

Education- an alternative to migration



National Organization for Software and Technology Professionals

Levelling the playing field -
“Education- an alternative to migration”

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The Indian Labour Market

The dynamism of Indian labour market lies in the fact that 94 per cent of it is comprised of informal sector workers. An examination of the trajectory of the India's economic growth shows that employment in the organized sector has registered a negative growth especially after the economic reforms since 1991. At the same time agricultural sector which had been contributing more than 50 per cent of GDP in 1950s is contributing only about 20 per cent currently. Today, largest share of GDP is contributed by service sector.

But the employment generation has not matched with these changes. In addition to this large part of manufacturing sector is showing jobless growth. At the same time, the significant change in the Indian economy is the skill shortage of manpower. In the context of wide spread informal economy of India, in this paper, rather than the dichotomous categories of employed vs. unemployed, we focus on the status of workers – regular, self-employed and casual – using secondary data based on National Sample Survey. A review of the literature indicates that regular employment is declining, with the exception of female workforce employment in the urban area. Interestingly, this regular employment is created in the informal sector and therefore, it is likely that women are overcrowding in the low-paid jobs. In a similar way, though there is decline of casual employment at aggregate level, proportion of female workers among self-employed and casual labourers is on rise in rural areas. There is also evidence that educated unemployment is high among the female. In this era of high economic growth in India shortage of manpower with appropriate skills, is being experienced by the fast growing sectors of economy. Making the workforce more 'employable' by adequately investing in their dynamic human capital is the challenge that the country is facing. One of the interesting features of Indian labour market is that large part of the labour force entering the labour market is the youth. And, this has been advocated by the policy makers in India as demographic dividend. According to some critiques, in order to convert this demographic dividend into economic growth, it becomes essential to invest in the quality of labour lest it becomes demographic burden.

One standard explanation for decline in employment in the organized sector is the rigidity of labour legislation. But, this explanation, however, is being challenged on two counts: First, it is only about one per cent of country's labour force which is covered by the labour laws. Second, there is least compliance of the existing labour laws by these firms. This paper, apart from looking into these aspects of the labour market it argues that mismatch between economic growth and employment opportunities may be lying at the asymmetric nature of the labour market where the supplier of the labour and demanders of labour have unequal endowments of information. The paper through its analysis of the Indian labour market and overview of emerging trends of labour flexibility, argues 'employability' as the most suitable approach for sustainable growth within the existing model of planning being pursued by the government of India.

India's economic reforms that were ushered in 1991, in line with the trends of globalization, are a significant shift from the planned approach to development. While India has registered impressive growth rates in the post-reform period, whether the benefits of growth are trickling down to the masses, is an important question to be raised. This question is critical because, if India has to sustain its growth in the global market, its labour force has to be prepared to meet the new challenges that require advanced technological knowledge and skills.

In the context of job creation, the paper addresses two key problems. First, based on secondary data it is examined whether there is a mismatch between India's economic growth and employment opportunities. Second, what are the key issues that create this mismatch and what direction could be taken to address this mismatch in the context of increasing flexible labour market. The paper also discusses the criticality of the nations need to upscale higher education and the urgency to rapidly transfer the same to the masses.

Globalisation: Context for a new labour market

India's economic reforms that were ushered in 1991, in line with the trends of globalization, are a significant shift from the planned approach to development. While India has registered impressive growth rates in the post-reform period, whether the benefits of growth are trickling down to the masses, is an important question to be raised. This question is critical because, if India has to sustain its growth in the global market, its labour force has to be prepared to meet the new challenges that require advanced technological knowledge and skills.

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Globalisation as a long historical process, spanning over centuries, and its impact on domestic economy is increasingly being experienced in recent times, with the acceleration of and restructuring of economic institutions. The issue of the impact on labour market itself is difficult to be discussed in isolation, since a variety of simultaneous developments interact with the globalization process. Improved communication and travel, technological progress, citizen movements, financial inflows between corporate and nation-states and a global market are only some important aspects which influence each other. The impact of this globalization process on employment could be seen in two different ways. First, the impact on domestic labour market, which is the subject matter of this paper. Second, international mobility for labourers is often restricted to professionals and highly skilled labourers. However, focus of the paper is restricted to impact of globalization on domestic labour market. Implications for the domestic labour market in the context of globalization are primarily due to two factors:

- Global business strategy, and
- Macro economic reforms.

First, there is an intense exchange of labour services internally among different countries (without crossing borders) for the purpose of production of commodities through investment flows and international trade. This has been facilitated through improved technology and better communications. Such a scenario generates a highly competitive climate of multiple agents leading to innovative cost cutting strategies, effects of which may be seen on the labour conditions and wage rates.

To facilitate such availability of labour force, globalisation required protective features of labour market to be removed by 'market fundamentalism' since it was a strong belief that free markets would be most efficient and optimal. Taking cues from the perspective of international division of labour, to take advantage of flexible production function by varying capital-labour ratio, translational corporations move their production to low-wage regions. In this framework of international division of labour quantity of employment is emphasized, quality of labour is not given due importance. In this context, how the quality of labour could be enhanced by treating labour as an end in itself, rather than as a means for capital arises.

Second, globalisation induced various changes in macro economic reforms, having profound impact on domestic labour markets. For instance, "a shift from the import substituting policy regime to an export promoting one involves a corresponding shift in factors of production..." An important impact of economic reforms (and trade liberalization) is favouring increased import of capital goods, which resulted in deceleration of employment, more specifically in manufacturing. **A major consequence on labour market is expansion of workforce in informal sector.** This impact on the domestic labour market in the scenario of global competition and this complexity has been succinctly summarized below:

In fact, when total factor productivity increases as a consequence of globalization, the employment-enhancing competitive effect has to be compared with the direct labour-saving effects of imported technologies... In other words, in a developing country; the final employment impact of increasing trade depends on the interaction between productivity growth and output growth both in traded-goods sectors and in non-traded sectors.

On the one hand, export may involve demand-led economic and employment growth, but – on the other hand – imports may displace previously protected domestic firms, including labour redundancy. Moreover, in the presence of supply constraints, productivity growth may exceed output growth even in the exporting sectors, to the detriment of job creation. Finally, sheltered sectors of the domestic economy [e.g. agriculture, construction] may act as labour sinks, often implying hidden unemployment and underemployment in the informal labour market. These incident labour sinks are the areas of employment which are filled by the out-of-state migrant workers (referenced in the migration sections below)

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What implications does this have for labour market? Has employment opportunities and the quality of labour been increased due to globalization?

