LEVERAGING DIASPORA HUMAN CAPITAL: BRAIN CIRCULATION OF THE INDIAN DIASPORA

The Indian diaspora in North America represents an important human and strategic resource for India as it attempts to become a major global economic power. This two-part empirical study examines the gradual morphing of ‘brain drain’ into ‘brain circulation’ for the Indian diaspora in North America and analyzes the reasons behind the rising trend of reverse immigration to India.

Introduction

The Indian diaspora represents a pool of human capital that can act as a valuable resource for India as it attempts to become a global economic power. India has one of the biggest diaspora’s in the world, estimated variously at 20 million (Indian External Affairs Ministry, 2005), 25 million (Prime Minister Manmohan Singh’s speech on August 15, 2008) or 30 million (Overseas Indian Affairs Ministry, 2008). In terms of numbers, this is second only to the Chinese diaspora, which has been variously estimated between 30-60 million (Pan, 1990; Yeung, 2004; Wikipedia, 2008). According to the Overseas Indian Affairs Ministry (2008), “The Indian Government recognizes the importance of Indian Diaspora, who despite being away from India is making her shine on a global platform. The Indian Diaspora has brought economic, financial, and global benefits to India.”

The Indian government has until recently however taken a hands off approach (examined in greater detail in next section) to the diaspora. With India’s changing policy in this regard since 2000, it has become imperative to see how the diaspora, especially the relatively affluent and well educated one in North America (the United States and Canada), can act as a bridge between the countries of residence (COR) and country of origin (COO) and share its considerable talents with both. This becomes even more important if we consider the recent trend of reverse immigration—that is, Indians who had earlier migrated to North America moving back to India. In particular, it would be very useful to study what the factors are that cause concerns within the diaspora about living in the COR and the reasons that cause many of them to choose to go back to the COO. This empirical study will look at a sample of Indians in the U.S. and Canada, and try shed some light on these complex issues.

There are a number of reasons why this study is important to the International Management literature. India has now become a key player in the international business arena with a fast growing economy, rising global trade and investment flows, and a rapidly modernizing infrastructure. Between 2000 and 2008, India’s GDP per capita, adjusted for purchasing power parity, rose from $1,717 to about $2,599 (World Bank, 2008). This was coupled with India’s international trade rising from $126 billion to $535 billion (World Bank, 2008) and Foreign Direct Investments (FDI) coming into India rising from $1.7 billion to almost $23 billion during the same time. India’s impressive rise as a global economic power comes at a time when increasing attention is being paid to the contributions of the Indian diaspora, both to their COR and COO.

The U.S and Canada are ideal locations to study the importance of the brain circulation of the Indian diaspora. The U.S. is one of India’s most important trading partners, while Canada is a fast
growing trade and investment source and destination for India. They are also home to two of the biggest concentrations of the Indian diaspora. The U.S. is India’s largest trading partner, with trade between the two countries standing at almost $42 billion, up from $14 billion in 1992 (U.S. Census Bureau, 2008). India is Canada’s fourteenth largest trading partner, with trade between the two growing almost fivefold between 1992 and 2007, to reach $3.7 billion in 2007 (Asia Pacific Foundation of Canada, 2008).

The U.S. and Canada also have two of the biggest and most prominent concentrations of the Indian diaspora worldwide. Statistics Canada (2006) estimated that there were 962,670 people who considered themselves to be Indo-Canadians while the U.S. Census Bureau (2006) estimated that there were 2,319,000 people who considered themselves to be Indian-Americans. Both of these diasporas are, on average, better off financially and in educational attainment than the local population on average (Statistics Canada, 2006; U.S. Census Bureau, 2006). Although the Indian diaspora in both countries is well off financially, its political role has been much less prominent. However, this is now beginning to change rapidly as the Indian diaspora in North America is becoming more involved politically in their host countries. In the current decade, a number of prominent political figures of Indian descent, such as Governor Bobby Jindal of Louisiana and Ujjal Dosanjh, the former Premier of British Columbia, have emerged in both the U.S. and Canada. Since the gradual liberalization of the Indian economy in 1991, the Indian diaspora in North America has been playing an important role in driving trade and investment between these countries, both by way of direct investments themselves in the Indian economy, and by generally engaging in trade facilitation behaviors such as introducing Indian products and services and the Indian culture to people in their COR. India is also becoming an increasingly important and attractive place for doing business. A.T. Kearney’s Foreign Direct Investment Confidence Index, which is based on a survey of global executives, ranked India as the second best place to do business in 2007, behind China and ahead of the U.S. (A.T. Kearney, 2008). The rising trade and investment ties between India and Canada and the U.S., the rise of India as a major economic and political power and the increasing prominence of the Indian diaspora in North America, makes this an important topic for International Management academics and practitioners.

This paper studies the brain circulation of the Indian diaspora between the COO and COR using a mixed methods approach. It starts by looking at the phenomenon of brain drain and its recent morphing into ‘brain circulation’. It then takes a brief look at the history of the Indian diaspora in North America and the Indian government’s policy towards it, and explains how the concept of brain circulation applies to the Indian diaspora. It goes on to explain the methodology of the empirical study that incorporated both quantitative and qualitative methods. The first part involved a questionnaire survey while the second part involved follow up interviews with a select number of respondents. The thirteen-page questionnaire was targeted towards managers, executives, professionals and entrepreneurs of Indian origin residing in Canada and the United States. There were a total of 158 respondents, with 84 being from Canada and 74 being from the U.S. This was supplemented by more detailed follow-up phone interviews with 25 of the respondents. The results from these surveys are presented in the results section. Following the results section, there is a detailed discussion as to what these results mean, and what their theoretical and practical implications are.

**Brain Drain to Brain Circulation**

The term ‘brain drain’ has historically been used to refer to well-educated people from developing countries migrating to developed countries. Brain drain at a national level occurs when immigrants move from developing countries to developed countries, most notably from Asia to North America and Europe (Altbach and Basset, 2004; Creehan, 2001; Crush, 2002; van Rooyen, 2001). The impact of globalization has greatly increased the mobility of people across geographical and cultural boundaries (Baruch, 1995; Iredale, 2001; Kooser and Salt, 1997; Shenkar, 2004). An increased level of
mobility is an important manifestation of the internationalization of professions and professional labour markets (Carr, Inkson and Thorn, 2005; Iredale, 2001). One additional case of the ‘brain drain’ happens when students from developing countries studying in the developed countries decide not to return home after their studies (Baruch, Budhar and Khatri, 2006). The issue of ‘brain drain’ versus ‘brain gain’ for different countries caused by the inclination of students to stay at the host country is of major relevance for both individuals and their home nations (Tung and Lazarova, 2006). While ‘brain drain’ might be a big disadvantage for developing countries, it often can be of benefit to developed countries in that they get well trained and educated people without having to pay the costs of training and educating them.

