

TOURISM AND SHORT-TERM BUSINESS TRAVEL *

CHAPTER 5

1. Introduction

This chapter reviews statistics, trends and policy issues in the areas of tourism and short-term business travel, that are typically under-researched and where the lack of data is an even greater problem than for most migration research. Normally, these areas would not be included in a discussion of labour mobility, but they constitute important and growing fields of mobility. Even though the implications for labour movements may not be immediately obvious, they do exist and are identified in this chapter.

The problems of definition and data are extreme in these areas. Definitions are typically diverse and incomplete, with only a limited number of countries collecting data on tourists who provide services or on the many classes of business people who move for limited periods. Some countries have no serviceable data to offer. In most instances, movements for tourism, visiting friends and relatives (VFR), short-term “business” trips and other such temporary movements are grouped together. The United Nations

World Tourist Organization (UNWTO), the worldwide monitoring agency on tourism, measures flows in terms of numbers and receipts. Its data define one category only: combined business and leisure travel. Nevertheless, this chapter attempts to treat the two major flows of tourists and business travellers separately, where possible.

In 2006, the Organisation for Economic Co-operation and Development (OECD) produced a paper entitled “Harmonised statistics on immigrant inflows – preliminary results, sources and methods” by Lemaître et al. (2006). Although the paper focuses on permanent movements only, it concludes with the stated intention of extending the work to shorter-term movements (students, seasonal workers, service providers, and the like). This will be a welcome addition for OECD countries; in the meantime, this chapter presents such information as is available on major flows and implications.

2. Tourism: An Overview

Business and leisure travel is, by some measures, one of the world’s largest industries: tourism receipts in 2003 represented approximately six per cent of global exports of goods and services (UNWTO, 2006).

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Worldwide, international tourism receipts were estimated at USD 680 billion (EUR 547 billion) in 2005 (UNWTO, 2006), with all regions and subregions sharing in the increase from 2004. Europe gained an additional USD 20 billion, raising receipts to over USD 348 billion (51% of the world total); the Americas added USD 13 billion to USD 145 billion (21%) and Asia and the Pacific increased their total by USD 11 billion to USD 139 billion (20%). Estimates based on still limited available data point to an increase of USD 2 billion to USD 21 billion for Africa and of USD 2 billion to USD 28 billion for the Middle East, representing three per cent and four per cent of the world total, respectively.

The number of international tourist arrivals worldwide exceeded 800 million in 2005, an increase of 42 million (5.5%) over 2004, representing an all time high. The majority of international tourist arrivals concerned leisure, recreation and holidays (50% of the total, or 402 million), while business travel accounted for some 16 per cent or 125 million, and visiting friends and relatives (VFR), religious purposes/pilgrimages, health treatment and the like for 26 per cent or 212 million. For the remaining eight per cent of arrivals, the purpose of the visit was not specified (UNWTO, 2006).

Between 1950 and 1990, Europe and the Americas received the largest numbers of tourists, representing a joint market share of over 95 per cent in 1950 and 82 per cent forty years later. However, by 2000 their combined share had declined to 76 per cent. This points to a greater diversification of destinations, as also of origins of tourism. Between 2004 and 2005, Africa recorded the highest relative growth (+ 9%) in arrivals, followed by Asia and the Pacific (+ 8%), the Middle East (+ 8%), the Americas (+ 6%) and Europe (+ 4%).

For many destinations visitor expenditure on accommodation, food and drink, local transport, entertainment, shopping, etc. is an important pillar of their economy, creating much needed employment and opportunities for development. Some 70 countries earned more than USD 1 billion from international tourism in 2005. (...) Total receipts from international tourism, including international passenger transport, exceed USD 800 billion. (...) [F]or many destination countries, in particular developing countries and islands, tourism counts as the most important category of export earnings (UNWTO, 2006).

Table 5.1 lists the origins of international tourists from 1990 to 2005. It shows that international tourists still originate mainly from industrialized European countries (55.7%), the Americas (17%) and Asia and the Pacific (19.1%). However, over the last decades and with rising levels of disposable incomes, many emerging economies have shown rapid growth as sources of tourism, in particular in Northeast and Southeast Asia, central and eastern Europe, the Middle East and Southern Africa. By region, Africa recorded the largest increase in relative terms (+ 8.2%), followed by Asia and the Pacific (+ 6.9%) and the Middle East (+ 6.9%). The penultimate row in Table 5.1 shows that 78.6 per cent of international travel takes place within the same region.

Table 5.1:**International Tourist Arrivals, 1990-2005**

	International Tourist Arrivals (millions)			Change (%)		Share (%)
	1990	2000	2005	2003/02	2005/04	2005
World	439.4	686.8	806.3	-1.8	5.5	100
Europe	252.6	396.7	449.0	1.0	4.1	55.7
Asia and the Pacific	59.1	115.5	154.3	-8.2	6.9	19.1
Americas	100.3	116.1	137.1	-4.8	5.3	17.0
Middle East	8.3	17.0	21.9	-2.1	6.9	2.7
Africa	10.0	17.7	20.3	1.1	8.2	2.5
Origin not specified*	9.2	13.3	23.6	-	-	2.9
Same region	350.8	540.9	634.1	-1.4	-	78.6
Other regions	79.4	133.0	148.6	-3.5	-	18.4

Note:

* Countries for which a specific region of origin could not be allocated.

Source: UNWTO, 2006.

Many countries now see tourism, especially international tourism, as a large potential source of revenue and are diversifying their production and marketing strategies to attract increasing numbers of tourists. There are clear economic and social benefits of tourism, but there are also social as well as environmental costs (see Textbox 5.1). The two countries experiencing the fastest growth in international tourist receipts between 2004 and 2005 were China and Turkey. In terms of numbers of arrivals, three out of the top ten countries are developing countries: China (ranking 4th), Mexico (7) and Turkey (9). Some countries experienced remarkable growth in 2005: Laos (65.1%), Cambodia (34.7%), Papua New Guinea (17%), Fiji (10%), Honduras (25.9%), Venezuela (45.2%), Swaziland (82.8%) and Senegal (15.3%). However, the figures are volatile and often start from a low base.

Textbox 5.1**Economic and Social Benefits and Costs of Tourism**

Tourism can have both positive and negative impacts, but the main focus is on the gains to be made. Seen in this light, many countries are investing heavily in infrastructure projects and upgrading their human resources and facilities to become attractive destinations for more tourists. For example, the Greater Mekong Sub-region (GMS) attracted around 18.7 million international arrivals and more than 24 million border-pass tourists in 2004. This number is expected to rise to 30.6 million by 2010 and to 46.1 million by 2015 (International TravelDailyNews.com, 2006). Many initiatives are being launched to foster this development; however, the difficult part will be to manage such growth.

The potential benefits from tourism in terms of alleviating poverty, generating employment and stimulating various sectors of the economy are well known in many countries, and are being touted in others. In the GMS, for example, the impact of tourism on poverty alleviation is considered to potentially outweigh that of other productive sectors, since tourists are often attracted to poor areas. The tourism industry is also labour intensive and more easily accessible to local workers at the lower segments of this growing service sector and, if properly managed, can build and strengthen poor people's access to and control over their cultural and natural assets (Asian Development Bank, 2005).

On the other hand, tourism can also place enormous pressure on the fragile balance of natural environments at major tourist sites, especially World Heritage sites, and the development of tourism will have to be managed so as to ensure that natural resources are not depleted nor the absorption capacity exceeded (International TravelDailyNews.com, 2006).

