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

Short Research Report
Highly-Skilled Migration Series
CARIM-India RR2013/32

**Highly-Skilled Indian Migrants
in Germany**

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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/>

For more information:

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1. Policy Framework on highly-skilled workers: recent and current

From the German Green Card to the EU Blue Card

Germany started opening up its labor market to highly-skilled immigrants from non-EU countries in the year 2000 with the introduction of the “Green Card” for IT specialists. The Green Card was designed to make the German labor market more accessible and attractive for highly-skilled third-country nationals.¹ In particular, it sought to facilitate the temporary labor migration of computer engineers and other highly-skilled non-EU specialists in the field of information and communication technology (ICT) (Gottschlich 2012: 2). ICT workers from India composed with 26,9% the largest national group of Green Card holders (OECD 2001: 324).

However, the German Green Card never fulfilled its initial goal of issuing 20,000 work permits. Instead, the bursting of the IT bubble and the subsequent economic decline in the sector meant that only 14,876 Green Cards were issued between August 2000 and July 2003 (Kolb 2005). Nevertheless, the Green Card initiative is being credited for helping to pave the way for the Immigration Act of July 2004 and the enactment of the 2005 Residence Act (*Aufenthaltsgesetz*, *AufenthG*), which regulated labor migration of highly qualified individuals until the introduction of the EU Blue Card in Germany in 2012.

Germany introduced its version of the EU Blue Card on 1 August 2012, following the EU Directive 2009/50/EC. The German government hopes to not simply translate the EU Directive into national policy but to use the Blue Card as an instrument that can provide easier access to the German labor market for highly-skilled third-country nationals. Several changes to the previous Green Card and Germany’s *Aufenthaltsgesetz* have been introduced with the Blue Card. These changes ease previous restrictions to the labor market, particularly for recent university graduates.

The most significant changes that the German Blue Card has introduced are the following: First, labor market access is now granted to the Blue Card holders’ family members without requiring any proof of German language proficiency. Second, the visa for tertiary-educated jobseekers has been extended for up to six months, provided that they can secure their livelihood during that period. Third, graduates of German universities are granted an extension from 12 to 18 months to find employment. Fourth, while at university, international students are allowed to work the equivalent of 120 days full-time annually instead of only 90 full days. Fifth, as of July 2013 the new regulations also opened up employment for foreigners holding a vocational degree (OECD International Migration Outlook 2013: 254).

Defining who is “highly qualified” and “qualified”

According to the German Residence Act (Section 19) “highly qualified” refers to persons with a recognized university degree, such as a degree from a German university, a recognized degree from a foreign university or a degree from a foreign university that is comparable to a German degree. Furthermore, the German Residence Act specifies that in particular scientists with special technical expertise or prominent instructors and research associates are to be regarded as highly qualified (Section 19, Subs. 2). The term “skilled” or simply “qualified” refers to persons with a recognized professional or vocational training (BMAS/BMI: Bundesregierung 2013).

Third-country nationals with qualification comparable to a university degree and five years of professional experience in certain occupational groups can also be considered as highly qualified

¹ Third-country nationals are according to the definition of the European Migration Network (EMN) persons who are not citizens of the European Union or nationals from Norway, Iceland, Liechtenstein, and Switzerland.

according to the German Residence Act. However, this extension of the definition to third-country nationals who obtained a qualification abroad (which has to (i) be recognized in Germany and (ii) requires to be in a sector with a current labor shortage) has only been granted since 1 July 2013.² Among the 16 occupations that are currently listed as having a labor shortage are mostly technical professions in mechanics and electronics as well as professions in the healthcare sector. However, in addition to meeting the criteria for defining highly qualified third-nationals, interested third-country jobseekers require a firm offer of employment in order to obtain a residence title (OECD 2013: 11)

This trend to a more inclusive definition of highly qualified third-country nationals appears to go hand in hand with a recent initiative of the Federal Ministry of Education and Research which has signed memoranda of understanding with a number of emerging industrialized countries to promote German vocational training. Such a MoU with respect to the initiative “iMOVE” (International Marketing of Vocational Education) has also been signed with India. Furthermore, the budget for language training of foreign apprentices has further increased to 24 million EUR in 2013 (OECD 2013: 147), signaling a considerable interest and commitment of the German government to invest in the qualifications of skilled third-country nationals who might be interested in entering the German labor market.