However, increasingly, the old dynamic of ‘brain drain’ is giving way to what Saxenian (2002) calls ‘brain circulation’. Most people instinctively assume that the movement of skill and talent must benefit one country at the expense of another. But thanks to brain circulation, high-skilled immigration increasingly benefits both sides. The term brain circulation is now often used to discuss the return migration of highly skilled immigrants to their home countries (DeVoretz, 2006). Changing mobility conditions across a variety of sending and receiving countries in the mid-1990s led to a new and more general variant of the historical brain drain-gain issue, namely the phenomenon of brain circulation. Brain circulation can be seen as a series of sequential movements by highly skilled workers across two or more states (DeVoretz and Ma, 2002). These states could include the sending region, the initial receiving region and the rest of world. Moreover, the movement may not be temporary. Rather substantial periods of residence may occur so that the immigrant may acquire citizenship and human capital in the receiving country before moving again (DeVoretz and Zhang, 2004).

A number of forces that came to the forefront in the 1990s helped reconfigure the until then bilateral brain drain into a multilateral brain circulation phenomenon (DeVoretz, 2006; Tung 2008). First, a robust economy in North America with an expanding IT sector fuelled the demand for highly skilled immigrants. This was filled largely, though by no means exclusively, by IT graduates from India. This alone would have however simply led to a bilateral movement of skilled workers or a typical ‘brain drain’ in the absence of new institutional and legal frameworks. The first major institutional change was the proliferation of dual citizenship policies which allowed some highly skilled immigrants to move continuously between their erstwhile home country and the receiving country (DeVoretz and Pivnenko, 2006). In addition, the second citizenship often conferred even more extensive mobility rights. For example, naturalized Canadian citizens could enter the United States under a NAFTA visa created especially for trade related migration. In addition, to the traditional mode of permanent movement culminating in citizenship, temporary visas became more plentiful, especially the H1-B in the United States which accelerated the movement of highly skilled immigrants especially from India and China. These temporary visa holders were then often able to adjust to a permanent status in the United States or move on to the other parts of the world, or back to their COO.

Another major force emerged in the early 1990s to accelerate ‘brain circulation’ as China relaxed its exit requirements to allow highly skilled Chinese to leave for educational purposes, with the expectation that at least one-third would return to China. Constraints in the Chinese educational system, including higher fees and increased competition for admission to the best schools, encouraged Chinese student immigration to North America. These students often converted their temporary student visas to a more permanent status. For its part, India instituted partial dual citizenship to Indian foreign citizens and this facilitated Indian ‘brain circulation’ (DeVoretz, 2006).

In addition, the rise in foreign direct investment to the immigrant’s home country financed by immigrant remittances often required the periodic presence of these immigrant investors, giving rise to transnational households. Thus, a common pattern that emerged was of one spouse investing and working in the sending country and one spouse in North America. Periodically, the original immigrant to
North America would return to his home country, assuring continuous ‘brain circulation’ (DeVoretz, 2006).

For highly skilled immigrants, it might be possible to maximize their net income gain by moving in a sequential pattern; first to a lower income country, like Canada, which supplies subsidized human capital (such as high quality publicly funded higher education and training) and then consider returning home or moving on to the rest of the world once they became naturalized Canadians. In the context of brain circulation the role of push and pull forces become blurred. Many traditional pull forces, such as access to subsidized education and the prospect of Canadian citizenship with a passport, initially attract immigrants, but, once acquired, act as a push force to send immigrants home or on to a third country (DeVoretz, 2006).

In the Silicon Valley, which is often seen as an engine of technological innovation, far from simply replacing native workers, foreign-born engineers and entrepreneurs are starting new businesses and generating jobs and wealth at least as fast as their U.S. counterparts. The pace of immigrant entrepreneurship has accelerated in the past decade. According to the Kauffman Foundation (2007), immigrants tended to have higher entrepreneurial activity rates compared to native born Americans. In 2006, immigrants had an entrepreneurial activity rate of 0.37% compared to native born Americans at 0.26%. Asian-Americans were the only major racial group whose entrepreneurial activity had gone up between 2005 and 2006, increasing from 0.27% to 0.32%. In an earlier study, Camarota (2000) found that the rate of self-employment among the Chinese, Hong Kong and Taiwanese immigrants (13.1%) and Indians (13.7%) is higher than average non-immigrant population in the United States (11.8%).

Silicon Valley's high-tech immigrants have often relied on ethnic strategies to enhance entrepreneurial opportunities. Seeing themselves as outsiders to the mainstream technology community, foreign-born engineers and scientists in Silicon Valley have created social and professional networks to mobilize the information, know-how, skill, and capital to start technology firms. Local ethnic professional associations like the Silicon Valley Chinese Engineers Association, The Indus Entrepreneur (TIE), and the Korean IT Forum provide contacts and resources for recently arrived immigrants (Saxenian, 2002). Many of the professional Indian groups in North America have become important cross-generational forums. Older engineers and entrepreneurs in the Indian communities now help finance and mentor younger co-ethnic entrepreneurs. Within these networks, "angel" investors (usually wealthy individuals who invest in start up companies in exchange for ownership equity) often invest individually or jointly in promising new ventures. The Indus Entrepreneur, for example, aims to "foster entrepreneurship by providing mentorship and resources" within the South Asian technology community (Saxenian, 2002).

The communities that suffered the most from the post war ‘brain drain’, especially those from Taiwan, Israel, China and India, are those that have benefited the most from ‘brain circulation’. Saxenian (2006) terms these people, who typically have contacts and/or business interests in both the home and host countries, as the ‘New Argonauts’. Developing countries that invested the most in high quality higher education were the most likely to lose their most promising young people to developed countries (starting typically with higher education abroad). These countries initially also lacked the industrial base to employ the large numbers of graduates who did not leave the country. However, in recent years, U.S. educated professionals have started to return to their home countries. By returning home, these ‘New Argonauts’ have created economic and professional opportunities for former classmates and subsequent generations of technical graduates, ultimately reducing the ‘brain drain’ and giving rise to ‘brain circulation’ (Saxenian, 2006).

