

Bilateral Treaties as Instruments of Skills Diplomacy: A Case Study of India–Australia MATES and Working Holiday Visas

¹Venkateswaran P. K., ²Dr. K. Jameela

¹Ph.D Scholar, School of Law,

Hindustan Institute of Technology and Science (Deemed to be University),

Padur, Kelambakkam, Tamil Nadu 603103, India.

²Assistant Professor, School of Law,

Hindustan Institute of Technology and Science (Deemed to be University),

Padur, Kelambakkam, Tamil Nadu 603103, India.

Abstract

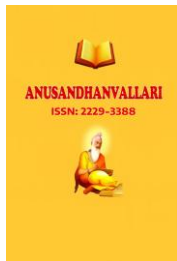
In the contemporary global economy, the movement of skilled labour has undergone a significant transformation, shifting from traditional migration patterns to structured and strategic frameworks driven by bilateral agreements. This research paper examines the role of bilateral treaties as catalysts for global skills exchange, with specific reference to the Migration and Mobility Partnership Arrangement (MMPA) between India and Australia. The study focuses on two key initiatives under this framework: the Mobility Arrangement for Talented Early-professionals Scheme (MATES) and the Working Holiday Maker (Subclass 462) visa program. The research argues that bilateral mobility agreements represent an evolution from the conventional “brain drain” paradigm toward a more sustainable model of “brain circulation,” wherein talent mobility is temporary, reciprocal, and development-oriented. The MATES program, which allows 3,000 highly skilled Indian graduates annually to work in Australia without employer sponsorship, demonstrates a progressive approach to addressing skill shortages in critical sectors such as Artificial Intelligence, renewable energy, financial technology, and engineering. Simultaneously, the Working Holiday visa promotes cultural exchange and soft skill development among young professionals, thereby enhancing global employability. Through a doctrinal and analytical methodology, the study evaluates the economic, social, and policy implications of these programs. It highlights how such frameworks contribute to sectoral innovation, facilitate mutual recognition of qualifications, and create long-term economic multiplier effects in both nations. The findings suggest that these structured pathways mitigate the adverse impacts of permanent migration by encouraging knowledge transfer and eventual reintegration of skilled professionals into their home country.

Key Words: reintegration, professionals, development, innovation

Introduction

The Strategic Transformation of Global Talent Mobility

The global labour market is currently experiencing a profound structural shift characterized by simultaneous technological advancement and workforce shortages. While automation, artificial intelligence, and digital transformation are reshaping traditional employment patterns, there remains an acute demand for highly specialized skills, particularly in science, technology, engineering, and mathematics (STEM) sectors. This paradox has compelled nations to reconsider conventional immigration policies and adopt more structured approaches to talent acquisition and mobility.



Historically, international migration has been largely driven by unilateral policies, where developed countries attracted skilled professionals from developing nations, often resulting in the phenomenon known as “brain drain.” This model, although beneficial for host countries, created imbalances by depriving source countries of critical human capital. In response to these challenges, the concept of “skills diplomacy” has emerged as a strategic alternative, emphasizing cooperation, reciprocity, and mutual benefit through bilateral and multilateral agreements.

Bilateral treaties, in particular, have gained prominence as effective instruments for managing cross-border talent flows. Unlike traditional migration systems, these agreements are designed to align labour mobility with the economic priorities of participating nations. They establish structured pathways that facilitate temporary migration, promote skill enhancement, and encourage the eventual return of professionals to their home countries. This approach fosters “brain circulation,” a dynamic process in which knowledge, expertise, and innovation are continuously exchanged between countries.

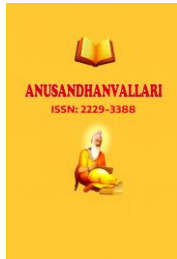
Within this evolving framework, the Migration and Mobility Partnership Arrangement (MMPA) between India and Australia represents a significant milestone in international labour cooperation. Introduced in 2023, the MMPA reflects a shared commitment to strengthening economic ties while addressing critical skill shortages in Australia and enhancing global exposure for Indian professionals. The agreement includes innovative mobility schemes such as the Mobility Arrangement for Talented Early-professionals Scheme (MATES) and the Working Holiday Maker visa program, both of which serve distinct yet complementary purposes.

