

**Research Project**  
**Global Challenges, Local Strategies.**  
**Highly Skilled Migration and Local Development.**

**Case Study: Indian highly skilled migrants in Italy and their impact on  
the local development in India (one specific state: Maharashtra or  
Karnataka)**

**Project in progress (expected end: 2011)**

**[DRAFT]**

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**SUMMARY**

The global era is characterised by intense movement of goods and financial capital, tough market competition, fast growth in the information and communications technology and intense mobility of human capital.

International migration has become more complex and new economic migration patterns have emerged. In particular, due to growing global demand for skilled and highly skilled workforce, the international mobility of highly skilled people has increased and become more complex.

As a consequence, a number of developed countries have liberalised their policies for admission of foreign highly skilled professionals. However, the demand of developed countries is largely met by developing countries, causing an exodus of their skilled personnel. While some migration is necessary, to integrate the developing countries into the global market economy, a large outflows of skilled persons pose threat to the growth and development.

To mitigate the negative impacts of highly-skilled emigration (“brain-drain”) and promote the positive ones, in-depth research into the issue is necessary. Next, serious attention should be concentrated on the policy options open to national/regional governments.

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## **INTRODUCTION**

Since my doctoral research is still in progress, I intend to present some preliminary research findings and proposals for the follow-up.

The topic of my research goes beyond a simple analysis of the nexus migration-development. The research aims at understanding of impacts of transnational highly skilled migration on the local development in developing countries and policy options open to regional governments. The theoretical part will be complemented with a case study on Indian highly skilled professionals in Italy, their impact on the local development in India and policy options open to the local government in Maharashtra/Karnataka.

I am concerned about the models of brain-exchange, brain-circulation and brain-sharing. In particular, I'll be interested to understand possibilities for global sharing/circulation and outsourcing of skills and knowledge and the impact of activities of transnational diasporas and networks.

I intend to build a model of *impact of HSM on the local development* (in the countries of origin).

The category of highly skilled migrants shall be defined as people educated at tertiary level (minimum level required is MA degree) who are employed in a country different from their country of origin. Occupation or jobs currently or previously held by the migrant workers shall also be treated as an indicator of acquired skills. Student mobility has been recognized by researches as an integral part of skilled migration.

Next, the category of development shall be defined as an overall improvement of human well-being – both economic and social.

## **REVIEW OF EXISTING STUDIES**

In the review of existing literature, highly skilled migration has been studied mainly as an economic phenomenon. Particular attention was concentrated on the issue of brain-drain, brain-gain and brain-overflow.

The concept of brain-drain takes for granted that highly skilled workers seek to move abroad to increase return on the educational investments they (or their government) have made. It is presumed that these talented and skilled people never return home. Thus, the countries of origin are considered to be pure losers of human capital.

However, the impact of brain-drain is still unclear; it varies according to the characteristics of the country of origin – size and level of development, type of sector/occupation

concerned, the mode of financing education (public/private) and the type of migration (temporary/permanent/circular).

Some countries train more skilled workers than their markets are able to absorb (concept of brain-overflow). Emigration, thus, reflects a lack of professional opportunities in these countries. Productivity and economic growth in the developing country are boosted through access to remittances and diaspora investments and through transnational knowledge sharing/circulation and professional networks.

However, benefits and losses from skilled migration are never one way flows; they tend to be shared in some degree between the sending and receiving countries.

In case of short term movements, it was acknowledged that the movements of service provider (according the GATS Mode 4) generate benefits for both sending and receiving countries.

However, what is the balance in case of long-term emigration? What are the benefits and losses?

Firstly, possibility of emigration promotes higher investments in human capital. In particular, the possibility of emigration to high wage countries may stimulate persons to pursue higher education. The incentives help to increase average human capital and thus contribute to stimulate overall growth.

Secondly, remittances, foreign exchange, technology transfers, investments and venture capital of diasporas have all an important impact on the development in the sending countries. However, some researches sustain that there is uncertainty on continued remittances from skilled persons.

In case, the highly skilled people return in their countries of origin, they bring back human, financial and social capital, and thus contribute to development of home economies. Additionally, they increase local human capital, contribute to transfer of skills and enhance links to foreign networks.

On contrary, the negative effects of emigration may be seen in decrease in human capital stock (especially in some specific fields), and thus slowdown in growth and productivity. The economic consequences may have a form of fiscal lost due to huge investments in subsidized education and reduction of quality of essential services of health and education. In addition, emigration of highly skilled and trained people may jeopardize foreign investments in the country.

Finally, emigration may deeper disparities in incomes both in the country of origin, and between poor and rich countries.

As far as the receiving countries regards, they benefit from high skill immigration as immigration removes labour scarcity, facilitates occupational mobility and reduces wage-push inflationary pressure with further positive consequences for productive capital, exportations and economic growth.