Over the last decade and a half, the falling of barriers to international trade and investment has led to a more integrated and interdependent framework of international business. Employers today, as a result, operate in an environment that demands new and constantly developing skills to retain global competitiveness.

Although India's higher education system contributes about 350,000 engineers and 2.5 million university graduates annually to our workforce, yet at any given time about 5 million graduates remain unemployed. A survey done by McKinsey Global Institute shows multinationals find only 25 percent of Indian engineers employable and a NASSCOM report foresees shortage of 500,000 knowledge workers by 2010.

India's growing Research and Development needs require well over 10,000 PhD's and twice as many MTech degree holders, against the present alarming low of only 400 engineering PhD's a year.

In response the government has been increasing investment in education and training as a proportion of national income. However, the effort has been inadequate to address the direct needs of the corporate sector. While many employers in both public and private sector invest significantly in the development of their own workforce, they also expect that publicly funded provisions and initiatives meet their requirements.

There is a need for effective intervention to understand employer needs, variable sector specific skills, training requirements that improve business performance, articulation of business expectations in educational centers of excellence and engagement of **industry** leaders with higher education centers.

Given its mandate, **FICCI** through the platform of **Industry – Academia Convergence**, endeavors to bring together higher education institutions and employers to evolve modalities for collaboration with the aim to meet India's medium and long – term skills and business needs for the 21st century.

The falling of barriers to International trade and Investment of over a decade and half ago has allowed International corporations to look at India as a low cost labor intensive market with a vast pool of intellectual capital.

The growing job opportunities thus created by these foreign investments and the alarmingly growing skills shortages are of concern. In more recent times, especially during the last two decades, there has been an increasing awareness about the role and responsibility of education, and with it, a growing concern in many countries about the manner in which educational systems were organized and administered. The beginning of this concern was, perhaps, the transformation of education from an elitist pursuit to a mass activity. With elementary and secondary education becoming universal in most developed countries, higher education also got transformed into a mass education initiative. The Robbins Committee (Committee on University Education, UK: 1963) advocated the view that universities should respond to social demand and that they should provide for the education of all those who wished to pursue it and were eligible. Following this, university education in UK expanded rapidly; many more universities were established and a much larger proportion of students passing out from the schools got enrolled in universities. The percentage of students belonging to the age group 18 to 20+ enrolling in universities went up quickly to 17 by mid-eighties and to 32 by 1995.

According to the World Bank's World Development Indicators, 2001, the percentage of the relevant age group participating in tertiary education in the UK was 52 while it was 88 in Canada, 81 in the US, 80 in Australia, and 74 in Finland.

The High Income countries, according to the FICCI- NIMNS Report on "Bridging the Gap- Industry – Academia Convergence", had a participation ratio of 62 per cent of the relevant age group in tertiary education in 1997. The Middle Income countries, in contrast, had mere 12 percent participation though the Upper Middle Income group among them had 22 percent of the relevant age group in tertiary education. The corresponding figure for Low Income countries, which includes India, was a mere 8 percent (India's own share being 7 percent).

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At present, India has more than 15,000 colleges and just fewer than 10 million students. More than two-thirds of these colleges are classified by the University Grants Commission (UGC – the apex government regulatory body for higher education) as “Arts, Science, Commerce and Oriental Learning Colleges” Recent growth is much greater in professional colleges (especially engineering, management and medicine), as well as in private vocational courses catering especially to the IT sector. The fact that India has 1253 medical colleges but just two in public health indicates the priorities and interests that shape Indian higher education. India produces more lawyers than doctors and nearly 0.7 million students were enrolled in engineering/technology. There has been a rapid expansion in higher education, with student enrollment growing at about 5 percent annually over the past two decades. This growth is about two and a half times the population growth rate, and results from both a population bulge in lower age cohorts as well as increased demand for higher education.

It is this transformation of higher education into a mass education system that inevitably raised questions about the ways in which it was being organized and managed. In the first place, in most countries, higher education still depends on public funding. It was natural, therefore, to ask whether the taxpayers’ money was being wisely spent, whether the institution on which public money was spent were accountable to the society and the Government, and whether the resources allocated to these institutions were efficiently utilized. The search for answers to these questions naturally began to use the known management tools, and the concepts of performance, productivity, accountability, and so on, gradually, but surely, entered the field of educational administration.

Management of Education

India cannot claim to have made any significant change in its approach to the management of education even at the beginning of the new millennium. We are still stuck with the old concepts of educational administration. Our premier training institution is still the National Institute of Educational Planning and Administration. Indian Universities or Management Institutes are not known to be offering any major programmes in education management. The Centre for Advanced Study in Education of the MS University of Baroda was offering some courses in educational planning in its Master’s degree programme in education; the Indian Institute of Management at Bangalore, in its early days, offered some programmes in education management as part of its endeavor to develop a professionally trained managerial cadre for public utilities, but had to abandon the efforts in favor of the more lucrative business management programmes; and the Indian Institute of Technology at Mumbai is known to be offering an M. Phil. Programme in educational planning and development in the last few years.

In fact, in India, we have not even been talking about management of education. It was not until the formulation of the National Policy on Education in 1986 that management of education became an area of concern. This concern was expressed through an affirmation that an overhaul of the system of planning and the management of education will receive high priority. The policy went on to add that evolving long – term planning and a management perspective and its integration with the country’s developmental and manpower needs, decentralization and the creation of a spirit of autonomy for educational institutions, and establishing the principle of accountability would be the guiding principles in remodeling the management of education. In the past, we had been content with looking at the question of university management as an issue of governance.

A major concern echoed by both the **Industry** and the Academic community is that while India has stock of some 22 million graduates, including 6 million science graduates, 1.2 million with engineering degrees and 600,000 doctors, according to data compiled by The Economic Times Intelligence Group, the NASSCOM and other **industry** sources. This population is growing rapidly, with nearly 2.5 million graduates added in 2004 alone, including 25,000 doctors and nearly 600,000 science graduates and post-graduates. By way of comparison, China had more than 2 million students graduating from its universities in 2003. That included 600,000 in engineering, 200,000 in science and 100,000 in medicine.