Minimum Income Requirements

While there are no age restrictions or differentiations for Blue Card holders in Germany, there is a minimum salary requirement for most highly-skilled third-country nationals.³ In Section 19a of the German Residence Act, the Blue Card defines highly qualified third-country nationals also with regards to an annual income that corresponds to at least two-thirds of the annual income threshold for the general pension insurance (46,400 Euro in 2013). Compared to the income requirement under the previous immigration legislation, which used to be 66,000 Euro (in 2011), the German Blue Card now enables highly qualified third-country nationals with lower incomes (e.g. recent university graduates in entry positions) to participate in the German labor market.

Furthermore, in certain professions for which there exists a special demand for skilled workers, those that are on a shortage list or so-called *Positivliste* – currently MINT professions (Mathematics/ Informatics/ Natural Sciences/ Technology) or medical doctors – the minimum annual income is even lower at 52% of the annual income threshold for the general pension insurance (36,192 Euro in 2013).

Lastly, for the very highly qualified, such as researcher and scholars where “it can be assumed that a lasting integration into the German society and a non-dependence on public benefits is assured” (§19 AufenthG), there is no income threshold or labor market test. Moreover, Germany provides permanent and unlimited residence permits upon arrival to these very highly qualified third-country nationals (OECD 2013:71). However, this category of very highly qualified labor migrants has become more restrictive since the introduction of the Blue Card in August 2013, as executive staff and specialists with “specific experience” who earned a minimum annual salary of EUR 66 000 are no longer included.

² For more information, go to <http://www.make-it-in-germany.com/make-it/aktuelles/2013-08-23/> (accessed 27.08.2013).

³ As mentioned earlier, an exception is only granted to scientists with special technical expertise or prominent instructors and research associates.

Residence Permits and Language Requirements

While under the EU Blue Card only the very highly qualified receive permanent work and residence permits upon arrival in Germany, all other Blue Card holders receive a temporary renewable residence permit (OECD 2013: 69).⁴ However, after three years of continuous residence, all qualified workers are eligible for permanent work and residence permits if they have a job contract, proof of 33 months of social security payments and knowledge of the German language on an A1 level. Moreover, if Blue Card holders can prove an excellent understanding of the German language (B1 level) earlier, they are eligible to already apply for a permanent work and residence permit after 21 months of social security payments.

Spouses or family members may receive residence permits regardless of their knowledge of German. Before the introduction of the EU Blue Card, spouses of third nationals had to prove basic German language skills prior to admission (Triebel and Klindworth 2012: 7). Easing the restrictions of language qualifications for family members helps to improve the chances of family reunification and makes the German labor market more attractive for third-country nationals with families and particularly for those who plan to work in Germany only temporarily.

Family Reunifications and Access to the Labor Market for Partners

The Blue Card in Germany allows for family reunification. The requirements for admission and residence of foreign family members of third nationals are also regulated in the German Residence Act. Here, family members are understood to be only members of the so-called nuclear family. The nuclear family includes the sponsor's spouse, registered life partner as well as minor, unmarried children. Other family members are generally only admitted in order to prevent an exceptional hardship (Triebel and Klindworth 2012: 6-7). Immediate relatives of Blue Card holders are also able to work without delay and limits in Germany since August 2012.