The MATES program exemplifies a forward-looking model of talent mobility by enabling highly qualified Indian graduates to work in Australia without the constraints of employer sponsorship. This not only enhances labour market flexibility but also allows for rapid deployment of skills in high-demand sectors. On the other hand, the Working Holiday visa fosters cultural exchange and experiential learning, equipping young individuals with valuable soft skills such as adaptability, cross-cultural communication, and global networking.

The India–Australia Framework: A Data-Driven Analysis

The cornerstone of this study is the 2023 Migration and Mobility Partnership Arrangement (MMPA), a landmark bilateral initiative that reflects a structured and strategic approach to cross-border talent mobility. At its core, the framework is built upon two distinct yet complementary visa streams designed to address both high-skilled labour shortages and broader socio-economic exchange objectives. These mechanisms collectively signify a shift from conventional migration models toward a more coordinated and policy-driven system of global skills exchange.

The Mobility Arrangement for Talented Early-professionals Scheme (MATES), classified under Subclass 403, represents a highly specialized pathway aimed at attracting India’s most promising young graduates. The program is capped at 3,000 primary applicants annually, ensuring a targeted and manageable inflow of skilled professionals. A defining feature of MATES is its departure from traditional employer-sponsored visa frameworks such as the Subclass 482 Skills in Demand visa. By eliminating the requirement for employer sponsorship, the scheme enables participants to enter the Australian labour market as independent professionals, thereby functioning as “free agents.” This flexibility allows start-ups and innovation-driven enterprises, which may lack the capacity to sponsor foreign workers, to access high-quality talent. Over a projected five-year period, it is estimated that by 2030, approximately 15,000 Indian professionals, along with more than 10,000 dependents possessing full work rights, will be integrated into Australia’s advanced technological sectors, thereby strengthening its innovation ecosystem.



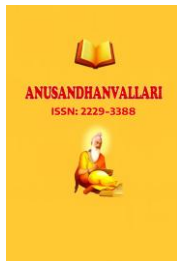
A critical dimension of the MATES program lies in its sectoral focus, often conceptualized as the “Seven Pillars,” which align with Australia’s most pressing labour market gaps. In the renewable energy sector, Australia is undergoing a significant transition aimed at achieving 82 percent renewable energy generation by 2030. However, a shortage of nearly 30,000 workers, particularly in grid-scale solar engineering and battery storage, poses a challenge. India’s extensive experience in renewable energy deployment enables its professionals to contribute effectively, fostering collaboration in green hydrogen and solar efficiency. Similarly, in mining and mineral extraction, Australia faces an aging workforce and a projected need for 100,000 additional workers by 2030, especially in critical minerals such as lithium and cobalt. Indian engineers, trained in complex extraction processes, can enhance supply chain resilience and reduce dependence on limited global sources.

In the field of engineering, Australia continues to experience a widening gap between demand and supply, with vacancy rates rising sharply and annual graduate output falling short of industry requirements. India’s large pool of engineering graduates provides a strategic solution, particularly in civil, mechanical, and structural domains, thereby facilitating the timely completion of major infrastructure projects. The information and communication technology sector presents another critical area, with projections indicating the need for 650,000 additional workers by 2030. Indian professionals, recognized for their expertise in large-scale digital systems and agile development practices, are well-positioned to strengthen Australia’s digital economy and foster cross-border technological collaboration.

Artificial intelligence represents a rapidly expanding domain where Australia anticipates substantial economic contributions, yet faces a shortage of skilled professionals in machine learning and data analytics. India’s strong presence in global AI talent enables effective knowledge transfer, accelerating the adoption of AI technologies across small and medium enterprises. In the financial technology sector, the transition toward digital financial systems has intensified demand for cybersecurity specialists and blockchain developers. India’s globally recognized digital payment infrastructure provides valuable insights into scalable and secure systems, thereby supporting modernization efforts in Australia. Likewise, in agricultural technology, the shift toward smart farming has created demand for interdisciplinary expertise. India’s growing agri-tech ecosystem contributes innovative solutions in crop optimization and resource management, enhancing agricultural resilience and global competitiveness.