Returning entrepreneurs and professionals often attempt to combine, with various levels of success, elements of the Silicon Valley industrial system with the system in their home countries. This
typically involves attempting to transfer venture finance capital, merit based advancement and corporate
transparency to economies with traditions of elite privilege, government control and widespread
corruption. They seek to create team-based corporate cultures with minimal hierarchy in environments
that are dominated by family-run or state-owned enterprises. For example, in India, early entrepreneurs
relied on private telecommunications facilities and power supplies rather than rely on the country’s state
run infrastructure and tried to create more egalitarian organizational structures with in their new
enterprises (Saxenian, 2006). Alumni ties are a vital part of the collective identity of Silicon Valley
immigrants, many of whom came from elite local universities. The various branches of the Indian
Institute of Technology (IIT) - Mumbai, Kanpur, Madras and New Delhi, host regular alumni events and
provide a strong source of informal networking. They often help their alma mater with money, NRI
conferences, policy and professional conferences (Saxenian, 2006).

The Indian Diaspora in the U.S. and Canada

The first large scale migration of Indians into the U.S. started at around the beginning of the 20th
century. A large number of these immigrants then entered the U.S. through Seattle or San Francisco as the
ships that carried them from Asia often stopped at these ports. Most of these immigrants were Sikhs from
the Punjab region of British India (Lal, 1999). The early immigrants were often denied voting rights,
family re-unification and citizenship (Lal, 1999).

As public support from the western allies for India grew throughout World War II, and as India's
independence came closer to reality, Indians argued for an end to their legislative discrimination. The
support culminated in the signing into law of the Luce-Cellar Act by President Truman on July 2, 1946,
which allowed the naturalization of Indians, and set a token quota for their immigration at 100 per year.
In 1965, President Johnson signed the Hart-Celler Immigration Act, which phased out the national origins
quota system first instituted in 1921. (Wikipedia “Indian-American”). After the passage of the 1965
Immigration Act that abolished national origin quotas and opened large-scale immigration to non-
European countries, another wave of Indian immigrants entered the U.S. in the 1970s and 80s. The
greater number of Indians between 1965 - 1980 were to arrive as professionals, though subsequently
many more have come under family reunification preferential categories (Lal, 1999). In 1965, Dilip
Singh Saund became the first (and until Bobby Jindal’s election in 2004, the only) Indian-American to be
elected the U.S. House of Representatives (Lal, 2006). According to the U.S. Census Bureau (2006), more
than 80 % of Indian immigrants arrived after 1980.

Indian-Americans today are one of the wealthiest and best educated communities in the United
States. According to the U.S. Census of 2000, their median household income was $ 60,093 compared
with $ 41,110 for non-Hispanic white families. According to the American Community Survey of the
U.S. Census Bureau (2006), the Indian-American population in the U.S. grew from almost 1,678,000 in
2000 to 2,319,000 in 2005; a growth rate of 38 %, the highest for any Asian American community, and
among the fastest growing ethnic group in the United States after Hispanic Americans. Indian-Americans
are the third largest Asian-American ethnic group, after Chinese-Americans and Filipino-Americans.
Over 58 % of all Indian-Americans over the age of 25 had a college degree, compared to the national
average of 26 %; over 40 % have a Masters or Doctoral degree compared to a national average of 11%
(USINPAC, 2006).

The rapid growth of the software industry in India and the west in the 1990s gave rise to the most
recent wave of emigrants. This group is largely composed of young professionals in Information
Technology (IT). They consist mainly of IT professionals coming into the U.S. to work for companies on
H1-B (the U.S. employment visa for highly skilled professionals) visas, and students in IT related fields
who decide to work in the U.S. after completing their studies (Kapoor, Mehta and Dutt, 2004). IT related
firms from India dominated the list of companies awarded H-1B visas in 2007. Indian companies accounted for nearly 80% of the visa petitions approved in 2007 while Infosys and Wipro were the top two companies getting H-1B visas approved from the U.S. Citizenship and Immigration Services (BusinessWeek, 2008). The groups that emigrated after 1965 constitute a ‘knowledge diaspora’ and share many similar characteristics (Kapoor, Mehta and Dutt, 2004). These include being relatively well educated, financially well off and more likely to have extensive contacts in both home and host countries.

An interesting point to note is that the young IT based immigrants who came in the 1990s are more likely to return home compared to the previous cohorts (Kapur, Mehta and Dutt, 2004). There could be a number of reasons for this. First, the fast growing Indian economy might be creating opportunities for the diaspora that makes it increasing attractive to return. Second, the job market in the U.S., especially in the IT sector, suffered a downturn after the terrorist attacks of September 11, 2001. Despite a strong recovery in the intervening years, the U.S. job market went through another slowdown starting in 2008. The IMF in its October forecast (IMF, 2008) has projected that the U.S. economy will actually contract by 0.7% in 2009. Since low or negative growth often leads to fewer jobs, it is likely, based on current forecasts, that there will be a further downturn in IT related jobs for Indians, at least in the short run. Third, given that this group maintains extensive social contacts in both countries, reverse migration might be easier than for previous cohorts. Fourth, H1-B visa holders are finding it more and more difficult to get a job. The H-1B visa quota per year was reduced from 195,000 in to 65,000 in 2004 (Wikipedia “H-1B visa”). What this actually translated into is more jobs for “Indians in India” i.e. Indians working for U.S. based MNCs but providing their services from cheaper Indian shores. Finally, a mixture of factors - the current increasing standard of living in India, the low inflation rate and the relative long-term stability of the Indian rupee (despite a sharp fall in 2008), are at work as well. In PPP-weighted terms, it is now definitely realistic to expect an Indian salary that is comparable if not superior to the U.S. salary.

The Indo-Canadian community started around the beginning of the 20th century. The pioneers were men, mostly Sikhs from the Punjab, who were veterans of the British Indian Army (Naidoo and Leslie, 2006). As subjects of the British Empire, they expected equal treatment within all its borders, in line with Queen Victoria’s 1858 declaration that throughout the empire the people of India would enjoy "equal privileges with white people without discrimination of colour, creed or race" (Wikipedia Indo-Canadian). However, upon arrival, the first Sikh immigrants faced widespread racism by the local white Canadians. The restrictions by the Canadian government gradually increased on Indians, and policies were put in place in 1907 to prevent Indians who had the right to vote from voting in future general elections (Sikh-Canadian History, 2006). In 1908, the Canadian government implemented the ‘continuous journey’ rule prohibiting the entry of those who did not come to Canada by continuous journey from their country of origin Since at that time all steamships traveling from India, China or Japan had to refuel in Hawaii, there were no direct trips to Canada from India that satisfied the continuous journey rule (Naidoo and Leslie, 2006).