The potential social impacts of tourism are also of major concern, including the proliferation of sex tourism and the trafficking of human beings, especially women and children.

A “Northern bias” often “pervades much national tourism planning across the developing world” (Rogerson, 2006: 2). According to Ghimire (2001: 2), “the dominant official concept of tourism in developing countries focuses on wealthy foreign visitors from the industrialized North” and neglects “the potentials - as well as the problems - related to mass tourism involving domestic and regional tourists.” In the view of Rogerson (2004), the concern over the neglect of regional tourism is also shared by the World Bank and other international development agencies.

In that regard, South Africa is unique in the developing world in paying attention to its own and the rising global level of “South-South” tourism. Regional tourists are identified separately (in contrast to the statistics of the UNWTO) and their massive contribution to the South African economy is measured and acknowledged. In 2003, they accounted for approximately 4.5 million out of a total of 6.5 million tourists (Rogerson, 2004). There is a concerted strategy to encourage regional tourism not only for economic reasons, but also as a means of driving transformation and black economic empowerment (South African Tourism, 2002). The rise of regional tourism in the South is predicated on a number of factors. The strong desire to travel among urban populations, growing

national economies, rapid developments in transport and increased workers’ benefits are some of the most important (Rogerson, 2004). Motivations include pilgrimages, VFR, business and leisure travel. Upper-income travellers are joined by middle-income and lower-income persons.

The discussion below considers a number of different forms of tourist movement (beyond the specific context of leisure travel), including medical tourism. It then addresses the interrelationship between tourism and migration, the challenges involved in managing the entry and stay of tourists, and the place of Working Holiday schemes in tourist management policies.

2.1 Medical Tourism

Medical tourism accounts for a growing share in regional tourist flows, but it is seldom identified as such and, if data are collected, they are not necessarily retained and therefore scarce. Australia is an exception and the data collected on various forms of short-term movements (Textbox 5.2) show that 3,982 visas for medical treatment were issued at its consular offices overseas and 911 onshore in 2001-02.

Textbox 5.2

Short-term Movements to Australia

Australia collects some of the most comprehensive data on short-term movements that involve an element of business activity or the provision/use of services. The data available can thus offer interesting insights into the scope and diversity of contemporary movements of a temporary nature. The two main visa categories, temporary residents and visitors, contain statistical groupings of temporary entrants based on types of visa. These are broken down as follows:

Temporary Residents – These include working holidaymakers, long-term temporary business entrants and other persons intending to work or temporarily reside in Australia. These types of temporary resident visas are granted on the basis of there being an economic, social, cultural or sporting benefit to Australia. Initial stay in Australia is generally for at least three months but not exceeding four years.

Visitors – Non-permanent entrants to Australia with a visa for tourism, short business stays, visiting relatives or medical treatment.

Long-term Visitors – Visitors or temporary entrants intending to stay in Australia for 12 months or more before leaving again.

Short-term Visitors – Visitors or temporary entrants intending to stay in Australia for less than 12 months before leaving again. Arrival and departure data are collected through the issuance of visas and boarding and departure card information. Table 5.2 below shows stocks of the two major categories, temporary residents and visitors, at five reporting dates in 2004-05. The stock of temporary residents varied between 138,446 and 159,544, while the stock of visitors ranged more widely from 182,420 to 347,319 (probably due to seasonal factors). New Zealand nationals are counted separately, but their stock was consistently around 440,000 to 450,000 (including students). Free movement between Australia and New Zealand means that no distinction is made between short and long-term entrants.

Note:

¹ Information is collected for temporary entrants on the following: date of movement; country of citizenship; country of birth; date of birth; age; sex; length of stay; arrival visa class and subclass; current visa class and subclass; current visa status; allowed length of stay; and intended duration of stay.

Source: Department of Immigration and Citizenship (DIAC), 2006.

Table 5.2:

Stocks of Temporary Entrants in Australia, Various Dates, 2004 and 2005

Category of Temporary Entrant	Quarterly Report Date				
	30/06/04	30/09/04	31/12/04	31/03/05	30/06/05
Stock of temporary residents*	138,446	142,545	148,516	159,544	149,852
Stock of visitors*	185,904	189,867	347,319	244,135	182,420
N.Z. citizens**	444,954	442,372	434,544	439,082	448,774

Note:

* Figures exclude New Zealand citizens. ** N.Z. figures include students.

Source: DIAC, 2006.

In his study on medical tourism in Southeast Asia, Leng (2007: 3) points out that travelling overseas for healthcare

[is] not a new phenomenon for the elites of developing countries. ... In recent times, the privilege of travelling to another country has come within the reach of the middle classes. Destination countries are not necessarily only developed countries, but also developing countries that have positioned themselves to take advantage of this new market. In addition, a fairly new phenomenon may be observed, which is that of people from developed countries travelling to developing countries to seek medical care.

Long waiting lists, high costs, lack of or inadequate insurance coverage are some of the reasons. Governments and/or hospitals with inbound medical tourists have deliberately marketed their services.

Leng (2007) explains that Malaysia, Singapore and Thailand developed this strategy in response to the 1997 Asian financial crisis. Private hospitals were struggling to survive in the face of lower numbers of private patients and the high costs of drugs, and they “turned to foreign countries to attract patients, a move that had the full support, if not the active leadership, of the government” (Leng, 2007: 10). Hospitals and hotels have since teamed up to offer packages, while some preliminary diagnostic tests are conducted and the cost of the treatment is assessed

in the country of origin before the patient travels abroad. Leng points out that although statistics on medical tourism are poor in Malaysia, the revenues generated by medical tourism provide some estimates of the trend: Malaysian Ringgit (MYR) 90-150 million in 2002 and projected to reach MYR 400 million in 2005, and MYR 2.2 billion by 2010 (Wong, 2003). In future, there may be an increased focus in Malaysia on healthcare for the elderly, linked to retirement tourism.

Medical tourism also accounts for a significant share of international tourist travel, for example to China for traditional Chinese herbal treatment and acupuncture; India for various western, ayurvedic and yogic treatments; Thailand for treatment in world-class hospitals; Cuba for advanced medical care (including bone-marrow transplants and other treatments following the Chernobyl disaster) and Singapore for heart, eye and cancer treatment. Singapore's aim is to increase the number of international patients from 200,000 in 2006 to one million by 2012 (yielding about USD 1.8 billion in revenue) (Leng, 2007). The economic gains are obvious, but there will also be additional demand for nurses, nursing aides, doctors, ancillary workers and others to staff the growing number of private medical facilities. This demand could, in turn, lead to further international labour mobility. Singapore is already bringing in significant numbers of nurses and nursing assistants from the Philippines, Myanmar and Indonesia. Many of these private medical service suppliers are not only regionally but also internationally integrated. As a result, they can refer patients and transfer staff from a hospital in one country to a medical facility in another (Leng, 2007).

