European University Institute

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CARIM-India – Developing a knowledge base for policymaking on India-EU migration

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*Skill Matching between India
and the European Labour Market:
An Assessment of the Labour Market needs
of selected European countries*

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MIGRATION
POLICY CENTRE

CARIM-India
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Research Report
Background Paper

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Developing a Knowledge Base for Policy-Making on India-EU Migration:
Skill Matching

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http://cadmus.eui.eu

CARIM-India – Developing a knowledge base for policymaking on India-EU migration

This project is co-financed by the European Union and carried out by the EUI in partnership with the Indian Council of Overseas Employment, (ICOE), the Indian Institute of Management Bangalore Association, (IIMB), and Maastricht University (Faculty of Law).

The proposed action is aimed at consolidating a constructive dialogue between the EU and India on migration covering all migration-related aspects. The objectives of the proposed action are aimed at:

- Assembling high-level Indian-EU expertise in major disciplines that deal with migration (demography, economics, law, sociology and politics) with a view to building up migration studies in India. This is an inherently international exercise in which experts will use standardised concepts and instruments that allow for aggregation and comparison. These experts will belong to all major disciplines that deal with migration, ranging from demography to law and from economics to sociology and political science.

- Providing the Government of India as well as the European Union, its Member States, the academia and civil society, with:

  1. Reliable, updated and comparative information on migration

  2. In-depth analyses on India-EU highly-skilled and circular migration, but also on low-skilled and irregular migration.

- Making research serve action by connecting experts with both policy-makers and the wider public through respectively policy-oriented research, training courses, and outreach programmes.

These three objectives will be pursued with a view to developing a knowledge base addressed to policy-makers and migration stakeholders in both the EU and India.

Results of the above activities are made available for public consultation through the website of the project: http://www.india-eu-migration.eu/

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Abstract

The majority of the Skill Matching mechanisms relating to India EU migration do not provide the full functions that the commercial Skill Matching model seeks to offer. Only commercial Skill Matching can really be regarded as a model that is intentional, sophisticated and leading best practice in the field and that is aiding the matching of skills and jobs from India to the EU.

The commercial Skill Matching predominately serves, however, the high skilled and professional migrant. Whilst leading global recruitment companies practice the model worldwide, the size of practice relative to the size of the market is small and only begins to scratch the surface in comparison to the force and size of the market driving mechanism influencing Indian labour migration to the EU.

Consequently, both semi-skilled and un/low-skilled migrants generally fail to benefit from such mechanisms of leading Skill Matching. They therefore rely on Skill Matching practices that are indirect or unintentional in their nature. However, even where perfectly organized Skill Matching channels are not in place, market mechanisms and immigration selection systems have had a tendency to create some of the same dimensions that an intentional Skill Matching model comprises.

There is a demand particularly for medium skills in Europe and governments globally are beginning to recognize the gap of a Skill Matching mechanism for this skill category of migrants by taking action through the creation of mechanisms with partners such as the private sector to facilitate intentional Skill Matching, however, this work is just beginning to take momentum and substantial work remains.

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Introduction

This assignment falls within the 'Developing a knowledge base for policymaking on India-EU migration' between the European Commission and the European University Institute. Our brief was to prepare a paper on the type of 'Skill Matching' channels being employed with respect to Indians migrating to the European Union (EU).

The purpose of this report has therefore been to specifically highlight the type of channels that are being used. The report takes the following structure.

We begin by briefly discussing the key countries that have received a large number of Indian workers over a number of decades as well as those that have seen flows into their country only in the last five years or so. Following this we contextualize some of the key skill requirements in these particular European countries.

Finally we present the main chapter of the report on Skill Matching. This is followed with initial concluding remarks based on our research findings.

Setting the Scene

This chapter sets the scene to the main focus of our report, that of Skill Matching by highlighting the EU countries that have received significant/recent inflows of Indian migrants. This is followed by a brief summary of existing skill shortages residing in these EU countries and future skill expectations and requirements.

Indian Migration into the EU

With both highly skilled, semi and unskilled labour, India is a major contributor to the contemporary global labour flows. India now occupies third place on the list of the main origin countries of immigrants to the OECD countries.

Both qualitative and quantitative sources indicate that migrant labor flows from India since the 1990s have not only recorded remarkable growth in respect of the traditional destinations like the USA, the UK, Canada and the Gulf countries but have also diversified and expanded to newly emerging migrant destinations including in continental Europe (Germany, France, Belgium).

With limited supporting evidence and data, the literature[1] further characterizes the major labour flows from India, as follows (since the 1990s): Firstly, persons with professional expertise, technical qualifications and skills have tended to migrate to high-income developed and traditionally migrant receiving countries like USA, UK and Canada, as permanent immigrants or temporary employment. Second, unskilled, semi-skilled and professionals migrate as contract workers to the high-income countries in the Gulf. 'In recent years such flows are also directed towards the high income countries of South East Asia such as Malaysia.'[2] Finally, professionals, especially young IT professionals, migrate to the newly emerging destinations like continental Europe, Australasia and East Asia.

To an extent these migratory trends are a factor of selective migration whereby immigrants having certain kinds of skills are welcomed as opposed to those who are unskilled or less skilled.

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[1] ILO Asia-Pacific Working Paper Series. Sasikumar, S.K. and Hussain, Z. 2008. Managing International Labour Migration from India: Policies and Perspectives.

[2] As above.

The OECD Database on Expatriates and Immigrants[3] shows that the second main sending region of high skilled migrants to the EU was Asia[4] (9 per of all high skilled foreign born living in the EU) based on 1999-2003 Census data. Country wise, third in ranking[5] was India which contributed 2.7% (the highest was Algeria with 3.5%) of the EU's high skilled foreign born. This is not to say that Indian immigrants to Europe have exclusively been skilled and professional, as among the low skilled foreign born European residents, India accounted for 1.9%[6] (Turkey contributed the highest to low skilled foreign born residents in the EU at 9.6%).

With demographics indicating an ageing and stagnating workforce in most developed countries and some developing countries, the need to supplement domestic talent with that from other countries is occurring and has potential to continue as a long term trend.

Indian migration to Europe over the years has been influenced by a number of drivers including colonialism (British, French, Dutch and Portugese) and the demand for labour and professionals (resulting in relaxed immigration laws for skilled and unskilled labour).

Given these different drivers, countries across Europe have experienced different stocks and inflows of Indian migrants. For instance, the UK, France, Portugal and the Netherlands have larger and more significant Indian communities. Whilst countries such as Austria, Denmark, Finland, Sweden and Norway have a small yet growing Indian community comprised of professionals (nurses, doctors, engineers, academics, scientists, small and middle level entrepreneurs). The size of the Indian communities in the countries of East and Central Europe remain minimal but growing most notably in Poland.

Using OECD statistics on stocks of the foreign population with respect to Indians by nationality[7], the UK, Italy, Germany, Spain and France had the largest proportion of Indians in 2007 to 2009. The largest stock (56.4%) of Indians in Europe reside in the UK (2009) equating to 293,000 people as illustrated in Table 2.1. The stock of Indians in the UK almost doubled (91.5%) between 2000 and 2009. The UK hosted about two-thirds of Europe's ethnic Indian population in 2001 and India leads in work permits issued to foreign nationals in the UK surpassed the USA from 2001 onwards. The majority of the work permits issued in the UK are acquired by IT and health professionals. India is also the country of origin of 27,809 of the 68,836 registered doctors in the UK who earned their medical qualification outside the European Union[8]. India is also the second biggest exporter of nurses to the UK, after the Philippines[9].

Italy, Germany and Spain have the next largest Indian populations as illustrated in Table 2.1 (see Appendix A Table A.1 for a more detailed version of Table 2.1).

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[3] The OECD Database on Expatriates and Immigrants, 2004 (Census Data 1999-2003).

[4] Compared with Wider Europe, Middle East, Africa and Latin America.

[5] Compared with other Wider Europe, Middle East, Africa and Latin America countries.

[6] It is important to note that these statistics focus only on foreign born European residents.

[7] Using stocks of the foreign population with respect to Indians by country of birth gives a higher number in some cases by country. However, data is then only available for a few European countries.

[8] ManpowerGroup Ltd and Indicus Analytics, 2008. A Manpower India White Paper. India's Borderless Workforce.

[9] ManpowerGroup Ltd and Indicus Analytics, 2008. India's Borderless Workforce.

**Table 2.1 Stocks of Indian populations (by nationality), 2007-2009,
Top Eight European Countries**

	2007	2008	2009	2007	2008	2009	Indian stock in country as a % of total stock of Indians in Europe
				Stock of Indian population as a % of total stock of foreign population in country			
United Kingdom	258,000	294,000	293,000	6.7	7.0	6.7	56.4
Italy	77,432	91,855	105,863	2.3	2.4	2.5	20.4
Germany	42,495	44,405	45,638	0.6	0.7	0.7	8.8
Spain	25,185	29,742	32,723	0.5	0.5	0.6	6.3
France	12,710[10]	-	-	0.3			2.8
Ireland	9,192[11]			2.0			
Netherlands	6,409	8,033	8,744	0.9	1.1	1.2	1.7
Greece	3,275	4,980	7,654	0.5	0.7	0.9	1.5
Denmark	3,284	3,868	4,002	1.1	1.2	1.2	0.8
Finland	2,333	2,736	3,168	1.8	1.9	2.0	0.6

Source: OECD International Migration Database (stock of foreign population by nationality) and International Migration Outlook 2011

The number of Indians immigrants in Italy has continued to grow and in 2009 was 20.4% of the total stock of Indians in Europe, growing by nearly 76,000 between 2000 and 2009. Stocks in Germany trebled during the same period growing by 24,700 migrants. It is estimated that more than 60% of those (primarily IT specialists) who have been admitted under Germany's Green Card Scheme since 2000 are Indians. The migrant populations continue to grow in the Netherlands, Portugal, Ireland and Greece. Ireland ranks India as the eleventh most important sending country for foreign migrants. The rank for Netherlands, Portugal and Greece is fifteen. In Portugal the weight of other groups such as Indians is increasing.

Comparing movements observed over the 2000-2008 period with 2009 show the flows of Indians increasing in particular towards the UK, Denmark and the Netherlands (at the same time declining towards New Zealand, the US and Canada).

Inflows of Indians into the UK, Italy, Denmark, Finland and the Netherlands rank in the top 10 nationalities as a percentage of total foreigner inflows in 2009. Indian inflows into the UK grew by 5% in 2009 as a percentage of total inflows of foreigners compared on top of the 2000-2008 period being the first most important sending country.

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[10] Data for 2008 and 2009 for France is not available.

[11] 2006 data only.

Permanent immigration to Italy remains at high levels, making it the leading immigration destination among European OECD countries in 2009. Most of the increase in the stock of foreign residents was due to a rise in the number of non-EU residents. Indian's (above right) rank the top 7th in foreigner inflows in 2008, a rise of 1-2% compared to the 2000-2007 position.

Figure 2.1 Inflows of top 10 nationalities as a % of total inflows of foreigner: UK & Italy
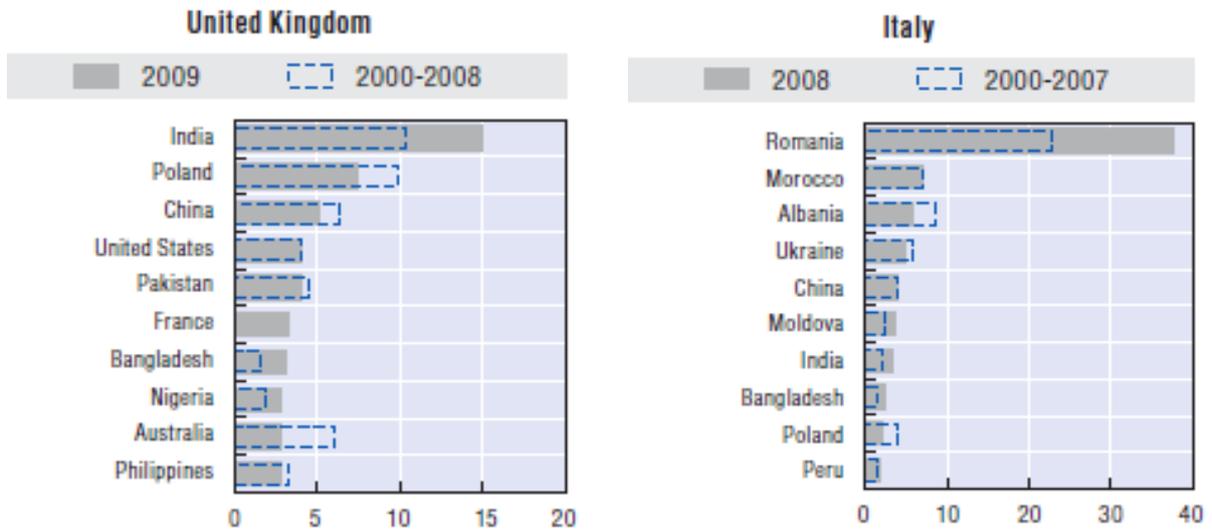
Source: OECD International Migration Outlook 2011

In 2009 Turkey and India were the two main origin countries of labour migrants, in the Netherlands. India was ranked as the 7th most important sending country as illustrated in Figure 2.3. The rank for Finland was 8th, rising by 1-2% by 2009 on the 2000-2008 position as illustrated in Figure 2.3.

