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## **CARIM INDIA – DEVELOPING A KNOWLEDGE BASE FOR POLICYMAKING ON INDIA-EU MIGRATION**

Co-financed by the European Union

### ***Mapping India-EU Tourism Flows***

**Sasidaran Gopalan**

CARIM-India Research Report 2013/15



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

**Research Report**  
**Thematic Paper**  
**CARIM-India RR2013/15**

**Mapping India-EU Tourism Flows**

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

This project is co-financed by the European Union and carried out by the EUI in partnership with the Indian Council of Overseas Employment, (ICOE), the Indian Institute of Management Bangalore Association, (IIMB), and Maastricht University (Faculty of Law).

The proposed action is aimed at consolidating a constructive dialogue between the EU and India on migration covering all migration-related aspects. The objectives of the proposed action are aimed at:

- Assembling high-level Indian-EU expertise in major disciplines that deal with migration (demography, economics, law, sociology and politics) with a view to building up migration studies in India. This is an inherently international exercise in which experts will use standardised concepts and instruments that allow for aggregation and comparison. These experts will belong to all major disciplines that deal with migration, ranging from demography to law and from economics to sociology and political science.
- Providing the Government of India as well as the European Union, its Member States, the academia and civil society, with:
  1. Reliable, updated and comparative information on migration
  2. In-depth analyses on India-EU highly-skilled and circular migration, but also on low-skilled and irregular migration.
- Making research serve action by connecting experts with both policy-makers and the wider public through respectively policy-oriented research, training courses, and outreach programmes.

These three objectives will be pursued with a view to developing a knowledge base addressed to policy-makers and migration stakeholders in both the EU and India.

Results of the above activities are made available for public consultation through the website of the project: <http://www.india-eu-migration.eu/>

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## **Abstract**

India and the EU have expanded their bilateral economic and investment ties significantly in the last decade or so. As a result of closer ties, the EU has emerged as a very important destination for various types of cross-border flows from India. In addition to the growing movement of professionals and students, there has also been a marked rise in cross-border flows of tourists between India and the EU. Given the economic and strategic significance of promoting tourism flows for fostering bilateral relations, this paper attempts to map the tourism flows between India and a selected few EU countries and also examine their relative significance as destinations or sources. The paper also draws some possible inferences about tourism's role in facilitating irregular migration.

## 1. Introduction

India and the European Union (EU) have been expanding their economic ties significantly over the last decade, especially since 2004 when they established the India-EU Strategic Partnership which envisioned, among others, greater bilateral economic engagement. The EU as a block is India's largest trading partner, with the region representing about 18 percent of India's exports and 12 percent of its imports as of 2011. In turn, India figures as the EU's eighth largest trading partner (as of 2011). The value of EU-India trade has more than doubled from about €9 billion (approximately US\$38 billion) in 2003 to about €80 billion (approximately US\$ 105 billion) in 2011. In addition to trade, there have also been growing investment flows between the two regions, with the EU remaining India's largest source of foreign direct investment (FDI). While the stock of FDI from the EU into India stood at about €35 billion (approximately US\$47 billion) in 2010, India has also been slowly expanding its forays through outward foreign direct investments in the EU region, primarily as a result of Indian corporations undertaking substantial investments in several European countries through mergers and acquisitions. The stock of inward FDI from India into the EU was valued at about €7 billion (approximately US\$10 billion) as of 2010.<sup>1</sup> The EU and India have been negotiating a bilateral trade and investment agreement since 2007, which when completed is expected to provide a major fillip to trade in goods, services and investments between the two partners.

Increasing global integration has not only facilitated flows of goods between the EU and India, but also people. There has been a marked rise in a variety of cross-border flows of people including temporary visitors (tourists), temporary business visitors, students, emigrants (both high-skilled and low-skilled) among others, which cuts across various policy domains such as tourism, migration (temporary vs. permanent, regular vs. irregular), investments, etc. Considering the important role tourism plays in fostering bilateral relations, especially through macro-economic benefits and other spillovers, this paper focuses on mapping the bilateral tourist flows between India and selected EU countries. Section 2 briefly discusses the economic significance of tourism in general and highlights its importance to both the EU and India. Section 3 specifically examines the bilateral tourism trends between India and selected EU countries and their relative significance as destinations or sources. It also discusses some of the key drivers and barriers of these tourism flows between India and EU.

One of the unintended consequences of such increased flows of people has also been the rise in irregular migration as a phenomenon, particularly in selected EU countries, originating from India. Among the many conduits through which irregular migration occurs, *one* important but oft-neglected channel is tourism. Some recent attempts to examine this nexus suggests that tourism is one of the important levers facilitating irregular migration, as many irregular migrants use tourist visas to enter a country and typically overstay (Clandestino 2009). Section 4 focuses on the relative attractiveness of some of the EU countries as tourist destinations from India and draws some inferences about irregular migration trends in the context of India-EU relations. Section 5 concludes.

## 2. Economic Significance of Tourism

Tourism plays a key role in the global economy. As countries increasingly open up their borders to join the wave of global integration, the development of the tourism industry has yielded not only substantial foreign exchange revenues but has also contributed to the overall socio-economic development of several countries through its potential to create employment. Policies aimed at boosting the local economy through tourism create both direct and indirect employment as well as provide backward and forward linkages with other industries. Focusing on the development of the domestic tourism industry also helps countries achieve competitiveness in the global markets and becoming a favored destination

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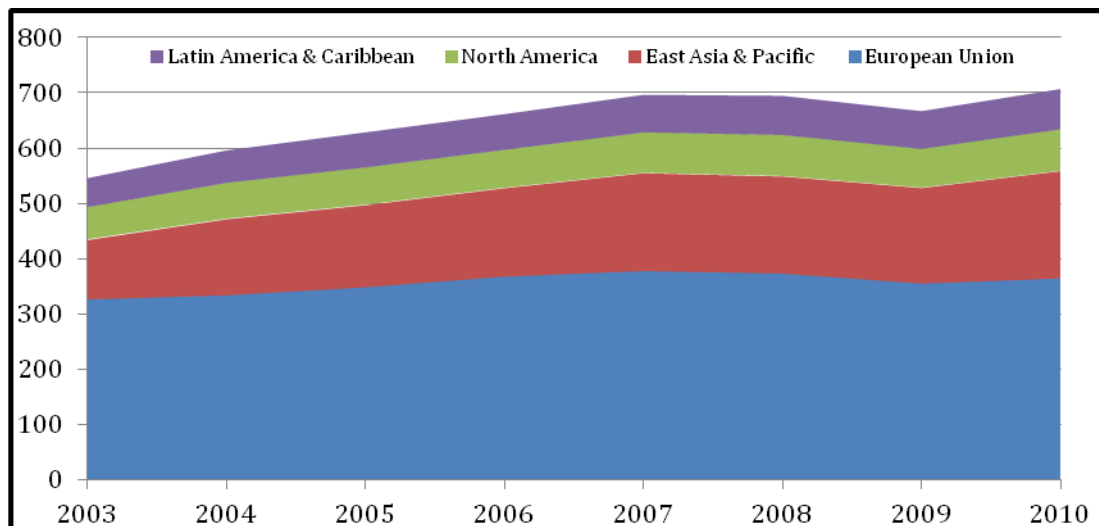
<sup>1</sup> All data on India-EU trade and investment flows sourced from European Commission, available at <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/india/> last accessed on January 08, 2013.

for tourists also helps in attracting foreign investments into their economies. Thus investment in the development and promotion of tourism remains a policy priority globally.