Complementing the MATES program is the Working Holiday Maker Program under Subclass 462, which was extended to India in September 2024, making it the 50th partner country. This initiative permits 1,000 visas annually and is specifically targeted at young individuals between the ages of 18 and 30 who seek to combine employment with cultural exploration. Over a five-year period, it is projected that approximately 5,000 Indian participants will benefit from this scheme, acquiring essential soft skills such as adaptability, intercultural communication, and global networking. These competencies are increasingly valued in a globalized workforce and contribute to long-term professional development.

The combined impact of these two visa streams, totaling 4,000 annual participants, is expected to significantly influence skills exchange between 2025 and 2030 across multiple dimensions. One of the primary outcomes is enhanced sectoral innovation in STEM and FinTech industries, where targeted talent inflows address critical workforce shortages while exposing Indian professionals to advanced regulatory frameworks and research environments. Another important dimension is the emergence of “human capital interoperability,” facilitated by ongoing efforts toward mutual recognition of qualifications under the MMPA. This ensures that skills and credentials are equally valued across both countries, thereby reducing instances of underemployment among skilled migrants.



In addition, the framework generates substantial economic multiplier effects. With a mobility period of up to 24 months, it is estimated that around 40 percent of MATES participants may transition into longer-term employment pathways, while the remaining 60 percent are likely to return to India with enhanced expertise and global exposure. This creates a dynamic feedback loop of innovation, as returning professionals contribute to the domestic economy by applying international standards and practices.

At a broader level, the India–Australia partnership serves as a “lighthouse model” for global talent management. It demonstrates the importance of maintaining security and transparency through mechanisms such as ballot-based selection systems, which prevent the commercialization of migration processes. Furthermore, it highlights the value of strategic alignment, enabling governments to tailor migration policies to specific economic priorities, such as the transition to renewable energy. Finally, the framework underscores the role of migration as a tool of diplomatic engagement, transforming it from a source of contention into a cornerstone of comprehensive strategic partnerships between nations.

The Working Holiday Maker Program (Subclass 462): Cultural and Skill Exchange

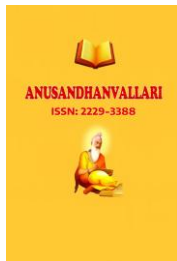
The Working Holiday Maker Program (Subclass 462) represents a distinctive component of the India–Australia Migration and Mobility Partnership Arrangement, emphasizing cultural exchange alongside skill development. Introduced to India in September 2024, the program enables young individuals aged between 18 and 30 to engage in short-term employment while experiencing life in Australia. With an annual cap of 1,000 visas, the scheme is carefully structured to balance mobility opportunities with domestic labour considerations, ensuring a mutually beneficial exchange.

Unlike highly specialized migration pathways such as the MATES program, the Working Holiday visa is designed to foster holistic development rather than sector-specific expertise. Participants are encouraged to take up diverse forms of employment, often in sectors such as hospitality, tourism, agriculture, and regional services. This exposure allows them to gain practical work experience in a foreign environment while simultaneously developing a deeper understanding of Australia’s socio-economic landscape. The program thus operates at the intersection of labour mobility and cultural diplomacy, promoting interpersonal connections and cross-cultural awareness.

A key contribution of the scheme lies in its role in enhancing soft skills, which are increasingly recognized as critical in the global workforce. Through their experiences, participants develop adaptability, communication skills, problem-solving abilities, and cultural intelligence. These competencies are particularly valuable in today’s interconnected economy, where professional success often depends on the ability to navigate diverse social and organizational contexts. Upon returning to India, participants carry with them not only international exposure but also a broadened perspective that enhances their employability and professional growth.

