

India and Germany: Boosting Labour Mobility

CII-KAS Webinar Proceedings

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Introduction

Germany and India have shared a long-standing relationship with shared values and complementarities.

Today the European Union (EU) is one of the most popular destinations for present day migration, having witnessed tremendous migration over the past few years. However, EU is faced with severe skill shortages that may impede the region's growth and development. Germany, particularly is estimated to take a hit of US\$ 85 billion as labour shortages intensify and will have to make up for a deficit of up to 5 million qualified professionals.

India, on the other hand is endowed with a young and talented workforce, with more than 54% of the Indian population, below the age of 25. However, there is a dearth of suitable jobs in India, with almost 1 million workers entering the workforce every month. However, the talent rich and well-educated Indian workforce and India's rich demographic dividend can be leveraged across diverse sectors of Germany.

Thus, Germany and India are a perfect match when it comes to labour mobility, as there is significant demand from both sides. Both countries therefore can join hands in the field of labour mobility and mutually benefit by enhancing further cooperation in this area.

Given this backdrop, The Confederation of Indian Industry (CII) and the India Office of the Konrad-Adenauer-Stiftung (KAS) jointly organized the webinar on "India and Germany: Boosting Labour Mobility" on 19 October 2022, with the objective of exploring further avenues to enhance labour mobility between the two countries.

Key Takeaways

- There is an increased shortage of skilled professionals across the world. Skill constraints facing the EU can impede its growth and development. It is estimated that Germany is looking at US\$ 85 billion hit as labour shortages intensify.
- Indian workers endowed with requisite skills have the capacity to meet demand across diverse areas. India's demographic dividend can be leveraged across sectors in Germany, paving the way for mutual prosperity between the nations.
- With EU being one of the most popular destinations for present day migration and India possessing a large demographic dividend, immense potential exists between India and Germany to enhance cooperation in the field of labour mobility.
- Many complementarities exist between India and Germany in sectors including IT, healthcare, manufacturing, etc., and India can benefit from Germany in this regard.
- Global labour mobility is a critical component and migration and mobility arrangements with various countries will play a critical role in promoting labour mobility.
- The Comprehensive Migration and Mobility Partnership signed by India and Germany in May 2022 is a welcome initiative, as it is aimed at enhancing the mutual mobility of students, professionals and researchers between India and Germany.
- Skill partnerships will be crucial to enhance labour mobility and must become a public-private endeavour. Skill development is a key priority area for the Government of India.

Suggestions

- All stakeholders including governments, industry, international bodies such as ILO, non-government institutions must be involved to step up skilling and skill partnerships through a 360-degree approach.
- Vocational training programmes would be required to enhance qualifications to strengthen the workforce. Recognition of vocational training and university degrees should be key focus areas. Necessary language training through institutes must also be imparted.

- Close contacts on both Indian and German sides and greater people to people ties are required for promoting greater labour mobility.
- Germany needs to ensure that the visa application process is streamlined, and the qualification agreements work efficiently.
- Important to map sectors where Indian skilled workers can contribute in Germany. It is also crucial to bridge gaps and work on a roadmap to address hurdles to ensure that the process of migration can happen smoothly.
- Creating awareness in India about the various opportunities in Germany, tie-ups with top Indian universities and institutes, and training people in India before they move to Germany are also important for facilitating greater mobility between the two sides.

Dr. Adrian Haack

Director - India Office, Konrad-Adenauer-Stiftung e.V.



Dr. disc. pol. Adrian Haack is Director of the Konrad Adenauer Foundation (KAS) in New Delhi.

Dr. Haack studied political science in Hanover and Warsaw and received his doctorate from University of Göttingen. He was supported by a scholarship and published a book on the European Union.

Dr. Haack has served in a battle tank unit in the First Division and is an officer in the Navy reserve forces. In the CDU, Dr. Haack was involved since the age of seventeen. In CDU's youth branch and the party itself, he held numerous positions: He was the youngest member of the CDU executive board at state level and election candidate in 2021. Since 2015 he worked for the parliamentary group in the fields of free trade and security policy. Most recently, he headed the CDU General Secretary's Bundestag staff for three years.

Opening Remarks by Dr. Adrian Haack

Dr. Haack underlined the importance of labour mobility for both India and Germany. He stated that while the EU is one of the most popular destinations for present day migration, it needs labour force to keep the economy growing. While there has been large scale migration from the Middle East, Africa and parts of Central Asia in the last few years, it is not so well integrated with the labour markets.

