SERVICES, LABOR MOBILITY AND BILATERAL LABOR AGREEMENTS: THE CASE OF SPAIN, COLOMBIA & ECUADOR

Antonio Bonet. President. ACE
Sebastian Saez. SrTrade Economist WORLD BANK

Bern, 14 Sept 2011

Sagunto, 17. Madrid 28010. SPAIN
T: (+34) 91 435 15 67  F: (+34) 91 435 01 84
www.aceconsultants.eu
aceconsultants@aceconsultants.eu
CONTENTS

1. Inmigration policy: Welcome to Spain
   – General trends
   – Non-EU workers
   – Exporting services to Spain (GATS mode-4)

2. Spanish Migration agreements
   – Main provisions of BLAs
   – Agreements with Colombia & Ecuador: functioning and results
   – Assessment

3. Conclusion: GATS mode-4 and BLAs
1. INMIGRATION POLICY: WELCOME TO SPAIN

1.1. Spanish Immigration Policy Framework

- Spain transformed from sender to receiver of immigrants
  - Joining EU
  - Large demand for unskilled labor
  - Change in social attitudes to work

- Official Spanish policy
  - Orderly management of migration flows
  - Link to labor market demands
  - Cooperation with other countries
  - Integration of immigrants
  - Fight against illegal immigration

- EU citizens – free movement

---

**Evolution and share (%) of Spain’s foreign population, 1981–2009**

- % / total population
- Foreigners (a)

- 1981: 1.000
- 1986: 2.000
- 1991: 3.000
- 1996: 4.000
- 2001: 5.000
- 2006: 6.000
- 2011: 7.000
- 2016: 8.000
- 2021: 9.000
- 2026: 10.000

- 0% to 14%
1. INMIGRATION POLICY: WELCOME TO SPAIN
1.2. Non-EU workers: quota system

“National Employment Situation”
Regional governments
Business associations
Trade unions

Yearly quota for work permits

• Permanent and temporary positions

• Selection process
  – done in country of origin
  – complex procedure
  – Employer may participate

• Hard-to-Fill Occupations
## 1. INMIGRATION POLICY: WELCOME TO SPAIN

### 1.2. Non-EU workers: quota system

**EVOLUTION OF THE CONTINGENT OF FOREIGN WORKERS, 2002-2009**

<table>
<thead>
<tr>
<th>Year</th>
<th>Jobs Offer (Posts Foreseen in the labor Quota System) - A</th>
<th>Posts Actually Filled - B</th>
<th>B - A</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TOTAL</td>
<td>Permanent</td>
<td>Temporary</td>
</tr>
<tr>
<td>2005</td>
<td>Na</td>
<td>Na</td>
<td>na</td>
</tr>
<tr>
<td>2007</td>
<td>27.034</td>
<td>27.034</td>
<td>-</td>
</tr>
<tr>
<td>2008</td>
<td>15.731</td>
<td>15.731</td>
<td>-</td>
</tr>
<tr>
<td>2009</td>
<td>901</td>
<td>901</td>
<td>-</td>
</tr>
</tbody>
</table>
1. INMIGRATION POLICY: WELCOME TO SPAIN

1.3. Exporting Services to Spain through GATS mode-4

- Spain follows EU directives & regulations

- Very little use of Mode-4 provision of services
  - Cumbersome & complex legal procedures
  - Little known to labor lawyers & companies

### WORK PERMITS GRANTED TO NON-EU IMMIGRANTS

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007(^b)</th>
<th>2008(^b)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL WITHIN QUOTA</strong></td>
<td>38.796</td>
<td>36.495</td>
<td>45.995</td>
<td>70.744</td>
<td>48.693</td>
</tr>
<tr>
<td><strong>TOTAL OUTSIDE QUOTA</strong></td>
<td>498.280</td>
<td>995.607</td>
<td>822.682</td>
<td>499.408</td>
<td>733.892</td>
</tr>
<tr>
<td>Salaried-work authorizations</td>
<td>484.394</td>
<td>984.076</td>
<td>812.979</td>
<td>448.320</td>
<td>635.735</td>
</tr>
<tr>
<td>- First authorizations</td>
<td>152.514</td>
<td>644.305</td>
<td>101.079</td>
<td>222.561</td>
<td>68.818</td>
</tr>
<tr>
<td>- Transnational provision of services</td>
<td>1.404</td>
<td>1.091</td>
<td>965</td>
<td>1.396</td>
<td>1.343</td>
</tr>
<tr>
<td>- Seasonal work</td>
<td>9.602</td>
<td>13.642</td>
<td>4.032</td>
<td>15.650</td>
<td>46.223</td>
</tr>
<tr>
<td>- Renewed</td>
<td>319.033</td>
<td>322.130</td>
<td>704.569</td>
<td>208.606</td>
<td>516.651</td>
</tr>
<tr>
<td><strong>Self-employed work authorizations</strong></td>
<td><strong>13.886</strong></td>
<td><strong>11.531</strong></td>
<td><strong>9.703</strong></td>
<td><strong>8.109</strong></td>
<td><strong>10.141</strong></td>
</tr>
</tbody>
</table>
2. MIGRATION AGREEMENTS: SPAIN, COLOMBIA & ECUADOR

