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**DAILY EDITORIAL
ANALYSIS**

TOPIC

**Plugging the Global Skill
Shortage**

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PLUGGING THE GLOBAL SKILL SHORTAGE

Context

- As part of India's agreement with multiple countries, it is important to discuss how circular migration can help in meeting the global skill shortage and lift Indians out of poverty.

Understanding Circular Migration

- In an increasingly interconnected world, the **movement of labor across borders, known as circular migration**, has become a critical component in **addressing global skill shortages**.
- Circular migration refers to the **temporary and repetitive movement of a migrant worker** between home and host areas, typically for employment purposes.
- Unlike permanent migration, circular migration **allows workers to return to their home country after a period of work abroad**, often bringing back **new skills and experiences that can benefit their local economies**.
- This phenomenon not only helps fill gaps in labor markets but also fosters economic growth and development in both sending and receiving countries.

Global Skill Shortage

- The global economy is **currently facing a significant skill shortage**, particularly in sectors such as **healthcare, technology, and construction**.
- **Aging populations** in developed countries, coupled with rapid technological advancements, have exacerbated this issue.
- For instance, the demand for healthcare professionals in Europe and North America has surged, while the supply of skilled workers has not kept pace.

Role of Circular Migration

- Circular migration can play a pivotal role in mitigating these skill shortages. By allowing workers to move temporarily to countries with labor deficits, it helps **balance the supply and demand for skills globally**.
- For example, **Indian workers** have been increasingly sought after in regions like the **Gulf Cooperation Council (GCC) countries and the European Union**, where there is a high demand for skilled labor in sectors such as construction and healthcare.

Agreements Related to Circular Migration

- India has been actively engaging in agreements related to circular migration with various countries to enhance mobility and cooperation.
- **Migration and Mobility Agreement between India and Italy:** It aims to foster people-to-people contacts, facilitate the mobility of students, skilled workers, business people, and young professionals, and strengthen cooperation on issues related to irregular migration.
- Additionally, India has a **strategic partnership with the European Union**, which includes **cooperation on migration and mobility**. It aims to address both highly-skilled and low-skilled migration, as well as irregular migration, through various policy measures and joint actions.
- India has established **numerous agreements** with various countries to enhance trade, **mobility**, and cooperation. Like **Free Trade Agreements (FTAs)** between India-Sri Lanka and India-ASEAN; **Comprehensive Economic Partnership Agreements (CEPAs)** between India-Japan, India-South Korea; **Preferential Trade Agreements (PTAs)** between India-MERCOSUR and India-Chile; and **Bilateral Investment Treaties (BITs)** with several countries, including the United Kingdom, Germany, and Mauritius.

Circular Migration within India

- In India, internal migration, which is migration within a particular country or State, has almost always been circular.
- It involves the repetitive movement of people between their place of origin and destination, often driven by seasonal employment opportunities.
- This type of migration is prevalent among low-income groups who move from rural to urban areas in search of work.
- With the advent of jobs in the manufacturing, construction and services sector, there has been a huge flow of migrants from rural areas to urban cities.

Domestic Destinations

- **Urban Centers:** Cities like Mumbai, Delhi, Bangalore, and Chennai attract a large number of migrants due to better employment opportunities in sectors like construction, manufacturing, and services.
- **Industrial Zones:** Areas with significant industrial activity, such as Gujarat and Maharashtra, are common destinations for circular migrants.
- **Agricultural Regions:** States like Punjab and Haryana see seasonal migration for agricultural work.