A piece done by The New York Times indicates that only one in four engineering graduate in India is employable, based on technical skills, English fluency, and teamwork and presentation skills. It is estimated that India will face a shortage of 500,000 knowledge workers by 2010, the BPO services sector alone will need about 350,000 workers by 2010.

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The above analysis also highlights the fact that the expanding market opens up new opportunities for training and education of Indian researchers, scientists, managers and others. There continue to be exciting new subfields of engineering, including nanotechnology, biotechnology, information technology and logistics. The present generation of engineers is challenged to find solutions to population, energy, environment, food, water, terrorism, housing, and health and transportation problems. These problems require multidisciplinary knowledge, system thinking and an understanding of social issue. An example of immediate market demand is for programs specific to the pharmaceutical **industry**, such as compliance with U.S. Food and Drug Administration regulations and “current good manufacturing practices”. Demand is expanding across **industry** groups to include programs to bring Indian managers up to speed with their western counterparts on business culture, professional standards and work ethics. This includes programs to support innovation and good practices, improve businesses’ use of the workforce and their ability to apply technology.

c. Indian Models of University – **Industry** Linkages

Research is indicative of the positive impact and the spill over effects of **industry** – **academia** linkages through pronounced flow of knowledge and information between the two partners. This is believed to lead to considerable diffusion of scientific and technical knowledge, which in turn impacts economic development. According to a study sponsored by Alfred P Sloan Foundation and the National Academy of Engineering, academic research in a single discipline often contributes to more than one **industry** and conversely, a single industrial innovation is usually a result of complementary advances in many fields of research. A major challenge for the universities is keeping pace with the rapidly changing research and human resource needs of the **industry**.

However it is not only the educational institutions of higher learning but many non-governmental organizations actively advocate and promote this Industry- Academic Convergence via effective interventions that aim to align with the industry needs by setting up centers to train and nurture students in skills for specific sectors that will create a sustainable livelihood locally, thus initiating reverse migration.

The demand is already so acute that the recent TEACH INDIA Initiative by the Times of India Foundation aims to bring about the NGO’s, the employers and the teachers on a common platform to work together in harnessing the acute labor shortage and take this message to the rural masses. Via this initiative we will see a lot many linkages between these NGO’s and employers (NIL’s), much similar to the existing and growing University – Industry Linkages (UIL’s).

These NIL centers for sustainable livelihood will lead to –

- Ensuring students will adapt fast to the changes in the industry
- Build up relationships with the industry and its career advisors
- Tailors make education for the unemployed in shortage areas.
- Collaborate to develop “Learning Models” that are sector specific
- Create employment opportunities domestically
- Provide exposure to employment options outside of their communities
- Facilitate the process of entry into industries.
- Create a first generation of individuals working in non-traditional sectors of economy thus giving them alternate sources of livelihood.
- Create reverse migration from the cities inwards.

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The Business Perspective - Employment Scenario in India

India's population is 1.09 billion. Out of this, 496.4 million people (45% of population) count as its labour force. It is estimated that 14 million persons enter into Indian labour force every year. Currently the employment growth rate is estimated to be around 2.7 percent whereas the population growth rate is 1.7 percent. Even though the employment growth is more than the population growth, there is backlog of unemployed and unemployable. Hence the current growth of employment is not sufficient enough to absorb the new entrants as well as the existing unemployed and unemployable labour force.

Whether the existing labour force is efficiently used is important from two angles: First, do five year plans in India have strategies for efficient use of labour force to meet its objectives? Second, does the economic growth provide opportunities of employment for its labour force for a sustainable livelihood? As we have seen above, Indian economy is undergoing important structural change shifting from agriculture to services and industrial sectors. This is happening due to the processes of opening up the economy through globalization, privatization and modernization. Therefore, the movement from agricultural-led growth to industry and services demands technological up gradation, acquiring different sets of skills, and knowledge.

There is anecdotal evidence to suggest that human capital of India's labour force is not geared enough to be competent in the global economy. The growth rate of employment has declined in all the sectors in 1990s compared to 1980s except few sectors. While majority of the sectors - agriculture, mining and quarrying, electricity, gas and water, services - show decline in employment, sectors such as construction, trade and transport & storage report a positive growth in employment. The manufacturing sector has sustained a steady growth rate at 2-3% from 1983-2005. Transport, storage and communication has shown a positive growth rate in 1990s and slowed down in 2004-05. In terms of employment, the major share of workforce (59 percent) depends on agriculture and allied activities (agriculture, mining and quarrying) followed by services (23 percent) and industry sector (18 percent).

India's talent shortages are hitting the bottom line of business and are reflected in the increase in attrition rates of skilled manpower and wage inflation in various business verticals. This situation is compounded by the increase in demand for skilled and semi - skilled manpower in various sectors within India alone.

Recognizing the sectoral needs is essential and critical, to develop models of partnerships and to provide value to the changing employment patterns. Jobs in some sectors may contract with technological change and new patterns of consumer demand; but in other sectors, those same factors may provide new jobs. Addressing the needs of specific sectors therefore, is one way of helping employers address patterns of industrial change. To be able to identify effect of economic trends on changes in employment patterns requires a strong sector perspective.

As per a McKinsey report 73 million workers are needed by 2015 i.e. 50% more than today in the automobile and electronic sector. According to the Center for Asia Pacific Aviation, New Delhi about 3,200 additional jobs for pilots will be created by 2010 and Ma Foi Management Consultants Ltd estimate about 2.5 million jobs by 2010 in the retail sector. Other sectors that promise growth are - Biotechnology, Drugs & Pharmaceutical, IT / ITES.

These numbers are extremely encouraging taking into account the quantum of employment opportunities. However, what is disturbing is the literacy level. Tata Institute of Social Sciences, ATLMRI - Discussion paper titled "Indian Labor Market in Transition: Setting the tone for employability" shows an alarming picture. The table below analyses the educational attainment levels in Indian districts

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Average wage/Salary earning (in rupees) per day received by employees of age 15-59

	Rural	Urban
Not literate	60.42	77.34
Literate and up to secondary	91.23	105.16
Secondary and higher secondary	148.39	178.29
Diploma and Certificate	211.13	267.11
Graduate and above	253.19	344.14
All	133.18	193.73

Source: NSS 61st Round Report No 517- Status of Education and Vocational Training in India 2004-05

The educated youth unemployment is higher than the general population. It also shows youth unemployment higher in urban areas and among the female population. The table also explains that higher the education, higher the level of unemployment. The possibility of this is because the nature of education does not provide appropriate skills for the youth population which is required to meet the growing demands of the economy. The evidence shows that “country produces over 5.50 lakh engineering graduates annually, and only about one fifth are able to satisfy the skill expectations of firms and enterprises in various sectors to find immediate employment. Another two fifth settle for jobs whose profile is far below the level of skills connoted by their degrees. The remaining settle for the employment that is unrelated to their graduate training” (Business India 2007). Thus unemployment among the youth is a serious issue which needs immediate concern. This issue is also connected with the nature of education system and how appropriate this education system is to generate employable work force.