At the same time, home country governments may be promoting or organizing patient outflows or "medical tourists" as a means of cutting their own costs, or to alleviate pressure on their own systems when necessary health services are not immediately or locally available, or to reduce long waiting periods. The U.K. is at the forefront of this development and is sending patients overseas for treatment under the

National Health Service (NHS). The Department of Health website states:

Treatment in the EEA (European Economic Area) is one of the options open to NHS Primary Care Trusts wishing to manage their waiting lists and reduce waiting times, and offer greater patient choice where this represents good value for money and increased convenience. Since January 2002, almost 600 patients have received treatment in the EEA in France, Belgium and Germany. The majority of these referrals have been for orthopaedic and some cardiac procedures. An independent evaluation of the overseas treatment pilot scheme found patients' reactions to be very positive. Feedback has remained positive in the "live" project and patient take-up rates have exceeded expectation (U.K. Department of Health, 2007).

This form of medical tourism from the U.K. is known as the E112 referral system, which covers maternity care and referral for specific medical treatment. Treatment is provided on the terms of the particular scheme in the country concerned, and the NHS pays the provider directly. Alternatively, some patients may go directly to hospitals in the EEA or Switzerland, rather than through the NHS, and claim some of their costs from the NHS. Recent decisions handed down by the European Court of Justice and domestic courts have confirmed this right to "direct purchase" (U.K. Department of Health, 2007).

Medical tourism, as tourism generally, falls under the designation of trade in services — the WTO's General Agreement of Trade in Services (GATS) Mode 2, namely, services that are supplied and consumed abroad. GATS Mode 3, commercial presence, covers the establishment of an affiliate, subsidiary or representation for the purpose of providing a particular service in a third country. Hence, the establishment of, for example, tour companies, hotels and hospitals and the corresponding placement of staff in a foreign country is classed as trade in services, though the distinction between this and

labour mobility in general is clearly not always easy. Maurer et al. (2006: 7) estimate that “commercial presence as a mode for supplying services has become more important than conventional trade across borders”.

2.2 Tourism for Other Specific Purposes

The importance of tourism for the purpose of religious pilgrimages (e.g. trips to Mecca), special events (e.g. World Youth Forum in Sydney, 2008, which attracted half a million visitors from overseas), sporting events (Olympic Games, Football World Cup) and many similar occasions needs to be acknowledged. While many of the flows are short-term, they may have long-term consequences if visitors subsequently decide to migrate to live or to do business in the country concerned.

2.3 Interrelationships between Tourism and Migration

The complex mutual interrelationships of tourism and migration have been explored since the early 1990s. Many flows for leisure and business are unrelated to earlier migration movements, but others spring from, or are related to, former migration patterns. Increasing disposable incomes in many parts of the world are enabling more people to explore, experience and appreciate different cultures, histories, environments and societies. However, many such movements do not arise spontaneously and are linked to earlier migration flows. In turn, tourist movements can generate new or additional forms of migration as people decide to move to what were originally their holiday destinations (viz. Australia, the Caribbean, New Zealand, Portugal, Spain) or to other parts of their own country (e.g. Florida, U.S. and Queensland, Australia).

Various researchers have examined the manner in which migration can generate tourist flows, in particular through the geographical expansion of friendship and kinship networks. Such tourist flows are

significantly shaped by the particular characteristics of migrant populations, such as composition, duration and direction, with each round of migration generating new spatial patterns of friendship and kinship networks, which potentially represent VFR tourism flows (Feng and Page, 2000). Feng and Page’s survey of Chinese permanent migrants to New Zealand and the ensuing tourist flows provides an interesting example of how migration and tourism can be related. The study found that 92 per cent of outbound tourism, mostly to China, was for VFR and the remainder for business and holidays.

On the other hand, tourism may also generate other types of mobility, including labour migration flows. First, tourists often prefer guides, cooking and food from their homeland; thus, over time, tourism and the preferences of tourists contribute to labour migration from their home countries, including of entrepreneurs. Other permanent and temporary migrants may also be needed for the construction of tourist resorts, hotels and restaurants in new locations catering to the growing tourist trade, and to fill job vacancies there. Second, tourism may eventually lead to the acquisition of new or second homes by regular tourists, and their relocation there following retirement or even earlier. Many people visit a country several times as tourists before they eventually decide to move there permanently or on a long-term basis. Such patterns can be clearly identified among migrants from Taiwan Province of China and Hong Kong SAR to Australia, as well as among a number of other migrant groups. These movements are particularly pronounced to the sunbelts of Europe, North America and Australia, and other attractive destinations (Pe-Pua et al., 1996). All of this has implications concerning the necessary resources in terms of workforce and qualified staff to construct and manage facilities. Third, as observed earlier, the growing phenomenon of medical tourism has specific implications for the number of health professionals needed at the destination, and the workforce required to build and manage hospitals and other facilities. Some of these health workers

may relocate from the same country as the tourists they will be caring for, as is already the case, for example, of Norwegians moving to Spain to provide care for the elderly. Finally, a holiday to visit family,

combined perhaps with a business trip (see Section 3 below), may act as a catalyst for temporary or permanent migration for employment to another part of the world (see Portrait 5.1).

Portrait 5.1

Canada Calling: From Tourist to Business Visitor to Immigrant

In the early 1990s, Andrew was working for a bioscience company in Oxford, U.K., a few years after completing his PhD in biochemistry. In 1992, he and his family took a holiday to visit his brother who was studying in Canada.

Andrew combined his holiday with his participation in an international biosciences conference. At the conference he met a business contact who owned and ran a small image analysis company in southern Ontario, Canada, with whom he had been corresponding but had never personally met before.

On returning to the U.K., Andrew remained in contact with the owner of the company in Ontario and, one year later, he was offered a job and invited to come and work there. On the basis of that job offer, Andrew and his wife decided to apply for permanent residence at the Canadian Consulate in London. The holiday they had spent in Canada the previous year had convinced them that they would like to live there. Their immigration application was processed and approved within two months.

The family left for Canada in June 2003 and settled in the Niagara region, close to the shores of Lake Ontario. They obtained Canadian citizenship a few years later. Andrew is no longer with the same company. Currently, he works for a biomedical company in Ontario piloting new laser scanning technology for use in the medical field.

Source: IOM Geneva.

2.4 Migration Management Issues regarding the Entry and Stay of Tourists

As travel and communication costs decline, “visa requirements and border formalities have the potential to become the most significant impediments to the growth of travel and tourism” (Mugbil, 2005: 2). However, a 1996 Asia-Pacific Economic Cooperation (APEC) Tourism Impact study emphasizes that visa requirements per se are not obstructive; rather, the problems encountered concern the availability of information concerning visa requirements, the time involved in visa issuance and the processing of visas at entry points.

The realization of the value of inbound tourism has often led to increased national and regional marketing and promotion strategies, and a relaxation of regulations and visa requirements to make travel and entry procedures relatively straightforward and

not too costly. Many new visa arrangements have been introduced to facilitate speedy and multiple tourist/business movement clearances. These include visa-free schemes, visa waiver schemes and mechanisms for speeding up the issuance of visas.

(a) Visa-free schemes

Visa-free schemes are clearly the most liberal arrangement and enable unrestricted travel between certain countries or within particular regions (e.g. European Union (EU) concerning the list of countries whose nationals do not require a visa for short-term visits for up to a maximum period of three months; the Commonwealth of Independent States (CIS); and the Economic Community of West African States (ECOWAS)). In the ASEAN, an agreement providing for visa-free travel for nationals of member countries is also expected to be in place by 2010.

(b) Visa waiver schemes

The U.S. and Canada have introduced visa waiver programmes to enable tourists and business travellers from particular countries to travel without a visa, subject to certain conditions (Greico, 2006). Visa waiver schemes rely on relationships of trust between the countries to ensure that visitors return home.

