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The Tale of Two Immigration Systems**

Wei Li and Lucia Lo

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School of Social Sciences, Jawaharlal Nehru University
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Highly-skilled Indian Migrations in Canada and the US: The Tale of Two Immigration Systems¹

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Abstract

As a result of immigrant receiving countries' admission and integration policies, source country development, and economic globalization trends, contemporary international migration has become increasingly heterogeneous regarding origins and destinations, migrants' demographic and socio-economic profiles, and their impacts on both sending and receiving countries. In particular the competition for highly skilled migrants or the race for "global talent" has acquired unprecedented complexity. The uncertainty of China and India continuing to be the dominant sources of supply of global talent is yet again changing the contours of highly-skilled international migration geography. A major challenge to achieving the celebrated "win-win-win" for migrants as well as their origin and receiving countries – a primary goal of the UN (2006) agenda for international migration and development – is to resolve some of the complex contradictions either existing or emerging between innovations taking place in the receiving countries' immigration policies and the development imperatives of major sources of talent.

China and India are on the top five lists for both Canada and the US in terms of sources for highly-skilled and professional immigrants and temporary migrants. Canada and the US represent two different, but representative of, major contemporary immigrant admission systems: respectively, a points system valuing human capital and connection to the country without annual cap versus a quota system based on different preferential categories with annual cap. Their policies toward temporary migrants are drastically different as well. Additionally, the two countries also epitomize, respectively, the two major immigrant integration ideals in the world: that of multiculturalism versus assimilation. It is useful to compare the similarities and differences between these two countries. In this paper, we seek to increase understanding of the policies and processes of highly skilled Indian migration to Canada and the US, the effectiveness of various policies of recruitment, retention and integration, in comparison to those of EU countries, by exploring the following themes: 1) Historical and contemporary immigration policies toward Indian migrants; 2) Indian immigration trends in Canada and the US; 3) Differential outcomes of Canada versus US systems; and 4) Comparison to EU and policy implications.

Keywords: High-skilled migration, Economic globalization, Migration policy, Immigrants admission system, Integration, Multiculturalism, Assimilation, china, India, Canada, US

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I. Introduction

As a result of immigrant receiving countries' admission and integration policies, source country development, and economic globalization trends, contemporary international migration has become increasingly heterogeneous regarding origins and destinations, migrants' demographic and socio-economic profiles, and their impacts on both sending and receiving countries. In particular the competition for highly skilled migrants or the rush for "global talent" has acquired unprecedented complexity as emerging economies such as China and India have become the new "tigers" of economic growth in 21st century Asia. There is a world-wide shortage of talent required to fuel burgeoning knowledge economies that are the hallmark of contemporary globalization (Castells, 1998). The uncertainty of China and India continuing to be the dominant sources of supply of global talent is yet again changing the contours of a process that only a decade ago was seen to be "an invisible phenomenon" (Findlay, 1995). A major challenge to achieving the celebrated "win-win-win" for migrants as well as their origin and receiving countries – a primary goal of the UN (2006) agenda for international migration and development – is to resolve some of the complex contradictions either existing or emerging between innovations taking place in the receiving countries' immigration policies and the development imperatives of major sources of talent.

China and India are on the top five lists for both Canada and the US in terms of sources for highly-skilled and professional immigrants and temporary migrants. Given what has been happening in China and India, it is not surprising that their citizens are well prepared for, and fit into, the employment needs of the globalizing economy in North America and Europe. China and India possess rapidly growing economies of their own and a burgeoning highly educated middle-class, and are among the largest source areas for talent-exportation in recent years. In the US migrants from these two countries alone count for more than 25% of all international students in 2006, 40% of all employment-based immigrants and 60% of all H-1b visa holders in the early 2000s (Lewin, 2007; Li 2006a; Saxenian, 2005). Likewise, between 1997 and 2006, a quarter of all immigrants to Canada came from China and India, and in 2006, the 41,457 students from these two countries account for 26% of the total stock of international students in Canada (Citizenship and Immigration Canada, 2006).

On the other hand, Canada and the US represent two different, but representative of, major contemporary immigrant admission systems: respectively, a points system valuing human capital and connection to the country without annual cap versus a quota system based on different preferential categories with annual cap. Their policies toward temporary migrants are drastically different as well. Additionally, the two countries also epitomize, respectively, the two major immigrant integration ideals in the world: that of multiculturalism versus assimilation. It is useful to compare and contrast the similarities and differences between these two countries.

Therefore in this paper, we seek to increase understanding of the policies and processes of highly skilled Indian migration to Canada and the US, the effectiveness of various policies of recruitment, retention and integration, in comparison to those of EU countries, by exploring the following themes:

- Historical and contemporary immigration policies toward Indian migrants;
- Indian immigration trends in Canada and the US;
- Differential outcomes of Canada versus US systems; and
- Comparison to EU and policy implications.

II. Immigration Policies toward Indian Immigration to Canada and the US

1. Historical Overview (till mid 1960s)–Convergence of Discriminative Policies and Practices

India has long-standing Diasporas that have spread across the world, ranging from forced labor (*coolies*) to free migrants seeking a better living overseas. Majority of early Indian migrants to Canada and the U.S were laborers and shared similar histories: Indians arrived in British Columbia first before migrating to American Northwest to seek for work opportunities. Their fates in these two countries were similar as they were subject to prejudice and discrimination. This section traces how American and Canadian laws and court cases evolved toward Indian immigrants.

During the early immigration era (i.e. until the late 19th century) in US history, most immigrants were allowed to settle in America as long as they had no criminal background. Prompted by job competition, economic recession, and racial prejudice during the time, discriminative laws, government policies, and court cases were soon enacted against Asian migrant groups, from Chinese, Japanese and Koreans, to Indians and then Filipinos. For instance, an 1880 US immigration commission report indicated that “Hindus were universally regarded as the least desirable race of immigrants thus far admitted to the United States” (Hess, 1982, 29). The first immigration law directed toward Indian immigration was the creation of the 1917 Asiatic Barred Zone which included India. Originally considered as white, Indian migrants were allowed to become naturalized citizens. But the 1923 *US v. Bhagat Singh Thind* Supreme Court case overturned such legal practice by classifying Indians as non-white despite their being considered as Caucasians in race. Naturalization certificates previously granted were subject to cancellation. Restrictive state legislation on marriage, landholding, and voting (including anti-miscegenation laws and anti-alien land laws, including revoking existing land purchases) further reflected this prejudice (Hing, 1994; Juergensmeyer, 1982; Jensen, 1988; Takaki, 1998). These discriminatory regulations, along with prohibitive social practices, cast Indians as racialized minorities in American society well into the 20th century.

The picture in Canada was similar. A substantial increase in Indian manual labour immigrants to work in railway construction and in the logging and lumber industries in British Columbia as result of head taxes against the Chinese since 1885. Yet anti-Asian sentiments were so strong in Vancouver that the British Columbia government established barriers that beginning in 1907, Indians not born of Anglo-Saxon parents were disfranchised despite of being British subjects. In 1908, Indians were kept out of Canada by an order-in-council requiring them to come to Canada by continuous passage from India when no steamship line provided the service. Further discriminative measures took effect when Indians were denied voting right and excluded from professions, which resulted many returnees to India.

The Asian exclusion era in North America ended during World War II when most Asian countries became war allies with US and Canada. Following the repeal of the Chinese Exclusion Act in 1943, the US Congress passed the Luce-Celler Bill in 1946 which granted Indians 100 annual immigration quota and restored their rights to become naturalized US

citizens (Takaki, 1998). Then in 1952 Congress established “Asian Pacific Triangle” which only permitted a total of 2,000 annual immigrant quotas for the entire region. In Canada, Indians were allowed to vote in 1947, and the 1952 Immigration Act which favoured British subjects and French citizens allowed 150 annual immigration quota from India, which was increased to 300 five years later.

2. Contemporary Immigration Policies (mid 1960s onward)–Divergence in Selective Policies

The 1965 Immigration and Nationality Act is seen as the landmark change in the US immigration legislative processes. This act equalized the immigrant quotas at 20,000 persons for all national groups in the Eastern Hemisphere. By creating two immigrant categories, this act furnished the means for a diverse array of individuals from diverse source countries. The family reunion category allowed for the settlement and family reunification for recent immigrants and refugees while the employment category enticed highly skilled and educated individuals, other needed laborers, and their families. These two classifications were further subdivided into preferential categories in order to obtain a stratified and diverse migrant population, with 3rd and 6th preferences being employment category (US Congress, 1965). In Canada, new regulations were tabled to eliminate all discrimination based on race, religion and national origin in 1962. The immigration admission system was revamped as the points system was introduced in the 1967 Amended Immigration Act for the selection of skilled workers and business immigrants. With immigrants now evaluated based on education, age, official language ability and skills, work experiences and connection to Canada, this marks a pointed departure from the past but also a diversion from the American system.

In the past half century since the 1960s, the most important and comprehensive immigration admission policy change in the US is the Immigration Act of 1990 (US Congress, 1991), despite other piece-meal legislations since then. Effective October 1, 1991, the 1990 Act aims to accommodate economic restructuring and globalization of capital and personnel flows. Immigrants were classified into three main categories: family-sponsored, employment-based, and diversity. In addition to stressing the traditional value of family reunion, the Immigration Act of 1990 emphasized employment-based immigration by tripling quotas to 140,000 per year. Among the employment-based immigrants, there are five subcategories: 1) priority workers; 2) professionals with advanced degrees or aliens of exceptional ability; 3) skilled workers, professionals, and unskilled workers; 4) special immigrants; and 5) an investor category similar to those implemented in Australia, Canada, New Zealand, and the U.K.

In Canada, the most important legislations in immigrant admission since 1967 are the 1976 Immigration Act and the 2002 Immigration and Refugee Protection Act (IRPA). The 1976 Act which came into force in 1978 focused on who should be allowed into Canada, and not on who should be kept out. There are four key stipulations in this Act. First, it gave more power to the provinces to set their own immigration laws. Second, it defined "prohibited classes" as individuals who could become a burden on social welfare or health services. Third, it created four new classes of immigrants who could come to Canada: refugees, families, assisted relatives, and independent immigrants. While independent immigrants had to take part in the Points System, other classes did not have to so long as they passed basic criminal, security and health checks. Fourth, it allowed the government to issue 12-month exclusion

orders and a departure notice for immigrants involved in less serious criminal or medical offenses who formerly would be barred from entering Canada for life. The 2002 IRPA defines three basic categories of permanent residents which correspond to three basic program objectives: reuniting family, contributing to economic development, and protecting refugees. In particular, economic class immigrants are broadened to include not only skilled workers and business immigrants, but also provincial/territorial nominees who are not subject to the skilled worker selection grid in order to meet local economic needs and live-in caregivers that formerly were classified as temporary foreign workers. This legislation alters the selection of skilled immigrants in two respects: it raises the total number of points required for entry from 70 to 75 (out of 100), and the new criteria emphasized language, formal education, and prior experience in the labour market, in response to the declining economic performance of Canada's highly-skilled immigrants in the 1990s. This new criteria gives French- and English-language speakers easier access to Canada, thereby sharply reducing the supply of acceptable applicants from China which has been the top source country since 1997 (Shi, 2003), and resulting in an increasing number of skilled immigrants from India which is now the top immigrant sending country to Canada. To further attract highly skilled migrants, Canada introduced the Canadian Experience Class as recently as August 2008, aiming at the temporary foreign workers and foreign students who graduated in Canada (Aggrawal and Lovell, 2008; Statistics Canada, 2006 Census; The Canadian Encyclopedia, 2008).

In the US, in addition to the immigrant admissions, what is more important pertaining to highly skilled Indian migrants is the H-1B non-immigrant visa program. The 1990 Immigration Act revamped the H-1 program by setting up a H-1B visa, and significantly increased the number of temporary foreign workers permitted to enter the United States. The H-1B visa program was designed for temporary workers employed in "specialty occupations" that require specialized knowledge and at least a bachelor's degree or its equivalent. H-1B visa holders are sponsored by American employers and permitted to work in the US for an initial 3-year term and renewable for another three years, and during the maximum of six years they are eligible to adjust their status to become legal permanent residents (LPR; or green card holders); and afterward subject to the same 5-year rule to become naturalized citizens. They can bring their immediate family members (spouse and minor children) with them when entering the US. However, regardless of their qualifications, the spouses of H-1B visa holders who possess H-4 visas are not permitted to seek employment in the US until their legal status is adjusted. Therefore, the H-1B/H-4 programs become a de facto immigration program despite the nature of non-immigrant visa categories. Ironically, temporary migrants are permitted to enter the US, i.e. issued non-immigrant visas at American consulates in foreign countries, because they are deemed as having no intention to become immigrants to the US (Park and Park, 2005). The annual cap for H-1B visas has been subject to change. For example, the American Competitiveness and Workforce Improvement Act of 1998 (ACWIA) raised the cap from 65,000 to 115,000 workers a year. During the dot com boom, the Congress increased H-1B visas to 195,000 annually during fiscal years 2000-2002. Additionally, colleges/universities and NGOs are exempt from such quotas. In the post 9.11 contexts, the Congress let the quotas of H-1B revert back to the prior 65,000 annually. However, the pressures from American corporations and their intense lobbying, as well as the intensified global hunt for talents, made the Congress add an additional 20,000 annual quotas

for those who obtain at least a master degree in the US. Since the lowering of quotas, the annual allowable slots for applications for H-1B visas are often filled within a week or two after the annual petition period opens. Due to the global recession, the fiscal year 2009 is the first that the petitions did not fill the 85,000 available slots. Other relevant visa categories pertaining to highly skilled temporary workers include: 1) workers with extraordinary ability/achievement (O1 and O2 visas); 2) athletes, artists, and entertainers (P1 to P3); 3) intra-company transferees (L1; who are also eligible to adjust their legal status to LPR subject to certain stipulations); 4) treaty traders and investors (E1 to E3). The “students and exchange visitors categories include self-sponsored students (F1 and F2), exchange students and scholars (J1 and J2), and short-term students (M1 and M2). These categories include principals, spouses, and children, and not all of them subject to numerical limitations.

In Canada, temporary visas are issued to foreign workers and foreign students. Foreign workers, both skilled and unskilled, can work temporarily in jobs that help Canadian employers address skill shortages. With the exception of those covered under international agreements, entrepreneurs and intra-company transferees, participants in exchange programs, co-op students, spouses of foreign workers or students, some academics and students, and religious workers, employers who wish to hire foreign workers often need to get a labour market opinion from Human Resources and Social Development Canada (HRDSC). While unskilled workers are often seasonal workers on Canadian farms, there are special skilled categories covering information technology workers and live-in caregivers. For information technology workers whose skills are in high demand (such as in animation effect editing, system software design, multimedia software development, and telecommunication software design), employers are not required to seek labour market opinions from HRDSC. Participants in the Live-in Caregiver Program must possess the equivalent of a Canadian secondary education, at least six months’ training or one year full-time experience during the past three years, and good knowledge of English or French. They need a job confirmation letter from a Canadian employer and a written contract before they will be issued a work permit. But after two years working in Canada, they can apply for permanent residency status. For all other foreign workers and foreign students who wish to apply for permanent residence status, they have to apply from outside Canada and their applications are subject to the same process underlying the Canadian skilled migration system. Changes were introduced recently. In 2006, foreign students are automatically allowed to work in Canada for a year upon graduation. In 2008, the introduction of the Canadian Experience Class allows temporary foreign workers with at least two years of full-time skilled work experience (managerial, professional and technical occupations) in Canada and foreign graduates from Canadian post-secondary institutions with at least one-year of full-time skilled work experience in Canada to apply for permanent residence. The former will be assessed on their work experience and English or French ability, whereas the latter will be assessed also on their education.

Table 1 summarizes American and Canadian immigrant and temporary migrant admission policies while demonstrating some similarities and differences between the two countries. Next section will examine the migration trends from India to Canada and the US during past two centuries, while demonstrating the changing highly skilled Indian migrants to these two countries.

TABLE 1: COMPARISON ON IMMIGRATION POLICY, COURT CASES AND PERIOD

The US	Canada
1. <i>Initial Immigration - labor migration</i> First reported Indian immigrant number in 1820s	Reported earliest presence in 1897
2. <i>Exclusion Era</i> <ul style="list-style-type: none"> 1917 Asiatic Barred Zone added Indians to the exclusion list 1923 <i>US vs. Bhagat Singh Thind</i> revert naturalization rights for Indians 	<ul style="list-style-type: none"> 1908: Indians were kept out of Canada by an order-in-council 1909-13: Denial of voting right, exclusion from professions from professions
3. <i>Transition Period (WWII to mid-1960s)</i> <ul style="list-style-type: none"> 1946 Luce-Celler Bill (Annual quota of 105) with rights to become naturalized citizens 1952 Asia-Pacific triangle: 2,000 total annual immigrant quota for the entire region 	<ul style="list-style-type: none"> 1947: Indians were allowed to vote 1952 Immigration Act: British subjects and French citizens as preferred classes; 150 Indian annual immigration quota
4. <i>Open-Door Period (Mid-1960s to late 20th century)</i> <ul style="list-style-type: none"> 1965 Immigration & Nationality Act: Abolish discriminatory quota system; Family reunion (80%) vs. Professional (20%); 20,000/country/year quota Citizenship after five years of P.R. status 	<ul style="list-style-type: none"> 1962: eliminate all discriminations 1967 Amended Immigration Act: points system 1976 Immigration Act: citizenship after three years; provincial power on immigration; four new immigrant classes
5. <i>Selective Period (since late 20th century)</i> <ul style="list-style-type: none"> 1990 Immigration Act: Family-sponsored; Employment-based: 140,000/year Diversity 1998 The American Competitiveness and Workforce Improvement Act (ACWIA) H-1B visa increased from 65,000 to 115,000/yr; 2000: H-1B visa increased to 195,000/year 2003: H-1B visa revert to 65,000/year 2005: additional 20,000/yr H-1V visas for Master degrees obtained in the US Immigration admission policy at federal level 	<ul style="list-style-type: none"> 2002 Immigration & Refugee Protection Act (IRPA): family classed; 2) economic class: skilled workers, business immigrants, provincial/territorial nominees, and live-in caregivers refugees <i>Points system emphasizes on</i> French- and English-language proficiency, education and work experience 2008: Canadian Experience Class introduced to attract temporary foreign worker and students who graduated in Canada both federal and provincial/territorial levels

Source: Canada – Aggarwal and Lovell 2008; Statistics Canada 2006 Census; Canadian Encyclopedia (Online) 2008; the US – Li 2006; Office of Immigration Statistics 2008; Takaki 1998; US Congress 1991

III. Indian Migration Trends in Canada and the US

Indians have been coming to the United States since the 19th century. Figure 1 demonstrates total numbers of Indian population (including American-born Indians) and Indian immigrants over the past two centuries. It illustrates that for the first 80 years of data available since 1820, the number of Indian immigrants per decade never reached 250 until the 1900s when it jumped more than ten times to over 3,000. The US Census did not start to release total Indian population numbers until 1910. Both Indian immigration and population decreased during exclusion era between the two world wars in 1920s and 1930s, and did not catch up until after WWI. This signifies the impacts of exclusionary immigration admission policy toward Indians and stripping the naturalization rights of Indian Americans.

In Canada, the first year of reported presence of Indian immigrants is 1897 and there were about 300 by 1903 (Tatla, 1999 in Salehi, 2007). The Chinese head tax exacerbated

Canada’s intake of manual labour from India. By 1908, Indian immigrants in Canada numbered 5,185 (Salehi, 2007, 10). Then restrictive immigration policies and quotas resulted in limited new arrivals. In 1914, the infamous Komagata Maru incident occurred when 352 of 376 British subjects of Indian origin arriving in Vancouver harbour aboard the Komagata Maru, a Japanese-owned freighter chartered out of Hong Kong, on May 13, were denied entry and forced to depart on July 23. Between then and 1945, only less than 700 Indian immigrants entered Canada. The 150 annual quota stipulated in the 1952 Immigration Act was expanded to 300 from 1957 on. Total presence of Indian immigrants did not exceed 4,000 by 1960.

In both Canada and the US, it was not until after the modern Immigration Acts passed in the 1960s that the number of Indian immigrants increased dramatically. In 1960, less than 4000 India-born migrants resided in Canada. 20,000 arrived in the 1960s, followed by 70,000 in the 1970s, 80,000 in the 1980s, then a dramatic surge to 160,000 in the 1990s and 220,000 in the first eight years of the new century. In sum, the phasing out of discriminatory practices has brought over half a million immigrants from India over the last four decades. Total Indian population in the US also increased more than four times in both 1960s and 1970s from previous decades respectively, and more than doubled in both 1980s and 1990s, with additional 53% increase in the 2000s with more than 2.57 millions in 2007. Similarly, table 2 reveals while there have been more immigrants than native-born Indian population in the US, the current decade witness rapid growth and increasing ratio of foreign-born Indians.

