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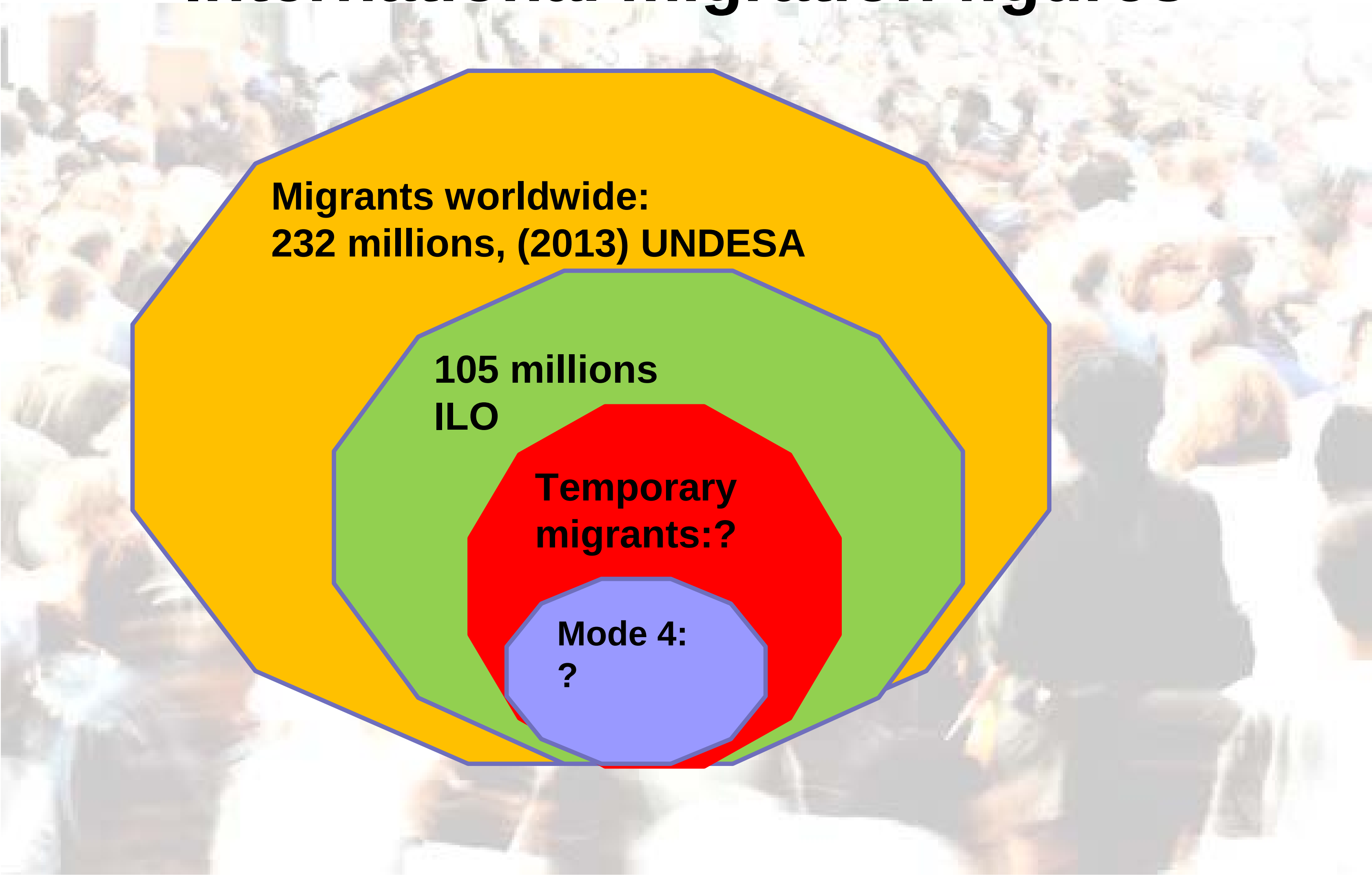
Temporary labour mobility from trade and migration perspective –
Managing Movement & Temporary Stay of Labour Migrants - Policy & Implementation - IOM

Dialogue on Regional Mobility of Professionals in CEFTA

29 April 2014, Brussels

Why is IOM engaged in liberalization of trade in services?