Developing countries or countries in economic transition also unilaterally lift, or substantially ease, visitor visa requirements for tourists from developed countries (i.e. without the need for reciprocity) with a view to facilitating tourism to the country and generating revenue. For example, some Commonwealth countries (e.g. Sri Lanka) do not require visas for tourists from the U.K., even though the U.K. maintains visa restrictions on their nationals.

(c) Issues of facilitation and control

The management of visitor movements requires a delicate balance between facilitation and control as, on the one hand, governments seek to streamline and speed up the issuance of visas for bona fide arrivals while, on the other, they need control mechanisms to prevent abuse.

Australia has an Electronic Travel Authority (ETA) scheme available to passport holders from 34 countries, locations and regions. Since its introduction in 1996, more than 21 million travellers have been granted ETAs to come to Australia. ETAs now account for almost 83 per cent of all Australian tourist and short-term business visas granted worldwide. The ETA system can be accessed by more than 300,000 travel agents worldwide, over 75 airlines and through the Internet. ETA arrangements offer significant benefits in terms of speed, convenience and security to travellers, as well as airlines and the Australian authorities.

More recently, the fear of terrorism has led many governments to tighten their visa requirements. For example, students have had to satisfy much more stringent language tests to ensure that they are legitimate students prior to obtaining a visa (Iredale, 2006). In the U.S. the more onerous visa requirements have deterred some travellers, while Japan fingerprints all incoming foreign nationals aged 16 and above and has introduced a new passenger information system and posted crisis management officials at major ports and airports.

A further reason why some countries continue to maintain strict visa regulations is their concern over the potential cultural, social and environmental impact of large numbers of tourists. This is particularly important in some developing countries that do not have sufficient airline capacity or hotel or tour operating facilities and therefore only cater to a limited volume of tourists as, for instance, in Laos and Bhutan. Limiting access through visa restrictions sets a ceiling on inbound movements.

(d) Problem of overstay

The overstaying of tourist visas, or using tourist visas for purposes other than legitimate tourist activities, is very common. The relative ease of obtaining tourist visas relative to other visas has led to their being used as a means of entry for ulterior motives, such as overstaying the visa entitlement or to transit to other countries, and to live and work there without being authorized to do so. Many countries, including those with tight immigration controls (e.g. Australia, Japan, New Zealand, U.S. and EU countries) face this situation, but few make public the actual numbers of tourists overstaying or irregularly present within their borders. The visa requirements for nationals of countries perceived to be at a higher risk of generating irregular migration, such as overstaying visa entitlements and transit to a third country, have been tightened. For example,

within the EU, the “Schengen visa”, which allows third-country nationals to enter countries included in the Schengen area¹ for up to three months within a six-month period, is required of most African country nationals as well as those from Bolivia and Ecuador (EU Council, 2001). However, in the absence of relatively accessible and enforceable regular migration channels, such additional controls are also viewed by some as ineffective to dissuade and mostly failing to curtail further irregular migration from the countries concerned and thus to reduce irregular entries. Clearly, a viable solution to and the proper management of this issue calls for closer cooperation and coordination by the parties concerned regarding the control of such movements, and of the respective employment and immigration policies in effect.

2.5 The Place of Working Holiday Schemes in Tourist Management Policies

Many countries and regions have introduced working holiday schemes over the last few decades.² Such programmes are usually reciprocal and enable young people to travel and work in countries parties to bilateral arrangements, subject to certain conditions. The schemes vary as to the degree to which they are explicitly aimed at filling sectoral or seasonal gaps in the labour market concerned. Although they are not usually targeted at particular sectors, experience reveals various employment patterns among young

persons participating in such schemes, making it possible to target groups known to accept work in particular hard-to-fill positions. A growing tendency to attract young and highly skilled people, who could potentially become permanent or long-term immigrants, can also be observed. The following three case studies illustrate the various schemes and trends.

(a) United Kingdom

In the U.K., the Working Holidaymaker Scheme entitles young citizens of any Commonwealth country, aged 17 to 30, to work for any employer in any type of work for up to two years. According to Salt (2005), annual numbers have risen from around 23,000 in 1990 to 45,800 in 1999, to fall again to 35,775 in 2001 before rising steeply to 62,400 in 2004. The dominant source countries are the “Old Commonwealth” — Australia, Canada, New Zealand and South Africa, which together accounted for the bulk of working holidaymakers (81.5%) in 2004. However, this was a drop from 88.3 per cent of the total in 2003, suggesting that the scheme is now attracting people from a wider constituency; for example, the number of participants from Ghana, India, Malaysia and Zimbabwe has risen substantially.

Though “little is known about the characteristics of working holidaymakers (including a breakdown of figures by sex) in the U.K., it may reasonably be assumed that they are generally well educated and adaptable” (Salt, 2005: 86). It is not possible to know how many of them will be working at any one time, nor what their total contribution to the labour market is. However, given the numbers it is likely to be substantial. “There is no regional breakdown in the statistics for working holidaymakers, nor is it known what jobs they take” (Salt, 2005: 86). Nevertheless, they provide a supply of young, mobile, largely English-speaking workers who may eventually become permanent residents. According

¹ The 1985 Schengen Agreement was originally an agreement among the Benelux countries, France and Germany providing for the abolition of systematic controls at their internal borders. The 1985 treaty was implemented by the 1990 Schengen Implementing Agreement and participation has since expanded to include most EU countries and three non-EU members Iceland, Norway and, in the near future, Switzerland. By way of the 1997 Treaty of Amsterdam, which amended the Treaty Establishing the European Community, most of the Schengen measures were incorporated into the body of EU law. While the Republic of Ireland and the United Kingdom are not parties to Schengen, they participate in the EU measures relating to police cooperation and the prevention of irregular migration, but not the common border control and visa provisions.

² Australia, Belgium, Canada, Cyprus, Denmark, Estonia, Finland, France, Germany, Hong Kong SAR, Ireland, Italy, Japan, the Republic of Korea (South Korea), Malta, the Netherlands, Norway, New Zealand, Sweden, Taiwan Province of China and the United Kingdom.

to the website of Y-AXIS, a large overseas career and immigration consultancy in India, the scheme now specifically targets students, young professionals, students who have returned home after having studied in the U.K., nurses and allied health professionals, doctors interested in locum work, teachers and IT professionals.

(b) Australia

The Australian Working Holiday and Work and Holiday Programmes “provide opportunities for people aged between 18 and 30 to holiday in Australia and to supplement their travel funds through incidental employment” (DIAC, 2007). Table 5.3 shows a significant increase in the number of one-year visas issued from 2001-02 to 2005-06. There are no numerical caps or quotas.

Table 5.3:

Australian Working Holiday and Work and Holiday Visa Approvals, 2001-2006

Visa Category	2001 - 2002	2002 - 2003	2003 - 2004	2004 - 2005	2005 - 2006
Working Holiday (subclass 417)	85,207	88,758	93,759	104,352	113,936
Work and Holiday (subclass 462) ¹	n.a.	0	85	254	751
Total Visa Approvals	85,207	88,758	93,845	104,606	114,582

Note:

¹ Visa subclass 462 was introduced in March 2003 and is only available to applicants from outside Australia. However, from 1 January 2004, Subclass 462 visa holders became eligible to apply for a further Subclass 462 visa while in Australia.

n.a. = not applicable

Source: DIAC, 2007.