Figure 2.3 Inflows of top 10 nationalities as a % of total inflows of foreigner: Netherlands, Finland and Denmark

Source: OECD International Migration Outlook 2011

Denmark in 2008 continued to report a steady upward trend in the stock of Indians into the country as illustrated in Table 2.1, Figure 2.3 and Figure A.2 in Appendix A.

Despite the number of immigrants (Belgians and foreigners) who entered Belgium in 2009 being down by 1.9% compared with 2008, the proportion of highly-skilled workers among migrants entering for work-related reasons climbed to 26%. Over half of the permits issued to highly-skilled workers went to Indian, Japanese or US citizens.

Some of the countries remaining important in relation to stocks of Indian population remain so for stocks of Indian labour. In particular, the UK, Italy and Germany. Sweden and Ireland have become more important on the list with respect to stocks of Indian labour. Table A.3 illustrates in Appendix A. (Note there is no data available for Belgium, Estonia, Germany, Netherlands, Poland, Slovenia and Sweden).

Inflows of Indian labour into these countries as other EU countries have petered off in 2008 and 2009 in absolute terms as illustrated in Table 2.2 below and Figure A.5 and A.6 in Appendix A. Although as a percentage of all Indian stock in Europe, inflows into the UK, Italy, Germany and Sweden have maintained their importance as receiving countries.

Table 2.2 Inflows of Indian workers into Europe

	2007	2008	2009	2009	% of all Indian stock in Europe		
				% of total inflows of foreign labour	2007	2008	2009
United Kingdom	36,254	31,879	24,563	46.6	63.5	56.3	64.7
Italy	6,790	8,981		6.2	11.9	15.9	
Germany	3,154	3,819	3,076	11.7	5.5	6.7	8.1
Sweden	1,446	2,211	2,008	13.8	2.5	3.9	5.3
Ireland	4,069	3,335	1,789	22.4	7.1	5.9	4.7
Denmark	104	114	1,524	22.4	0.2	0.2	4.0
Belgium	1,429	1,961	1,359	10.4	2.5	3.5	3.6
Poland	434	733	1,164	4.0	0.8	1.3	3.1
Netherlands	1,663	1,641	967	7.1	2.9	2.9	2.5

Source: OECD International Migration Database and International Migration Outlook 2011

Challenges for Indian migrants

The importance of language barriers for Indians in most countries in the EU is a significant challenge and being recognized by individual bodies across India with institutes opening up in India to help fill this gap. Furthermore, a matching of expectations (international recognition) of qualifications held by Indians between India and the EU has yet to be achieved.

Skill Requirements in the EU Labour Market

From a labour force perspective the demographic outlook for Europe is problematic. By 2025, an ageing Europe will lose 24 million workers from its indigenous workforce, increasing the ratio of retirees to labour force from 0.35 to 0.52 in the same time period.

In addition to the ageing population, skill mismatch has come to the forefront of the policy debate in Europe, with global competition increasing, demographic change progression and rapid technological change intensifying.[12] The challenge facing Europe is to provide businesses with the right skills to encourage innovation and growth, to address unemployment and to ensure that the potential of Europe's citizens is fully utilized.

Figure 2.1 Demographic Outlook for Europe, 2008-2050
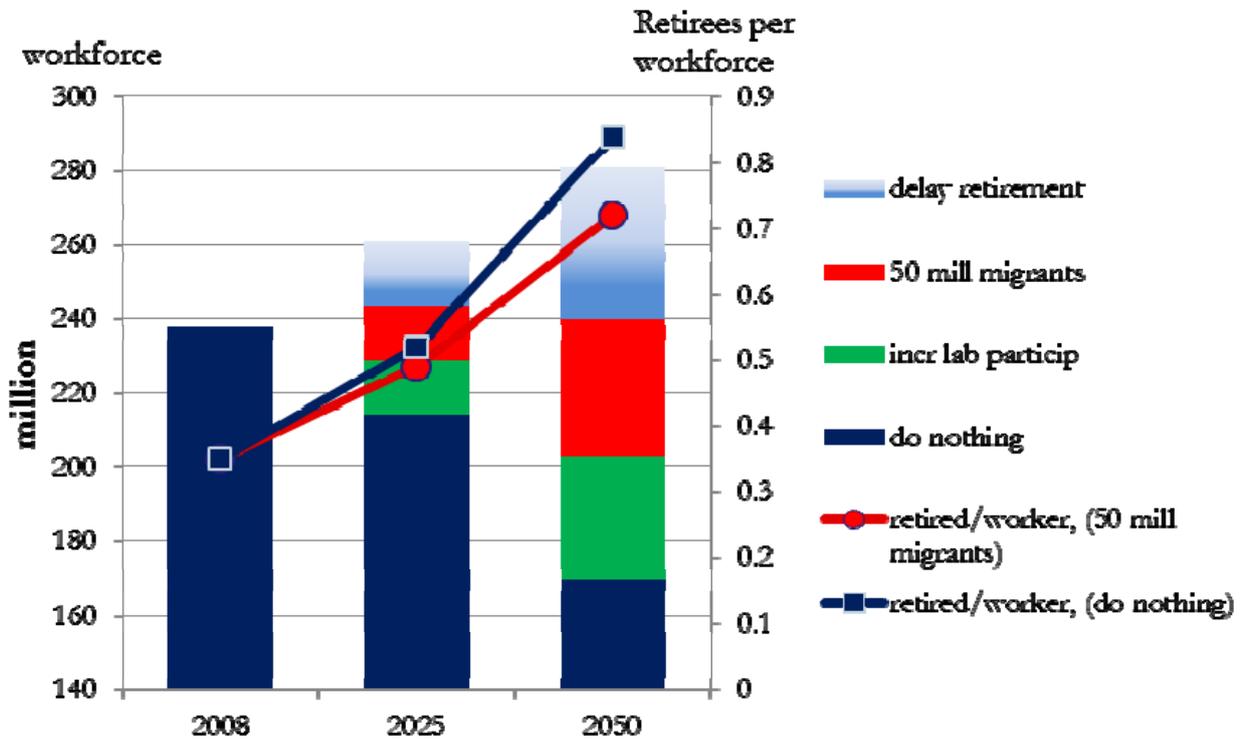
Source: R. Münz, 2009 and CEDEFOP

As the European Commission Communication on new skills for new jobs[13] observes, skill matching should be improved to confront rising unemployment. It is also suggested that the composition of skills emerging from both European Union universities and training systems needs to be better adapted to innovation-driven economies.

Looking ahead in the period 2010-20, forecasts[14] estimate that 12.5 million additional employment opportunities will be generated at the highest qualification levels, followed by 9.5m jobs at medium levels. There is a projected decline of 8.5 million jobs for those with no or few qualifications. Nearly half of the jobs in Europe will be available for those with medium skill qualifications.

Emerging trends in employment generation in Europe show that Europe has experienced a continuing shift away from agriculture and traditional manufacturing towards services and knowledge

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[12] Cedefop, 2010. The Skill Matching Challenge. Analysing Skill Mismatch and Policy Implications.

[13] Cedefop, 2010. The Skill Matching Challenge. Analysing Skill Mismatch and Policy Implications.

[14] Cedefop 2010. Skills Supply and Demand in Europe, Medium-Term Forecasts up to 2020.

intensive economics in general[15]. Forecasts on employment in Europe shows that over 13 million additional jobs will be created between 2006 and 2015 in EU25+.

The following sub section highlights briefly, country [those where there are significant Indian labour stocks or recent inflows as highlighted above] specifics in relation to these forecasts as well referencing existing skill shortages and issues based on findings from ManpowerGroup's Annual Skill Shortage Survey and ManpowerGroup's Borderless Talent Solution country reports.

UK

The UK is an importing and exporting labour country. Total inflows to the UK in 2009 were 528,000 a slight decrease with respect to 2008. Net migration fell for all major origin countries, except the EU and New Commonwealth countries (mainly India, Pakistan, Bangladesh and Nigeria). With the UK government cutting down on non-EU work visas there will mostly likely be implications for Indians coming into the country to work in the future.

Immigrants coming to the UK tend to be employed in healthcare, IT, finance, agriculture and food processing, or be executives, graduates or blue collar unskilled workers.

In comparison to other European countries, the UK has relatively low skill shortages as ManpowerGroup's annual skill shortage survey for 2011 points out. Only 15% of employers in 2011 experiencing difficulty in filling positions. The top three of importance include engineers, chefs/cooks and managers/executives (management/corporates). Skill shortages were even lower in 2009 at 11% where engineers, skilled trades and sales representatives were the top three positions most difficult to fill. This highlights a range of both medium and high skill requirements for the UK.

For 2010-2020 the projected change: in employment by broad sector in the UK will be biased towards the service sector, for occupation structure biased towards high skilled non manual occupations and medium and high qualifications. A significant fall in low skills is expected as illustrated in Figure A.7, A.8 and A.9.

Germany

Germany is a predominately exporting country where legal restrictions are high for incoming migrants as are taxes. Partly as a result of the economic crisis, overall long-term immigration to Germany declined further in 2009 from the already modest level observed in 2008. On 1 January 2009, amid the crisis, Germany introduced a number of measures which facilitated immigration of high-skilled labour to the country. In spite of this, permanent-type labour migration from non-EU countries – which is essentially highly-skilled – remained very limited.

About one out of four permanent-type labour migrants from non-EU countries in 2009 were graduates from German tertiary educational institutions[16]. International students have evolved as a key source of labour migration to Germany. In 2009, more than 60,000 students entered Germany to study, the highest number on record[17].

Germany has a large talent shortage which has been discussed widely in the news. In 2011, 40% of employers indicated difficulties in filling positions in 2011 according to ManpowerGroup's annual skills shortage survey. The top three positions most difficult to fill were skilled trades, engineers (especially planning and construction) and technicians (production, construction and maintenance). In 2009 the severity of the skill shortage was slightly lower but still significant at 34%. The top three positions most difficult to fill were skilled trades, drivers and IT staff.

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[15] Cedefop, 2008. Future skill needs in Europe. Medium-term forecast: synthesis report.

[16] OECD, 2011. International Migration Outlook 2011.

[17] As above.

Shortages are array across all sectors of the economy, with the most severe in restaurants and hotels, where 53% of employers report difficulty in filling positions. Manufacturing (36%) and construction (42%) are slightly lower but still severe, with skilled trades, engineers, technicians and sales representatives as key shortage areas. IT staff, technicians and skilled trades are important for the finance, insurance, real estate and business services sector where 42% of employers have difficulty in filling positions.

According to country reports from ManpowerGroup, people from abroad working in Germany are focused particularly in the IT (hard and software developers, project leaders), engineering (mechanical engineers some, design engineers automotive sector, aviation engineers) and healthcare sector. With a focus also on executive roles. Permanent healthcare positions are reported as almost impossible to fill and IT, engineering and blue collar skilled worker roles as difficult. The top hardest to fill professional positions include engineers, technicians, technicians, IT, doctors, accountants and financial. Non-professional positions that are reported to be difficult to fill include skilled trades, nurses, sales representatives with different language skills and drivers. This highlights a range of both medium and high skill requirements for Germany.

For 2010-2020 the projected change: in employment by broad sector in Germany will be biased towards the service sector, for occupation structure biased towards elementary and high skilled non manual occupations and low and high qualifications as illustrated in Figure A.7, A.8 and A.9.

Sweden

Whilst mainly a labour exporting country Sweden has potential in the future for being a significant importing labour country. The trend of increasing immigration in Sweden continued in 2009 in spite of the economic downturn with inflows reaching a new record high of 102,000. The number of people from abroad working in the country is relatively low and language is perceived as a big obstacle in filling vacancies with immigrants.

Skill shortages according to ManpowerGroup's survey is at a level a little higher than the UK, with 17% (compared to 29% in 2009) of employers report difficulty in filling positions. The top three positions hardest to fill in 2011 were skilled trades, sales managers and technicians. At a sector level, skill shortages are slightly higher in mining and quarrying (23%), manufacturing (23%) and electricity, gas and water supply (21%). This highlights mainly medium to high skill requirements for the country.

Based on ManpowerGroup country reports, the two most difficult to fill positions are IT and engineering (nuclear power, electricity and other specialists). Longer down the list in the top ten most difficult positions to fill at a professional level are skilled trades, drivers, sales representatives, engineers, technicians (automation, programmers), teachers, secretaries, PA's, administration assistants and office support staff, project managers and chefs/cooks.

For 2010-2020 the projected change: in employment by broad sector in Sweden will be biased towards the service sector with an increase of more than 10%, for occupation structure biased towards elementary occupations and high qualifications as illustrated in Figure A.7, A.8 and A.9.