Policies changed rapidly during the second half of the 20th century. The Canadian government re-enfranchised the Indo-Canadian community with the right to vote in 1947 and in 1967, all immigration quotas based on specific ethnic groups were done away with. Canada introduced an immigration policy that was based on a point system, with each applicant being assessed on their trade skills and the need for these skills in Canada. This allowed Indians to immigrate in large numbers (Wikipedia “Indo-Canadian”). In the 1970s and 1980s, thousands of immigrants came yearly and settled mainly in Vancouver and Toronto. The Indo-Canadian population stood at 713,000 in 2001 (Statistics Canada, 2001), and had increased to 962,670 by 2006 (Statistics Canada, 2006). The Greater Toronto Area with 345,855 Indo-Canadians and the Greater Vancouver Area with 142,060 Indo-Canadians are home to the majority of Indo Canadians – no other city has more than 50,000 Indo-Canadian residents (Statistics Canada, 2006). The average household income for Indo-Canadians at CAD $ 41,748 is about 16% higher than the
national median household income of $35,996 (Naidoo and Leslie, 2006). Twenty six percent of the Indo-Canadian population above the age of 15 holds a university degree, and 1% holds a doctorate. This compares with about 12% and 0.5% respectively for the Canadian population as a whole above 15 (Statistics Canada, 2006).

The Indian Government and the Indian Diaspora

India’s post independence policies towards the diaspora were based on the idea that it was in the best interest of the overseas communities to integrate into their host societies. India’s first Prime Minister Jawaharlal Nehru urged overseas Indians to identify themselves with and integrate in the mainstream of the social and political life of the country of domicile (Kudaisya, 2006). This approach may have been perceived as being indifferent to the concerns of the diaspora, but it was grounded in the principle that regardless of the origins of a country’s citizens, loyalties should lie within the country of domicile and not outside. India’s policy during the cold war was based on neutrality, and solidarity with the ‘Third World’, in which friendship with newly liberated African and Asian countries was highly valued. Until the mid-1990s, the government of India took a “hands-off” policy towards its diaspora; it did not want to appear to be interfering in the domestic affairs of other, especially newly independent countries with large diaspora populations (Kudaisya, 2006).

In recent years, noting the impact that the Chinese diaspora had on the Chinese economy, the Indian government has made a concerted attempt to leverage its diaspora. In September 2000, the Government of India set up a high level committee under Dr. Singhvi, an eminent jurist, former member of parliament and India’s longest serving envoy to the U.K., with the mandate to make a comprehensive study of the global Indian diaspora and recommend measures for building constructive relationships with it (Kapur, Mehta and Dutt, 2004). The Committee did a thorough study of the Indian diaspora all over the world and noted its achievements and its connections to India. In its “Conclusions and Recommendations” section, the Committee identified some fifty areas for government actions to make it easier to connect with the diaspora. These recommendations included improving entry facilities, streamlining regulations, identifying fields of investments, creating a focal point for diaspora dealings and allowing dual citizenship. It also included recommendations for holding annual meetings to celebrate the achievements of the Indian diaspora, and the easier provision of Person of Indian Origin Cards for ethnic Indians who have been settled in other countries for generations (High Level Report on the Indian Diaspora, 2000).

In January 2003, the Indian government organized the first global meeting of the Non Resident Indians (NRIs), which attracted over 2,000 diaspora Indians from 63 countries. It was the largest gathering of overseas Indians in the country’s history. This first global NRI meeting, held in New Delhi, included Nobel laureates, writers and business moguls among others. This meeting has been held annually in the first week of January every year and is marked by special programs to recognize the contributions of the Indian diaspora. It recognizes individuals of exceptional merit and gives awards to individuals who have made exceptional contributions in their chosen fields or professions. This is known as the Pravasi Bharatiya Samman (NRI Award). The meeting also provides a forum to discuss issues and concerns that people of the diaspora have (Proceedings of the Pravasi Bharatiya Divas, 2007).

In attracting its diaspora back home, the Indian government faces two main problems. First, it has had poor relations with its less affluent diaspora; they feel that the government has abandoned their interests. According to 2002 estimates, the number of Indians in the Arabian Gulf countries is about 3.3 million constituting about 11% of the population of the Gulf Cooperation Council (GCC) countries (Rajan and Nair, 2006). Although Indian professionals in the Gulf are relatively well off, the less educated and the unskilled, who form the overwhelming majority of immigrants, often suffer from
various forms of harassment and exploitation. However, the Indian government has offered little support to migrant workers facing poor working conditions and labour disputes (Kapur, Mehta and Dutt, 2004). During the first NRI meeting in 2003, India announced a sweeping change of its citizenship regulations, dual citizenship was allowed, but only for Indians living in the U.K., Canada, Australia, Finland, Ireland, Italy, the United States and the Netherlands. However, in 2005, dual citizenship was extended to all overseas Indians who had migrated after 1950 but this citizenship was granted without voting rights (Kudaisya, 2006). In 2005, India also started its separate ministry of Overseas Indian Affairs. Secondly, reconnection to roots by itself is not enough for most of the highflying Indian businessmen and venture capitalists. The determining factor in any investment decision to invest in India is the potential returns that it can bring. Although being treated as an “Indian” helps, that by itself will not lead to greater investments into India. The Indian government also has to deal with issues that investors and returning professionals from the West often worry about, such as corruption, red tape, excessive bureaucracy, regulations and an overburdened infrastructure (Kapur, Mehta and Dutt, 2004).

Reverse Immigration to India

The rise of India as a major economic power, its increasing standard of living, fast economic growth rates and its perception as a ‘happening’ place have made it an increasingly attractive place for ambitious young professionals who had previously immigrated to the United States and Canada in search for a better life. A low cost, English-speaking workforce, a liberalizing and fast growing economy that posted a 9.4% annual growth rate in 2007 - 2008 (Market Watch, 2008) and the recent infusion of millions of dollars in venture capital and foreign direct investment have come together to create an environment many Indian entrepreneurs find hard to resist, especially when it is located in their own country. No region of the United States has been more affected by this trend than Silicon Valley (San Jose Mercury News, 2007). Vinod Gopinath, a former IBM engineer who accepted a job in Bangalore based Insilica said: “When you are looking to ride a wave, there can be none better than the one at home. Your options are better. There is more pride. The challenge is greater. You spent all your time in another country just proving yourself. Now here was an opportunity to prove not just yourself but your country to the rest of the world” (Krishandas, 2004: par. 8).