On the other hand, the Indian economy has a young, educated, and talented workforce. As per recent numbers, about 172,000 Indians live in Germany presently and 58% of them are employed as specialists in expert areas, which typically require a universal

degree or an advanced training qualification. At the same time, approximately 30,000 Indians are registered in German Universities.

Dr. Haack further mentioned that while the Indian population within Germany is still quite small, it is highly integrated into the labour markets. Thus, it is important to explore ways to improve labour mobility between the two sides and strengthen Indo-German cooperation further, in this area.

Mr. Anurag Bhushan

Joint Secretary – Overseas Indian Affairs,
Ministry of External Affairs, Government of India



Anurag Bhushan is a career diplomat born in the Indian State of Uttar Pradesh. Since joining the Indian Foreign Service in 1995, he has served in several countries including Japan, Bangladesh & Germany. He was also Regional Passport Officer in Delhi from 2010 to 2013. Thereafter he served as Consul General of India to Dubai from 2013 to 2017 before joining headquarters as Joint Secretary, ASEAN Multilateral Division. He served as High Commissioner of India to Malawi from July 2019 till February 2021. Post his foreign assignment, he served as Joint Secretary (DPA-III) from March till December, 2021. Currently, he is serving as Joint Secretary (OIA-I) at Ministry of External Affairs.

Keynote Address by Mr. Anurag Bhushan

Mr. Bhushan stated that labour has become more mobile internationally over the past few years, despite the recent pandemic, which significantly impacted labour mobility across the world. He mentioned that advances in technology have ensured more and more people migrate internationally. Therefore, it is important to implement appropriate measures that ensure people move in a transparent, secure and safe manner, Mr. Bhushan emphasized.

Mr. Bhushan stressed that skills and cutting-edge technology, along with skill partnerships will become an imperative in the new dynamic era, which will help the youth to acquire requisite skills and join the workforce of the future. He also underscored that technical skills would become more important with increasing technology trends such as AI, Big Data, Robotics etc. Information and Communication Technology (ICT) skills will also become increasingly relevant as they contribute to

scientific research and development. With technology playing a pervasive role in almost all sectors, including medicine and healthcare, these skills will play a key role as global markets become more and more integrated, Mr. Bhushan observed.

As a large country with a young and talented workforce, India looks forward to a burgeoning cooperation with Germany and further integration of labour markets of both sides, Mr. Bhushan stated. With many complementarities, India and Germany has immense potential in furthering cooperation in the field of labour mobility, he asserted.

Mr. Bhushan suggested that skills partnerships should become a public private endeavour. All stakeholders including the governments, industry associations, non-governmental organizations and international bodies such as ILO, must be involved in this process through a 360-degree approach. He also emphasised the important roles played by industry bodies such as CII and KAS and the Government, who are working together to make India the 'Skill Capital of the world'. In this context, he mentioned that skilling and migration governance should ensure that more and more migration takes place between the two sides.

The Government of India has recently concluded an agreement with Portugal on recruitment of Indian citizens to work in Portugal. India also has a Migration and Mobility Partnership with France. India and Japan signed an agreement for boosting labour mobility. India and Germany signed the Comprehensive Migration and Mobility Partnership in May 2022, which is aimed at enhancing the mutual mobility of students, professionals and researchers between India and Germany. These agreements will help in building a skill ecosystem in India and help strengthen partnerships, Mr. Bhushan stated.

Ms. Soumya M

Head - HR Central Europe, Tata Consultancy Services (TCS)



Soumya is an established HR practitioner and Employee Experience Architect specializing in building the human capital capability to drive growth, innovation, and continuous improvement of organization. In her current role, she heads the Immigration, Talent Engagement, Employee Integration & CSR for TCS Central Europe. In her prior role she was the HR Head for Manufacturing Auto Business Unit.

Soumya has 20 years of HR functional experience in Talent Management, Diversity & Inclusion, Leadership Development, Talent Analytics, Talent Engagement and Talent Acquisition. In addition, she is an agile practitioner, design influencer and TBEM assessor. She is certified in Employment Laws – India and People Analytics. She has been an external speaker in NHRD, CII, diversity forums and has a few paper publications to her credit. She is a keen communicator, with the ability to relate to people across all hierarchical levels in the organization. She is a fitness enthusiast, a cyclist, a marathon runner and also loves to sketch and paint.

Soumya holds a Master's in Business Administration specializing in HR & Marketing from Osmania University, Hyderabad – India.

Address by the Session Chair, Ms. Soumya M

Ms. Soumya noted that there is an increased shortage of skilled professionals across the world and that skill constraints facing the EU can impede the region's growth and development.

