भारतीय प्रबंध संस्थान बेंगलूर
INDIAN INSTITUTE OF MANAGEMENT
BANGALORE

WORKING PAPER NO: 377

India-EU Engagement and International Migration: Challenges and Policy Imperatives

Basant Kumar Potnuru
Indian Council of Overseas Employment
New Delhi
bkpeco@gmail.com

Vishishta Sam
Indian Council of Overseas Employment
New Delhi
vishishta.sam@gmail.com

Year of Publication-September 2012

This paper is part of a research project titled "Developing a knowledge base for policymaking on India-EU migration", financed by the European Commission (EC) and carried out by Prof. Rupa Chanda at the Indian Institute of Management Bangalore (IIMB), researchers at the European University Institute (EUI), the Indian Council of Overseas Employment (ICOE), and Maastricht University (Faculty of Law).

India-EU Engagement and International Migration: Challenges and Policy Imperatives

Abstract

In the absence of a multilateral framework and a rule based global structure for the governance of international migration of people in all its complexities, countries engage in bilateral or regional cooperation in an attempt to engage and harmonize international movements and strive for a win-win situation. India and the EU are major trading partners and are engaged in a strategic Joint Action Plan with annual summit level talks; both sides are on the cusp of a new beginning through the soon to be concluded Free Trade Agreement (FTA). India-EU engagements, while underlining the importance of engagement on movement of people, have not clearly spelt out, as of yet, any roadmap for facilitation and enhancement of movement of people between the regions. The current paper examines if, and how, the bilateral relationship or engagement between India and the EU over the years has influenced international migration flows between the two sides and what potential challenges and policy options they face for a successful engagement and facilitation of movement of people.

The paper suggests that given India's strategic position as a major country of origin for skilled and semi-skilled migrant workers, coupled with foreseeable requirements in the EU domestic markets. There is need for a closer examination of policy initiatives to embrace bilateral flows and make the exercise beneficial for both partners. The International migration flows between India and Europe in the past had always depended on the quality and strength of engagement between the countries and regions. Currently, the EU however has a low profile in India in terms of its ability to attract the best of the talent compared to competitors such as the US and Canada. Therefore, the main challenge is to enhance the EU's presence in India through greater participation, outreach and building of networks among academia, think tanks and the media. Student mobility need to be increased in all important sectors such as IT, healthcare, science and technology, research and development so as to help create advocacy groups and to enable a greater synergy of talent between India and the EU and enhance future cooperation, partnership and development. Easing of immigration policies for selective sectors of employment and education which are of strategic concern is also important. This will require measures for mutual recognition of degrees and skills, and a minimal window for long-term immigration and integration of third country migrant professionals and workers.

Keywords: Migration, skilled and semi-skilled workers, immigration, student mobility, policy

1. Introduction

Movement of people across national borders has emerged as a subject of considerable policy debate amongst nation states in the 21st century. It has been argued that if global development was dominated by the movement of goods in the 19th century and by the movement of capital in the 20th century, the development imperatives of the 21st century will be dominated by the movement of people across national borders (Bhagwati, 1999). Therefore, it is no surprise that governments, non-state actors, industry and business and networks across the globe are engaged in shaping the pace and direction of the discourse on international migration in ways that might benefit them the most.

However, the right to restrict, regulate, manage or ease international movement of people remains a sovereign function. What this has also meant is that the stakeholders - notably industry and business, employers, service providers – outside of government and who are no less important as economic drivers have little or no say in mobility, migration and related issues. Often positioned as adversarial, the policies of countries of origin and destination are perceived as seeking different objectives and use different instruments and serve different purposes. From a governance perspective and measured against the entire cycle of migration, policy interventions tend to result in fragmented and worse still, adhoc interventions. Outcomes on both sides thus are predictably less than optimal, far removed from the needs of the economy and counter-productive.

At the current juncture, beyond 'brain drain' or 'brain gain' doctrines, the countries of destination tend to favor or adopt policies that provide them enough flexibility to decide whom to grant entry to (or not) and under what circumstances and whom to assimilate in their societies (or send back). Conversely, the countries of origin tend to lean to the other extreme of free movement and unrestricted access to the destination country labour markets. Between the idea and the reality falls the shadow. As a result, what is missing is a mutually beneficial, practicable and collaborative policy effort that can enable the global economy to derive the enormous potential benefits which a well calibrated, market driven international mobility and migration regime could provide.

In the absence of a multilateral framework and a rule based global structure for the governance of international migration in all its complexities, countries engage in bilateral or regional cooperation in an attempt to engage as equitable adversaries (Khadria, 2001), harmonise international movements and strive for a win-win situation. Ironically, however, while the world has seen a proliferation of Free Trade Agreements (FTAs), Bilateral Investment Protection Agreements (BIPAs) all of which seek to reinforce the virtues of free movement of goods and capital, there has been no visible progress in agreements that at least recognise the vital importance of international migration and the mobility of people.