According to the Indian National Association of Software and Service Companies (Nasscom) figures, over 35,000 Indian IT workers returned to India between 2001 and 2006 - almost 10% of the current Indian IT workforce in the U.S (Nasscom, 2006). No region of the United States has been more affected by this trend than the Silicon Valley. The Indus Entrepreneur Group, a Silicon Valley based group of successful Indian entrepreneurs and professionals which now has over 12,000 members in 11 countries (TIE.com) known as TIE, estimated in 2003 that between 15,000 and 20,000 Indians had left Silicon Valley to return home. That strong trend has continued, with about 40,000 more returning between 2003 and 2006 (San Jose Mercury News, May 2007). Another survey of Indian professionals from TIE (2007) estimates that 60,000 professionals have returned to India between 2002 - 2007. The same survey found that those most likely to return tended to be young couples 27 - 35, looking to protect their children from the negative effects of western culture.

The fact that India has become a more attractive place to work for professionals and managers is reflected not only in the trend of reverse migration, but also in the trend of graduates from elite institutes staying and working in the country. Until fairly recently, graduates from India’s elite engineering and business schools, the IITs (Indian Institute for Technology) and the IIMs (Indian Institute for Management), India’s state supported centers of higher education, were often lured abroad with the promise of higher salaries that local companies could not match (IPS, 2007). For decades, the Indian government often complained about the loss of the cream of the country's management and engineering talent that graduate from fine state-run institutions funded with public money, to Western industry, thanks
to a lack of suitable opportunities and the less than congenial working conditions at home. This has been especially true of the seven IITs set up by the government with the idea of providing the brains for the country's industry which, however, stagnated under the protectionism and high taxes of a socialist economy, forcing the flight of talent.

However, with India’s fast growing economy and rising corporate profits, local companies are now beginning to pay top dollar for talent. Graduates from the Indian Institutes of Technology (IIT) and the Indian Institutes of Management (IIM) have starting salaries between 700,000 - 1,500,000 rupees per year on average (17,500 to 37,500 USD - Business Standard, 2008). Exceptional graduates often earn much more. The Hyderabad based Indian School of Business of Business (ISB) stated on April 5, 2007 that one of its graduates had been offered a starting salary of $ 223,800 by an Indian firm. Three other students from the same institution had received job offers each exceeding $ 200,000 (IPS, 2007). According to Ajit Rangnekar, deputy Dean of the ISB: "What was especially surprising was the fact that the highest salary in U.S. dollars was offered by an Indian technology company with international operations. It is significant that Indian companies are today willing to pay global salaries to talented young graduates so as to be able to compete effectively in the world market - that's the big message" (Thakurata, 2006: par. 3).

In fact, India is moving beyond simply being attractive because of the obvious cost advantage of lower wages. As wages rise on the tide of higher demand for skilled workers, India is beginning to shift its competitive advantage toward more and more sophisticated industry needs. This has led to a trend from call centers to back-office processing to cutting-edge engineering. India is now emerging as a center for research and development in scientific and technological areas as diverse as aeronautics and biotechnology. This further helps in attracting back its more qualified diaspora from the west (San Jose News, 2007).

Hypothesis Formulation

The leading reasons why Indians could want to return to India would include the increasing salaries and living standards in India, a feeling of discrimination in the U.S./Canada (based on the history of the diasporas that were previously discussed) and more business opportunities in India. The people most likely to know about these opportunities and best capable of taking advantage of these are the people who have maintained extensive social and business contacts in India. Since most members of the diaspora often have feelings of nostalgia about the ‘home’ country and think of ‘eventually’ returning, even if they do not intend to do so in the foreseeable future, they were specifically asked if they planned to return in the next 3 years. These potential returnees could be of great benefit to the COO (India) since they represent a group of highly trained and qualified people who have acquired valuable Western-style managerial experience and professional and entrepreneurial skills and at the same time, possess knowledge of the COR and have access to networks in the host country.

Within the diaspora, the people who are more likely to return should be the people who perceive greater economic opportunities in India compared to the host country. The possession of social networks in India should definitely be of great help in returning and readjusting to India. Another reason for wanting to return to India could simply not feeling accepted by the host society, as measured by the perception of discrimination.

H1  a.) The perception of increased economic opportunities in India makes it more likely for Indians to return to India in the next 3 years.

H 1 b.) An increased perception of discrimination in the host country makes it more likely for individuals to consider returning to India in the next 3 years.
The people most likely to return to India are the people who have the most extensive social networks in India.

In the next section, these hypotheses are tested using the data gathered from the survey. The individual hypotheses would be affected by characteristics that are controlled for, such as age, gender, time spent in home and host countries, family status and education. The survey responses are supplemented by responses from the follow up interviews where appropriate, to gather more insights into the decisions and attitudes of the respondents.

Methodology

The thirteen-page questionnaire was targeted towards managers, executives, professionals and entrepreneurs of Indian origin residing (as in long term residents and citizens) in Canada and the United States. It contained questions related to the respondents reasons for coming to the COR in the first place, their experiences and concerns in the COR, their reasons of thinking of going back to the COO, and demographic information. It was circulated among the target respondents using snowball sampling as well as with the help of diaspora Indian organizations such as the Shastri Indo-Canadian Institute, the Indo-Canadian Chamber of Commerce and the TIE (The Indus Entrepreneurs Group) chapters in the U.S. In response to 450 invitations to the survey, 158 responses were received divided equally between the U.S. and Canada, leading to a response rate of about 34 %. For organizations like the Shastri Indo-Canadian Institute which posted the survey on its website and the TIE foundation that forwarded the email invitations to its members, each organization was counted as one invitation, even though the surveys were accessible to hundreds of their members. Unfortunately, it was not possible to monitor how many eligible people were actually on the website on which the survey was posted. Respondents had a choice of filling out the questionnaires either online or on paper. The survey was hosted online between June 2007 and July 2008. There were 18 paper questionnaires that were received, all of which were from Vancouver, Canada.

A total of 25 detailed follow up interviews were conducted with a select number of respondents to gather more insights into their decisions and attitudes. All respondents were promised anonymity unless they voluntarily agreed to be contacted for a follow up interview. As such, 28 of the 158 respondents voluntarily supplied their contact information for a follow up interview (of the 28, 3 could not be contacted at the contact information provided). The interviews took place in the summer (May – September) of 2008. Each interview lasted between 30 and 45 minutes and was conducted by phone in English and was transcribed immediately after it took place. The interviewees were guaranteed anonymity for what they said during the interviews.