Universities and educational institutions supply enough to meet the demands of the industry but lack in experienced people, which in turn creates, an imbalance. This imbalance is critical to the growth of the specific sector; however the focus needs to be on retention and reverse migration. With the growing demands in specific sectors only justifies the needs for the UIL’s as well as the NIL’s to work in tandem with the growing needs of the employers.

There is a wider gap between the industry and academia, this creates a demand for enhanced skills that are just not met while keeping pace with the fast changing business needs of trained and experienced knowledge workers. With globalization it is important to be competitive if India needs to retain its worldwide position as a destination of Intellectual Capital. With newer emerging sectors such as IPR, International Law etc, Indian education should focus on providing expertise not merely as knowledge decimators but as knowledge creators that will allow the outward migration a healthy compete globally. India will then move away from the ‘Coolie worker’ label.

Emerging trend of temporary staffing –

Temporary staffing arrangement, which was begun in 1950s in Europe, is beginning to emerge as an important labour market mechanism in India to meet the “Labour market policies are clearly relevant in this context. In the changing economic scenario, global as well as national, labour flexibility is viewed as an essential attribute of competitiveness. All over the world efforts are being made to introduce greater flexibility while at the same time protecting the legitimate interests of labour. It must be emphasised that labour flexibility does not mean “hire and fire”. There are many aspects of our labour laws where greater flexibility is needed and would be in the interest of labour as a whole in the sense that it would actually generate larger volumes of employment in the organised sector by encouraging employers to expand employment. This flexibility is especially needed if we want to exploit the enormous opportunities offered by export markets. Other countries, especially China, have been remarkably successful in this area. It is time for India to compete. These are sensitive issues on which opinions differ. We should evolve a consensus on the scope for reforming key labour laws including especially the Industrial Disputes Act and the Contract Labour (Regulation and Abolition) Act.” flexibility demands by the firms. Temporary staffing is a tripartite arrangement involving client (the company where employees

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work), temp staffing company (the agency which links employees and client), and employees. Client pays the cost of employees and a service fee to temp staffing company, with which employees are paid. These temporary workers are employed for some specific duration and for some particular projects. The temporary workers may move to a different client for work, but continues to work through same temp company and receive salary, as specified by the client company for whom temporary workers employ their labour.

It is estimated that there are 1.2 to 1.4 lakh temporary workers in India's organised sector. Such temporary staffing arrangement provides employment for those educated persons, who would otherwise be working in informal sector. Temporary staffing companies report that about 50% of such opportunities are created in tier-two cities or semi urban areas. Some of the leading temporary staffing companies already in operation in India are: Adecco, Manpower, TeamLease, Vedior, Randstead, Kelly. It is estimated that 3-5 per cent of Indian labour force may be operating through temporary staffing arrangements in a decade. Some of the sectors where temping services are used mostly are telecom, retail, banking, and financial services, sales and marketing, back office, media, fashion industries, print and T.V. journalism, design and merchandising specialists and hospitality sector.

There are various reasons why temporary jobs are in demand. From the employee's side these are: because they could not find a permanent job, to gain work experience, temporary arrangement between different jobs (probably one of them as own business) help maximizing income, preferring temporary jobs due to the flexible schedule etc. From the perspective of employers, temporary staffing helps them to meet seasonal peak in demand, to cover holidays/ sick leave of permanent workers, to meet the needs of specialist skills required from time to time, to judge the skills of new staff those may be taken as permanent staff later on, and rarely to lower down the wage costs. The key underlining aspect of the emergence of temporary staffing arrangement is that since employers in the flexible labour market are looking for a 'skill basket' from their employees, temporary staffing companies are able to meet this demand. Such temporary jobs are qualitatively different from the traditional concept of employment, which were associated with long term service by the employee for an employer, and with various social and economic security arrangements. Though temporary staffing companies meet minimum wage requirements and other social security benefits are provided, such a tripartite arrangement in the labour market is redefining the concept decent work.

Concept of employability

Flexibility in the labour market gave rise to the shift in focus from 'employment' to 'employability'. A flexible labour market demands organizations designed on skill based systems, which adapt quickly to the new circumstances and which react to the fact that, with globalization, the nature and content of jobs and the skills required are changing at a tremendously fast pace. This mismatch between the skills that firms demand and the practical knowledge that workers bring to the workplace has led to a cycle of lack of skills (the source of the mismatch), unemployment (underemployment), and poverty. Employability is the capacity of an individual to get an employment and hold on to an employment. It is the capability of the individual to move in the labour market and realize his/her potential to earn a livelihood through sustained employment. It depends on the knowledge, skills and the attitudes that the individuals possess and the way he/she use the skills and present them to an employer. From the point of view of the individual, employability skills are the career capital that a person needs to get a job and acquire job specific skills, while on the job. From the point of view of the employers, employability skills are the generic skills, attitudes and behaviours that they require in all their employees. There are three types of employability skills which an individual or employee requires to be employable to meet the demands of the labour market.

They are basic academic skills, personal qualities and higher order skills.

- Basic academic skills are reading, writing, science, maths, oral communication and listening.
- Personal qualities are responsible, self-confidence, self-control, self-esteem, social skills, honesty, integrity, adaptability, flexibility, team spirit, cooperative, punctuality, efficiency, and good work attitude and leadership qualities.
- Higher order skills are learning, reasoning, thinking creatively, problem solving, decision making. The concept of employability focuses on the individual and his/her qualities.

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The Global Value Chain versus the Migrant Worker Issues -

The debate over migrant workforce has become global. According to Geneva-based Migrant Rights International, over 180 million people live outside the countries in which they were born. All over the world huge streams of migrants are fleeing war, repression and poverty, journeying from developing countries to the industrial ones of the so-called global north. At the same time, the industrial economies have become dependent on the work of migrants, who form a sub-class of people working in jobs with the lowest wages, least security and most dangerous conditions.