Ireland

Migration in Ireland has been particularly hard hit by the severe economic crisis touching the country[18]. Migration inflows to Ireland decreased sharply from 110,000 in the year to April 2007 (Financial Year 2007) to 31,000 in Financial Year 2010.

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[18] OECD, 2011. International Migration Outlook 2011.

Skill shortages in Ireland have fallen since 2009 from 14% of employers experiencing difficulty in filling positions to 5% in 2011. The top three positions where difficulty to fill was experienced include sales representatives, engineering, secretaries, PA's, administrative assistants and office support staff.

Open vacancies and difficult to fill according to ManpowerGroup country reports are multilingual vacancies, language vacancies (Nordic languages and German) and IT specialist roles.

For 2010-2020 the projected change: in employment by broad in Ireland will be biased towards the service and manufacturing and construction sector, for occupation structure biased towards elementary, skilled manual and non-skilled manual occupations and medium and high qualifications as illustrated in Figure A.7, A.8 and A.9.

Denmark

Primarily an importing country, immigrants traditionally have worked in healthcare, IT, and engineering sectors and attracted executives, graduates and blue collar unskilled workers. The most difficult to fill positions according to ManpowerGroup country reports in 2010 reside in the IT, finance, engineering and healthcare sector. Positions in the healthcare sector require those able to speak Danish whilst for engineers and scientists it is possible to work in English.

The top ten most difficult positions to fill at the professional level include surgeons and doctors, medical specialist, ortholotists, midwifes, radiographer, geophysicist, building constructors, engineers, geologist, science professors. Whilst at the non-professional level anaesthesia nurses, nurses in general, medical laboratory technicians and social workers are important.

Skills that are in need include managers of schools and institutions, lawyers with knowledge of Danish law, geologist, science professors, chemical engineers, production managers, engineers with knowledge of voltage, construction and buildings. In general their need for engineers is related to specific knowledge and experience. This highlights mainly medium to high skill requirements for the country.

For 2010-2020 the projected change: in employment by broad sector in Denmark will be biased towards the service sector and to a lesser extent the manufacturing and construction sector, for occupation structure biased towards high skilled non-manual, skilled non-manual and to a lesser extent elementary occupations and mainly low qualifications to medium qualifications as illustrated in Figure A.7, A.8 and A.9.

Netherlands

Predominately an importing country although in general approximately 28,000 people emigrant each year from the Netherlands. In spite of the economic downturn, immigration rose slightly in 2009 to 146,000 the highest figure in a decade. The economic crisis has caused the Dutch labour market to ease somewhat, although a large talent shortage is expected again in the future mainly with respect to skilled and professional level occupations. The country receives substantial numbers of immigrants for IT, executives (knowledge economy is stimulated, engineering, finance, graduates, blue collar unskilled workers and native speakers. The healthcare sector and blue collar skilled workers are also important.

Skill shortages were high in 2006 where 30% of employers were experiencing difficulty in filling positions. Over the last five years however, shortages have fallen, with only 17% of employers in 2011 reporting difficulties. Technicians, management/executives and production operators were the top three hardest to fill positions. At a sector level, shortages are more severe in the manufacturing sector (32%) particularly in relating to technicians and the transport, storage and communications (24%) in relation to management/executives.

According to the country reports, roles particularly difficult to fill include engineers, healthcare, blue collar skilled and unskilled workers. At a professional level, the top ten most difficult to fill positions are in healthcare generally, teachers, technical analysts, management/executives, engineers,

graphical designers, electro technical designers. Whilst non-professional positions: workers, drivers, technicians, pipers, fillers, welders, secretarial staff, admin support, production, operators, machine operators, craftsman, waiters are important. This highlights mainly medium to high skill requirements for the country.

For 2010-2020 the projected change: in employment by broad sector in the Netherlands will be biased towards the service sector, for occupation structure biased towards high skilled non manual occupations and high qualifications as illustrated in Figure A.7, A.8 and A.9.

Italy

Italy has the potential both as an exporting and importing country. Immigrants working in Italy tend to take up roles in healthcare and as blue collar skilled and unskilled workers. Companies in the North East of Italy are well known for providing importing requests because of the difficulties in the recruitment of certain specialized profiles. Italian companies generally request the knowledge of country language. In cases of massive hiring, recruitment organisations can organize free courses of Italian.

Skill shortages according to ManpowerGroup survey increased in severity, with 29% of employers indicating difficulties in filling positions compared to 26% in 2009. Skilled trades, technicians and secretarial, PAs, administration assistants and office support staff form the top three difficult positions to fill. At a sector level, in manufacturing 37% of employers had difficulty in filling positions, skilled trades and technicians were key. In the mining sectors 26% of employers had difficulty, as well as in wholesale and retail (29%) and restaurants and hotels (35%). In the finance, insurance and real estate and business services sector 33% of employers had difficulty filling position, secretarial, accounting and finance staff were key in this shortage.

Almost impossible to fill positions include electrical engineers and economic experts (finance) with difficult to fill positions in IT expert/scientist, computer technician, executive, mechanical engineer, electronics and ICT engineer, control management expert (finance), healthcare (including nurses), technicians of organization and production control and blue collar skilled workers.

Non-professional level positions such as salespeople, masons, accountants and similar, waiters and similar, cleaners, hairdressers and estheticians, mechanic, troubleshooters, chef, electricians in civil building area, heavy transport drivers are highlighted as hard to fill. This highlights mainly medium to high skill requirements for the country.

For 2010-2020 the projected change: in employment by broad sector in Italy will be biased towards the service sector, for occupation structure biased towards elementary and high skilled non manual occupations and high and to a lesser extent medium qualifications as illustrated in Figure A.7, A.8 and A.9.

Skill Matching

In this chapter we discuss and explore a range of Skill Matching mechanisms and channels that are operational in the movement of international labour migrants from India to the EU. The term 'Skill Matching' is used here to describe the process of matching skills and jobs.

The four Skill Matching channels discussed below include the market driven mechanism, commercial channels, the government and lastly personal and informal networks.

Market Driven Skill Matching

Two key Skill Matching mechanisms are that of market opportunity and immigration selection systems. Each is explored separately below.

Market Opportunity

Over time India's impressive economic growth has come from a few key sectors such as information technology, IT enabled services, telecommunications, biotechnology and financial services. The development of these sectors has had a bearing on education and vocations in India and the type of skills developed in the workforce The importance and growth of these sectors in the global economy has benefited India in exports and market expansion, resulting in revenue and employment creation as Box 3.1 below illustrates.

Box 3.1 India Economic Growth - Origins

Sector	Revenue Growth	Recruitment Growth	Key Driver
Information Technology	30%	50-60%	Exports
IT enabled Services	30-40%	50%	Exports
Telecom	40%	30-40%	Domestic market growth
Healthcare/Biotech	18-20%	25%	Global markets expansion, Indian R&D skills, Cost arbitrage
Financial Services	15-20%	15%	Increased income and consumption
Organised Retail	30%	30-40%	Nascent sector
Manufacturing/Others	15-20%	10-15%	Increased consumption

Source: Caden Corporation

The importance of these sectors globally, specifically the high tech industry and the skills that they require has been a key driver of inward mobility of skilled labour from India and has played an important role in matching skills to jobs predominately in the high to very high skill categories.

Whilst the success of these sectors has produced enterprises that have become global leaders in their own right and require skills that respond to global expectations. They are skills that are proving increasingly hard to find. The industry estimates that the shortfall of labour in India has risen to the order of magnitude of half a million. The global crisis reduced demand and sent overseas IT engineers back home, temporarily easing the shortage. However, as India's growth outlook strengthens, Indian employers continue to experience major skill shortages with 67% indicating difficulty in filling positions in 2011 compared to just 12% in 2008. The top three positions most difficult to fill were researcher R&D, sales manager and IT staff.

With markets as one of the drivers of the dynamics in Skill Matching it can be expected to be affected by the rising shortages in India. In essence, the same kinds of skills that Europe is looking for in Indian workers are becoming increasingly in short supply in India itself.

On a similar line of thought, Indian firms are looking to globalize their operations as they increase in size. India's biggest information-technology companies such as HCL Technologies Ltd, Tata Consultancy Services and Wipro have long derived the vast majority of their revenues from the US and Europe. Going forward these companies have plans to increase local hiring of US and Europeans by 2015.

Europe's need for high level talent from India is important, but against the background of the respective labour market challenges in Europe and in India, there is a case, and indeed an opportunity for broader collaboration on labour market development and this will have implications for Skill Matching going forward.

Immigration Selection System

Immigration systems are themselves a way of selecting economic immigrants, selecting immigrants explicitly to fill labour-market needs and have the tendency to exhibit some of the same features that a structured Skill Matching mechanism comprises.

Immigration selection systems take various forms across different countries and have constantly evolved over time. Two competing models for selecting economic-stream immigrants are used widely in advanced industrialised economies, these being human-capital accumulation and government led approaches and employer or demand led approaches.

One of the two types of government led approaches is the point system (the other is inter-governmental agreements[19]) which seeks to increase the population of workers whose skills, education and other attributes are thought to be in short supply or are of intrinsic economic value to the economy[20].

Consequently, an immigrant is admitted based on a sufficient number of qualifications and experiences including language skills, work experience, education and age. Advantages of the points based system include flexibility as points can be adjusted to meet evolving economic needs or respond to evidence on immigrants' integration outcomes. However, employers are not involved in selection, and points system can result in admittance of immigrants who are unable to find work at their skill level once they arrive.

Demand or employer driven system, on the other hand, allow employers to select the workers they need, subject to government regulations. These have three major variants: labour-market tests, precleared occupations and employers, and attestation-based decisions. Labour-market testing for instance requires employers to demonstrate they have searched for a worker in the local, national, or regional labour market and failed to find a suitable candidate before they can hire a foreign worker.

A third model is the hybrid selection systems that combines features of both points-based and employer-driven models. The resulting systems typically prioritise employer demand, in the form of a job offer or a good track record of employment in the host country. 'As a result, some of the most successful immigrant-selection models rely on temporary-to permanent visa pathways that admit workers initially on temporary work permits but provide a clear and predictable path to permanent residence to those with good integration prospects.'

The UK and Denmark have points based systems whilst Sweden, Spain and Norway have employer-led systems. In February 2010, the government in Denmark launched its work plan 'Denmark 2020', including goals for boosting labour supply and for strengthening the integration of migrants and their descendants into the labour market by 2020[21]. To reach these goals, facilitations for high-qualified immigrants to work and study in Denmark are considered.

In Sweden in 2008, new rules came into force which greatly facilitated recruitment of labour from non-EEA countries. About 14,500 first-time work permits were granted in 2009 under the new

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[19] This is where sending and receiving governments sign agreements allowing the employment of foreign workers in specific sectors or jobs.

[20] Migration Policy Institute, 2008. Hybrid Immigrant-Selection Systems: The Next Generation of Economic Migration Schemes.

[21] OECD, 2011. International Migration Outlook 2011.

framework, an increase of almost 50% compared with 2008. Almost 50% of the permits went to workers in agriculture, horticulture, forestry and fishing. The single most important origin country was Thailand, accounting for almost half of all labour migrants, followed by India.

The UK has a five tiered structure to its point based system. Tier 1 covers exceptional talent. Tier 2 is for skilled workers who have a job offer and Tier 3 allows a limited number of lower skilled workers to fill temporary shortages in the labour market. In Tier 1 (supply-driven non-EU skilled migration), 118,000 visas were issued (of which two-thirds were main applicants and one-third dependents), almost one-third were of Indian nationality.

However, following a temporary cap put in place in June 2010, in November 2010, new rules were established which from April this year limited 21,700 coming into the UK under the skilled and highly-skilled routes.

In Germany programmes or legislation are or were established to cater to a specific niche in the job market, such as IT experts, Germany's Green Card Initiative from 2000-2004 is a key example. Here fewer IT experts came to Germany than originally expected. However, immigration of highly qualified workers to Germany is still high on the agenda as growing skill shortages exposed by the rapid recovery of export industries from the global recession remain.

Overall, and although there are exceptions, immigration selection system Skill Matching processes generally cater more widely for skilled or very skilled migrants and less so for the medium and low skilled categories.

Furthermore, the point based system whilst qualifying the skill levels of incoming labour migrants does not link labour flows to specific jobs. In contrast the employer-driven system does do this, however the process of matching is then left to the employer, to ascertain skill levels and to determine whether an employee does or doesn't fill the job criteria.

Commercial Skill Matching

Gaining access to international skills and talent and moving these around globally is increasingly important for companies around the world in order to help them maintain their competitive advantage. With talent scarcity in different parts of the world, private sector operators have been moved to help facilitate and provide global solutions to foster the movement of scarce talent from one country to another to enable employers to meet their talent needs.

At the private or commercial level the channels for Skill Matching vary in completeness and inclusiveness. The first mechanism presented is a fully developed global Skill Matching model, whilst the second channel explores the offering of smaller and medium sized private recruiting agents who are predominately located in India.

