Introduction

Emigration from India has expanded over the years, not only in terms of the number of emigrants but also in terms of the pathways used to migrate overseas, including irregular migration. Hundreds of thousands of Indians emigrate every year to the developed countries in search of better quality of life and higher income (Subramanian, 2001; Dutta-Sachdeva and Baruah, 2001). The main pull factors are better work opportunities and relatively better pay and work conditions. According to Nangia and Saha (2001), the charm of foreign jobs is so compelling that many of the aspiring emigrants, who could not get genuine work permits, adopt illegal means to go abroad.

Immigration has also become an increasingly important phenomenon in the European Union (EU) and global migration to the EU has expanded significantly since the 1990s. As per a 2006 report of the Director General for Economic and Financial Affairs, European Commission (EC), the average annual net entries for the EU-25 have more than tripled from 198,000 people per annum in the 1980s to around 750,000 persons per annum in the 1990s.¹ Immigration has also contributed to employment growth in the EU and is being seen as an important tool to resolve domestic labour shortages in many of the EU Member States (EMN, 2011). However, migration from India to the EU has so far not been significant except in the case of a few Member States, such as the UK, and Italy and in a few sectors, such as IT, health services, dairy and agriculture. Nonetheless, a growing number of Indians are emigrating to the EU and the governments on both sides

are looking at facilitating migration between the two regions. In this context, the emigration policies of the Indian government and the policy orientation of the EU governments towards Indian migration assume importance, not only in deciding the quantum of Indian emigrants going to the EU, but also in choosing their destination country within the EU. Policy facilitation is also important for preventing exploitation of Indian emigrants both before and after leaving India.

This chapter discusses the current status of India–EU people mobility and the policy orientation in India as well as in the EU towards migration in general and also with specific reference to people mobility between the two regions. It makes a case for a more focused policy for facilitating India–EU migration. The second section provides a snapshot of the labour market scenario in the EU to highlight demand–supply mismatch and skill shortages in that market. The third section highlights the status of Indian emigration in general and with specific reference to the EU. The fourth section provides the EU policy perspective towards inward migration, while the fifth section discusses the Indian government emigration policies and initiatives. The sixth section discusses the labour mobility partnership negotiations between India and the EU, including the ongoing India–EU Broad-based Trade and Investment Agreement (BTIA). The seventh section presents the likely implications of the current policy orientation of India for Indian migration to the EU Member States. The eighth section provides policy recommendations to facilitate India–EU migration, and the ninth section concludes by highlighting the main findings from the analysis.

Labour market scenario in the EU

As per the 2012 Eurostat publication ‘The EU in the world 2013 – a statistical portrait’, the labour force (aged 15 to 64) in the EU-27 was around 240.4 million persons, of whom 216.7 million were in employment in 2011. An important issue related to the labour market in the EU is the ageing of its population. All Member States of the EU are facing the problem of ageing, and this problem is expected to continue for at least another 50 years or so. This imbalance in the EU age pyramid has resulted in a declining ratio for the working population vis-a-vis
those who are retiring or have already retired. As per Eurostat Statistics, there were four working age people (aged 15–64 years) for every EU citizen aged 65 years or over in 2008, but, by 2060, this figure is projected to come down to two. As a consequence, the share of people aged 65 years or over in the EU population is expected to increase from 17.1 per cent to 30.0 per cent over the same period.

This ageing phenomenon within the EU is likely to affect its Member States not only socially but also economically in a significant way in the coming decades. An important fall out of ageing in the EU is the demand–supply mismatch that has arisen in several of its Member States and which is likely to intensify in the coming years if appropriate steps are not taken to resolve this imbalance. Another corollary of ageing and resultant demand–supply mismatch is the skill shortages that have started occurring in several Member States of the EU.

A description of the labour market shortages in selected sectors/occupations for each of the Member States of the EU is given in Appendix 1.1. Figure 1.1 presents the number of sectors/occupations facing labour shortages in each of the EU Member States, and Figure 1.2 presents the number of the EU Member States facing labour shortages in each of the selected sectors/occupations.

