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Global Social Policy Forum

Editor's Introduction and Signing Off

This is the last issue of *Global Social Policy* (GSP) that I will be responsible for as Editor of GSP. In fact this particular issue is guest edited by Gaby Ramia whose more detailed editorial appears below. I will have edited five volumes of the journal after founding it in 1999. I like to think that the journal is now making a useful contribution to the study of global social policy understood as the impact of global forces and processes on national level social policy and as supranational social policies operating at regional and global level. Whether the focus is social protection or education or health and social care or any other aspect of social provision, the analysis of current problems and policies is incomplete without an international dimension to the analysis or policy prescription.

The journal grew out of the Globalism and Social Policy Programme (GASPP, <http://www.gaspp.org>). GASPP is a Finnish funded programme based at STAKES in Helsinki. Without the support of STAKES finances and the collaboration of colleagues at STAKES this journal would not have come into existence. I would like to express my appreciation for the support of STAKES and in particular to its Director General Vappu Taipale for her faith in our project.

After a public call to tender for the editorship the Editorial Advisory Board of the journal, SAGE with my agreement have appointed to take over from me for an initial five-year period a team of three joint editors. They are Meri Koivusalo of STAKES Finland, Robert O'Brien of McMaster University, Canada and Nicola Yeates of the Open University, England. I am delighted to hand over the job to these excellent representatives of the next generation of international social policy scholars.

Please from now on send all materials for the journal to gsp@mcmaster.ca. In GSP 6.1 the new team will have an opportunity to set out their editorial policy.

My final comment is to reassert that the journal was created not only to further the understanding of the global dimension to social policy analysis but also to contribute to more effective and just global social policies. In this

context I want to record my appreciation for the willing collaboration with *GSP* and *GASPP* of a large number of international civil servants who have given of their time either as board members or as referees or in other ways over the past few years. Those in the International Labour Organisation (ILO), United Nations Development Programme (UNDP), United Nations Educational, Scientific and Cultural Organization (UNESCO), United Nations International Children's Emergency Fund (UNICEF), World Health Organization (WHO), World Trade Organization (WTO) and World Bank know who they are. I am aware that progressive global social policies emerge out of the struggles of global social movements but their supporters in international agencies play an often unsung part in this process.

Why Migration and Social Protection? *Guest Editor's Introduction*

In the scholarly analysis of social policy's global and supranational dimensions, the role of multilateral institutions in reshaping welfare and other forms of social amelioration has been prominent. Indeed *Global Social Policy (GSP)* springs from this very tradition (Deacon et al., 1997; Yeates, 2001). Within the *GSP* tradition a research agenda on the implications of civil society in its multiple life-forms has surfaced (Deacon, 2000; Ramia, 2003; Stubbs, 2003). The under-theorized impact of privatization, corporations and other actors in the market sector have also made an entrance (*GSP* 5.2; see also Farnsworth, 2004; Holden, 2003). All of these lenses on global social policy assume, and have as a backdrop, ongoing globalization processes; infused and informed as these are by foreign direct investment and cross-border and multilateral trade in goods and services.

But what of the movement of *people*? Despite some focus on the (generalized) human rights dimensions of migration (e.g. Graham and Poku, 2000; Weiner, 1995) the phenomenon of people-movement has received little systematic attention from global social policy specialists. The domain of migration studies has now had a long presence outside the field, but the implications and consequences of migration for global social policy are in need of greater scholarly consideration; not least because of the increasing numbers of refugees and asylum-seekers, who are stateless non-citizens (Castles and Miller, 2003: 102–9).

Beyond the concept of not belonging to a state, and thus not being afforded the rights of national citizenship in its various forms (Marshall, 1963), the social policy literature need not be searched long and wide to witness that the social and other rights of citizenship have been based mainly on and within the nation-state. Even when this is the case, the phenomenon of intra-national migration, typically rural-to-urban and in the developing nation setting, presents significant complications to contemporary understandings of

citizenship. The supranational aspects of migrant social rights are still in dire need of explication.