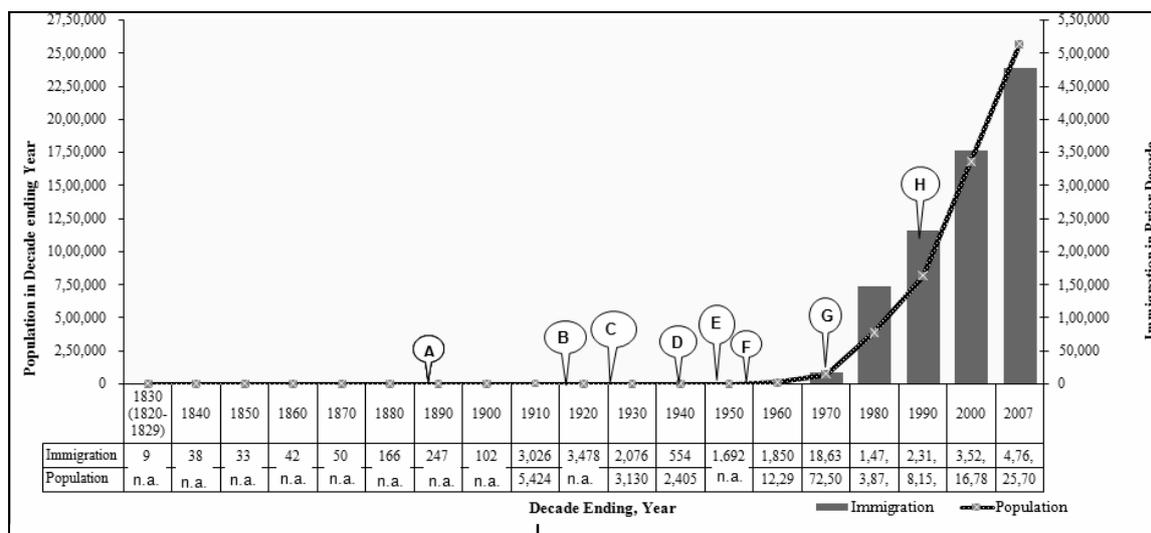


Fig. 1: Indian Population and Immigration in the US, 1820-2007

Law in Effect in Prior Decade

- A: Open
- B: Asiatic barred zone of 1917
- C: 1924 Act
- D: 1924 Act, then limited quota beginning in 1946
- E: 1946 Luce-Celler Bill establish 100 annual immigrant quota, and naturalization rights
- F: 1952 Act with a total of 2,000 Asian Pacific region quota
- G: 1965 amendments
- H: 1990 Immigration Act

In the two-century India immigration history in North America, there have always been highly skilled Indian migrants in both countries, including those in early history who sought for Indian independence from the UK, such as those in the *Ghadar* (meaning “mutiny”) Party launched its headquarters in San Francisco and actively raised funds for India’s freedom (Brown, 1982 in Skop and Li forthcoming). However, the majority of Indian immigrants in early history were manual laborers. It was the passage of the 1965 Immigration and Nationality Act in the US and the 1967 Amended Immigration Act in Canada that results the dramatic changing profiles of Indian immigrants in the past 40 years.

TABLE 2a: INDIAN POPULATION OBTAINING LEGAL PERMANENT RESIDENT STATUS BY BROAD CLASS OF ADMISSION BY LAST RESIDENCE: FISCAL YEAR 1992-2007^a

Year	Total	Family-Sponsored Preferences	Relatives of US Citizens	% family-sponsored + relatives in total LPRs	yearly change	Employment-based Preferences	% Employment-based in total LPRs	yearly change	Diversity	% in total LPRs	Refugees and Asylees	% in total LPRs	Other	% in total LPRs
2007	55,371	14,864	17,671	58.8%	-20.2%	19,957	36.0%	33.4%	45	0.1%	2,699	4.9%	2,834	5.1%
2006	58,072	13,865	22,147	62.0%	17.9%	14,963	25.8%	-65.4%	35	0.1%	6,934	11.9%	7,062	12.2%
2005	79,140	14,464	18,788	42.0%	14.6%	43,211	54.6%	23.5%	43	0.1%	2,481	3.1%	2,634	3.3%
2004	65,472	12,628	16,392	44.3%	34.1%	34,983	53.4%	89.0%	56	0.1%	1,270	1.9%	1,413	2.2%
2003	47,157	14,696	12,228	57.1%	-15.1%	18,506	39.2%	-53.5%	69	0.1%	1,512	3.2%	1,658	3.5%
2002	66,864	10,835	14,408	37.8%	2.9%	39,793	59.5%	10.3%	86	0.1%	1,651	2.5%	1,742	2.6%
2001	65,916	14,739	14,006	43.6%	29.1%	36,074	54.7%	160.0%	65	0.1%	929	1.4%	1,032	1.6%
2000	39,072	13,688	10,851	62.8%	23.4%	13,872	35.5%	196.1%	96	0.2%	458	1.2%	565	1.4%
1999	28,355	14,509	8,794	82.2%	-17.1%	4,685	16.5%	-44.3%	116	0.4%	130	0.5%	251	0.9%
1998	34,288	14,755	10,605	74.0%	-20.7%	8,415	24.5%	0.7%	69	0.2%	379	1.1%	444	1.3%
1997	36,092	13,637	13,374	74.8%	19.5%	8,353	23.1%	-10.8%	138	0.4%	459	1.3%	590	1.6%
1996	42,819	21,491	11,190	76.3%	28.5%	9,365	21.9%	39.6%	79	0.2%	498	1.2%	694	1.6%
1995	33,060	16,994	8,708	77.7%	-4.3%	6,710	20.3%	-13.0%	85	0.3%	347	1.0%	563	1.7%
1994	33,173	15,650	9,100	74.6%	-10.4%	7,715	23.3%	-20.0%	5	0.0%	234	0.7%	703	2.1%
1993	38,653	15,639	10,158	66.7%	12.3%	9,644	25.0%	9.2%	9	0.0%	243	0.6%	3,203	8.3%
1992	34,841	13,950	9,048	66.0%		8,832	25.3%		9	0.0%	229	0.7%	3,002	8.6%
Total	7,58,345	2,36,404	2,07,468			2,85,078			1,005		20,453		28,390	

Sources: USINS/USCIS Yearbook of Immigration Statistics (1992-2007)

1992, table 9, p.46; 1993, table 9, p.46; 1994, table 9, p.46; 1995, table 9, p.48;

1996, table 9, p.48; 1997, table 9, p.46; 1998, table 9, p.49; 1999, table 9, p.49;

2000, table 9, p.49; 2001, table 9, p.47; 2002 table 9, p.35;

2003 table 9, p.34; 2004 table 9, p.32,36; 2005 table 11, p.32; 2006 table 11, p.32; 2007 table 11, p.32

<http://www.dhs.gov/ximgrn/statistics/publications/archive.shtm> (1996-2003) [last accessed 12/26/08]

<http://www.dhs.gov/ximgrn/statistics/> (2004-2007) [last accessed 12/26/08]

Note: a. Data are reported by region and country of last residence

**TABLE 2b: INDIAN POPULATION OBTAINING LEGAL PERMANENT RESIDENT STATUS
BY BROAD CLASS OF ADMISSION BY COUNTRY OF BIRTH: FISCAL YEAR 1990-2007^b**

Year	Total	Family-Sponsored Preferences	Relatives of US Citizens	% family-sponsored + relatives in total LPRs	yearly change	Employment-based Preferences	% Employment-based in total LPRs	yearly change	Diversity	Refugees and Asylees	Other
2007	65,353	15,551	18,205	51.7%	-19.48%	28,703	43.9%	67.18%	57	2,680	2,837
2006	61,369	14,525	22,608	60.5%	18.32%	17,169	28.0%	-64.01%	30	6,841	7,037
2005	84,681	15,256	19,108	40.6%	12.78%	47,705	56.3%	24.09%	60	2,331	2,552
2004	70,116	13,307	16,942	43.1%	33.48%	38,443	54.8%	86.98%	90	1,181	1,334
2003	50,372	15,359	12,693	55.7%	-15.81%	20,560	40.8%	-52.06%	94	1,517	1,666
2002	71,105	11,402	15,077	37.2%	2.47%	42,885	60.3%	9.93%	93	1,558	1,648
2001	70,290	15,443	14,714	42.9%	27.47%	39,010	55.5%	150.76%	78	942	1,045
2000	42,046	14,267	11,543	61.4%	23.38%	15,557	37.0%	190.13%	101	466	578
1999	30,237	15,179	9,356	81.1%	-15.39%	5,362	17.7%	-43.75%	98	118	242
1998	36,482	15,375	11,058	72.5%	-20.59%	9,533	26.1%	3.57%	80	373	436
1997	38,071	14,229	13,926	74.0%	17.94%	9,204	24.2%	-7.12%	115	462	597
1996	44,859	22,346	11,808	76.1%	27.39%	9,910	22.1%	38.33%	106	485	689
1995	34,748	17,641	9,269	77.4%	-4.75%	7,164	20.6%	-14.43%	130	323	544
1994	34,921	16,192	9,731	74.2%	-10.12%	8,372	24.0%	-19.80%	16	133	610
1993	40,121	16,381	10,827	67.8%	10.52%	10,439	26.0%	7.77%	13	103	2,461
1992	36,755	14,468	9,796	66.0%		9,686	26.4%		34	34	2,771
Total	8,11,526	2,46,921	2,16,661			3,19,702			1,195	19,547	27,047

Sources: INS Statistical Yearbook (1996-2007)

1992, table 8, p.44; 1993, table 8, p.44; 1994, table 8, p.44; 1995, table 8, p.46;

1996, table 8, p.46; 1997, table 8, p.44; 1998, table 8, p.45; 1999, table 8, p.45;

2000, table 8, p.45; 2001, table 8, p.43; 2002 table 8, p.31;

2003 table 8, p.30; 2004 table 8, p.24,28; 2005 table 10, p.28; 2006 table 10, p.28; 2007 table 10, p.28

<http://www.dhs.gov/ximgtn/statistics/publications/archive.shtm> (1996-2003) [last accessed 12/26/08]

<http://www.dhs.gov/ximgtn/statistics/> (2004-2007) [last accessed 12/26/08]

Note: b. Data are reported by region and country of birth

1. The US: Open-Door Period – 1965–1990

The majority of immigration from India resulted from the enactment of immigration legislation passed in 1965 that lifted national quotas and restructured immigrant categories of admission to include two general categories: family-sponsored and employment-based. During the initial period post-1965, there have been the recruitment of medical personnel by major urban hospitals, the recruitment of Indian students by US universities, and the recruitment of laborers (both temporary and permanent) by high-tech industries located in major metropolitan areas.

The first wave of migration after the passing of the 1965 legislation can be distinguished from that which occurred after 1980. Indeed, both of these waves are characteristic in terms of migrant selectivity. The first period of immigration was relatively homogenous; immigrants generally arrived from the northern regions of India. These immigrants came with a variety of resources, including cash, education, and occupational skills. They were largely from the upper and middle classes, and many were employed as medical professionals. During this period, men were over-represented. Starting in 1980, Indian immigration to the US diversified. Unlike previous immigrants who usually entered the country under the occupational preference provisions of the 1965 Immigration Act, the majority of these immigrants arrived under the family reunification clause of the legislation. As they were required by the United States

government to have a family member living here at the time of arrival, a significant proportion of Indians continued to come from the northern states of India, though they were more lower-middle-class in origin and the sex ratio tended to be more balanced, as entire extended families emigrated from India. With this new wave, the proportion of immigrants with the highest levels of educational attainment and professional occupational skills decreased. Even so, Indians arriving in this period entered the US with educational levels and a set of business skills that were quickly rewarded in local labor markets. Typically, these individuals gained employment in service-oriented occupations. For instance, a significant number of Gujaratis (individuals from the northern Indian state of Gujarat) began to operate convenience stores and motels located throughout the country. A certain proportion of Indian restaurants and groceries also opened during this period. During this period, the percentage of those who are employment-based in total Indian immigrants decreased (Skop and Li forthcoming).

2. The US: Contemporary Period–1991 and Onward

Indian immigration to the US accelerated during the 1990s, as a result of higher limits established by the Immigration and Nationality Act of 1990 effective since 1991, and we will focus the discussion in this period. As a result of liberal US immigration policy, India is now the fourth largest source country of US immigrants. While the population fluctuates as temporary residents arrive and leave, the Indian immigrant population now numbers more than one and a half million. 70 percent of Indian immigrants in the US arrived since 1990.

By the beginning of the 1990s, the socioeconomic profiles of Indian immigrants rose considerably and a different set of Indian newcomers arrived in the US. This was part and parcel of both shifting US immigration policy and the restructuring of both the United States and Indian economies as a whole. The boom in high-paying, full-time, formal occupations in the high-tech economy has become a “pull” for highly skilled Indian immigrants. In the contemporary period, the majority of Indian men and women moving to the US appear to be attracted by growing opportunities in white-collar occupations.

As part of its economic restructuring, the US has begun to attract more immigrants from southern India. In general, immigrants from southern India are better endowed with the education and skills needed by high-tech industry – as this newly industrializing region specializes in software and information technologies. Southern India has come to be known as the “Silicon Valley of the East.” As employment-based preference and H-1B visas become the predominant avenue for entry into the United States from India in the 1990s, Southern Indian immigrants, trained as engineers, systems analysts, programmers, and computer scientists tend to have the skills in highest demand.

This period is hallmarked by skilled migration directly from India. The US Citizenship and Immigration Services (USCIS, formerly INS prior to 2003) release data based on both migrants’ last residence and country of birth. The former set of data (Table 2a) demonstrates that with the exception of one year, all fiscal years between 1992 and 2007, employment-based immigrants from India count for more than 20% of all Indian immigrants that lived in India prior to their international migration. In four years in the 2000s, over half of all Indian immigrants belong to this category. Total numbers of employment-based Indian immigrants fluctuated year by year, but jumped from thousands range in the 1990s to ten-thousands in the 2000s with almost 200% increase between 1999 and 2000 alone. Data with country of birth (Table 2b) show very similar trends but reflect more on Indian diaspora, as this set of

data include Indian immigrants who were born in India but lived outside India prior to immigrating to the US.²

Given US annual immigrant admissions are with numerical caps, temporary migration becomes an important venue in fulfilling highly-skilled job needs to complement highly skilled immigrant labor force. Many of these temporary migrants eventually adjusted their status to immigrants, evident in Figure 3 showing in 2000 those who changed their status to LPRs outnumbered those who were newly admitted to the country; and Figure 4 showing increasing number of temporary works adjusted their status 1999-2002. Table 3 illustrates Indian citizens admitted to the US under temporary visas from 1992 to 2007. It demonstrates temporary workers and their families consistently count for around 30% of non-immigrant Indian admissions in the past decade, while the total numbers kept increasing until after September 11 terrorist attack, then pick up the steam again in the past five years. Additionally, in most years the increase rates of employment-based Indian migrants outpace those of total temporary migrants. Among all employment-based temporary Indian workers, the most important categories for Indians are Workers in Specialty Occupations (H-1B), followed by Intra-Company Transferees (L1), Athletes, Artists, and Entertainers (P1 to P3), and end with Treaty Traders and Investors (E1 to E3; Table 4).

Among all temporary worker visa categories, H-1B is the single most important temporary worker visas among Indians in both numerically and their impacts on the American high tech industry. INS/USCIS data indicates India as the leading contributor of H-1B workers since the enactment of the legislation in 1990. For instance, nearly 43 percent of H-1B visas petitions between October of 1999 and February 2000 (the first 5 months of Fiscal Year 2000) were granted to persons born in India, which far exceeds China, the next leading country (with less than 10 percent of the petitions in the same period). Table 4 also demonstrates that with one single exception since the H-1B visa data released in 1992, H-1B visas consistently count for more than half of all Indian temporary workers admitted to the US annually, more than all the other categories combined. In last decade, Indian H-1B visa holders consistently count for more than 20% of worldwide H-1B visas issued, with the highest being 41.1% in 2002. H-1B visa dips in the earlier 2000s reflect both economic cycle (especially dot com bust) and post-9.11 security concerns. But both total numbers and shares of Indian H-1B visa holders increase again by large margin in the past five years.

The next most popular temporary migrant worker visa possessed by Indians is L1, intra-company transferees. Given this visa category also permits adjusting legal status to LPR, L1 visa, like H-1B, is a de facto way for immigration. This visa allows multinational corporations to invest and set up branches, and bring transnational managerial personnel to the US. Therefore, the changing numbers of L1 visas reflect evolving India-US transnational business relationship. Table 4 reveals L1 visa is the only visa type among all temporary worker visa types that constitutently grows since its initiation, only the grow rates fluctuate as result of economic cycle or geopolitics. Similarly, the percentage of L1 visas in all temporary workers

²Employment-based preference data include spouses and children of the principals, whose education and skill levels cannot be discerned from publicly released data; as well as certain numbers of unskilled laborers; similarly, such education and skill level information are unavailable among family-sponsored (subject to numerical quotas) and relatives of US citizens (not subject to quota limitations). Therefore, data constrains prevent a more accurate counts on the exact numbers of highly-skilled Indian migrants based on this data alone.

increased over time. The rest of temporary visa types have relatively small numbers (in hundreds or thousands ranges) and do not have the permission for legal status adjusting during their valid visa period.

The other important temporary visa holders at non-worker categories among Indian citizens are students and exchange visitors (self-sponsored F1 and their spouses F2, exchange scholars/students J1 and their spouses J2, and short-term students M1 and their spouses M2; table 3). These categories of non-immigrant visa holders count for 8-13% during 1992-2007 period. They enjoy double-digit growth in most years, but suffer setback with slow, or even negative, growth in the first four years post-9.11 which is a trend in the US among all international students/scholars during the same period. After graduation, F1 students can either directly obtain H-1B visas if they are employed or go through OPT status which may lead to H-1B visa; therefore, F1-visa holders can become immigrants as well. American universities also tend to attract students from India's southern states. More and more students come from southern India states to pursue graduate studies in engineering, information technology, and computer science. Indian student associations have also helped to foster the growth of this South Indian student population. These organizations work closely with incoming Indian students: before they arrive in the US, they send potential students a variety of information – including climatic conditions and what clothing to bring, how to get campus jobs and financial aid, and specifics on expenses and housing. When new students arrive, the organizations work as the middleman and help them get settled in apartments near the university. In a sense, these organizations have set up the mechanism by which the “southern” flow of Indian students has become self-perpetuating. Coincidentally, the proportion of Southern Indians living in the US has noticeably risen – as significant numbers of graduating students decide to permanently settle and gain employment in local industry, including those who get H-1B visas (Skop forthcoming).

3. Canada: Contemporary Period – 1967-Now

Overall, the removal of racial restrictions allows increasing numbers of Indians to arrive, especially since 1990. Immigrants from India increased not only in numbers, but also in proportions – from less than 2% of all immigrants to Canada in 1967 to over 10% since 2000. The latest Canadian Census counted 443,690 Indian immigrants on May 15, 2006. The temporal distribution is such that 35% arrived before 1991, another 35% in the 1990s, and the remaining 30% from 2001-mid 2006.

Over the past two decades, India has been ranked within the top three source countries to Canada. They were mostly admitted under the family class prior to 1986. The migration of skilled workers has become particularly prominent since the mid-1990s. Unlike other Asian countries, few came under the business class.

According to Aggrawal and Lovell (2008), since the early 1980s, the proportion of “family” class immigrants from India has declined, while the proportions of “skilled workers” have increased. The growth of economic immigrants at the expense of family class is especially obvious since 1990, around the same time that immigrants from India surged. Among recent Indian immigrants, skilled workers now represent the majority of immigrants. They increasingly arrived with higher educational qualifications, and professional and skilled/technical occupation credentials. Most recently, over 40% of new Indians arrived with tertiary education and professional qualifications. Data compiled by Citizenship and Immigration Canada shows that skilled workers from India have been steadily increasing and replacing family class immigrants since the mid 1990s. For example, the number of new

skilled entrants went up by 11 folds from 1,147 (less than 10% of the total Indian immigrants) in 1993 to 13,908 (almost 50% of the total) in 2002.

In addition to economic immigrants who are granted permanent residency status, the number of temporary migrants also multiplied since the late 1990s and early 2000s. In Canada, temporary visa programs are gearing toward visitors, foreign workers and foreign students. Most foreign workers traditionally came from the U.S and the UK, Jamaica and recently Mexico. Whereas those from the U.S and the UK are primarily professional and management expatriates, those from the Caribbean and Mexico are mostly seasonal workers employed in the agro sector. India is not a major player. Numbered at 8,706, foreign workers from India only accounted for 4% of the total stock of foreign workers in the country in 2007. The same can be said of foreign students although the major source countries shift to East Asia. In 2007, there were less than 7,000 Indians on student visa when the total foreign student population was almost 180,000. In 2007, 2,505 foreign students and 5,373 foreign workers from India entered Canada for the first time. The total stock was almost 7,000 foreign students (an increase from 1.2% of the total foreign student population) in 1998 to 3.9%, mostly seeking tertiary education and 8,700 foreign workers (from 1.7 in 1998 to 4.3% in 2007).