International migration figures

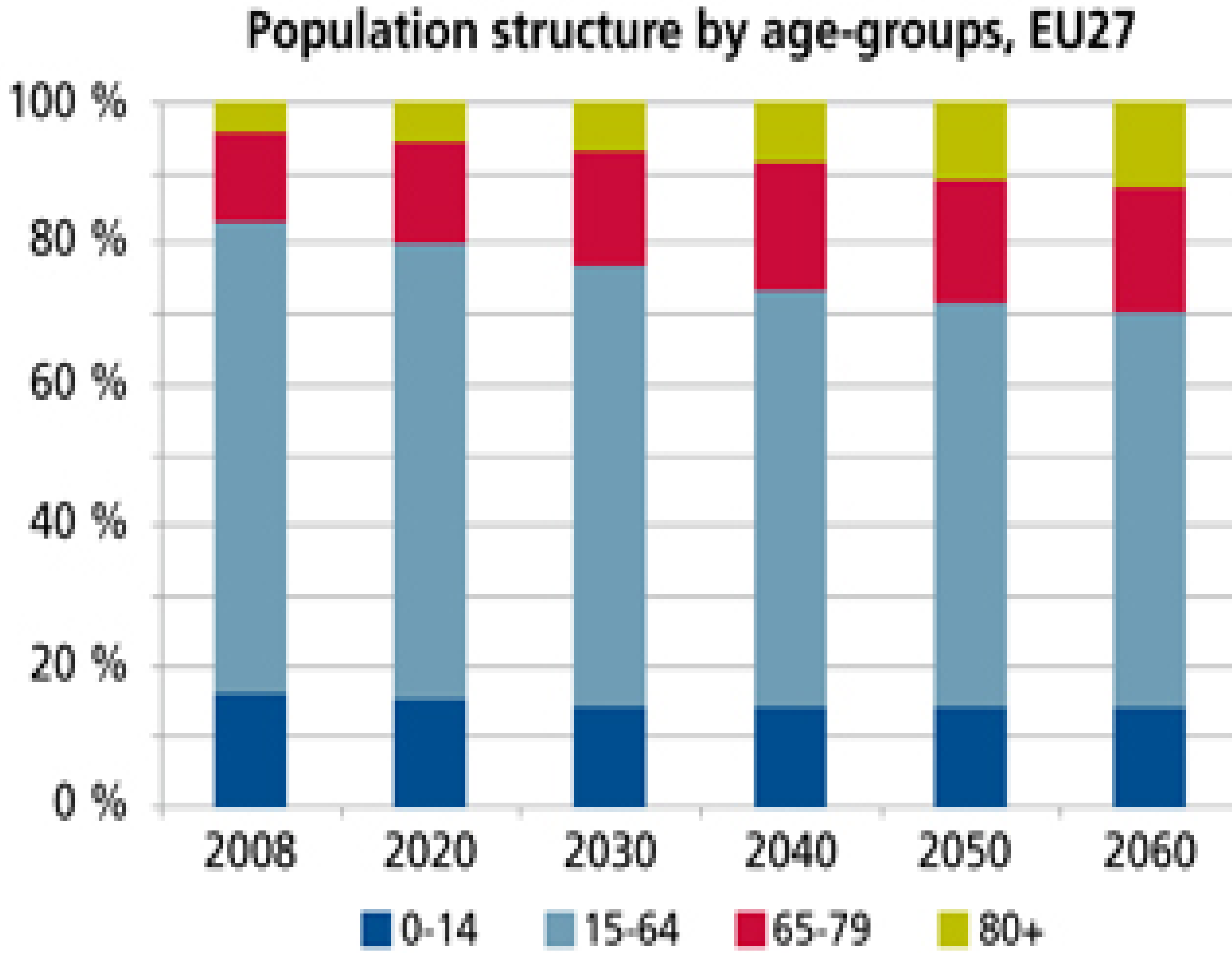


Demographic Change

Ageing populations and **decrease in working age population** in most industrialized countries