Provisions for Healthcare Professionals

Currently, Germany has identified a shortage of healthcare professionals and in particular a shortage of medical doctors. Therefore, third-country healthcare professionals with a university degree and a minimum salary of 35,000 EUR per year (gross) are eligible for the Blue Card. However, skilled employees for nursing or care of the elderly especially from countries that the World Health Organization has categorized as facing a "health crisis" because of a human resource shortage, such as India, are prohibited from obtaining a work permit in Germany.⁵ Thus, Germany has not proposed or signed any MoU (Memorandum of Understanding) or bilateral agreement with India for the recruitment of healthcare professionals.

Intra-company Transfers

One of the objectives of the EU Blue Card is to facilitate intra-company employee transfers. The approval of an intended employment has to be granted by the Federal Employment Agency (*Zentralstelle für Arbeitsvermittlung* or "ZAV") for intra-company transfers and executives but no labor market check is required, which usually speeds up the visa process considerably (OECD 2013: 73). However, for an intra-company transfer, it is required that the applicants are permanent employees of the company and that they are in possession of a university diploma or similar education (a minimum of five years employment with the company).

⁴ Prior to the introduction of the EU Blue Card in Germany, highly skilled specialists who met the existing salary threshold received a permanent residence permit.

⁵ To view a complete list of the countries that are listed as experiencing a human resources for health crisis by the World Health Organisation (WHO), see http://www.make-it-in-germany.com/fileadmin/user_upload/download/Positivliste_dt.pdf (accessed 27.08.2013)

Owners of the EU Blue Card have the right, after having stayed in Germany for 18 months, to move to another country of the EU. If a third-country national has already stayed in another EU-member state with the EU Blue Card, this time will be considered when the immigrant applies for the permanent right of residence in Germany.

Labor Market Tests

The legislative changes made for the German Blue Card improved the entry conditions for many skilled third-country nationals by exempting most applicants from a labor market test (OECD 2013: 61). A labor market test still remains in place for lesser-paying highly-skilled jobs that are not in shortage and for highly educated immigrants from abroad with little relevant experience (OECD 2013: 68). The same is true for foreigners who have completed the German apprenticeship system and who are now able to apply for a work permit (OECD 2013: 27). However, in these cases, if the Federal Employment Agency fails to respond within two weeks, the Blue Card approval is granted automatically (OECD International Migration Outlook 2013: 254).

In general, Blue Card applicants must provide proof of their qualifications and special knowledge, which may require some effort on the part of the employee or sponsor (OECD 2013: 69). In order to support the assessment of foreign qualifications, the German government has also passed a new Federal “Law to improve the assessment and recognition of foreign professional qualifications” in April 2012.⁶

2. Policy Impact on the Recruitment of both Highly-skilled Labor in general and Indian highly-skilled workers in particular

According to the Federal Ministry of the Interior, 8,879 Blue Cards have been issued between August 2012 and the end of June 2013. Approximately 70% of those Blue Cards were issued to third-country nationals who had already resided in Germany previously. Most of those Blue Cards recipients had graduated from a German university. Only 2,536 Blue Cards (28,6%) were issued to new third-country nationals, most of whom were from India (1,971), China (775) or Russian (597) (BMI 2013).

It appears that the trend to recruit highly qualified jobseekers from India, which started with the Green Card in 2000, has continued to exist in Germany also after the EU Blue Card was introduced in 2012. Previously, more than 5,400 work permissions out of the approximately 17,000 Green Cards that Germany issued until 31 December 2004 had been granted to Indian professionals despite the considerably higher salary threshold of at least 51,000 EUR (Gottschlich 2012: 6).

The latest annual statistics for third-country nationals employed in Germany are from 2012 – the year when the Blue Card was introduced. In 2012, a total of 22,695 foreign nationals entered Germany for qualified employment (under Section 18, Subs. 4 German Residence Act). Table 1 shows the number of foreigners who entered Germany for employment broken down by country of origin and year from 2009 to 2012. We can see that the majority of those entering for employment were from India. The table also illustrates that there has been a substantial increase in the number of Indians in this category from 2,515 in 2009 to 4,067 in 2012.