TABLE 3a: INDIAN POPULATION OBTAINING LEGAL PERMANENT RESIDENT STATUS BY BROAD CLASS OF ADMISSION BY LAST RESIDENCE: FISCAL YEAR 1992-2007^c

Year	Total	Family-Sponsored Preferences	Relatives of US Citizens	% family-sponsored + relatives in total LPRs	yearly change	Employment-based Preferences	% Employment-based in total LPRs	yearly change	Diversity	Refugees and Asylees	Other
2007	55,371	14,864	17,671	58.8%	-20.2%	19,957	36.0%	33.4%	45	2,699	2,834
2006	58,072	13,865	22,147	62.0%	17.9%	14,963	25.8%	-65.4%	35	6,934	7,062
2005	79,140	14,464	18,788	42.0%	14.6%	43,211	54.6%	23.5%	43	2,481	2,634
2004	65,472	12,628	16,392	44.3%	34.1%	34,983	53.4%	89.0%	56	1,270	1,413
2003	47,157	14,696	12,228	57.1%	-15.1%	18,506	39.2%	-53.5%	69	1,512	1,658
2002	66,864	10,835	14,408	37.8%	2.9%	39,793	59.5%	10.3%	86	1,651	1,742
2001	65,916	14,739	14,006	43.6%	29.1%	36,074	54.7%	160.0%	65	929	1,032
2000	39,072	13,688	10,851	62.8%	23.4%	13,872	35.5%	196.1%	96	458	565
1999	28,355	14,509	8,794	82.2%	-17.1%	4,685	16.5%	-44.3%	116	130	251
1998	34,288	14,755	10,605	74.0%	-20.7%	8,415	24.5%	0.7%	69	379	444
1997	36,092	13,637	13,374	74.8%	19.5%	8,353	23.1%	-10.8%	138	459	590
1996	42,819	21,491	11,190	76.3%		9,365	21.9%		79	498	694
1995	33,060										
1994	33,173										
1993	38,653										
1992	34,841										

Sources: USINS/USCIS Yearbook of Immigration Statistics (1992-2007)

1996, table 9, p.48; 1997, table 9, p.46; 1998, table 9, p.49; 1999, table 9, p.49;

2000, table 9, p.49; 2001, table 9, p.47; 2002 table 9, p.35;

2003 table 9, p.34; 2004 table 9, p.32,36; 2005 table 11, p.32; 2006 table 11, p.32; 2007 table 11, p.32

<http://www.dhs.gov/ximgrn/statistics/publications/archive.shtm> (1996-2003) [last accessed 12/26/08]

<http://www.dhs.gov/ximgrn/statistics/> (2004-2007) [last accessed 12/26/08]

Note: c. Data are reported by region and country of last residence

TABLE 3b: INDIAN POPULATION OBTAINING LEGAL PERMANENT RESIDENT STATUS BY BROAD CLASS OF ADMISSION BY COUNTRY OF BIRTH: FISCAL YEAR 1990-2007^d

Year	Total	Family-Sponsored Preferences	Relatives of USCitizens	% family-sponsored + relatives in total LPRs	yearly change	Employment-based Preferences	% Employment-based in total LPRs	yearly change	Diversity	Refugees and Asylees	Other
2007	65,353	15,551	18,205	51.7%	-19.48%	28,703	43.9%	67.18%	57	2,680	2,837
2006	61,369	14,525	22,608	60.5%	18.32%	17,169	28.0%	-64.01%	30	6,841	7,037
2005	84,681	15,256	19,108	40.6%	12.78%	47,705	56.3%	24.09%	60	2,331	2,552
2004	70,116	13,307	16,942	43.1%	33.48%	38,443	54.8%	86.98%	90	1,181	1,334
2003	50,372	15,359	12,693	55.7%	-15.81%	20,560	40.8%	-52.06%	94	1,517	1,666
2002	71,105	11,402	15,077	37.2%	2.47%	42,885	60.3%	9.93%	93	1,558	1,648
2001	70,290	15,443	14,714	42.9%	27.47%	39,010	55.5%	150.76%	78	942	1,045
2000	42,046	14,267	11,543	61.4%	23.38%	15,557	37.0%	190.13%	101	466	578
1999	30,237	15,179	9,356	81.1%	-15.39%	5,362	17.7%	-43.75%	98	118	242
1998	36,482	15,375	11,058	72.5%	-20.59%	9,533	26.1%	3.57%	80	373	436
1997	38,071	14,229	13,926	74.0%	17.94%	9,204	24.2%	-7.12%	115	462	597
1996	44,859	22,346	11,808	76.1%		9,910	22.1%	38.33%	106	485	689
1995	34,748					7,164	20.6%	-14.43%			
1994	34,921					8,372	24.0%	-19.80%			
1993	40,121					10,439	26.0%	7.77%			
1992	36,755					9,686	26.4%				

Sources: INS Statistical Yearbook (1996-2007)

1996, table 8, p.46; 1997, table 8, p.44; 1998, table 8, p.45; 1999, table 8, p.45; 2000, table 8, p.45; 2001, table 8, p.43; 2002 table 8, p.31;

2003 table 8, p.30; 2004 table 8, p.24,28; 2005 table 10, p.28; 2006 table 10, p.28; 2007 table 10, p.28

<http://www.dhs.gov/ximgrn/statistics/publications/archive.shtm> (1996-2003) [last accessed 12/26/08]

<http://www.dhs.gov/ximgrn/statistics/> (2004-2007) [last accessed 12/26/08]

Notes: d. Data are reported by region and country of birth

TABLE 4a: NONIMMIGRANT ADMISSIONS BY BROAD CLASS OF ADMISSION AMONG INDIAN CITIZENS: FISCAL YEAR 1990-2007^e

Year	Total	Yearly Change	Tourists and Business Travelers ^f	Students and Exchange Visitors ^g	% Students / exchange visitors in total non-immig	yearly change	Temporary Workers and Families ^h	% temp workers and families in total non-immig	yearly change	Diplomats and Other Representatives ⁱ	All Other Classes and Unknown
2007	10,19,766	34.0%	5,84,127	88,918	8.7%	27.4%	3,06,400	30.0%	31.7%	7,788	32,533
2006	7,61,223	14.4%	4,22,520	69,790	9.2%	14.1%	2,32,691	30.6%	19.6%	7,023	29,199
2005	6,65,202	8.8%	3,76,302	61,146	9.2%	3.2%	1,94,611	29.3%	17.8%	6,808	26,335
2004	6,11,327	13.7%	3,55,869	59,229	9.7%	0.3%	1,65,146	27.0%	8.0%	6,301	24,782
2003	5,37,867	7.2%	2,95,931	59,074	11.0%	3.7%	1,52,870	28.4%	-2.0%	6,145	23,847
2002	5,01,745	-11.6%	2,63,401	56,981	11.4%	-1.5%	1,56,033	31.1%	-14.6%	5,858	19,472
2001	5,67,775	4.6%	3,06,767	57,836	10.2%	21.1%	1,82,775	32.2%	7.0%	4,751	15,646
2000	5,42,743	23.5%	3,04,901	47,773	8.8%	35.2%	1,70,779	31.5%	25.7%	5,028	14,262
1999	4,39,398	16.2%	2,50,732	35,327	8.0%	11.4%	1,35,815	30.9%	34.4%	4,386	13,138
1998	3,78,006	n.a.	2,28,881	31,709	8.4%	n.a.	1,01,021	26.7%	n.a.	4,364	12,031
1997	n.a. ^j	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	2,34,527		1,51,114	22,942	9.8%		47,610	20.3%		3,907	8,954

Sources: USINS/USCIS Yearbook of Immigration Statistics (1992-2007)

1996, table 38, p.116,118; 1998, table 38, p.133,137; 1999, table 36, p.133,137; 2000, table 36, p.145,149; 2001, table 36, p.147,151; 2002 table 25, p.107,111; 2003 table 23, p.90,94; 2004 table 23, p.81,85,89; 2005 table 29, p.78; 2006 table 29, p.78; 2007 table 26, p.68, table 28, p.77. <http://www.dhs.gov/ximgrn/statistics/publications/archive.shtm> (1996, 1998-2003) [last accessed 12/26/08]

<http://www.dhs.gov/ximgrn/statistics/> (2004-2007) [last accessed 12/26/08]

Notes: e. Data are reported by region and country of citizenship; Admissions represent counts of events, i.e., arrivals, not unique individuals.

f. Before 2004, data includes B1, B2, GB, GT, WB and WT admissions.

g. For the year of 2007 and years before 2004, data includes principals, spouses, and children (F1, F2, J1, J2, M1, and M2 admissions)

h. Before 2001, data includes principals, spouses and children (E1, E2, H1A, H1B, H1C, H2A, H2B, H3, H4, I1, L1, L2, O1 to O3, P1 to P4, Q1 to Q3, R1 and R2 admissions)

i. Includes principals, spouses, and children (A1 to A3, G1 to G5, and N1 to N7 admissions)

j. n.a. = data unavailable. "Data for fiscal year 1997 is not available due to data inconsistencies resulting from the reengineering of both the data entry and data base management components of the Nonimmigrant Information System." (1997 yearbook, p.110)

TABLE 4b: INDIAN NONIMMIGRANT TEMPORARY WORKER ADMISSIONS (I-94 ONLY): FISCAL YEAR 1990-2007

Fiscal Year	Total Temporary Workers and families	Workers in Speciality Occupations (H1B) ^k	yearly change	% H-1B in total Indian temp workers	worldwide total H-1B visas issued	% Indian H-1Bs in worldwide total	Intra-Company Transferees (L1) ^k	yearly change	% L1 in total Indian temp workers	Athletes, Artists, and Entertainers (P1 to P3) ^k	yearly change	Workers with Extraordinary Ability/Achievement (O1, O2) ^k	yearly change	Treaty Traders & Investors (E1 to E3) ^{kl}	yearly change
2007	3,06,400	1,57,613	25.4%	51.4%	4,61,730	34.1%	51,469	54.0%	16.8%	2,503	5.2%	613	4.1%	315	
2006	2,32,691	1,25,717	22.8%	54.0%	4,31,853	29.1%	33,414	17.4%	14.4%	2,379	20.2%	589	-31.4%	D ^o	
2005	1,94,611	1,02,382	22.6%	52.6%	4,07,418	25.1%	28,460	23.0%	14.6%	1,979	19.0%	859	65.2%	228	-12.3%
2004	1,65,146	83,536 ^m	10.0%	50.6%	3,87,147	21.6%	23,134	6.4%	14.0%	1,663	1.8%	520	-20.0%	260	32.0%
2003	1,52,870	75,964	-6.3%	49.7%	3,60,498	21.1%	21,748	6.5%	14.2%	1,634	51.0%	650	-1.7%	197	15.2%
2002	1,56,033	81,091	-22.4%	52.0%	1,97,537	41.1%	20,413	31.4%	13.1%	1,082	-8.0%	661	-20.1%	171	67.6%
2001	1,82,775	1,04,543	2.0%	57.2%	3,31,206	31.6%	15,531	30.0%	8.5%	1,176	-24.7%	827	21.1%	102	-8.1%
2000	1,70,779	1,02,453	20.5%	60.0%	2,57,640	39.8%	11,945	93.9%	7.0%	1,561	10.5%	683	53.5%	111	-0.9%
1999	1,35,815	85,012	35.9%	62.6%	3,02,326	28.1%	6,160	59.6%	4.5%	1,413	-46.8%	445	6.2%	112	53.4%
1998	1,01,021	62,544	n.a.	61.9%	2,40,947	26.0%	3,859	n.a.	3.8%	2,656	n.a.	419	n.a.	73	n.a.
1997	n.a ^m	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	47,610	29,239	31.1%	61.4%	1,44,458	20.2%	2,255	21.6%	4.7%	1,296		128		35	
1995		22,308	31.6%		1,17,574	19.0%	1,854	20.3%							
1994		16,948	48.5%		1,05,899	16.0%	1,541	24.8%							
1993		11,411	38.4%		93,069	12.3%	1,235	51.7%							
1992		8,246			1,10,193	7.5%	814								

Sources: USINS/USCIS Yearbook of Immigration Statistics (1992-2007)

1996, table 38, p.116, table, p.122,125; 1998, table 38, p.133, table 40, p.143,147; 1999, table 36, p.133, table 38, p.143, 147; 2000, table 36, p.145, table 38, p.155,159; 2001, table 36, p.147, table 38, p.162,166; 2002 table 25, p.107, table 27, p.122,126; 2003 table 23, p.90, table 25, p.105,108; 2004 table 23, p.81, table 25, p.106,109; 2005 table 33, p.91; 2006 table 33, p.86; 2007 table 32, p.86

<http://www.dhs.gov/ximgmt/statistics/publications/archive.shtm> (1996, 1998-2003) [last accessed 12/26/08]

<http://www.dhs.gov/ximgmt/statistics/> (2004-2007) [last accessed 12/26/08]

Notes: k. Includes principals and dependents

Before 2001, data includes principals, spouses and children (E1, E2, H1A, H1B, H1C, H2A, H2B, H3, H4, I1, L1, L2, O1 to O3, P1 to P4, Q1 to Q3, R1 and R2 admissions)

l. Before 2005, data just includes E1 and E2; since 2005, data includes E1 to E3

m. n.a. = Data unavailable. "Data for fiscal year 1997 is not available due to data inconsistencies resulting from the reengineering of both the data entry and data base management components of the Nonimmigrant Information System." (1997 yearbook, p.110)

n. Data includes H1B and H1B1

o. "D" means "data withheld to limit disclosure"

IV. Comparisons of Indian Migration to Canada and the US

Contemporary Indian immigration to Canada and the US share similarities but also bear differences. In this section, we will demonstrate some key similarities while revealing important contrasts in these two countries, confer reasons that contribute to such phenomena.

1. Demographic Characteristics

As the largest immigrant receiving country in the world, the US continues receiving much larger numbers of Indian immigrants compared to Canada. However, in both countries, the large size of Indians relative to other immigrant groups is a recent phenomenon. Their ranking in and share of foreign-born population consistently increase in the past six decades (Table 5). Respectively, 65% and 70% Indian immigrants in Canada and the US arrived since 1990s, and 29% and 34% in the 2000s alone (Table 6).

In Canada, Indians increasingly arrived with higher educational qualifications, and professional and skilled/technical occupation credentials. Between the mid 1980s and the early 2000s, the percentage of new Indians (including principals and their dependents) arrived with tertiary education and professional qualifications doubled to 40% whereas for those over 24 years of age, the proportion with a less than 13-year formal or secondary education decreased from 30% to about 12% (Aggrawal and Lovell, 2008). Recent cohorts of immigrants from India are also getting younger and more proficient in English. For instance, 57.3% of the 2001-2003 arrival cohort are English-speakers. In the US, about three-fourth (73.1%) of all Indian immigrants who are age 5 and older reportedly speak English only or very well in 2006. About three quarters (73.8%) of Indian immigrants who are 25 years and older have at least a bachelor degree, and 40.5% have advance degrees; in contrast, only 8.5% do not have a high school diploma or equivalent (Terrazas, 2008). Overall, Indian immigrants to the US have higher levels of human capital compared to those to Canada.

TABLE 5: INDIAN IMMIGRANTS IN CANADA AND THE UNITED STATES 1960-2006

Year	Total	Rank Among source Countries Foreign Born	Share of all Canadian Foreign Born	Year	Total	Rank among All Source	Share of All Countries US Foreign Born
2006	443,690	2	12.2%	2006	1,519,157	4	4.0%
2001	314,685	2	11.1%	2000	1,022,552	3	3.3%
1991	173,675	4	5.6%	1990	450,406	12	2.3%
1981	n.a.	3	6.4%	1980	206,087	16	1.5%
1971	n.a.	6	4.4%	1970	51,000	30	0.5%
1961	3,580	n.a.	n.a.	1960	12,296	42	
	0.1%						

Sources: Canada – Canadian Census 1991, 2001, 2006; CIC Facts and Figures, various years; US – Table 1 in Terrazas (2008)

TABLE 6: INDIAN IMMIGRATION PERIODS AND PERCENTAGES

Period of Immigration to Canada	Percentage of all Indian-born Immig in Canada	Period of Immig to the US	Percentage of all Indian-born Immig in the US
Before 1981	20.4	Before 1980	12.7
Before 1991	14.9	1980–1989	17.3
1991–2000	35.6	1990–1999	35.6
2001–2006	29.1	2000–2006	34.4

Sources: Canada – Statistics Canada 2006 Census; US – Terrazas (2008)

2. Economic Performance and Income Trends

Despite overall good English-speaking ability and high educational attainment levels among Indian immigrants, a major difference between Canada and the US lies in their occupational structures. Table 7 demonstrates, the percentages of male Indian immigrants engaging in management, business and finance are roughly comparable between the two countries; whereas much higher percentage of female Indian immigrants engaging in these sectors in Canada compared to in the US. However, both genders of Indian immigrants much more

likely work in information technology and education in the US compared to in Canada. On the other end of occupational spectrum, Indian immigrants in Canada have much higher percentage engaged in sales (female), Construction, transportation/warehousing (male), manufacturing, or Farming, fishing, and forestry (both genders) compared to their respectively US counterparts. This does not compare well to the fact that over 40% of Indian immigrants had at least one university degree at the time of landing and the same percentage intended to work in the professional/technical field. This illustrates that many Indian immigrants are underemployed in Canada. On the contrary, in the US, more than a quarter of male immigrants work in information technology, the sector that hires the highest number of H-1B workers, and 20.5% female work in health-care industries. 20% male and 15.3% female immigrants work in management, business or financial sectors. These are the type of sectors that can utilize their human capital.

TABLE 7: OCCUPATIONS AMONG INDIAN IMMIGRANTS IN CANADA AND THE US, 2006

US	Foreign-born Indian		Canada	Foreign-born Indian	
	Male	Female		Male	Female
Persons age 16 and older employed in the civilian labor force	629,218	346,733	Total 15+ in labor force 283,760	159,110	124,650
Management, business, finance	20.0	15.3	Management, Finance / insurance, real estate, rental and leasing	21.9	28.0
Information technology	27.4	13.1	Info technology, sciences and engineering	11.6	3.6
Other sciences and engineering	11.2	6.2	Professional/ scientific / technical		
Education / training and media / entertainment	4.7	8.7	Educational services	2.4	4.3
Physicians, registered nurses, other health-care practitioners, health-care support	7.1	20.5	Health care	2.3	6.7
Sales	11.4	11.1	Sales and services	15.2	27.0
Administrative support	4.3	11.9			
Construction, extraction, and transportation	5.4	1.5	Construction, transportation/warehousing	28.4	3.2
Manufacturing, installation, and repair	4.4	4.7	Manufacturing	13.9	18.9
Social services and legal, [other] services	4.1	6.0	Social services and legal	1.5	3.8
Farming, fishing, and forestry	0.1	0.3	Farming, fishing, and forestry	2.9	4.6

Sources: Canada – Statistics Canada 2009; US – Table 3 in Terrazas 2008

The underperformance of Indian immigrants in Canada is further illustrated by their income distribution. The majority of Indian-born families belong to the low income group although the number of the lowest income earners is declining over time. Still, less than 1% of those who immigrated in the 2001-2003 period and only 3.3% of those arriving 15 years earlier (i.e.1985-1989) earned over \$50,000. It should be noted that over 20% of the lowest income group have university degrees and over 55% of them are professionals by training.

These economic trends are not uncommon especially among immigrants to Canada who arrived in the 1990s. As Pictor, Hou and Coulombe (2007, cited in Hawthorne, 2006) conclude, by the early 2000s, skilled class immigrants to Canada were actually more likely to enter low-income and be in chronic low-income than their family class counterparts, and the small advantage that the university educated immigrants had over the high school educated in the early 1990s had largely disappeared by 2000 as the number of highly educated rose. What did change was the face of the chronically poor immigrant; by the late 1990s one-half were in the skilled economic class, and 41% had degrees up from 13% in the early 1990s (Aggrawal and Lovell, 2008).

Overall, the qualifications of Indian immigrants are getting higher, but their economic performance are declining for a number of personal as well as structural factors: skill mismatch, entry during economic downturns, non-recognition of foreign credentials, lack of Canadian experience, absence of a social network, Canadian official language proficiency, and perhaps discrimination.

