

The EU is at it again

Laval all over again, but this time on a global scale

Once again the EU is working to undermine working people's jobs and living standards throughout Europe and here in Ireland. They will undermine our skill base and drive down wages.

What is mode 4?

Mode 4, in the language of the World Trade Organisation, is "the temporary movement of natural persons across borders for the purpose of supplying services."

Mode 4 has been fitted into trade in services as another mode of cross-border provision of services. Mode 1 is cross-border supply (e.g. via the internet); mode 2 is consumption abroad (e.g. the foreign student market); mode 3 is a commercial presence (e.g. a corporate subsidiary); and mode 4 is the presence of people (e.g. workers moved across borders by a company, or posted workers, in EU-speak).

The situation regarding posted workers is the internal EU parallel to mode 4, with similar language and concepts, for example "cross-border establishment" and "movement of service suppliers." The posted worker situation is proving problematic for workers, and when this has gone to law the decisions of the European Court of Justice—in the Laval, Viking, Ruffert and Luxembourg cases—have clearly indicated that the tide is against the right of workers to protect their wages and conditions.

Why do they want it?

The EU is offering mode 4 access in all the trade agreements it is negotiating. In the WTO's General Agreement on Trade in Services (GATS), in the Doha Round, the EU Revised GATS offer, tabled in June 2005, includes mode 4 offers in all service industries.

The EU requirement is for skilled workers. India has made most demands for mode 4 access, though the texts of bilateral agreements, such as the EU-India agreement, are secret until negotiations are completed. Mode 4 is usually referred to as "sensitive," mainly because the movement of people is a very much bigger deal than the movement of goods, services, or capital.

Who will benefit?

Mode 4 will allow transnational companies to bring workers across borders and to capitalise on wage differentials. Existing national labour migration policies have relevance to the mode 4 commitments that the EU is making on their behalf, and mode 4 openings vary between member-states.

The EU mode 4 offers are without quotas and without "economic needs tests" (ENT). There are different working conditions and wage levels in different countries, and there are some countries where workers have achieved greater improvements in working conditions than in others.

Insofar as Mode 4 allows corporations to bring cheaper labour into EU countries and capitalise on the wage differential, workers in the host countries have a great deal to lose. The argument that mode 4 is for temporary labour movement does not lessen this, because temporary workers are in general less likely to be unionised, or would not be allowed to join unions. Their comparative advantage—or the comparative advantage that transnational corporations can offer through mode 4—would be lost if they did.

Hold on to your job!

What to do:

- **Raise this matter in your trade union branch.**
- **Invite a People's Movement speaker to address your branch.**
- **Get a resolution sent to to your executive.**
- **Raise it at your trades council.**