Impact Assessment of Skills Exchange (2025–2030)

The India–Australia Migration and Mobility Partnership Arrangement (MMPA), through the MATES and Working Holiday Maker programs, is expected to generate significant and multidimensional impacts on global skills exchange over the period 2025–2030. With an annual intake of approximately 4,000 participants, the framework represents a structured model of talent mobility that integrates economic, technological, and socio-cultural dimensions. The impact of this initiative can be broadly assessed across sectoral innovation, human capital development, and long-term economic outcomes.



One of the most immediate effects of the skills exchange is visible in sectoral innovation, particularly in high-demand areas such as renewable energy, artificial intelligence, information technology, and financial technology. Australia currently faces substantial workforce shortages in these sectors, which hinder productivity and delay critical projects. The targeted inclusion of Indian professionals through the MATES program provides a timely infusion of specialized skills, thereby addressing these gaps efficiently. At the same time, Indian participants gain exposure to advanced research environments, regulatory systems, and technological practices, which enhances their professional capabilities and fosters knowledge transfer across borders.

Another critical dimension of impact is the emergence of human capital interoperability. The MMPA emphasizes mutual recognition of qualifications and skills, ensuring that professional credentials are valued equivalently in both India and Australia. This reduces the phenomenon of underemployment, where highly qualified individuals are often compelled to accept lower-skilled jobs due to non-recognition of their qualifications. By streamlining credential recognition and promoting institutional collaboration, the agreement facilitates smoother integration of professionals into host country labour markets while maintaining the integrity of their expertise.

The economic implications of the skills exchange are equally significant. The temporary nature of the MATES visa, typically allowing a stay of up to 24 months, creates a dynamic cycle of talent movement. It is estimated that a proportion of participants will transition into long-term employment opportunities, contributing directly to Australia's economic growth. Conversely, a substantial number of professionals are expected to return to India with enhanced skills, global exposure, and professional networks. This return migration contributes to domestic innovation, entrepreneurship, and capacity building, thereby generating a "brain circulation" effect rather than a permanent loss of talent.

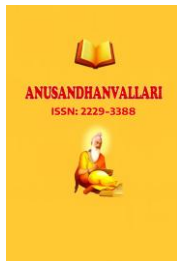
Comparative and Global Perspectives

The India–Australia Migration and Mobility Partnership Arrangement (MMPA) must be understood not in isolation, but within the broader global landscape of labour mobility frameworks that increasingly emphasize structured, reciprocal, and skills-oriented migration. Across the world, countries have begun transitioning from unilateral immigration policies to bilateral and multilateral agreements that align workforce mobility with economic priorities. In this context, the India–Australia model represents a contemporary and strategic approach that balances national interests with global talent circulation.

Comparatively, several developed nations have implemented similar frameworks, such as the European Union's Blue Card system, Canada's Global Skills Strategy, and Germany's Skilled Immigration Act. While these models aim to attract foreign talent, they largely operate as host-country-centric systems designed to fill domestic labour shortages. In contrast, the India–Australia arrangement distinguishes itself by embedding reciprocity and structured mobility within its framework. The emphasis on temporary migration pathways, such as the MATES program, ensures that talent mobility does not result in permanent displacement but instead promotes cyclical knowledge exchange, thereby supporting the concept of "brain circulation."

Another distinguishing feature of the India–Australia model is its dual focus on both high-skilled professionals and youth mobility. While many global frameworks prioritize highly specialized labour, the inclusion of the Working Holiday Maker Program reflects a broader understanding of skills exchange that incorporates cultural intelligence and soft skill development. This holistic approach aligns with emerging global trends that recognize the importance of interpersonal competencies alongside technical expertise in a globalized economy.

From a global perspective, the MMPA also contributes to the evolving discourse on skills diplomacy, where migration policies are increasingly used as tools of international cooperation and strategic partnership. Countries



such as Japan and the United Kingdom have initiated bilateral agreements with developing nations to facilitate labour mobility in specific sectors; however, these arrangements often lack the level of institutional integration and mutual recognition mechanisms seen in the India–Australia partnership. The focus on aligning educational qualifications, professional standards, and regulatory frameworks enhances the effectiveness and sustainability of the exchange.