Policy Interventions To Support Circular Migrants in India

- **Atmanirbhar Bharat Abhiyan:** It aims to support migrant workers, such as the provision of **affordable rental housing complexes (ARHCs)** and the extension of the **One Nation One Ration Card (ONORC)** scheme.
 - ♦ **One Nation One Ration Card (ONORC):** This initiative allows migrants to access subsidized food grains from any fair price shop across the country, ensuring food security regardless of their location.
 - ♦ **Affordable Rental Housing Complexes (ARHC):** This scheme aims to provide affordable rental housing to migrants, reducing their living costs and improving their living conditions.
- **National Urban Livelihoods Mission (NULM):** It focuses on reducing poverty and vulnerability of the urban poor households by enabling them to access gainful self-employment and skilled wage employment opportunities.
- **e-Shram Portal:** A national database for unorganized workers, including migrants, to ensure they receive social security benefits and other welfare measures.
- **Pradhan Mantri Garib Kalyan Yojana (PMGKY):** It aims to provide relief to the poor and vulnerable, including migrant workers, during the COVID-19 pandemic. It includes free food grains, direct cash transfers, and other benefits.
- **Draft Migration Policy:** The government is working on a comprehensive migration policy to address the rights and needs of migrants, ensuring their integration into destination states and protecting them from exploitation.

Benefits for Sending Countries

- **Economy:** Migrants often **send remittances back home**, which can improve living standards and stimulate the local economy.
 - ♦ The total remittances originating from high-income individuals from the US, the UK, Canada and Australia amount to only 32% of the inward remittances to India.
 - ♦ On the other hand, manual workers in the UAE, Saudi Arabia, Kuwait, Qatar and Oman contribute 40% of the total remittances to India.
- **Acquiring New Skills:** Additionally, when these workers return, they **bring back valuable skills and knowledge** that can enhance productivity and innovation in their home countries.
 - ♦ This transfer of skills is particularly crucial for developing nations striving to improve their economic standing.

- **Social Capital:** Migrants can build networks in both their home and host countries, which can be beneficial for personal and professional growth.
 - ♦ This type of migration allows individuals **to maintain strong ties with their home country** while benefiting from opportunities abroad.

Challenges

- **Skill Mismatch:** One major issue is the **mismatch between the skills** of migrant workers and the needs of the host countries. Skills acquired abroad may not always be transferable or relevant to the home country's job market, leading to underemployment.
- **Brain Drain:** There is a risk of losing skilled workers from the home country, which can hinder local development.
- **Working Conditions:** Migrants often face challenging working conditions, including low wages, lack of job security, and poor living conditions.
- **Forced Labor:** In some cases, migrants may be subjected to exploitation and forced labor.

Examples of Successful Integration Programs for Returning Migrants

- **Sustainable Reintegration of Returning Migrants by OECD:** These focus on providing support in areas such as employment, education, and social services to ensure that returning migrants can reintegrate successfully into their home communities.
- **Reintegration Assistance Programs by IOM:** It offers reintegration assistance programs that include humanitarian aid, community stabilization, and development cooperation. These programs aim to address the diverse needs of returning migrants, including health, housing, and social cohesion.
- **Cash Incentive Programs by Various Countries:** Countries like the Czech Republic, Japan, and Spain have introduced cash incentive programs to encourage the return of migrants. These programs provide financial support to help returning migrants start businesses or find employment, thereby facilitating their reintegration into the local economy.
- **Community-Based Reintegration:** Several community-based initiatives focus on the social and economic reintegration of returning migrants. These programs often involve local NGOs and community organizations that provide tailored support, including vocational training, job placement services, and psychosocial support.

Conclusion and Way Forward

- It is essential to invest in education and vocational training that aligns with global market demands.
- Programs like those implemented by the **National Skill Development Corporation (NSDC)** in India aim to equip workers with the necessary skills to thrive in **international labor markets**.
- Circular migration presents a viable solution to the global skill shortage, benefiting both sending and receiving countries.
- By fostering a more dynamic and responsive labor market, it can help bridge the gap between the supply and demand for skills, ultimately contributing to global economic growth and development.

Source: IE

Mains Practice Question

[Q] How can circular migration be leveraged as a strategic tool to address the global skills gap while simultaneously providing a pathway for Indians to escape poverty and improve their quality of life?