A Skill Matching Model

At a sophisticated level we find global private sector operators with leading Skill Matching models. Adecco, Randstad and ManpowerGroup are key examples. Each of these large global operators provide in-country (direct) as well as international (talent mobility programmes) recruitment solutions to their clients (employers and job seeking candidates). The operators tend to have representation (offices) around the world covering a variety of countries.

It is important to note that the services/dedicated resources of these companies for international labour migration differs. For example, some of the private sector operators have dedicated resources (or a division) set aside for cross border relations as well as balanced representation by country in terms of global networks, whilst others do not. Furthermore, some are focused on importing talent rather than both the export and import of talent.

The focus of the model presented is a fully developed Skill Matching model where a private sector operator has a global network and has a resourced division with specific competences purposely focused on cross border affairs. In this model, a wide array of services are offered by the private operators that help to strategically match skills of candidates in the supply country to employers in the demand country. This Skill Matching model caters for mainly skilled labour migrants with a small catering for semi-skilled labour (of a ratio of approximately 4:1) in the case of ManpowerGroup, one of the world's largest employment agencies.

The international talent mobility programme or Skill Matching Model has emerged and been developed over the last 10 years and is based around the networks of these large global private sector operators that crosses industry offering knowledgeable, trusted advisors from both the country seeking labour (demand country) and the country that is able to supply the labour (supply country).

The model essentially puts to use the strength and knowledge of the operator's global network and local expertise in different labour markets and offers a direct link to available talent pools across the world. Furthermore, solutions are delivered on the depth of experience and breadth of capabilities learned from client engagements across the operator's global network. A visual of the ManpowerGroup Skill Matching model is illustrated in Figure 3.1 using the example of ManpowerGroup's Borderless Talent Solutions mechanism.

Figure 3.1: ManpowerGroup Borderless Talent Solutions Model
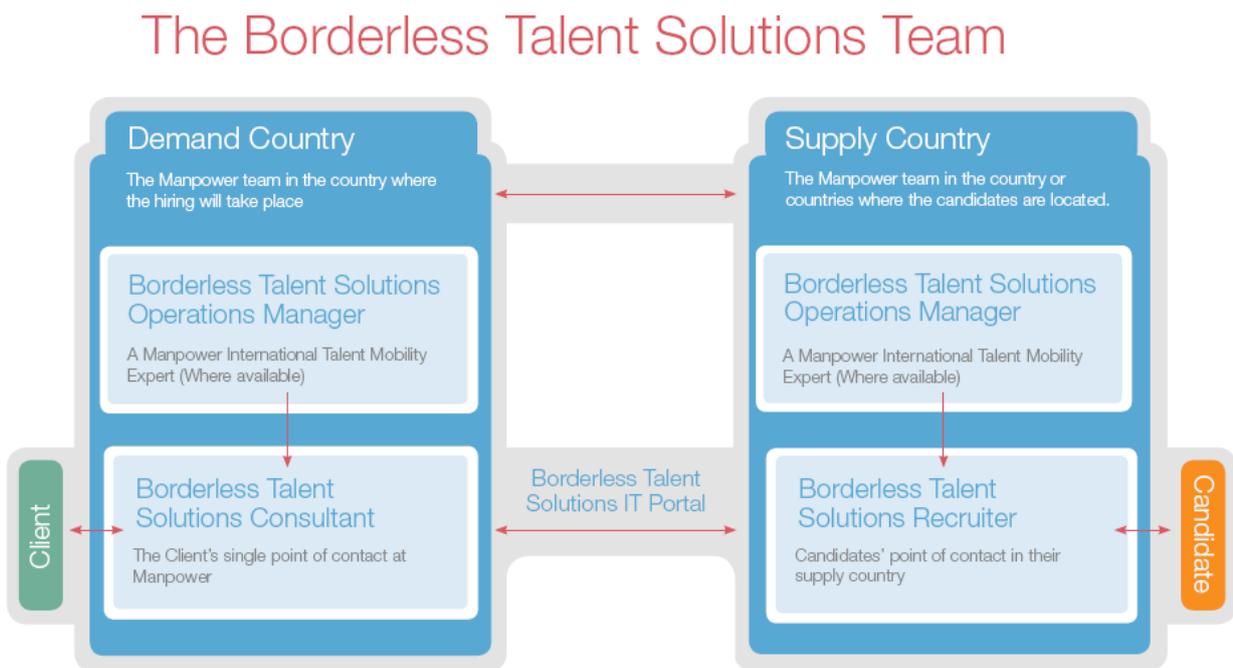
Source: ManpowerGroup

The Skill Matching model recruits candidates in one country (the Supply Country) in order to fulfill a vacancy in another country (the Demand Country). A structured and sophisticated Skill Matching model is based around five phases:

- Identifying the client's needs (employer candidate criteria in the demand country);
- The feasibility of the supply country to fulfill the criteria and find a candidate (researching sources) and pricing;
- Working closely with the client to develop a recruitment strategy that meets business needs;

- The recruitment process itself – working with colleagues around the world to source, assess and submit candidates that meet the qualifications and criteria established;

- Operations and aftercare of the employer and the selected candidate by guiding them through the employment offer, negotiation and relocation process, including assistance with visas, housing, cultural induction and assimilation as agreed upon in any employer's individual agreement and proposal.

Finally a feedback mechanism on the recruitment process is undertaken by the private operator with the employer and candidate and internal colleagues.

The Skill Matching model becomes operational when the private sector operator on behalf of his client (employer) is unable to fill a particular job vacancy in the local country (demand country). At this point, the Skill Matching model enables the private sector operator, on agreement with the client (employer), in the demand country to extend his search to other countries.

The operator in the demand country outlines a job order specifying in detail the skill and candidate profile required by the employer. Using internal information databases, accessible to both the demand and supply country, the demand country operator decides on which country (ies) he thinks are most able to supply candidates to the demand country. A job order and search request is then submitted through an internal IT platform to the supply country (ies) of the same company.

A feasibility study is performed in the supply country (ies) of choice and a decision based on the job description and salary is made on whether an applicant can be found. Salaries are renegotiated with the client in the demand country if necessary. Once a positive decision to recruit has been made, the operator in the supply country begins their search using its own methodology, systems, network and resources.

The supply country (ies) operator works within their local network to identify qualified candidates. Once candidates are identified, the supply country interviews the candidates to determine their willingness, qualifications and experience needed and feasibility to take up a job placement. This includes competencies of the individual, motivation to move to the demand country, expectations and experience with the demand country, cultural flexibility, foreseen consequences of living abroad and ambitions.

Assessment methods also include for instance, psychometric tests to validate objectively the choice of candidates and support more accurate matching. Such tests can predict success with much greater accuracy than resume reviews and interviews alone.

Once the supply country considers the individual to be a viable candidate to fill the job order the candidates CV and appropriate information is submitted to the demand country via the internal IT platform. In a short period of time, the demand country reviews submitted CV's and applicable information from the supply country and submits a decision to the operator in the supply country. If a candidate is viewed as a possibility the demand country operator arranges candidate introduction and face to face interviews for the client. In addition to the introduction of the candidates operators are able to perform cultural tests and or skill assessments on behalf of their client.

When an appropriate candidate is identified and approved by the employer, a written agreement is finalized, and the operator will work with the appropriate personnel, including third-party suppliers, to ensure that all background checks are performed and visa application processes are followed as agreed upon in each proposal.

The whole relocation process is managed and guided by the private sector operator if requested. Advice and expertise is provided to external and internal clients, as well as to candidates throughout the talent solutions programmes.

An operations or after care service may also be provided to the employer and candidate. For instance, the operator in the supply country provides advice to the candidate in relation to leaving their country of origin. Including possibilities on continuation or discontinuation of social security/benefits; implications on pension funds; tax liabilities; registration; health and travel insurance.

The operator in the demand country will assist and support both the client and candidate with orientation and assimilation in the new company and culture including employment offer and negotiations (engaging with the candidate throughout the entire process); visa and immigration process; candidate care, relocation and cultural induction programs (working closely with his business to ensure a smooth and swift integration of new employees into the work environment; often offering culture and lifestyle information sessions and best practice support programs for incoming candidates and their familiars). Candidate repatriation once the assignment has ended is also undertaken by the private sector operator if appropriate.

Finally a thorough feedback between operators in the demand and supply country, as well as employer and candidates on the recruitment process is undertaken.

During the entire recruitment process, the client or employer has a single point of contact within his local country (demand), with whom the employer communicates and interacts with on a regular basis.

The Skill Matching model allows for improved quality and effectiveness for the client in view of an enlarged pool of candidates. From the candidate perspective, access to different labour markets worldwide, international job vacancies and vacancies abroad for which knowledge of the local language is not necessary obligatory is gained. By making use of this model cooperation helps:

- Share information about global employment markets as well as the candidates for overseas employment;
- Improve profiling of qualification and skill requirements of overseas job opportunities and
- Improve candidate assessment and selection practices.

Small to Medium Sized Private Recruiting Agents

In contrast to large global operators, small to medium sized private recruiting agents operate predominately in the major cities of India including Mumbai, Delhi, Chennai and Thiruvananthapuram. Operators generally only have offices in India, with the minority being established overseas, perhaps having one or two offices in the Gulf, Africa and European region. To achieve a wide and diverse network, recruiting agents will have a network of associates in different industry, nationally and in European regions.

The Skill Matching mechanisms amongst the private recruiting agents are on the whole less sophisticated compared with the global operators. Real job matching steps in which a skill outline for the job is defined and an assessment of the skill sets is undertaken are present in a selection of the recruiting agents (more likely to be present in the larger recruiting agents). Expert based matching by an operator who knows the market is evident in this group (by drawing on his own and associates skills) but quality, offering and network reach is said to vary considerably by agent.

The Emigration Act in 1983[22] implemented by the Emigration Division of the Ministry of Labour, Government of India, defines a recruiting agent as a person engaged in India in the business of recruitment for an employer and representing such employer with respect to any matter relating to such recruitment including dealings with persons so recruited or desired to be recruited.

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[22] This Act seeks to regulate the migration of workers from India in such a way that they are put to a minimum of difficulties during the process of emigration.

Recruitment according to the Act includes the issuing of any advertisement for the purpose of recruitment, the offering through advertisements to secure or assist in securing any employment in any country or place outside India and entering into correspondence, negotiation, agreement or arrangement with any individual in any country of place outside India.

According to the Act no recruiting agent can carry out the business of recruitment except under and in accordance with a registration certificate issued by the Protector General of Emigrant (PGE), Ministry of Labour, Government of India. A list of active recruiting agents can be found on The Ministry of Overseas Indian Overseas website. Recruiting agents can be private or public. Public agents are considered in further detail below.

Most private recruiting agents advertise that they cater for all skill levels including high, semi and low migrants. However, some agents are more specialist than others in their focus on type of migrant (skilled, semi-skilled, low-skilled) and industry.

Before an agent commences work, a demand letter for a placement from the demand country employer is required and in some cases this is followed by the employer issuing power of attorney to the recruiting agent entrusting them with responsibility of finding the suitable candidate for the employer in required number either fully or partially.

Recruitment procedures offered by the recruiting agent, vary by size of recruiting agent. The more sophisticated offering follows a five stage approach:

- Analysis of employers requirements;

- Identification and shortlisting via some form of internal database (candidates register their candidature personally, agents search online databases and the agents associates identifies likely candidates from their databases (sometimes shared). Depending on the sophistication of the agent, family and friends networks may also be used) and adverts in newspapers arranged;

- Selection and assessment of the candidate through interviews and tests;

- Presentation to the employers (here in some cases an agent may present options by phone and an employer may not meet or interview a candidate in other cases candidates are interviewed by the employer);

- Finally on selection of a final candidate, the agent arranges visas, flights and arrival into the destination country.

The private agents perform the greater share of overseas recruitment compared with public agents, one estimate puts recruitment in India, carried out by recruitment agencies who development employment opportunities and facilitate the placement of migrant workers as high as 90%[23].

Among the licensed private recruiting agents, the majority are small establishments with minimum investment. Job orders can come from overseas employers/agents as well as recruitment work outsourced by bigger recruiting agents, particularly from those located in Mumbai and Delhi.

In order to obtain on the spot information about job vacancies some recruiting agents are reported to establish 'sub-agents[24]' in different host countries.

A good number of recruiting agents conduct their business fairly and ethically. However, it is believed that the private recruiting agents in general are more prone to corruption and illegalities. A large number of unauthorized agents in the field, constituting both firms and individuals, often function as middlemen between the foreign employer/agents or local recruiting agents and the

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[23] UNDP, Asia-Pacific Regional Centre, 2010. HIV/Aids and Mobility in South Asia.

[24] Research Unit on International Migration, Centre for Development Studies, Thiruvananthapuran, 2009/2010. Beyond the Existing Structures: Revamping Overseas Recruitment System in India.

prospective emigrants[25]. Often the chain could be extremely lengthy, involving friends/relatives/neighbours, a strategy adopted by unauthorized players to reach out to their potential clients and generate confidence in their operations[26]. The dependency of prospective migrants on middlemen and recruiting agencies for information regarding procedures frequently leads to financial exploitation through high processing fees, handling costs and demands for bribes.