3. The Tale of Two Immigration Systems

TABLE 8: SKILLED IMMIGRANT AND TEMPORARY MIGRANT CATEGORIES AND TOP SOURCE COUNTRIES*

United States (Fiscal Year 2005; QUOTA SYSTEM)	Canada (2004; POINTS SYSTEM)	United States (NEW ARRIVAL – FY05)	Canada (2004)
Total LPR / new arrival (1,122,373; 384,071) Skilled**: 22.0% / 7.0% Family: 57.8% / 81.2% Refugees/humanitarian: 12.7% / n.a. Others: 7.4% / 11.8%	Overall intake (220,000-245,000) Skilled**: 58.0% Family: 24.6% Refugees/humanitarian: 14.6% Others: 2.8%	Temporary Skilled Migrants (2,074,572) Temp workers: 53.1% Int'l students: 46.9% Total Skilled: 2,101,450 Temporary skilled in total skilled migrants: 98.7%	Temporary Skilled Migrants (156,300) Foreign workers: 63.8% Int'l students: 36.2% Total skilled: 290,046 Temp skilled in total skilled migrants: 53.9%
Top Five Source Countries for skilled migrants <i>India: 17.5%</i> China: 7.3% Canada: 6.9% Philippines: 6.8% Mexico: 6.3%	Top Five Source Countries for skilled migrants China: 18% <i>India: 11%</i> Philippines: 7% Pakistan: 4% Romania 4%	Top Five Source Countries for international students South Korea: 11.3% Japan: 8.9% <i>India: 5.8%</i> China: 5.2% Germany: 4.2%	Top Five Source Countries for international students South Korea: 21.8% China: 12.4% Japan: 8.6% US: 6.7% France: 6.2% <i>India (rank 9) : 2.8%</i>
Top five total: 44.8%	Top five total: 44.0%	Top five total: 35.5%	Top five total: 55.7 %

Sources: Canada – Birrell et al. (2006) table 4.1;

http://epe.lac-bac.gc.ca/100/201/301/facts_figures_immigration_overview/facts2004.pdf;

US – http://www.dhs.gov/xlibrary/assets/statistics/yearbook/2005/OIS_2005_Yearbook.pdf;

Notes: *adapted from Li, forthcoming; ** Including immediate dependents

Table 8 demonstrates overall similarities and differences of skilled/employment-based immigrants, temporary migrants, and differential legal status between Canada and the US in mid-2000s. It reveals that the different immigration admission systems resulted in differential realities in the two countries. Canada's points system does what it intends to do by admitting 58% skilled immigrants and about a quarter family-type among all immigrants in 2004; it also admits temporary skilled migrants at roughly 70% of the number for immigrants, among which 64% are workers and 36% international students. The US, on the other hand, has just about the opposite percentages of immigrants between employment-based (22%) and family-type (~58%), compared to those of Canada; the newly arrival percentages are even more astounding: at 7% and 81% respectively in fiscal year 2005. Such data also indicate a much larger number of skilled migrants obtain their LPR status through adjusting their legal status instead of arriving as LPR directly. Moreover, the US relies much heavily on skilled temporary

migrants, as their number outpaces employment-based immigrants at 1.85:1 in the same year; temporary migrants counts for almost 99% of all skilled migrants in the US, versus the 54% in Canada. India is among the top source countries in all skilled migrant categories. What do these statistics imply in immigration realities on the ground? We will discuss the two countries respectively.

(i) Canada—poor economic incorporation and favourable social environment

Compared to other countries such as Australia and US, skilled immigrants to Canada are doing worse. As an example, Hawthorne (2006) compared the labour market outcomes for migrant professionals in Canada and Australia and found economic migrants perform indisputably better in Australia. Far greater proportions of new arrivals in Australia now than in Canada secure positions fast, access professional or managerial status, earn high salaries, and use their credentials in work. For example, the unemployment rate for Indian migrants is 13% in Canada compared to 10% in Australia; 22% of recently-arrived Indian nurses secured work in their field in Canada compared to 66% in Australia; 19% of doctors qualified in India had also achieved excellent integration rates in medicine within the first 5 years compared to 66% in Australia; and 37% of recently-arrived IT degree qualified Indians had secured professional work in their field by 2001 in Canada compared to 34% in Australia. It is worthwhile noting that Australia, like the US, requires migrants to secure a job offer before migration. In short, the working environment among Indian immigrants in Canada is not very favourable, although improvements are being made given the push from various quarters of Canadian society, including the provincial/territorial nominating programs that tie to labor needs.

On the other hand, Canada provides a more favourable social environment for its immigrants; its social welfare and healthcare systems, and settlement programs are among some of the best in the world. However, according to DeVoretz et al (2003) and DeVoretz and Zhang (2004) cited in DeVoretz (2003), through generous settlement policies and rapid ascension to citizenship, political institutions in Canada have actually hastened the strategic onward migration of highly-skilled immigrants. They argue that in the global race for talents, skilled immigrants who come to Canada do not necessarily stay, and so Canada's future supply of skilled immigrants ultimately depends on the screening devices used to assess independent applicants. Should Canada wish to improve labour market outcomes for the economic category in the period ahead, a more radical overhaul of economic selection criteria seems more warranted than the gentle fine-tuning associated with the 2002 Immigration and Refugee Protection Act (Hawthorne, 2006; Sweetman, 2006).

(ii) The US—overall good economic incorporation and disfranchised socio-political situation

In contrast to Canada's poor economic incorporation and full civic integration, the fate of skilled Indian migrants is different in the US, especially among those temporary migrants. As a group, Indian migrants experience overall good economic outcomes in terms of holding jobs in their professions and earning prevalent income in their occupations. But temporary skilled migrants, such as H-1B visa holders, are vulnerable in their lack of job security and once losing jobs without securing a new one relatively soon they have to leave the country, as evident in the doc com bust in early 2000s and current economic downturn. The paradox of

the H-1B program is that the Congress stipulates employers have to offer prevailing salary of the profession in question to protect American workers and to prevent exploitation of H-1B workers as they have been called 'high-tech collies'. But during economic downturns they are often the first to be laid off and blamed for high unemployment rate among Americans and their high salaries by politicians and protectionists alike (Agence France Presse, 2009; Bass and Beamish, 2009). US heavily relies on temporary professional migrants (Barbassa, 2007) for economic development, but does not offer equal rights to these migrants, as it can take up to 20 years for a college-bound foreign student to obtain a Ph.D. degree and go through H-1B visa, then Labor Certification process before acquiring a green card and then citizenship. In this long process of status adjustment, these H-1B visa holders are politically disposable as they are in no politicians' constituencies. They cannot make campaign financial contributions until getting green cards and cannot vote until obtaining citizenship. In essence, both H-1B visa holders and undocumented immigrants are politically disfranchised in such an immigration system. Obviously such disfranchisements differ in degree and scope, as temporary migrants do have a legal path to citizenship. The heated debates in Canada question whether the current points system of admitting immigrants based on their human capital attainments without job market assessment wastes human resources. However, there is a hidden brain waste phenomenon in the US as well for those spouses of H-1B visa holders, the H-4 visa holders, as they are prohibited from seeking work legally in the US regardless of their human capital levels until their legal status changes. Additionally, while immigration admission policy is a federal matter in the US, immigrant social, educational and health-services are largely state and local responsibilities which results in disconnections between national immigration debates and state/local realities and solutions. What often been overlooked is despite US's traditional advantage, the global pursuit of highly-skilled migrants in changing economies, the slowing US economy and post-9.11 security context, and the rising of China, India, and other source countries in global economy mean these skilled migrants may become more "foot-loose" in choosing to live and work in a more welcoming and just society, rather than seeking the best job opportunities and maximizing economic returns per se.

V. Comparisons to EU Situation

It is obvious that both American and Canadian immigration admission and integration policies toward highly-skilled migration are established initially and adjusted over time for their respective national interests. In the case of Canada, the country would have faced population decline had it not been for continuous immigration; immigrants now count for two thirds of Canadian population growth (Lacey, 2009). Canada's immigration policy is an integrated part of its national population policy. The points system screens for and accepts high proportion of those who possess high levels of human capital. Despite the general absence of firm preset annual caps, the processing process can take years. The US quota system attempts to balance family-reunification with employment-based concerns, albeit the pendulum continues to swing toward the latter as the globalization process accelerates. As the economic powerhouse and the most scientifically and technologically advanced nation during the 20th century, the US has been able to attract millions of international students/ scholars and temporary migrants who, in addition to highly-skilled immigrants, have contributed significantly to the knowledge-based economic development in areas such as Silicon Valley (Saxenian, 1999 and 2002). However, the beginning of the 21st century has witnessed

increasing worldwide competition for the same pool of highly-skill migrants from developing countries. Apart from other major Pacific Rim “immigrant countries” (such as Australia, Canada, and New Zealand), a no less important competitor is an economically and politically integrated EU. Many EU countries face similar demographic reality as in Canada, and have adopted similar points system, as in the case of the UK. On the other hand, EU and many countries also follow the routes of US H-1B program and Australia’s/New Zealand’s programs in tying international migration with employment needs and job offers with tightening English requirements. For instance, the to-be-implemented Blue Card program requires its holders to have 5-year professional experiences, be offered at least 1.5 times prevailing salary in the country in question, and 2-year on the job before they are permitted to move elsewhere or renew in the current program. Some countries offer path for citizenship (such as Sweden after four years) whereas others do not have similar stipulations.

All countries set up policies to benefit their own best national strategic interests. Migrant source countries may be powerless to witness brain drain or benefit from brain circulation, depending on their own positions in the global economy and their national policies. International migrants themselves may or may not be able to maximize their potential to their best personal or household interests. The question then is whether it is possible at all, and if so how, to reach the UN’s goal for a triple-win situation for migrants, sending and receiving countries. Here, two particular points are worthwhile considering:

- i. The concept of “dynamic conflict of interest”: Khadria (2007a) points out that “in the post-modern transnationalization-through-migration context of today, the stakes are no longer static, but dynamic, and the comparative advantages of the ‘receiving’ North are much greater than those ‘conceded’ by the North.” To Khadria (2006 and 2007b) there has been a paradigm shift in terms of the competitive agenda and strategies of nations with regard to international migration, which involves optimizing age-structural changes in population, maximizing incomes and minimizing pensions, and accumulating quality human capital that embodies the latest “vintages” of knowledge through mobility of two types of highly skilled labour – the “finished” (established professionals, scientists, etc.) and the “semi-finished” (post-graduate students). On the other hand, just as what is best to sending countries may not be the same for migrants themselves, what is the best for destination countries may not be the same for existing population in those countries. Therefore, perhaps there is a need for the goal to be ‘quadruple-win’ for just and sustainable migration policies.
- ii. The creation of conducive working and social environments to attract and retain skilled migrants, in both origin and receiving societies, is an essential prerequisite for successful implementation of migration policies that encourage circulation of global talent to achieve the triple wins of international migration and development (Khadria forthcoming). There is no doubt that we are witnessing a global race for highly skilled migrants, as reportedly 36 countries have such policy by 2007; while more than 40% developed countries intend to increase admission among highly skilled workers, 17% developing countries also have similar policies to increase admission of highly skilled migrants (Mirkin, 2008). While many countries are setting up new immigration or temporary worker recruiting plans in order to facilitate such talent-recruiting processes, the historical and contemporary immigration and integration dynamics and migration settlement patterns in receiving countries have played important roles in the settlement and integration of the new arrivals who are becoming an integrated force in

the economy of their countries of settlement. Many of these highly-skilled and professional migrants live and work in areas of their destination countries where the knowledge-based economy is at its height and where they can have the greatest impacts. These migrants also bring along those who migrate for the purpose of family reunification. India's long history of international migration has formed a large population base in both Canada and the US that facilitates chain migration through the sponsorship of family and relatives. Their spatial distribution has changed from central city enclaves to more suburbanized locales, and from highly clustered to more dispersed patterns.

In short, in order to possibly achieve the 'win-win-win' goal, the first step would be the need for cross-national understanding and collaborations in migration decision making and policy implementation to ensure a fair and just system for highly skilled migrants themselves, other migrants and native-born population, as well as sending and receiving countries alike.

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Pakistani Diaspora to the United States: An Economic Perspective¹

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Abstract

The Pakistani diaspora is spread over destination countries like Saudi Arabia, UAE, the US, the UK and Canada. Although under-researched, there is substantial Pakistani diaspora in the US formed as a result of recent mobility. The Pakistani migration to the US was mainly facilitated by the Luce-Cellar Act of 1946 which removed the ban on South Asian immigrants and as a result many skilled and professional Pakistanis migrated to the US. This flow was reversed after 9/11 attacks which has caught up after 2004. The remittance flow from the US to Pakistan underwent significant changes after the 9/11 attacks as migrants increased remitting to the home country. There has been a bilateral positive relation between Pakistan's recent economic growth and remittance flows from the US which is mainly motivated by the search for economic profits. However, the nature of Pakistani remittances is not homogeneous and it depends on where the remittances come from and who sends them. Ascertaining the impact of remittances on the Pakistani economy becomes difficult as official data records remittances through formal channels while substantial remittances are sent through informal channels. At the micro level, however, studies have found a positive association between remittances and poverty reduction. In the present circumstances the issue of sustainability of the remittances which is equally important as the issue of the utilization of the remittances need to be studied well.

Keywords: Pakistani Diaspora, US, Immigration, Remittances, Developing Countries.

I. Introduction

Currently there are around 4 million overseas Pakistanis², forming diaspora communities in various parts of the world³. In regional terms, the largest concentration of Pakistanis can be found in the Middle East, which hosts close to 2 million Pakistanis, 1.1 million of whom are in Saudi Arabia, and 500,000 in the United Arab Emirates. Other major concentrations are in the United Kingdom (with a Pakistani population of 800,000), the United States (600,000),

¹ This is a revised version of the paper entitled "Contemporary Issues on Pakistani Diaspora and Labour Migration: An Economic Perspective", presented in the 20th Conference of Historians of Asia (IAHA), held at Jawaharlal Nehru University, New Delhi on November 14-17, 2008. I also benefitted from comments from participants in the Conference. I would like to express my gratitude to the State Bank of Pakistan and the Bureau of Emigration and Overseas Employment of the Government of Pakistan for providing me with the data necessary for writing this paper and for discussions on current migration trends. I myself am responsible for any errors. This work was supported by KAKENHI 20510242, Grant-in-Aid for Scientific Research (C).

² The definition of an overseas Pakistani here is a Pakistani citizen who has migrated to another country or an individual of Pakistani ethnicity born outside Pakistan.

³ Figures on overseas Pakistanis are from *Year Book 2004-2005*, Government of Pakistan, Ministry of Labour, Manpower & Overseas Pakistanis.

and Canada (250,000). Pakistani residents in these five countries constitute more than 80 percent of the overseas Pakistani population.

This paper highlights Pakistani diaspora/migration to the United States and remittance flows from the United States to Pakistan. Despite its importance and the fact that the US is one of the top five destinations for Pakistanis, the migration stream of Pakistanis to the United States and the impact of American remittances on the Pakistani economy have been neglected by all but a few studies⁴. Previous studies have tended to examine the migratory flows of Pakistanis to Britain and the Middle East. In the case of Pakistani diaspora to Britain, studies often discuss social and cultural aspects of Pakistani migrants to the UK and how the Pakistani communities in the UK has been formulated while in the case of Pakistani migration to the Middle East most studies focus on the economic aspects of labor migration and remittances sent by migrants.

However, the 9/11 attacks on the US in 2001 and subsequent developments brought lots of attention to the Pakistani migrants in the US and their economic roles in particular as the event caused several significant changes in the flow of remittances. One such change is the sharp increase in remittances sent from the United States. It has been considered that Pakistan's recent economic growth was partly the outcome of these remittance flows.

This paper presents a preliminary analysis aimed at filling the existing gap in the field of Pakistani migration and remittance issues. In this paper, first, I briefly review the history of Pakistani migration to the United States, and then discuss the changing patterns of migration and the profile of migrants. Second, I examine the trends of remittance flows to developing countries and Pakistan, and also discuss the roles of remittances in the economy. Third, I analyze factors that explain the increasing trend of remittances from the United States and discuss how remittances from the US are spent.

II. A Review of Patterns of Emigration from Pakistan to the United States

Emigration to the United States constitutes a major episode of population movement from Pakistan. Compared to Pakistani migration to Britain⁵, the migratory flow to the United States is a relatively recent development. Before the mid-1960s, the number of Pakistani migrants to the United States was very limited due to a series of immigration regulations imposed by the US authorities. The 1917 Immigration Act created the "Asiatic Barred Zone", limiting the migration flow from Asian countries. The Emergency Quota Act of 1921 introduced the national origins quota system, which was first of its kind in the US history. This tendency towards tougher immigration rules became more evident in the National Origins Formula under the 1924 Immigration Act in which an annual ceiling of 154,227 for the Eastern Hemisphere countries was placed. Although the Luce-Celler Act of 1946 removed the ban on South Asian immigrants and granted the right to be a US citizen through naturalization, it allowed only 100 immigrants per year and did not boost immigration from Indian sub-continent⁶.

⁴ Examples of which are Burki (2005) and Najam (2007). Arif and Irfan (1997) also briefly discuss the migratory flow from Pakistan to the United States.

⁵ Pakistani migration to Britain has been studied quite extensively. Ballard and Werbner's contributions are particularly well known. For examples, see Ballard (1987, 1990, 1994) and Werbner (1990, 1994).

⁶ It is reported that only 9,000 Asian Indians received US citizenship between 1946 and 1965 (Li and Skop, 2008).

But the Immigration and Nationality Act amendments of 1965 (the Hart-Cellar Act) ended the quota system. It increased the number of immigrants from 150,000 to 170,000 per year for East Hemisphere countries with the ceiling of 20,000 each country and 120,000 visas for West Hemisphere countries. This is the first time that the US set the ceiling of the number of immigrants from West Hemisphere. The Act gave preference to family-related immigration and also welcomed skilled migrants. The Act created a favourable opportunity for Pakistanis who wished to migrate to the United States. Taking advantage of the 1965 Act, many Pakistanis, particularly those who possessed skills and professionals such as doctors, left Pakistan for America. Figure 1 portrays the trend in the number of Pakistani migrants to the United States and shows the gradual increase in numbers after 1965.

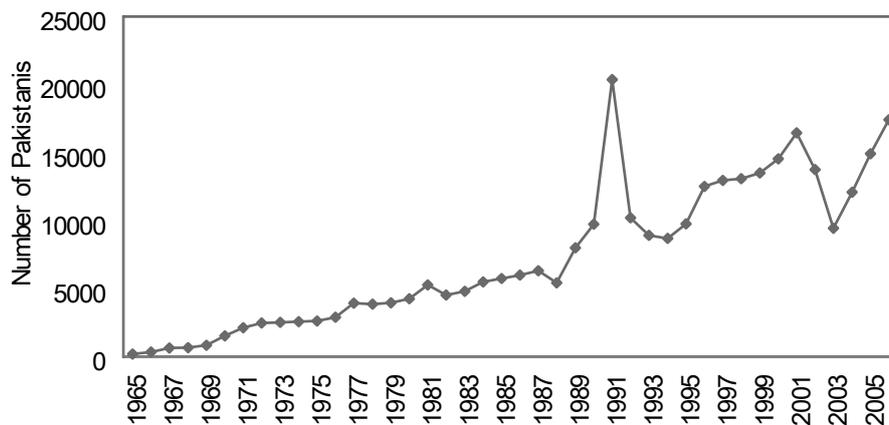


Fig. 1: Number of Pakistanis Admitted to the United States, 1965 to 2006

Source: Najam (2007), and Batalova and Ferruccio (2008)

Another turning point was the period from the late 1980s to the beginning of the 1990s when the United States permitted the immigration of agricultural workers (1986) and introduced the green cards system (1990), by which visas are awarded by lottery. This caused a wave of blue-collar workers to emigrate from Pakistan to the United States. As a result of these new schemes, the number of Pakistani immigrants increased significantly and reached more than 20,000 in 1991. It can be assumed that the immigrants were relatively unskilled migrants who found jobs such as taxi drivers and shopkeepers in the Manhattan district of New York and in other big American cities.

The number of Pakistani migrants to the United States followed an upwards trend until 2001 but the 9/11 incidents put the flow into reverse. The 9/11 terrorist attacks brought about an adverse change in American attitudes towards Muslims, including Pakistanis, and have led the American authorities adopt a tougher stance on immigration applications from Pakistan. This change in policy was reflected in a dramatic fall in the number of Pakistani immigrants admitted to the United States for permanent residence, from 16,448 in 2001 to 9,444 in 2003⁷. However, this drop turned out to be short lived, and after 2004, the number of Pakistani immigrants began to recover. By 2006, it had reached a total of 17,418, the second largest annual number for the last fifty years (Batalova and Ferruccio, 2008).

⁷ Figures are from Najam (2006). Najam also describes that the number of all non-immigrant visas issued for Pakistani dropped even more from 72,982 in 2001 to 39,429 in 2003.

III. A Brief Profile of Pakistanis in the United States

According to the “official figure” by the government of Pakistan, the estimated size of the Pakistani community in the United States in 2005 was around 600,000. The figure reported in the *US 2000 Census* was 230,000. The gap can be explained by the tendency of the US census to count only Pakistani immigrants, excluding those born in the United States between Pakistani parents, while the figure provided by the Government of Pakistan was based on a survey conducted by the Pakistan Embassy in the United States.