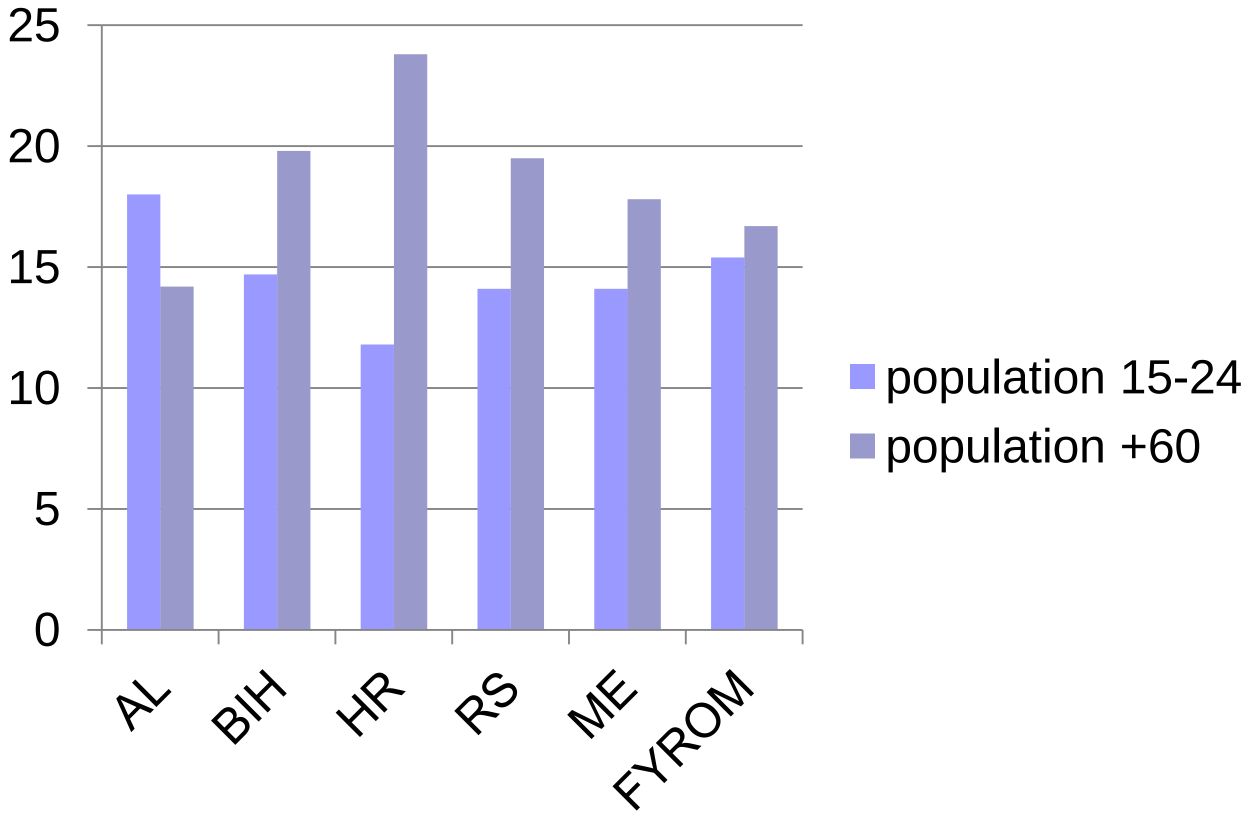
Growing labour surplus in many developing countries

Source: EC, 2009 Ageing Report.