Given the fragmented nature of the recruitment process and the number of recruiters involved, the government faces a major challenge in regulating recruitment agents and halting the operations of unregistered individual agents, middlemen, or sub-agents who engage in fraudulent practices.

Government Skill Matching

The intention of public recruiting agents in India when first established was broader than simply a recruitment agency within the external migration system. It included such objectives also as establishment of other industrial and economic ventures in India as well as abroad, export of goods and commodities, establishing training institutes for skilled, semi-skilled, professional categories of persons.

Most of the states in India are reporting to not have recruiting agents in the public sector. However, a few states like Kerala, Tamil Nadu and Andhra Praesh have state-run recruiting agents. Kerala has two state-run recruiting agents – the Overseas Development and Employment Promotion Consultants Ltd (ODEPC) and the Non Resident Keralites Affairs Department (NORKA)[27]. These recruiting agents are said to be 'less insistent and vigorous in their functioning, as borne out by the minimal number of recruitments done by them, for instance, ODEPC could send only 4,800 people abroad till 2006, in its three-decade long functioning'[28].

Unlike the private recruiting agents where motives are profit-oriented the main organising principle of government recruiting agents has been the promotion of external labour migration to alleviate unemployment problems and to resolve balance of payment crisis.

The legally sanctioned assistances rendered by both the private and public recruiting agents to the intending emigrants are generally the same. For instance, Oveseas Manpower Corporation Ltd, a government of Tamil Nadu undertaking, has 35 district employment branches and offers the following recruitment methodology:

- Computerised databank and advertisements in appropriate media (government supported);
- Screening through interview selection in India;
- Test for medical fitness;
- Emigration formalities.

The agent highlights his rapport with various foreign missions and emigration departments which hastens visa and emigration formalities. Whilst the legally sanctioned assistance rendered to the intending emigrant are similar to what a private agents offers, the specific ways in which they are undertaken differ.

In the mobilization of the supply of labour to European countries, sub-agents of the private recruiting agents operating in different regional centres seem to be effective. The government recruiting agents cannot resort to this practice (sub-agents)[29]. This is perhaps why the mobilisation of

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[25] As above.

[26] As above.

[27] Rajan Iruday.S.,Varghese V.J., Jayakumar, M.S., 2010. Overseas Recruitment in India: Structures, Practices & Remedies.

[28] As above.

[29] Rajan Iruday.S.,Varghese V.J., Jayakumar, M.S., 2010. Overseas Recruitment in India: Structures, Practices & Remedies

the unskilled categories of job-seekers could not be promoted by even the most efficient (in terms of the number of people recruited) government recruiting agent.

For example, take the example of the Overseas Manpower Corporation of Tamil Nadu. Of the total number of people recruited by them so far, the unskilled categories constitute only around 15%[30]. This could be attributed partially to the fact that even to get registered with government agents, an unskilled labourer has to depend on the assistance of some or the other intermediary.

To quote another example, Overseas Development and Employment Promotion Consultants in Kerala have in their data bank details of about only 15,000 intending emigrants of which only a marginal proportion constitute unskilled categories[31].

Among the government recruiting agents the Overseas Manpower Corporation (OMC) of Tamil Nadu has recruited the maximum number of people for overseas employment. From 1979, the year of their inception till 1996-97, they recruited 5400 personnel under different job categories. Of this total about 50-60% constituted professional/skilled categories of labourers[32]. This affirms the fact that government agents have been rendering services to a class of people for whom the cost of recruitment is not as crucial as it would be to the unskilled/semi-skilled class of people.

As just described, the work of government agents has tended to result in a focus on the recruitment of professional and skilled categories which is considered to be a relatively safer area.[33]

The state-run agencies are highlighted to exhibit inefficiencies in their work mainly due to the lack of autonomy and professionalism, ineffective market operations, delay in procedures, for instance. Whilst the private recruiting agents excel the public recruiting agents in the number of recruitments being made. This seems to be made possible by several factors[34]:

- The quick adaptability of the private recruiting agents to the market situation as they are enabled by market intelligence gathered through their own field offices, private players in the destination countries and other informal networks;

- That their dealings are free from the menace of red-tape and hence expedient;

- That they are primarily driven by the profit motive and in the face of stiff competition, they are bound to be aggressive. However, of course this doesn't necessarily imply a better match of skills.

Aside from government recruiting agents themselves, there is also government level action in India with respect to legal EU migration. A Memorandum of Understanding (MOU) between the Ministry of Overseas Indian Affairs (MOIA) and the International Organization for Migration (IOM) on the Establishment of Project Implementation Unit for the Activities relating to Facilitating Managed and Legal Migration between Asia and the European Union was signed on 31 July 2007. The project was completed at the end of 2008. The project was sponsored by the EU covering 10 Asian countries including India and 5 European countries (Germany, Ireland, Italy, Spain and UK).

To implement the project, MOIA and IOM jointly established a programme implementation unit in New Delhi. Some of the major activities undertaken during the project included:

- Establishing a Market Research Unit (MRU) within the Ministry of Overseas Indian Affairs with the responsibility for gathering and sharing information on projected manpower

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[30] Research Unit on International Migration, Centre for Development Studies, Thiruvananthapuran, 2009/2010. Beyond the Existing Structures: Revamping Overseas Recruitment System in India.

[31] Same as above.

[32] Same as above.

[33] Same as above.

[34] Same as above.

requirements in the major labour receiving countries, particularly in the EU. The MRU was to pay special attention to the emerging skill requirements in the external and EU labour markets in order to meet demand with matching skills. The project was to help the MRU to develop a network of information with institutions and authorities in European labour receiving countries collecting and analyzing labour market information. MRU will be responsible to prepare reports on a quarterly basis.

Within Europe, public employment agencies are beginning to see the value in connecting with other countries for cross border placement development. A case in point is Germany and Spain, where both public employment services have established a direct link and are beginning to play a fairly passive role in matching German companies with job applicants in Spain.

Another example involves a government and private sector partnership originating in Vietnam. The Ministry of Labour, Invalids and Social Affairs (MoLISA) in Vietnam and ManpowerGroup signed a Memorandum of Understanding (MOU) in 2008 and extended for a further three-year period on 2011. Under the MOU both sides have decided to explore ways in which international labour migration could be made fairer, more efficient and effective.

Under the MOU, MoLISA and ManpowerGroup plan to combine efforts to better link the supply of migrant labour with the demand of the global job markets. Both sides seek to map the candidate base for overseas assignments as well as the global job markets; introduce tools and leading practices of candidate assessment, skill profiling, job matching, pre-migration training and briefing, job introduction, and skill upgrading while overseas. As well as jointly addressing the process of returning back to Vietnam in terms of skill recognition and job placement.

A labour market pilot project has emerged as a result of the partnership and is aimed at temporary migration for mid-level skill migrants. The initiative seeks to provide the right skills to right jobs at the right time. The project is currently being developed and an important element of the pilot project will be to improve practices of candidate assessment, profiling of skill requirements, and development of training for jobs programmes. The model consists of a three stage process:

1. **Pre-migration preparations** where skill and job matching takes place through the introduction of better practices and tools to achieve the development of managed, time limited overseas job assignments. Key action areas include:

    - Clearer profiling of qualification and skill requirements of overseas job opportunities;

    - Improving candidate assessment and selection practices;

    - Better job matching to correspond to needs of overseas employer;

    - Identifying skill gaps target pre-employment training to host country practices and job requirements.

2. **Overseas assignment** period where measures to ensure appropriate protection of the migrant workers' rights, as well as enhanced and recognized skills and employability of the migrant works. Key actions areas include:

    - Enhanced employability through skill upgrading (close to 4,000 internet based training programmes are made use of by ManpowerGroup) for free of charge;

    - Grievance procedures to ensure responsibility and accountability for employment and working conditions.

3. **Post-migration** where better procedures and practices for repatriation and reintegration in home country labour markets will take place:

    - Skill experience recognition of acquired skills and experience during the overseas assignment;

    - Repatriation programmes to facilitate re-integration back to Vietnam through;

- Promoting and supporting returning nationals to apply their overseas skills and experience as entrepreneurs;

- Job placement services for returning workers to Vietnam that recognises the experience and training enhanced skill profiles.

To develop the initiative, ManpowerGroup and MoLISA recognise that many challenges and concerns need to be considered. For this reason, as first step it is proposed to approach city authorities with an interest and concern for ensuring that the right skills are available and that jobs can be filled in their municipalities.

The Borderless Talent Solution is ManpowerGroup's platform to make the DoLAB/ManpowerGroup cooperation on labour migration operational. One of the main tenets of the project is to improve the integration of the recruitment process in Vietnam and the employment process in the host country. By making use of this operation platform cooperation aims to:

- Share information about global employment markets as well as the candidates for overseas employment;

- Improve profiling of qualification and skill requirements of overseas job opportunities;

- Improve candidate assessment and selection practices;

- Identify skill gaps target pre-employment training to host country practices and job requirements

Personal and Informal Skill Matching

The final mode of recruitment or Skill Matching is that of personal and informal network systems. This mode is based on family, friends and other community members who mediate the out migration, channel information, provide resources and arrange legal papers. These networks in the supply country – Indians who have already migrated/migrated before - help the intending emigrant, essentially becoming a recruiter.

The personal and informal networks have foundations not only in the supply country but also in the demand country as well. Those who have already established their foothold in Europe come to the assistance of intending emigrants who cross the national boundaries of the receiving countries as 'tourist' or as 'business personnel' in search of job opportunities.

In understanding how different migrants use networks available to them due to their familial, cultural or geographical backgrounds to get an initial footing in a foreign land, Poros[35] examined migrant mobilization in Southern Europe and identified four ideal types of migration routes that migrants generally use as modes of developing networks and ties. Three of the four ideal types include: Chains, Recruits and Trustees and are relevant for Indian migrants (*Trustees* to a lesser extent[36]).

Chains are formed through interpersonal ties that control the 'process of migrant selection according to personal relations and social obligations to kin and community, not according to the formal requirements of organisations.[37]' Chains usually use the network of family, friends, and co-ethnics who are already residents of the host country. Some of them use family visas to enable migration, others avail of temporary visas such as tourist visas. There is also illegal usage of chain migration.

Recruits have organizational ties which 'lead to the migration of professionals, students and recruited low skilled labour[38]'. At times the family and friends are seen to broker the organizational

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[35] University of Delhi, 2010. Heterogeneity, Multiplicity and the Overcoming of Difference.

[36] As above.

[37] University of Delhi, 2010. Heterogeneity, Multiplicity and the Overcoming of Difference.

[38] As above.

ties between destinations. Poros notes that flows of recruited low skilled labour, which initially resemble recruited professional quickly transform into chains as 'human capital requirements' for their recruitments are less[39]. Once employers recruit some low skilled labour from a foreign country, they can lower their transaction costs by relying on those migrants to then informally recruit family, friends and community members to live and work with them. *Trustees* have composite ties, that is, interpersonal ties overlapping with organizational ties in dense multiplex networks which lead to entrepreneurial migration.

Though social network is considerable by migrants[40] to be the more dependable channel for emigration compared to recruiting agents, it too involves diverse players, both authorized and unauthorized. The level of awareness on various aspects of emigration and expatriate work among emigrants and intending emigrants is extremely low[41]. This is particularly the case for the unskilled or semi-skilled. Given the costs of using private recruiting agents, the unskilled and semi-skilled on a lower earning wage are more likely to use this personal and informal network which generally lacks the quality and effectiveness of a structure Skill Matching model.

Whilst educated professionals can get a lot of information about jobs through the internet or the company itself. The low skilled and semi-skilled lack access to information and can be totally reliant on the recruiting agent. In the absence of easily accessible information the importance of the Indian diaspora as source of information and introductions to employment opportunities is important.

Field Level Evidence on the Semi-Skilled Labour Migrant

A study[42] of recruitment processes of Indian workers to the European labour markets for employment purposes in the construction and hospitality sector (medium skilled migrants) highlights the absence of a comprehensive labour market information system in India that informs the prospective migrants about job prospects in overseas labour market including European countries.

The study reports that the prospects for migration of medium skilled labour to Europe are large, yet the current scale of labour mobility from India is still limited. Broadly, two major routes through which construction workers are emigrating to Europe are highlighted. One is project based, in which construction firms who obtain contracts either for construction projects or for supplying labour are involved in facilitating the emigration of construction labour in a group. Secondly, recruitment agencies facilitate the migration of construction labour, primarily at an individual level or in small groups of 5-10 workers on specific demands. A survey was part of the research and respondents reported that they primarily received help from recruiting agencies or their local agents.Rajan Iruday.S.,Varghese V.J., Jayakumar, M.S., 2010. Overseas Recruitment in India: Structures, Practices & Remedies.