For 2005-06, agreements were concluded with 20 countries, with the largest cohorts of Working Holidaymakers (WHMs) coming from the U.K. (28,821), followed by Republic of Korea (South Korea) (24,077), Ireland (12,554) and Germany (12,089). In recent years, there has been a notable diversification of source countries and regions with the addition of Belgium, Estonia and Taiwan Province of China. A 1997 survey conducted by Harding and Webster (2002), at a time when eight WHM agreements were in effect, found that 85 per cent of WHMs were in paid employment during their visit, averaging 2.9 jobs each during that period.

Around three-quarters of WHM jobs were low-skilled, covering basic or intermediate office duties, production and transport and general manual activities, relative to 46 per cent across the whole workforce. The main occupations were as waiters,

harvesting fruits, providing basic services, secretarial work, labourer and similar manual and construction work. There were some differences among countries: Canadians were more likely to be employed as waiters, and a higher proportion of Dutch nationals were employed as fruit pickers, while Irish nationals were more likely to be active at both ends of the skills ladder as construction labourers and also in more professional occupations.

A positive effect of the Working Holiday and Work and Holiday Programmes was the creation of an additional 8,000 full-time jobs in Australia for every 80,000 WHMs through the employment generation effects of WHMs (Harding and Webster, 2002). Though WHMs were active in a range of low-skilled jobs, they were not shown to displace Australians who had not been interested in taking up these positions. The under-utilization of the skills offered by WHMs was

not seen as a negative for Australia, as benefits are seen to outweigh any negative effects and rural, hospitality and other labour shortages have led to recent adjustments to the programme. The Migration Regulations 1994 were amended in July 2006 to increase the length of time holders of both Subclass 417 (Working Holiday) and Subclass 462 (Work and Holiday) visas were permitted to work and study. The limitation on working for any one employer was extended from three to six months, and the study or training limitation from three to four months. These “changes were based on representations made by various stakeholders, including Australian tourism and education bodies, and provide greater flexibility for visa holders and their employers” (DIAC, 2006).

(c) New Zealand

The N.Z. Working Holiday Schemes (WHS) allow persons of 18 to 30 years of age from partner countries to spend 12 months in New Zealand and accept work of a temporary nature, and foresee reciprocal arrangements for young New Zealanders to work abroad. New Zealand has concluded WHS with 23 countries, providing for a total of 31,000 WHS visas in 2004-05, though only 21,025 work permits were actually issued. There is an annual cap for each participating country. While in general slightly more women (54%) than men were issued work permits, under some WHS the gender differential is more pronounced with considerably more women than men participating from China, Hong Kong SAR, Japan and Taiwan Province of China. For the U.K. and most other European countries, the ratio of men to women was about equal. In contrast, among WHMs from Chile, Italy and Uruguay men outnumbered women, although total numbers in these schemes were also relatively low. A high proportion of WHMs were in their early twenties, with 40 per cent aged between 22 and 25 (N.Z. Department of Labour, 2005).

A number of adjustments were introduced in mid-2005 to enhance the attractiveness of the N.Z. WHS

and turn them more into an employment programme. For example, it is now possible to convert from a WHS permit to permanent residence status and, in 2004-05, 182 individuals present in the country under the WHS obtained permanent residence status (N.Z. Department of Labour, 2005). Although numbers are low, this is an indication of the use of these schemes to fill labour market gaps on a more ongoing basis.

These developments point to a general trend towards the provision of longer-term employment opportunities for WHMs. They concern a self-selected group of young, often well educated tourists who are now being “tapped” as possible workers or permanent residents. The delineation between tourism management and the management of migration for short and long-term employment and even permanent migration is becoming increasingly blurred for countries such as Australia, New Zealand and the U.K. Other countries, however, seem to be keeping WHM schemes as a form of “work and pay for your holiday” tourist scheme, as, in fact, originally intended.

3. Short-term Movements for Business and Entrepreneurial Purposes

As with tourism, short-term movements for business and entrepreneurial purposes have greatly increased in all parts of the world in recent years. The interrelationship between this type of mobility and migration is more readily apparent than that of migration and tourism, although its nature and scope escape precise definition and analysis. A number of countries, however, do attempt to regulate short-term business movements and to gauge their extent, while others adopt more of a “laissez-faire approach”. The growth of business travel and its diversity, particularly in the developing world, give rise to a number of economic and social benefits in developing countries, but also pose challenges that are not that dissimilar from migration management concerns.

3.1 Issues of Definition

The first issue is to consider the various terminologies and definitions used in some countries concerning the issuance of visas to control or manage entry. While permanent or long-term migration is characterized by the use of a large variety of terms and definitions, this is even more the case for short-term movements, though the concept is not well defined, recorded or researched by policymakers or others (see also Chapters 3 and 11 and the Migration Terminology section).

Globalization has generated a large increase in the volume and type of temporary business movements as not only multinationals but also the international expansion of many small and medium-sized enterprises has led to the rapid increase in the mobility of business people. According to Tani (2006: 323):

With better communication and transportation technologies, firms can concentrate key managerial and technical skills in a single location and deploy them to peripheral geographic areas through short-term business trips in lieu of relocations and assignments. These developments, along with skill-based technological change, have benefited the highly skilled. International business travellers are almost entirely composed of entrepreneurs, professionals, senior government officials and managers and enjoy a wage premium over similarly skilled but not travelling workers.

International movements within transnational corporations (TNCs) are significant, but not always easy to identify as they concern a select group moving within specific channels and not subject to the same constraints as other business travellers. Nor is it possible to gauge the extent to which their physical moves may be and are being replaced by virtual travel, teleconferencing and other modern means of communication.

This group does not include the “suitcase traders” or small, self-employed entrepreneurs, who repeatedly move between different parts of the world. Though their numbers and individual trajectories are difficult to quantify on account of their erratic, circular and self-determined movements, they represent a growing group of merchants who move to trade or to set up small businesses as and where opportunities arise.

The international mobility of service providers gives rise to another potentially large group of short-term business travellers, as defined under the WTO’s GATS Mode 4 (see Textbox Int. 1). There is some overlap and confusion as to how to differentiate between labour movements and GATS Mode 4 movements for services, but business persons and intra-company transferees could potentially refer to GATS Mode 4 to provide services on a short-term basis in another country. They would, however, be subject to various conditions, such as quotas and restrictions, educational qualification requirements and economic needs tests, stipulated by countries of destination in their GATS Schedule of commitments. At the moment, there is no specific GATS Mode 4 visa and people are admitted under the existing visa regulations of destination countries.

As each country treats business and entrepreneurial movement differently, a number of case studies are discussed below to illustrate the definitions, visas and provisions adopted for short-term business entries. Various regional groupings have also developed ways of facilitating business mobility, one of which is referred to below.

3.2 Management of Short-term Business Visits

Countries are increasingly developing various types of short-term business visas to facilitate the entry of business people. However, there is significant diversity and attempts at harmonization have been slow and difficult.

(a) Asia-Pacific Economic Cooperation (APEC)³

The APEC Business Travel Card (BTC) was introduced to lower trade transaction costs. This is a national visa waiver or three-year multiple entry visa valid for all participating economies for persons who satisfy the requisite visa conditions. Other provisions may eventually be attached to the APEC Business Travel Card, namely, an agreed 30-day service standard for intra-company transferees (executives, managers and specialists, the latter as defined by each economy), and an agreement to consider the streamlining of access to employment for spouses of intra-company transferees.