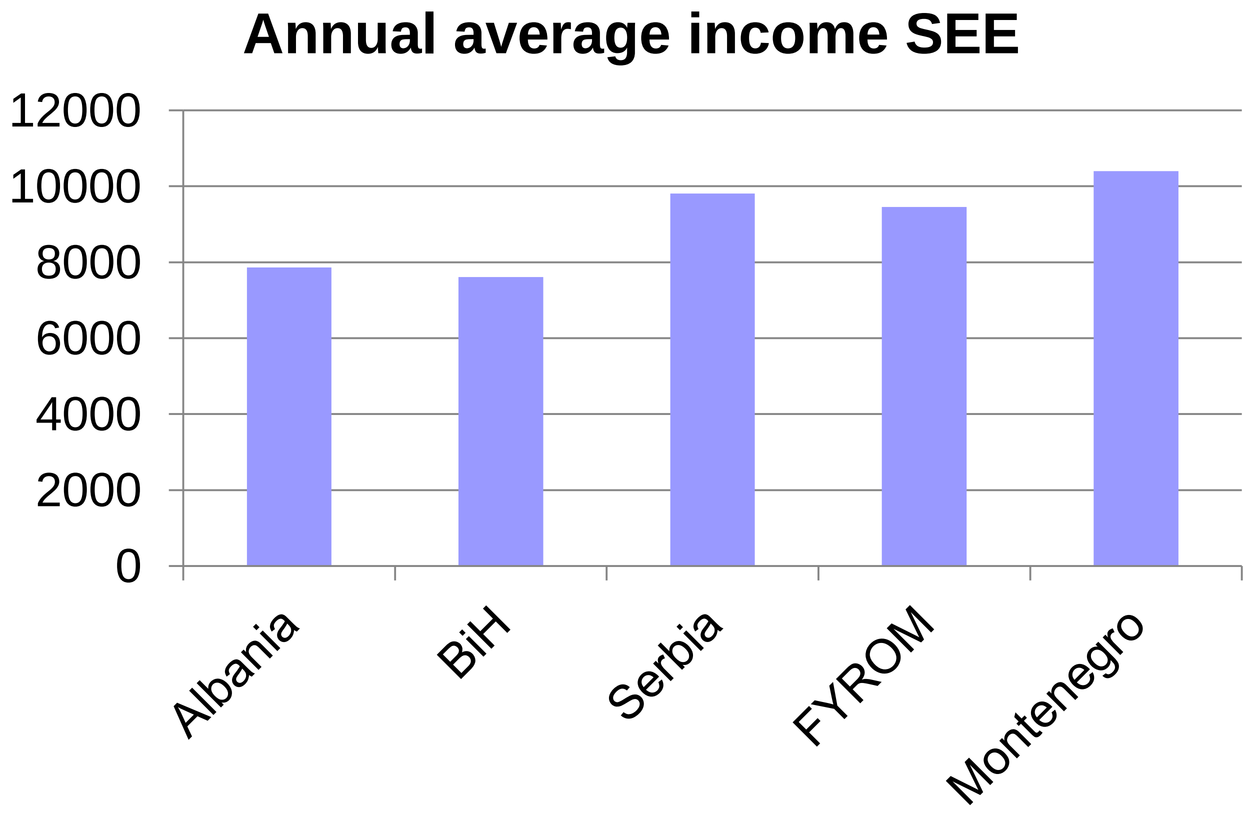
Source: EC, 2009 Ageing Report.