As Pakistani communities in the United Kingdom are clustered, so are they in the United States, with New Jersey and New York being the two leading host states. The Pakistani population in these two states accounts for about 40 percent of total Pakistani population in the United States. If California, Texas and Illinois are added, the ratio increases to close to 70 percent. Cities such as the New York-New Jersey metropolitan area, Chicago (Illinois), and Houston (Texas) attract a substantial number of Pakistanis⁸.

In terms of sending areas, the American Pakistani community is more diverse, with American Pakistanis coming from various parts of Pakistan. This contrasts with the situation in Britain, where Pakistani immigrants tend to come from particular districts in Pakistan such as the Mirpur district of Azad Kashmir.

Table 1 shows a brief profile of Pakistanis in the US. More than 80 percent of Pakistani households in the US are in the form of family. This ratio is 10 percent higher than that of the US average. Part of this reflects the fact that many of Pakistanis reached the US by taking advantage of family reunion visa. The sizes of household and family are also larger than the US average.

The educational levels of Pakistanis in the US are probably higher than those in Britain. The Table 1 shows that among the male Pakistani population aged 25 years and over, 60.9 percent had bachelor's degrees or higher while the American average for the same category was 28.5 percent. Among female Pakistani residents aged 25 years and over, the figure was 45.0 percent while the US female average was 26.0 percent. This might be due to the fact that Pakistani immigrants into the United States during the 1960s and 70s were mainly skilled people and professionals. It follows that Pakistanis who arrived in America during those periods were from relatively well-off families and were well educated.

This gap in educational levels probably explains differences in the levels of earnings. In 2005, the mean and median incomes for Pakistani male full-time workers in the United States were US\$ 59,310 and US \$42,718 respectively, while those for American male full-time workers were US\$ 56,724 and US\$ 41,965. Similarly, the figures for Pakistani female full-time workers are also higher than those of American female workers. From these figures, it can be said that Pakistani workers earn more because of their relatively high educational levels. But the difference seems rather small compared to the difference in educational levels between the American average figures and those for the Pakistani immigrants. Possible reasons for this are 1) discrimination against immigrants and the non-white population, and 2) the quality of education in Pakistan.

⁸ The *2006 American Community Survey* shows the distribution of the Pakistani population by metropolitan centers.

While the average earning level of Pakistani immigrants is higher than the American average, the per capita income of Pakistanis is lower than the average. The former amounts to US\$20,585 and the latter to US\$25,035. This is due to the difference in household size. The average household size among Pakistanis living in America is 3.71, considerably higher than the American average of 2.60. We should also note that the 14.9 percent poverty ratio among American Pakistanis is higher than the American average of 10.2 percent.

TABLE 1: EDUCATIONAL AND INCOME LEVELS OF PAKISTANI MIGRANTS TO THE US

	US Average	Pakistani in the US
Households by Type (%)		
Family households	66.9	80.1
Nonfamily households	33.1	19.9
Households and family size		
Average household size	2.60	3.71
Average family size	3.18	4.27
Educational Attainment (Pop. 25 years and over) (%)		
Male, bachelor's degree or higher	28.5	60.9
Female, bachelor's degree or higher	26.0	45.0
Income (US\$)		
Median household income	46,242	52,395
Median family income	55,832	56,755
Mean earning for full time, year round		
Male	56,724	59,310
Female	39,890	44,019
Median earning for full time, year round		
Male	41,965	42,718
Female	39,890	44,019
Per capita Income	25,035	20,585
Poverty Ratio (%)	10.2	14.9

Source: 2005 American Community Survey, US Census Bureau.

IV. Remittance Flows to Developing Countries and Pakistan

Remittances are the most important instrument for linking immigrants with their country of origin and can play important economic roles at the macro and micro levels of the remittance-receiving country. Whatever the reasons may be, immigrants have a motive to remit some of their earnings back to their home country. With the progress of globalization, the number of immigrants around the world has increased and accordingly the amount of remittances is also much greater than it used to be. In this section, we briefly review the overall trend of remittance flow to developing countries and Pakistan.

Figure 2 illustrates the trend in resource inflows into developing countries. As can be seen, remittance flows to developing countries have been steadily increasing and the speed of increment seems to have accelerated in recent years. The volume of remittances is not as large as that of FDI and private debt/portfolio equity, but it has nevertheless exceeded the amount of Official Development Aid (ODA) to developing countries since the early 1990s. In 2007, the total volume of remittances recorded amounted to US\$ 251.5 billion, which is more than double the size of ODA in the same year.

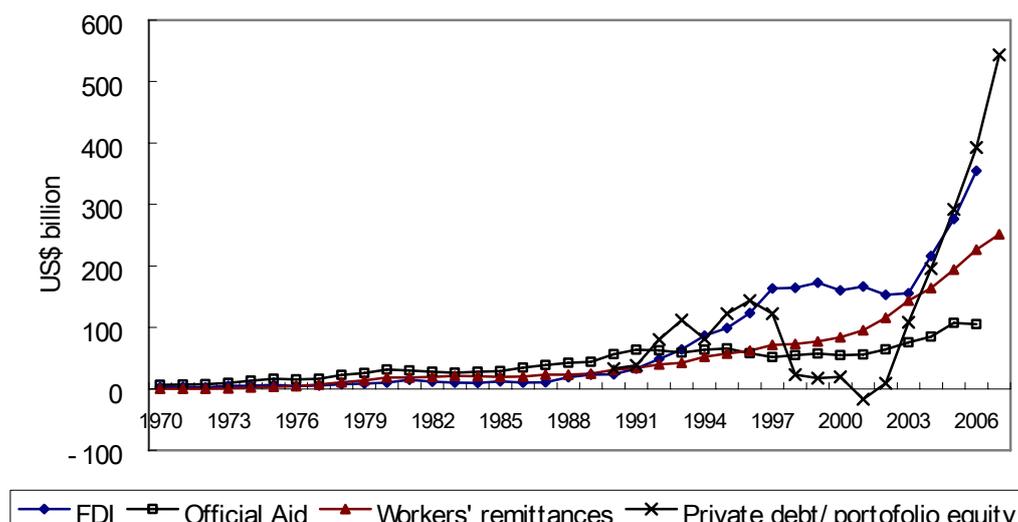


Fig. 2: Financial Flows to Developing Countries

Source: The World Bank Data and IMF Balance of Payments Statistics Yearbook, Various Issues.

It is however important to note that the remittance data presented in Figure 2 are derived from official records of remittance flows. These records capture only the remittance flows made through formal channels such as banks and post offices. However, it is quite evident that many migrants use informal transfer mechanisms such as *bundi* and *hawala*. Also money or payment in kind can be carried by migrants when they return home. The amount of money transferred by way of these methods is quite substantial and unrecorded. If recorded, the size of remittances would far exceed the amount of FDI and private debt/equity (See El-Qorchi et al., 2003).

Before the mid-1970s, remittance flows to Pakistan were limited because of the small number of migrants and the nature of emigration. Many migrants to Britain and the United States were accompanied by their families, so that they did not have to transfer money⁹. As the number of migrants to countries in the Middle East increased in the 1970s, the amount of remittances to Pakistan also increased as Pakistani workers needed to send money back to support their families left behind and to repay their debt if the cost of migration had been financed by borrowing (Figure 3). In 1983, the amount of remittances even exceeded Pakistan's export volume in that year.

However, as the number of Pakistani migrant workers fell in the 1980s, the remittance flows also started shrinking after having reached a peak in 1983. This declining trend continued until 2001. While the fluctuation in the number of Pakistani migrant workers can to some extent explain the changes in the amount of remittances, we also need to consider other factors such as the increasing dependence on informal channels as a possible explanation for the decline.

The declining trend in official remittance flows to Pakistan was reversed after September 11, 2001 for several factors, which will be explained in the next section. The remittances

⁹ Instead, they purchased land and built a house in their home town, dreaming that they would live there after returning to their home country in the future. See Ballard (1987) concerning migrants from Mirpur district to the UK.

through official channels were US\$920 million in 2000/01, but increased sharply to US\$2.3 billion in 2001/02. The figure of 2007/08 was US\$6.4 billion. It seems this upward trend still continuing and the amount is likely to exceed US\$7 billion in 2008/09.

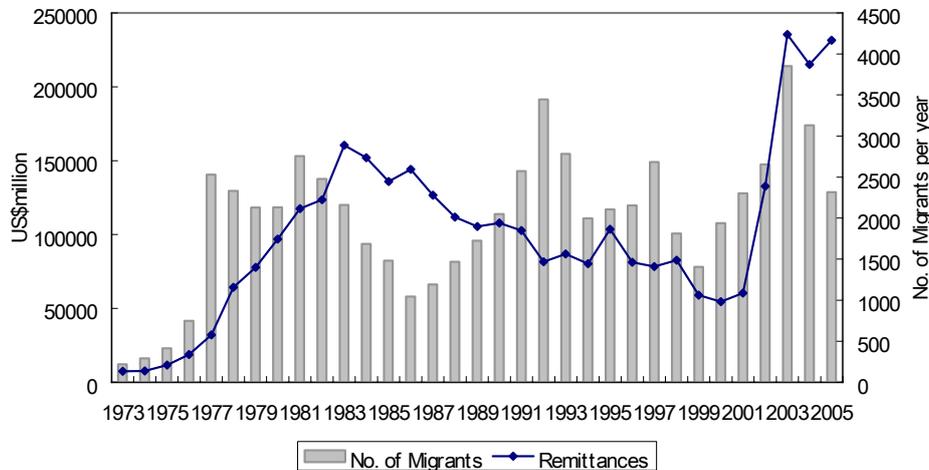


Fig. 3: Relationship between Migrants and Remittances

Source: Economic Surveys, Various Issues, Government of Pakistan, and Data Obtained from the Bureau of Emigration and Overseas Employment.

As for the countries of origin of the remittances, the largest share, from 1976/77 until 2001/02, came from Saudi Arabia (Figure 4). Remittances from the Middle East accounted for more than 70 percent of total remittances to Pakistan. However, remittances from the United States have increased significantly since the 9/11 incident, surpassing those from Saudi Arabia. The United States has been the largest source of remittances to Pakistan since 2002/03. Remittances from Saudi Arabia are also increasing, but the rate of growth in remittances from the USA has been far faster. In 2000/01, the amount of remittances from Saudi Arabia was US\$309.9 million and thereafter increased to US\$1.25 billion. During the same period, the amount of remittances from the USA increased from US\$ 73.3 million to US\$ 1.72 billion.

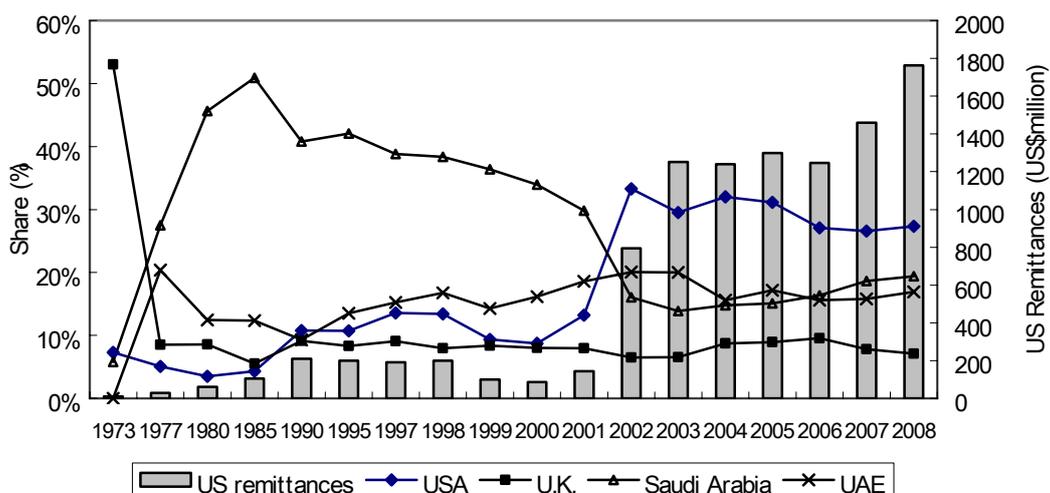


Fig. 4: Share of Remittances to Pakistan by Source Country

Source: Economic Surveys, Various Issues, Government of Pakistan

Table 2 displays the per capita remittances by source country before and after the 9/11 incident. Figures are derived by dividing the aggregate amount of remittances by the number of Pakistani of the source country. Assuming that there had not been much change in the number of Pakistanis in each country, the figures as of June 30, 2004 are used. Though figures in Table 2 are precise in a sense, it shows the rapid increase of remittances from the US. In 2000/01, per capita remittance from the US was US\$ 224.7. It increased to US\$ 2156.8. The amount increased by more than 9 times while per capita remittance from Saudi Arabia increased by just two times.

The table also indicates that each Pakistani family in the US remits considerable amount of money on average. Since the average size of Pakistani family in the US is 4.27 and per capita remittance is US\$ 2156.8, this comes up to US\$9210 per family, which corresponds to 16 percent of the median Pakistani family income in the US.

TABLE 2: PER CAPITA REMITTANCE BY SOURCE COUNTRY

Country	Number of Pakistanis as of June 30, 2004	Per capital remittances in 2004/05 (US\$)	Per capita remittances in 2000/01(US\$)*	Ratio
U.S.A.	600,000	2156.8	224.7	9.6
Kuwait	100,000	2147.8	1233.9	1.7
Bahrain	45,000	2027.1	530.4	3.8
Qatar	52,500	1654.5	254.9	6.5
UAE	500,000	1425.2	380.1	3.7
Oman	85,000	1403.3	448.4	3.1
Germany	52,668	1022.3	174.7	5.9
Saudi Arabia	1,100,000	570.2	276.8	2.1
Japan	12,500	520.8	314.4	1.7
Norway	36,400	502.7	157.7	3.2
U.K.	800,000	464.8	101.7	4.6
Canada	250,000	194.0	19.6	9.9
Other countries	339,481	1494.3	260.4	5.7

Source: Yearbook 2004-05, Government of Pakistan, Ministry of Labour, Manpower & Overseas Pakistanis, Economic Surveys, various issues, Government of Pakistan.

*Figures are derived by dividing the amount of remittance in 2000/01 by the number of Pakistanis specified in the fourth column.

V. A Note on Remittances from the United States

Factors that help to explain the increasing trend of remittances from the United States after the 9/11 incident are (1) the crackdown on informal mechanisms of money transfer, (2) the shift of wealth from America to Pakistan, and (3) rapid economic growth under the Musharraf regime.

Due to an international crackdown on informal routes of money transfer just right after the 9/11 incident, overseas migrants including Pakistani workers began to channel money through formal transfer mechanisms. This resulted in a significant boost to the officially recorded increase of remittances. The tight surveillance of informal channels, money which used to be transferred informally is now remitted through formal channels.

The second and third factors, both of which are closely related, need some explanation. The fact is that the shift of wealth from the United States to Pakistan has been caused by a change of sentiment among Pakistani Americans. Immediately after the 9/11 attacks, the American bank accounts of Muslim individuals/businesses suspected to be involved in

financing terrorism were frozen in an attempt to contain financial flows to terrorist groups by the US government. This action planted a fear among Pakistanis living in America that their accounts might be suspended in the future. Also after the 9/11 incidents, Americans' attitudes toward Muslims became hostile, and seemed to be based on the assumption that all Muslims were terrorists. This made Pakistanis in the United States search for safe places in which to deposit their wealth.

They soon found Pakistan to be a safe alternative as Pakistan's economy started to undergo a new era of development after having suffered low growth during the decade of the 1990s. Moreover consistent economic policies and macroeconomic stability within Pakistan functioned as pull factors. The timing was perfect because Pakistanis in America were looking for a place to put their wealth and hoped to possibly gain some economic profits at the same time, and Pakistan was becoming an attractive investment destination. The rapid economic growth and improving prospects attracted investors and Pakistani Americans were looking for more favourable investment opportunities.

The growth momentum was triggered largely by President Musharraf's decision to join the team of the "war against terrorism" led by the Bush administration. This decision opened the way for external debt reduction by the Paris Club, and this helped ease the Pakistan government's fiscal position as well as the balance of payments. Before the restructuring of debt by the Paris Club, the size of Pakistan's external debt was 49.0 percent of its GDP (in 2000/01) and the servicing of the debt consumed a significant portion of foreign exchange earnings. If domestic debt was included, the size of the entire public debt (domestic and external) exceeded 100 percent of GDP and interest payments consumed around 50 percent of public spending, crowding out expenditures necessary for infrastructure development and for the improvement of social sectors such as education and health. However, after the Paris Club agreement, the size of external debt was reduced to 34.4 percent of GDP in 2003/04, resulting in a substantial reduction of debt servicing. This restructuring of external debt came as a great relief to Pakistan. The United States government also provided the Musharraf regime with a substantial amount of economic and military aid, and this aid helped Pakistan to achieve a higher rate of economic growth.

The higher economic growth of Pakistan attracted remittances not only from the US but also from other nations. In turn, these remittances contributed to further economic growth. During the five years from 2002/03 to 2006/7, Pakistan's average annual growth rate of GDP was more than 7 percent, and part of this achievement was the result of the increased amount of remittances flowing into the country from abroad (Figure 5).

In addition to these, investors around the world became interested in opportunities being provided by emerging countries, the advancement of the BRICs economies being a major factor in this change of attitude. Pakistan was defined as one of the more promising investment destinations, and capital began flowing into the country. FDI and portfolio investments increased substantially from only US\$ 322 million in 2000/01 to over 5 billion in 2006/07.

There was also an effort by the Pakistani government to attract more remittances through formal channels. In June 2001, prior to the 9/11 incident, the government announced the incentive schemes to increase remittances through formal channels (Maimbo et al., 2005). These incentive schemes coincided with the above-mentioned developments after 9/11 and no doubt facilitated more remittance flows through formal channels.

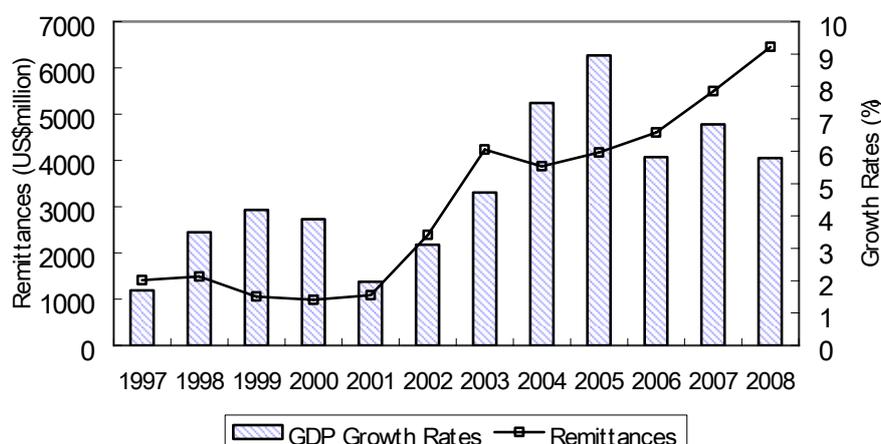


Fig. 5: Real GDP Growth and Remiittances

Source: *Economic Surveys. Various Issues. Government of Pakistan*

VI. Economic Impact of Remittances

The analysis of the impact of remittances on an economy at the macro and micro levels is an important issue in development studies. At the macro level, needless to say, remittances are an important source of foreign exchange. Remittances are particularly valuable to countries such as Pakistan, which has long experienced current account imbalances. Another important aspect of remittances is their impact on economic growth. On the other hand, analysis of the growth effect of remittances is fraught with problems. One of the difficulties concerns the nature of the data. As has already been pointed out, we can only use official data, which record remittances through formal channels. Remittances sent through informal channels are not recorded but it has been recognized the amount involved is substantial. In short, it is impossible to accurately measure the true size of remittance flows.

At the micro level, a number of studies have been conducted on various relevant topics. In the Pakistani context in particular, the impact of remittances on well-being and on poverty reduction of the recipient households is a pressing issue since one-third of population of Pakistan is living below the poverty line. In particular, this issue is very pertinent to the households of Middle East migrants' households many of which see overseas migration as a key element in the struggle to escape from poverty.

So far, studies of this aspect have found a positive association between remittances and poverty reduction. One such example is the work of Arif (2004). By using nation-wide household data, his study shows that the incidence of poverty was reduced by foreign remittances. Oda (2007), who has carried out a field survey in the *barani* area of Punjab Province, confirms Arif's results and arrives at the same conclusion. While he recognizes the positive impact of remittances on poverty reduction, he also points out that only those who can finance the high cost of overseas migration are able to migrate. He argues that the chances to migrate are not fairly distributed and therefore the poor remain poor.