On the one hand, they seek to end the spontaneous movement of undocumented people. On the other, they seek to channel migration into programs that would deliver migrants to the corporate industry as a contracted workforce. This duality is not unique. Throughout the industrialized world, similar proposals are being made for using the huge global flow of migrants as a source of labor, while at the same time, restricting the ability of migrants to travel freely and decide for themselves where and when to live and work. Every industrialized country is experiencing the growth of political movements of the right, campaigning on platforms of ending migration, and attacking migrants themselves.

Many migrants from the poor states that arrive to the developed ones depend on remittances to finance social services, provide capital for small enterprises, and keep the lid on social discontent over poverty and joblessness. Corporations using that displaced labor have a growing interest with those governments in regulating the system that supplies it.

On a global scale, the migratory flow caused by displacement is still generally self-initiated. In other words, while people may be driven by forces beyond their control, they move at their own will and discretion, trying to find survival and economic opportunity, and to reunite with their families and create new communities in the new state they now call home. That stream of labor is not all unskilled.

Outward Migration

People movement happens at all skill levels. There is mobility not just of people with lower skills but also of highly skilled and highly educated.

“Securing the border”, a March 2007 strategy paper from the UK’s Home Office acknowledges that the country’s economy continues to benefit from globalization and that continued growth has come from International Trade and Investment and from the ability of the British business to fill gaps in the labor market that cannot be filled domestically. Engineers, teachers and other experts from abroad fill these gaps, making important contributions to the country through tax and revenue, as well as developing links with foreign countries. International students not only bring revenue in terms of tuition fees but also in terms of spending on goods and services, in countries such as the Americas. Canada has over the past decade welcomed educated migrants with flexible skills and has seen a climb in the foreign-born residents from 4.8 million or 16.6% of the total population (in 1995) to 5.7 million or 18.0 % (in 2004). –OECD Migration Outlook Edition. The developed world is set to witness an influx of over 100 million people between 2005 and 2050 (Economic Intelligence Unit Briefing – “Paper Chase: Documenting fraud in immigration process “March 2007)

Migrants move largely on the basis of temporary labor contracts though host countries have wildly different needs and problems in Immigration control. Americas, the United Kingdom, Europe, Australia, Canada, and New Zealand are preferred destinations and these host countries continue to accept migrants for permanent settlement and citizenship; while nations in the Middle East tend to permit migrants within their borders only for fixed periods.

In the United States alone, the population from India increased from 450,406 in 1990 to 1,022,552 in 2000 or by 572,146 individuals – US Census Bureau 2000 that is an increase of 127%. (These figures excludes Undocumented workers, those without valid papers for entry into the country)

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The Migration Policy Institute report states that in the year 2006 alone there were approximately 320,686 individuals on the temporary work visas in the United States.

Employment related statistics, as per the US Department of Labor report suggests that in the next 10 years there will be approximately 50 million jobs available, with a majority of them in the service sector (approximately 12.2 million). Surprisingly, 60% of these will be due to the replacement needs. Replacement needs arise as workers leave their present occupations either to return to school, transfer to other occupations and retire or return to the household responsibilities.

According to the DOL Statistics, 3 out of 10 jobs created in the US Economy will either be in Health Care or the Educational services sectors. With longer life expectancy and decreased birth rate, a wider gap of workers required to fill these job opportunities creates a further shortage of labor force

There is a great number of workers in the old age category that retired early and these will continue to increase in numbers. The slow birth rate will decrease the numbers of young workers joining the work force. According to the DOL report, the 55 to 64 age group will increase by 30.3 percent or 9.5 million individuals, more than any other group. The 35-44 age group will decrease by 5.5 percent, reflecting a slowed birth rate, while the young population aged 16 to 24 will decline by 1.1 percent over the 2006 – 2016 period. This gap will be filled by minorities and immigrants, of which Hispanics and Asians will constitute a large share of US population by 2016 and will continue to grow faster than any other racial or ethnic groups.

The three main service sectors that will create majority of employment are – Health Care, Information technology and Education

Migration to other countries is an already at alarming figures. Labor mobility is a global and wide spread trend. Governments see the economic benefits of allowing Inward migration. The challenge of smoothing immigration procedures for qualified immigrants while keeping the doors closed to less desirable entrants means many governments have been forced to put immigration and border protection at the top of their agenda.

The Outward Migration of Indian Knowledge worker is a necessary and desirable part of globalization. The three core push-pull factors for people migration according to the World Bank are –

- The wage gap between developing and the developed nations.
- Existing migrant populations in the developed nations pushing to re-unite with family and friends.
- The ageing population and the slowing growth of indigenous workforces in developed countries.

Even though the global migration is seen as a growing necessity, most countries impose restrictions prohibiting mobility of individuals of Indian origin.

The Economic Intelligence Unit briefing report ‘Paper Chase – Document fraud in the Immigration process’, states that even though host governments are in favor of allowing inward migration, the proliferation of fraudulent documentation from India is on the rise that delays the immigration – screening process. The risks posed by fraudulent documents are increasingly serious and the forged documents industry links directly to people-smuggling / human-trafficking and other organized crimes.

The India Fraud Survey 2008, a study done by KPMG acknowledges ‘India as a fraud heaven’. An example of proliferation of such fraud, First Advantage, a leading background screening firm, in its recent report states that 30 percent of all the resumes screened had discrepancies. In 2006-07, the company screened over 2 million applicants across industries.

The percentage of fraud has been increasing. In 2006 it was 16-17 per cent, for 2007 it was 30 per cent and while we are just six months into 2008 the percentage is around 30 per cent. Firms have already begun sharing the databases of job applicants that have faked information in their CV’s. IT sector is the second most affected vertical, banking sector has the

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highest discrepancies, when it comes to fudged resumes. One in every four CVs received by the IT services firm has some kind of discrepancies. And one in every six CVs in the BPO industry in fudges states the First Advantage report. The problem is not just at the fresher level, it goes up to the senior level as well. "One of the leading IT firms was hiring a practice head. But after his background check it came to light that the gentleman with over 20 years of industry experience had fake IIT certificates," says a spokesperson from a leading background screening firm in India. To tackle this problem industry body Nasscom, created the National Skills Registry, which has a candidates personal, academic and employment details and undergoes professional verifications. Education and employment discrepancies in BFSI, ITeS/BPO sectors have seen the highest increase in the past 15 months.

