO and GATS

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