The survey revealed that currently (2008) there weren't any labour market information system in India that informed the prospective migrants about job prospects in overseas labour markets, including EU countries. Most of the information is reported to be available at 'an 'individual' level and is too scattered to be of any relevance for policy making[43]'.

With respect to EU job opportunities in the construction sector, the prospective migrants were obtaining information through three channels. Firstly, personal and kinship networks involving friends and relatives who had migrated or returned after working in Europe were the major source of

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[39] As above.

[40] Rajan Iruday.S.,Varghese V.J., Jayakumar, M.S., 2010. Overseas Recruitment in India: Structures, Practices & Remedies.

[41] As above.

[42] International Organisation for Migration, 2008. Skill Profiling and Skill Certification in India in the Context of Promoting Migration from India to Europe.

[43] International Organisation for Migration, 2008. Skill Profiling and Skill Certification in India in the Context of Promoting Migration from India to Europe.

information. Secondly, employees working in large/medium construction firms in India tended to share with their peers information regarding job prospects in EU. Thirdly, local agents linked to the recruiting agents played a key role in transmitting information to the prospective migrants.

Local agents were reporting to play a prominent role in the recruitment process providing information to prospective migrants, arranging meetings with the recruiting agencies, and even helping migrants to obtain travel documents and visa. Their role became more crucial when the migrants originate from places far away from centres like Mumbai, Chennai or Delhi where the main recruiting agencies are based. It is interesting to note that hardly any of the respondents had resorted to advertisements in newspapers as a medium of information.

The migrant selection process is based on interviews and in some cases on specific skill tests conducted at identified construction sites which are mostly arranged by recruiting agencies. A representative of European firms is generally not present during such occasions. However, the requirements, in terms of skills and work experience, are clearly articulated in the job orders. It was also noted that there was hardly any pre-training which the selected migrants had to undergo prior to departure. It was highlighted that pre-training for a specific job is generally provided at the worksites in Europe[44].

In the hospitality context, prospective migrants obtain information about employment prospects in EU markets in a more systematic manner. Several leading national and local dailies often carry advertisements regarding job offers in the hospitality sector in the EU. Hotel management institutions are another important medium of information on job opportunities in the EU. These institutions often receive requests from overseas employers which are advertised internally among current students and alumni groups. Personal and informal networks also play a key role in transmitting information of job opportunities. It was also noted that in recent years, large and medium employees are approaching leading hotel management institutions and recruiting personnel through campus interviews.

Concluding Remarks

An exploration of the different types of drivers channeling migration of Indian labour to the EU has found that there is only one mechanism that can really be described as holistic Skill Matching, be regarded as a model that is intentional, sophisticated and leading best practice in the field and that is aiding the matching of skills and jobs from India to the EU.

This model is described in detail under the first example of commercial Skill Matching models in Chapter Three and predominately serves the high skilled and professional migrant with small provision for the semi-skilled.

The majority of the other Skill Matching mechanisms relating to India EU migration and discussed in Chapter Three do not provide the full functions that the commercial Skill Matching model seeks to offer and/or are indirect in their nature (i.e. unintentional).

The drawbacks of the intentional Commercial Skill Matching model that we describe however, is that it predominately caters for skilled migrants, implying that both semi-skilled and un/low-skilled migrants fail to benefit from such a mechanism with resulting implications as noted in more detail below.

Furthermore, whilst the model is practiced worldwide and by a range of global companies, the size of practice relative to the size of the market is small and only begins to scratch the surface in comparison to the force and size of the market driving mechanism (as well as immigration selection systems) influencing Indian labour migration to the EU.

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[44] As above.

The research finds that even where perfectly organized Skill Matching channels are not in place, the market driving and immigration selection system mechanisms have had a tendency to drive *some* of the very same dimensions that an intentional Skill Matching model comprises.

Governments globally are also actors in Skill Matching and are beginning to recognize the gap of a Skill Matching mechanism for the medium skilled migrant by taking action through the creation of mechanisms with partners such as the private sector to facilitate intentional Skill Matching. A number of examples are given, however, this work is just beginning to take momentum and substantial work remains.

Therefore, another key finding from the research is that Skill Matching for medium and low skilled Indian labour migrants is largely missing, as a result Indian labour migration to the EU overall has favoured high skilled migrants with less significant migration of those with medium skills, despite there being demand for these skills in Europe.

Appendix A. Tables, Charts and Notes from Chapter Two

Table A.1 Stock of Indian Population by Nationality in Europe[45], 2007-2009
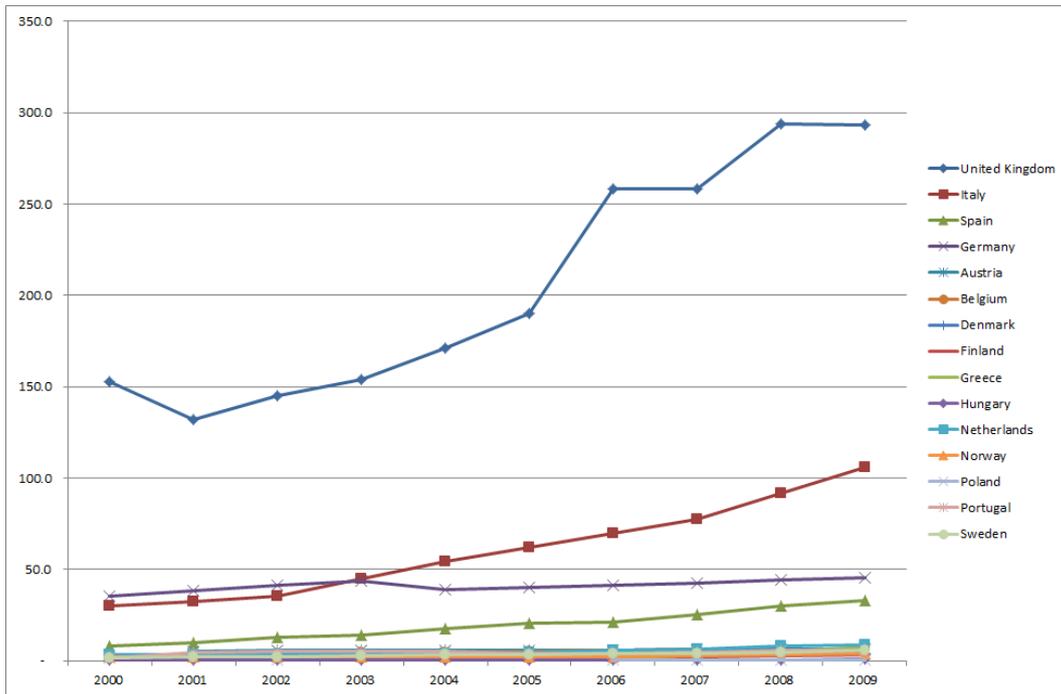
	2007	2008	2009	2007	2008	2009	Indian stock in country as a % of total stock of Indians in Europe
				Stock of Indian population as a % of total stock of foreign population in country			
United Kingdom	258,000	294,000	293,000	6.7	7.0	6.7	56.4
Italy	77,432	91,855	105,863	2.3	2.4	2.5	20.4
Germany	42,495	44,405	45,638	0.6	0.7	0.7	8.8
Spain	25,185	29,742	32,723	0.5	0.5	0.6	6.3
France	12,710	-	-	0.3			2.8
Netherlands	6,409	8,033	8,744	0.9	1.1	1.2	1.7
Greece	3,275	4,980	7,654	0.5	0.7	0.9	1.5
Belgium	6,163	-	-	0.6			1.4
Ireland	9,192[46]		-	2.0			1.3
Austria	6,075	6,195	6,332	0.7	0.7	0.7	1.2
Portugal	4,381	5,595	5,873	1.0	1.3	1.3	1.1
Sweden	3,957	4,676	5,731	0.8	0.8	1.0	1.1
Denmark	3,284	3,868	4,002	1.1	1.2	1.2	0.8
Finland	2,333	2,736	3,168	1.8	1.9	2.0	0.6
Hungary	530	533	671	0.3	0.3	0.3	0.1
Poland	201	229	288	0.3	0.4	0.6	0.1

Source: OECD International Migration Database and International Migration Outlook 2011

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[45] European countries with a stock of Indian population less than 200 are not listed. Data was unavailable for Czech Republic, Estonia, Luxembourg, Romania, Bulgaria, Lithuania, Turkey and Slovenia.
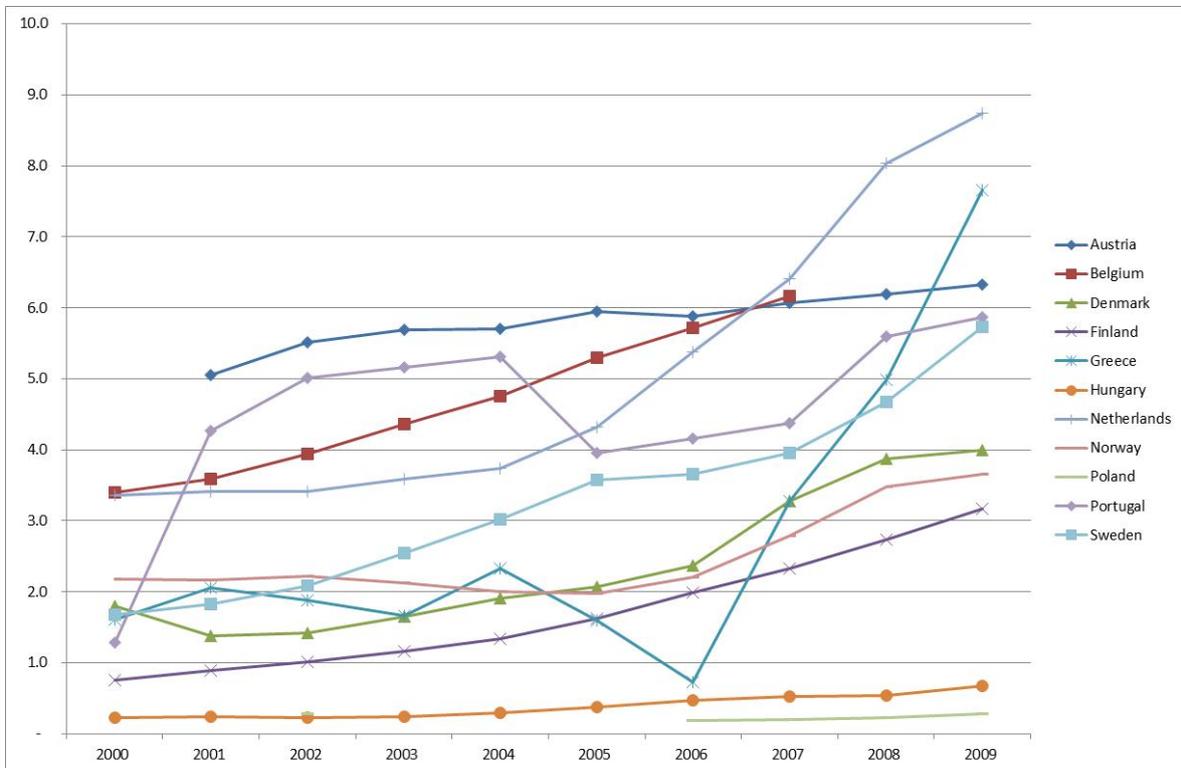
[46] 2006 data only.

Figure A.1 Stock of Indian Population (thousands) by Nationality in Europe, 2000-2009

Source: OECD International Migration Database

Figure A.2 Stock of Indian Population (thousands) in Europe by Nationality, 2000-2009

Source: OECD International Migration Database

Table A.2 Stock of Indian Labour (thousands) by Nationality in Europe[47], 2007-2009

	2007	2008	2009	% of total stock of foreign labour	Indian foreign labour stock in country as a % of total foreign labour stock of Indians in Europe		
					2007	2008	2009
United Kingdom	159,000	171,000.0	152,000.0	4.1	72.6	69.0	89.8
Italy	37,488	45,387.0	-	1.6	17.1	18.3	
Spain	10,105	10,915.0	-	0.3	4.6	4.4	
France	4,534	8,474.0	8,447.0	0.3	2.1	3.4	5.0
Greece	1,864	1,837.0	4,635.0	0.8	0.9	0.7	2.7
Austria	2,689	2,824.0	2,864.0	0.4	1.2	1.1	1.7
Czech Republic	620	848.0	651.0			0.3	0.3	0.4
Denmark	1,508	1,633.0	-	0.8	0.7	0.7	
Finland	1,070	1,253.0	-	1.0	0.5	0.5	
Hungary	-	369.0	401.0	0.4	-	0.1	0.2
Luxembourg	127	172.0	197.0	0.2	0.1	0.1	0.1
Portugal	-	2,874.0	-	0.6	-	1.2	

Source: OECD International Migration Database and International Migration Outlook 2011

**Table A.3 Inflows of Indian Workers (thousands) by Nationality into Europe[48], 2007-2009**

	2007	2008	2009	2009	% of all Indian stock in Europe		
				% of total inflows of foreign labour	2007	2008	2009
United Kingdom	36,254	31,879	24,563	46.6	63.5	56.3	64.7
Italy	6,790	8,981		6.2	11.9	15.9	
Germany	3,154	3,819	3,076	11.7	5.5	6.7	8.1
Sweden	1,446	2,211	2,008	13.8	2.5	3.9	5.3
Ireland	4,069	3,335	1,789	22.4	7.1	5.9	4.7
Denmark	104	114	1,524	22.4	0.2	0.2	4.0
Belgium	1,429	1,961	1,359	10.4	2.5	3.5	3.6
Poland	434	733	1,164	4.0	0.8	1.3	3.1
Netherlands	1,663	1,641	967	7.1	2.9	2.9	2.5
Finland	900	1,000	700	3.1	1.6	1.8	1.8
France	366	537	609	2.2	0.6	0.9	1.6
Hungary	-	411	224	0.8		0.7	0.6
Spain	483	-	-	0.5	0.8		

Source: OECD International Migration Database and International Migration Outlook 2011

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[47] European countries with a stock of Indian population less than 100 are not listed. Data was unavailable for Belgium, Estonia, Germany, Netherlands, Poland, Slovenia, Sweden, Turkey, Bulgaria, Lithuania and Romania.