These were 84 respondents in Canada and 74 in the United States. In the Canadian sample, there were 52 male and 32 female respondents, 40 of the respondents were between the ages 20 - 30, 29 were between the ages 31 - 40, 9 between 41 - 50 and 6 between 51 - 60. The average time spent in Canada was 11.4 years – this ranged from a minimum of 2 years to a maximum of 30 years. The respondents identified themselves with 10 different home states in India. Of these, the most common were Punjab (28), Karnataka (12), Gujrat (7), Maharashat (10) and New Delhi (7). The most common city of residence in Canada was Greater Vancouver (50 respondents) followed by Toronto (21 respondents). Toronto and Vancouver also have the highest concentration of Indo-Canadians in Canada (Statistics Canada, 2008). Forty respondents were married and 44 single. Thirty-one of the respondents had children, including 30 whose children were less than 18. Forty of the respondents had at least a Bachelor’s degree, 34 had a Master’s degree, 8 had doctoral degrees and 2 had other professional diplomas. Fifty-four had their Bachelor’s degree from India, while 28 had it from Canada; 12 had their Master’s degree from India while 22 had their Master’s degree from Canada.
In the U.S. sample, 42 respondents were men and 32 women. Thirty-four of the respondents were between the ages 20 - 30, 28 between 31 - 40 and 6 each between the ages of 41 - 50 and 51 - 60. The average time spent in the U.S. was 10.1 years. The respondents identified with 9 different home states. Of these, the most common were Maharashtra (24), Gujrat (12), New Delhi (8) and Uttar Pradesh (8). The most common cities of residence were New York (8, + another 6 in New Jersey), Philadelphia (8) and Houston (6). Forty-eight of the respondents were married while 24 were single. All had at least a Bachelor’s degree, 52 had Master’s degrees and 3 had Doctoral degrees. Sixty had their Bachelor’s degree from India while 8 had theirs from the U.S.; 48 had Master’s degrees from the U.S.

Results: The date was analyzed using SPSS (Statistical Package for Social Sciences). We started by looking at the factors that would lead to reverse immigration. In the questionnaire, respondents were given a choice of five factors, and asked on a 1 - 7 Likert scale their reasons for thinking of moving back to Indian in the next 3 years. The results are summarized in Table 1:

<table>
<thead>
<tr>
<th>Most Important Reason for Thinking of Going Back to India in the Next 3 Years (if applicable)</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic opportunities created by the growing Indian economy</td>
<td>92</td>
<td>5.15</td>
<td>2.010</td>
</tr>
<tr>
<td>Better Quality of life in India</td>
<td>95</td>
<td>3.81</td>
<td>2.070</td>
</tr>
<tr>
<td>Discrimination faced in the host country</td>
<td>80</td>
<td>2.68</td>
<td>1.597</td>
</tr>
<tr>
<td>Children unsettled between two cultures</td>
<td>68</td>
<td>4.00</td>
<td>2.130</td>
</tr>
<tr>
<td>Give something back to my mother country</td>
<td>88</td>
<td>4.41</td>
<td>2.038</td>
</tr>
</tbody>
</table>

The most important reason for thinking of moving back to India is to take advantage of the economic opportunities created by the growing Indian economy, which supports hypothesis 1a. This is not a surprise, given that economic growth in India has averaged almost 8% in the last 5 years and the opportunities for business have expanded even further, with continuing deregulation and reduction of bureaucratic tangles. In most sectors, individuals having experience of working in the west can often get jobs that allow them to maintain a comparable lifestyle to the one they enjoyed. Another reason why going back has become an attractive option is that with the ease of maintaining contacts and businesses in both countries, respondents can shuttle between them and getting the ‘best of both worlds’. There was no significant difference in attitudes between Indo-Canadians and Indian-Americans in this regard (p < 0.05, t -0.24). The results are given below in table 2.

Respondents were asked specifically about moving back to India and how often they considered doing so. They had a choice of never, occasionally, sometimes and very often. During the analysis, the two categories of never and occasionally were combined to ‘seldom’ and the two categories of sometimes and very often combined into ‘often’. The mean score of chances of moving back to India in the next 3 years were then compared for these categories in Table 3.
Table 2

Moving Back to India Because of Economic Opportunities Created by the Growing Indian Economy

<table>
<thead>
<tr>
<th>Country</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>5.10</td>
<td>42</td>
<td>2.293</td>
</tr>
<tr>
<td>U.S.</td>
<td>5.20</td>
<td>50</td>
<td>1.761</td>
</tr>
<tr>
<td>Total</td>
<td>5.15</td>
<td>92</td>
<td>2.011</td>
</tr>
</tbody>
</table>

Table 3

Chances of Moving Back to India in the Next 3 Years (1 - 7)

<table>
<thead>
<tr>
<th>Moving back to India</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents who seldom consider move back</td>
<td>52</td>
<td>1.33</td>
<td>.734</td>
</tr>
<tr>
<td>Respondents who often consider moving back</td>
<td>72</td>
<td>3.90</td>
<td>1.878</td>
</tr>
<tr>
<td>Total</td>
<td>124</td>
<td>2.82</td>
<td>1.972</td>
</tr>
</tbody>
</table>

There was a significant difference in the chances of moving back to Indian between people who though of doing it very often versus who seldom though about it (p<0.05, t=9.39). This seems logical, since people who often think of moving back are more likely to act on it, as compared to people who seldom or never think about it. The most common choice after moving back to India was working for an MNC (about 60 %) and opening their own business (28 %).

The data was next recoded as 1 for people who often thought about moving back to India and 0 for who seldom thought of moving back to India. There was no significant difference in the desire to move back to India between Indo-Canadians and Indian-Americans (p<0.05, t=0.67). This is illustrated in Table 4.