On the other hand, Indian workers endowed with requisite skills have the capacity to meet the growing demand across diverse areas. With India possessing abundant and skilled manpower in areas such as healthcare, nursing, education, IT/ITES, hospitality and construction sectors, India's demographic dividend can be leveraged to meet the requirements of industry in Germany across sectors, Ms. Soumya observed.

With EU facing significant skill gaps and India's well trained and talented young workforce, there is scope for further cooperation between India and Germany in the field of labour mobility, which in turn will enhance mutual prosperity between both sides, she added.

Ms. Soumya stressed on the importance of vocational training in this context, which enhances quality and strengthens the workforce. She also remarked that many countries do not always accept foreign acquired certifications or qualifications, leading to a mismatch in the supply and demand of experts across the national borders. Therefore, it is necessary to organize regular development-oriented migrations for vocational training and labour, through supra-regional partnerships, she added.

Ms. Soumya noted that there is a high demand for well-trained employees in almost all sectors of Germany, especially for specialists, IT professionals, engineers, and medical professionals. Since the pandemic, there is an increased demand for professionals in sectors such as hotels and restaurants as well as logistics. With a working population of 400.7 million and a thriving education sector, India can supply certified skilled workers to Germany, she stated.

Ms. Soumya mentioned that the German Government has approved a New Skilled Labour Strategy that includes measures that helps companies and businesses attract and retain skilled workers in the face of growing challenges related to climate action and energy transition. The German Government aims to further modernize the Immigration Act as part of the new Skilled Labour Strategy, which include plans for facilitating recognition of professional qualifications, vocational education and further training, she stated.

In this context, Ms. Soumya also added that focus of the 6th Indo-German Inter Governmental Consultations (IGC) was on the Indo-German Mobility and Immigration Agreement. Both sides welcomed the finalization of the negotiations of the bilateral agreement between Germany and India on a Comprehensive Migration and Mobility Partnership. The discussions highlighted the importance of the agreement in facilitating two-way mobility of students, professionals and researchers as well as addressing the challenges of illegal migration, she added.

Under the TITP (Technical Intern Training Programme), CII is the first sending organization nominated by the Government of India, Ms. Soumya noted. She also highlighted the significant contribution made by CII in training individuals across the years, under the TITP programme.

It is important to identify the right opportunities, for both skilled and low skilled workers in Germany, observed Ms. Soumya. Building the right skills at the right time along with certification programmes and innovative learning methods are also important requirements. The importance of selecting the right talent will encourage greater global labour mobility, she added.

Dr. Steffen Norbert Koch

Minister, Head of Department for Economic and Global Affairs,
Embassy of the Federal Republic of Germany



Dr. Koch, after having completed his doctorate from University of Stuttgart/Germany, Dr. Koch served in important positions in the Federal Foreign Offices and Missions in different countries and headed the Department of Economic Affairs, in the German Embassies in Singapore & Madrid. He is currently serving as Head of Department for Economic & Global Affairs, German Embassy, New Delhi.

Remarks by Dr. Steffen Norbert Koch

Dr. Koch noted that the lack of qualified employees is adversely affecting Germany's GDP and that Germany will have to make up for a deficit of up to 5 million qualified professionals.

While the German workforce is shrinking, the Indian population is growing with almost 1 million people entering the workforce every month. However, there is a dearth of suitable jobs in India, Dr. Koch stated. Therefore, the focus of experts and policymakers must be on the critical question of how to meet demand from both sides, he added.

Dr. Koch mentioned that more than half the demand in Germany is in the social and health sectors. However, other fields including energy transition and information technology also have high demand for skilled labour.

In this context, Dr. Koch stressed on the importance of providing sufficient support for fast approvals for applications for employment agencies as well as quicker approvals of resident permits on Germany's part.

Dr. Koch also emphasized that the recognition of vocational training and university degrees should be key focus areas. Closing scientific knowledge gaps is also important and in this regard, associations between industry and universities between both countries will play an important role.

Necessary language training is also critical and Institutes in India are present across cities, including in Delhi, Hyderabad, Trivandrum etc. through which training can be imparted, noted Dr. Koch.

Dr. Koch also mentioned that transfer programmes work quite successfully and needs to be expanded. Issues including standard setting, housing and settling also need to be resolved for enhancing greater mobility, he added further.

