



A Survey On Reverse Brain Drain And Its Relevance To India

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ABSTRACT: -Brain Gain, a much talked of word in the Sixties was characterized by the movement of technically skilled and qualified Indians to developed countries in search of better education and employment opportunities. Today, however, the trend seems to be changing. The global economic crisis of 2007-08 affecting mainly the developed western countries, accelerating pace of economic development in India and the opening up of our economy has facilitated this phenomenon. The Government has to take steps to sustain this human capital if India has to emerge as a Global Brain Power in the near future.

Keywords: Reverse Brain Gain; Brain Gain; Brain Circulation

I. INTRODUCTION

In the mid-nineties with the intensified globalization process, accompanied by increased drive towards technological developments and services; and demand for skilled labor in the developing countries, had brought the problem of skilled emigration to the political forefront. Gradually this penetrated the academic world, thus drawing the attention and interests of researchers¹. Thus one can safely say that the concept of Reverse Brain Drain and the return of migrants, has been gaining a lot of attention in recent times, particularly so in case of Asian countries like China and India. A growing number of US-trained and US- based Asian Indians are returning to their home country to take advantage of new growth and employment opportunities in India – making the metropolitan cities their permanent homes. This phenomenon has given rise to a lot of repercussions –

both positive as well as negative and the entire issue warrants a careful and detailed examination.

In this Paper an attempt has been made to examine the concept of Reverse Brain Drain and other related concepts, discuss the causes of Reverse Brain Drain, briefly mention the trend on the basis of the available data, discuss the merits and demerits associated with the phenomenon, examine the challenges thrown upon the economy and make plausible recommendations which hopefully would help in paving the way for a better future.

II. CONCEPT OF BRAIN DRAIN REVERSAL AND OTHER RELATED CONCEPTS

Reverse Brain Drain can be considered, according to Wikipedia¹, a form of brain drain where human capital moves in reverse from more developed countries to lesser developed countries that are developing rapidly. These migrants may accumulate savings also known as remittances and develop skills overseas which can be used by the host country. Reverse Brain Drain can occur when scientists or engineers migrate to more developed countries where there are ample education and employment opportunities and after several years of experience return to their home country to start a related business, teach in an educational institution or work in a Multinational.

In this context one should draw a distinction between 'brain drain' and 'brain circulation'. In case of brain circulation, the migrants return to their home country either on a regular or on occasional basis sharing their skills and expertise while living abroad.



Brain Circulation can be considered as an extended definition of Brain Gain. Brain Gain occurs when there is sizeable immigration of technically qualified people. In case of Brain Circulation, emphasis is laid on the circulation of human capital across nations in the global market. It refers to the cycle of moving abroad to study, taking a job overseas and returning home later to take advantage of a good opportunity². This type of migration is expected to occur in the future if the economic disparities between countries continue to decline.

The concept can also be looked at from another angle where several Multinational Corporations are sending their top Indian minds to head their companies in India.

III. TRENDS IN REVERSE BRAIN DRAIN

The data available on the exact number of people of Indian origin returning to India is limited. According to Alwyn Didar Singh, ex- departmental head, at the Ministry of Overseas Affairs over 1, 00,000 Indians had returned to their homeland by 2010³. According to the Article in Financial Times, India's Corporate Sector is supposed to hire about 35,000 home comers/repatriates⁴.

As per the records maintained by the Union Science and Technology Ministry majority of Reverse Brain Drain has happened from the US, Germany & Britain. Of late scientists have also started coming from South Korea and Japan. According to T Ramasami, Secretary Department of Science and Technology, scientists have come from abroad and are working in various institutions across the country. Six of them have gone back due to various reasons.

Statistics show that majority of researchers prefer to work in Karnataka, Andhra Pradesh, Maharashtra and West Bengal in view of the fact that these states have the largest number of research institutes.

According to NASSCOM, McKinsey Report 2005⁵, about 25,000 IT Professionals returned to India between 2000 and 2004.

The trend became noticeable after recession where Indian scientists and engineers are returning due to increasing career and growth opportunities in India, better funding, job security, family and cultural ties and lengthy immigration policy.

A Study was conducted by Dr. Meghna Sabharwal, Assistant Professor, at the University of Texas, Dallas, funded by the National Science Foundation with student faculty of IIT –Gn on “Should I stay, should I leave? - Reverse migration of India born scientists and engineers”⁶. It was found out that 45% of the Survey respondents said they returned due to career prospects, better job opportunities, flexibility in types of research, ease in availability of funds and job security in India, 36% returned for family reasons (such as aging, parents, family ties and raising children), 32% because of cultural ties which did not fit in United States of America, 27% returned due to immigration issues as their spouses could not get work there.

IV. CAUSES OF REVERSE BRAIN DRAIN

In the past people of Indian origin, particularly from the IT Sector, moved to other countries in search of better education and employment opportunities. However, India and China have come a long way from being agrarian economies and are now being converted into dynamic hubs of technology, characterized by the positive impact of brain circulation. Today these places have become centers of innovation. Let us discuss in detail the causes of Reverse Brain Drain in India.

One, the Recession in the West and the subsequent slump between 2000 and 2004 made many Indians lose their jobs. The crisis forced several unemployed in the western countries to migrate to countries like India which are emerging in the international



markets, with India being looked as been very attractive in terms of job opportunities. The rapid development of the IT Sector in India benefitted the IT Professionals.

Two, the opening up of the Indian economy in 1991, accompanied by new tax rules and legislations paved the way for better environment. With the growth of the private sector in India, the highly skilled professionals feel that they would be fruitfully rewarded for their talents and hard work in the Indian private sector.