An interesting question regarding remittances is how they are spent by recipients. This is particularly important because of perceptions concerning the impact of remittances on economic development. Unfortunately many studies report that a significant proportion of

remittances has been spent on personal consumption or unproductive items such as housing/real estate investment. For example, Gilani et al. (1981) report that 62 percent of remittances were spent on current consumption and 22 percent on real estate. However, based on village-level surveys, Oda (2007) shows that although remittances were spent mainly on daily consumption, they were also used to finance the schooling of household members, a type of expenditure that is considered a productive investment in the long run.

One issue that needs to be examined is the impact of the recent increase of remittance flows from the United States on the Pakistani economy. Are the remittances from the United States spent in the same way as those from the Middle East? How long will this increasing trend continue? In fact, American remittances to Pakistan differ markedly from the Middle Eastern remittances as the recent increase of the former is motivated mainly by the search for economic profits while the latter is primarily for helping to finance daily needs. There is abundant anecdotal evidence on the use of American remittances¹⁰. For example, it is said that the recipients have spent these remittances on the purchase of real estate in large cities such as Karachi, Lahore, and Islamabad. As a result, property prices in those cities shot up to a level at which ordinary Pakistanis were unable to buy a plot of land for their own housing. Unfortunately, official data on land prices in Pakistan are not available, and it is consequently impossible to estimate the precise impact of American remittances on the land price increase in Pakistan's big cities.

Other examples are the purchase of stocks and shares and consumer durables such as automobiles. The KSE 100, which is the benchmark of the Karachi Stock Exchange (KSE), increased from 1,247 points immediately prior to the 9/11 attack to over 15,000 points in early 2008 (See Figure 6). Although no breakdown of capital inflows to the stock market is available, there seems to be a clear positive correlation between the inflow of remittances and the movement of the KSE 100. Assuming this to be the case, it is probably safe to say that remittances from the United States pushed stock prices upwards to a considerable extent. Meanwhile annual sales of automobiles increased from slightly under 35,000 in 1999/00 to more than 180,000 in 2006/07. This suggests that excess liquidity created by remittances allowed recipient households to buy luxury items such as cars.

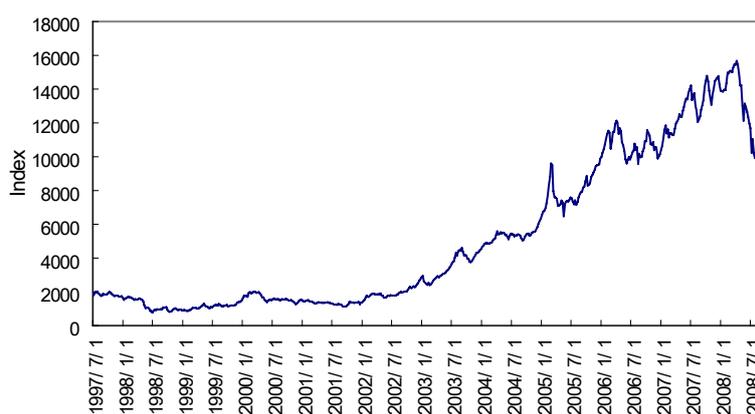


Fig. 6: Trends of KSR 100

Source: Karachi Stock Exchange Website (www.kse.com.pk)

¹⁰ Burki (2005) attempts to analyze how remittances from the US are spent. What he reports is probably right, but unfortunately due to lack of data, his analysis is little better than guesswork as he partially admits.

The issue of sustainability of the US remittances is a primary concern for policy makers as Pakistan has come to depend heavily on remittances to cover trade deficits in recent years. After achieving 9.0 percent GDP growth in 2004/05, Pakistan's economy slowed down with GDP growth rate falling from 6.6 percent in 2006/07 to 5.8 percent in 2007/08. During this period, the amount of remittances from the US increased from US\$1.294 billion in 2004/05 to US\$1.762 billion in 2007/08. However, in 2008/09, it decreased by 1.5% to US\$1.736 billion while the total amount of remittance inflow to Pakistan increased by more than 20% to US\$7.811 billion.

There were two major events in 2008/09, which affected the remittance flow. One is the low GDP growth rate of Pakistani economy. It is estimated to come down to 2.0%. The other is the worldwide economic downturn triggered by the non-performing subprime loans. Particularly, it has become evident since the "Lehman Shock", the bankruptcy of Lehman Brothers in October, 2008. Because of altruism motives, if migrants were from the poor classes in Pakistan, they would have a stronger incentive to send money back home to support their families or relatives when their home country is experiencing a slowdown in economic growth¹¹. This seems to be the case of migrants to the Gulf countries, but not the case of migrants to the US. Despite the economic recession in the Gulf economies since October 2008, remittances from there to Pakistan in 2008/09 increased to a greater extent: 54.9% increase from UAE, 24.6% increase from Saudi Arabia, and 22.3% increase from other GCC countries. Looking at the monthly remittance figures (Figure 7), one can see that after the significant drop in October 2008, remittance inflows from Saudi Arabia and UAE bounced back and even surpassed the level before the Lehman Shock. The remittance flow from the US also dropped in October, and then bounced back a little bit, but it has not reached the pre-Lehman Shock level, causing the negative growth of remittances from the US. This seems to suggest that the motivation of American remittances to Pakistan is rather economic and cannot be explained by altruism since Pakistanis in the US tend to come from the relatively well-off social strata compared to Pakistani migrants to the Middle East. One might conclude that a slowdown in the both Pakistan and US economies affected the inflow negatively.

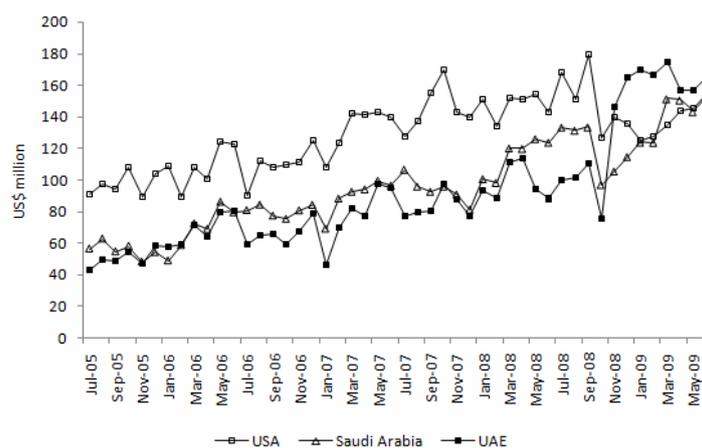


Fig. 7: Remittances to Pakistan from USA, Saudi Arabia, and UAE

Source: State Bank of Pakistan website (www.sbp.org.pk)

¹¹Since the work by Lucas and Stark (1985), the determinants of remittances have been studied to a considerable extent. See Hagen-Zanker and Siegel (2007) for reviews.

VII. Concluding Remarks

This paper has focused on the Pakistani diaspora/migration to the United States. First, the paper has briefly reviewed the history of Pakistani migration to the US. It has shown that the formation of overseas Pakistani communities in the US has been influenced by changes in the immigration policies of the US government. Second, reviewing the overall trend of remittance flows to Pakistan and their impact on the economy, the paper also analyzed the remittance flow from the US to Pakistan after the 9/11 attacks on the US in 2001. The 9/11 incidents caused several significant changes in the flow of remittances. One such change is the sharp increase in remittances sent from the United States. The paper has explained factors behind this rapid increase of remittances from the US to Pakistan and discussed their economic roles. While pointing out the bilateral positive relationship between Pakistan's recent economic growth and remittance flows, the paper has argued that the characteristics of remittances from the United States differ from those originating in the Middle East as the recent increase of the former is motivated mainly by the search for economic profits while the latter is primarily for helping to finance daily needs.

Essentially the findings have shown that just as the overseas Pakistani communities are diversified, so the nature and characteristics of remittances are also not homogeneous, but rather are heterogeneous, depending on where they come from and who sends them. While the importance of remittance flows from the United States is rising, not much academic attention has been paid to this issue because of a lack of data. To better understand the reasons behind the increase in US remittances, and in order to evaluate their sustainability, further studies including household surveys are necessary. These should be aimed at clarifying who is sending money from the United States to Pakistan, who is receiving it, and in what ways the remittances are being spent.

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Future of Migration from South Asia to the OECD Countries: Reflections on India, Pakistan, and Bangladesh¹

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Abstract

This paper explores and speculates about the emerging landscape of migration from India, Pakistan and Bangladesh to the OECD countries over the next 20-25 years. Besides having many differences such as political milieu, culture and language, these three sub-continental countries share common colonial legacy, high density of population, poverty and unemployment, and some homogeneity in future prospects. In the next two and a half decades, youth population in all the three countries is expected to experience a massive increase providing them a 'demographic dividend'. This demographic transition could lead to emigration of the youth to aging countries of the OECD. On the other hand, this favourable age-structural transition may turn into 'demographic burden' due to factors like poor infrastructure, low quality education, large scale of educated unemployment. The paper perceives a paradigm shift in the next 25 years where migration from these three South Asian countries to the OECD would become more demand-driven, but not necessarily towards the so called 'dirty, difficult and dangerous' jobs that South Asians used to fill. But it also points out the difficulties of future collaboration among the three South Asian countries as a common source of migrant workforce. The paper argues that the geo-politics of the region might rather place India in a different league - along with other BRIC countries, viz., Brazil, Russia, and China, which may change the contours of migration patterns as well as policies in the developing countries, thus opening up new avenues for south-south cooperation even beyond the boundaries of South Asia.

Keywords: South Asia, OECD, push-pull factors, migration, migration policy, migrants, future migration.

I. Introduction

This paper explores and speculates about the emerging landscape over the next 20-25 years to the year 2030, of migration from three non-OECD countries in South Asia, viz., India, Pakistan and Bangladesh, to the OECD countries. It is one of a series of papers on select regions of the world, South Asia being one of them. It may be important to begin by asking the most obvious question in this context then: How are these three countries in South Asia different from the other four or five countries in the SAARC region which are not covered in this paper, and how are the three chosen ones similar to each other? I would like to point out that of the eight SAARC countries, two are land-locked countries of the Himalayan region (Nepal and Bhutan; except for Afghanistan, a new member which is also landlocked but large); two are island nations (Sri Lanka and Maldives), and the three (India, Pakistan and

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Bangladesh) being talked about in this paper are large sub-continental countries with substantial coastline in the Indian Ocean, the Arabian Sea and the Bay of Bengal respectively. For reasons of common colonial legacy and cultural as well as linguistic homogeneity amongst India, Pakistan and Bangladesh, apart from the relatively smaller volumes of migratory movements and/or lack of data from the other five South Asian countries (excepting for Sri Lanka), this paper could be read as a representative one for the region. In addition, the three countries share more or less common future prospects in terms of the ponderables, although they may be differing from each other in terms of the imponderables over the next two and a half decades.

The South Asian region is, however, dominated by India, whether in terms of landmass, population, or the gross domestic product. Consequently, no generalization about the region can be made, unless it applies to India. At the same time, anything could also hardly be a regional generalization if applicable only to India. More so, in a futuristic context when India is now being projected as a “global power” in the making, leading, along with China, the transformation of the 21st Century into what is being called an “Asian Century”.

Talking of international migration from South Asia to the OECD countries, one also has to bear in mind that the OECD too is not a homogenous destination for migrants from South Asia. Based on the historical and contemporary nature of this migration, the OECD can be classified into six broad groups of countries:

- USA and Canada in North America;
- United Kingdom in Europe;
- Australia and New Zealand in the Pacific;
- West European countries in the EU;
- Japan and Korea in East Asia;
- East European new members of the EU.

Almost 80 percent of the highly qualified migrants from India have continued to choose the USA as their ultimate destination for more than a decade and almost same is the case for the other two countries (Khadria, 1999, 2008a; *Hindustan Times*, 24 Sept., 2008). Canada is the second-best choice, and also as a route to move to the US. UK has always been a preferred destination, except that migration to the UK was overtaken by the US in the 1970s because of recession in the British economy and restrictive immigration policies, but it picked up again in the 21st century because of Britain’s economic strides coupled with demographic and ageing compulsions (Khadria, 2006d). Australia and New Zealand in the Pacific are another group of destination that attracts Indians, Pakistanis and Bangladeshis, although their profiles would differ in terms of the occupations the majority of the migrants engage in. All the OECD countries in these three groups of destinations are primarily English-speaking and that is one major factor behind these flows being large, as compared to the other three groups of OECD countries which are non-English speaking. Western Europe is still a slight exception because of its historical links (Dutch, French, Portuguese) with the Indian subcontinent, and also because of its contemporary initiative in starting tertiary-level education in the English language to cater to the overseas students from Asia. Japan and Korea have dominated in attracting more of the semi-skilled and unskilled migrants from Bangladesh and India because of their Asian culture and Buddhist values. East European countries have themselves started experiencing emigration to the west-European EU countries, and to fill the vacuum there,

labour is being imported from India (e.g., to Poland, Hungary, Czech Republic, and so on), Bangladesh, and Pakistan. Also, one has to keep in mind that although efforts are on within the EU to harmonise policies, migration is one area where immigration in the EU from any third country or countries is still a sovereign territory of the EU member states, and therefore guided more by bilateral norms and agreements. There is also some amount of competition among the EU countries to attract highly skilled workers and tertiary-level students from South Asia. In fact, this is the assumption behind the proposal to introduce, through concerted efforts amongst them, a European Blue Card, along the lines of the American Green Card, to attract 20 million high-skilled workers in the next 20 years.

II. The Push-Pull Dynamics of Migration between South Asia and the OECD

1. Demography–Population, Labour Market, Education

At least a fifth of the humanity on earth lives in South Asia, large majority in India, Bangladesh and Pakistan. In contrast, it accounts for around 2 percent of the world's gross national income measured at current exchange rates, and 6 per cent at purchasing power parity corrected exchange rates. While India would register a massive increase in the absolute size of working age population (15-64 years) in 2030 over 2005 due to a growth of about 33 per cent, Pakistan and Bangladesh too would have massive rates of growth of about 50 per cent and 40 per cent respectively in 2030 over their respective populations in 2005, putting pressure for emigration.²

While the male-female distribution would be more or less the same in all three countries by 2030, India has been projected to enjoy what is called a “demographic dividend” in terms of youth population dominating the age-structural-transition. The flagship flaunting this “demographic dividend” of India has been the software IT skills embodied in the relatively younger contingents of Indian “knowledge workers” - increasingly dominating the home turf in the migration-related business-process-outsourcing (BPO) industry and the global arena through its diasporic presence in the services sector (Hansen and Stepputat, 2005). There is, however, inconsistency in the logic of demographic dividend being realized in India in the 21st century due to contradictions between (a) the numbers, and (b) the quality - of human resources. According to December 2006 revised projections of the Registrar General and Census Commissioner of India for the period 2001-2026, the population of India is expected to rise from little over 1 billion in 2001 (1.029 billion) to 1.4 billion in 2026 (1.400 billion), registering an increase of 36 per cent in 25 years (Bose, 2005). Within this, and for a shorter

² The migration flows within South Asia consist mainly of people recruited to perform unskilled and blue-collar work, often illegally. Technical and skilled workers comprised a tiny proportion of the intra South Asian migrant flows from Bangladesh to India. The United Nations (2001) had projected that during the period 2000-2025 the population of Bangladesh would grow from 137 million to 211 million. It said, "These increases, which in proportional terms are significantly greater than those projected for India, will tend to raise substantially the volumes of future immigration both from Bangladesh ... to India." United Nations (2001), as cited in Dyson, et al. (2004:128). See also United Nations (2003, 2006). However, by and large, the in-migration data in destination countries in Asia are not well-structured. As for emigration data in origin countries, estimates are difficult in India because the law does not require college graduates (and non-graduates who have previously worked abroad) to submit their contracts to the Protector of Emigrants for approval prior to accepting employment abroad.

period till 2016, India's youth population in the age group of 20 to 29 is estimated to increase by 64 million in the shorter span of 15 years - from 174 million in 2001, to 238 million. The RGI pointed out that in the total population increase of 371 million during first quarter of the 21st century, the share of workers in the age group of 15 to 59 in the total increase would be 83 per cent. This is what is being flaunted as the 'Demographic Dividend' of 21st-century India - an endearing term for the fast ageing Europe – glossing over the fact that there would be huge discrepancies between the north and the south within India.

Turning to quality of population as the human resource in labour market, according to Ashish Bose, one of India's leading demographers, one can question whether this kind of age-structural change causing an upsurge in youth and working age population would rather prove to be a 'demographic burden' for India instead of a demographic dividend? According to Bose, absorbing the vast increase in youth numbers will be a real challenge to all governments at the Centre and in the States for their political survival. Vast masses of unemployed numbers and unemployable youth will affect not only the productivity of labour adversely but also threaten rule of law (an indicator which is better for India as compared to Bangladesh or Pakistan) - one of the three elements the domestic private sector investment as well as the Foreign Direct Investment would always like to be assured of, the other two being infrastructure, and availability of skills. Of the total unemployed population of 45 million in 2001, over 10 per cent were unemployed graduates (GOI, 2001, Census of India). The number is estimated to have risen from 4.8 million in 2001 to 5.3 million in 2007.

Paradoxically thus, India faces a high rate of graduate unemployment co-existing with huge skill shortages, particularly because of non-suitability of large proportion of the graduates for the available jobs (NASSCOM 2005a, 2005b). The present graduate unemployment rate of 17.2 per cent in India is significantly higher than the overall rate of unemployment. And a higher proportion of nearly 40 per cent of the graduates are underemployed, i.e., not productively employed.

At the higher end of the skill spectrum, while India had, in 1991, a total of 10 million workers in 'professional, technical and related' fields to be classified as Human Resources in Science and Technology (HRST in short), according to India Science Report 2005, this rose to 27 million in 2004 (NCAER, 2005) – an increase of two and a half times over a period of one and a half decade (Khadria, 2004a, 2004b). As a proportion of the country's total workforce, this is indeed a doubling from 3.6 percent in 1991 to 7.3 percent in 2004. However, while the numbers as well as the proportion of HRST have gone up steadily since 1991, the same cannot be said about the utilization of these resources. In 2004, only about 35 per cent of those holding HRST jobs were educationally qualified for those jobs. Indeed, this ratio has not improved with the passage of time. In 1991, this ratio was just 2 percentage point below 35; in 2004 it rose to just 2 percentage points above 35! India's work force that does not have either a diploma or a graduate degree is currently estimated at around 327 million, i.e., around 89 percent of the country's work force has an educational qualification of only high school or below. The overall stock of graduates in India was estimated to be only around 22 million in 2003-04. Total enrolment in higher education was 10 million, whereas the out-turn each year was 2.5 million.

The 2005 NASSCOM (2005a) Strategic Review and the NASSCOM-McKinsey Report (NASSCOM, 2005b), released by India's National Association of Software and Services Companies (NASSCOM), both important documents, apprehended huge shortage in both

the IT-related and BPO-related skills in India. The reports said that only about 25 per cent of the technical graduates were suitable for employment in the offshore IT sector, and as little as 10 to 15 per cent of general college students for the BPO industries. The reports estimated that by 2010 the two industries would have to employ an additional one million workers near five Tier-I cities in India, viz., New Delhi, Bangalore, Hyderabad, Chennai and Mumbai. In addition, about 600,000 workers would be required across other towns in India (Economic Times, 17 Dec, 2005). On the required talent supply to meet this demand, the reports said India would need a 2.3 million strong IT and BPO workforce by 2010 to maintain its current market share, not to speak of increasing it further (Hindustan Times, 22 September, 2008). The potential shortfall of qualified employees, according to these two Reports, will be of nearly half a million (or 500,000, i.e., more than one-fifth of the 2.3 million vacancies would remain unfilled) – with nearly 70 per cent of the shortages concentrated in the BPO industry. There is also a serious and growing concern about the quality of the highest academic degree – the Ph.D. The fact that the highest number of Ph.D.s are awarded not by the most reputed universities indicates widely varying standards of quality control for the doctoral degree.

Given these shortcomings within the Indian higher education system, India has become a virtual “supermarket” (as the Indian media calls it) for internationally renowned educational institutions in other countries to shop in India and import “semi-finished human capital”³ - the best and the brightest of Indian students' (The Hindu, Nov 26, 2000). These students from a large middle-class find it better to get educated abroad for availing themselves with better job opportunities in India on their return (Khadria, 2006c).

Despite labour shortages in the home front, the increase in population would thus lead to emigration followed by return, virtually propagating temporary migration from South Asia as a whole to the OECD, particularly of the younger cohorts, unless the higher education sectors of India, Pakistan, Bangladesh, (or Sri Lanka) absorbs them for quality education and equips them with the skills that their own labour markets require. This is what the 11th Five Year Plan document of India aspires to achieve by 2012 through the proliferation of what are called the “world class” and “central government funded” universities across the states⁴, a target which, according to critics would look more like a “wild card” than the OECD global trends scenario of enrolments in tertiary education for India doubling to about 14.3 per cent in thirty years by 2030 only. Similar ‘wild card’ developments in Pakistan and Bangladesh too could short-circuit the same OECD IFP estimates for Pakistan from 6 per cent in 2000 to 13.6 per cent 2030, and for Bangladesh from 12 per cent in 2000 to 18.5 per cent in 2030 over much shorter periods, triggering higher rates of emigration of graduates than of students which is perceived now.