However, it is not just the individuals that fake fraudulent resumes or degree certificates.

According to the University Grants Commission Act 1956, the right of conferring or granting degrees shall be exercised only by a University established or incorporated by or under a Central Act, or a State Act, or an Institution deemed to be University or an institution specially empowered by an Act of the Parliament to confer or grant degrees. Thus, any institution which has not been created by an enactment of Parliament or a State Legislature or has not been granted the status of a Deemed to be University is not entitled to award a degree.

The National Assessment and Accreditation Council an autonomous institution established by the University Grants Commission (UGC) to assess and accredit institutions of higher education in the country. It is an outcome of the recommendations of the National Policy in Education (1986) that laid special emphasis on upholding the quality of higher education in India and publishes the list of accredited list of colleges and universities before the beginning of every academic year. In the August 2007 there were 19 fake universities, however at present, there are 23 fake universities in India.

Mode Four and the UN Convention on the Rights of Migrants – Managing the migrant flow

Take the example of the Mode Four and the UN Convention on the Rights of Migrants where the WTO further regulated the modes in which services are provided in the world economy, it began to propose regulating the movement of people themselves as the “providers of services” in what was called Mode 4. The Mode 4 program was originally proposed for skilled workers and executives, and included salespeople, corporate managers and specialists, foreign employees of corporate subsidiaries, and independent contractors like doctors and architects. Labor-exporting countries, however, have advocated expanding the range of jobs to include construction workers, domestic workers, and other less-skilled employment.

The economic reforms that displace communities, like privatization and the end of subsidies, are all mandated by the WTO and international trade agreements. Displacement, therefore, will continue under this scheme, while protection for workers and migrants will be voluntary and ineffective. Essentially, it will produce migrant labor on a huge scale, and give corporations and compliant governments the freedom to exploit it without regulation or limits. Today there is a significant new group of nations where the average citizen is poor, but the nation as a whole is technologically advanced and economically powerful, like China, India, Brazil, Russia and Thailand. Technical education in these countries is both cheap and advanced, thanks to the Internet and the easy movement of ethnic technocrats between the developed world and their countries of origin. There is therefore a great concern to managing the influx of migrant flow. Even though nations are securing their borders, transnational people movement is at its highest and will be even more.

The Mode 4 program was originally proposed for skilled workers and executives, and included salespeople, corporate managers and specialists, foreign employees of corporate subsidiaries, and independent contractors like doctors and architects. Labor-exporting countries, however, have advocated expanding the range of jobs to include construction workers, domestic workers, and other less-skilled employment.

As in all guest worker programs, the visas of these workers would require them to remain employed, and they would be deported if they lost their jobs. Contractors would be allowed to recruit workers in one country and sell their labor in another. The visas of these workers would all be temporary, and they would not be able to become permanent residents.

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Countries contracting for these guest workers could regulate the number admitted and establish conditions under which they could be employed.

Migrant Rights International criticized the Mode 4 proposal as The WTO opposes the regulation of any standards of employment, and says they should be regulated by the International Labor Organization instead. Over many decades, however, the ILO has been unable to establish any mandatory standards or wages, nor any enforcement mechanism to punish any countries or corporations who violate its voluntary standards.

The global immigration policy should be based on protection of the rights of migrants, rather than regulating their movement in the interest of employers. Trade and investment liberalization have eroded basic human rights. These include the right to quality public services (such as health and education), jobs at home, sustainable agriculture, indigenous knowledge, self-determination, and human security for all. These violations...have directly and indirectly driven people out of their home countries to become migrant workers abroad. The migrant worker has been dehumanized and commoditized

While this is a convenient arrangement for wealthy states, it has severe disadvantages for poorer ones. The remittances of migrant workers become the main source of income for the communities from which they come. Large corporations and industries of wealthy states get the benefit of this labor force, and workers themselves pay the cost of maintaining it.

Rather than reduce migrants to a factor of production, or a commodity to be exported and imported, migration policy must acknowledge migrants as human beings and address their dignity and human rights,

In the migrant worker debate, proponents of restricting the migrant people movement usually argue that they are only directed at undocumented (illegal) immigrants (on the international front) or to those who displace employment for the domestic workforce. But maintaining this distinction between legal and illegal status, or of job displacement has become a code for preserving inequality, a tiered system dividing people into those with rights and those without. Take for example, that alarmingly high number of over 2.2 lakh individuals of Indian origin already present in the United States without legal immigration documents. Unlike any other countries, people from India in the US, achieve undocumented visa status due to their overstaying of the visa duration, and not merely crossing the borders.

The guest worker schemes thus set up similar tiers – in effect, another form of illegality or rightlessness. Once established, growing inequality eventually affects all immigrants, including legal or permanent residents.

The effects of inequality spread beyond immigrants to citizens as well, especially in a society which has historically defined unequal status by skin color and sex.

However, with or without the temporary worker programs, migration to the U.S. and other industrial countries is a fact of life. The United States Congress for instance, is not debating the means for halting that migration because nothing can. In an economy in which immigrant labor plays such an important part, the price of stopping migration would be economic crisis.

Irrespective to the country or a domestic state, does that mean that the migration approach should be used to increasing corporate profits by supplying labor to industry at a price it wants to pay? Migrants are human beings first, and their desire for community is as strong as the need to labor.

Indigenous Migrants to the state are increasingly recognized to be a state of migrants, and of a society whose fate is intimately linked with the economy and culture of the country as a whole. This description emphasizes the movement of people in the relationship between one state and the other.

An increasing percentage of migration in the U.S. is now made up of indigenous migrants, who share culture and languages spoken long before their culture and people arrived. They overwhelmingly belong to transnational communities, retaining ties to their communities of origin, and establishing new communities as they migrate in search of work. They move back and forth through these networks, to the extent the difficult passage across border allows. This is

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a global phenomenon and not only restricted to any particular country or a state. The creation of transnational communities exists at different stages of development in the flow of migrants.

Migrants in all these places, find people who speak the same language, eat the same food, and dance the same dances. Indigenous migrants have created communities all along – in reality, a single expanding community, composed of many different settlements. Their traditions become a rich source of experience migrants draw on as they seek work, social justice, and to preserve their culture.