It is against this backdrop, that the current paper examines if, and how, the bilateral relationship or engagement between India and the EU has influenced the international migration flows between the two. These is important given the face that, India and the EU are major trading partners and are engaged in a strategic Joint Action Plan with annual summit level talks, and both sides are on the cusp of a new beginning through the soon-to-be-concluded as India-EU Trade and Investment Agreement. More important is the fact that India and the EU share several common values – as democracies, open societies, knowledge based economies – and have much to gain from a well-coordinated and reciprocal international migration policy and joint action on managing migration between the two. The paper will seeks to traverse the key elements of such coordination and collaboration for facilitation of international migration.

1.1 India-EU Relations and International Migration

India's engagement with Europe is one of the oldest of all its international relations. The obvious reasons are the influence of European colonial establishments in India since the 16th century, beginning with Portugal, the Netherlands and France, and later, the "British East India Company" established in 1756 which subsequently ruled the country for two centuries. After Independence, till the mid-1960s, New Delhi and London had close relations on trade, investments and development issues. In fact, India was among the first countries to establish diplomatic relations with the newly formed European Economic Community (EEC) in the 1960s. Relations further strengthened and were taken beyond trade and investment issues with the signing of a cooperation agreement in 1994, annual India-EU summits since the 2000s, a Joint Action Plan which was proclaimed in 2005, efforts and consultations for signing a mutually

beneficial free-trade agreement and the most recently concluded 12th India-EU summit in New Delhi in February 2012.

All through these years, perhaps, such relations or efforts have overtly or covertly shaped migration flows. For example, significant movement and exchange of goods, people and cultures took place along the two regions during the colonial period based on its economic and political relations then. In post-independence India, the movement of high skilled professionals to Britain, the rest of Europe and other developed countries were determined by the long political and cultural relations India enjoyed with Great Britain and the rest of Europe. From the mid-1960s till the 1980s, India's troubled relationship with Pakistan, it's friendship with Soviet Russia, it's inclination towards the socialist principles of development, nuclear proliferation issues, situations in Afghanistan and Cambodia, etc. limited the scope for strengthening ties with Japan and Western Europe (Heitzman and Worden, 1995). The emergence of the US as a popular destination country for Indian skilled emigration in the late 1960s and beyond was also the result of the then political and economic scenario of the world and loosened ties between India and European countries, particularly Britain and Germany.

It was only recently with economic reforms and the aggressive opening up of the Indian economy to foreign competitors that there was a focus on renewing India-EU ties - 'Strategic Partnership' and a Joint Action Plan in 2005 aimed at bringing together People and Cultures - unlocking the future potential for engagement and international migration between the regions.

This paper consists of 5 sections. Section 2 discusses the colonial ties and resultant labour flows; Section 3 examines the relation between India and Europe in post-independence India and migration flows between the two; Section 4 analyses renewed India-EU relations and international migration under globalisation; and finally, Section 5 concludes with challenges and policy imperatives for enhancing and managing India-EU migration flows.

2. Colonial Ties and Labour Migration

Much before the onset of colonialism, the practice of trade and commerce during mercantilism provided the roots for movement and settlement of people across countries and continents. During this time, Indians moved across the Indian Ocean and over the Asian landmass as traders,

entrepreneurs, merchants and capitalists (Lal, 2007). However, with the advent of European colonies in India, the trend reversed with more than a hundred thousand migrants from Britain and Ireland working in India, mostly as soldiers and administrators (ibid). At the time, the number of Indians living in Britain, as reported in the Census, was only around 4,000. However, gradually with a shift in the concentration of economic and political power in the European colonies, the emigration flows changed from skilled traders and entrepreneurs to that of slaves, indentured labourers and guest workers.

During the 17th and 18th centuries, Indian slaves were exported through Portuguese, Dutch and French settlements in the region, and also through British and Danish settlements. European agents at the principal ports acted as suppliers with the support of local intermediaries and 'recruiters'. After the abolition of slavery in 1834, the European planters invented the indentured system to import cheap labour from India to the adverse climatic conditions of the plantation economies. For nearly eighty years, between 1834 and 1917, till the abolition of the indenture system, the plantation economies in countries ranging from Sri Lanka in South Asia to Surinam (formerly Dutch colony) in South America imported hundreds of thousands of Indians as indentured labourers or "Coolies" (IGNCA, 2007). The other major migrations that took place during this period was of soldiers to the Imperial armies of Britain, France and the Netherlands, as hundreds of Indians were moved to various parts of the world for fighting wars for their colonial masters. Between 1917, when the indentured labour system was abolished, and 1921, following the Civil War, workers were brought to Africa and the US from Southeast Asia for undesirable, dangerous, and low paying jobs, including building railroads, mining, and working on farms as guest workers (Lal, 2007).

3. India-Europe Relations in Post-independence India and Migration Flows

During the British colonial period (1757-1947), the emigration of labour from India, despite being influenced by demand and supply conditions, was largely driven by the administration of a foreign power which monopolised India's external, defense, political and economic relations. After independence, India's engagement with the world has evolved considerably, and also, the nature and characteristics of its international migration flows based on the changing international political economy.