Most of the literature dealing with the economic significance of the tourism industry examines its potential impact on poverty alleviation, especially in emerging and developing economies. A recent comprehensive literature survey by the Overseas Development Institute (ODI 2007) offers a useful conceptual framework to illustrate this link between tourism and poverty alleviation. As the paper notes, there are three major “pathways” - “direct”, “indirect” and “dynamic” - through which tourism impacts poverty reduction. The direct effects are concerned with the incomes generated from tourism jobs. UNWTO (2011) estimates place tourism’s total contribution to global employment between 6 and 7 percent of the overall number of jobs in the world. The indirect channel has to do with the “tourism value chain”. These “secondary earnings” are gained from closely related sectors such as the food or transportation or construction industries. Studies suggest that especially in emerging and developing economies, such inter-sectoral impacts contribute about 60 to 70 percent in addition to the direct effects of tourism (Ashley et al. 2007). Finally, the dynamic channel varies over a wide spectrum as the development of the tourism industry in an economy can enhance the livelihoods of local households, improve the business environment for small enterprises and also ease the infrastructural bottlenecks in an economy, all of which can contribute to poverty reduction through growth.

Broadly, there are three major trends that point to the growing significance of tourism in the world. *The first trend* relates to the growth in international tourist arrivals. The total number of international tourist arrivals globally touched 940 million in 2010. While the number of arrivals registered a 35 percent increase between 2003 and 2010, the annual average growth rate of international tourism arrivals worldwide during that period stood at about 5 percent.<sup>2</sup> In terms of regions, as Figure 1 highlights, Europe and the Asia-Pacific regions have dominated as favored destinations. Both regions together have been the recipient of about 60 percent (on average) of global tourist arrivals during the period 2003-2010, with a greater proportion cornered by Europe. Barring a minor dip following the aftermath of the global financial crisis, these two regions have consistently seen their share of tourist arrivals increase over the years.

**Figure 1. International Tourism Arrivals (Millions)**



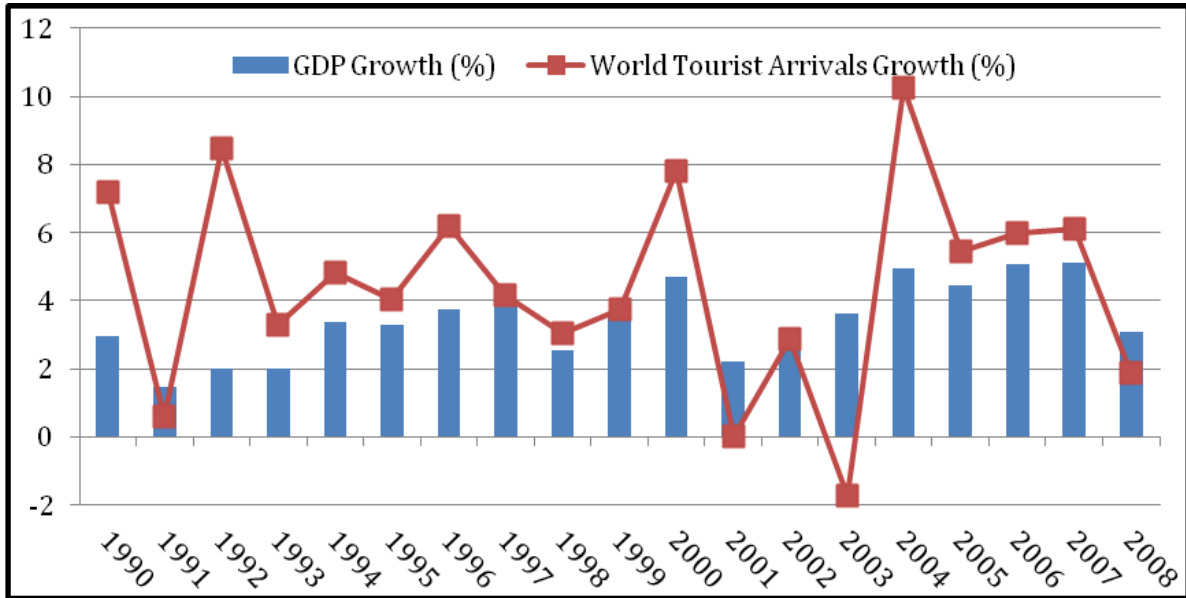
Source: Compiled from World Development Indicators Online, available at <http://data.worldbank.org/data-catalog/world-development-indicators>, last accessed on January 08, 2013.

<sup>2</sup> Data based on World Development Indicators Online, World Bank, available at <http://data.worldbank.org/data-catalog/world-development-indicators>, last accessed on January 08, 2013.



It is useful to note that the performance of international tourism is closely inter-linked to that of the world economy. Especially in the last two decades, the number of international tourist arrivals has closely followed the fluctuations in global economic growth due to various exogenous shocks.

**Figure 2. International Tourist Arrivals and GDP Growth (1990-2008)**



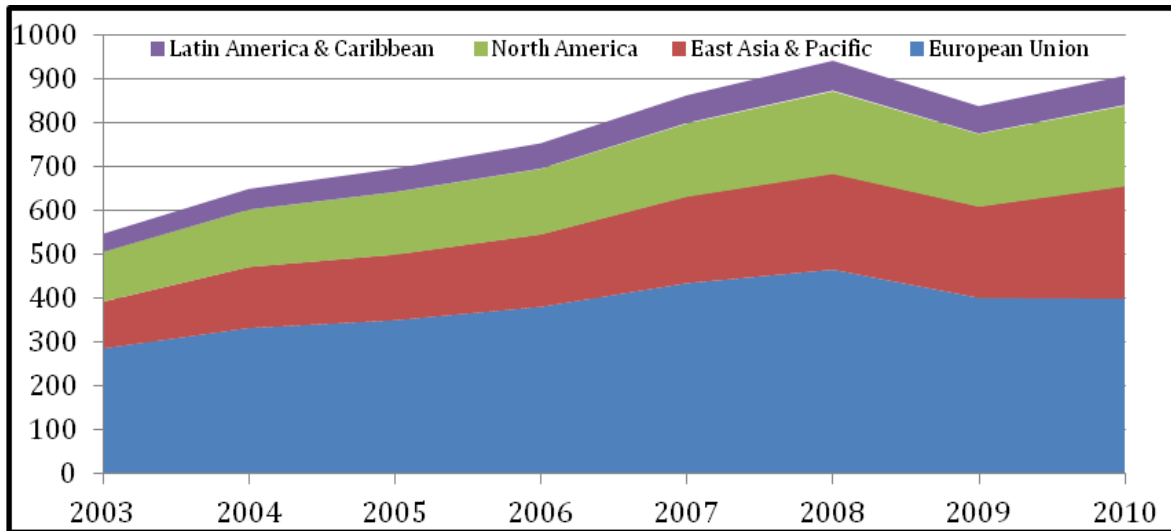
Source: Compiled from OECD (2010), available at <http://www.oecd.org/cfe/tourism/oecd tourism trends policies 2010.htm>, last accessed on January 08, 2013.

