



**Trade & Migration: The impact of mode 4 of the  
General Agreement on Trade in Services (GATS) on  
developing countries in the midst of a skills shortage  
and brain drain.**

**Philani Mthembu**

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**Declaration**

I declare that this research is my own, unaided work. It is being submitted for the degree of Master of Arts in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any other University.

**Philani Mthembu**

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## **Abstract**

The reach of the World Trade Organisation (WTO) has gone beyond its traditional spheres of trading in goods to influencing the mobility of skilled labour and thus having an impact on migration patterns. The growing influence of the WTO has led to the enforcement and implementation of the General Agreement on Trade in Services (GATS), which calls for the liberalisation of services, including the movement of 'natural persons' for the purposes of providing services in member states of the WTO under mode 4 of the Agreement.

Globalisation, liberal market economies and the increased mobility of skilled labour have led to a merging of the trade and migration communities globally. With fears running high of a skilled exodus from developing countries to developed countries, known as a brain drain, questions arise as to who the brain drain benefits, what the purpose of mode 4 is, and whether developing countries can use mode 4 to solve their brain drain as its emphasis is on the movement of skilled labour on a temporary basis. The rapid changes globally have been fueled by a shift in major industrial economies from industrial economies to knowledge based economies; these rely heavily on highly skilled labour for economic growth and wealth creation, this process has also been aided by the growing capacity of developing countries to produce skilled labour. Using South Africa as an example, the following thesis will assess what impact mode 4 of the GATS will have on developing countries in the midst of a skills shortage and brain drain. It will provide a general understanding of what the GATS is, while also showing what effect the brain drain, immigration policy, neo-liberalism and globalisation will have on mode 4 negotiations within the WTO.

## **Dedication**

This research is dedicated to the BaThembu family. May you continue to grow, prosper, and strive to use your individual and collective energy towards the betterment of South Africa and the African Continent as a whole.

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## **Abbreviations**

<b>ANC</b>	African National Congress
<b>APEC</b>	Asia Pacific Economic Cooperation Agreement
<b>ASGISA</b>	Accelerated and Shared Growth Initiative for South Africa
<b>CDE</b>	Centre for Development and Enterprise
<b>COSATU</b>	Congress of South African Trade Unions
<b>DFA</b>	Department of Foreign Affairs
<b>ECOWAS</b>	Economic Community of West African States
<b>EU</b>	European Union
<b>FIFA</b>	Fédération Internationale de Football Association
<b>GATS</b>	General Agreement on Trade in Services
<b>GATT</b>	General Agreement on Tariffs and Trade
<b>GFMD</b>	Global Forum on Migration and Development
<b>IFP</b>	Inkatha Freedom Party
<b>IGD</b>	Institute for Global Dialogue
<b>IMF</b>	International Monetary Fund
<b>IOM</b>	International Organisation for Migration
<b>JIPSA</b>	Joint Initiative for Priority Skills Acquisition
<b>LDCs</b>	Least Developed Countries
<b>MFN</b>	Most Favoured Nation
<b>MOU</b>	Memorandum of Understanding
<b>NA</b>	National Assembly
<b>NCOP</b>	National Council of Provinces
<b>NEDLAC</b>	National Economic Development and Labour Council
<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>RTA</b>	Regional Trade Agreement
<b>SA</b>	South Africa
<b>SAARC</b>	South Asian Association for Regional Cooperation
<b>SACU</b>	Southern African Customs Union
<b>SADC</b>	Southern African Development Community
<b>SAIIA</b>	South African Institute of International Relations
<b>SAMP</b>	Southern African Migration Project
<b>SETAs</b>	Sector Education and Training Authorities
<b>UN</b>	United Nations
<b>USA</b>	United States of America
<b>WB</b>	World Bank