Figure 1.1: Number of sectors having labour shortages in each Member State of the EU

Source: Author’s construction based on information retrieved from EMN (2011)

Figure 1.1 shows that Spain has the largest number of sectors (seven) with labour shortages followed by Italy and Bulgaria (six each) and Belgium, Finland, Germany, Ireland, Latvia, Lithuania, Malta and Poland (five each). The UK has labour shortage in three sectors, namely for engineers, healthcare and secondary

teachers (Maths and Science). From a sectoral/occupational perspective, the healthcare sector faces labour shortages in the greatest number of EU Member States (13), followed by engineering, construction and IT (nine each), catering and industrial sectors (seven each).

Figure 1.2: Number of EU Member States having labour shortages in selected occupations

Source: Author’s construction based on information retrieved from EMN (2011)

Labour shortage can be ‘voluntary’, i.e., when skilled or unskilled jobseekers are available and match the required job profile, but do not work in the given job due to unattractive labour conditions and low wages, or can be ‘compulsory’, i.e., when nationals with the requisite skills and qualifications for particular occupations are not available. The EMN (2011) report has identified voluntary shortages in Belgium, Czech Republic, Estonia, Finland, France, Hungary, Italy, Luxembourg, Lithuania, Malta, Netherlands, Poland, Portugal and Slovenia, whereas compulsory shortages were in Austria, Belgium, Czech Republic, Estonia, Finland, France, Hungary, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovenia, Spain and Sweden. The compulsory shortages are more serious than the voluntary ones as they reflect structural deficiencies in the domestic economy.

One policy option to resolve the demand–supply mismatch and skill shortages is to put greater emphasis on education and training systems within these countries to fulfil their labour market needs. However, this is a long-term measure with a significant gestation period. Moreover, the educational institutions in many of the EU Member States are themselves subject to the problem of skill shortages. On one hand, they may not have adequate trainers, and on the other, there may not be enough takers for education and training, given the ageing population in the Member States.
India–EU People Mobility

The other policy option, which is gaining popularity within the EU, is to facilitate inward migration to their respective territories. The European Commission has also recognized the importance of immigration in the EU economy and has suggested that immigration should be based on a common need-based assessment of the EU labour market. It should address all skill levels and sectors for enhancing the knowledge-based economy of Europe and advance economic growth in the EU. The Member States have also recognized the importance of migrants in their economies and accordingly several initiatives have been taken by their governments, as discussed later in this chapter.

Status of emigration in India

Though emigration is not a new phenomenon and existed even before independence, reliable historical time series data on international emigration from India are almost non-existent. The Indian government has not made any serious efforts to obtain data on a regular basis and in a systematic manner (Premi and Mathur, 1995). Nangia and Saha note that some researchers have used Census data and other sources to estimate the number of Indians in overseas countries (Davis, 1951; Desai, 1963; Jain, 1982; Madhvan, 1985). However, these figures do not reflect the actual emigration status as they were not collected with the prime intention of generating emigration statistics. Recently, the government has initiated the collection of emigration data, considering the latter’s importance for policy making. Accordingly, the National Sample Survey Office of the Ministry of Statistics and Programme Implementation, Government of India, has collected information on migration in its 64th Round of Socio-Economic Survey (July 2007 to June 2008).

Annual labour outflows from India

Some data on annual labour outflows from India based on statistics provided by the Ministry of Overseas Indian Affairs, Government of India, are provided by Sasikumar and Hussain (2008). Figure 1.3 shows the annual labour outflows from India as indicated by the number of emigration clearances granted during 1990–2007 period. The relevant data for Figure 1.3 are presented in Appendix 1.2.

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6 As per the Emigration Act. 1983. Emigration Check Required (ECR) categories of Indian passport holders are required to obtain ‘Emigration Clearance’ from the office of Protector of Emigrants (POE), Ministry of Overseas Indian Affairs for going to eight countries,
Based on the available data, Sasikumar and Hussain (2008) argue that there are two visible patterns in emigration from India, particularly since the 1990s. Persons with professional expertise, technical qualifications and skills migrate to high-income developed and traditionally migrant receiving countries like the US, the UK and Canada, either as permanent immigrants or to take up temporary employment, whereas unskilled and semi-skilled workers migrate as contract workers to the high-income countries in the Gulf (mainly to the GCC countries). They also observe that in recent years, the high-income countries of South East Asia, such as Malaysia, have begun to attract labour outflows from India.