For instance, the aftermath of the 2001 terrorist attacks or the 2008 global financial crisis saw a decline in international tourist arrivals. However, the growth in international tourism has been far more robust than for the world economy. For the last two decades, specifically between 1990 and 2008, the average annual growth rate in tourist arrivals was a little over 4.5 percent compared to only around 3.5 percent for global GDP growth (Figure 2).

*The second trend* concerns the growing tourism revenues. Inbound tourism as a service traded across borders has emerged as one of the world's important trading categories, with tourism exports accounting for as much as 30 percent of the total exports of commercial services in the world. The foreign exchange revenues due to inbound tourism including passenger transport exceeded US\$ 1 trillion in 2010 (UNWTO 2011). The ability of the tourism industry to address current account imbalances of a country is also widely recognized in the literature and there are a number of studies that examine the importance of tourism through its implications for the balance of payments, especially in developing countries (for instance, see Malik et al. 2010).

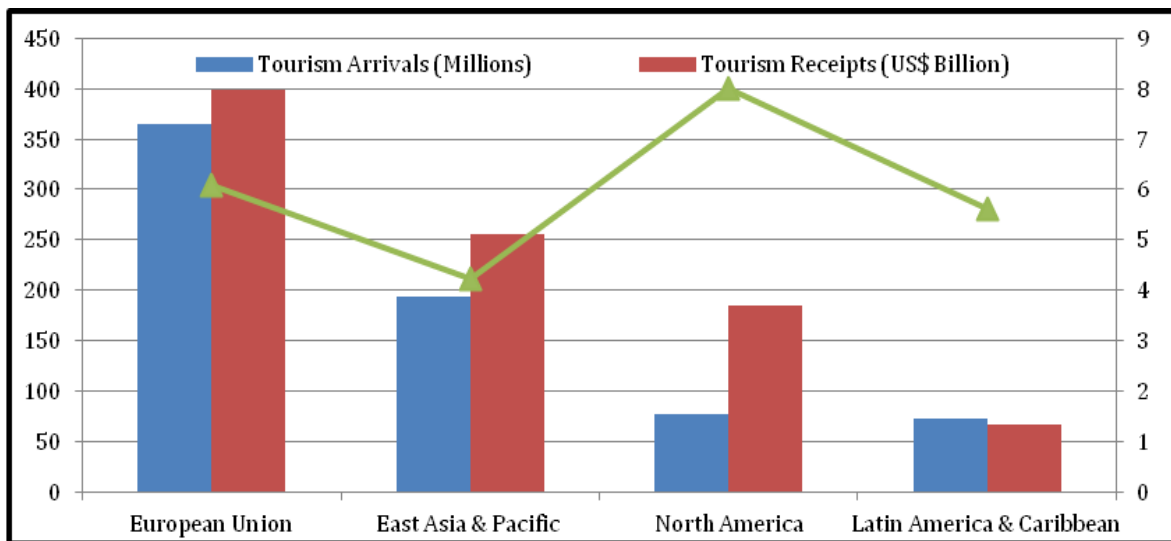
In terms of a regional breakdown of international tourism receipts, it is obvious that the most significant regions that have attracted a lot of tourists have also been the main beneficiaries of foreign exchange receipts from tourism, as is evident from their close correlation. The high proportion of tourism revenues as a percentage of total exports also reflects the growing importance of visitor exports (Figures 3 and 4).

**Figure 3. International Tourism Receipts (US\$ Billions)**



Source: Compiled from World Development Indicators Online, available at <http://data.worldbank.org/data-catalog/world-development-indicators>, last accessed on January 08, 2013.

**Figure 4. International Tourist Arrivals and Receipts (2010)**



Source: Compiled from World Development Indicators Online, available at <http://data.worldbank.org/data-catalog/world-development-indicators>, last accessed on January 08, 2013.

*The third trend* relates to the total contribution of the tourism industry to world output which is estimated to be around 5 percent and when travel and tourism are measured together, they contribute to about 9 percent of total world output (in 2010), which is quite marked (UNWTO 2011). The contribution of tourism to GDP ranges from about 2 percent for the advanced economies where tourism is a relatively smaller sector, to over 10 percent in emerging and developing economies.

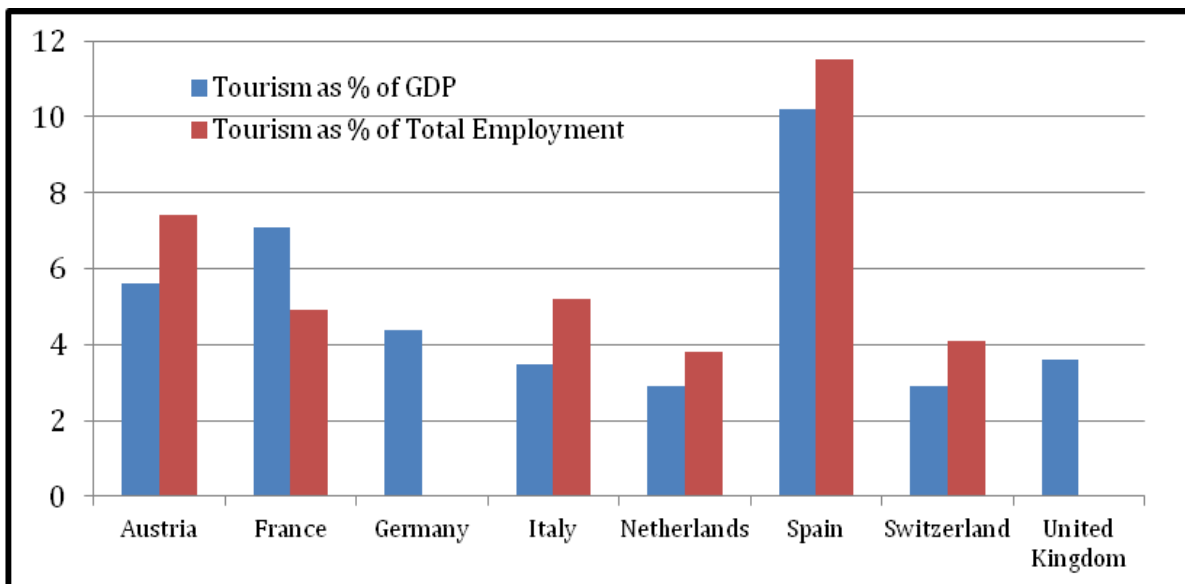
Beyond economics, tourism policy that is designed to market the distinctiveness of local traditions and culture can pave the way for better cultural exchanges between countries which can foster bilateral relations between countries. The literature also points out that since tourism, by its very nature, involves and requires inter-country cooperation on many fronts, tourism policy assumes significance in order to shape a country's engagement with the rest of the world (Prideaux 2005).

## 2.1. Significance of Tourism in India and the EU

As noted earlier in the paper, Europe stands out as the single most important region for tourism, both as a destination and as a source region, though inbound tourism is more important from the perspective of this paper. There has also been a dramatic growth in the Asia-Pacific region (especially South Asia) which has seen a dynamic increase in tourist flows to and from the region. As the largest and vibrant economy in the South Asian region, India plays a central role in the regional tourism market.

