

COMMUNICATION FROM SWITZERLAND

e-Work Permits in Switzerland: www.workpermits.zh.ch

The following communication, dated 13 September 2004, from the delegation of Switzerland is being circulated to the Members of the Council for Trade in Services.

1. Switzerland would like to share with the Council for Trade in Services its experience on Mode 4 procedures. This contribution is meant to stimulate discussions on accompanying measures that enhance the effectiveness of market access and national treatment commitments under Mode 4.

I. RATIONALE

2. The current GATS negotiations have shed light on the crucial importance of Mode 4 in our services economy. In this regard, not only is it important that Members undertake new commitments during this Round, but also that these new commitments – as well as the existing ones – be implemented in the most efficient, transparent, predictable and lean way. Measures to reach this objective are not only in the interest of the service supplier, but also of utmost importance for the host country's economy. Business practices such as "just-in-time" manufacturing service provision have steadily increased the speed of transactions. Transfer of technology and exchange of knowledge – factors that may be decisive to be awarded a contract or to settle a business – may require the prompt transfer of resources from anywhere in the world. Speed of procedure that handles work permit applications plays a central role in this regard. Switzerland therefore believes that the availability of lean and efficient procedures to handle the supply of services under Mode 4 is a trump card to location promotion. Zurich – in the heart of Switzerland's most important business area – has been aware of this fact and has recently implemented a digitalised desk for the processing of work permits. It is a pioneer within the vaster project of "e-government". The case of Zurich is the more relevant, as it deals with more than one out of five applications in Switzerland. The residual four-fifths are spread over the 25 remaining cantons.

3. The purpose of this paper is to complement the issues tabled by other Members that intended to improve the actual use of market access and national treatment commitments made by Members. These proposals led to stimulating discussions in the Council for Trade in Services. Switzerland is aware of the fact that improved procedures are only one element of a set of relevant accompanying measures.

II. ILLUSTRATIVE CASE: E-WORK PERMITS

A. THE SWISS IMMIGRATION SYSTEM

4. Switzerland is among the countries with the highest quota of foreigners in comparison to its permanent population: 20 percent of the overall population are foreigners. Its current foreign work force accounts for 25 percent of the active population, with 75 percent of them working in the services sector. Switzerland has a long history in this regard. The political structure is a superposition of three levels: the Confederation, the cantons and the communes, shaped very much by decentralised competencies. Entry and stay of foreign services suppliers are dealt with at the cantonal as well as the federal level. For entry, the competency lies with the Confederation, whereas the cantons decide on the stay and residency of foreigners. The cantonal decisions have to be submitted to the Confederation for final approval. Hence, work permits are handled by the cantons, whereas visa applications are the competency of the central government. This paper concentrates on the part of the work permit application process that interacts directly with the applicant. There is not a unified process among the cantons. The canton of Zurich, where the bulk of applications are submitted, is a good example how procedures can be streamlined.

B. ZURICH'S E-WORK PERMITS – "WORKING IN ZURICH WITHIN TEN CLICKS"

1. "e-Work Permits" in a nutshell

5. The Canton of Zurich has newly developed a digitalized desk for work permits. The system is applied across the board for all types of work permits and thus not particularly designed for GATS permits. It enables the service providers to apply for a work permit in a swift and easy way by using modern information and communication technologies. The application has been certified by "e-comtrust",¹ an international initiative for confidence-building measures in e-commerce and independent certification agency.

2. Who can apply

6. Three types of users can register and obtain a username and a password :

- an individual private person applying for a work permit,
- a person responsible for managing work permits procedures in an entity,
- a lawyer representing an entity vis-à-vis the authorities in respect of applications for work permits.

3. What are the benefits

- *to the applicant*

7. The applicant makes on-line contact with the competent authority. The digitalized desk services are available daily and around the clock all over the world. The site is well documented on procedures, is up-to-date and informs the applicant about the required documentation. Forms can be downloaded directly by the applicant. The site, as well as the forms, are available in English and German. Furthermore, applicants can check the status of their procedure (status tracking) or modify their data at any time during the process. Such a process not only has the advantage of sparing time, but also remarkably improves access to information and hence enhances transparency and reduces discrimination between services providers that rely on their own capacity and those that draw on specialised agencies or representatives.

¹ www.e-comtrust.org.

- *to the authorities*

8. The use of only one communication medium (the Internet) allows the efficient management of work permit applications. Consequently, the number of administrative steps is concentrated and less burdensome. It is worth mentioning that, as a result, there are significant cost savings due to reduced interaction costs between administrative units. It also alleviates the human resources work and frees room for more substantive work.

- *to both*

9. It helps to reduce the costs, to smooth the administrative procedures and to reduce the duration of the application process. Security and data protection are guaranteed (trust mark² e-comtrust license award).

4. How does the permit procedure work

10. "e-Work Permits", www.workpermits.zh.ch, allows applicants/firms/legal representatives to submit applications for work permits either in German or English directly via the Internet. "e-Work Permits" is a workflow application; data is entered step by step in screen forms. A self-explanatory procedure guides the applicant through each step. Yet, should any questions arise, assistance is available online or by phone. Paper applications are still possible, but digital applications are treated on a preferential basis, as the former have to be digitalised before treatment.

11. The application procedure is divided in three steps: 1) submission of the application; 2) examination by the cantonal Office for Economy and Labour; and 3) examination by the Immigration Office of the canton of Zurich.

12. The following services are available to the applicant :

- register as an applicant or firm or legal representative,
- enter and transmit application data and supplementary documents by e-mail,
- receive supplementary documents by e-mail,
- inquire about the status of one's application (status tracking),
- maintain or fine tune one's profile data.

13. Steps one and two – if documentation is complete – are processed within 48 hours by the authority. The whole work permit procedure, including the federal level, should normally not exceed two to three weeks. Yet, this digitalized procedure does not only speed up the process, but is also highly relevant in terms of transparency, guiding the applicant through the process and, within the application, providing all necessary forms. Thus, throughout the world, it puts all its users on an equal footing.

III. ASSESSMENT

14. The e-Work Permit has already proved its value. It has attracted 37 per cent of the applicants since it has been launched, in March 2003. The canton expects that this percentage will top 40 percent by the end of this year. The result is not only promising in statistical terms. The feedback the authorities received from the business world was very positive. Yet, the merits of the system go beyond the operational aspects: the image a location conveys around the globe is crucial for its

² "The trust mark is a registered trademark awarded to companies, which allow their online activities to be monitored by an independent Internet legal specialist according to legal criteria. Compliance with all of the legal standards for online activity must be fulfilled in order to receive a trust mark." (cf. http://www.e-comtrust.org/main_e.html).

promotion as a world-class business centre. Certainly, this kind of achievement confers a very innovative and modern image on the location of Zurich and hence increases its overall attractiveness for doing business. Finally, "e-Work Permits" is a top-promoter of efficient and transparent public services. Switzerland is convinced that the success of Zurich's "e-Work Permits" is self-explanatory and invites other Members to consider actions of this type.