**Emigration from India to the EU countries**

Though precise emigration data are not publicly available in India, many destination countries in the EU have recorded the number of Indians who have immigrated to their territories, in their immigration registers. Thus, some information is available from the receiving country side. Figure 1.4 reflects the annual migration of workers from India to various European countries from 2000 to 2012, as obtained from

namely United Arab Emirates (UAE), The Kingdom of Saudi Arabia (KSA), Qatar, Oman, Kuwait, Bahrain, Malaysia, Libya, Jordan, Yemen, Sudan, Brunei, Afghanistan, Indonesia, Syria, Lebanon, Thailand, Iraq (emigration banned). However, the Ministry of Overseas Indian Affairs has allowed ECR passport holders traveling abroad for purposes others than employment to leave the country on production of valid passport, valid visa and return ticket at the immigration counters at international airports in India with effect from 1 October 2007.
India–EU People Mobility

the OECD International Migration Database (see Appendix 1.3). The data are based on the number of work permits issued during the year.

Figure 1.4: Annual inflows of Indian workers to selected EU countries

Source: OECD International Migration Database, data extracted on 8 December 2014 (data presented in Appendix 1.3)

Figure 1.4 graphically presents annual immigration to selected EU countries from India. It is quite evident that the UK and Italy are the leading countries within the EU, attracting the largest number of Indian emigrants. Other countries invite only a handful of Indian workers annually. The UK has seen an increasing trend over the 2000–12 period though annual inflows declined in some of the middle years. For Italy, annual inflows of Indian workers increased significantly from 2008 to 2009 and 2010, but thereafter declined sharply. Belgium, Denmark, Germany, France and Sweden are some of the EU countries that witnessed significant increase in annual inflows of Indian workers during this period, though the total inflows to these countries remain very small when compared to those for the UK and Italy.

An analysis of immigrants by their occupation categories reveals that a majority of these emigrants are either highly skilled workers or are involved in other remunerative activities. Figure 1.5 shows that for the UK, immigration was mostly in the category of highly skilled workers and other remunerated activities in 2009. For Italy, apart from other remunerated activities, the category of ‘seasonal workers’ was also important. The category of ‘Researchers’ was not important for any of the EU countries.

Sasikumar and Hussain (2008) have also highlighted that Germany, France and Belgium are emerging as the main destination countries for Indian migrants, particularly for white-collar jobs. These countries are facing acute skill shortages in many emerging sectors and, hence, have designed specialized employment programmes to address their labour market deficits. For instance, Germany introduced a specialized ‘Green Card Scheme’, in 2000 to attract IT specialists. The scheme was discontinued in December 2004, but the main point to highlight here is that the largest numbers of German Green Cards were issued to Indians. Germany has again introduced the ‘Blue Card Initiative’ from 1 August 2012 to attract skilled and professional immigrants from non-EU countries.

**Policy initiatives of the EU to facilitate inward migration: General**

As migration is recognized as a potential solution to the problem of skill shortages, policy initiatives have been taken both at the EU level and at the level of individual Member States to facilitate inflows in a targeted manner. These EU initiatives are in the form of legislative instruments (various directives) as well as co-operative agreements with other countries. EU Member States have also negotiated bilateral labour supply agreements with EU and non-EU countries to enable a regular flow of workers in desired sectors and occupations.

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8 White-collar job refers to professional, managerial or administrative work performed in an office, cubicle or other administrative setting. On the other hand, blue-collar work refers to manual labour and pink-collar work relates to customer interaction, entertainment, sales or other service-oriented work.
The EU Directive 2009/50/EC, known as the ‘Blue Card Directive’, is related to the entry and residence of third-country nationals in the EU for the purpose of highly qualified employment. The objective of this Directive is to make the EU a more attractive destination for highly qualified third country nationals by establishing common criteria and a fast-track procedure for issuing residence and work permits. This Directive entitles the Blue Card holders to various socio-economic rights, favourable conditions for accessing the labour market, family reunification and movement across the EU. Similarly, Directive 2005/71/EC aims at establishing a specific procedure for admitting third-country nationals for the purpose of scientific research. Hence, it is also known as the ‘Researchers Directive’. The purpose of the Directive is to make Europe the most competitive knowledge-based economy of the world, by fostering the admission and mobility of third-country researchers.