But for indigenous communities, migration has complicated social costs and benefits. It threatens cultural practices and indigenous languages, which become harder to preserve thousands of miles from their towns of origin.

Migration often seems, especially to the young, a more **profitable alternative to education**. It exacerbates social and economic divisions, as some families have access to remittances and others don't. But it has also become an economic necessity, and the families of those who take the migration road often do benefit, although they risk danger and debt to receive its rewards.

Inward Migration:

In reference to the Indigenous Migrants what is new “is not the emergence of cross-border social and economic networks, long a central part of the fabric of life in the states ... the significant new feature is the expansion of citizenship with the entry of first-generation north indian immigrants into public life

The desire for community is as important and necessary to survival as the need to find work, or to escape hunger and state violence. Community lies at the heart of the questions posed by migration.

"When people migrate from northern states, we already have a committee comprised of people from our home town. We are united and live near one another. We have traditions we don't lose, wherever we go." But preserving indigenous language and traditions in a transnational community is not easy.

Transnational communities created by migration face an enormous challenge. How can people maintain and recreate their identity when they become physically distant from the towns that are its source? As new generations grow up removed from their culture's point of origin, will they be willing to accept and reproduce the traditions of their parents?

This is the concept that we must participate in collective work to support our community. That understanding of mutual assistance makes it easier for us to organize ourselves. Beyond organizing and teaching our rights, we would like to save our language so that it lives and continues into the future. We want to live our culture, to ensure that it won't die. Part of this culture is participatory democracy, with roots in indigenous village life.

The survival of indigenous culture is at risk. It enforced a search for cultural identity to strengthen the ability of communities to resist, which in turn created the possibility of new forms of organization and action.

Social Change:

“The right to seek social change through the political process – a right at the heart of the meaning of citizenship – can be claimed by people who by virtue of their presence and their work are in fact a part of the political community, although they are not yet officially recognized as such.”

Residents of transnational communities don't see themselves simply as victims of an unfair system, but as actors capable of reproducing culture, of providing economic support to families in their countries or states of origin, and of seeking social justice in the country or state to which they've migrated. They have a lot to offer a larger world. But they need an opportunity to define their experience for themselves, and to propose solutions to problems that correspond to the real conditions of their lives. A sensible approach, therefore, would be to recognize and value the communities of migrants, and seek their support as desirable. This would reinforce indigenous culture and language, rather than treating them as a

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threat. At the same time, it would seek to integrate migrants into the broader community around them and give them a voice in it, rather than promoting social exclusion, isolation and segregation. It would protect the rights of migrants as part of protecting the rights of all working people.

Transnational migrants insist that they have important political and social rights, both in their communities of origin, and in their communities abroad. By excluding from the electorate those who most need social change and economic justice, the range of possible reform is restricted, not only on issues of migration, but on most economic issues that affect the class of working people. Migration policy, the political and social rights for migrants, is an integral part of a broad agenda for change that includes better wages and housing, a national healthcare system, a national jobs program, and the right to organize without fear of retaliation. Without expanding the electorate, it will be politically difficult to achieve any of it. By the same token, it's not possible to win major changes in our approach apart from a struggle for these other goals.

To end job competition, workers need legislative reforms to ebb the anti-migrant sentiments. The anti-migrant hysteria has always preached that the interests of migrants and the native born are in conflict, that one group can only gain at the expense of the other. In fact, the opposite is true. To raise wages generally the low price of migrant labor has to rise, which means that the migrant workers have to be able to organize effectively. Given half a chance, they will fight for better jobs and wages, schools and healthcare, just like anyone else. When they gain political power, the working class communities around them will benefit too. Since it's easier for migrants to organize if they have acceptance in the state of residence, a real legalization program would benefit a broad range of working people as a whole, far beyond just for migrants themselves.

On the other hand, when the government and employers use employer sanctions, enforcement and raids to stop the push for better conditions, making organizing much more difficult, unions and workers in general suffer the consequences.

That vulnerability is only increased by the social exclusion and second-class status imposed migratory worker statuses.

Removing the references and any links made to the migration status and employment is a necessary step to achieving equal rights for migrant workers, who will never have significant power if they have to leave the state or the country when they are uprooted of their jobs. Healthy migrant communities need employed workers, but they also need students, old and young people, caregivers, artists, disabled and those who don't have traditional jobs.

The global economy has turned insecurity into a virtue, praising it as necessary to increased flexibility and competitiveness. But working communities need a system that produces security, not insecurity. In evaluating proposals for reform, security, equality, organization and community should be the watchwords used by human rights activists. Proposals to deny people rights or benefits because of their migration status move away from equality. Yet most people believe in equal rights and status, even if there is often a gap between rhetoric and the concrete measures necessary to achieve them.

Ultimately, most migration in today's global economy is forced migration, a result of dislocation. Yet even in a more just world, migration will continue. We move and travel because we can – it is part of what makes us human. Curiosity and the desire to know our fellow human beings, even on the other side of the planet, makes us who we are. We admire those who speak many languages, and who can move skillfully from community to community, communicating with a broad variety of people. Today the huge global movement of people has connected families and communities over thousands of miles and many borders, creating links between people that will inevitably grow. Our policies should make that movement possible, instead of seeing everywhere the threat of terrorism. Freedom of movement is a human right.

But selling workers to overseas employers or preventing employment internally should not be the price for gaining it.

The use of neoliberal reforms and economic treaties to displace communities, to produce a global army of available and vulnerable workers, has a brutal impact on people.

The current debate should in fact seek to change the economic and political priorities of the states involved. Any long-term solution has to include "development and implementation of new economic and social policies in our home states..."

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thereby reduce migration flow". But doing no harm is not enough. Wealthy states do have the capacity and the responsibility for repairing globalization's social damage. A fund to provide rural credit (without strings to big corporations) could allow prospective migrants to raise their productivity and stay on the land. It's not so far-fetched. The fair trade movement will help many rural producers form cooperatives, to gain access to the markets of developed states at a fair price.

Beyond equality is solidarity. Workers today have been forced into a global labor market. They have a direct interest in helping workers in other geographies to organize and to raise their living standards. Working people have a great advantage in the global economy. Over 180 million people, almost all of them workers and farmers, are part of a great migrant stream, creating a human bond that connects the countries of the developed and developing world. What more natural vehicle for solidarity is there than people themselves? Who knows more about the working conditions in both geographies than someone who has worked in each place? Who can see most clearly the operation of the global economy, and who has a greater stake in changing it?

