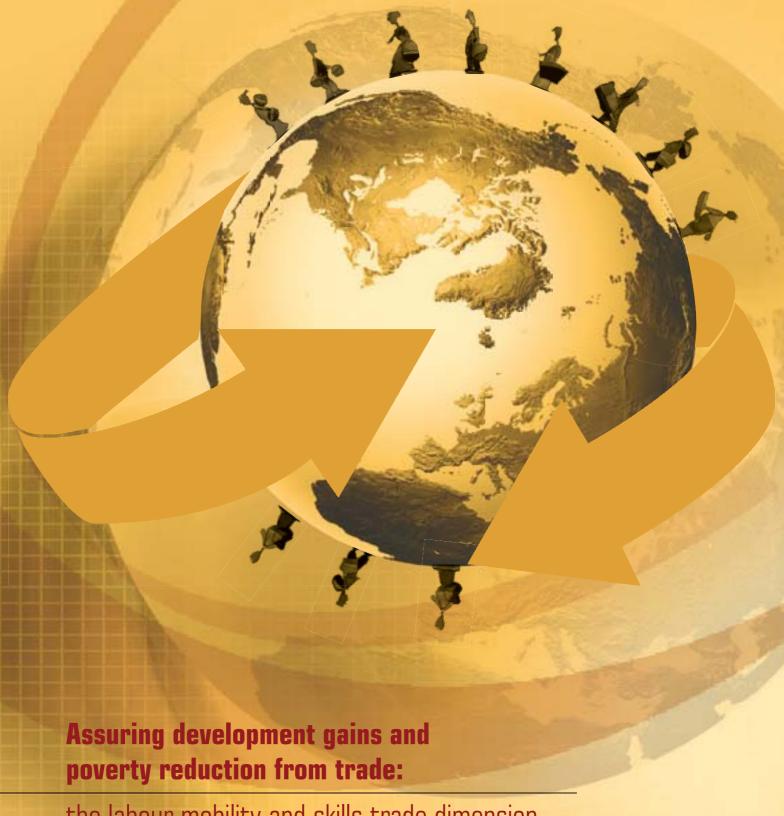
### UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT



the labour mobility and skills trade dimension



# UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

# Assuring development gains and poverty reduction from trade: the labour mobility and skills trade dimension

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#### **ABSTRACT**

It is becoming increasingly clear that the issue of global labour movement and integration is a key topic at the interface of trade, development and globalization. In 2005 the global labour force numbered 2.8 billion, of which 2.25 billion was developing country labour force. This paper attempts to provide a comprehensive picture of the impact on trade, development and poverty reduction brought about by global labour movement and integration. It attempts to answer the question as to how temporary labour mobility can be better managed so as to contribute to improving people's livelihood and welfare prospects while at the same time moving closer to the achievement of internationally agreed development goals, in particular the United Nations Millennium Development Goals.

The paper looks at temporary labour mobility and skills trade as it relates to trade and development from the perspectives of both sending and receiving countries. It sets out the problem of labour mobility, the state of play in the global labour market, push-pull factors that cause labour mobility and succinctly, the seven inconsistencies of the labour movement conundrum. A detailed examination of the socio-economic costs and benefits to sending and receiving countries provides a balanced overview of the picture. From the trade perspective the paper argues that progress in allowing temporary movement of labour by means of multilateral and regional or bilateral agreements is important to further good global governance, coherence and solidarity necessary for achieving Millennium Development Goals,. The paper concludes with several mutually beneficial policy recommendations which would ensure the sustained positive effects of migration on development.

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# Assuring development gains and poverty reduction from trade: the labour mobility and skills trade dimension

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Note: All amounts are expressed in US dollars.

#### I. Introduction

1. Historically, cross-border and intercontinental movements of labour precursors to modern-day labour integration took place under colonial and slave trade conditions and by way of migration as people sought better lives and economic opportunities. By the 18<sup>th</sup> century, about eight million people from other continents including Asia, had journeyed to the New World. Seven million people were slaves from Africa recruited primarily by means of coercion and contracts.<sup>1</sup> Others were political and economic migrants from and within Europe, who in the last 200 years helped create the world's richest economies. People migrated from poorer, less developed countries to richer, more developed countries and colonial powers and their territories. Therefore, migration is not a new or transitory phenomenon; people have been migrating since the onset of civilization. By and large the political, social, religious and economic reasons for migration have remained the same – especially the quest for better living conditions. In 2000, for example, only 10 per cent of migrants were refugees and

<sup>&</sup>lt;sup>1</sup> Chiswick B and Hatton T (2002). International migration and the integration of labor markets. IZA Discussion Paper no. 559. 8/2002: 2.

asylum seekers; the rest were economic migrants.<sup>2</sup>

Today, in the current, more mature postcolonial phase and second wave of trade-and investment-driven globalization and capitalism, labour movement and integration is taking place in response to a number of push and pull economic factors and market forces. The scale and extent of this is unprecedented, although it is nowhere near the scope and extent of crossborder trade, and movement of goods, capital, entrepreneurship, information and technologies; nor is it anywhere near achieving its potential. There are signs that labour integration and mobility are beginning to have a positive impact on trade and investment-driven globalization. Therefore, these factors are increasingly taken into account when devising national and international development strategies that include achieve internationally efforts to development goals such as the United Nations Millennium Development Goals, in particular poverty reduction, gender equity, decent work and global partnerships for development.

<sup>2</sup> International Labour Organization (2007). International labor migration and development: the ILO perspective. Submission made to the Pre-Global Forum Meeting on International Migration and Development, Commonwealth Secretariat. London: May.

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