Age brackets as % of total population in selected countries, 2010



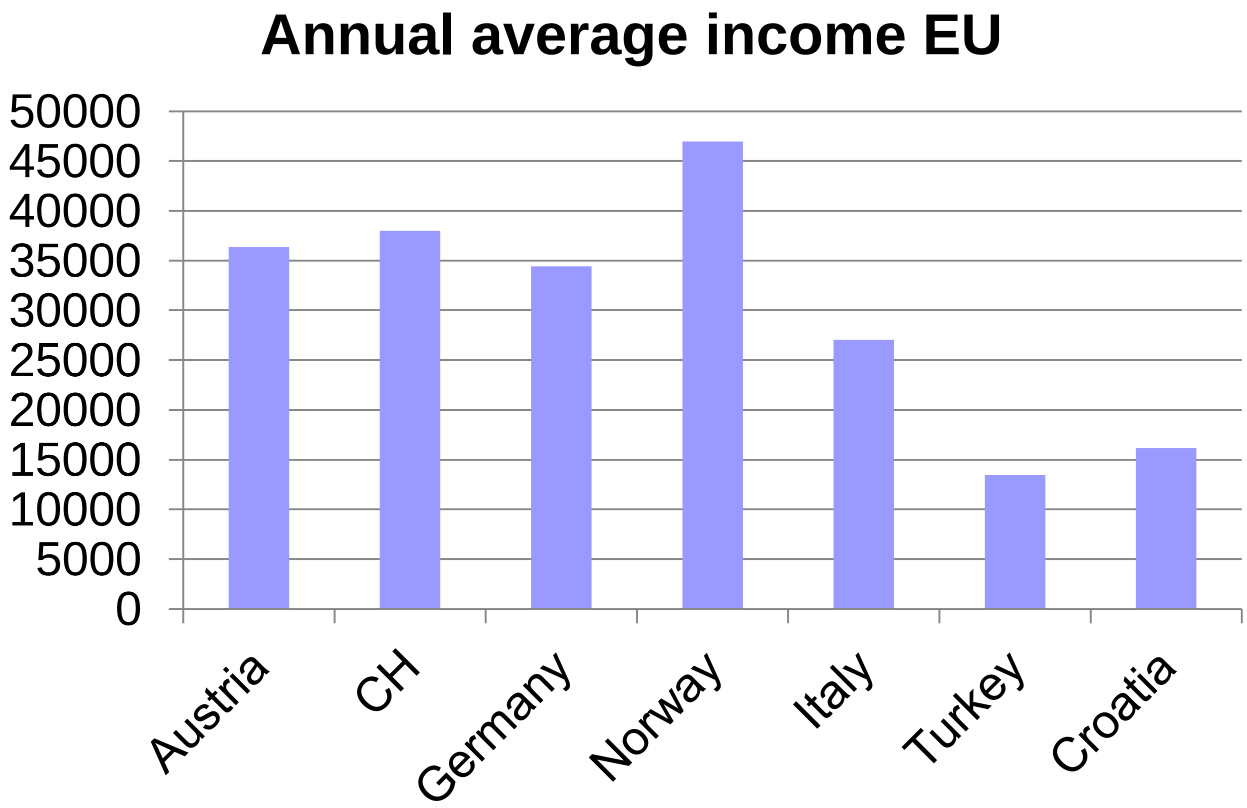
Source: UNDESA, World Population Prospects 2012, presented by RO Vienna