Today working people of all countries are asked to accept continuing globalization, in which capital is free to go wherever it wants. By that token migrants must have the same freedom, with rights and status equal to those of anyone else. People in Mexico, Uttar Pradesh, the U.S., Bangalore or Maharashtra and in every other country need the same things: Secure jobs at a living wage. Rights in their workplaces and communities. The freedom to travel and seek a future for their families. The borders between geographies should be common ground where they can come together, not lines to pull them apart.

Strategies for Change – Way Forward

Reforms in the Higher Education

To acquire the important human resource for successful commercialization and industrial competitiveness, various strategies have been adopted by different firms, States, or as a combined effort of both with academic institutions. These strategies range from identification of skills, shortfalls which may occur, efforts to impart required skills, and adapt existing skills by orienting to new demands. Given the huge gap between the rapidly evolving skill need of Indian businesses and those provided by our higher education system, there is a growing realization amongst the government, academic institutions and the industry, of the urgent need to bridge these skill gaps.

However only a holistic approach to **reforms in the higher education sector** as indicated below can address the issue:

A. Build Centers of Excellence

- Impart quality training to the scientific and professional pool;
- Invest in the shared facilities like "National Resource Center". Build private and Government funded time – share facilities with leading edge infrastructure & repositories of Knowledge;
- Promote Research Translation Centers in India. These centers will be useful in translation of academic research into industrial products;
- Upgrade the existing Research Centers to become Centers of Excellence/Innovation Hubs. Each institute may focus on specific areas for research;
- Ally with leading foreign institutes. International linkages should be increased to strengthen the Indian capabilities to transfer the new research & development work at national laboratories to the market.

B. Effective Industry Involvement

- Ensure participation of industry for discussion on major policy issues directly related to its concept to commercialization. Active industry executives may be nominated on the governing board of leading academic institutions.
- Hold business plan competitions jointly sponsored by industry and academia
- Renewal of research grants should be made to the academic institutions contingent on industry linkages.

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- Help academic researchers commercialize their research findings by encouraging academic institutions to interact with an industrial partner to promote their products.

Academic interaction with industry should be increased through Partnership ventures.

C. Attract Top Talents to the Faculty Pool

- Provide additional incentives to promote industrial cooperation to increase output of faculty/scientists from tier I research institutes.
- Attract high-performing Indian scientists/technocrats back to India
- Offer experts settled abroad greater autonomy in work in India by launching a “Magnet” Program
- Allow faculty to earn royalty on patents
- Place no limit on earnings from industry – funded projects
- Allow scientists to hold part-time positions in the private sector in order to have the right blend of theory and practice.

D. Initiating reform internally to ease Country Specific Immigration Workflow

Similarly, to acquire the optimum successful commercialization and industrial competitiveness, in the global movement of India’s knowledge workers in the world economy various strategies have to be adopted by different firms, States, or as a combined effort of both with the Non governmental Organizations and Industry Linkages intervention.

These strategies range from fraud detection and prevention, shortfalls which may occur could be resolved with setting standards that are enforced with e-governance, efforts must be made to verify and streamline the immigration process at the source. The National Skills Registry, an effort by NASSCOM, to maintain the databases of screened and verified employees, must be shared with credit bureaus.

Given the huge delay in immigration paperwork issued by host countries, the gap between the rapidly evolving skill need of Indian businesses and those provided by corporate employees will reduce drastically with these implementations at the grassroots level. There is a growing realization amongst the government, the academic institutions, the industry, and of the prospective as well as current employee of the urgent need to bridge these gaps in time to employment.

These will lead to easing the flow of India’s knowledge capital by -

- Simplification of the movement of software professionals by sanctioning visas within a short time.
- Reduce the documentation needs within the security framework for IT professionals.
- Avoid double taxation, and social security taxes through bilateral arrangements.
- Issue separate 'Professional Service' visa for IT professionals with minimal restriction of movement across EU.
- Issue separate visas for short term work up to 180 days.
- Some concession should be given to renowned IT companies or member of the local chambers to shorten the visa duration.(for example : IT firms that participate in the security norms and those that have overseas clients and hence need to transfer/move human resources in a short notice could be given preference)

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Appendix (I): Issues that hurt are Issues that Matter

There are also country specific immigration policies that restrict the flow of India's knowledge workers and the delays in immigration and border controls further limit the flow of outward migration to other economies.

General Issues:

- There are frequent changes in visa & work permit procedures and availability of information about it, which lead to confusion and interpretation issues.
- The procedures are becoming more strict and complicated.
- Increase in pressure from the trade unions and unemployed nationals to amend the present laws to restrict entry of software professionals from India or outsourcing to India. This is further fuelled by media.
- Most of the countries do not have a written law for non-immigration visas. This leads to lengthy & cumbersome processes including documentation.
- Interpretation and procedures differs from Consulate to Consulate.
- In case of visit to multiple countries, the application for visa requires passport and this kills time of top executives at multiple offices.
- Long processing time for work permit in most of the countries. Most countries take an average of 3 months to get the necessary approvals.
- Indian companies incur high social security costs that are not enjoyed by its employees. This also increases costs.
- Very involved legal process upon entry into most countries.

Country specific issues:

Germany: Green card scheme will expire by 31st July. There seems to be no likelihood of extending the scheme though they have promised to do so, to the Indian Government. General work permits take a long time to be issued.

UK: Pressure to restrict the deployment of people at client site on ICT (Intra company work permits). Increased scrutiny of applications and increased cycle time

Netherlands: Attestation and legalization of birth certificates and marriage certificates takes a long time. This is one of the requirements for work permits. Work permits processing takes a minimum of 3 months. Business visa is restricted for 2 weeks period only. Direct faxing of Invitation letter to the Embassy is required.

Austria: Attestation and legalization of birth certificates and marriage certificates are taking a long time. This is one of the requirements for work permits.

Spain: Work permits take a very long time, ranging from 6 months to 9 months. Legalization of documents is time consuming.

Ireland/Finland/ Italy: Family re-unions take longer time and require resident permits. This becomes an issue at the time of posting married people for long-term projects. Need for simplification of visa/immigration/permit related procedures.