Since Independence till the late 1980s, India's foreign policy goals enabled it to achieve some success in carving out an independent international role. Regionally, India was the predominant power because of its size, population, and growing military strength. Until the 1960s, India and Britain enjoyed a special relationship because of their common historical ties, political institutions, interest in economic development, and thus, facilitated high levels of trade, investment and movement of people. However, despite this special relationship, India avoided becoming too dependent on Britain and other former colonial powers by its designed policy of non-alignment (Sachdeva, 2009). Due to this stance of non-alignment, India maintained its prestige and high moral authority and received developmental assistance from both the East and West. India diversified its economic ties during the period and London's domination was no longer a consideration for New Delhi, despite the fact that British trade, investment, and aid continued to be significant. India could also establish diplomatic relations with the newly formed European Economic Community (EEC) in the 1960s. A substantial community of people of Indian origin lived in Britain with continued and significant increase in emigration flows till 1965 (Table 1), contributing to the business and intellectual capital of the country. In fact, when the UK experienced and coined the term ‘brain drain’ of doctors resulting from the emigration of its doctors to the United States in the late 1950s and early 1960s, the UK looked towards Asia, particularly India, to fill the void (Khadria, 1999).

However, in the late 1960s and 1970s, New Delhi's international position among developed and developing countries, faded in the course of wars with China and Pakistan, disputes with other countries in South Asia, and India's attempt to balance Pakistan's support from the United States and China by signing the Treaty of Peace, Friendship, and Cooperation with the Soviet Union in August 1971, and lack of India’s up front condemnation of the Soviet presence in Afghanistan, etc. (Heitzman and Worden, 1995). Further, from the mid-1960s until the early 1980s, the difficulties encountered in India’s external relations and in conducting trade and investment in India caused countries such as Japan and the Federal Republic of Germany (West Germany) to seek more fruitful commercial opportunities elsewhere in the developing world (ibid).

Nevertheless, since 1965 and particularly in the 1980s, India gradually regained its strength and diversified its external relations, further establishing relations with the United States and other

developed countries, while continuing with its close ties with the Soviet Union (Mohan, 2006). There in turn influenced incentive for potential Indian emigrant workers from traditional destinations such as the UK to newer ones like the US and Canada. From 1965 onwards, the US allowed Indian immigrants entry at par with that of citizens of other countries by amending its old Act which prevented annual entry of Indians beyond the quota of 100 (Khadria, 1999). The trends in the US since then had in fact been consolidated further, while of the UK declined, and the US overtook both the UK and Canada as the most important destination country for Indian emigrants. It was only in the first decade of the 21st century, the inflows to UK increased and reached close to the levels of the US in 2010 (Table 1).

Table 1 Emigration from India by Country of Destination: 1964-2010 (Selected years, Number of Persons)

Year	**UK**	**Canada**	**US**
1965	17,000	2,241	582
1970	7,200	5,670	10,114
1980	7,930	8,491	22,607
1985	5,500	4,038	26,026
1990	5,040	10,662	30,667
2000	17,150	26,123	41,903
2001	16,001	27,904	70,032
2002	21,000	28,838	70,823
2003	30,000	24,593	50,228
2004	51,000	25,575	70,151
2005	47,000	33,148	84,681
2006	57,000	30,753	61,369
2007	55,000	26,054	65,353
2008	48,000	24,549	63,352
2009	64,000	26,122	57,304
2010	68,000	30,250	69,162

Source: Khadria (1999), Table 3.4, p. 62, for 1964-1990. OECD (2012) for 1998-2010.

Further, the modest moves taken by the Government of India in the mid-1980s to liberalize its economy from the 'license raj' system and the increased availability of private investment and official developmental assistance from developed countries and provided India with the opportunity to increase trade and obtain aid and investment from Japan and Europe. Indian trade with countries of the European Economic Community (EEC) rose dramatically, and Japan became India's largest aid donor (Wagner, 2008).

4. India-EU Relations and International Migration under Globalization

Though India was doing well in terms of economic advancement and external relations in the mid-1980s, recovering from its troubled external relations the 1960s and its lack of political and economic maneuverability in the late 1970s; between 1987 and 1990, the country experienced Balance of Payment (BoP) crisis. As a result, in addition to the threat of the Oil and Petroleum Exploring Countries (OPEC) stopping imports from India, the mounting international pressure to cut defense expenditure and better manage its fiscal deficit also affected India's external relations. The German government cut its official aid to India in 1991. The British, Canadian and the Japanese governments too warned about cutting future assistance if India does not reduce its high level of military spending. Britain, France, and Germany increased pressure on India to sign the nuclear non-proliferation treaty. Finally, India also remained concerned that developed countries would impose human rights conditions as a criterion for economic aid (Bava, 2008).