The purpose of this Focused Issue of *GSP* is to contribute to the analysis of social protection rights among both international and intra-national migrants in the context of global people-movement. In keeping with existing understandings of globalization, the phenomenon of globality of flows in capital and goods and services is assumed. In addition, however, the authors consider *people-flows*, placing a microscope on the common slippages in rights of individuals who relocate for whatever reason. Analysis also focuses on their communities and social networks. The articles in the issue respond to the dearth of research in the area, providing case studies that highlight the global, supranational and national policy and governance issues raised for global social policy analysts. Emergent problems with public policy regimes are explored, alongside discussions of the issues raised by these problems for the state, market and civil society sectors; and for coordination between them.

In the first article, Nyland and Nyland explore the movement of *ideas* in the policy and practice of early childhood education: from Italy, via the USA, into China. The authors utilize a case study of a mixed-funded, Chinese-US partnership project in child adoption based on the 'Reggio Emilia model', arguing that China is relying too much on non-governmental organizations (NGOs) to service the needs of its child citizens and that ideas can be 'lost in translation' as they are transported across regions and nations.

The movement of people *within* the nation is also strongly characteristic of economic and social development of countries like China. In the second article, however, Deumert et al. analyse rural-to-urban migration in South Africa, exploring in particular the ways in which migrants seek to have their needs met as they move into large cities. Survey data from migrants in four low-income areas in Cape Town is utilized, focusing on employment, life in the urban environment, the impact of language background and proficiency, and migrant access to formal and informal sources of protection against the market. The authors argue that language rights, particularly to English and Afrikaans, and access to informal but strong-tie social networks emerge as the most important variables, and that developing states need to design social policies for migrants with these factors in mind.

In the third article, Deumert et al. explore the rights of cross-border students in the context of the increasingly globalized market for higher education, with a focus on Australia, the third largest market in the world for international education. The authors find that the traditional institutions of social protection are largely ineffective in servicing student needs, given that cross-border students are treated as consumers and not human beings in their host country, and that legally and politically they are only temporary visa holders rather than citizens. It is argued that a regime embodying 'social and economic security' is superior to one based on social protection, calling for more integrated governance with streamlining between formal state and

market institutions and civil society organizations at the national, supra-national and global levels.

In some countries some migrants can have greater access to social rights than others. In the fourth and final article, Nielsen et al. move attention back to within-nation migration, focusing on China. Using data from a survey of internal migrants in the province of Jiangsu, the authors shed light on the characteristics of migrant workers who are able to access social insurance schemes, explaining why some are given insurance while some are not. They argue that, of the many factors which explain this phenomenon, the most significant are gender, the ownership structure of the enterprise in which workers are employed, and urban as opposed to rural residential registration status. Seen in this light, Nielsen and her collaborators argue, the optimism expressed by some regarding the diffusion of social rights under urbanization are not founded.

The four articles were first presented at a Workshop on 'Global People Movement and the Social Protection Needs of Migrants'. This was a Workshop of the Ninth International Metropolis Conference in Geneva, 27 September–1 October 2004. The theme of the conference was 'Co-operative Migration Management: International, National and Local Answers'.

In addition to the articles, the issue contains two short Forum pieces. The first, by Nicola Yeates, discusses the potential role of the World Trade Organization's (WTO's) General Agreement on Trade in Services (GATS) in extending social security for temporary migrant workers. The second reviews key social protection issues stemming from the global movement of labour, with a focus on the role of labour movements, the International Labour Organisation (ILO) and the Global Commission on International Migration (GCIM).

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*Extending Social Security for Temporary Migrant Workers:
What Role for the General Agreement on Trade in Services
(GATS)?*

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The World Trade Organization's (WTO's) General Agreement on Trade in Services (GATS) has acquired certain notoriety within global social policy mainly because of its potentially far-reaching implications for the development of public health and welfare services. Most critical attention in this regard has focused on the restrictions the GATS places on governments in setting and pursuing public policy objectives specifically its potential to lever an enhanced role for commercial providers in the delivery of welfare services. There is, however, an alternative reading of GATS that emphasizes the possibilities it affords to lever improvements in temporary migrant workers' access to social security benefits.

