

Why the UK-India Young Professionals Scheme might end up benefitting a handful of large companies



The announcement of a new visa for young, professional Indians to work in the UK could prove popular – but an eye needs to be kept on how it ends up being used in practice, writes [Alan Manning](#).

As part of a wider agreement to foster links between their countries, the UK and India have announced a [Young Professionals Scheme](#) (YPS). This will be open to a maximum of 3,000 18-30-year-olds from each of India and the UK per year, although the two governments can decide to raise or lower this limit. Those taking part must have graduate-level training relevant to their work and be able to express themselves in the language(s) of the host country. They will not be allowed to bring any dependents.

Youth mobility schemes

The proposed YPS is outwardly quite similar to existing Youth Mobility Schemes that the UK has with Australia, Canada, Hong Kong, Japan, Monaco, New Zealand, South Korea and San Marino. Youth Mobility Schemes have traditionally been thought of as part of cultural exchange, giving young people the opportunity to live in another country for two years and to earn enough money to be able to support themselves without restriction on the type of work they do. The traditional image in the UK is of an Aussie wanting to see a bit of Europe or a Brit wanting a bit of Aussie sunshine.

But a Youth Mobility Scheme (YMS) visa can also be attractive to some as a form of work visa. And because these visas are not tied to a particular employer or type of job, those on these schemes end up in all types of work. In the UK, we don't know what type of work is done on the YMS because it is not a requirement of the visa to keep such records.

The existing YMS are all between high-income countries which have been perceived as low risk (e.g. of participants over-staying). So the agreement with India is an interesting innovation – the country has many very highly skilled workers but still has many very poor people. There are many lower-skilled Indian workers in places like the Gulf who would be interested in spending two years working in the UK where they would earn much more. The provision that the YPS is only open to *professionals* is to make sure that this route is not open to that group of workers. Nonetheless, I suspect that the route will be heavily over-subscribed. On other YMS schemes, this is handled through a lottery; the Memorandum of Understanding in the case of the YPS is silent on the matter. On the face of it, this new agreement is about people, not businesses. But one thing to keep an eye on is how this works out in practice.

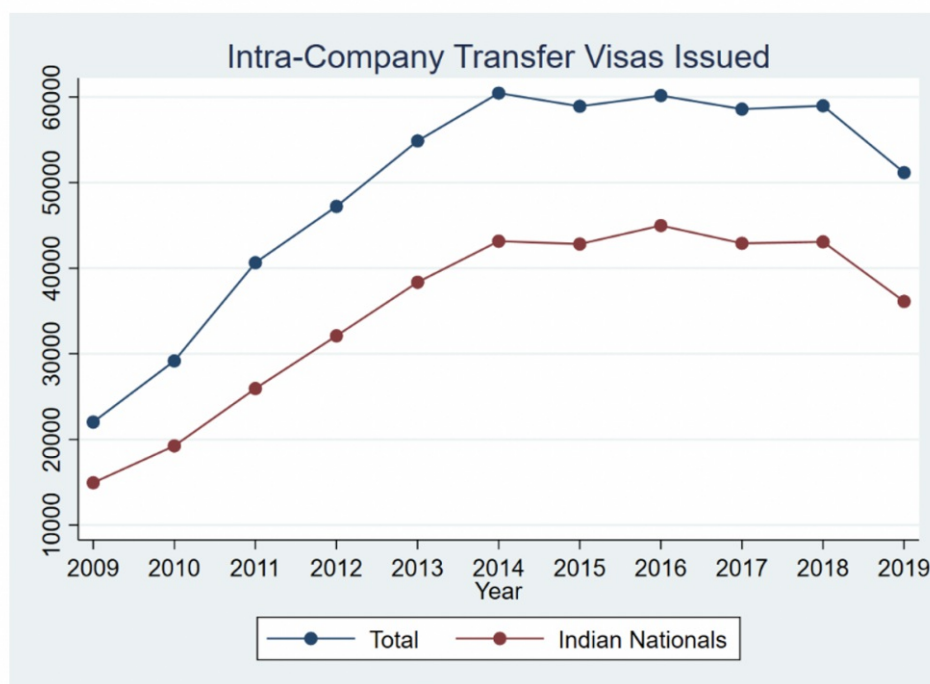
For people or businesses?