⁶ In addition a new information web-portal “www.make-it-in-germany.com.” was created.

Table 1. Foreigners entering for employment under Section 18, Subs.4, Sentence 1 German Residence Act by most common nationalities (2009-2012)

Nationality	2009		2010		2011		2012	
		in %		in %		in %		in %
India	2,515	18.0	3,165	18.5	4,481	19.2	4,067	17.9
Croatia	979	7.0	1,180	6.9	2,357	10.1	2,694	11.9
China	1,721	12.3	2,232	13.0	2,692	11.6	2,654	11.7
Bosnia and Herzegovina	856	6.1	827	4.8	1,762	7.6	2,188	9.6
United States	1,810	12.9	2,208	12.9	2,515	10.8	2,142	9.4
Japan	1,091	7.8	1,438	8.4	1,658	7.1	1,490	6.6
Serbia (incl. Former Serbia and Montenegro)	334	2.4	945	5.5	1,154	5.0	1,162	5.1
Turkey	788	5.6	698	4.1	887	3.8	1,156	5.1
Russian Federation	481	3.4	552	3.2	709	3.0	584	2.6
Ukraine	309	2.2	276	1.6	297	1.3	266	1.2
Other nationalities	3,121	22.3	3,621	21.1	4,776	20.5	3,099	13.7
Total	14,005	100.0	17,142	100.0	23,288	100.0	22,695	100.0

Source: BMI/BAMF (2011, 2012, 2013); BAMF (2013a); BAMF calculations

Among highly qualified immigrants, the number of researchers who received a residence permit in Germany has risen from 64 in 2008 to 366 in 2012 (Table 2). Again, Indian scholars have become the second largest group among foreign scientists who received a residence permit. However, as previous research on highly-skilled Indian immigrants in Germany has shown, Indian researchers are still predominantly male (Gottschlich 2012: 4). Approximately 70% of all Indian researcher, who were issued a residence permit between 2008-2012, were male.

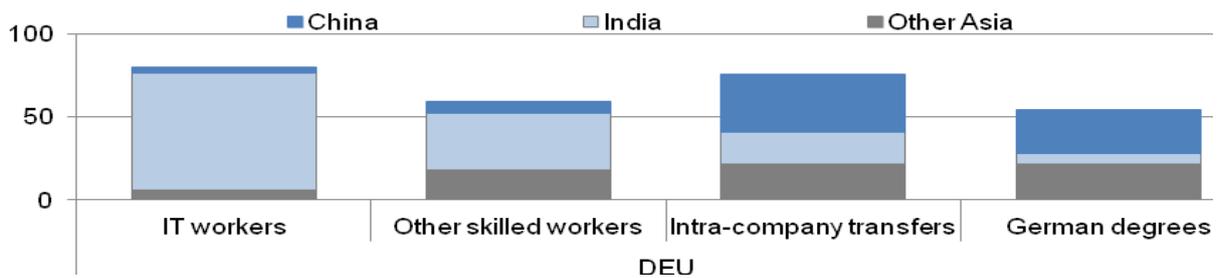
Table 2. Immigrant researchers issued a residence permit under Section 20 German Residence Act by most common nationalities (2008-2012)

Nationality	2008 entered in	2009 entered in	2010 entered in	2011 entered in	2012 entered in		
					female	female in %	
China	11	17	28	53	67	13	19.4
India	7	12	24	45	43	13	30.2
United States	5	19	26	40	38	10	26.3
Japan	-	14	11	17	26	1	3.8
Russian Federation	7	10	12	21	22	5	22.7
Other Nationalities	34	68	110	141	170	63	37.1
Total	64	140	211	317	366	105	28.7

Source: BMI/BAMF (2010, 2011, 2012, 2013); BAMF (2013a)

