



# 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<sup>1</sup>. 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**<sup>2</sup>. 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**<sup>3</sup>.



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.



Local Partner



Implementing Partner



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**<sup>4</sup>. CEDEFOP's 2018 report points out higher than average reported bottlenecks in sectors such as ICT<sup>5</sup> and estimates an average of **11.4% growth in future employment for this sector in the EU** between 2018-2030<sup>6</sup>. 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<sup>7</sup>. 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**<sup>8</sup>. 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.