As per the latest data available, the EU member countries in the Organization for Economic and Co-operation and Development (OECD) area represent nearly half of the global tourist arrivals in 2010, while international arrivals to these member countries increased by 4 and by 2.7 percent for the EU zone. In terms of its direct impact on the output and employment of EU member countries in the OECD group, the tourism industry on average contributes about 4.5 percent of GDP and generates about 5.5 percent of employment though there are considerable variations across the individual countries (OECD 2010). Some of the most important tourist destinations in the EU in terms of the contribution of tourism industry to output and/or employment include Austria, France, Germany, Italy, Netherlands, Spain and Switzerland (Figure 5).

**Figure 5. Economic Importance of Tourism in Selected EU Countries**



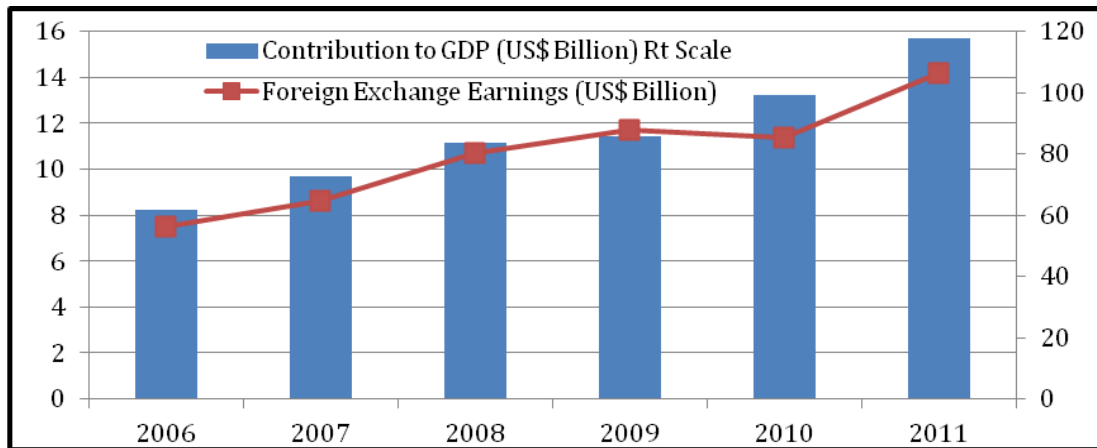
Notes: All data for 2010 except Switzerland (2009) and United Kingdom (2008); No data on employment for Germany and United Kingdom.

Source: OECD (2012), available at <http://www.oecd.org/cfe/tourism/oecd-tourism-trends-and-policies-2012.htm>, last accessed on January 08, 2013.

India on the other hand has been enjoying significant growth in tourist arrivals, and closely competes with several EU countries in terms of the importance of its tourism industry to its economy. While the tourism and hospitality industry put together directly contributes over US\$35 billion to the country's output (in 2011), over the last 5 years, the industry registered a growth rate of about 15 percent.

In addition to the direct component, the Indian tourism industry's total contribution to GDP increased to over US\$ 117 billion in 2011 from about US\$ 100 billion in 2009. With more than 6 million international tourist arrivals reported in 2011 alone, foreign tourist arrivals registered a growth rate of about 8 percent over the 5 year period beginning 2006. This robust growth in tourist arrivals contributed substantially to India's foreign exchange earnings from tourism which were estimated at over US\$ 16 billion in 2011, with tourism revenues growing at nearly 14 percent on average between 2006 and 2011 (IBEF 2012).

**Figure 6. Economic Importance of Tourism in India**



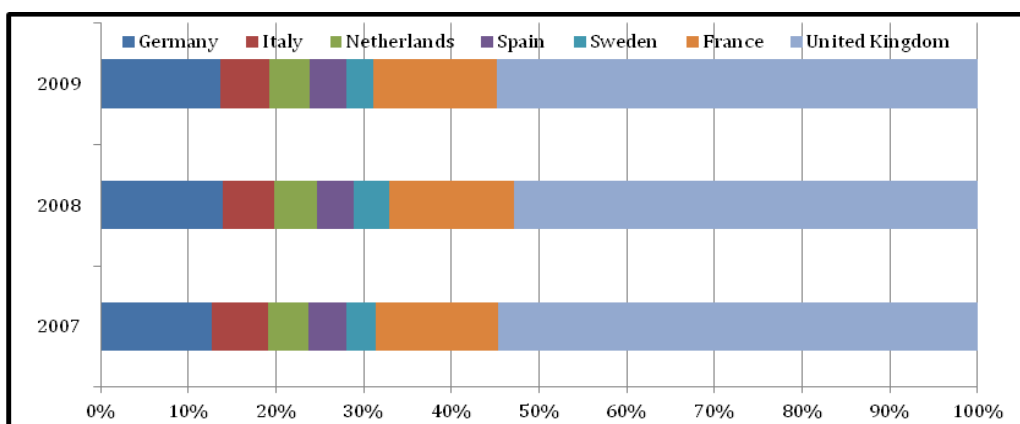
Source: Based on IBEF (2012), available at <http://www.ibef.org/industry/tourism-and-hospitality.aspx>, last accessed on January 08, 2013.

### 3. Tourist Flows between India and Selected EU Countries

The rapid growth of India’s tourism sector has over the years made the country a key player in the global tourism industry, with the country emerging as both an important source as well as a destination for international tourists. As highlighted earlier in the paper, India’s inbound tourism as reflected in foreign tourist arrivals growing at over 8 percent in the last six years between 2005 and 2011. Various policy initiatives taken by the Government of India, ranging from a national tourism policy focusing on developing robust infrastructure to attract tourists, to opening up of India’s hotel and tourism sector to 100 percent foreign direct investment have provide a fillip to the fast growing tourism industry in the country.

Available data from the Indian Ministry of Tourism suggests that in terms of the importance of various source regions for these continued flows of tourists into India, Europe ranks very highly. The region as a whole represented nearly 35 percent of total foreign tourist arrivals in India in 2009. Within Europe, the United Kingdom constitutes almost half of that share and the remaining is represented by most Western European countries that are part of the Schengen area - most notably Germany, France, Spain and Italy (Figure 7).