Directive 2009/52/EC targets the employment of non-EU nationals who are illegally staying in the EU, to counteract irregular immigration. It provides for minimum common standards on sanctions and other measures (disqualification from public benefits, etc.) for irregular migrants and, in serious cases, criminal penalties against employers of said nationals. The directive requires Member States to prohibit the employment of illegally residing non-EU nationals.

Recently, the EU has adopted the Directive 2011/98/EU, often referred to as the ‘Single Permit Directive’, in 2011. The Directive establishes a single application procedure for single permits for third-country nationals to reside and work in the territory of an EU Member State, and a common set of rights for third-country workers legally residing in a Member State.

Apart from these Directives which are already in existence, the EU is also discussing proposals for further Directives on the conditions concerning the entry and residence for seasonal workers and intra-corporate transferees. The aim is to simplify migration procedures and give migrants clear employment-related rights.

The EU has also signed Mobility Partnerships with some countries, such as Moldova and Cape Verde in 2008, Georgia in 2009 and Armenia in 2011. The Mobility Partnership with Ghana has been under negotiation since 2010 and such partnerships are also foreseen with Morocco, Egypt and Tunisia. These Mobility Partnerships aim at facilitating migration flows and at providing better access to the EU from the respective countries. They also intend to curb irregular migration from these countries.

The Member States have also established legislative frameworks to regulate and facilitate the entry of migrants into their labour markets. A specific Act, the ‘Foreign Employment Act’ exists in many EU Member States, such as Austria, Italy, Lithuania, Ireland, Netherlands, Poland and Slovenia, to regulate the employment of third-country nationals.
Apart from the legislative frameworks for migration, many of the EU Member States have signed bilateral agreements for labour supply with non-EU countries. For instance, France has agreements for migration flows with its ex-colonies, such as Senegal and Cameroon. Spain has signed bilateral labour agreements for the inflow of migrant workers from a number of countries. While some of these agreements focus on checking irregular immigration, others aim at regulating migration flows from third countries and at facilitating circular migration through mechanisms for recruitment, entry, guaranteeing of social and legal rights, and by ensuring the voluntary return of foreign workers.

It is also important to note that apart from the generalized bilateral agreements signed by the individual Member States with third countries, many of the EU Member States have entered into sector-specific agreements with third countries, both within and outside the EU. However, outside the EU, most of these agreements are with developed countries such as Australia, Canada and New Zealand. These agreements intend to ensure the smooth supply of specific groups of migrants to their markets from the signatory third countries. Some of these specific agreements are presented in Table 1.1.

Table 1.1: EU Member States’ bilateral agreements for specific group of migrants

<table>
<thead>
<tr>
<th>Member State of EU</th>
<th>Agreement with Third Country</th>
<th>Agreement for Type of Workers</th>
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<tbody>
<tr>
<td>Czech Republic</td>
<td>New Zealand</td>
<td>Vacation workers</td>
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<td></td>
<td>Canada</td>
<td>Young workers</td>
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<tr>
<td>Belgium</td>
<td>Croatia, Japan, Uruguay, South Korea</td>
<td>Seconded workers</td>
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<tr>
<td>Germany</td>
<td>Croatia and other EU Accession countries (except Baltic countries)</td>
<td>Seasonal workers</td>
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<tr>
<td></td>
<td>Bulgaria</td>
<td>Young workers</td>
</tr>
<tr>
<td></td>
<td>Bulgaria</td>
<td>Interns</td>
</tr>
<tr>
<td></td>
<td>Bulgaria</td>
<td>Domestic workers/Hotel and Restaurant workers</td>
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<tr>
<td></td>
<td>Bosnia, Croatia, Macedonia, Turkey</td>
<td>Contract workers/Guest workers</td>
</tr>
<tr>
<td>Italy</td>
<td>Bulgaria</td>
<td>Nurses</td>
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<tr>
<td>Estonia</td>
<td>Australia, Canada, New Zealand</td>
<td>Young workers</td>
</tr>
<tr>
<td>Sweden</td>
<td>Australia, Canada, New Zealand</td>
<td>Young workers</td>
</tr>
</tbody>
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