INDIA-EU TALENT MOBILITY: INFORMATION TECHNOLOGY SECTOR

INTRODUCTION

Sector Overview: Information Technology (IT) and IT Enabled Services (ITES/ICT) are growing industries across the world. Accounting for nearly **55% of market share** in 2017-18, India is one of the **world's digital capabilities hubs,** housing **75% of global digital talent,** according to the India Brand Equity Foundation. It is also an important sector for the EU, contributing **4% of Value Added** and **2.6% of employment in the EU in 2016,** according to the EU Joint Research Centre PREDICT Report 2019.

Mobility Overview: The potential for India-EU mobility in this sector is immense. The 2018-19 Higher Education Survey of the MHRD, Government of India, reported an estimated **880,000 undergraduate students in Computer Engineering,** up 15.8% from 2015 estimates[1]. At the same time, the **EU is expected to face an increasing demand for ICT workers** (4% per year) and a **shortfall of 756,000 workers in this sector by 2020**[2]. The European Centre for the Development of Vocational Training (CEDEFOP) estimated both **ICT and STEM professionals as two of the top 5 skill shortages in the EU** in 2016[3].

1. All India, Higher Education Survey, Ministry of Human Resource Development, GoI
2. World Economic Forum, March 2019: The digital skills gap is widening fast. Here's how to bridge it
3. CEDEFOP Press Release, 10/2016.

ICM
INDIA CENTRE FOR MIGRATION

Local Partner

ICMPD
International Centre for Migration Policy Development

Implementing Partner

ILO
International Labour Organization

Implementing Partner

According to a computation of Eurostat Business Surveys in a May 2019 Institute of Labour Economics (IZA) paper, **labour shortages were highest in Eastern Europe, followed by Northern and Central Europe[4].** CEDEFOP's 2018 report points out higher than average reported bottlenecks in sectors such as ICT[5] and estimates an average of **11.4% growth in future employment for this sector in the EU** between 2018-2030[6]. The scope of IT sector mobility for this corridor was further emphasised in a 2013 CARIM-India Research Report focused exclusively on IT professionals in India and the EU[7]. A 2014 CARIM-India Report also highlights how **IT sector immigrants have made Indians the largest recipients of highly skilled visas in Germany and the Netherlands[8].** The **India-EU Co-operation and Dialogue on Migration and Mobility (CAMM)** emphasises encouraging possibilities for high skilled mobility, especially of STEM and IT professionals.

While the EU is well-placed to benefit from the growth of IT sector mobility from India, India is **well-placed to gain from reverse flows of knowledge, business expertise, and investment** along with the financial remittances of individual emigrants. Building on the lessons of existing operational initiatives and based on the emerging trends in the world economy, the **Seminar on Talent Mobility** under the **India-EU CAMM** was an opportunity to discuss prevalent issues and exchange industry best practices to further facilitate the mobility of IT sector professionals.

EXISTING INITIATIVES

The **Blue Card Scheme** of 2009 allows for free mobility and social security access in the Schengen area. **Germany** has issued the highest number of permits under this scheme to IT workers.

The **European Intra Corporate Transfer Directive** of 2016 facilitates the relocation of highly skilled non-EU nationals.

A key area that has potential and offers a great degree of mutual cooperation under India-EU engagement is the mobility of science and technology professionals

CARIM India Report 2012: India-EU Engagement and International Migration

4. Skill Shortages and Mismatch in Europe A Review of Literature: IZA, May 2019
5. Insights into Skill Shortages and Mismatch: CEDEFOP, 2018
6. Skills Panorama ICT Services: CEDEFOP projections
7. Movement of IT professionals between India and the EU: CARIM-India Report 2013
8. India-EU Migration A Relationship with Untapped Potential: CARIM-India Report 2014

KEY INSIGHTS

- The IT-ITES sector has **complex** and **diverse mobility needs** requiring proportionately diverse regulation. The one-size-fits-all model must be replaced by a system that effectively balances **compliance, security,** and **mobility.**

- Skill mobility is premised upon **access to information** about various **integration measures.** These include factors such as access to social security and employment opportunities for the spouse.

- **Short and medium term assignments** tend to attract highly skilled migrants more effectively. Given the emerging trends of flexible and remote work, **flexible and fast-tracked immigration** services are a necessity.

- Standard immigrant and work visa requirements should have **distinct procedures and protocols.**

- **The conversation about policy reform, easing immigration controls, and knowledge transfer should be reciprocated.** India should also provide similar services and ease the mobility restrictions of EU nationals immigrating to or working in India.

- **Free market determination of wages** without the influence of regulatory authorities at source or destination is a necessity for the optimisation of output and resource allocation.

BEST PRACTICES

Finland's **Talent Mobility Initiative** which has prioritised the Indian market is structured around four pillars of boosting talent – **attraction, reception, integration, and reputation.** Finland **prioritises fast-track immigration services** and provides various integration measures such as **language support, spousal employment,** and **cultural sensitisation.**

RECOMMENDATIONS FOR THE FUTURE

POLICY ENVIRONMENT AND CHANGE

The **mobility needs of a new category of high-skilled workers** such as free-lancers and consultants should be factored into migration policy.

Removal of wage constraints from migration regulatory frameworks which are best left to free market forces.

INFORMATION

Optimising the alignment of job qualifications with the market so that vacancies are filled more efficiently and **fostering greater stakeholder co-ordination** between migrants, companies, and regulatory bodies for effective deployment and assimilation.

SOCIAL SECURITY

There should be new options to obtain **multiple Certificates of Coverage** (CoC) for the same individual or employee and the timeline for obtaining a Certificate of Coverage should be reduced.

VISA PROCESSES

Recognition of the shifting trend from **migration** to **mobility** and implementing a suitably flexible and adaptable visa and immigration regime.

Facilitating faster application processes through **joint review, checks, and inspection** by EU and Indian authorities. A procedural **fast-track corridor** for EU-registered companies and facilitation of **one-time certification** of the parent company followed by periodic audits.

The visa/work permit should be granted within a very short Service Level Adherence (SLA). **Documentation should be reduced** for large certified companies through drafting of special rules by the India Government.