Table 4

Chances of Moving Back to India in the Next 3 Years (1 - 7)

<table>
<thead>
<tr>
<th>Moving back to India</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indo-Canadian</td>
<td>66</td>
<td>0.61</td>
<td>.492</td>
</tr>
<tr>
<td>Indian-American</td>
<td>58</td>
<td>0.55</td>
<td>.501</td>
</tr>
<tr>
<td>Total</td>
<td>124</td>
<td>0.58</td>
<td>.495</td>
</tr>
</tbody>
</table>
The desire to move back was also not affected by gender or age. However, the interaction of age and gender was statistically significant. This is illustrated in the table 5 below:

Table 5

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>5.168(^a)</td>
<td>13</td>
<td>0.398</td>
<td>1.747</td>
<td>0.061</td>
</tr>
<tr>
<td>Intercept</td>
<td>9.719</td>
<td>1</td>
<td>9.719</td>
<td>42.718</td>
<td>0.000</td>
</tr>
<tr>
<td>Gender</td>
<td>0.030</td>
<td>1</td>
<td>0.030</td>
<td>0.131</td>
<td>0.718</td>
</tr>
<tr>
<td>Country</td>
<td>0.137</td>
<td>1</td>
<td>0.137</td>
<td>0.603</td>
<td>0.439</td>
</tr>
<tr>
<td>Age</td>
<td>0.557</td>
<td>3</td>
<td>0.186</td>
<td>0.816</td>
<td>0.487</td>
</tr>
<tr>
<td>Gender * Country</td>
<td>0.047</td>
<td>1</td>
<td>0.047</td>
<td>0.207</td>
<td>0.650</td>
</tr>
<tr>
<td>Gender * Age</td>
<td>2.580</td>
<td>3</td>
<td>0.860</td>
<td>3.781</td>
<td>0.013</td>
</tr>
<tr>
<td>Country * Age</td>
<td>0.897</td>
<td>3</td>
<td>0.299</td>
<td>1.315</td>
<td>0.273</td>
</tr>
<tr>
<td>Gender * Country * Age</td>
<td>0.271</td>
<td>1</td>
<td>0.271</td>
<td>1.192</td>
<td>0.277</td>
</tr>
<tr>
<td>Error</td>
<td>25.026</td>
<td>110</td>
<td>0.228</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>72.000</td>
<td>124</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>30.194</td>
<td>123</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. \( R^2 = 0.171 \) (Adjusted \( R^2 = 0.073 \))

Both males and females in the 21 - 30 year age group had similar intentions of going back. However, females in the 30 - 40 year age group were significantly less likely to think of going back, while males in the same age group were more likely to think of going back. One possible reason for this could be that women enjoy more career mobility in the U.S./Canada compared to India, and having built a career in their 20s, they do not want to go back and face societal pressures about their careers. For men, the increasing opportunities created by the growing Indian economy could be a reason for their wanting to move back in greater numbers. In one of the follow up interviews.

There seems to be a desire among Indians to give something back to the mother country, as this is the second most important reason for wanting to return. This is illustrated in Row 5 of Table 1. However, it was not possible to investigate this any further in the survey, since what each individual meant by ‘giving back’ was not further explored. This was further investigated during the interviews. Most respondents talked about the fact that they owed their country something especially because of the highly subsidized education that they had often received. Some also talked about their desire to give something back to their local community in India. A number of respondents were also concerned about children being unsettled between two cultures. In fact, among respondents who had children less than 12, this was the second most important reason for thinking of returning. This could be explained by the fact that among immigrants or expatriates, the adaptation of children to the host culture, as well as their degree of identification with both cultures, is often a source of serious concern for the parents. In one of the follow up interviews, Sonia, a 34 year old IT manager in the Silicon Valley with two young children, who came to the U.S. twelve years ago to do her undergraduate degree, remarked “I would prefer my children to have the best of both cultures as they grow up. I enjoy living in America, but I would definitely want
my children to learn about and respect their Indian background as well. Sometimes I worry to what extent that would be possible in America.” For respondents who were born and brought up outside of India, however, the connection to Indian seemed to be much more tenuous. Vishal, a 29 year old commercial banking executive who was born and brought up in Vancouver, Canada remarked, “I have honestly never thought about returning to India. I see Canada as my home and the question of ‘returning’ never arises for me. I am proud of my Indian roots, but that does not mean that I will return to India simply because of my roots. My children will be as Canadian as I am”.

Discrimination in the host countries is the least important of their concerns when it comes to going back. This is not a major surprise, since in both the countries, the Indian diaspora is doing very well in economic terms, both in comparison with the majority community and in comparison with other minorities. In addition, this is a very successful sample of Indians and their success in a different culture probably means that they feel at least comfortable in it, if not an actual part of it. In follow up interviews, none of the respondents said that they had suffered from discrimination personally, though a few them felt that they had at times been treated differently for being Indian.

Hypothesis 1b stated that an increased perception of discrimination made it more likely that individuals would consider returning to India. The results clearly reject this hypothesis. There was no correlation found between perceive discrimination and desire to return to India. However, this was not a surprise, since in the overall sample perceived discrimination was fairly low at 2.58/7. There was also no difference in perceived discrimination attitudes between Indian-Americans and Indo-Canadians.

| Table 6 |

Have You ever Experienced Discrimination for Being Indian?

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Average</th>
<th>SD</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian diaspora</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in U.S.</td>
<td>74</td>
<td>2.68</td>
<td>1.43</td>
<td>Not Significant</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>at 0.05 level</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>t statistic 0.55</td>
</tr>
<tr>
<td>Indian diaspora</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in Canada</td>
<td>84</td>
<td>2.55</td>
<td>1.55</td>
<td></td>
</tr>
</tbody>
</table>

The sample was then recoded into people who often though about moving back, and people who seldom though about moving back (Table 7). There was no significant difference in the perception of discrimination between the group that often thought about moving back versus the group that seldom though about moving back (p<0.05, t=1.1). This further confirms the fact that perceived discrimination did not play a major part in the decision to return to India.

The next hypothesis 1c checked to see if people who have the most extensive social networks in India were the most likely to return. If people have extensive contact with colleagues in India, they are more likely to keep in touch with career related developments there. People who have these contacts would find it easier to get a job or start a business when they returned, and would thus be more likely to think of going back. Respondents were asked in the questionnaire if they maintained regular contact with colleagues or professional associates in India. Based on their responses, the sample was split into two groups, those who maintained extensive contacts and those who did not. The chances of moving back in the next 3 years was then recoded into either 1 (High) or Low (0). The results (Table 80) showed that people who maintained extensive contacts in India were significantly more likely to think of moving back to India (P<0.05, t=-2.26).
Table 7
Perception of Discrimination and Moving Back to India

<table>
<thead>
<tr>
<th>Thinking of Moving Back</th>
<th>N</th>
<th>Mean Disc</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seldom</td>
<td>53</td>
<td>2.69</td>
<td>1.401</td>
</tr>
<tr>
<td>Often</td>
<td>71</td>
<td>2.50</td>
<td>1.539</td>
</tr>
<tr>
<td>Total</td>
<td>124</td>
<td>2.58</td>
<td>1.482</td>
</tr>
</tbody>
</table>

Table 8
Moving Back to India and Social Networks

<table>
<thead>
<tr>
<th>Regular contact with colleagues/associates in India</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>30</td>
<td>0.4000</td>
<td>0.49827</td>
</tr>
<tr>
<td>Yes</td>
<td>94</td>
<td>0.6383</td>
<td>0.48307</td>
</tr>
<tr>
<td>Total</td>
<td>124</td>
<td>0.5806</td>
<td>0.49546</td>
</tr>
</tbody>
</table>

The result is expected, since those having more contacts in India are more likely to find opportunities suited to their needs. Frequent contact with friends and colleagues will make it more likely that they will know of opportunities that come up, and the best ways to take advantage of these. Having the right opportunity to move back, created in a macroeconomic sense by the fast growing Indian economy, is as we have seen, the most important reason why respondents think of returning to India. All respondents in the follow up interviews remarked about how important it was to have the right social connections in India to open a new business or in most cases even to get a good job on their return.

