

WTO argues for extensive economic migration

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GENEVA - A World Trade Organisation report on Thursday backed moves to get mainly wealthy countries to open up to more extensive temporary migration for workers, saying it could boost the welfare of both the country of origin and the host.

A study in the WTO's 2004 World Trade Report released here found "significant" potential economic and trade gains from the liberalisation of labour flows under the organisation's General Agreement on Trade in Services (Gats).

Currently, a section of Gats known as "mode four" focuses mainly on allowing executives at multinational companies or business visitors short-term access to company bases abroad.

Developing countries at the WTO, such as India, have been trying to get wealthier counterparts to allow in more temporary services workers, both unskilled and skilled.

The report pointed out that there was a surge in demand in Britain for skilled labour from India and the Philippines in the late 1990s, mainly for computer specialists and health workers respectively.

The limited Gats provisions form the only WTO agreement liberalising the flow of labour across borders in the same way as the organisation eases barriers to goods and services.

"It's an area that hasn't been tapped yet," a trade source said.

The report concluded: "Extending categories and skill levels in members offers during the present Gats negotiations could ... have important effects on the temporary movements of labour and on the welfare of both the sending and receiving countries."

Most of the effects outlined in the study were positive.

Citing another study, the report by the WTO secretariat said temporary labour liberalisation could generate annual gains of 150 billion to 200 billion dollars.

"Gains are estimated to accrue to both developed and developing countries, and would come mainly from the movement of low-skilled workers rather than high skilled workers," it added.

The report emphasised that Gats only covered temporary employment of services workers in a foreign country and not permanent access.

But WTO member states have shown wide differences in their interpretation of "temporary", ranging between three months and five years during negotiations on a new services deal, according to the report.

Gats is not a uniform agreement and relies on each of the 147 members of the WTO setting their individual criteria for access to domestic markets, albeit through negotiation.

Campaigners have criticised WTO member states for failing to remove barriers to labour at the same time as they liberalised trade.

But many governments have been reluctant to deal with the politically-charged issue at an international level.

Others have complained that trade liberalisation has encouraged multinationals to move factories to cheaper locations abroad, thereby shedding jobs at home and encouraging poor labour standards and wages.

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