During this time there were a series of dramatic events that took place around the world. India's closest friend, The USSR and its proxy regimes in Eastern Europe collapsed. Grass roots revolts by disaffected youth were seen in both Europe and Asia as evidenced by the ceremonies at the collapse of Berlin Wall, Tiananmen Square and Myanmar. As a result, the ideological struggle between capitalism and communism melted and paved the way for globalisation (Barhoo, 2008).

India embraced economic liberalization in 1991 and witnessed burgeoning economic and political relations thereafter. In the early 1990s, expanding Indian exports and attracting investment from developed countries became a major priority in India's bilateral relations. India developed closer ties with Berlin, Tokyo, and the European Economic Community to promote its economic interests and enhance its diplomatic relations. Japan remained India's major source of bilateral assistance, and Berlin was New Delhi's largest trading partner in the European

Economic Community (EEC). Nevertheless, India and the developed countries had differences over security and nuclear issues and the attachment of political criteria to developmental assistance (Bava, 2008).

India realized its foreign policy inadequacies and the need to reassess them in the light of the bipolar world political system. The non-alignment framework of Indian foreign policy left it without significant direction. The hard international practical considerations of the early 1990s and the disintegration of the Soviet Union removed much of India's international leverage. Thus, the pragmatic security, economic considerations, and domestic political influences reinforced New Delhi's reliance on the United States and other developed countries. This also paved the way for further strengthening of the Indo-US corridor involving the migration of skilled Indians to the US.[1]

However, it was only recently when India witnessed economic advancement in the 1990s and most recently in the 2000s, that India and the EU came together and intensified talks and initiated a consultation process to increase cooperation. The Joint Political Statement of 1993 formally launched a political dialogue with annual ministerial meetings. The 1994 Cooperation Agreement took India-EU bilateral relations well beyond trade and economic cooperation. The first bilateral summit in Lisbon in 2000 which launched the annual India-EU summits and the 5th India-EU Summit at The Hague in 2004 endorsed the EU's proposal to upgrade its relationship with India to a 'Strategic Partnership'. The two sides also adopted a Joint Action Plan in 2005 (Council of European Union, 2005), revised in 2008, which provided for deepening and strengthening dialogue and consultation on political, economic and cultural issues. The 11th India-EU Summit held in December 2010 reviewed India-EU relations and stressed the importance of an ambitious and balanced conclusion of the India-EU Broad-based Trade and Investment Agreement (BTIA). The 12th India-EU Summit was held in New Delhi on 10 February 2012 (MEA, 2012) where leaders from both sides expressed satisfaction at the deepening comprehensive bilateral relations and reiterated the commitment for a EU long-standing India-EU strategic partnership with a balanced and result-oriented approach (The Council of European Union, 2012).

[1] See Khadria (1999) for the rise of the Indian community, especially knowledge workers in the US.

These consultations, when juxtaposed with migration trends, reveal a marginal shift in the late 1990s and early 2000s with a significant increase in the number of Indian emigrants going to the EU, compared to the pre-1990 period when engagement was very limited. The mass destination countries are as Italy, Germany, Spain, Netherlands, Belgium, France, Denmark, Norway and Poland, in that order (Table 2). However, the increase in these numbers is not comparable with the increase in the number of growing Indian emigrants to other popular non-EU OECD countries such as the US, Australia, Canada and New Zealand, apart from UK (Table 2).

Table 2 Flow of Indian Nationals into Select OECD Countries, 1998-2008 (Data extracted on 08 Jun 2011 from OECD.Stat)

EU Countries (except UK)	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Belgium		561	662	852	959	1,101	1,213	1,339	1,516	1,640	..
Czech Republic		..	..	..	..	..	..	..	..	366	31
Denmark	230	248	208	248	216	343	402	487	489	482	..
Finland	92	112	158	0,186	188	195	315	381	504	534	623
France	912	1,041	1,004	1,142	1,261	1,221	1,155	1,104	1,235	1,375	1,499
Germany	4,715	5,077	6,544	8,949	9,433	9,227	9,125	8,364	8,911	9,367	11,403
Hungary		..	..	..	..	..	..	143	229	101	3
Italy	2,586	5,417	7,011	4,820	7,155	..	5,735	4,152	4,774	10,973	..
Luxembourg	16	17	33	36	19	9	9	23	65	135	178
Netherlands		..	661	684	614	638	564	1,217	2,011	2,526	3,454
Norway	268	243	229	315	329	286	3	356	564	998	1,068
Poland	86	352	311	377	534	615	682	673	688	686	1,031
Portugal		..	..	904	827	263	239	337	481	497	401
Slovak Republic		..	..	..	..	03	039	48	35	31	74
Spain	240	289	648	835	887	1330	3,709	4,929	4,212	5,569	6,556
Sweden	309	322	369	428	556	752	834	1,077	1,024	1,146	1,548
Turkey	405	401	497	586	597	799	923	875	965	562	562
UK & Non-EU countries											
United Kingdom	6,172	10,346	17,150	16,001	21,000	30,000	51,000	47,000	57,000	55,000	68,000
United States	36,414	30,157	41,903	70,032	70,823	50,228	70,151	84,681	61,369	65,353	63,352
Australia	3,204	2,984	4,582	5,812	7,573	8,194	11,278	12,788	15,240	19,823	22,725
Canada	15,375	17,457	26,123	27,904	28,838	24,593	25,575	33,148	30,753	26,054	24,549
New Zealand	2,199	2,666	4,308	7,443	8,244	4,791	3,133	3,483	3,718	3,870	3,162
Japan		..	..	..	..	..	..	..	4,897	5,751	5,744
Korea		..	..	..	..	..	..	..	..	2,801	2370