2.1. Provisions of Spanish BLAs

• 33 migration agreements signed since 2000 (most of them with African countries)

• Fields of cooperation
  – Adapt legal flows to labor market needs
  – Voluntary return assistance
  – Social integration of immigrants
  – Use migration to promote development in sending country
  – Fight against illegal immigration and trafficking of humans

• Theoretical priority to signatory countries in yearly quota
2. MIGRATION AGREEMENTS: SPAIN, COLOMBIA & ECUADOR

2.2. The Colombia & Ecuador Agreements

<table>
<thead>
<tr>
<th></th>
<th>COLOMBIA</th>
<th>ECUADOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>2001</td>
<td>2001</td>
</tr>
<tr>
<td>Competent Authorities</td>
<td>3 Spanish ministries</td>
<td>3 Spanish ministries</td>
</tr>
<tr>
<td></td>
<td>3 Colombian ministries</td>
<td>1 Ecuador ministry</td>
</tr>
<tr>
<td>No. Immigrants since signature</td>
<td>14.626</td>
<td>6.630</td>
</tr>
</tbody>
</table>

- Very complex procedure to assign work permits to individuals
- Very little use in relation to total work permits granted to Colombians & Ecuatorians
- Safeguards to ensure temporariness & voluntary return
2. MIGRATION AGREEMENTS: SPAIN, COLOMBIA & ECUADOR

2.3. Assessment

- Good objectives and goals
  - Culture of legal migration
  - Rights of immigrants
  - Orderly process of immigration

- Reinforced cooperation between governments

- Irrelevant from quantitative point of view

INMIGRATION DATA (as of 31-Dec-09)

<table>
<thead>
<tr>
<th></th>
<th>Colombia</th>
<th>Ecuador</th>
<th>Total Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total no. of legal immigrants</td>
<td>287,205</td>
<td>440,304</td>
<td>4,791,232</td>
</tr>
<tr>
<td>Total temporal work permit (employees)</td>
<td>103,550</td>
<td>168,214</td>
<td>875,009</td>
</tr>
<tr>
<td>Total temporal work permit (self-employed)</td>
<td>1,452</td>
<td>1,444</td>
<td>14,527</td>
</tr>
<tr>
<td>Total permanent work permit</td>
<td>79,558</td>
<td>150,638</td>
<td>1,112,064</td>
</tr>
<tr>
<td>Total number under BLAs / Contingent (2002-09)</td>
<td>14,626</td>
<td>6,630</td>
<td>244,894</td>
</tr>
<tr>
<td>Remittances 2005-2008 (Euro million)</td>
<td>5,286</td>
<td>4,423</td>
<td>28,342</td>
</tr>
</tbody>
</table>
2. MIGRATION AGREEMENTS: SPAIN, COLOMBIA & ECUADOR

2.3. Assessment

- No effective preference to Colombia nor Ecuador in yearly quota
- Procedures critised by social & business associations
- No significant advantage to Colombia & Ecuador over other countries (with or without BLA)
3. CONCLUSION: GATS MODE-4 vs BLAs

CAN SERVICES BE EXPORTED THROUGH BLAS?

- Difference between GATS mode-4 vs. BLAs
  - Trade agreements highly skilled
  - BLAs irregular migration & low skilled workforce

- Colombia – Ecuador Agreements show that BLA more efficient than GATS, but figures mostly irrelevant

- In the absence of GATS, BLAs can be 2nd best
Thank you for your attention

For additional information, please contact:

→ Antonio Bonet. President. ACE. abonet@aceconsultants.eu

→ Sebastian Saez. Sr Trade Economist. International Trade Dpt. WORLD BANK GROUP.
   ssaez@worldbank.org