Development disparities within the region

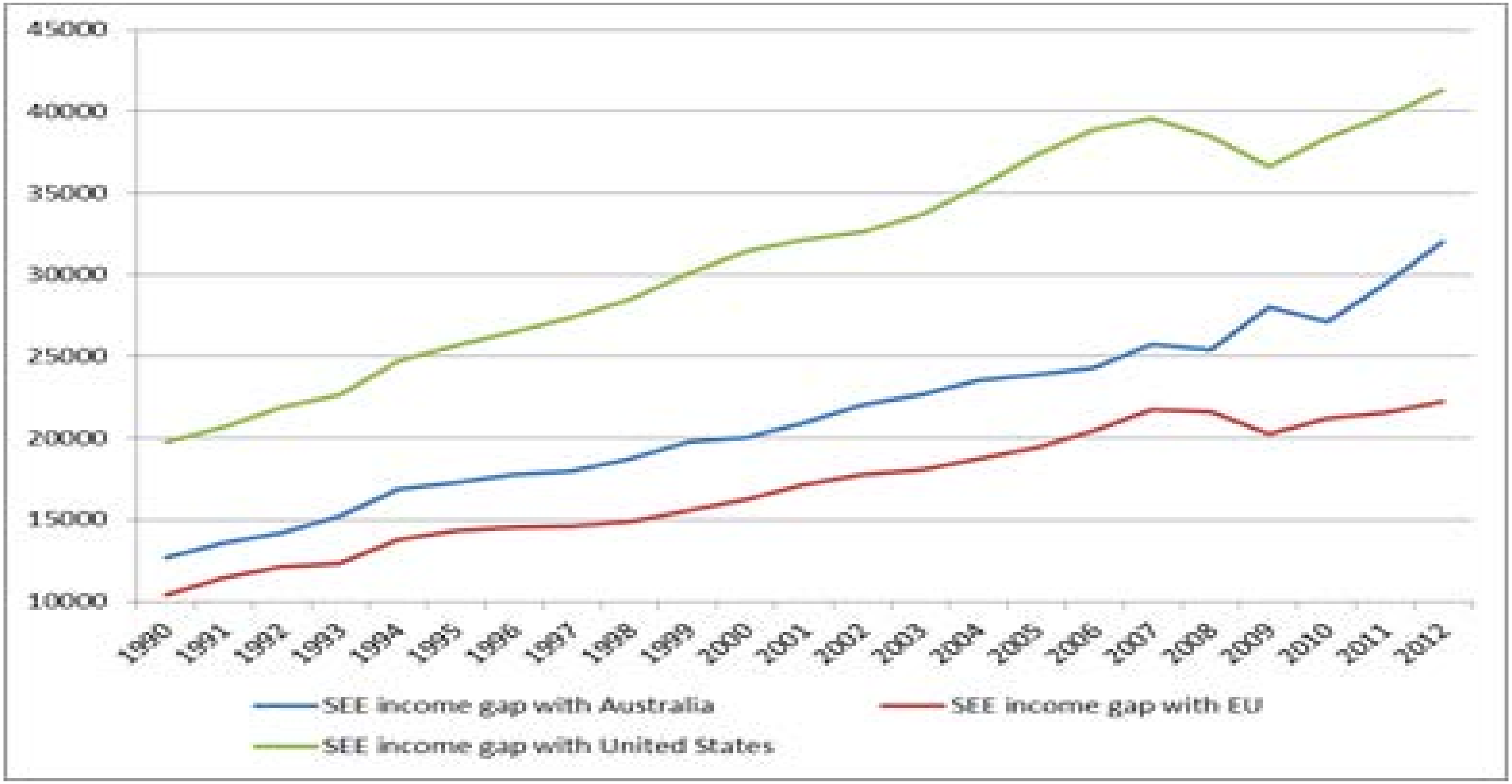


Source: UNDP, HDR 2013, GDP per capita (2005 PPP $)

Development disparities between SEE and EU



Source: UNDP, HDR 2013, GDP per capita (2005 PPP $)



Income gap between the SEE region and Australia, EU and US, calculated as difference between region average GNI per capita, PPP (current international $), 1990 – 2012

Source: World Bank, calculated and presented by RO Vienna

Yet there is no global legal framework governing the cross border movement of people -

The only multilateral legal instrument of potential global applicability is a trade instrument!

Economic prospects in SEE

current account balance as a percentage of GDP

	00-09 (a)	2010	2011	2012	2013e	2014f	2015f	2016f
Albania GDP at market price (% annual growth) Current account bal/GDP (%)	4.9 -8.6	3.8 -11.5	3.1 -13.0	1.6 -10.8	1.3 -8.2	2.1 -7.1	3.0 -6.3	3.0 -6.7
Bosnia and Herzegovina GDP at market price (% annual growth) Current account bal/GDP (%)	4.0 -13.3	0.7 -5.6	1.3 -8.8	-1.1 -9.6	0.8 -7.5	2.0 -6.6	3.5 -6.3	3.5 -6.1
Kosovo GDP at market price (% annual growth) Current account bal/GDP (%)	5.8 -7.3	3.9 -12.0	5.0 -13.8	2.7 -7.6	3.0 -10.7	4.0 -8.7	4.2 -8.3	4.2 -8.6

Source: WB, Global Economic prospects, EU and CA, 2014

Economic prospects in SEE

current account balance as a percentage of GDP

	00-09 (a)	2010	2011	2012	2013e	2014f	2015f	2016f
Macedonia, FYR								
GDP at market price (% annual growth)	2.3	2.9	2.8	-0.4	2.5	3.0	3.5	3.7
Current account bal/GDP (%)	-6.1	-2.1	-2.5	-3.1	-3.2	-4.5	-5.7	-6.1
Montenegro								
GDP at market price (% annual growth)	----	2.5	3.2	-2.5	1.8	2.5	2.7	2.9
Current account bal/GDP (%)	-11.4	-22.9	-17.7	-18.7	-14.7	-15.3	-15.1	-14.8
Serbia								
GDP at market price (% annual growth)	3.6	1.0	1.6	-1.7	2.0	1.0	2.2	2.5
Current account bal/GDP (%)	-9.7	-6.7	-9.2	-10.5	-6.0	-6.0	6.3	6.5