Source: OECD (2011)

India-EU engagements, while underlining the importance of engagement on movement of people between the two regions, have not clearly commit or spelt out any roadmap for facilitation and enhancement of movement of people between the regions. The current focus of the dialogue in this regard has been limited to setting up a joint working group to enhance cooperation on delivery of consular and visa services, business and tourism and facilitating the movement of people between the regions, following the first India-EU summit held in 2000. Efforts are also on to take forward the commitment of the Joint Action Plan to encourage and enhance education and academic exchanges between the regions by encouraging institutions on both sides for joint studies and programmes and efforts to match demand and supply of skills. These developments and commitments, so far, have resulted in only a small increase in flows from India to EU countries. Therefore, it is important to critically analyze these engagements to understand the significance and likely impact the commitments made and the future potential for cooperation and engagement in matters of international migration. This, of course, is important for understanding the potential for engagement on international migration issues in the wider context and the various issues which pose a challenge to the India-EU engagement.

5. Challenges and Policy imperatives for International Migration

The EU's enhanced engagement with Asia was first highlighted in 1994 through the Asia Strategy paper called "Towards New Asia Strategy" (Commission of the European Communities, 1994). The changing economic balance of power was the pre-eminent reason for the EU to focus its attention on Asia as a region and accord it a high priority. On the economic front, the EU expressed the desire to achieve 'market-opening for both goods and services and to overcome obstacles to European trade and investment'. Politically, the strategy focused on the Asia-Pacific region and in particular on China, calling for the protection of human rights and the spreading of democracy, good governance and the rule of law; while India found mention only in the context of poverty alleviation and transition to market economy. Hence, it is argued that, in 1994 and until 2002, the EU did not consider India to be a strategically important regional player (Bava, 2008)[2].

[2] In 2002, the EC Country Strategy Paper India emphasized on limited role on development and economic co-operation viewing India within the development paradigm as an aid recipient country not as a rising political prowess (EC 2002).

However, India's improved economic performance and enhanced foreign relations, especially in the 2000s, its large and growing middle class population, its large market, its functioning democracy and its leadership in the global Information and Communication Technology (ICT) sphere has altered international perspectives about India as a rising economic and political power and has caught the EU's attention. A major shift in the approach of the EU with the world, in particular with India, can be found in the 2003 EU Security Strategy (EC, 2011), which identified six countries, including India, for a strategic partnership (Bava, 2008). From 2004 onwards, the India-EU strategic partnership has evolved with the adoption of Joint Action Plan earmarking areas of co-operation with mutual interest.

A major challenge in translating government exchange and agreements into a substantial partnership is the enhancement of trade, investment and migration flows, apart from strategic concerns on security and diplomatic issues. The EU, which is India's biggest trade partner, is seeking to expand bilateral trade volumes. If, China has become a manufacturing hub; India has demonstrated its potential to be a services hub for the world. India also offers a very attractive investment market for different sectors, given its viable legal structures and trained workforce. Synergies could be enhanced between India's large scientific base and manpower and the EU's through joint R&D projects (Bava, 2008). The potential areas and sectors for the movement of people that will enhance cooperation, partnership and development between the regions would be the high skilled IT and healthcare workers, students, science and technology professionals, academicians, and grey skilled workers in the hospitality, construction and informal healthcare (home care) sectors.

5.1 Sectors and Occupation with Potential for Mobility

CEDEFOP (2010) estimates show a labour shortage of 12 million in the EU in 2020 cutting across all levels of workers. This is estimated after factoring an increase in the labour force participation rate from 71 percent in 2006-08 to 74 percent in 2020 (EIU, 2009). These projections also indicate shortages in large numbers in the high skilled categories as opposed to low-skilled category workers. However, employment and unemployment data indicates shortages in both skilled and unskilled categories of workers (EIU, 2009). Despite the EU member states' priority to address these shortages through increasing domestic education and

training, as is the case in Germany, a significant part of these shortages has to be met through international recruitments.