**Figure 7. Foreign Tourist Arrivals in India from Selected EU Countries (%)**



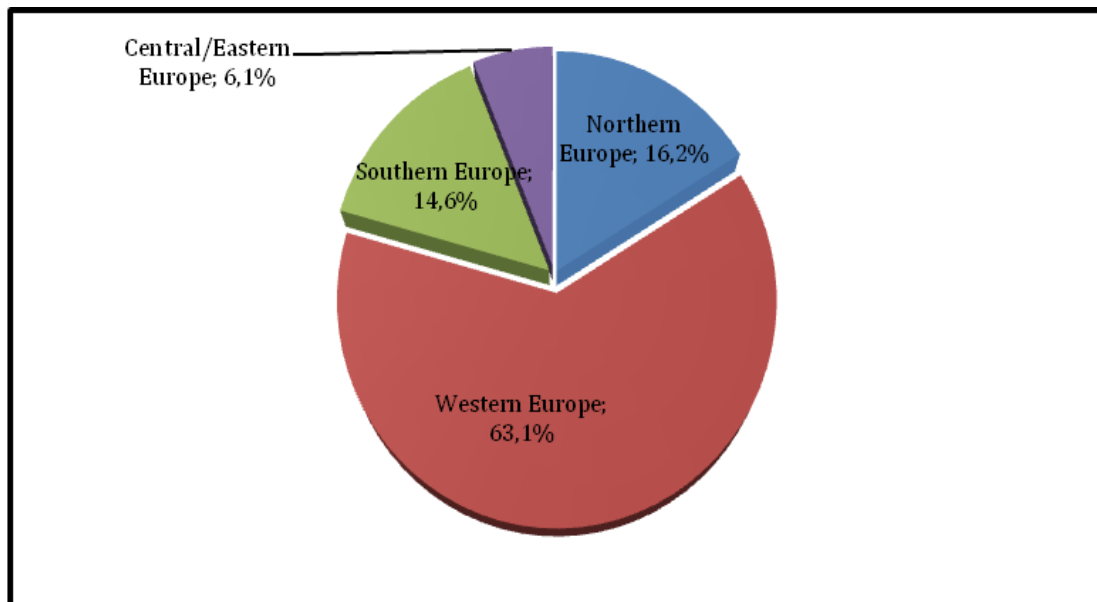
Source: Compiled from Ministry of Tourism, India, available at <http://tourism.gov.in/TourismDivision/AboutDivision.aspx?Name=Market%20Research%20and%20Statistics>, last accessed on January 08, 2013.

While India's inbound tourism has grown in importance in recent years with the Government of India's several noteworthy initiatives to promote tourism, of more interest and significance to the paper is the outbound tourists from India to EU destinations. Especially from the point of view of drawing larger inferences about irregular migration, data on bilateral tourist flows with India as the source country is more important. Further, in terms of actual significance, data on outbound tourism from India reveals that it has surpassed that of inbound tourism and is expected to expand further in the coming years. While the growth of Indian outbound tourism could in fact be attributed to the country's vibrant economic growth, indeed, most of it appears to do with the easing of tourist visa regulations in travel destinations, improved bilateral visa arrangements and even the relaxation of foreign exchange regulations to some degree (ETC 2009).

While consistent data on India's outbound tourism, especially bilateral tourist flows between India and the EU is available only till 2007, for a few specific countries, data is available for later years. The Indian outbound travel market has grown from a little over 3.5 million international departures back in 1997 to about 10 million in 2007 and outbound tourism has accelerated particularly since 2004, with an average annual growth rate of over 16 percent between 1997 and 2007. On a related note, the international tourism expenditure by Indians has also simultaneously grown from a little over US\$ 1 billion in 1997 to about US\$ 8 billion in 2007. Some predictions by the UNWTO reveal that India will account for 50 million outbound tourists by the year 2020, with the total outbound spending touching US\$ 30 billion in 2020.

According to data by the World Tourism Organization and the European Travel Commission (2009), Europe and Asia figure as the two popular and dominant destination regions for Indian outbound travel. While Asia clearly dominates with a share of 64 percent of Indian travelers, around 20 percent of the total outbound travel is towards European countries. Nearly 40 percent of the outbound travelers from India to European countries were estimated to be for holiday purposes and the most frequented European destinations that take up the majority share of travel from India to Europe include the United Kingdom, France, Italy, Germany and Switzerland.

**Figure 8. Indian Arrivals in Europe (Percentage Share by Regions)**



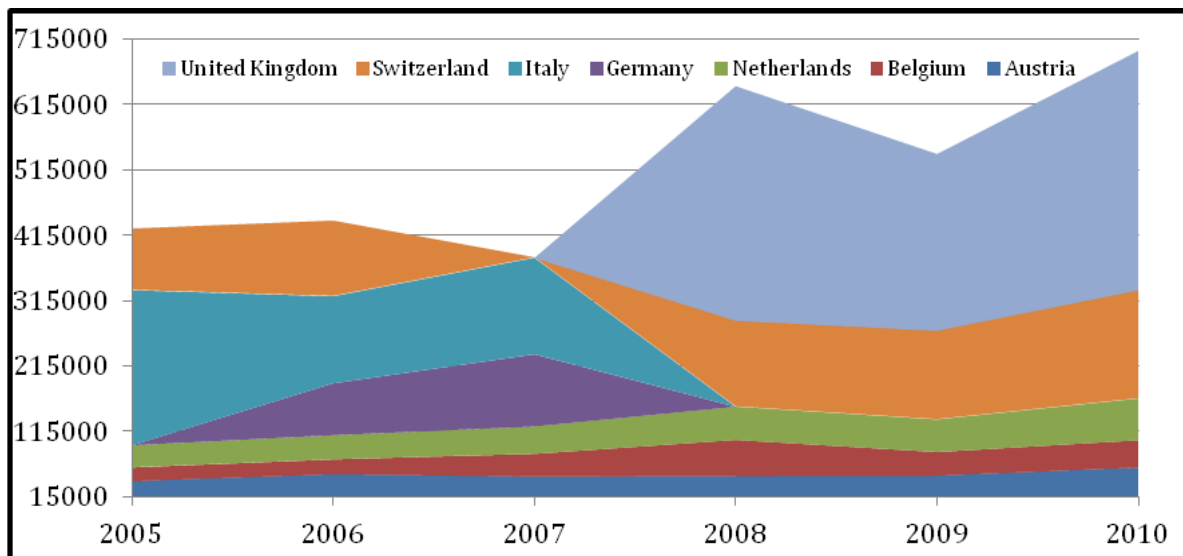
Source: Compiled from European Travel Commission (2012).

This conforms with the aggregated regional data given by a latest ETC (2012) report which shows that Western European countries dominate within the European region compared to other regions in terms of the percentage share of Indian arrivals (in 2011). While we do not have the exact breakdown by country in this report, one can make an educated guess that several countries such as Austria,

France, Germany, Netherlands and Switzerland in the Western European region could have attracted the highest number of Indian tourists. While the Southern and Northern European regions take about 15 percent each of total Indian arrivals in Europe, the Central and Eastern European region constitutes the remaining 6 percent (Figure 8).

However, based on arrivals data sourced from the national tourism statistics of the European Travel Commission, we can observe that the countries listed above have become increasingly important as of significant tourist destinations for Indian travelers. Excluding the United Kingdom, which emerges as the most popular visitor destination when considering the entire European region, focusing on the EU Schengen area countries specifically, we do see countries like Italy, Switzerland, Germany to a large extent and Netherlands, Belgium and Austria to a lesser extent as featuring among India's leading outbound tourist destinations (Figure 9).

**Figure 9. Indian Arrivals in EU (Selected Countries)**



Note: Switzerland is a non-EU country but part of the Schengen Area and the United Kingdom is an EU country but not part of the Schengen Area (Also see Table-1).

Source: Compiled from European Travel Commission (2009).

While lack of consistent and continuous data prevents us from deducing a clear pattern, it is still indicative of the larger trend that these countries attract a significant volume of tourists from India. In addition to these countries, other selected destinations such as Greece, Slovakia and Poland also draw some tourists from India, though the numbers are relatively smaller in comparison to those listed in Figure 9 (ETC 2009).