One issue facing temporary migrant workers is that they are often required to pay social security contributions without a corresponding entitlement to receive benefits due to minimum contribution periods that exceed the period over which they pay contributions and/or the requirement that claimants be permanent residents of the country to receive benefits. In some cases migrant temporary workers will be 'taxed' twice, paying social security contributions at home as well as abroad. These and other social security 'losses' often are greatest for immigrants from developing countries which are less likely to be party to totalization agreements permitting their nationals to receive benefits based on their combined employment history whether at home or abroad (Desai et al., 2000).

It might seem somewhat improbable to contemplate the GATS as a significant feature of a global regime governing the social protection rights of

migrant workers. Arguably though, GATS has the potential to become precisely that, subject to an expansive reading of current provisions.

Although GATS does not in principle apply to measures affecting access to the employment market of a Member or to measures regarding citizenship, residence or employment on a permanent basis (Annex on the Movement of Natural Persons), Grynberg (2001) points out that GATS applies to measures affecting 'natural persons' who are 'service suppliers of a Member' and to 'natural persons of a Member who are employed by a service supplier of a Member in respect of the supply of a service'. Thus, Grynburg argues, while it is clear that foreign nationals working as unattached (self-employed) service providers or employees of a foreign company are covered by the GATS, it is not clear that unattached foreign nationals offering their labour services to a domestic firm providing services domestically are excluded from the GATS (see also Winters et al., 2002). An expansive interpretation of GATS Mode 4 (Movement of Natural Persons) provisions would enable governments to schedule commitments relating to lower- and medium-skilled workers emigrating on a temporary basis to provide a commercial service as an employee (Mode 4 commitments are currently restricted to higher-level and skilled personnel, notably professionals and specialists, whose mobility is directly related to foreign direct investment).

Not only would this be consistent with the GATS' aim of progressing the liberalization of trade in (labour) services, it would solidify the intersection of the WTO/GATS with employment and social security regimes, increasing pressure to ensure that social security provisions for temporary migrant workers are GATS-consistent. This would entail addressing inequities in social security arrangements for temporary foreign workers, ensuring that they have access to and use of the same range of benefits as 'like' suppliers (in this case, nationals employed as temporary workers) (National Treatment principle) and eliminating social security measures that discriminate between 'like' foreign nationals (Most Favoured Nation principle).

'GATS-proofing' social security could be achieved by 'levelling up' (introducing new entitlements or making existing ones more generous) or by 'levelling down' (aligning entitlements to the level of the least generous provision). Either way, the application of these principles would have profound implications for national regimes not least because access to benefits so often depends on permanent residence. Assuming that residency rules remain fundamentally unchanged, a number of Policy options that effect these principles can be identified. One option is to distinguish between short-term and long-term social security programmes in order to permit temporary workers to access at least some coverage during their period in the host country, as suggested by Winters et al. (2002). Reducing 'excessive' labour taxes on foreign temporary workers could entail exempting them from paying social security contributions in the host country or allowing them to pay their home country rates to take account of the differences in labour costs between

foreign and domestic labour (Winters et al., 2002). Alternatively, the contributions made by temporary workers in their host country could be 'repatriated' to their country of origin in the form of an intergovernmental social security transfer.

Perhaps a more ambitious option is to use the GATS to extend more favourable treatment to nationals of Members not already party to totalization agreements. Traditionally, totalization agreements are negotiated on a bi-lateral basis and more rarely on a regional basis (as in the EU), but in theory social security measures could be made subject to the Most Favoured Nation (MFN) rule instituting the multilateral elimination of discrimination between foreign nationals by all WTO Members. While this could lead to the extension of social security coverage worldwide for this group of migrant workers, it would undoubtedly pose numerous difficulties.