The aim is to move towards common agreed standards for the short and long-term entry of business people; to date, however, most countries, including a number of APEC participating economies, impose additional visa requirements on business people wishing to visit. Some of these are outlined below.

(b) Australia

Australia defines short-term business visits as covering (a) attendance at a conference or training session; (b) the conduct of business with an Australia-based company; (c) the conduct of business negotiations,

or (d) an exploratory business visit. A choice of five business visitor visa options is available:

1. Short Stay Business Visitor (subclass 456): 3 months — for business people to make a short business visit to attend a conference, conduct negotiations or make an exploratory business visit.
2. Sponsored Business Visitor (subclass 459): 3 months — for business people who have an approved sponsor in Australia and may not be eligible to apply for an Electronic Travel Authority (ETA).
3. ETA (Short Validity) (subclass 977): 3 months — an electronically stored authority available to passport holders from a number of countries and regions. Applications must be made from outside Australia.
4. ETA (Long Validity) (subclass 956): 3 months, repeat visits — for business people to make regular short business visits, granted for the length of the validity of the passport.
5. APEC Business Travel Card (see above): 2 months, repeat trips — to streamline travel for business people from 16 participating economies in the APEC region. Nationals of all APEC members, besides New Zealand, must still apply for a subclass 456 or 977 visa (DIAC, 2007).

³ Australia, Brunei Darussalam, Canada, Chile, China, Hong Kong SAR, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, Russia, Singapore, Taiwan Province of China, Thailand, United States, Viet Nam. For a description of APEC and its labour mobility-related activities, including a fuller discussion of the Business Travel Card, see Textbox 13.5.

Table 5.4 shows the number of visas issued in four of these categories from 2001 to 2006. The short stay (subclass 456 and 977) visas are by far the most numerous. The persons in the sponsored 459 subclass are most probably intra-company transfers.

Table 5.4:
Business Visitor Visas Granted Outside of Australia, 1 July 2001 to 30 June 2006

Visa Category	2001-02	2002-03	2003-04	2004-05	2005-06
Business Visitor Visas					
Short Stay Business Visitor (Subclass 456)	133,726	126,767	147,701	174,617	185,656
Sponsored Business Visitor (Subclass 459)	18	11	4	107	634
Electronic Travel Authority - Business Entrant - Long Validity (Subclass 956)	33,420	28,057	24,721	18,417	15,410
Electronic Travel Authority - Business Entrant - Short Validity (Subclass 977)	90,874	99,356	126,413	146,283	166,633
Total Business Visitor Visa Approvals	258,038	254,191	298,839	339,424	368,333

Source: DIAC, 2007.

It is interesting to note that a number of temporary entrants and visa categories, including the Class 457 Temporary Business (Long Stay) visa and the Working Holiday and Work and Holiday programmes, are linked to business migration. Class 457 entrants are actually sponsored employees. Their visas are valid for a stay of up to four years whereupon they may be converted to permanent resident status.

According to Khoo et al. (2005), the majority of 457 visa holders had applied for long-term temporary residence in Australia after a previous stay there under the Working Holiday and Work and Holiday programmes or as students. This was particularly true of Europeans, and their prior exposure to the country is considered to have facilitated their integration and adaptation to local living and working conditions. Conversely, 457 visa holders from India are least likely to have visited the country prior to their present stay.

Drawing on the findings of Coleman and Rowthorn (2004), Khoo et al. (2005) suggest that temporary skilled migration is the source of many economic benefits to Australia because it brings in young, well qualified and highly skilled people. Given that 457 visa holders are more likely to come from higher-income countries in North America and Europe, they note that the current temporary skilled migration policies link the Australian economy to other advanced economies.

(c) Canada

Canada receives a very large number of short-term visitors every year, with around 20 million annual crossings of the Canada/U.S. border alone. There is no statistical breakdown of the particular motives for a visitor's stay in Canada. A large majority of the many millions of business visitors entering Canada every year would not need visas as they are from visa-exempt countries, particularly the U.S. and Europe.

Around one million visas are issued annually to visitors who do require them and, although a global breakdown is not available, Table 5.5 demonstrates that regarding the Beijing issuing office, the business caseload accounts for a substantial proportion of the total number of visas issued to visitors.

Table 5.5:

Canada – Business Visitor Visas issued in Beijing

Business Visitor Applications	2005	2006	2007 (to 27 Nov.)
Total Number	36,835	43,701	37,721
% of all visitor visas issued in Beijing	60%	60.5%	54.9%
Official passport	25,281 (68.6%)	30,019 (68.7%)	24,316 (64.5%)
Private passport	11,554 (31.4%)	13,682 (31.3%)	13,405 (35.5%)

Source: Canadian Permanent Mission, Geneva.

In contrast to Australia and New Zealand (see below), however, Canada does not participate in the APEC BTC scheme (Citizenship and Immigration Canada, 2006).

(d) Japan and Republic of Korea

Both Japan and South Korea require short-term business visas for visits of up to three months for most business entrants. However, Japan and South Korea also waive visa requirements for nationals of certain APEC economies (APEC, 2007). South Korea offers multiple-entry visas for nationals from Australia, Canada, China, Japan and the U.S., in accordance with relevant bilateral agreements.

(e) New Zealand

The possibilities for short-term business visits to New Zealand are limited. The Long-term Business Visa (permit) requires the prior submission of a business plan. After nine months, the permit is subject to

review and, if the business is deemed to be developing satisfactorily, it is extended for a further period of three years, following which a permanent residence permit may be applied for. N.Z. participates in the APEC BTC scheme and certain APEC economies benefit from the visa-waiver arrangements (N.Z. Department of Labour, 2005).

(f) United Kingdom

The U.K. has a new business visa for entries of up to six months. It makes a distinction between a business visitor and an employee, and the conditions for admission are clearly stated, as are the eligible occupations (advisers, consultants, trainers and trouble-shooters), the nature of the direct or contractual working relationship with the sending company and the type of work (including training) that can be undertaken (workpermit.com, 2007). The visa conditions provide for considerable flexibility concerning the corporate activities to be undertaken.

The same flexibility is foreseen under the generally long-term visas issued for the purpose of business creation, such as, for instance, the Sole Representative Visas for Employers, valid for two years for the establishment of a branch office of an overseas business in the U.K., or the U.K. Innovator Visa, also valid for two years for persons intending to realize a highly innovative business idea in the U.K. (workpermit.com, 2007).

(g) United States

The U.S. Office of Immigration Statistics (OIS) produces an *Annual Flow Report* that includes data on temporary flows. It examines the temporary non-immigrant admissions to the U.S., mainly tourists and business travellers on short-term trips. The bulk of the 175.1 million non-immigrant admissions in 2006 were from Canada and Mexico,⁴ and the remaining

33.7 million from all other countries (using I-94 Forms). Canadians and Mexicans who hold a non-resident Border Crossing Card, commonly known as a laser visa or a multiple-entry non-immigrant visa, are not required to complete an I-94 Form (U.S. Office of Immigration Statistics, 2007).

Of the 33.7 million I-94 admissions, 73.9 per cent were for tourist purposes and 15 per cent for business travel, granted to 25.8 million individuals of whom 4.4 million were entitled to multiple entries (U.S. Office of Immigration Statistics, 2007: Table 2). The U.S. data provide a good breakdown, as shown in Table 5.6. Temporary business visitors can be separated from intra-company transferees and their families and from exchange visitors and their families.