Source: WB, Global Economic prospects, EU and CA, 2014

Trade in goods and services in SEE (% of GDP)

		00-09	2010	2011	2012
Albania					
Trade (% of GDP)		82	86	90	80
Trade in services (% of GDP)		40.4	38.7	39.1	33.9
Bosnia and Herzegovina					
Trade (% of GDP)		86	92	87	86
Trade in services (% of GDP)		15,4	15.1	14.5	13.8
Kosovo					
Trade (% of GDP)		69	77	77	71
Trade in services (% of GDP)		19.3	21.4	21.5	19.0

Source: WB, World Development Indicators, accessed in April 2014, presented by RO Vienna

Trade in goods and services in SEE (% of GDP)

	2009	2010	2011	2012
Macedonia, FYR				
Trade (% of GDP)	100	112	129	129
Trade in services (% of GDP)	21.0	20.0	23.4	24.6
Montenegro				
Trade (% of GDP)	97	98	106	109
Trade in services (% of GDP)	36.6	36.6	38.3	38.0
Serbia				
Trade (% of GDP)	76	89	92	--
Trade in services (% of GDP)	17.3	19.1	19.0	20.7

Source: WB, World Development Indicators, accessed in April 2014, presented by RO Vienna

SEE 2020 strategy

Overall targets:

- (i) Increase SEE average GDP per capita relative to the EU average: from 36.4% to 44% in 2020
- (ii) Boost total SEE trade in goods and services: from EUR 94.4 billion to 209.5 EUR billion in 2020
- (iii) Reduce SEE trade deficit: from -15.7% (the average in 2008-2010) to -12.3 % of GDP in 2020 (1 million new jobs to be created in the SEE region)

Pillars	Integrated growth	Smart growth	Sustainable growth	Inclusive growth
Pillar-specific targets	(iv) Increase SEE intra-regional trade in goods by more than 140% (v) Increase overall annual FDI inflows to the region by at least 160%	(vi) Increase GDP per person employed by 32% (vii) Add 300,000 highly qualified people to the workforce	(viii) Increase net enterprise creation (new businesses per year) from 30,107 to 33,760 (ix) Increase exports of goods & services per capita from the region from EUR 1,780 to EUR 4,250	(x) Increase in the overall employment rate, as a percentage of the 15+ population, from 39.5% to 44.4%