Some of the biggest users of the Intra-Company Work Visas in the UK have been the big Indian IT out-sourcing companies. The [latest figures](#) I can find are for 2015:

Table 1: Top ten users of short- and long-term intra-company work visas, 2015

Tata Consultancy Services	5,475
Cognizant Technology Solutions UK Ltd	2,534
Accenture (UK) Ltd	1,860
Infosys Ltd	2,185
Wipro Technologies	1,673
IBM UK Ltd	1,081
HCL Great Britain Ltd	1,058
Tech Mahindra Ltd	1,114
Capgemini plc	431
HSBC Holdings plc	406
Total (all firms)	35,936

I suspect more recent figures would show something similar. Many of these companies are Indian or have strong links to India. The vast majority of workers on these visas have always been Indian nationals as the figure shows: 70% in 2019.



Use of the Intra-Company Work visa has been controversial. The visa was designed to be used by multinationals for short-term postings of senior workers for delivery of one-off contracts. But some of the biggest users have been accused in the past of using this route to staff permanent roles with a revolving set of personnel. In other words, they are accused of outsourcing British jobs. According to a [2015 Migration Advisory Committee](#) report into the route: 'Some partners (usually individuals rather than employers) submitted evidence claiming that undercutting and displacement was taking place. We also received evidence making allegations of abuse of this route specifically in relation to IT occupations.' Partly as a result of this concern, the minimum salary threshold is currently set at £41,500 (though there is a current Migration Advisory Committee commission looking at it).

Although there are criticisms of the use of the Intra-Company transfer route, there also arguments for the way the current scheme works. A wide range of British companies are able to obtain high-quality IT services at a good price and this helps a wide range of industries in the UK. The Indian IT companies also want to be able to bring workers to the UK under less restrictive conditions. There is an enormous supply of highly-skilled IT workers in India where salaries, though rising, remain below UK levels. These companies have made a lot of money by offering high-quality services at a price that allows them to benefit from the differences in salary levels. These companies would love to be users of the new YPS as, unlike the existing Intra-Company Transfer route, there seems to be no minimum salary thresholds, maybe not even any monitoring of the jobs being done. But how could these firms use the YPS if it is an individual scheme, probably over-subscribed, in which places are allocated by lottery?

The US experience with the H1B Lottery

The companies probably have a way of handling the lottery part. The US runs a temporary work visa, the H1B, which has a cap, is heavily over-subscribed, and is allocated by lottery. Nonetheless, a relatively small number of employers come to dominate the approvals – as Table 2 shows.

Table 2: Top 15 employers by initial approvals of H1B Visas, 2019

Employer	Number
AMAZON.COM SERVICES INC	3026
GOOGLE LLC	2678
TATA CONSULTANCY SVCS LTD	1733
MICROSOFT CORPORATION	1701
COGNIZANT TECH SOLNS US CORP	1580
FACEBOOK INC	1518
IBM CORPORATION	1164
APPLE INC	1136
INTEL CORPORATION	1007
CAPGEMINI AMERICA INC	777
DELOITTE CONSULTING LLP	766
CISCO SYSTEMS INC	688
ACCENTURE LLP	622
WIPRO LIMITED	605
TECH MAHINDRA AMERICAS INC	579
ALL	132967

Source [here](#).

There is considerable overlap with the top users of the above and the Intra-Company Transfer route in the UK, while over 50% of the migrants using the H1B visa are from India. The use of this visa has also been controversial in the US for many of the same issues as [have arisen in the UK](#): under-cutting American workers and outsourcing American jobs.

The H1B programme is an employer-led visa where it is hard for workers to change employers. In contrast, the YMS (and probably the YPS) is an individual-led visa where the successful applicants are free to change employers. There is nothing, however, to stop applicants being current employees of companies and working for those companies in the UK. These applicants would be unlikely to change employer once in the UK when they have a permanent job back in India. And the reported eligibility conditions seem designed to suit the employees of the big IT companies. The restriction to Indian nationals will give Indian companies an advantage over other heavy users of the Intra-Company Transfer route. The proposals lack some detail: how are visas to be allocated if they are over-subscribed and what is the exact link to work, which is not in the YMS but seems more prominent in the YPS? As is often the case, the devil will be in the detail.

Conclusion

The bottom line is that an eye needs to be kept on how the new YPS visa is used in practice. If it is used by a wide range of young Indians doing a wide range of jobs to foster greater links between the two countries, that would be a great thing. But there is a risk it ends up primarily benefitting a handful of companies and becomes something more like the Intra-Company transfer route but without the protections against under-cutting and outsourcing that route currently contains. That would be a bad outcome.

About the Author



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