2. Economy–Growth, Infrastructure, Technology and Poverty

Although agriculture has still been the predominant sector of employment in South Asia, including in India, Pakistan and Bangladesh, one peculiar feature of the region has also been a relatively early development of the services vis-à-vis industry, in spite of the emphasis being on industrialization as the chosen strategy of development for decades (Ahluwalia and Williamson, 2003, pp. 2-3). This has had a bearing on education and vocations in India that

³The term “semi-finished human capital” was first used in 1994 by Majumdar (1994).

⁴See, *Draft Report of the Working Group on Higher Education, 11th Five Year Plan*, Planning Commission, Government of India, New Delhi (undated).

have currently become relevant to migration⁵; although the picture of Bangladesh and Pakistan has certainly not been as rosy as of India as both the economies have been quite sluggish, due to political uncertainties impinging on the economic turf.

Every year, at the controversial and the elitist World Economic Forum in Davos, a star is chosen by assessing its superior economic power. Superior economic power is characterized by growth, infrastructure, and technology – determining “access to raw materials, volume and productivity of the domestic market, and a leading position in world trade, and the global financial markets.” In 2006, there was no contest. India’s scores were high, promising, and pretty well-known by then. No country captured the imagination of the Forum and dominated the scene as India did. “India everywhere”, said a logo at Davos. Such marketing slogans, however, would not work if there were no substance behind them. Transiting from the earlier so-called “Hindu” rate of growth of around 3.5 per cent during the first three decades of planning since the nineteen-fifties to an average of 6 per cent over the last twenty five years, India has been the second fastest-growing country in the world—after China—averaging above 6 percent growth per year over the past decade and half since 1991.

The growth of India’s GDP had accelerated to 8 percent in 2006 and in fact exceeded it in 2007. Many observers believed that India could as well expand to a higher double-digit rate for the next decade, averaging at 9 per cent per annum in the first quarter of the 21st century. It was being said that “while China's rise has already been close to 10 percent since 1980—India's is still more a tale of the future, a future that is coming into sharp focus in the 21st century.” A much-cited 2003 study by Goldman Sachs had projected that over the next 50 years, India will be one of the four BRICs – the fastest-growing major economies of the world - Brazil, Russia, India, China (O'Neill 2003). The report calculated that in 10 years India's economy would be larger than Italy's, and in 15 years it would have overtaken Britain's. By 2040 it will boast the world's third largest economy, by 2050 it will be five times the size of Japan's, and its per capita income will be 35 times its 2003 level. Though India's performance in 2007 was actually higher than the Goldman Sachs study had assumed, predictions like these are always dicey and treacherous as current trends in 2008 have proved to be more topsy-turvy.

A Survey carried out on the 1st of January 2007, (by HT-CFore⁶), had asked respondents in India: “Do you think India would be a developed country by 2020?” No less than 61 per cent of the respondents said that India will be as good as any developed country by 2020. Fifteen years ago — or for that matter, at any time over the past two centuries — hardly anyone would have said so. All through, India was an international byword for poverty and economic sluggishness. The transformation is a resounding endorsement of the success of India’s economic liberalisation. Yet, quite a few respondents were realistic enough to express doubts about whether poverty in the country will be significantly reduced by 2020. A good 45 per cent would subscribe to the trickle down theory, believing that wealth creation will inevitably lead to wealth distribution as well. But the fact that 36 per cent ‘nays’ and 19 per cent “can't says” - together outnumbered the ‘ayes”— 55 to 45 — made the issue more debatable!

Even captains of industry like the President of the Confederation of Indian Industry had thought cautiously (Hindu, Jan 8, 2007). It is basically the entrepreneurial spirit which he

⁵See, the latest Report of the High Level Group on Services Sector, Planning Commission, Government of India, New Delhi, March (GOI, 2008).

⁶*Hindustan Times*, Jan., 2007.

thought was in abundance in India, and one could look beyond India's borders for global markets. But, to sustain the cherished 9 to 10 per cent growth, he said, "We need to solve the question of growth being inclusive. We do have the capacity to create wealth, but seem to have neglected social issues - of skill development, education, and health.

Historically, a common influence behind such contradictions in the development strategies adopted by the three countries in the South Asian region – India, Pakistan, Bangladesh - have been their colonial legacy. The intellectual and political thinking till the end of the twentieth century had attributed economic underdevelopment of the region largely to the policy of *laissez-faire* and free trade that the British had adopted to suit their imperial economic interests of the times. In remaining closed to trade with the rest of the world, the three South Asian economies, unlike the East Asian countries, did not initiate much trade even amongst themselves. As a result, the region remained the least integrated internationally until the late 1980s. As a ratio of GDP, 14 per cent of external trade was the lowest for India in the region. Trade ratios of the other countries too were in the range of 20-30 per cent. The economies were also not very receptive to private foreign capital until the 1990s. In 2001, the total FDI inflow to the region was US\$ 4.2 billion, which constituted merely 2.5 per cent of the total flow to all developing countries. Tendulkar and Sen (2003) date the first wave of liberalization in Bangladesh to 1976, and in Pakistan to 1978, comparable to India's first phase of domestic liberalization in 1980. Subsequently all these retracted - Bangladesh in 1982, Pakistan in 1984, and India in 1990. A second wave of reforms began in 1989 for Pakistan, and in 1991 for Bangladesh and India. Thereafter, in India, each government has pursued an agenda of economic liberalization.

This was a break with the earlier policy package, whereby the governments were preoccupied with highly interventionist measures like those designed to manage the foreign exchange scarcity. Earlier, the countries of the region, especially India, were following an exceptionally closed-economy model. In the 1990s, policy reform in all the South Asian countries focused more on removing these barriers to the world markets (Ahluwalia and Williamson, 2003).

Around the same time, in the migration sphere too, the centre of focus showed signs of shifting from source-country determinants of migration to destination-country determinants. In the twenty-first century, as the trend shows today, it may be speculated that in the years to come over the next quarter of a century, migration flows would be formidably demand-determined and worker-seeking (i.e., because of excess demand for potential migrants in the OECD), as opposed to being supply-determined and work-seeking (i.e., due to oversupply of potential migrants in South Asia) that it was through most of the twentieth century. Migration has been broadly looked at as a one-sided game of loss or gain, leading to, for example, exodus or "brain drain" in the twentieth century, and circulation or "brain gain" in the twenty-first century so far. Even if the game were to remain one-sided in the next two and a half decades, the new perspective in South Asia would be to strike a triple-win - for themselves, for the migrant stakeholders in them, and for their countries of destination in the OECD - turning a migrant's identity from that of an expatriate at the micro-level of the individual or a family to a body of transnational dual citizens in a diaspora at the meso level.⁷

⁷ See, *Asian Population Studies* (2007) for this change of perception across Asia.

3. Quality of Life–Cost of Living, Health, Environment

Quality of life in the three South Asian countries would depend primarily on prices, per capita consumption of food, and environmental factors like availability of water, sanitation etc. It may be too long a period to predict the annual rate of price rise in 2030 over now. For a shorter period, in 2013, inflation rate in India, Pakistan, Bangladesh, has been predicted to be uniformly lower than 4 percent compared to 4 per cent, 7 per cent, and 9 per cent respectively in 2005. However, this would still remain an imponderable for 2030, as the inflation rate in India has unexpectedly crossed 12 per cent mark now in 2008. If the relative consumer prices continue to be much higher in South Asia, then there could be selective spurts of migration to those OECD countries where these would be stable at lower levels in terms of determining the cost of living.

Per capita food consumption in South Asia in 2030 would be still below the world average, although better than in sub-Saharan Africa, and therefore average health status in South Asia would be likely to be lower than in the OECD countries. Moreover, as production of food would be dependent on the vagaries of weather, the uncertainties of climate change would make it further unpredictable.

Although population living under medium, low and no water stress would remain constant between 2005 and 2030, those under severe water stress would increase.⁸ This may not affect emigration from South Asia to the OECD countries directly, but indirectly it may cause marginal increase as those under water stress would also affect the quality of life of those without stress in these developing countries.

⁸ Going a bit further down the years beyond 2030, it would perhaps be interesting to prophesize in this context by making reference to a futuristic science fiction of sorts - set not in 2030, but in the year when India should be celebrating its 100 years of Independence: year 2047.

According to *River of Gods*, first published in 2004, by Ian McDonald, the well-known contemporary British science-fiction writer, a number of changes occur in the country by the year 2047: One and a half billion people; and man-machines, called AIs (short for “Artificial Intelligence”) rule the roost. Still, most changes are logical extensions of current trends: There are nine million gods; and “Mother India” is all the contradictions and paradoxes she has always been – “beautiful and terrible, staggeringly poor and fantastically rich, unimaginably ancient and a leader of the IT revolution, all at the same time.” Men vastly outnumber women due to selective abortion that had been taking place. Religious fundamentalists are orchestrating street protests. Capital cities still display a vast disparity in wealth between old slums and gleaming new colonies. Western backpackers visit India for the usual reasons, and so forth. Thus, surprisingly little has changed in Ian McDonald’s India of 2047. What has changed significantly though is that India itself has been fragmented into twelve semi-independent nations, smaller countries carved along cultural, geo-political and religious lines: In a way very much reminiscent of a pre-Independent India!

The scenario depicted is one where the monsoon has failed for three consecutive years, and the Bengali sub-nationals are trying to change the weather by towing a giant iceberg into the Bay of Bengal! Of the others in 2047 India, *Bharat*, a poor sub-nation with its capital at Varanasi, is on the verge of war with the Delhi-led *Awadh*, which is rich, and which is creating a dam to block the holy river Ganga for its drinking water, and deprive others. Incidentally, The Ganges, considered to be the most sacred river in Hinduism, is so polluted now that although 70 million pilgrims took the ritual dip in it at Allahabad in January this year for the Ardh Kumbh Mela (the big religious fair), the Sadhus (India’s holy men) skipped it lest they would be risking jaundice, scabies, typhoid and other water-borne diseases. (ST, March 14, 2007). The *River of Gods*, however, presents a simulated scenario of feuding India in the year 2047 created by Ian McDonald, by which time the Ganga might have been cleaned of its pollutants, hopefully!

4. Security—Climate Change, Terrorism, Governance

The three countries together would be exposed to one-thirds of the global threat from coastal flooding, India and Bangladesh taking the brunt of it by 2070-80, and therefore earlier on in 2030 as well. This might create massive displacement and exodus, prompting those able to emigrate to safer havens in the OECD countries.

On the count of political stability and absence of violence, although India is now better off than Pakistan which in turn is little better than Bangladesh, there can be no guarantee of these remaining low in any of the three countries over the next two decades. All three countries have fared poorly on the Transparency International's latest corruption index of 2008, in terms of global perception: India ranked 84th (down from 72nd last year) with an index score of 3.4 out of 10; Pakistan 134th (index score of 2.5) and Bangladesh 147th (index score of 2.1).⁹ Recent terrorist bombings in major cities of India including the capital city of Delhi; terrorist attacks and political assassinations of leaders in Pakistan and Bangladesh leading to political upheavals, and uncertainty about the effectiveness of the rule of law makes migration from the whole of South Asia (including from Sri Lanka, and Nepal) quite vulnerable to sudden change.

5. Future of Migration History—Remittances, Return Migration, Dual Citizenship

In migration history, remittances, return migration, and memberships of more than one nation are assumed to grow on a linear trajectory, and are therefore assumed to be relatively more predictable. However, there are caveats in each one of these to make them less predictable.

In South Asian countries, remittances have grown very rapidly. Close to ten per cent of the world remittances come to India.¹⁰ In 2006, India received USD 25 billion (27 billion in 2007) and ranked first in the world; Bangladesh with USD 5.5 billion, and Pakistan with USD 5 billion are also leading remittance receiving countries.¹¹ There are discourses on policies to promote remittances as the dividend from brain drain. In contrast, what is paid little attention is the fact that the remittance potential of the students is pre-empted by a more recent trend of what I call the “silent backwash of remittances” to the developed countries in the form of overseas students' fees (which are often multiple times their so-called home-student fee) - leading to huge financial costs to poor sending countries like India, Pakistan and Bangladesh through student emigration, and massive gains to receiving OECD countries (BBC, 2004, 2006a, 2006b and IIE, 2005). Recently, India doubled the annual limit for any Indian citizen to remit up to 50,000 US dollars to anywhere in the world. Naturally, a large component of the outflows under this scheme would swell the silent backwash of remittances to those advanced OECD countries who sell their higher education to the developing world as a profit-making export.¹² Latest Reserve Bank of India figures put it at USD 4 billion,

⁹ *Hindustan Times*, Sept. 24, 2008.

¹⁰ From 191 million migrants worldwide. See, ESCAP, 2006, *Population Headlines*, No.310, March-April 2006, Bangkok.

¹¹ Bangladesh has a chronic history of trade deficit and currently workers' remittances meet more than two-thirds of the trade deficit (Afsar).

¹² The rupee fell to Rs. 46.90 a dollar, its lowest level in two years, following worries over capital outflows from share sales by foreign institutional investors. The Reserve Bank of India asked Lehman Brother's

equivalent to one-sixth of the global remittances, and possibly not much less than the remittances coming from the OECD countries.

At the turn of the century, when the IT bubble burst in the wake of the American recession, hordes of NRI professionals lost their H-1B visa contracts in the US and were forced to return home to an uncertain career in India. The positive outcome emerged when opportunities of employment multiplied within India with the emergence of the BPO. Instead of labour moving out of India, the multinational companies started moving their capital to India – triggering a wave of return migration of Indians, which rolled like a bandwagon of manna from the heaven to the Indian economy and still continues to dominate the debates. Remarkably, in fact, the BPO industry had also started attracting foreigners to India in search of employment. What is a lesser known fact is that nearly 800 Americans were working as interns at the information technology companies in India in 2006, and NASSCOM expects this number to grow (Associated Press News, *The Economic Times*, April 2, 2006). The total number of foreign nationals working in India was estimated to be over 50,000, with more than 12,000 registered at the IT hubs in Bangalore itself, the Silicon Valley of India (*Asia Times Online*, 2006). However, unexpected events like the bankruptcy of the Lehman Brothers, leading to the panic of laying off of thousands of employees in the BPO sector in India would put a question mark on the sustainability of return migration, triggering fresh waves of migration from South Asia.¹³

Simultaneously, realizing that it has lagged far behind the other emerging Asian giant China in wooing its diaspora into India's financial and manufacturing sectors, India has been lately very pro-active in creating an enabling legal structure to leverage what is now called the diaspora resources. Even if a late realization, the Indian government understood that to effectively mobilise the Indian diaspora, it would have to work more on the Indian bureaucracy to actually provide the long-promised "single window" of clearance to FDI, joint ventures, and technical collaborations.¹⁴ India could have tapped into the diaspora resources

NBFC and primary dealer arms not to remit money in forex without its approval. Dollar borrowing rates in the London Market, or LIBOR, doubled overnight to 6.44 per cent, the highest on record. This happened as banks accumulated cash in anticipation of more failures of financial institutions. The central banks of the UK, Switzerland and Japan, and the European Central Bank (ECB), pumped huge funds into the system in a bid to cool it down. See, *Hindustan Times*, Sept 17, 2008.

¹³ Lehman Brothers, Merrill Lynch, Goldman Sachs and Morgan Stanley, are called the four pillars of Wall Street. Lehman currently employs about 2,500 people in India, most of who run the risk of losing their jobs. Merrill has about 600 people here. "We have not been told anything as yet, but everyone thinks it's a matter of weeks before we are asked to pack up," said a Mumbai-based Lehman executive, who oversees back-office support for the company's operations in Sydney and Tokyo. See, *Hindustan Times*, Sept 16, 2008, New Delhi.

With nearly half of their revenues coming from banking and financial services segments, India's top software exporters said ... they were closely monitoring the crisis spreading across financial markets all over the world. While Infosys and TCS, the country's two largest IT firms, said they did not comment on individual clients, the third largest IT firm, Wipro, said it was in dialogue with failed LB, although revenues from it were modest. The fourth largest software exporter from the country, Satyam, also said it was "concerned" at the developments in the US" See, *Hindustan Times*, Sept 17, 2008.

¹⁴ According to "World Investment Report 2008" released by UNCTAD (2008) on 24 Sept, 2008 (See, *The Hindu*, 25 Sept., 2008), India has emerged as the top FDI destination after China, but ahead of the US, UK, and Germany. In 2007, India recorded a 17 per cent increase in FDI inflows in the wake of robust economic growth and improved investment environment owing to further opening up of sectors such as

of a rich and successful Indian community settled abroad who had good reasons to ‘help’ India develop. However, it is more the failure with the middle-class non-resident Indians (NRIs) that made India turn towards the Persons of Indian Origin (PIOs) with the offer of a dual citizenship, the Overseas Citizenship of India (OCI) for the POI - excepting for those having the citizenship of Pakistan or Bangladesh - to make them participate in the development of their motherland. In fact, India is counted high on the “soft power” business of cultural networking with the diaspora – strong media, popular Bollywood films, prize-winning diaspora literature in English, yoga, music, and so on. Recent publications like *The Encyclopedia of the Indian Diaspora* – would stand further testimony to this proposition of India being high on this index of culture (Khadria, 2006b). In fact, both Bangladesh and Pakistan share this cultural proliferation as part of a pan-Indian sub-continental culture abroad – reflected in the popularity of cuisine, generically called “Indian” which includes Pakistani-Punjabi food, mostly cooked by Bangladeshi cooks! On the flip side, Indians, Bangladeshis and Pakistanis are all taunted as ‘Pakis’ in the UK and some other countries. However, the caveat here is that dual citizenships could trigger fresh waves of brain drain in terms of citizens of South Asia naturalizing themselves into the citizenship of the OECD countries, and avail themselves with the benefit of temporary return to their country of origin without having to seek re-entry visas when they go back to the OECD country of their residence and naturalized citizenship (Khadria, 2007b). Both Pakistan and Bangladesh also have some form of dual citizenship, Pakistan restricting it to citizens of 13 select countries of which 10 are OECD countries.¹⁵

III. Emerging Global Policy Trends and Patterns

1. Policies in OECD Countries

Recent publications (OECD 2004) testify to the fact that while growth of permanent settler admissions in the developed countries from Asia have grown slowly, temporary worker entrants have grown more rapidly in the initial years of the twenty-first century. This has its own social implications. The first such implication is that return migration would become in-built in the process. Vice versa, the policy of promoting return migration of workers would also imply a policy of promoting temporary migration (involving 5-7 years’ stay) over their permanent immigration (Khadria, 2006a).

Although the volume of immigrants in the labour market of a destination country rises, when the individual human faces that comprise it keep changing, the element of conflict in society may remain at a low level of equilibrium. An explicitly stated policy of return migration, involving only temporary stay rights for foreigners would thus allay the fears, in the

telecommunications and retail trade. During the year, FDI inflows soared to USD 23 billion (comparable to remittances of USD 27 billion) and the main reason for the surge were strong cross-border mergers and acquisitions. The Report, however, notes that India would find it difficult to fund USD 495 billion infrastructure development programme spread over till 2012, one reason being lower FDI inflows to India, despite the fact that these “flows to developing countries are likely to remain stable” and not much affected by the current global financial crisis. It is quite likely that India would no longer belong to the club of typical developing countries and therefore be more exposed to global volatilities that would affect the developed countries, leading to a dip of 10 per cent to USD 1,600 billion in global FDI in 2008 over 2007.

¹⁵ See, http://www.pakistan.gov.pk/divisions/ContentInfo.jsp?DivID=23&cPath=221_227&ContentID=754 Visited on 25 Sept., 2008: U.K, France, Italy, Belgium, Iceland, Australia, New Zealand, Canada, Egypt, Jordan, Syria, Switzerland, Netherland, USA, Sweden, Ireland.

minds of the native citizens, of being competed out by them. If so, it could naturally be a welcome preference for the strife-prone destination countries. Socio-psychologically speaking, this, like a “safety valve”, would suit the interest of those OECD host countries where racial xenophobia against the foreigners’ presence in the labour market is often a political headache for the state. It can lead to a persistent social strife if ignored or allowed to continue for long.