[48] European countries with a stock of Indian population less than 100 are not listed. Data was not available for Czech Republic, Estonia, Greece, Luxembourg, Slovenia, Turkey, Bulgaria, Lithuania and Romania.

Figure A.3 Stock of Indian Labour (thousands) by Nationality in Europe, 2000-2009
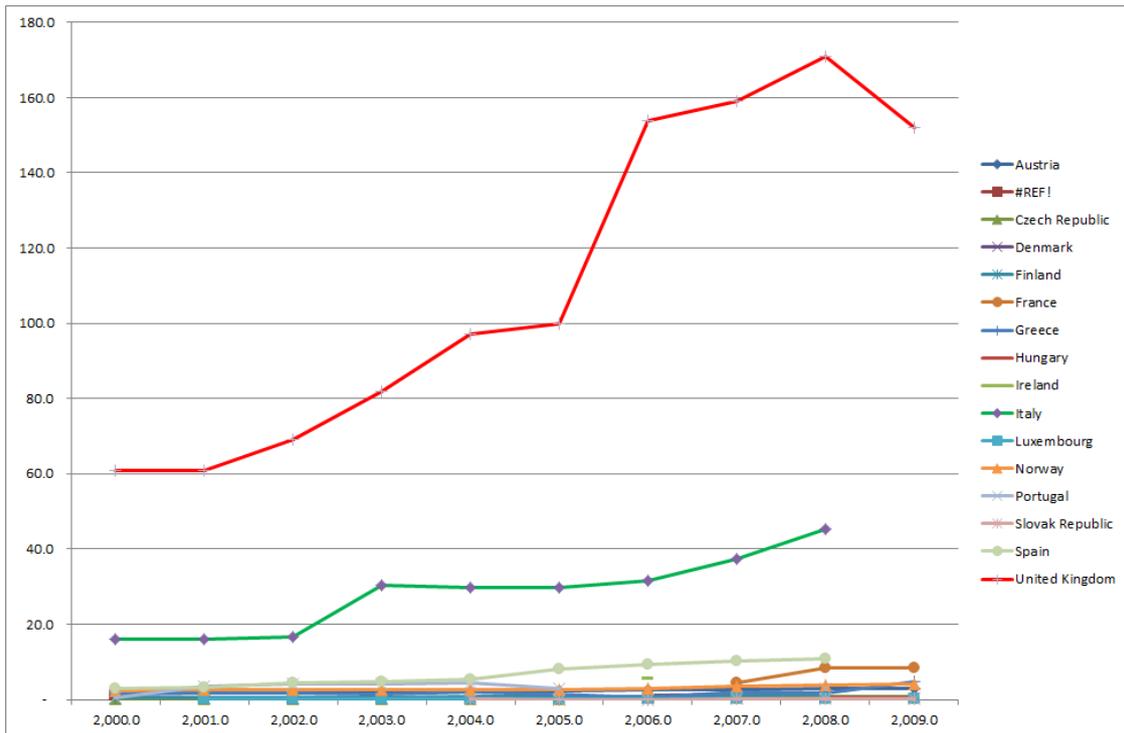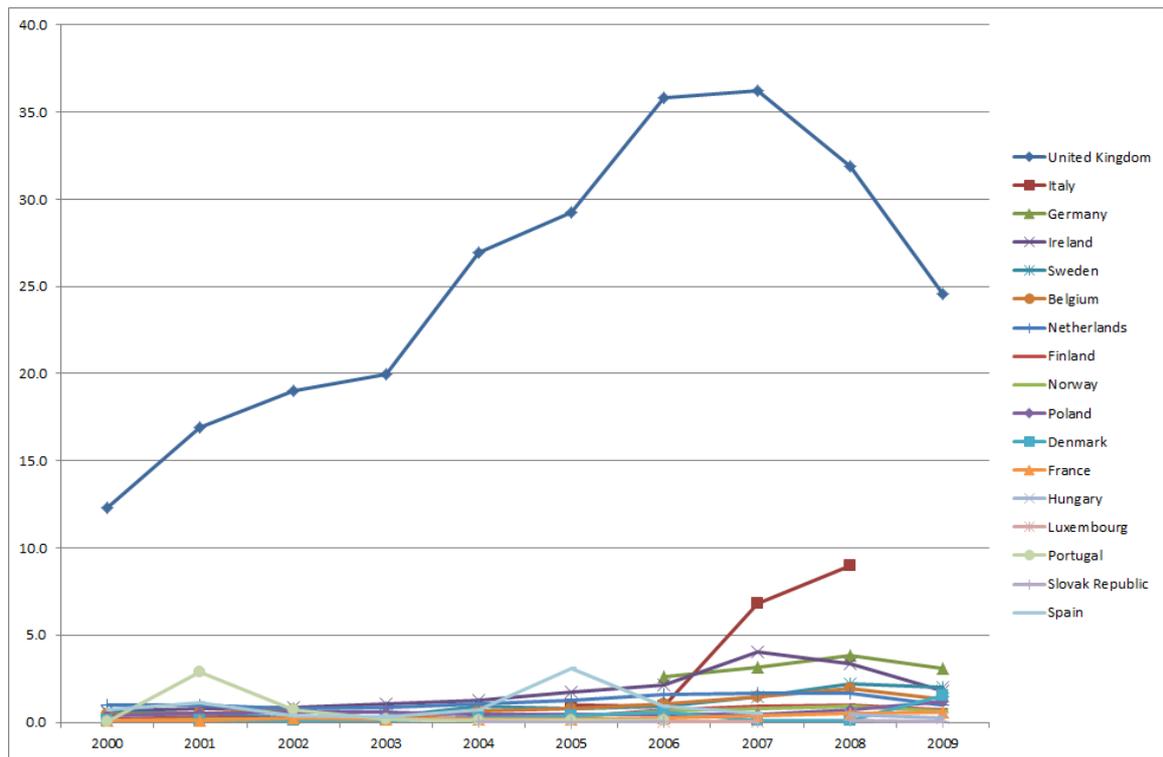

Source: OECD International Migration Database and International Migration Outlook 2011

Figure A.4 Stock of Indian Labour (thousands) by Nationality in Europe, 2000-2009
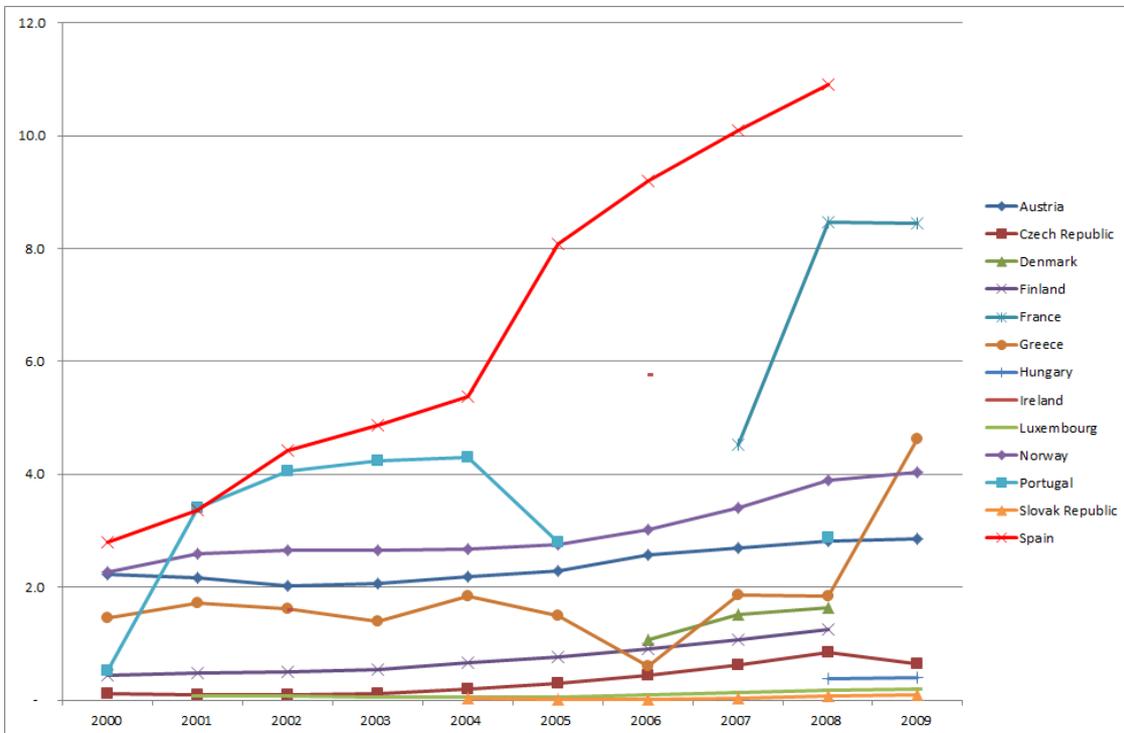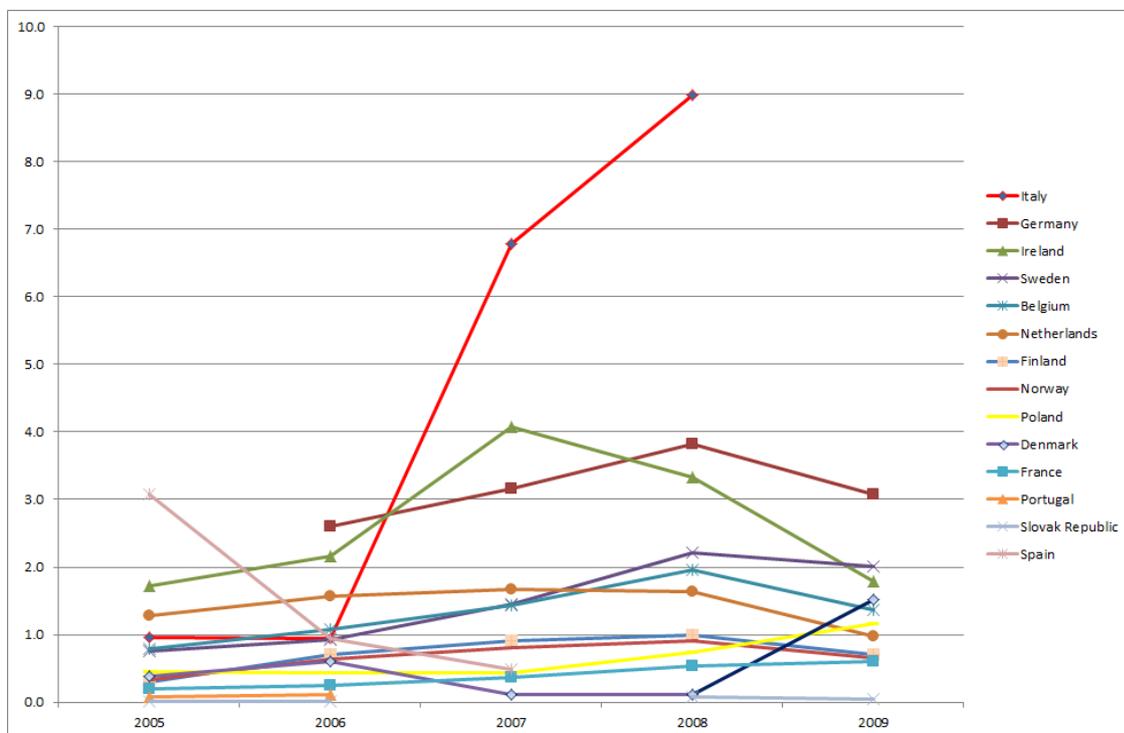

Source: OECD International Migration Database and International Migration Outlook 2011