However, due to the sensitive nature of immigration policies and the prevailing political and ideological sentiments about immigration, human mobility has remained very restricted in the EU member states. This is pertinent in the context of the recent economic downturn and the increase in the unemployment rates in the EU. Despite the economic downturn, there are shortages of workers in areas such as medicine and engineering (ILO, 2012). However, making pan-EU estimations to determine upcoming sectors becomes difficult not only due to different demands across the member states but also due to the availability of information. For example, Germany has been characterised by high levels of unemployment but with accompanied shortage of experts and specialist personnel in Engineering and IT. Shortages also appeared in the metals, electronics and chemicals industries. In Ireland, shortages exist in the construction, financial services, engineering, IT, pharmaceuticals, healthcare and integrated supply-chain sectors. Sweden has experienced labour shortages in certain occupations and sectors, such as long-term positions in healthcare and various types of technical positions. Employers in Sweden have tried to ease labour migration restrictions since 2001, but were criticised by labour market boards, the Social Democratic government and trade unions (EIU, 2009).

In 2007, about three million jobs were unfilled in sectors such as information technology (IT) and engineering (EurActive, 2007). As a response, a proposal for an EU Blue Card for third-country nationals who are suitably qualified to work and live in the EU was put forward by the European Commission (EC) in October 2007 (EIU, 2009). The Council of the EU adopted the Directive on the Blue Card on May 25th 2009. Nevertheless, admission policies under the Blue Card still remained the responsibility of member states to determine the number of migrants to be admitted and the conditions of admission, which made the scheme unsuccessful. The failure of the 'Blue Card' scheme in the EU as a means to attract and retain high skilled workers from developing countries, such as Indian, opened a debate on immigration policies about policies whether long-term settlement and integration of immigrants or short-term and cyclic migration with mandatory return yielded better results (Fargues et al, 2010). Martin (2012) points out the distinctive immigration policies adopted by the US and the EU, by highlighting how immigrant-friendly policies of the US allowed 'multiple entry' doors and flexible transition paths

between status, such as, from student to worker and from worker to immigrant yielded better results than the EU policies which were based on short-term and cyclic migration emphasising mandatory return after fulfilment of one assignment or term in order to qualify for application for another position. In the US, within the overall kinship-emphasis of the Amendments, new immigration legislations during the 1980s and 1990s gave explicit priority to highly trained and educated professionals, at least for the first seven to 10 years (Khadria, 1999). Further, the lower tax rates for high income earners, climatic conditions and an already existing Indian Diaspora in the US were an added advantage to attract high skilled workers in the IT and healthcare sectors compared to the unattractive high tax rate regimes, and less aggressive immigration policies of the European Union.

In addition to usual immigration regulation for workers, policies concerning student mobility which is an increasingly important source for high-skilled workers immigration needs to be another focus area for shaping the future strategic and economic engagement between India and the EU. The current Indo-US economic and political relations are to a larger extent shaped by the cohorts of the Indian students who migrated to the US 15-20 years back. Therefore, the student population should be viewed as a target and key resource pool and should be provided with incentives to consider the EU as a destination market along with attractive markets such as the US, Canada and Australia. Flexible visa policies, larger number of scholarships, mutual recognition of degrees and open opportunities for extended stay and employment for students and professionals after education or first-term employment and assignments are needed to increase the rates of retention in the EU and to offset the competition from the US and other education exporting countries. Jafferlot (2006) argues that such policies should have three distinct advantages: firstly, they can project a positive and a more immigrant-friendly environment for EU; secondly, such perceived policies can enable EU companies to hire well qualified Indian students and professionals; and thirdly, more specifically, they can help attract the best minds in various fields to the EU markets.

The current student mobility schemes under Erasmus Mundus Programme, though a good starting point; suffer from coordination within the EU and problems of lack of recognition of degrees between India and the EU. For example, in an informal discussion on “India-EU Student Mobility: Challenges, Opportunities and Perspectives from the Ground” organized by the Indian

Council of Overseas Employment on 14th April 2012 in New Delhi, the Erasmus Mundus Alumni Association-India Chapter highlighted aspects related to co-ordination and recognition of degrees under the Erasmus Mundas Programme and employment opportunities for its graduates as significant challenges under this programme.[3] Such bottlenecks need to be addressed if such schemes are to be enhanced and improved to accommodate and retain more students after graduation provide opportunities for better career and employment in the EU countries.

Another 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. The EU has also expressed its keenness to attract Indian scientific talent in the EU- India Strategic Plan 2008-13. However, thus far it has not been able to attract Indian scientific talent. On the other hand, the US which takes a more flexible approach to allocating visas has been able to attract a large number of Indian science and hi-tech students and workers to its markets. The Indian scientific Diaspora in the US is another factor that has facilitated the mobility of scientific talent between India and the US. In comparison, the EU struggled to integrate its immigrant communities and lacks a collective image to project abroad itself as an alternative destination for scientific talent. Fargues et al (2010) points out that the "directive 2005/71/EC concerning the admission of third-country nationals for the purposes of scientific research hardly provides an attractive entry route for highly qualified academics. It is characterized by an overtly bureaucratic admission procedure and places an excessive financial responsibility on hosting institutions (pp. 7)". Given demographic trends and its ageing society, the EU is lagging behind in R & D. Thus, there is a need to increase mutual visibility in this domain and to build scientific networks through enhanced education and academic cooperation between India and the EU. The EU presence at the civil society level can be enhanced by greater participation and outreach among academia,