Totalization agreements require a certain degree of compatibility between the social security systems of the countries concerned and the specific terms of agreements reflect the circumstances of the participating countries. It would also be difficult to determine which Member provides the most favourable treatment. Given the difficulties of multilateralizing totalization agreements, Members could table an MFN exemption for social security and promote the conclusion of more bi-lateral social security agreements between Members. Article VII provides for the negotiation of mutual recognition agreements between Members and permits others to negotiate accession to any agreement concluded. Extending worldwide mutual recognition in social security could provide the basis for reducing 'excessive' labour taxes on foreign temporary workers and extending coverage for this group.

Of course, this would do little in itself to address issues of inequity in access to, and use of, social security resulting from factors other than those relating to national origin (that is, gender, urban/rural, ethnicity; absence of or incomplete coverage nationally). Neither would it address the lack of social security coverage for migrants working in the informal economy. Nor would it necessarily prohibit the re-inscription of discrimination on grounds of national origin in social security. It would also probably face political objections by supporters and detractors of the present WTO/GATS regime either not wishing to complicate already complex and contentious trade liberalization negotiations, or detract from broader reforms to the WTO trade regime or from the need to abolish it entirely, or extend the 'encroachment' of the GATS in the public services field.

In addition it may be resisted by governments objecting to the development of supranational binding rules that materially affect national social security policy autonomy. After all, EU member governments, which, by worldwide standards, a relatively coherent political bloc, have fiercely resisted the European Commission's aspiration to make social security a supranational project. Finally, there may be more specific objections to extending social security entitlements to foreign nationals.

It is important to point out that any ensuing political divisions would not be reducible to a conflict between 'developed' and 'developing' countries, even though the Indian government has so far been the most vocal on the international trade implications of unequal access to social security by individual 'service suppliers' temporarily working in 'developed' countries.

Although some commentators (Desai et al., 2000) indicate that the losses of social security payments are greatest for immigrants from developing countries, long vesting periods are more often found in social security schemes in 'developing' and 'newly industrialized' countries themselves than in 'developed' countries. Thus, opposition to a GATS-induced policy to grant foreign temporary workers better social security entitlements may come from 'developing' and newly industrialized countries that employ many foreign workers. For example, Saudi Arabia, Oman, Bahrain and the United Arab Emirates, all of whom rely heavily on immigrant labour, only grant foreign workers employment injury protection and deny them public pensions (Gillion et al., 2000: 548). Opposition to the extension of the GATS rules into the social security area may also come from private financial services providers, which are otherwise major supporters of GATS because of the 'new' market opportunities they believe it would open to them. For example, private providers of mandatory pension insurance may voice objections if the extension of the GATS to social security means allowing foreign competition for pension fund capital.

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The Economic Case for Migration and the Protection of Mobile Workers: Challenges for the International Labour Movement

(SHARAN BURROW is President, International Confederation of Free Trade Unions Belgium. Member, Governing Body of the International Labour Organisation Commissioner, Global Commission on International Migration)

AN ABRIDGED AND UPDATED VERSION OF A PLENARY SPEECH
DELIVERED TO THE INTERNATIONAL LABOUR CONFERENCE,
2004

Migration is not a new phenomenon – indeed much of the globe as we know it has been shaped by the migration of peoples for centuries. Yet today we have greater interconnectedness than at any other time in our history. The Director General of the International Labour Organisation (ILO) has summed up the core issue presented by migration succinctly when he stated that the greatest structural deficit of globalization is the failure to create jobs where people live.

This failure drives two realities, both key issues for the ILO:

1. The imperative to create and sustain decent work in all countries of the globe, and
2. To manage the movement of people in order to create greater prosperity for all.

I shall focus on the second of these.

In migration discussion there is an economic dimension, and a human rights imperative. Solutions that enable effective and just outcomes for government, employers and workers will be constructed on the foundations of the core mandate of the ILO – labour rights and standards.