Almost half (45.8%) of non-immigrant (I-94) admissions concerned nationals from Mexico, U.K. and Japan, followed by Germany, France, Republic of Korea, India, Italy, Australia, Brazil and the Netherlands. Men accounted for 52.9 per cent of all I-94 admissions, and 56.3 per cent were aged 15 to 44 (U.S. Office of Immigration Statistics, 2007: Tables 5 and 6).

The U.S. also has a visa category for “treaty traders and treaty investors”. These E1, E2 or E3 visas are intended for nationals of countries with which the U.S. has concluded treaties of commerce and navigation, who wish to come to the United States to carry on substantial trade, including trade in services, or to develop and direct the operations of an enterprise in which they have invested or are in the process of investing, and who are not required to fill out an I-94 Form (U.S. Department of State, 2007).

Although the U.S. does not participate in the APEC BTC, nationals of Australia, Brunei Darussalam, Japan, New Zealand and Singapore are granted a visa waiver for up to 90 days.

⁴ No estimate is provided for 2006, but in 2005 it was estimated that 148 million non-immigrant admissions out of a total of 175 million were from Canada and Mexico (Grieco, 2006).

Table 5.6:**U.S. Non-immigrant Admissions (I-94 only) by Class of Admission (excluding laser visa holders): 2004-2006 (in millions)**

Class of Admission	2006		2005		2004	
	No.	%	No.	%	No.	%
Temporary visitors	29.93	88.9	28.51	89.1	27.40	89.0
For pleasure	24.89	73.9	23.81	74.4	22.80	74.1
For business	5.04	15.0	4.70	14.7	4.60	14.9
Temporary workers and families	1.71	5.1	1.57	4.9	1.51	4.9
Intra-company transferees and families	0.46	1.4	0.46	1.4	0.46	1.5
Intra-company transferees	0.32	1.0	0.31	1.0	0.31	1.0
Students, exchange visitors, and families	1.17	3.5	1.05	3.3	1.02	3.3
Exchange visitors ¹ and families	0.42	1.2	0.38	1.2	0.36	1.1
Exchange visitors	0.38	1.1	0.34	1.1	0.32	1.0
Transit aliens²	0.38	1.1	0.36	1.1	0.34	1.1
All other classes³	0.37	1.1	0.37	1.2	0.39	1.3
Unknown	0.11	0.3	0.14	0.4	0.13	0.4
Total	33.67	100	32.00	100	30.78	100

Notes:¹ Exchange visitors are young people who take part in educational or cultural exchange programmes.² Transit aliens include C-1, C-2 and C-3 visas.³ Other classes of admission include: A-1 to A-3, BE, G-1 to G-5, K-1 to K-4, N-1 to N-9, Q2 and Q-3, T-1 to T-5, U-1 to U-4, and V-1 to V-3.

Figures in the "Total" row have been rounded up.

Source: Compiled from U.S. Office of Immigration Statistics (2007: Table 3).**3.3 Intra-company Transfers**

Of all business travels, intra-company transfers are among the most difficult to document. Table 5.7 lists intra-company transferees in seven OECD countries between 1996 and 2002, with the U.S. registering by far the greatest mobility of this type, followed

by the U.K. and the Netherlands. Although no easily accessible data on such short-term business movements are available for Australia, a recent survey conducted by Khoo et al. (2005) showed that 30 per cent of 457 visa arrivals to Australia were intra-company transferees.

Table 5.7:**Intra-corporate Transferees in Selected OECD Countries, 1996-2002 (thousands)**

	1996	1997	1998	1999	2000	2001	2002	1999 Relative frequency (US=100) ¹
Austria ²			0.2	1.0	1.2	1.9	1.9	40
Canada ³		2.1	2.8	2.5	3.0	3.2	2.8	26
France ⁴	0.8	1.0	1.1	1.8	2.2	2.3	1.8	12
Japan	2.8	3.4	3.5	3.8	3.9	3.5	2.9	9
Netherlands ⁴	1.6	2.3	2.7	2.5	--	--	--	50
U.K. ⁵	13.0	18.0	22.0	15.0	16.0	17.0	19.0	84
U.S. ⁶	69.7	80.1	82.5	88.0	112.0	--	--	100

Notes:¹ Transferees as a proportion of total employment relative to the same statistics for the United States, times one hundred.² Stock of non-EU intra-company transferees who hold a residence permit on 1 July of the given year.³ Temporary business persons with employment authorization entering Canada under NAFTA, Canada-Chile Free Trade Agreement (CCFTA) or GATS.⁴ Figures do not include transfers from other EU countries.⁵ Results are derived from the Labour Force Survey and include intra-European transfers.⁶ Issuance of L1 visas.

Sources: **Austria:** Federal Ministry of the Interior; **Canada:** Citizenship and Immigration Canada; **France:** Office des migrations internationales; **Japan:** Ministry of Justice, Immigration Service; **Netherlands:** Employment Office; **U.K.:** Labour Force Survey; **United States:** U.S. Department of State, Bureau of Consular Affairs.

3.4 Business Travel in the Developing World

(a) Developed to developing countries

Globalization and deregulation have opened up many developing countries where conditions are seen to be economically, socially and politically conducive to significant inflows of short-term business travellers or visiting nationals from more developed countries. In the 1960s and 1970s, the Asian “Tigers” were probably the best example of emerging economies that attracted much investment and technical input from more developed countries.

In recent years, temporary business visits from countries in Asia, Europe, North America and Oceania to many of the world’s global cities and other major sites have become very prevalent. The expansion of multinationals and the establishment of offshore branches or client offices in mining, manufacturing and the services sector have given rise to countless and repeat visits by managers, technicians, engineers and supervisors.

Similarly, most non-resident Indians (NRIs) who have set up businesses in the IT sector in India (see Textbox 2.2) return home to attend to their business interests but do not go back permanently.

(b) Developing to developing countries

Disparities in economic development between neighbouring countries frequently give rise to short-term and often irregular movements for the purpose of trade.⁵ For example, in 2003, over 300,000 individuals crossed the border from Mongolia into China, mostly for trading purposes. People come from Russia and eastern European countries, as well as from Mongolia, to buy cheap goods and to sell them elsewhere. The building of a free-trade zone and a new Trading Hall in Erlianhai in Inner Mongolia led

to an increase in cross-border activities (Zheng and Ren, 2004).

The dismantling of the apartheid regime in South Africa led to a more liberal migration regime and, since the early 1990s, many people from other parts of Africa have been able to enter on a 30-day visitor’s permit issued at the border. The declining contract labour migration to the mines has led to the growth of informal migration for work or to conduct business (Andersson, 2006). Economic growth has also acted as a magnet for petty traders from other parts of sub-Saharan Africa.

For years, cross-border shoppers from Southern Africa have flocked to Johannesburg, South Africa’s financial centre, to buy cheap goods that can be taken home and sold at a profit. Officials have quickly become aware of the profitability of such trading practices, after a study showed that the influx of African “tourism traders” added R 20 billion annually to the local economy. The shoppers’ spending bonanza includes cash-register sales and expenditure on overnight accommodation, meals and transportation. In 2004 – the latest year for which data are available – the major points of attraction for more than half a million African visitors were South Africa’s array of shops, mainly wholesalers. “These are typically low to middle-income people who come because there is a wide variety of goods and good quality. And these stores may just be popping up in their own country”, says urban consultant Neil Fraser of the newly formed Joburg Cross-Border Shopping Association. Most visitors are from Lesotho, Swaziland, Botswana, Zimbabwe, Mozambique, Namibia, Zambia and Malawi, where many people live on less than a dollar a day (Star and Reuters, 2006).