When comparing Indian, Chinese and other Asian skilled migrants in Germany by permit program (for the year 2010-2011), one can recognize that Indian IT workers and other skilled workers represent the majority among Asian third-country nationals (Figure 2). Yet, with regards to intra-company employee transfers Indian nationals were less often transferred to Germany than Chinese nationals. Overall, the absolute number of highly-skilled Asian immigrants is relatively low in Germany. Nevertheless, with 80% of the IT workers, 60% of other skilled workers, and 75% of intra-company transfers originating from Asia, the proportion of highly-skilled immigrants from Asia in Germany is generally higher than in other countries, (OECD 2013: 123)

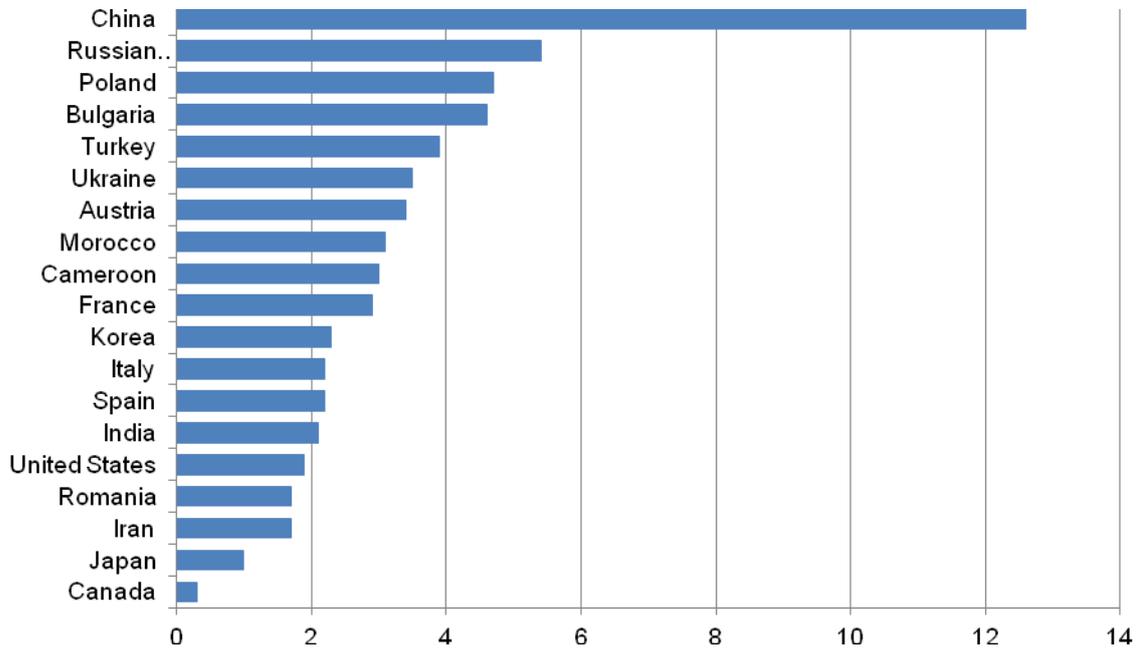
Figure 1. Nationality of skilled migrants in Germany, by permit program, 2010-11



Source: OECD (2012), “The Changing Role of Asia in International Migration”, International Migration Outlook, OECD Publishing, Paris, and data from the German Federal Employment Agency.

Figure 1 illustrates that compared to students from China, Indian students represent a substantially smaller group among those who received a German university degree in 2010-11. Moreover, Figure 2 (below) shows that Indian students only ranked 20th among the most common nationalities or about 2% of the total number of international students in Germany in 2010-11. Most of those Indian students are male. Only 420 or roughly 25.5 % of students from India who began their academic studies in the summer semester of 2009 and the winter semester 2010 were female (FOMR 2011: 263). In 2010, the total Indian student population in Germany counted approximately 3,500 (Gottschlich 2012: 5)