### 3.1. Tourism Flows to the EU—Key Drivers and Barriers

What drives bilateral tourism flows? In general, the literature points to a number of reasons to explain the possible determinants of tourism flows between countries. An established finding coming from this literature is that from an economics lens a set of demand factors determine bilateral tourism flows. This demand in turn relies on the interaction of range of factors including relative price levels in home and destination countries, destination image, visa regulations, income levels or the financial capacity to travel, cost of transportation, travel infrastructure, health and safety concerns etc. In sum, the demand for tourism will primarily be driven by a combination of push and pull factors such as the incomes and preferences of the tourists as well as competitiveness of the destination as an attractive tourist location (Prideaux 2004). As an illustration, a couple of important factors that appear to drive India-EU tourism flows are discussed below:

### **Visa Regulations**

Based on survey information collected from Indian travelers to Europe, as reported by ETC (2009), one of the key factors that play a very influential role in the selection of travel destinations within Europe includes the ease of obtaining visas. The fact that a common visa (and a common currency) to the EU allows the traveler to undertake a trip to more than one country in the region is also a key facilitator of tourism inflows into the EU. The importance of visa facilitation in boosting tourist flows has also been recognized by the European Commission in its communication to the Parliament (European Commission 2012) where it has emphasized the need to develop “a smarter visa policy” that would not only continue to provide “security” but also “facilitate travel opportunities for legitimate travelers, including tourists” in the Schengen area. The EC communication also notes that the number of Schengen visas issued to Indian tourists increased from 340,000 in 2007 to 460,000 in 2011, which points to the growing visitors from India.

Under the Schengen Agreement, all Indian nationals are required to obtain a Schengen visa to visit Schengen member countries. While for a regular tourist visa, documents such as confirmed booking papers and valid travel documents are required, for business travelers, documents from the Indian employer as well as an official invitation from a company located in the Schengen destination and proof of established contacts are required. However as ETC (2009) points out, the Schengen visa procedures and processes are not standardized across the member countries and the documentation requirements do prove to be a hindrance for many potential travelers.

**Table 1. Countries of Schengen and Non-Schengen Area in the EU Region**

√ <b>EU Countries in the Schengen Area</b>			
√ <i>Austria</i>	√ <i>Italy</i>	√ Lithuania	√ Luxemburg
√ <i>Belgium</i>	√ Latvia	√ Czech Republic	√ Malta
√ <i>Germany</i>	√ Poland	√ Denmark	√ <i>Netherlands</i>
√ Estonia	√ Sweden	√ Greece	√ Portugal
√ Spain	√ Slovakia	√ Finland	√ Slovenia
√ <b>France</b>	√ Hungary	√ --	
√ <b>Non-EU Countries in the Schengen Area</b>			
√ Cyprus	√ <i>Switzerland</i>	√ Norway	√ Iceland
√ Liechtenstein	√ --		
√ <b>EU Countries Outside the Schengen Area</b>			
√ United Kingdom	√ Ireland	√ Bulgaria	√ Romania

Source: Compiled from European Commission, available at [http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/borders-and-visas/index\\_en.htm](http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/borders-and-visas/index_en.htm), last accessed on January 08, 2013.

### **The ‘Bollywood’ Influence**

India is a country that is highly influenced by its film industry. Several countries in the EU have emerged as attractive holiday destinations for many Indian tourists also because of the significant exposure of the region in Indian films. Several movies from the pan-Indian film industry, popularly

referred to as the 'Bollywood', have been shot extensively in exotic locations in countries like Switzerland, Ireland, the United Kingdom, Austria etc. Such 'beautiful and romantic' portrayal of the European countries is said to have a psychological impact in attracting many Indian tourists to these locations by fanning their desire to travel.

In general, given the visibility and influence films command, several countries utilize "film tourism" as an effective medium to promote their tourism industry. Particularly in Bollywood, foreign locations have long been the shooting spot for several stories. To cite a specific and a well-known example, the popularity of Switzerland as a "dream location" was significantly done through Bollywood movies shot in different parts of Switzerland. The influence has also been recognized by other countries such as the United Kingdom. There have been collaborations with the Indian Film Industry to initiate marketing campaigns and disseminate tourism information about their countries among the Indian population. As reported by the ETC, a large number of tourism offices of international destinations such as United Kingdom, France, Switzerland and Austria are represented in India.

To illustrate the importance of film tourism, one can also look at the recent initiatives taken by Ireland, which has been trying to attract Indian producers to shoot Bollywood movies to give boost to its own tourism industry. The visit by an Ireland delegation to India to meet Bollywood executives to ask them to consider Ireland as a shooting location is a case in point. As another example, France, in addition to setting up an organization known as 'Film France' to attract international film shoots, also offers incentives such as refund of VAT to the crew that does foreign filming. The country is also offering financial incentives to attract Bollywood producers.

While the tourism boards of countries including that of the United Kingdom, Italy, Austria, Switzerland and France are noted to be actively promoting their own national tourism in India through various forms of media advertising, the ETC (2009) survey highlights that such efforts still have not created the desired impact as these marketing initiatives are being perceived by the Indian public as "sporadic, infrequent and lacking follow-up" (ETC 2009, p.84).

### ***Residence Permits***

It is also possible to draw a link between the growing residence permits being granted to Indian migrants and the flows of tourism from India to these countries. Hypothetically, the idea would be to examine if those countries that show an increase in the supply of their residence permits for Indian migrants are the very same countries that also experience high growth in tourist inflows from India. While such correlations may not reveal any causality, it is nevertheless plausible to infer such a link, especially given the growing flows of students and other visitors from India to selected EU countries.

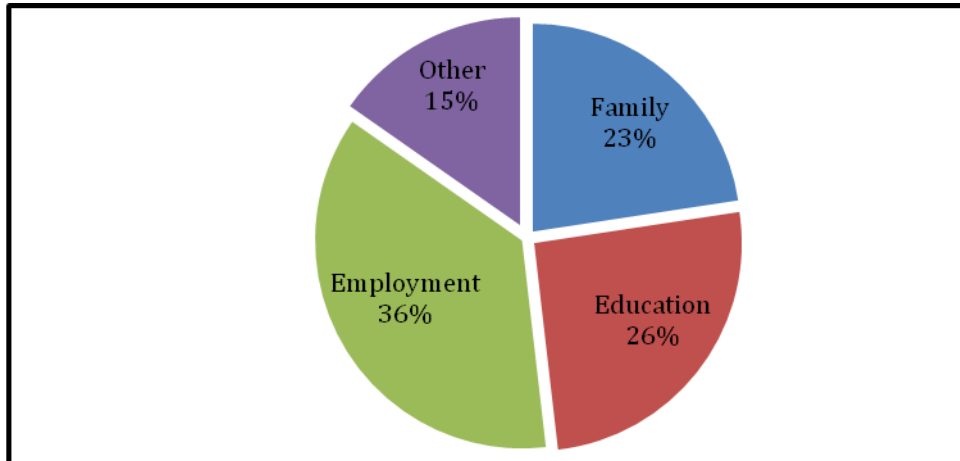
Typically, residence permits are granted to Indian nationals in the EU for either employment or education purposes and are treated as an indication of high-skilled emigration, but they are not restricted to just these two categories. The four reasons for which residence permits are issued by individual countries in the EU include education, family, employment and other reasons (which include stay without right to work, international protection, etc.). Among these four categories, specific categories of reasons such as students, researchers, highly-skilled workers etc. are distinguished. As mentioned earlier, the growth in residence permits obtained by Indians could also be correlated with growing tourist trends and relations with specific countries. While migrants willing to stay for slightly longer durations need to obtain residence permits, and hence would not be typically issued a tourist visa, it is possible that the growth in residence permits is potentially facilitating more tourism flows between these countries. Data on residence permits indicate that India ranks second after the United States in being the second highest country to be granted new residence permits by the member states of the EU.