Dr Mario Voigt

Leader of the Christian Democratic Union (CDU) in the State Parliament
(Landtag) of Thuringia



Mario Voigt is a German politician of the Christian Democratic Union (CDU) who has been serving as a leader of the CDU in the state parliament (Landtag) of Thuringia since 2020. He has been a member of the Landtag since 2009. He previously served as co-deputy leader of the Thuringian CDU from 2014 to 2020, and general secretary of the party from 2010 to 2014.

Dr. Voigt studied political science, public law and modern history at the universities of Jena, Bonn, and Charlottesville in the United States from 1997 to 2003. He received his PhD in political science at the Chemnitz University of Technology in 2008 and has received a scholarship from the Konrad Adenauer Foundation.

Remarks by Dr. Mario Voigt

Dr. Voigt stated that India and Germany are two large democracies with shared values and many complementarities, and with sufficient demand from both sides, both are a perfect match for enhancing cooperation in the field of labour mobility.

India would require 90 million workers in non-farming jobs by 2030, with around 55 million women joining the labour force, stated Dr. Voigt. This is both an opportunity as well as a challenge for India, he noted. Given these estimates, more direct investments from German companies in India would be required, along with greater interconnectedness between the Indian and German labour forces, he added.

Dr. Voigt also highlighted several areas where India can benefit from Germany including in IT, healthcare, and manufacturing. There are similarities between India and Germany especially in terms of qualifications in these sectors, he observed.

Among important programmes, Dr. Voigt highlighted the importance of the Skill India Mission and Germany's Triple Win Programme. He mentioned that the Triple Win Programme, needs to be significantly ramped up for alleviating the nursing shortage in Germany.

Dr. Voigt suggested that close contacts on both Indian and German sides and greater people to people ties are required for promoting greater labour mobility. On Germany's part, they need to ensure that the qualification agreement works efficiently. He also underscored the importance of streamlining the visa application process on Germany's part, which would help in the seamless movement of people between the countries.

In the context of healthcare, Dr. Voigt mentioned that there is a high level of interest in Germany as experiences with Indian doctors and nurses are greatly valued, and therefore there is an increasing demand for Indian medical professionals in Germany.

In his concluding remarks, Dr. Voigt stated that while India is a fast-growing economy, it needs organizations that facilitate this exchange. There is also a need for people at both ends to ensure processes are defined well and run swiftly. Germany needs to make sure that everything runs smoothly on its part. He also spoke about the role of organizations such as CII and KAS in highlighting the practical issues on both sides. All these would help both Germany and India benefit from high labour mobility by working together in a democratic manner.

Ms Archana Nair

Director – Europe West, Ministry of External Affairs, Government of India

Ms. Archana Nair is currently posted as Director Europe West in the Ministry of External Affairs.

Prior to this, she was the Deputy High Commissioner of India in Malaysia. She has also served in various capacities in the Indian Mission in Maldives, Mexico City and Spain.

At Headquarters, she has worked on both bilateral and multilateral sides, serving as the desk officer for Myanmar and also at the UN Economic and Social Division at the Ministry of External Affairs Headquarters in New Delhi.

She holds a Master's degree in Economics from the Delhi School of Economics.

Remarks by Ms. Archana Nair

Ms. Archana Nair stated that there is high potential between India and Germany in the field of labor mobility as both countries share many complementarities. In this context, she mentioned that Germany is India's largest trading partner in the EU and one of India's largest investors.

Ms. Nair noted that India is well positioned to take advantage of its rich demographic dividend. More than 54% of Indian population is below the age of 25. India therefore has the potential to send out skilled manpower to rest of the world. With many Indian students moving to Germany for pursuing higher studies and high demand for skilled labour in Germany, there is scope for further cooperation in the area of labour mobility, she added.

Ms. Nair observed that there is a growing emphasis on skill development all over the world. This has also been a key priority area for the Government of India, and there has been an emphasis on skills with scale and speed, she stated. In this context, she mentioned that measures such as Germany's New Skilled Labour Strategy is a step in the right direction.

As global labour mobility has become a very important component globally, Ms. Nair emphasized that migration and mobility arrangements between various countries will become very important. She also added that in the Indian context, it is very

important to give consideration to things like family reunification, as this will act like a pull factor for greater labour mobility from India to Germany.

Ms. Nair stressed that India has a lot of skilled talent, particularly in sectors such as IT, healthcare and manufacturing. However, there is great untapped potential both in terms of opportunities and talent. Industry, Government and other stakeholders need to play a key role in this area.

It is also critical to map sectors where Indian skilled workers can contribute to Germany, Ms. Nair added. Bridging skill gaps and working on a roadmap is important to address hurdles and to ensure that the process of migration can happen smoothly. At the same time, efforts are required at the highest and political levels for encouraging greater labour mobility between India and Germany, she observed.