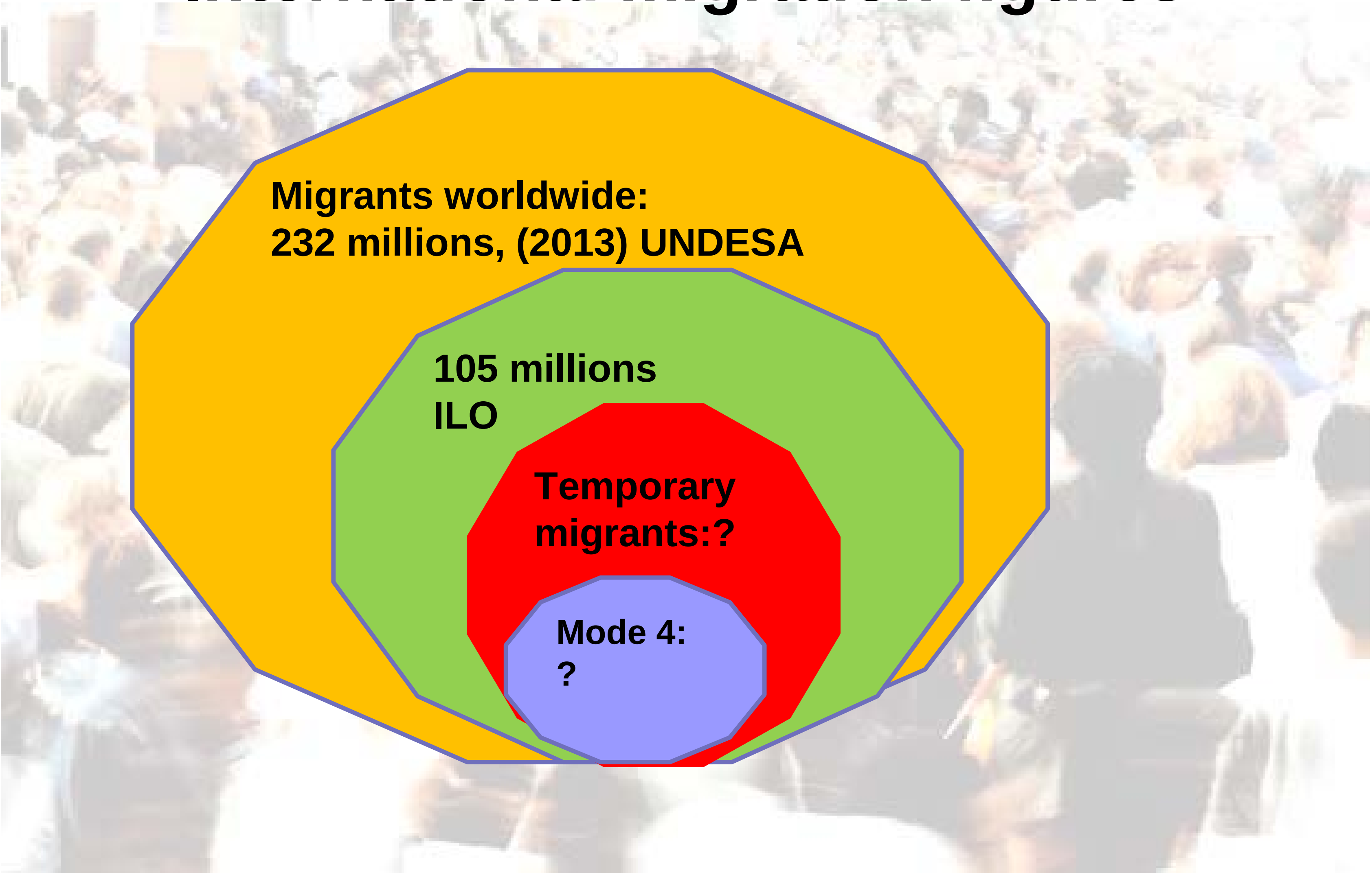
GATS…

does not apply “to measures affecting natural persons seeking access to the employment market of a Member, nor shall apply to measures regarding citizenship, residence or employment on a permanent basis”

WTO Council for Trade in Services, 1998

What does this mean for migration?

International migration figures



Common agenda for trade and migration officials

- Annex of GATS should provide more clarity on terms used
- Statistical offices need to introduce a mode 4 category
- Introduce mode 4 concept of service providers at national level
- Complementary policies to manage mode 4 liberalization

Common agenda for trade and migration officials – clearer definition of terms in GATS Annex

- Which persons are considered service suppliers?
- Is the service supply employment? Does it constitute "entering the labor market"?
- How long is "temporary"?

Common agenda for trade and migration officials – trade law concepts need to be aligned with domestic immigration regulations

- Migration regulations need to be able to differentiate between visa, work permit or mode 4 service suppliers
- Statistics need to be able to capture mode 4 service suppliers as well

Common agenda for trade and migration officials – concerns of migration regulators

1) Want to remain flexible to changing needs/priorities, while GATS is permanent, binding
2) Fear competition for local workforce if wage parity can not be ensured
3) Concerns about social, health, non trade related matters
4) Risk that temporary stay could turn into permanent stay
5) Concern of sending countries: brain drain and brain waste

Common agenda for trade and migration officials – complementary measures

1) Incentives to turn brain drain into brain circulation
2) Measures to manage social and labor market impact of temporary foreign workers
3) Remittance management
4) Monitor employer obligations in sponsored entry programs
5) Need for international cooperation on Migration Management

The Way forward

- Continued dialogue to build trust between migration and trade authorities
- Bridge conceptual and regulatory gaps between trade and migration by providing Mode 4 with an identity within domestic migration regulations
- GATS to clarify what is meant by terminology used and align it with domestic migration regulations
- Collect statistics on mode 4 service suppliers
- Two way set of commitments
- Draw lessons from domestic admin procedures in existing bilateral or regional migration agreements

THANK YOU for your attention!

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