[3] It was highlighted in the discussion that Government of India and the Association of Indian Universities do not recognise some of the Erasmus Mundus Master courses resulting in disqualification of graduates under the programme to take up UGC-NET examination and Ph.D. programmes in India. Participants also outlined that since students are required to move between different universities in the EU Member states to complete their Masters programme, the credits awarded in each university or member state are not uniform and are not translated in English creating problems of conversion and calculation of grade points. Similar difficulties also have been faced in conversion or calculation of credits or grades obtained from Indian universities. Moreover, options for students from India to pursue careers in the EU, after graduating from the programme, also remains limited. On retention and employment opportunities for students graduated under the Erasmus Mundus programme, it was informed that only 20 percent of students from India were retained, 50 percent of which in the UK alone. Quality of jobs and wages earned by these graduates in the EU are also causes of concern (ICOE, 2012).

think tanks and the media. The mobility of science and technology students should be increased so as to lead to a greater synergy of talent between India and the EU.

Another important area which holds great potential for engagement is health services.[4] With the declining supply of health professionals, increased demand for healthcare, rising costs and overburdened public healthcare systems on one hand, and the large stocks and annual flows of Indian healthcare professionals from Indian medical schools to other countries and the presence of experienced private sector entities in Indian healthcare on the other, there are potential synergies for cooperation and facilitation of the movement of healthcare professionals from India to the EU.

Currently, the immigration of Indian healthcare professionals into the EU is largely limited to the UK. This is because of underlying barriers such as strict and rigid immigration policies, non-recognition of medical degrees and lack of knowledge and geographical proximity of the EU. For example, medical graduates of third countries are required to repeat their specialized training and become naturalised before they are granted a full license to practice in Germany. Doctors holding provisional licenses in Germany have to work in hospitals with an assistant physician (Englmann, 2009). In Ireland, the limited registration granted to foreign doctors can last up to 7 years holding up their prospects for obtaining full registration. In Finland, the license is granted stepwise: first to work in hospitals under supervision, then in health centres and finally in private institutions (OECD, 2007). There are also cultural and language barriers.

Therefore, there is a need to better manage the migration of healthcare workers from India to the EU, by, easing immigration restrictions affecting Indian healthcare professionals through mutual recognition of medical degrees, medical student exchange programmes and scholarships for Indian medical students for study in the EU.

There is also potential to increase the flow of grey skilled workers[5] from India to the EU. However to leverage this potential, India has the onus to upgrade it skills and standards in areas

[4] See Chanda (2011) for an in depth analysis of opportunities and challenges for trade in health services between India and the EU including the movement of healthcare professionals (GATS - Mode 4).

[5] Grey collar workers are semi-skilled workers who possess, unlike the unskilled manual (blue collar) workers, specific skill sets with an associate degree. They may include, for example, elderly, child and personal care personnel, security personnel, Chefs and waiters, Drivers, etc.

such as hospitality, construction, and informal healthcare (homecare providers) to match the EU standards. This would require initiating specific customised programmes for skills training, certification and standardisation. The EU could extend its cooperation, help and support through its employers, skills training institutions and skill standardisation mechanisms.

6. Conclusion

Given India's strategic position as a major country of origin for skilled and semi-skilled migrant workers; coupled with foreseeable requirements in the EU domestic markets there is a need for a closer inspection of policy initiatives that could yield benefits to both India and the EU through labour flows. International migration flows between India and the Europe in the past have been, more or less, dependent on the quality and strength of overall political and economic engagement. Currently, the EU is unable to attract the best of two talent from India compared to its competitors. There is need for a collective approach in showcasing the EU as a potential market for Indian workers. The main challenge is to enhance the EU presence in India through outreach and building of networks among academia, think tanks and the media. Student mobility needs to be given greater thrust; initiatives are needed across many important sectors including IT, healthcare, science and technology, research and development. Advocacy group, need to be formed to protect the synergy of talent between India and the EU and to enhance future cooperation, partnership and development. There is a need to ease immigration policies for selective sectors of employment and education and to initiate policies for mutual recognition of degrees and skills. There also needs to be a minimal window for long-term immigration and integration of third world countries, in particular of Indian migrant professionals and workers.

References

Barhoo, Laxman. 2008. India's Foreign Policy Challenges: Today and Beyond. *Security Research Review.* http://www.bharat-rakshak.com/SRR/2005/02/7-indias-foreign-policy-challenges-today-and-beyond.pdf. Accessed on 20th March 2012.

Bava, Salman. 2008. The EU and India: Challenges to a Strategic Partnership. In Grevi, G. and Vasconcelos, A de (eds) *Partnership for Effective Multilateralism: EU Relations with Brazil, China, India and Russia.* Monograph. Challiot Paper No 09. Institute for Security Studies and European Union.