Challenges and Conclusion

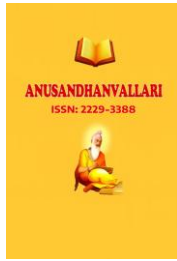
Despite its progressive design and strategic intent, the India–Australia Migration and Mobility Partnership Arrangement (MMPA) is not without its challenges and limitations. One of the primary concerns relates to accessibility and inclusivity. Although the MATES program targets highly skilled graduates, the stringent eligibility criteria and limited annual intake of 3,000 applicants may restrict opportunities to a relatively small segment of India’s vast talent pool. This raises questions about equitable access and whether the benefits of such bilateral arrangements are being distributed broadly enough across socio-economic groups.

Another significant challenge lies in the recognition of qualifications and professional standards. While the MMPA envisions mutual recognition of skills, practical implementation may encounter regulatory and institutional barriers. Differences in accreditation systems, licensing requirements, and industry standards can lead to delays or partial recognition, thereby limiting the seamless integration of professionals into the host country’s labour market. This may inadvertently contribute to underemployment or skill mismatch, undermining the intended objectives of the program.

Administrative and procedural complexities also present potential obstacles. The introduction of ballot-based selection systems, while enhancing transparency, may create uncertainty among applicants and reduce predictability in migration planning. Additionally, visa processing timelines, compliance requirements, and documentation procedures can pose challenges, particularly for first-time international applicants. For employers and institutions, adapting to new frameworks and coordinating with foreign talent pools may require additional resources and institutional capacity.

From a broader perspective, there are concerns regarding the long-term sustainability of such programs. While the concept of “brain circulation” is central to the MMPA, ensuring that a substantial proportion of participants return to their home country with enhanced skills is not guaranteed. There is always the possibility that a segment of talent may transition into permanent migration pathways, thereby contributing to a modified form of brain drain. Furthermore, geopolitical shifts, economic fluctuations, and domestic policy changes in either country could influence the continuity and effectiveness of the agreement.

The India–Australia MMPA represents a significant advancement in the field of global talent mobility, offering a structured and mutually beneficial framework for skills exchange. By integrating elements of skills diplomacy, sector-specific targeting, and cultural exchange, the arrangement moves beyond traditional migration paradigms toward a more balanced and sustainable model. While challenges related to accessibility, implementation, and long-term outcomes remain, the overall framework demonstrates considerable potential as a “lighthouse model” for international cooperation. Its success will ultimately depend on continuous policy refinement, institutional collaboration, and a commitment to ensuring that the benefits of global mobility are shared equitably between nations.



References

- [1] Australian Government Department of Foreign Affairs and Trade (2022) *Australia-India Economic Cooperation and Trade Agreement (ECTA) benefits for Australia*. Available at: <https://www.dfat.gov.au/> (Accessed: 13 January 2026).
- [2] Department of Home Affairs (2024) *Mobility Arrangement for Talented Early-professionals Scheme (MATES) Fact Sheet*. Canberra: Commonwealth of Australia.
- [3] *Engineers Australia (2023) Engineering Vacancies Report: A World-Class Shortage*. Barton: Engineers Australia.
- [4] Giles, A. (2024) *Australia and India become closer MATES under new mobility arrangement*. [Media Release] 9 February. Available at: <https://minister.homeaffairs.gov.au/> (Accessed: 13 January 2026).
- [5] High Commission of Australia in India (2024) *India joins the Working Holiday Maker program under a new visa ballot process*. New Delhi: Australian Government.
- [6] *Infrastructure Australia (2023) Market Capacity Report: Labor and Materials*. Sydney: Commonwealth of Australia.
- [7] *Tech Council of Australia (2024) The Path to 1.2 Million Tech Jobs by 2030*. Melbourne: TCA Publications.
- [8] The Economic Times (2025) *Australia's MATES programme explained: What it means for Indian applicants*. 14 November. Available at: <https://m.economictimes.com/> (Accessed: 13 January 2026).
- [9] VisaHQ (2025) *Ballot opens for 2025-26 MATES visa, giving 3,000 young Indians two-year work rights in Australia*. Available at: <https://www.visahq.com/> (Accessed: 13 January 2026).