On the other hand, the social implications of temporary migration on the migrants and their family members in the origin countries could become welfare-reducing. The developing countries of origin in South Asia, particularly India, Pakistan, and Bangladesh, would be overwhelmed by the bandwagon of promoting return migration, which is apparently aimed at benefiting them in all. So far, these origin countries have been quite complacent about the macro-level interests of the developed destination countries underlying these key trends. At the same time, they have also not been sensitive within themselves to the effects of return migration policy on the individual workers and their families as to whether there could be unexpected violations of human rights and undesired outcomes on the humanitarian fronts. For example, a natural corollary of any individual’s decision of return migration, when inherent in the decision of onward migration itself, would be about the joining or not joining of the spouse and the children abroad. When return becomes imminent, it would be more likely that only the primary worker would move and the immediate family, comprising the spouse and the children, would stay put in the country of origin for most of the time. Their dilemma would arise from the constraints of the job of the spouse in the home country: Whether to resign when leave would not be commensurate with the partner’s engagement abroad? It would also arise because of the schooling of the children in the home country: Whether to withdraw them from school when admission/readmission is going to be difficult in the country of origin? Under the circumstances, temporary migration would entail a compulsory separation among the members of the family, making the family “nomadic” in character, so to say, and making the return of the worker too a type of “forced migration,” although all the decisions within the concerned migrant’s family would seemingly remain “voluntary”. The challenge before social policy in neutralizing these negative effects would be that these would not be limited to labour migration but to high-skill migration as well.

According to the IOM (2004), in recent years, return migration has acquired the thrust of policy by many governments. Return migration here means the act of going back from a country of destination to the country of origin, and the policies vary in inducing different categories of return, for example, voluntary, forced, assisted, or spontaneous, among others. This is an issue, which despite being largely uncharted so far, would perhaps be important enough to be included explicitly in the agenda of social policy responses towards neutralizing the adverse effects of international migration on the migrants. Apparently, the returning migrant and the family of the migrant are left in the lurch in this whole process of return migration, there being no follow-up efforts for their re-integration in the home country.

2. Policies in South Asian Countries

India has institutionalized state capacity to respond to the crises, which lead to the repatriation of its citizens at the time of need – political strife, war, or individualised harassment. These more proactive social policies were developed following the repatriation of several thousand low-skilled returnees from the United Arab Emirates to Kerala during the

Gulf War in early 1990s, and put into operation time and again, the latest being for evacuation of Indians from Lebanon in 2006. However, there have also been cases in some OECD countries too where Indian government had to intervene to diffuse crisis arising from the arrest of some high-skilled migrants by the immigration authorities on trivial grounds. Although, the proportions of high-skilled migrants (foreign-born) from South Asia living in the OECD (2007, Chart 1.3, p. 32) are reported to be higher than the low-skilled (India: 5.4 per cent high-skilled, which is the highest proportion for any single country, as against 1.6 per cent low skilled; Pakistan: 1.1 per cent high skilled against 0.9 low-skilled; and Bangladesh: negligible high-skilled as against 0.4 per cent low-skilled), as growing numbers of low-skilled (semi-skilled and middle-skilled) migrant labour are being wooed from South Asia, particularly into the new EU member countries in eastern Europe, and bilateral agreements are being signed, e.g., with the Indian government, this social policy provisioning has become important for the OECD-oriented migration too.

IV. Social Policy Provisioning in South Asia—Examples from India, Pakistan, Bangladesh

It is in the above backdrop that emerging priority concern of governments in almost all origin countries of Asia is to ensure the well-being of migrant workers and to secure the basic provisions. Countries of origin have two main policy options for achieving this:

1. Regulatory measures for labour migration, and
2. Provisioning of supportive social services for migrant workers and their families.

Although these are not entirely mutually exclusive domains of policy intervention, broad distinctions of areas of operation could be delineated. Countries of origin do have a range of policy strategies which extend the scope and improve the efficiency of their regulatory mechanisms, including, for example, regulation of enrolment of students, recruitment of workers, developing and enforcing minimum standards in employment contracts; information dissemination to migrants; assistance in the country of destination and promoting inter-state cooperation; etc. However, the supportive social service provisioning for implementing these have not been so explicitly discussed. Keeping this discrepancy in view, the following section lists some of the initiatives taken Bangladesh, Pakistan, and India, steps which would influence the contours of policy and practical interventions in future.

Bangladesh

The Bangladesh Missions in host countries now perform the following duties¹⁶:

- Receive and hear the complaints of migrant workers;
 - Take up the matter with the employers;
 - Provide legal assistance;
 - Arrange repatriation of stranded migrant workers; and
 - Repatriation of remains of workers who have died abroad.
- Bangladesh also operates a welfare fund for providing legal support and initial sustenance.

¹⁶ See, also Government of Bangladesh and IOM (2004).

Pakistan¹⁷

- Orientation and Briefing Centres function in Protector of Emigrants (PE) Offices, in Karachi, Lahore, Rawalpindi and Peshawar. All migrant workers register with the PE. Offices are given pre-departure briefing about their countries of employment. They are also informed about the customs, local conditions and relevant laws in the country of destination.
- Community Welfare Attachés are posted in the manpower importing countries. They maintain liaison with the Pakistani workers and provide them with the necessary help to solve problems in coordination with the host authorities.
- Under the Emigration Ordinance of 1979, a welfare fund has been created. It is being managed by the Overseas Pakistani Foundation (OPF) for the welfare of migrant workers and their dependants in Pakistan. Education, training, housing and medical facilities, and other services are organized for the families of Overseas Pakistanis by the OPF.
- The Government has taken measures to improve the skills and attitudes of the workers in demand abroad in accordance with international norms and standards.
- The majority of the emigrants remit their saving through the official channel. The Government of Pakistan has banking arrangements in some of the manpower importing countries.

India

In the year 2004, the Government of India established a new ministry called the *Ministry of Overseas Indian Affairs* (MOIA), which acts as a nodal agency to deal with issues related to Indian migrants abroad (GOI-MOIA 2008). However, apart from MOIA, the Ministries of Home Affairs, Commerce, External Affairs and the Department of Science and Technology also interact with the Indian migrants in various capacities.

The Ministry of Overseas Indian Affairs, is working towards two basic objectives:

- To take note of the problems of the Indian migrant communities in various countries and to initiate measure to overcome those problems; and
- To involve the Indian migrants abroad for India's larger development purposes.
- Towards these goals, the Indian government has floated a number of schemes.

V. The Future Drivers of Immigration Policies in the OECD

The stereotypes of the push and the pull factors have not necessarily proved to be the drivers of country policies for migration from South Asia to OECD countries at the macro level. The main factors steering the future migration between these two regions, therefore, need to be identified and grouped together in a generic classification: These I have grouped as Age, Wage, and Vintage Khadria (2008b). For an evolution of these ideas, also see my earlier writings (Khadria, 1999, 2001, 2002, 2006e, 2007a). Further, I would also prophesize on how the driving force of the dynamic conflict of interest between the South Asian and OECD countries is likely to be resolved in future – more through what I would call “equitable

¹⁷ See, also Gazdar (2003), and Siddiqui and Mahmood (2005).

adversary analysis” at the policy making level in contrast to the “hide-and-seek” type of game-theoretic moves that countries are used to making (Khadria, 2007b)

The first one, Age deals with the neutralization of the adverse effects of “age-structural change” that can be brought about through remigration because it is the younger cohorts of the returnees that re-migrate a second or third time, the older cohorts tending to staying in the country of origin and adding to the stocks of older workers. The second determinant, Wage, refers to the comparative advantage lost by the country of origin when younger returnees take away with them more cost-effective production functions due to their lower wages, perks and pensions and older returnees add to cost of production. In addition, there has been a lot of hype about the diaspora resources like remittances breaking all records in India, and being substantial for Bangladesh and Pakistan, but then there have been no queries on these silent reverse flows in terms of lowering of wages and perks that determine the quantum of remittances. The third determinant, Vintage, implies the state of the art know-how and skills embodied in the latest and younger generations of students having access to the latest of curriculum. This pre-empts the return migration of the professionals even before they come back to India – a phenomenon which perhaps can be termed as “pre-migration”, as it cannot be called “re-migration” after all! These kinds of issues would be drawing the attention of the policy makers in the countries of South Asia covered in this paper.

VI. A New Perspective of Migration in the South Asian Countries

The discourse with respect to migration to the OECD countries, in contrast to that directed towards the Gulf and South-east Asia has of late provided a new connotation for the term “3-D”. In the past, these were jobs not in demand by the native population. From being engaged in “Dirty, Difficult, and Dangerous” jobs, the South Asian migrants in the OECD countries are expected to demand - over the next two and a half decades - jobs which would be more likely to be called “Desirable, Demanded, and Diasporic”. This would happen not because these jobs are not in demand from the native citizens but because the indigenous supply of skilled labour or human capital – whether high-skilled “knowledge workers” or low-skilled “service workers” - would not be adequate to meet the requirements in the OECD countries. For low-skilled workers, in fact, this could go beyond the global labour-market divide that distinguished futurologist Peter Drucker had predicted for the beginning of the 21st century: globalised knowledge workers and localised service workers (Drucker, 1993; Albinia, 2000; GCIM, 2005). Contrary to Peter Drucker’s forecast, the divide between the high-skill and low-skill work may go overboard and create a boom, in the OECD, in attracting immigrants in the so-called “dirty, dangerous and difficult” sectors of the low-skilled “service work”, like agriculture and recycling. These will be the sectors where - in the wake of the ongoing climate change which is leading to the emergence of a global “green economy” - too few green jobs would be created, as the latest ILO report, “Green Jobs: Towards Decent Works in a Sustainable, Low-Carbon World,” has predicted (ILO, 2008). The report says that the global market for environmental products and services is projected to double from the present USD 1,370 billion per year to USD 2,740 billion by 2020, with half the market in the energy efficiency and the balance in sustainable transport, water supply, sanitation and waste management, and by 2030 employment in alternative energy sector may rise - to 2.1 million in wind power and 6.3 million in solar power, as renewable energy generates more jobs than fossil fuels do. Projected investments of USD 630 billion by 2030 will translate into at least 20

million additional jobs in the renewable energy sector, leading to newer dimensions of migration flows in directions so far unanticipated.¹⁸ Since the “stock” of greenhouse gas emissions into the atmosphere by the industrialised OECD countries over the years is higher than the current “flow” of emissions by the countries like China in North Asia and India in South Asia, either low-skilled service workers would move to the OECD countries to fill the 3-D jobs, or the polluting industries would some way to silently shift their location to the developing countries in South Asia, particularly in India and Bangladesh.

Quite a lot of the earlier segmentation in the world labour market was attributed to two supply-side factors, so to say, relentlessly casting the shadow of underdevelopment over the economies of South Asia, viz., India, Pakistan, and Bangladesh (and Sri Lanka too) – the erstwhile Indian sub-continent - until the end of the 20th century: (a) Quantitative overpopulation, and (b) qualitative brain drain were considered the two major stumbling blocks in South Asia’s quest for development throughout the 20th century. The more “notorious” of these two negative factors has of course been the so-called “curse” of overpopulation vilified by the last five decennial counts of India’s population till the 1991 census, the year after which India changed its course of journey - by reforms – the so-called “LPG” – liberalization, privatization and globalization - in almost all the sectors of the economy. Until then, and for almost a decade thereafter, India’s all-round poverty; India’s food-shortage; India’s unemployment were all reminders of just one big failure – on the population front: The failed trajectory of India’s family-planning policies that were pursued vigorously to contain the numbers - at times, with unwarranted aggressiveness.

Brain Drain has been the second “villain”, or a lesser evil, in the story of India’s underdevelopment. It was believed to have led to a qualitative depletion of vital human capital embodied in an ungrateful diaspora that left the country in the lurch: a perception of deserting the “motherland”, and settling in the so-called “greener pastures” abroad. Nobel laureates scientists like Har Gobind Khorana, or Subramanyan Chandrasekhar had become icons of such desertion that took place through the brain drain.

In a sharp break from this trend, two publications in the 21st Century have turned the tables for India in times ahead: One was the 2001 Census (GOI, 2001), and the other a Report of a High-Level Committee on Indian Diaspora, also published in 2001 (ICWA, 2001). These two “events”, I should say, have brought about a major paradigm shift in the 21st century, leading to a complete turnaround in both these perceptions in South Asia, bringing in a makeover of the villains into heroes overnight. Today, as mentioned earlier, the “demographic dividend” inherent in India’s age-structural-transformation is being projected in the Census for the first quarter of the new century. This, together with the “brain gain” through noticeable return migration of the so-called “Global Indian Diaspora”, as precipitated by follow-up initiatives of the Diaspora Report, is being viewed as a new engine of development, signalling the arrival of India on the global map of the so-called “superpowers of the 21st Century”: “Without recognition of its growing stature, there was no way that the international system would have modified the nuclear regime to admit the country to the high table (by the NSG in Vienna recently).” (“Touch and not go’, *Hindustan Times*, Sept.22, 2008).

¹⁸ *Hindu*, 25 Sept., 2008.

VII. Some Concluding Observations

1. Geo-politics of Changing Clusters

What is applicable to India is not necessarily true for other countries of South Asia. This is because the three countries of South Asia covered by this study too have some heterogeneity amongst themselves, which could be of importance for the future of migration. There are similarities among the countries, arising from the large density of population and extensive poverty, often in contrast to the neighbouring East and South-east Asian region. However, within the region, the differences are important because in considering any typological grouping of countries, it should be kept in mind that geographical proximity would not necessarily imply identical policy measures to be always well-suited. Apart from physical features like the landmass, access to sea, size and density of the population, etc., intangible factors like political milieu, culture, values, and traditions that make the “social capital” may ask for very different policies for specific countries.

In the new paradigm, there are a lot of expectations about India achieving the status of a “Superpower” of the 21st Century, expectations which cannot be applied to Pakistan or Bangladesh. Rather than truly belonging to the South Asian grouping, say of the SAARC, India is considered part of a different league, an emerging block called BRICs (Brazil, Russia, India, China), all four countries belonging to different geo-political regions – Latin America, the Russian Federation, South Asia, and North Asia respectively) – still a new cluster of fast-track economies that the OECD has been considering, since May 2007, for offering membership. It is interesting to note in this context the results of the latest “Executive Quiz” released by The Korn/Ferry Institute (*ekornferry.com*), which is focused on perceptions about international career options by today’s business leaders: “Executives around the world overwhelmingly favour developing economies over the more established global powers such as the US, Europe and Japan for job opportunities. Sixty-four per cent feel that Brazil, Russia, India and China (BRIC nations) offer the best career options, compared with 22 per cent who selected the US and just 9 per cent who selected other developed economies such as Western Europe and Japan.¹⁹ This may pave the way for South-South cooperation in migration among the BRIC nations; but what about such cooperation among the three countries of South Asia, viz., India, Pakistan and Bangladesh? Given the geo-politics of international relations among any two countries of this troika, this looks like a remote and far-fetched possibility to fructify even in a time-horizon of the next two and a half decades from now, and hence OECD will have to deal with each one of them independently. In fact, the OECD may find an indirect route in ASEAN to deal with India, now that India has entered into a free-trade-agreement (FTA) with ASEAN.²⁰

2. Three Kinds of Future Transfer Issues

There would be three potential future issues of collaboration or conflict of interest between countries facing the push and the pull of migration: Labour transfer issues, financial transfer issues, and Knowledge transfer issues. Migration concerns with the aging population

¹⁹ Overwhelmingly, the largest barrier to accepting an international post is family consideration (62%), followed by language (13%), difficulties returning to country of origin (8%), security (5%), cost (5%) and living standards (4%). See, *Hindustan Times*, Shine supplement, page 3, September 23, 2008.

²⁰ *Hindustan Time*, Sept 25, 2008, Hindu, Sept 25, 2008.

structures in the developed OECD countries are primarily labour market mismatch issues, prompting policies that encourage youth immigration to fill the quantitative physical gaps of numbers. Soaring migration of medicos and nurses and care-workers to look after the ailing and the aged, health tourism, etc., would be part of this group of labour transfer issues. Second, wage concerns would be related to temporary migration replacing permanent migration, the former leading to higher turnover of migrant workers and therefore slower growth of the overall wages bill, perks and pension commitments to foreign workers in countries of destination. Dynamics of remittances and tax liabilities of migrant workers would also form part of this group of financial transfer issues. The third group would comprise the competitive agendas and strategies of nations to accumulate quality human capital for generating latest vintages of knowledge through cost-effective talent flows embodied in the mobility of professionals in cutting-edge areas like information technology, biotechnology and so on, as well as the mobility of tertiary level students in a variety of fields. National security concerns of the post 9/11 immigration regime and issues like dual-citizenship would also belong to this genre of knowledge transfer issues, including globalization or segmentation of the curriculum between citizens and foreigners.

Apart from the above macro-level engagement of the policy makers, migration researchers would endeavour to observe and analyse the day-to-day life of the individual migrants and communities because of the fact that migration would increasingly be recognized as applied human subject. The immediately relevant space for collaboration between researchers and policy makers would be the financial issues where incentives and penalties could divert the “diaspora dividend” like remittances into the right channels – of education and health for the masses. More challenging, however, would be the areas of labour transfer and knowledge transfer issues where the conflict of interest across countries will be not static but dynamic – spread over different time-horizons for receiving and sending countries. Still, these would not be insurmountable. Most problematic would however be the area of policy implementation. Academics and researchers would make the recommendations, and the policy makers would introduce the necessary amendments in the policy. Beyond these, there is no space for a combined monitoring of how the policies would actually be put into practice. Most of the violations of the international norms begin with the discriminatory treatment that migrants receive at the foreign consulates located in their own countries in South Asia. The vulnerability of migrants and instability of policy-practices are the most hurtful areas that would need bilateral and multilateral intervention. Unfortunately, this has been an area which the countries have considered as “non-negotiable sovereign territory” when it comes to opening it up to multilateral negotiations where both policy makers and academics can influence decisions – whether by lobbying or moral suasion. This, I guess would be questioned, put under test, and possibly be replaced by a system of “equitable adversary analysis” between the OECD and the South Asian countries for creating a situation of triple-win.

3. Redefining the “Push-Pull” Factors in Driving Future Migration

Futuristically speaking, one could also analyse how the “push” factors in the three South Asian countries would determine emigration to the OECD countries, and how the “pull” factors in various clusters of OECD countries would cause immigration from the three South Asian Countries. In fact, the stereotype classification of the causal determinants of migration into “push” factors (in non-OECD countries) and “pull” factors (in OECD countries) has its

own limitations because they imply the determinants to be intrinsically negative in the former and positive in the latter, both from micro perspective of the migrant and the macro perspective of the country of origin. One vital policy lesson that ought to be derived, and kept in mind, from this analysis of the push and the pull classification itself is the need for prefixing the adjectives of negative and positive in redefining the push and the pull of migration: To identify those push factors in Bangladesh, Pakistan, and India, which are and/or can turn positive and overtake the negative-push factors and therefore would be likely to be encouraged. For example, these three countries may consciously revamp their training facilities and introduce certification for the low-skilled (unskilled and semi-skilled) migrants to the OECD standards, and thereby create a comparative advantage for themselves vis-à-vis the labour exporting countries from other regions of the world, or even over each other amongst themselves through ministerial/departmental/institutional reorganisation of the emigration process (or the “emigration cycle”, as the OECD calls it), for labour export to the new EU member countries in the OECD. Similarly, there could be pull factors in the OECD countries which are not necessarily positive any longer but have actually turned negative and, therefore, need to be corrected or minimised by the governments through long-term strategic thinking. Growing need for immigrant health professionals, particularly nurses and care-givers for the aged and the ailing in the OECD could be such a pull factor which is negative in the sense of being caused by age-structural-imbalance in Europe, Japan, and so on. Long-term demographic and education strategies in the OECD countries would be needed to correct such negative pulls.

Appendix: Overview Table

EXPECTED RELATIVE IMPORTANCE OF FACTORS IN FUTURE MIGRATIONS TO THE OECD

Migration from:	India	Pakistan	Bangladesh
Factors:			
Demography	High (Age-structural-advantage; Demographic Dividend)	Medium (Economically Active Population size would increase)	High (Density of population would push people out)
Economy	Low (Insulated from external shocks; low dependency on remittances)	Medium (Vulnerable to internal shocks; high level of corruption))	High (Exposed to internal and external shocks: high corruption; high dependency on remittances)
Tertiary Education	High/Low (Ambitious targets of tertiary enrolment Vs. large number of middle-class students escape from under- supply/ low quality education)	Medium (No 'wild card' likelihood of massive increase in supply)	Medium (No 'wild card' likelihood of massive increase in supply)
Climate Change	High (Coastal and inland flooding can displace large masses; Shortage of "green jobs" in OECD)	High (Prone to earthquakes-can lead to flight of people; Shortage of "green jobs" in OECD)	High (Coastal and inland flooding can displace large masses; Shortage of "green jobs" in OECD)
Standard of Living	Low (Avenues for maintaining higher standards are plenty inside the country)	Medium (A mixed picture of high standards and poverty around)	High (Escape from poverty around)
Dual Citizenship	High (Will facilitate greater mobility)	Medium (Limited to few countries in OECD)	Medium (Bureaucracy creates hurdles)
Polity & Governance	Low (Democracy and civil liberty)	High (Political instability and military regime)	High (Political instability and military interventions)
Unstable Immigration Policy Changes in OECD Country	High (Can cause graduate unemployment due to sudden restrictive immigration)	Medium (Anyway facing restrictive immigration regimes)	High (Cannot absorb graduate unemployment caused by sudden restrictive immigration))

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