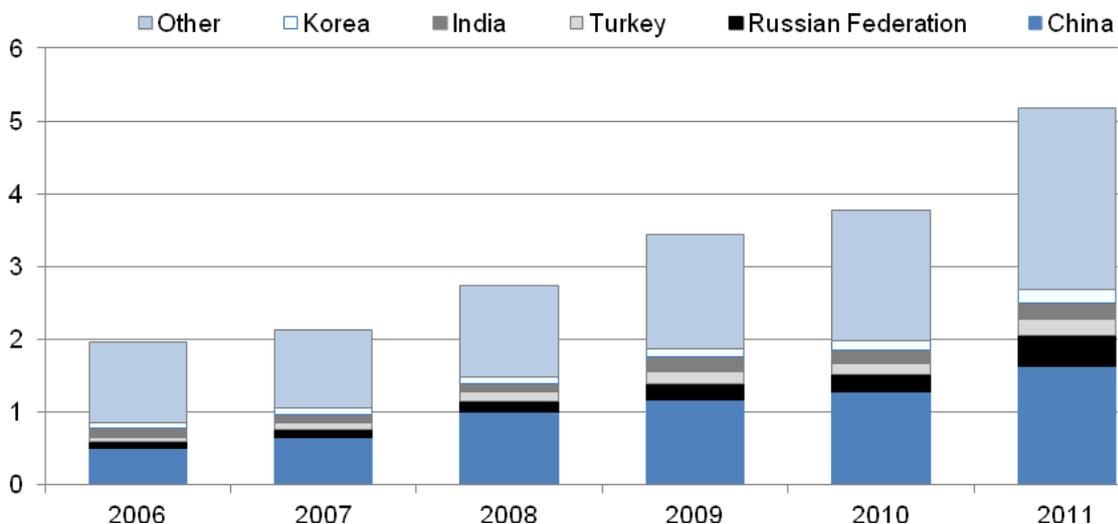
Figure 2. Distribution of international students in Germany by country of origin, 2009/10



Source: Data on Germany are provided by the Federal Statistical Office and HIS; data on the OECD are adapted from OECD (2011), Education at a Glance – OECD Indicators, OECD Publishing, Paris.

However, for students who graduate from German universities, the prospects of receiving a job-search visa have increased significantly during the period of 2006-2011. Figure 3 shows that in 2011 alone, 5,174 job-search permits for graduating international students were issued of which 224 were given to Indian nationals. The EU Blue Card has further extended the period a third-country national can stay in Germany to search for an appropriate job from 12 to 18 months. Therefore, we might find that the number of job-search permits for German university graduates will further increase in the coming years.

Figure 3. Issuance of job-search permits for graduating students, by nationality, 2006-11



Source: Central Foreigners Register (data provided by the Federal Office for Migration and Refugees), OECD Secretariat calculations.

Only one year after the enactment of the EU Blue Card in Germany, it is still too early to draw any firm conclusions about its policy impact on the recruitment of highly-skilled third-country nationals to Germany. The EU Blue Card has eased many restrictions that are of particular relevance to young third-country nationals who are just entering the job market and to those labor migrants who want to bring their partners and children. However, if preliminary results from the first year (August 2012 - August 2013) are any indication of the future developments for highly-skilled migration to Germany, we can expect the general trends of increasing migration of highly-qualified third-country nationals to continue.

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www.anerkennung-in-deutschland.de

www.make-it-in-germany.com.

Acronyms

AufenthG Aufenthaltsgesetz (Residence Act)

AZR Ausländerzentralregister (Central Foreigners Register)

BAMF Bundesamt für Migration und Flüchtlinge (Federal Office for Migration and Refugees)

BeschV Verordnung über die Zulassung von neu einreisenden Ausländern zur Ausübung einer
Beschäftigung (Employment Regulation)

EU (European Union)

ICT (Information and Communication Technology)

ZAV Zentrale Auslands- und Fachvermittlung (Central Agency for Foreign Placement)

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