YUVA Innovation Platform

Idea Box 1

Brain Gain to Developing Countries
Case Study: India

2nd June 2014
Lausanne, Switzerland

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YUVA INNOVATION PLATFORM: IDEA BOX

BRAIN GAIN
to developing countries
Case Study: India

2nd June
18h-19h
BC 010
EPFL

Severe brain drain from developing countries has led to a huge loss of human capital and damaged the economy. As countries like India become emerging economies, do we see a reversal in the trend? What are the problems faced by people and what solutions can the government offer to attract the brains back into the economy? Participate and contribute your views on the topic in YIP's first Idea Box discussion platform.

YUVA
Indian students in Lausanne

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YIP Idea Box 1

Brain Gain to Developing Countries
Case Study: India

The severe brain drain from developing countries like India has led to a huge loss of human capital. 0.9% of the Indian population has emigrated (as in 2010), and each year it costs India a FOREX outflow of $10bn. Now, as countries like India become emerging economies, would the skilled workforce return to aid and accelerate the development? What are the problems faced by people in returning to their home countries? What solutions can the government provide to attract the brains back into the economy?

The YUVA Innovation Platform (YIP) organized a discussion in Lausanne, Switzerland on the 2nd of June, 2014 to discuss about these issues. A summary of the discussion is presented in this white paper.

Some statistics:
No. of Indians residing outside India (as of 2010): **11 million**
Stock of emigrants as percentage of population: **0.9%**
Top destination countries: the United Arab Emirates, the United States, Saudi Arabia, Bangladesh, Nepal, the United Kingdom, Canada, Oman, Kuwait, Sri Lanka
Skilled workers: Emigration rate of tertiary-educated population: **4.3%** (473,000)

Topics of discussion
- I. **Brain Drain from Developing countries – Why does it happen?**
  - a. **People leaving for education**
  - b. **People leaving for work**
- II. **Brain Gain – Do we need it?**
- III. **Methods of achieving brain gain**
  - a. **Reduce Brain Drain (e.g. more and better educational institutes)**
  - b. **Return of skilled workforce**
- IV. **Problems in achieving brain gain**
- V. **Solutions**
- VI. **Conclusion**

Introductory remarks

1. **Martand**: One contributing factor for brain drain is the economics and seeking opportunities not available in the country of origin.

2. **Deepti**: Economics, red tape and lack of opportunity lead to brain drain. People living abroad send money back or invest in the country.

3. **Srikanth**: Psychological Problem and changes need to be made at the grassroot level.

4. **Vaibhav**: Political system provides a problem for the conditions. For example, Pranav Mistry (famous Indian techie living in USA) said that he would like to return and work for India under the newly elected government.

5. **Gautam**: Brain Drain need not be a negative effect. Indians who go abroad gain a lot in terms of opportunities and standard of living. NRIs also contribute to the country.
There are 3 categories of Indians living abroad:
1. People who want to leave and never come back
2. People who will return at some point
3. The rest, which is a majority, do not have a fixed aim
   Most people can feel at home anywhere in the world. The main point is the aim of the individual. Most skilled individuals feel that their skills are required more in developed countries. Knowledge is a common wealth available anywhere in the world. Soft skills need to be taken back to India – e.g. discipline, project management and verbal communication skills.

6. **Abhishek Tewari**: Brain Drain implies the skilled workforce that permanently leaves the country. They don't see their contribution to the system anymore.

7. **Govinda Upadhyay**: Brain Drain is good because it allows for globalization. There is contribution by NRIs back to India through donations/charity. On a social and cultural level, families living abroad are still attached to India.

8. **Srinvas**: Who creates opportunity: is it only Government or also individuals/private sector? Factors such as reservations and corruption lead to lesser jobs and lesser pay.

9. **Aparna**: It is a personal choice to return to India or not. It is not efficient to return, but if you want to make a difference in people's lives, India has more opportunities. In India, the life in the west is over hyped. For example, there are problems in developed countries such as the health systems.

10. **Abhishek Kumar**: There is a difference in the level of education in India and abroad. It is about getting things done, irrespective of location. If people cannot contribute to India directly, most of the technologies developed outside are by Indians. Hence, Indians contribute as global citizens. Brain gain (return to India) is not happening at a large scale.

11. Ganga: Communication is important between people in India and people living abroad.

12. Czuee: We have to look at the issue from the perspective of the country rather than as individuals. The people who can achieve outside India, why cannot they do the same in India? It is necessary to develop India in terms of education, work place culture, ease of setting up a company, etc.