The magnitude of migration is significant and increasing. Some 86m migrant workers are estimated to be economically active globally, with 34m in developing regions. The ILO estimates that in total there are some 175m people residing outside their countries of birth or citizenship. Indeed as the Director General of the ILO reminded us recently, together they would constitute the fifth most populous nation on the globe.

This is not a north–south issue. About 40% of all migration occurs between one developing country and another, and through large cross-border movements of workers among neighbouring countries in the developing regions.

Yet despite the urgency of the challenges we face, it is salutary to remember that there is sometimes a tendency to overestimate the magnitude of migration in the receiving countries. By the late 1990s migration still represented no more than 4.2% of the industrialized countries' total workforce. Foreign

born persons now account for about 10% of the total population in the USA, 17% in Canada and 24% in Australia. By comparison foreign born persons comprise only about 5% of the population in Europe and 1% in Japan.

The most vulnerable situations of migrant workers are those with irregular status because of the kind of work they do and the absence of national law protecting them. The ILO estimates that about 15% of all migrants are in irregular situations and the bald economic fact is that many communities would cease to function if their labour was withdrawn – many employers would go out of business.

An increasing proportion of migration for employment is temporary. As Yeates makes clear in her Forum piece in this issue, the General Agreement on Trade in Services (GATS) Mode 4 negotiations in the World Trade Organization (WTO) are expected to accelerate this trend. Many developing countries have made the rapid expansion of GATS Mode 4 to cover semi-skilled and unskilled workers a major priority. This will continue to cause tension for national governments as employers increasingly call for temporary workers to cover labour shortages and trade unions oppose these proposals in the face of just concern that the WTO rules provide no protection of worker rights and hence the body has no tools to resolve the need for equal treatment of temporary migrant workers.

Beyond the historic factors driving migration, including oppression, conflict, famine and dire poverty, there is the reality of demographic changes and ageing populations in industrialized countries. I note that because of ageing populations the number of employed people in the EU, for example, will decline by 20m workers between 2010 and 2030. This will place continued economic growth at risk and increase the pressures on the financing of the welfare system in industrialized countries. Migration can help alleviate these pressures.

In Australia the business community and the unions have begun to act in partnership to resolve the impending threat of a shrinking labour force. Increased migration is certainly part of the answer. When the economic benefits for both sending and receiving countries are considered, increased migration through regular and well-managed procedures is critical.

In addition to the challenge of ageing populations the main benefits to receiving countries come through increased aggregate demand and the increased size of the domestic market, which enables employers to benefit from economies of scale without having to focus excessively on export markets. Larger domestic markets – established through migration – make the economic arguments for excessive trade liberalization and open capital markets less compelling. My own country, Australia, would not be the rich nation it is today without immigration. Indeed we are a land of immigrants. The intake of migrant workers this year will result in a small net gain to our GDP but by the end of a decade, increased migration will add a staggering 3–4% to GDP growth in Australia.

The economic impact on sending countries is increasingly dramatic. Reduced labour supply in countries where the jobs do not exist can reduce labour market pressure and put upward pressure on wages and working conditions offering greater security and dignity for working families. Remittances from family members working in other countries are another important way in which migration promotes growth and reduces poverty in developing countries. The positive impact of remittances on consumption and investment expenditure in many developing countries is obvious. In 2001 workers' remittances to developing countries totalled 72bn dollars, exceeding Official Development Assistance (ODA) flows to developing countries and constituting over 40% of total Foreign Direct Investment (FDI) flows. Remittances are particularly important for the very poorest countries and, unlike FDI, are a relatively stable source of hard currency. This is not to deny that there are some social consequences that concern both Government and unions.

Remittances are private financial flows from workers to their families or other private beneficiaries. They can have a significant impact on the distribution of income in developing countries. They are used by some worker families to buy basic goods in local markets, send kids to school and pay for health care. Often remittances are used by middle income families to construct or renovate homes. These construction activities have significant multiplier effects on the domestic economy. Remittances also provide finance to poor families that would not otherwise have access to credit, to establish their own micro business. Remittances thus provide an important means of helping transform and mainstream the informal economy.