Figure 10 shows that the majority of residence permits are granted to Indians for employment, education and family reasons. Figure 11 shows the top countries in the EU that awarded such permits



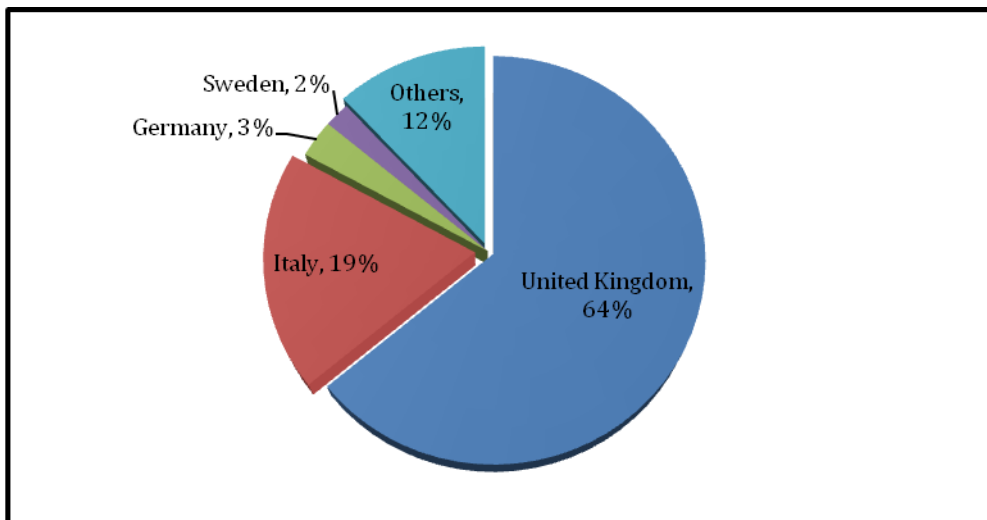
in the same year to Indians. Hypothetically, we can claim that the same countries such as Italy or Germany or the UK which are important tourist destination countries from India are also the very same countries that supply a lot of residence permits to Indian migrants. Also other countries such as Austria, Belgium and Netherlands, which are important tourist destinations for Indians, also appear to be important in terms of granting residence permits to Indians over the last few years.

**Figure 10. Residence Permits Granted to Indians by Reason (2010)**



Source: Compiled from Eurostat, available at [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Residence\\_permits\\_statistics](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Residence_permits_statistics), last accessed on January 08, 2013.

**Figure 11. Leading EU Issuers of Residence Permits to Indians (2010)**



Source: Compiled from Eurostat, available at [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Residence\\_permits\\_statistics](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Residence_permits_statistics), last accessed on January 08, 2013.

The following and final section of the paper will examine the nexus between tourism and irregular migration in the context of India-EU relations.

#### 4. Tourism and Irregular Migration

The EU region as a whole has been grappling with the problem of irregular migration for over a decade though the issue has occupied a greater place in public discourse since 2008 (De Tapia 2002; Morehouse and Blomfield 2011). By way of conceptual clarification, the term irregular migration refers to “entry to or residence in the territory of a given state by non-nationals who breach this state’s regulations on receiving non-nationals,” which follows from the European Parliament Directive (2008/115/EC) on common standards and procedures in Member States for returning illegally staying third-country nationals. To be sure, as the Directive notes, “... the presence on the territory of a Member State, of a third-country national who does not fulfill, or no longer fulfills, the conditions of entry as set out in Article 5 of the Schengen Borders Code or other conditions for entry, stay or residence in that Member State...” is termed an irregular migrant.

A key dimension of the above definition is that it not only refers to non-nationals who enter a country illegally and continue to stay illegally but also to those who enter the country legally but continue to live in that country when their legal right to stay in that country expires. In other words, the stay turns irregular though they enter the country through a legal channel. In addition, irregular migration can refer to a state where a non-national who is legally entitled to stay in a given country, but the purpose of stay is different from that which was sanctioned originally - for instance, a person who may hold a tourist visa, but in reality is employed.

The EU Committee’s “Global Approach to Migration and Mobility” notes that there are four common “pathways” to irregular migration, particularly in the European region. They include (a) visa overstaying, (b) rejected or non-returnable asylum-seekers, (c) loss or withdrawal of legal status in residency or work permit and (d) clandestine entry. While it is widely believed that irregular migration is mostly a result of clandestine entry through illegal border crossings, there is evidence in the literature that points to the fact that clandestine entry accounts for only less than a quarter of irregular residents in European region and that most irregular migrants actually enter with a valid authorized permit. This is where tourism squarely fits in to the discourse, as short-term visas for tourism are a major channel through which much of irregular migration happens. When most migrants enter on tourist visas or as students and end up overstaying their visa, they violate the terms of their legal rights to stay. Thus, visa overstay as a category is very significant when it comes to irregularity (EU 2012).

However, as noted earlier in the paper, studies on migration have neglected tourism specifically for long because of the difficulty in establishing a robust statistical correlation between the two. But owing to recent attempts to gather stronger statistical evidence on the various routes to irregular migration, many studies have acknowledged the importance of the tourism-irregular migration link. The data on irregular migration is a work in progress and hence all estimates are to be treated with caution. Typically, the data on irregular migration as it exists today is specifically based on three pieces of statistics that help measure illegal migration in general. Statistics on border apprehensions, regularization and refusal of entry and returns are the widely used data categories to estimate illegal migration more broadly. While border apprehensions deal more with clandestine entry, the statistics on regularization and returns are more appropriate for tracing irregular migration because they measure those migrants who over-stay their visa or failed asylum seekers who may have entered through the legal route. Clandestino (2009) is the most recent and comprehensive attempt to measure “undocumented” or “illegal” or “irregular” migrants in the European region. Specific to the aspect of irregular migration, they define “irregular foreign residents” as “foreign nationals without any legal residence status in the country they are residing in, and persons violating the terms of their status so that their stay may be terminated, which mostly concerns ‘irregularly working tourists’ from third countries” (p.14).

The Clandestino project’s country estimates for 2002, 2005 and 2008, as shown in Table 2 reveals that there has been an estimated decline in the stock of irregular resident population over the years. From an estimated range of 3 to 5 million irregular foreign residents who lived in the EU-15 in 2002,

the estimates for 2008 ranged between 1.8 and 3.3 million irregular foreign residents. While including all the countries in the EU, and looking at EU-27 as a whole, the estimate in 2008 was only marginally higher 1.9 to 3.8 million which points to the fact that most of the irregular resident population were estimated to live in the old Member States before the addition of the 12 member states in the EU. An interesting point worth noting here is that the statistical decrease that one can observe over the years in EU-15 can be partly explained by the accession of the “A8 countries” in 2004 which “regularized” the situation of migrants emanating from those countries who were noted to be living as irregular migrants in the EU15 which was in addition to some efforts taken by some of those countries to come up with effective regularization programs to deal with irregular migration (EU 2012).