Figure A.5 Inflows of Indian Workers (thousands) by Nationality into Europe, 2000-2009
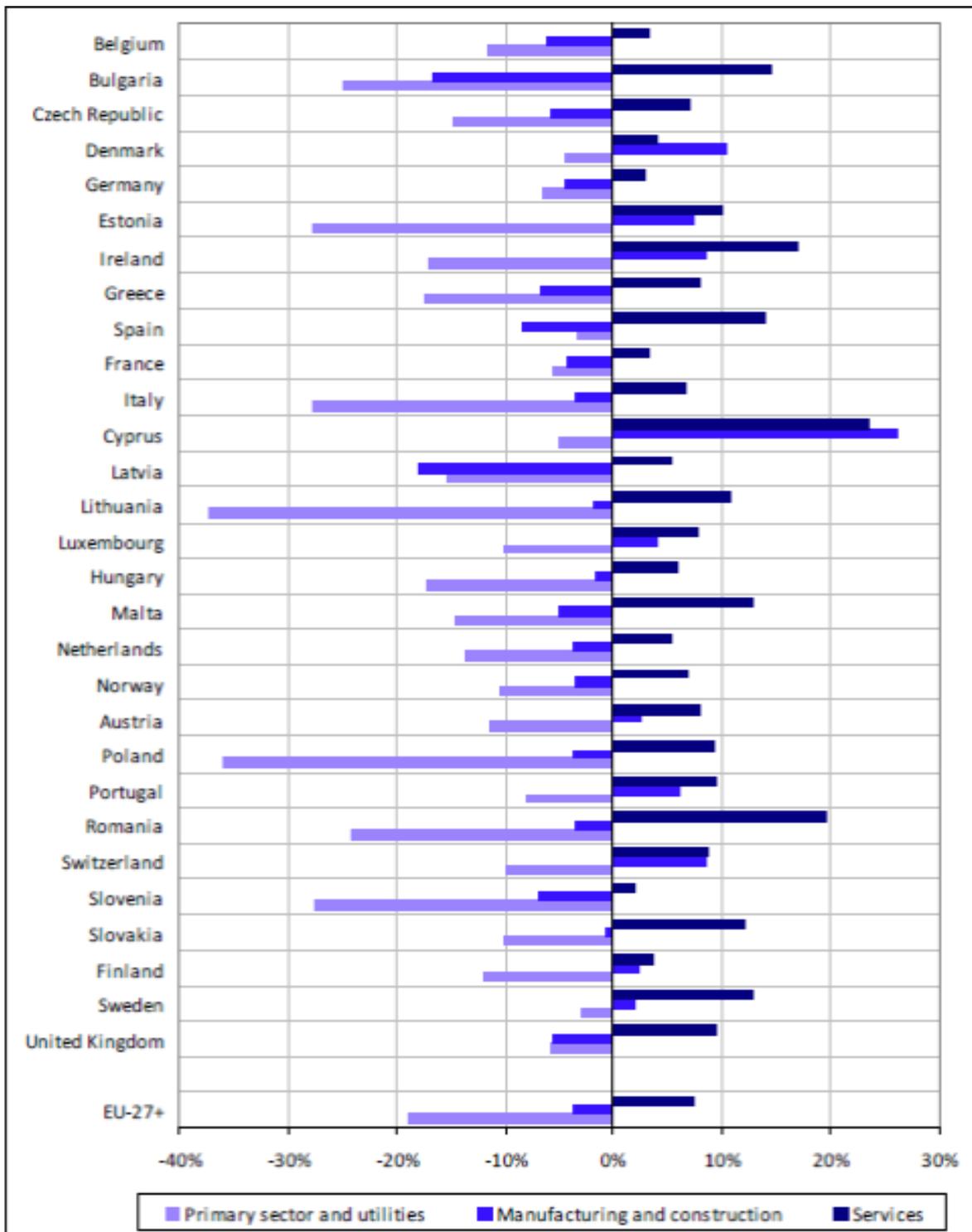

Source: OECD International Migration Database and International Migration Outlook 2011

Figure A.6 Inflows of Indian workers (thousands) by Nationality into Europe, 2000-2009

**Source**: OECD International Migration Database and International Migration Outlook 2011

Figure A.7 Projected change in employment in broad sectors by country, 2010-20 (%)

NB: Constrained estimates, numbers in employment (LFS supply based estimates).

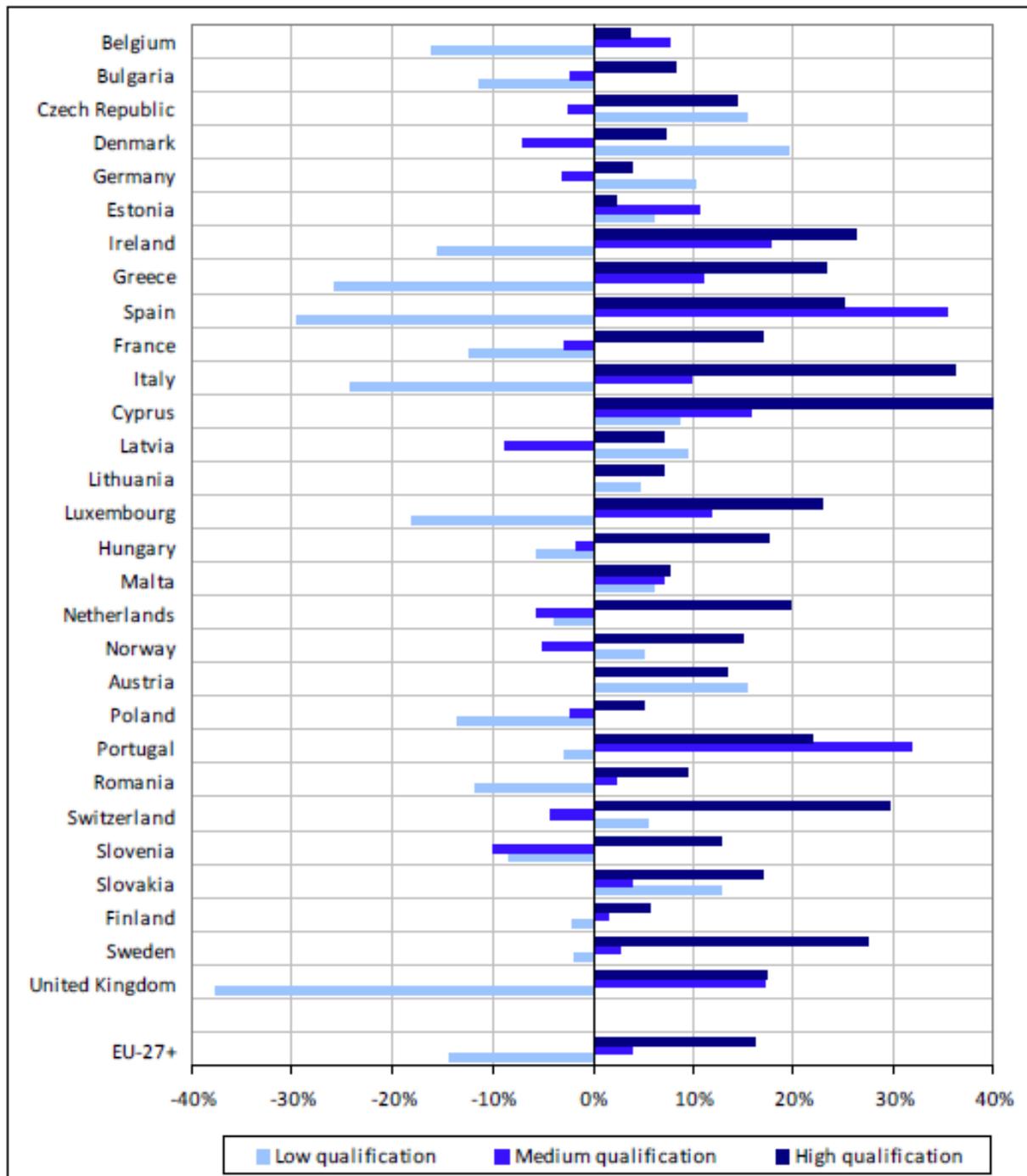**Source:** Cedefop (IER estimates based on E3HE, EDMOD and BALMOD).

Figure A.8 Projected change in occupation structure by country, 2010-20 (%)
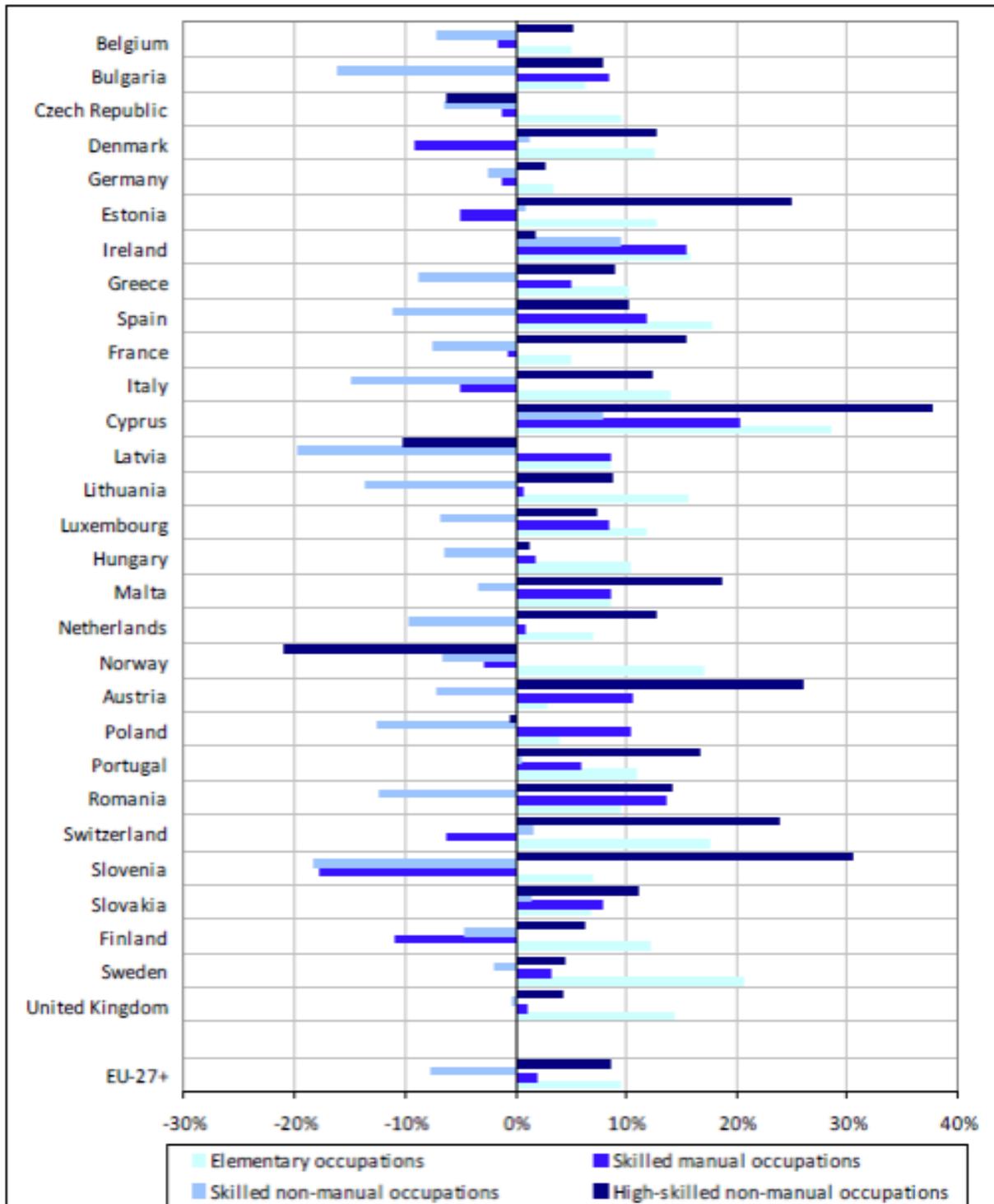
NB: Changes in employment (NA-based estimates).

Source: Cedefop (IER estimates based on E3HE, EDMOD and BALMOD).

Figure A.9 Projected change in qualification structure by country, 2010-20 (%)

NB: Changes in employment (NA-based estimates).

Source: Cedefop (IER estimates based on E3HE, EDMOD and BALMOD).

Note on OECD International Migration Database Statistics

Stock of foreign population by nationality

Most of the data published in this database are taken from the individual contributions of national correspondents appointed by the OECD Secretariat with the approval of the authorities of Member countries. Consequently, these data have not necessarily been harmonised at international level.

No data are presented on the native population, since the purpose of this database is to describe the "immigrant" population (generally the foreign born population).

Because of the great variety of sources used, different populations may be measured. In addition, the criteria for registering population and the conditions for granting residence permits, for example, vary across countries which means that measurements may differ greatly even if a theoretically unique source is being used.

In addition to the problem of the comparability of statistics, there is the difficulty of the very partial coverage of illegal migrants.

Stock of foreign labour by nationality

The international comparison of "immigrant" workers faces the difficulties already mentioned above regarding the measurement of the overall stock of immigrants as well as to the use of different concepts of employment and unemployment.

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