Three, issues such as the attachment/importance given to cultural affinity / cultural values, problems of aging parents, the desire to expose the children to Indian culture and a hope for a more social life-style. They felt that this way not only would they be close to the family but also realize the importance of the concept of family. The notion of family is a revered one in India and the immigrant Indian generations are feeling the need for a protected and secure environment.

Four, several Asians are facing the aftermath of 9/11 where they are mistaken for Arabs and asked to go back. In addition there are instances of racial discrimination between the 'whites' and the 'browns' which provides further incentives to go back to their homeland.

Five, flawed and cumbersome immigration policy, non granting of Visas to students and work permits to the spouses only aggravated the problem.

Six, corporations of developed countries train and outsource engineering, software and/or product designs to low cost countries like China and India which would help in reducing the cost or forestalling bankruptcy.

Seven, Indian migrants are increasingly motivated to return to their home countries on account of rapid economic growth, improving standards of living and increasing economic opportunities.

V. BENEFITS OF REVERSE BRAIN DRAIN

In spite of the problems and challenges thrown open by Reverse Brain Drain, the phenomenon is not without its benefits.

Firstly, India can reap benefits not only in the present but also continue to do so in the future. This is so because the smartest and most talented people would utilize their energies in the Indian economy.

Secondly, Business and Professional contacts that would have been built up over the years could favorably result in cross-continental collaborations with the US counterparts. Return migrants act as a bridge between the US and India and create a knowledge base for others to know.

Thirdly, it is a known fact that science in India is on the rise and opportunities are many. The return of the internationally reputed or competent faculty could play a major role in strengthening of the Indian scientific community at the International forum.

Return migrants have a global vision. Wipro for example, one of the most famous IT firms, has taken the initiative of being the local partner of many Multinational Corporations operating in India.

Fourthly, a few return entrepreneurs who have a vision for creating cutting-edge technology are required for the creation of product-oriented companies to foster and develop innovation and growth.

A few multinational venture capital firms have opened branches in India mainly with Business Processing Operating Companies. In the late 1990s an increasing number of traditional fortune companies as well as multinational corporations turned to India for software programming and development, call centers and bank office operations. Some of the world's biggest companies such as Google, Microsoft and Yahoo are setting up production units in India. Majority of the Returnees are the source and motivation of inflow of knowledge and capital. The prominent sectors to benefit from this are IT, Business Process



Outsourcing, (BPO) and Knowledge Process Outsourcing (KPO).

Fifthly, most of the Indian Returnees were holding degrees in Management, Technology and Science. The honed expertise of these talented Indians could be used for the setting up and management of enterprises in general and the IT Sector in particular. Sixthly, the remigrating entrepreneurs may also provide access to the markets in the industrialized countries which are crucial for India's revitalization. Seventhly, the capital inflow characterizing the Reverse Brain Drain could be more useful to India than the earlier remittances of the migrants to their friends and families. Majority of the Indian diaspora maintained remote links and thus play the dual roles of drivers of knowledge and capital flows to India.

In 2004 the Government of India instituted the Overseas Citizenship of India Program for those who had been citizens of India and at present were holding the citizenship of another country. Barring the right to vote, to stand for public office and purchase of agricultural land they enjoyed every other right like any other Indian.

At the same time Indian IT traders like Infosys, Wipro and Tata Consultancy Services increased employment and stretched their branches to other countries like USA, Canada, Europe, East Asia, Australia and the Middle East where several Asian/Indian Graduates were recruited.

The Government of India has initiated various schemes such as Ramaniya Fellowship, Innovation to Science Pursuit for Inspired Research (INSPIRE), the Ramalingaswamy Fellowship etc. – all these provide a platform for scientists who wish to return to India.

VI. CHALLENGES FOR INDIA

While Reverse Brain Drain has a number of beneficial effects on the economy it is also accompanied by a number of negatives.

One, the entry of migrant Indians would further aggravate the problems of poverty and inequality of income distribution with reference to the masses. This would further encourage the existing vicious circle of poverty. Lack of education, health and adequate economic opportunities could adversely affect the future generations.

Two, undoubtedly reverse brain drain would have a positive impact on the software sector but this would be at the cost of other industries where shortcomings and limitations in terms of high technology manufacturing industries including finance, engineering and computer programming.

Three, India's intellectual capacity is internationally acclaimed but the question raised is how far is India capable of competing on the global scale when two basic problems of poverty and population explosion are plaguing the Indian economy.

Four, being brought up in an alien environment there is a possibility of mismatch between requirements of the domestic economy and skills sets of returning scientists. There is also a difference in the work culture of a five day week of a foreign country and a six day week in India under trying conditions.

VII. CONCLUSION

Well educated and affluent people of Indian origin are returning to their homeland not only to exploit the job opportunities but also to imbibe and nourish India's rich cultural heritage. Apart from bringing skills, connections and capital, they also help in improving the physical and social infrastructure.

Hundreds of IT Companies are looking for skilled employees who have western education. India's Science Policy aims at positioning India among the top 5 Global Powers by 2020. This requires intellectual capital and India has to take steps to protect its intellectual capital because inspite of introducing new policies and changing trends India still suffers from more Brain Drain than Brain Gain. With the help of better economic policies and human



capital to execute them there is still hope for us in the future.

The urgent need is for India to use her full potential, experience and expertise to build a stronger nation. This will help India in her process of development and become a Super Power in the long run.

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