Mr. Abhijit Narayan

Head – India Desk for Continental Europe, Orrick,
Herrington & Sutcliffe LLP, Germany



Mr. Narayan is a New York educated corporate lawyer based in Germany for over a decade. He heads the India Desk of Orrick, an international law firm headquartered since 1863 in USA. The firm has over 1000 lawyers based across USA, Europe, and Asia.

His work includes advising our global, including German clients on their investments in India. He also regularly advises Indian companies on their investments in Europe, especially in Germany. The legal advice ranges from M&A, joint ventures and commercial agreements.

Remarks by Mr. Abhijit Narayan

Mr. Abhijit Narayan stated that Germany is looking at \$85 billion hit as labour shortages intensify. This, coupled with low birth rates and higher life expectancy, threaten Germany's international competitiveness.

On the other hand, approximately 172,000 Indians are based in Germany, with 20,000-25,000 students moving to Germany every year. Germany's high-quality education, free of cost public universities and potential employment prospects in Germany after completion of education, are some of the factors behind such migration, he added.

Mr. Narayan mentioned that the Migration and Mobility Partnership, signed between the two sides in May 2022 aimed at mutual mobility of students, entrepreneurs and professionals, is a welcome initiative and is expected to improve greater labour mobility between the two sides.

Mr. Narayan also suggested several ways to improve labour mobility between two sides. These include streamlining visa processes and lowering the income threshold for recent graduates applying for a blue card that allows working in Germany; creating awareness in India about opportunities in Germany; tie-ups with top Indian universities and institutes between both sides; setting up centres in India and Germany to help German employers hire top quality Indian workers; greater awareness about career centres in Germany; and training people in India before they move to Germany.



Discussion

The experts during the session discussed how programmes such as GINSEP (German Indian Startup Exchange Programme) help connect Indian and German start-ups.

The experts also underlined the importance of having systems in place and greater understanding from both sides on matters related to visa and family unification, that will go a long way in facilitating labour mobility between the two countries.

They also discussed how the Triple Win programme in India can be scaled up significantly with the help of the Ministry of External Affairs in Germany.



The Konrad-Adenauer-Stiftung (KAS) is a political foundation. Established in 1955 as “Society for Christian-Democratic Civic Education”, in 1964 the Foundation proudly took on the name of Konrad Adenauer, the first Chancellor of the Federal Republic of Germany.

With 16 regional offices in Germany and over 120 offices abroad, the Konrad Adenauer Foundation is committed to achieving and maintaining peace, freedom and justice through political education. We promote and preserve free democracy, social market economy, and the development and consolidation of the value consensus. We focus on consolidating democracy, the unification of Europe and the strengthening of transatlantic relations, as well as on development cooperation.

The leitmotif of the Konrad Adenauer Foundation “Germany. The next chapter” is supported by a thematic focus. With the three main topics Innovation, Security and Representation and Participation, it is quite clear which topics the Konrad Adenauer Foundation will focus on in the coming years.

KAS cooperates with governmental institutions, political parties and civil society organizations, building strong partnerships along the way. In particular, it seeks to intensify political cooperation in the area of development cooperation on the foundations of our objectives and values. Together with their partners, they make a significant contribution to the creation of a global order that empowers every country to determine its own developmental priorities and destiny in an internationally responsible manner.

The Konrad-Adenauer-Stiftung has organized its program priorities in India into five working areas:

1. Foreign and Security Policy
2. Economic, Climate and Energy Policy
3. Rule of Law
4. Political Dialogue focussed on Social and Political Change
5. Media and Youth

The India Office of the Konrad Adenauer Foundation takes great pride in its cooperation with Indian partner institutions who implement jointly curated projects and programmes.



Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, with around 9000 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 300,000 enterprises from 286 national and regional sectoral industry bodies.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, livelihoods, diversity management, skill development, empowerment of women, and sustainable development, to name a few.

As India completes 75 years of Independence in 2022, it must position itself for global leadership with a long-term vision for India@100 in 2047. The role played by Indian industry will be central to the country's progress and success as a nation. CII, with the Theme for 2022-23 as **Beyond India@75: Competitiveness, Growth, Sustainability, Internationalisation** has prioritized 7 action points under these 4 sub-themes that will catalyze the journey of the country towards the vision of India@100.

With 62 offices, including 10 Centres of Excellence, in India, and 8 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with 350 counterpart organizations in 133 countries, CII serves as a reference point for Indian industry and the international business community.

Confederation of Indian Industry

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