(c) Developing to developed countries

Many irregular migration flows from China and other parts of Asia (India, Pakistan, the Philippines), Latin

⁵ Cross-border migration is discussed in more detail in Chapter 7.

America and Africa (Morocco, Senegal), as well as from eastern Europe (especially Albania and Romania) to the more developed countries in Europe have been associated with the establishment and operation of small businesses. In recent years, southern Europe has attracted many new irregular migrants (see also Chapter 8), including Chinese nationals, to take up job opportunities in the informal sector.

[An] important reason is that these new destinations provide fresh business niches for the Chinese. Communities of Chinese in western Europe have usually been concentrated in the catering business. The catering business has become increasingly saturated since the 1990s, however, and there is not much evidence that the communities are entering new industries. By contrast, the Chinese in eastern and southern Europe are often engaged in the import/export trade between China and Europe, and even manufacturing (e.g. the leather and garment industries in Italy), partly encouraged by the economic structures particular to these countries (Laczko, 2003).

New types of flows have often emerged in response to tighter regulatory systems in developed countries. Peraldi (2004) documents the rise of Algerian suitcase traders throughout the Mediterranean region, replacing traditional labour migration to France. "Often serving tourist markets, their moves take place within family networks which allow them to seize trading opportunities in whichever city they are present" (Salt, 2006: 18). Such business movements are generally unrecorded or included in tourist figures.

3.5 Economic and Social Benefits of Short-term Business Movements, Especially in the Developing World

The circulation of people as part of international business activities, aid programmes and projects and for other reasons is significant, but difficult to

quantify. However, both countries of origin and of destination stand to gain from short-term business migrants. Host countries can sell more goods and provide accommodation and other services for business clients, and are themselves introduced to new products, technologies and business and management practices. It is with these benefits in mind that the city of Johannesburg is seeking to develop a visitor-friendly approach, for instance by setting up a welcome booth for cross-border traders, and building a new passenger boarding area. The private sector is considering to contribute to the effort through the construction of basic lodgings with cheap overnight rates.

At an early stage of its industrial development, Taiwan Province of China realized the value of the contribution its citizens abroad, particularly in the U.S., could make to its economy and society. Beginning in the 1950s, it implemented a series of policies and programmes to encourage the return of highly educated expatriates. Such return was to be preferably permanent, but short-term exchange and business trips were also promoted. The major incentives included a travel subsidy for returnees and their family, helping them to find jobs, providing business investment assistance, facilitating visits of academics and experts, setting up recruitment programmes by offering competitive salaries and improving working conditions (Tsay and Lin, 2000).

The contribution of short trips to economic growth is evident, but the means to measure such contributions are mostly lacking. One exception is research by Tani (2006), who surveyed business travellers at Sydney Airport and found that most Australian business persons going abroad were male, aged 35 to 54, highly skilled, had a university degree (83%) and were born abroad (64%). His survey reported that 38 per cent of these business travellers go to attend a conference or trade fair or to look for international alliances (37%), that is, to seek out information or to share knowledge. Only 31 per cent travelled for

reasons related to production and administration. Incoming business travellers were more likely to be intra-company movers (44%) followed by 32 per cent attending conferences. He argues that the data for true business arrivals, as defined earlier in this chapter for Australia, should not be analysed in terms of net flows but as gross flows. The combination of inflows and outflows, or gross flows, is a better measure of the importance of such mobility per se in the “formation and diffusion of knowledge”. He makes a distinction between “embodied” and “disembodied” knowledge, and argues that business movements generate “disembodied” knowledge. The more trips, the more knowledge is generated that benefits both the source and destination countries. Thus, from this point of view, it pays for countries to encourage, rather than discourage, such flows.

3.6 The Challenges Posed by these Different Types of Movements

The rapid growth of large trading and business locations and the difficulties in providing them with adequate housing, health, education and other facilities can be a major issue. For example, a study on the spread of HIV/AIDS in Northeast Asia found that the growth of major trading posts/towns on the borders between China and the neighbouring countries of Mongolia, Russia and North Korea, posed major infrastructure problems. At the same time, the emergence of an underground sex industry added another, very volatile factor. Together they have the potential to create a major health issue (Iredale et al., 2004).

Zheng and Ren (2004) emphasize that, in order to stop the spread of HIV/AIDS in the general population, relevant services or projects should not only focus on the high-risk populations, but also the “bridge populations”, i.e. those who may have sexual contact with the high-risk population. Urgent programmes and research are needed to focus on two broad areas:

1. Groups vulnerable to HIV infection and their “bridge populations”, such as overseas contract workers and their partners, commercial sex workers and their clients, transport workers/traders and their partners/families.
2. “Hot spots” where there is a volatile mix of highly mobile people (traders, visitors) or temporary workers (industrial workers, miners, sailors, etc.) and commercial sex workers.

On the other hand, the tendency for short-term business migrants to seek to become permanent residents is met with different responses. It is encouraged in some developed countries, viz. Australia, New Zealand and the U.K., while others have provisions that enable some “desirable” short-stay business migrants to apply for permanent residence status. The situation is less clearcut when small traders, who have entered a country irregularly or as tourists perhaps, decide to stay permanently. They frequently meet with a different response. Their situation is often regarded as being identical to that of many other irregular migrant workers who stay on after their working visas have expired and who are subject to mandatory return provisions.

4. Conclusion

This chapter has sought to make the recent massive growth in tourism and short-term business travel evident. The scale of these movements is much larger than for any other form of mobility, but they are not usually covered in migration reports. They have been included in this report because, although their links with labour migration are not immediately evident, such movements are nonetheless of major importance. The movement of tourists can have ramifications for labour mobility and affect the employment opportunities and practices of destination countries.

The chapter has shown how such flows can give rise to labour mobility to service tourist needs, how they

may metamorphose into labour movements or so resemble labour movements (viz. Working Holiday Schemes) that it is difficult to separate them. Short-term travel for the purpose of business is often not differentiated from tourism in some national statistics, while in others (e.g. Australia) there is an array of visas covering various types of business visits. Many small business people are engaging in trade and other activities a long way from home, while other business people are moving as part of intra-company transfers or related arrangements.

Countries are endeavouring to find the best ways to handle these mushrooming flows that, on balance, are perceived to be beneficial to their economies and societies. Short-term business travel is productive for source and destination countries, as well as for the individuals themselves, and therefore warrants good management rather than limitation. However,

issues of overstay, irregular entry and engagement in activities not covered by the visa entitlement must be addressed.

Innovative ways of encouraging skilled migrants (such as through the use of dual citizenship or special travel cards), in particular, to invest in or manage businesses at home are being found and such information needs to be disseminated so that developing and not only developed countries, can benefit from their skilled diasporas. Mahroum et al. (2007) stress the important role for governments in source countries in connecting with their diasporas, establishing networks, recognizing the potential contribution diasporas can make and creating opportunities that would allow them to contribute to local development through short-term visits to their home countries (see also Chapter 12).

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