Conclusion

The results of the data analysis show that the Indian diaspora has a complex and multi-faceted relationship with both India and its COR. The most important reason for thinking of moving back to India is to take advantage of the economic opportunities created by the growing Indian economy. Given that economic growth in India has averaged over 8% in the last 5 years, while average growth in the host countries has been between 2 - 3%, it makes economic sense to consider the option. The opportunities for opening business have expanded even further, with continuing deregulation and reduction of bureaucratic tangles. According to the interviewees, in sectors, such as IT and investment banking, individuals having experience of working in the west can often get jobs that have salaries and benefits that, taking into account purchasing power parity, would allow them to maintain a comparable lifestyle to the one they enjoy in the west. Another reason why going back has become an attractive option is that with the rise of modern telecommunications, the ease of maintaining contacts and businesses in both countries, and the increasing mobility of human and financial capital, respondents can realistically consider shuttling between the home and host countries and get the ‘best of both worlds’.
There seems to be a desire among Indians to give something back to the mother country, as this is the second most important reason for wanting to return. In the follow up interviews, this was usually characterized as the desire to be a part of India’s economic and political growth, as well as a desire to invest in India to give something back to the mother country. Respondents who had gotten their undergraduate education from India often talked about the fact that their almost free education created some sort of a moral obligation to do something for their COO, even if they were staying abroad. Among respondents with small children, the fact that their children would be unsettled moving between two cultures was the most important reason for thinking of moving back to India. Even though most immigrants enjoyed the opportunities and freedom provided by the host countries, they often worried about what effect their very different culture would have on their young children. All five parents interviewed stressed the importance of their children being raised with connection to their Indian culture. None of the parents was advocating separating from the host culture, but all of them wanted their children to be a part of the Indian culture. One of the things that concerned them was how to maintain an Indian identity for their children in a very different culture. The various components of Indian identity, according to the different interviewees, included language, some customs such as respect for elders and concern for the extended family, religion and maintaining ties to India.

The result also showed that people who maintained extensive contacts in India were significantly more likely to think of moving back to India. The result is in line with expectations, since those having more extensive social networks are more likely to find opportunities suited to their needs. Having the right opportunity to move back, created in a macroeconomic sense by the fast growing Indian economy, is the most important reason why respondents think of returning to India. This right opportunity to move back is often created or discovered through the help of relatives/friends, colleagues or professional associates. Having the right social contacts is even more important in the case of opening a new business in India. In addition, having contacts in the COO means that the individual is better able to adjust to the COO on return and deal with the ‘reverse culture shock’.

Since reverse migration need not be permanent, policies that enhance the ability of immigrants to go back to the COO and then return to the host country are likely to foster a greater amount of brain circulation, as opposed to brain drain or brain gain. Another important implication for policy makers is in the area of immigrant social networks. The importance of existing social networks in their chosen city of residency was ranked highly by Indian immigrants in their interviews. Policy makers might consider how they could attract more immigrants to a city by highlighting the ethnic makeup and ethnic social organizations within it. They could also point to the level of both bonding and bridging capital that exists within and among ethnic groups within the city.

For policy makers in India, it points to the importance of maintaining a robust growth rate in the Indian economy that is so attractive to members of the knowledge diaspora in deciding to return. It also points to the need to reform or at least reduce the amount of red tape and cumbersome decision making that were often cited as the biggest reasons why immigrants hesitated to invest in India. Another major concern that they need to address is to have diaspora friendly policies that allow these highly skilled workers to easily shuttle between two or more countries and contribute to brain circulation. The recent Indian government decision to allow dual citizenship is a step in this direction.

This study does have a number of important limitations. First, since the sample was restricted to Indian managers, entrepreneurs and professionals, it may not be representative of the Indian diaspora as a whole. However, since this is the group that is most likely to engage in brain circulation, it was felt that restricting the sample to them would provide more detailed information about how brain circulation occurs within the diaspora.
Second, the sample size of a 158, while sufficient to perform some statistical analyses, was insufficient to perform more complicated statistical computations, such as structural equation modeling or hierarchical linear modeling. However, the information gained from the analytical techniques used was deemed sufficient to answer the main research question of the study. While a larger sample size would have been better in terms of the generalizability of the study, the current sample size is sufficient to conclude some preliminary findings that can act as a springboard for future research.

Third, the 25 interviews that were held, while useful in following up on the survey questions and gathering richer and more comprehensive data, were fewer than ideally would have been expected for a study of this size. The main reason for this was that survey respondents were promised anonymity and entered their contact information voluntarily only if they wanted to be interviewed after filling out the survey. This traded off the ability to have more follow up interviews with ensuring a more accurate and honestly filled out survey.

A fourth weakness of the study was that it did not actually gather any data from Indians who had gone back to India after spending a few years in the U.S. or Canada. This would have been very useful in ascertaining what the actual reasons for returning were for people who moved back to India and what their employment/entrepreneurship patterns were after their return. The importance of social networks in these decisions makes it imperative to study in greater detail the process by which these networks help drive the respective decisions to immigrate, invest and reverse immigrate.

There are a number of avenues of future research that could help build on this study and expand on its findings. A longitudinal study that examines the immigration and reverse immigration behaviours of Indian immigrants would help shed light on how the different factors identified in this study play out over time. The impact of culture can be further studied by looking at the levels of cultural conflict across different generations in the COR. It is also important to have cross cultural comparisons of different diasporas in regards to their immigration and reverse immigration behaviours. This could be done by comparing the Indian diaspora in the U.S., for example, with the Chinese diaspora in the U.S. as regards to their interactions with their home and host countries. The policies of host countries and their different objectives and outcomes regarding immigration and reverse immigration could be further examined by comparing the experience of the Indian diaspora in different countries - for example, comparing the Indian diaspora in the U.S. and the Indian diaspora in Canada with the Indian diaspora in the U.K.
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