Bhagawati, Jagadish. 1999. *A Stream of Windows: Unsettling Reflections on Trade, Immigration, and Democracy*. Oxford University Press.

CEDEFOP. 2010. Skills Supply and Demand in Europe: Medium-Term Forecast Up to 2020. European Center for the Development of Vocational Training.

Chanda, Rupa. 2011. India-EU Relations in Health Services Prospects and Challenges. Open Access. *Bio Med Central*.

Commission of the European Communities. 1994. Towards New Asia Strategy. Communication from the Commission to the Council. Brussels. http://aei.pitt.edu/2949/1/2949.pdf. Accessed on 10th April 2012.

Council of the European Union. 2005. The India-EU Strategic Partnership Joint Action Plan.7 September. Brussels. 11984/05 (Press 223). http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/er/86130.pdf. Accessed on 20th March 2012.

Economist Intelligence Unit. 2009. Estimating potential labour shortage and supply in the European Economic Area. November 2009. http://www.ukba.homeoffice.gov.uk/sitecontent/documents/aboutus/workingwithus/mac/estimate-potential-labour-short/estimate-potential-labour-short?view=Binary. Accessed on 23rd May 2012.

Englmann, Bettina. 2009. Recognition Procedures for foreign Trained Doctors in Germany. Presented at an International Workshop on Practices for Recognizing Qualifications of Migrant Health Professionals. At the HWWI, Hamburg, 18th and 19th Feb., 2009.

EurActiv. 2007. The EU's Labour Shortage Time-bomb, *EurActiv Online*, 5 June. Accessed on 23rd May 2012.

European Commission. 2002. EC Country Strategy Paper India 2002-2006 http://eeas.europa.eu/india/csp/02_06_en.pdf. Accessed on 20th March 2012.

European Commission. 2011. A Secure Europe in a Better world. *European Security Strategy*. 12 December 2003. Brussels. http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf. Accessed on 22nd March 2012.

Fargues, F et al. 2010. India-EU Mobility: Where it Stands and the Way Forward. *SWG Policy Note 2*.

Heitzman, J. and Worden, R. L. (eds) 1995. *Foreign Relations: A Country Study- India. Washington: GPO for the Library of Congress.*

IGNCA. 2007. Mapping of India Diaspora, Creative Tracks of Indian Diaspora. Seminar, 5-8 January.

Indian Council of Overseas Employment. 2012. India-EU Student Mobility: Perspectives from the Ground. Summary Record of an Informal Discussion organized on 14th April, 2012. Unpublished.

International Labour Organisation. 2012. Eurozone Job Crisis: Trends and Policy Responses. http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_184965.pdf. Accessed on 13th July 2012.

Jaffrelot, Christophe. 2006. India and the European Union: The charade of a strategic partnership. http://www.ceri-sciences-po.org/archive/mars06/art_cj.pdf. Accessed on 23rd May 2012.

Khadria, B. 1999. *The Migration of Knowledge Workers: Second Generation Effects of India's Brain Drain*. Sage publications. New Delhi.

Khadria, B. 2001. Shifting Paradigm of Globalisation: The Twenty-first Century Transition towards Generics in Skilled Migration from India. *International Migration.* Vol.39 (5). Pp. 45-71.

Lal, Brij V. 2007. *The Encyclopedia of the Indian Diaspora.* Oxford University Press, New Delhi.

Martin, Phil. 2007). Towards Effective Temporary Worker Programmes: Issues and Challenges in Industrial Countries. International Migration Papers. 89. ILO

Ministry of External Affairs (MEA). 2012. India-EU Relations. *Briefing Note.* http://mea.gov.in/staticfile/EUJan2012.pdf. Accessed on 20th March 2012.

Mohan, C. R. 2006. India's New Foreign Policy Strategy. Paper presented at a seminar organized by China Reform Forum and the Carnegie Endowment for International Peace. May 26. Beijing.

OECD. 2007. Immigrant Health Workers in OECD Countries in the Broader Context of Highly Skilled Migration. *International Migration Outlook.* September 2007 Edition.

OECD. 2012. *OECD.Stat Extracts: International Migration Database*, http://stats.oecd.org/Index.aspx?DatasetCode=MIG. Data extracted on 19th September, 2012.

Sachdeva, Gulshan. 2009. India and the European Union: Time to De-bureacratise Strategic Partnership. *Strategic Analysis.* Vol 33 (2). pp. 202-207.

The Council of European Union. 2012. India-European Union Summit - Joint Statement. New Delhi. 10 February. 6396/12. Press 43. press.office@consilium.europa.eu http://www.consilium.europa.eu/Newsroom. Accessed on 22nd March 2012.

Wagner, Christian. 2008. The EU and India: A Deepening Partnership. In Grevi, G. and Vasconcelos, A de (eds) *Partneship for Effective Multilateralism: EU Relations with Brazil, China, India and Russia*. Monograph. Challiot Paper No 09. Institute for Security Studies and European Union.