Hard currency is required if a developing country is to purchase the inputs and technology that are necessary for establishing a larger manufacturing and service based industry structure. Remittances are therefore an important element in reducing poverty and promoting a diversified development strategy for the poorest countries. In the absence of remittances, developing countries would be required to attract hard currency through other mechanisms. Either relying on further international loans or further pursuit of the undesirable policies currently used to attract private FDI: labour market deregulation; low domestic wages; fiscal restraint; and privatization – these are strategies largely opposed by trade unions because of their disastrous impact on the lives of workers and their families and policies increasingly recognized as unsustainable.

I note that the economic benefits of remittances are currently reduced through high transaction costs, with up to 20% of remittance values being lost in transactions costs imposed by banks. This is profiteering and an ugly side of globalization that must be exposed and eradicated.

What of the economic benefits to sending countries through return migration and the diaspora effect? Apart from trade links and the circular transfer of skills and technology, expatriates are increasingly a significant source of FDI. In China alone some \$60bn (US dollars) of FDI came from Chinese people living abroad.

This is not to deny that there are some social consequences that concern both government and unions. The main economic cost of migration for sending countries is brain drain. The migration of well-educated and high skilled workers from developing countries to industrialized countries has been increasing since the early 1990s. Health care and education in a number of countries has been strongly affected by the departure of trained doctors and nurses.

To offset the economic impact of brain drain international cooperation is required to compensate developing countries for the cost of educating skilled workers who migrate. This could be financed by returning a proportion of taxes paid by migrant workers to their home countries.

But just as the international labour movement may take the lead in advocating the positive economic case, we would implore the employers to join with us and support the need to eliminate worker rights abuses that are too often associated with the employment of migrant labour. Without decent work and equal treatment of migrant workers the profits of employers are at best short term and the potential costs of social disharmony will only serve to threaten the sustainability of their enterprises. For governments, the economic case for migration is hollow without the protection of people. The political consequences of failing to address the human rights dimension of migration are clear.

Therefore we cannot overlook human rights abuses, or the often significant social costs for families that decide to send one member abroad to work. Clearly, this involves major sacrifices and hardships. The impacts of the feminization of migration are dramatic, given that women now account for half of all migrant workers. Women migrants face particular risks of sexual abuse and violence as well as family dislocation; and they are primarily the victims of the evil underbelly of inadequate management systems for the movement of people – trafficking.

I will not labour the question of human rights but let me state emphatically that for trade unions human rights and labour rights go hand in hand, and I would like to be assured that this is also a given for employers and governments as we map a better future. In this context we must not walk away from the responsibility we share to determine a way forward.

In closing, can I first alleviate the fears I have heard from a few governments regarding state sovereignty; and second provide a 2005 postscript on civil society and intergovernmental activities in the management of international migration and in particular labour migration.

To the first point: labour movements do not seek to interfere in the sovereign rights of states. While as citizens of our individual countries we may well seek to influence government, the public policy decisions about who comes to live and work in a nation and in what numbers is the responsibility of governments. However, to the extent that migrant workers are invited into a nation or to the extent that migrants live and/or work in a nation due to

cross-border flows of people, then we seek to build on the tools of the ILO and work with our social partner to identify pressing issues, map best practice guidelines and build a multilateral framework. The framework, while not binding, should carry the authority of workable solutions to strengthen our economies, build social cohesion and eliminate the corruption enabled by the gaps in the contemporary framework of global regulation.

To the second: the work of the Governing Body of the ILO on developing a non-binding rights-based framework of best practice for managing labour migration is to be considered further through an Experts Meeting in December 2005. In a separate but related forum, the Global Commission on International Migration (GCIM), mandated by UN Secretary General Kofi Annan, is to report, also in 2005. This will follow current consultations in all regions of the world, which consider issues for national, regional and global governance.

Migration divides governments and people otherwise committed to progressive social and economic policies; and yet it is at the very heart of the challenge of a just globalization. Working towards meeting this challenge is imperative for governments, employers and workers.