**Table 2. Estimates of the Irregular Migrant Population in the EU**

√ EU-15	√	√ Absolute Population of Irregular Migrants (millions)		√ As Percentage of Foreign Population	
		√ Min	√ Max	√ Min	√ Max
√	√ 2002	√ 3.1	√ 5.3	√ 14	√ 25
√	√ 2005	√ 2.2	√ 4.8	√ 8	√ 18
√	√ 2008	√ 1.8	√ 3.3	√ 7	√ 12
√ EU-27	√ 2008	√ 1.9	√ 3.8	√ 7	√ 13

Source: Clandestino (2009).

Estimates from Clandestino (2009) also note that there is a high degree of heterogeneity when it comes to size of the irregular migrant population across the EU-27 member states. The United Kingdom is estimated to have the largest irregular migrant population, followed by Italy, Germany, France and Spain. Juxtaposing this finding along with the fact that most migrants in these countries entered the countries originally in a legal way, with short-term tourist visas being one significant component, one can conjecture that that increased tourist flows have potentially played as an important channel for facilitating irregular migration.

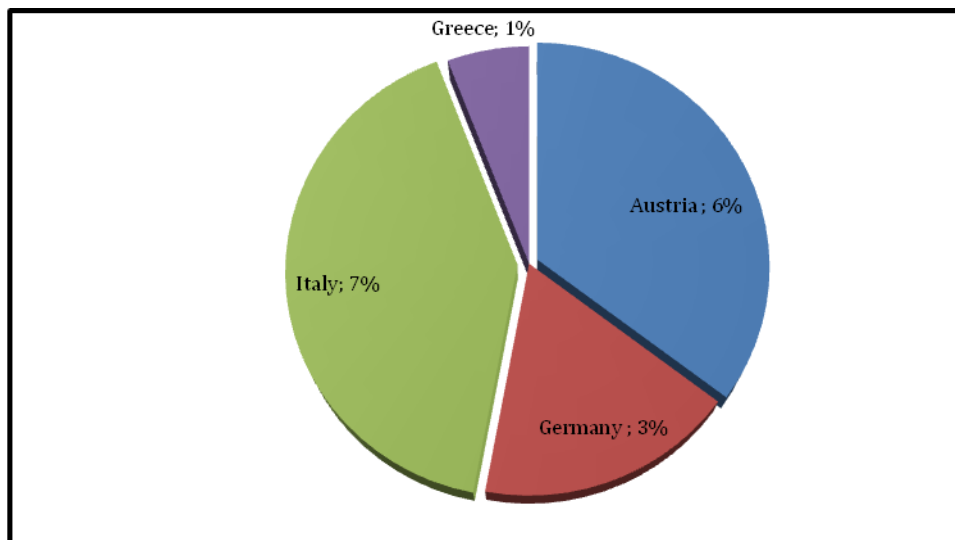
When one considers the crucial entry points of migrants into the EU region that includes illegal border crossings to legitimate entry as tourists, one finds that the borders of Italy-Slovenia attract not only other Eastern European nationals, but also migrants who come from Central Asia, the Middle East, the Indian sub-continent and Eastern Asia. While not the most pressing when it comes to source countries, India still figures as an important source country from which irregular migrants enter the EU. Before examining the available statistical estimates from Clandestino (2009), it is worth highlighting the findings of an interesting study based on anecdotal evidence from the source country’s perspective. A field study examining about 169 cases in the Southern Indian State of Tamil Nadu, conducted by the United Nations Office of Drugs and Crime (UNODC) in 2009 revealed that 23 percent of the sample examined was found to support irregular migration from India to Europe, especially to the United Kingdom. The report notes that while the United Kingdom was the most preferred destination for the migrants, the other destination countries in Europe included Austria, Greece, Sweden, Italy, Spain, Germany, Ireland, Poland, France and the Netherlands. Further, the most important finding of this paper, based on anecdotal evidence and an examination of law enforcement authority records was that in most cases irregular migrants had travelled on tourist visas and several instances of visa overstay were noted. This was especially the case with migrants to the United Kingdom who had either travelled to France on tourist visas and then entered the UK illegally or entered the UK directly on tourist visas and then overstayed after their visa expired (UNODC 2009). This appears to closely correlate with the bilateral tourist numbers that were examined in the

previous sections and the fact that many of the countries reported in this study, like the UK, Austria, Italy or Germany do rank highly with respect to tourism flows from India to EU. While nothing conclusive can be said based on this, it still is indicative of the larger trend of how tourism is likely to be contributing to the problem of irregular migration.

Similar numbers can be found from the statistical estimates of Clandestino (2009). While many countries in the EU region are suspected to be receiving irregular migrants from India, especially on tourist visas, statistical estimates that list India as a significant problem as a source country appear to be available only for Austria, Italy and Germany (Figure 12).

Among the migrants “apprehended due to illegal entry or residence” in Austria, India was reported to represent 6 percent of this population, also figuring as the three most common nationalities of those migrants along with Serbia (12 percent) and Romania (5 percent). In Germany for instance, as per the Police Criminal Statistics on “apprehensions by country of origin”, there were reportedly close to a 1000 Indians, representing about 3 percent of their irregular migrant population and India was ranked among the “top-ten” for irregular entries in Germany, of which a marked number were tourists who came for a visit and over-stayed when they found a chance to be gainfully employed in the informal labor market. The other country in EU that appears to be affected the most because of irregular migration is Italy. Especially in terms of the number of migrants from India, there were an estimated 77,000 migrants in 2005 of which 12 percent were deemed irregular. While similar figures are not available for the UK, tentative indications from “detention centers” as reported in Clandestino (2009) point out that India was listed as one of the main nationalities for the irregular migrant population in the UK. While data for Greece and Slovakia is not very convincing, there is growing qualitative evidence to show that they are also important destination countries for irregular migrants from India.

**Figure12. Estimates of Irregular Migrants from India in Selected EU countries (%)**



Source: Based on Clandestino (2009).

## 5. Conclusion

India and the EU have expanded their bilateral economic and investment ties significantly in the last decade or so. The bilateral trade and investment agreement that is under negotiation is expected to be completed in the near future which would provide a major boost to the relationship. As a result of closer ties, the EU has emerged as a very important destination for various types of cross-border flows from India. In addition to the growing movement of professionals and students, the EU also figures as India’s major tourist destination. Though India also attracts a large number of tourists from the

European region, India's outbound tourism with respect to EU is greater in magnitude and significant. Given the economic and strategic significance of promoting tourism flows for fostering bilateral relations between India and the EU, this paper attempted to map the tourism flows between India and a selected few EU countries and also examined their relative significance as destinations or sources.

Increased tourism flows also appear to be facilitating irregular immigration in the EU (based on indicative evidence) especially from India, though the causal nexus cannot be conclusively established. The paper has also drawn some possible inferences about tourism's role in facilitating irregular migration. While the conjectures of the paper require further investigation to draw policy lessons, promoting bilateral tourism between India and the EU should nevertheless remain a priority, going forward.

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