13. Raja: Brain Drain is not geographically associated. If people living abroad are not using their potential for the welfare of India by any means it is Brain Drain. Brain Gain means the contribution by whatever means for development of our nation and for solving its problems.

Discussion

Why is Brain Drain Happening?

1. Government: Does not restrict or discourage migration. The foreign remittance is high. The Government does not do anything to attract people back into the country nor does it provide good opportunities or facilities.

2. Social Stigma: People consider being abroad as a status symbol and follow the neighbor effect. Many times, Indians stay in unhappy jobs abroad to escape social stigma.

3. Psychological: Staying in India does not provide enough opportunities and going abroad is considered the best way to become "Successful".

4. Education facilities: There is lack of quality education, infrastructure and viable career growth after education to attract research and opportunities for higher education. This is the main reason why people move abroad.

5. Politics: The administration is rife with red tape and there is a lack of good policies to attract people.

6. Personal: There is tough competition in India and people are attracted to better standard of living abroad. There is an identity crisis. Common values to work for the country and community feeling are non-existent.

7. Communication: Lack of communication, moral incentives and positive examples of people returning and finding success in India.

8. Specific Working Sectors and problems

Is there excess supply but less demand of skilled professionals in some sectors?

Healthcare: Worst doctor/patient ratio in India yet many doctors are jobless! There is a gap in supply and demand. Indian medical education is one of the best in the world.
No social security.

Business: Management education in India has the highest return on investment. However, people find it difficult to start a business. Failure in business and start-ups is considered negatively in society. No aid or safety net is provided to cope with failures.

Solutions

What can we do at our level?

1. Government:
- Write to the government and voice our concerns.
- The New PM takes feedback and asks citizens to contribute; register on his site and see how we can contribute our skills.

2. Social Stigma:
- Campaigns to raise awareness about the necessity for Indians to help fellow Indians establishing collaborative rather than competitive environment.
- Plays/movies to disregard the Neighbor effect and encourage social thinking and working?

3. Psychological:
- Raising awareness about the good things in India; the great minds and their contribution.
- Knowing more about the people who are really building our nation. E.g. www.thebetterindia.com

4. Education
- Alumni communication with their universities to change the attitude of Indian students and promote the Indian minds to solve Indian problems.
- Promoting awareness and need about working towards a better India.
- See organizations like Teach for India that work at grassroot level.
- Try to promote master projects with YUVA or CODEV or LEDSafari that promote technology for developing nations.
- Talk to interns from IITs who visit EPFL for projects, and inculcate an attitude to take up India/development specific projects.
- Provide incentives to return to India after an education abroad. For example, China provides scholarships for 6 months or more to go abroad – constraint to come back after 5 years abroad and work for China for 7 years.

5. Politics
- Encouraging honest and positive politics and administration.
- Be politically aware, contribute to discussions and support genuine political leaders.

6. Personal
- Love your motherland!! Try to find out how you can contribute to India in whatever way you can and wherever you are.
- Have a 'do it yourself' attitude rather than waiting for things to change.

7. Communication:
- Transfer of knowledge about basic information and opportunities, which can be created in India. For e.g. basic amenities and infrastructure development.
- Technology and knowledge transfer should be coupled with social awareness and education to make best use of facilities.
- Start a website/open source to improve and disseminate info about India and Indians contributing to the country and organizations that do useful things for India.

8. Specific Working Sectors

Business:
- Become business facilitator for Swiss companies to setup and grow their business in India.
- Open dialogues with companies abroad interested in development in India, such as Credit Suisse, World economic forum, International Finance Corporation. Reach out to the Swiss-German part which has many more companies.
- Building of more incubators and providing social security and loans to entrepreneurs in India. SIBF could help in transferring knowledge about possible pitfalls in business.

IT:
Probably the only sector where there has been a massive 'brain gain' owing to the potential for growth, adequate compensation and dynamic environment. The development of the IT sector can be used as a learning resource for other sectors.

Healthcare:
Setup mobile communication units for remote access of clinical advice from doctors.
Increase incentives for people to work in rural areas.

Some reading References:

Migration statistics
World Bank report on Indian emigration
Migration and development - Asia Pacific
Skilled Labour Migration from Developing countries: Case Study India
Brain Drain costs Asia billions