Skilled labour is both a complement to technology and capital. It has a multiplier effect on production and economic growth and also contributes to technological innovation and

future human capital development. Moreover, highly skilled migrants may help to create new jobs.

Transnational networking and diasporas provide new possibilities for global development. Closer economic and market integration and fast progress in information and communication systems make it possible for sending countries to share knowledge and skills at distance. International networks shall be a source of investments, market intelligence and new technology. Diasporas online may invent new forms of citizenship, community and political practices meanwhile remittances and investments can provide economic support to sending communities.

Brain sharing/circulation means better sharing of knowledge and skills. However, nowadays, there are only few types of free circulation of skills due to restrictions posed by single countries. I would mention especially circulation of transnational entrepreneurs, then scientists, professors and experts (in the fields of IT, business, management) and service providers (GATS Mode 4: movement of natural persons).

To achieve better and more effective circulation of knowledge, skills and ideas, qualified expatriates may be incentive to visit the home country/institutions (without requirements for permanent stay/return) and/or make part of the scientific/diaspora networks.

In addition, circulation of brains promotes integration into global markets (esp. in cases of India, Taiwan, Cina).

Next, an increasing interest of global service companies in outsourcing highly skilled jobs in developing countries is a promising (still unexploited) approach to turn brain-drain into brain-gain.

To sum up, it is essential to freer temporary movement of persons providing skills and knowledge services across the borders. Next, it is necessary to involve in an appropriate fashion the regional entities and institutions in the developing countries in the global exchange of skills and knowledge.

At the same time, it is crucial to enhance the migrants' role of growth and development agents.

## **QUESTIONS**

I will address following questions:

1. What is the correlation between the categories: highly skilled professionals and local development?
2. What are the (positive/negative) impacts of HSM on the local development in the sending regions/areas? How shall we measure/assess beneficial force of HSM?

3. How do highly skilled migrants view themselves? What are their migration experience and future plans? How do they feel in the country/region of arrival? How do they define their personal/work position? What are they relations with the home countries/regions?
4. What are the conditions under which highly skilled people shall be employed abroad to insure mutual benefits? Do appropriate/effective migration policies/instruments exist?
5. What are the policy implications for developing country local/regional government? What should the local government do to ensure positive impacts of HSM on local development?

## CASE STUDY

I will focus on a group of highly skilled migrants of Indian origin living and working in Italy. I will search for a group of highly skilled migrants coming from one specific Indian region/state/geographic area who live and work in Italy (temporarily/permanently).

In generally, extent of Indian emigration of highly skilled people is high in absolute numbers but low in relation to national stock. The emigrants are mainly scientists, IT experts and health workers. Public and government view and understand emigration as a necessary aspect of globalisation. However, they hope, migrants return back.

It is important to point out that India has a long record of special programmes for NRIs (Non-resident Indians). Diaspora make, especially, investments in govern. bonds, and high-tech parks in Bangalore and Karnataka.[ Khadria 2002]

A sample survey will be carried out in the region of Tuscany.

## METHODOLOGY

I will apply both qualitative and quantitative methods, including theoretical model building, case study, statistical research, survey and questionnaire.

1. Academic research: **bibliography, studies, papers, open sources** etc. Discussions with experts in the field, participation in the academic networks.
2. A **questionnaire, questionnaire on-line** and in-depth **interviews** with Indian highly skilled migrants living and working in Italy:
  - a) professionals and experts working for international/national organizations, business organisations, NGOs, research institutions and Universities in Italy
  - b) Indian PhD students and post-doctorate researches

## 1. Qualitative approach

- a) Analysis of existing bibliography, studies, academic papers - critical assessments. Particular attention will be paid to existing theories, and academic discussion in the field. If case, the comparative methodology will be applied.
- b) Case study – application of the theoretical model. In particular, the case study will be focused on highly skilled Indian migrants in Italy.
- c) Questionnaire, on-line questionnaire and in-depth interviews.

## 2. Quantitative approach

- a) Development of the index: *Index of Impact of HSM on the local development*. Different variables and inputs<sup>†</sup> will be defined. The propensity to emigrate, if high-skilled, will be defined (if possible).
- b) Survey, data gathering, evaluation and analysis of data on Indian highly skilled immigrants in Italy. I will compare survey-based and expert-opinion estimates with my own estimates based on local labour market data, data from NGOs, associations, research institutions and multinational corporations as well as not-registered civic groups. I will define different variables: age, gender, regions/areas of origin, professional specialisation, level of education, sectors of activity/academic discipline, migration experience, length of stay in Italy, etc.

## TOOLS & SAMPLE

The questionnaire will contain both quantitative and qualitative questions:

**Quantitative questions:** age, gender, regions/areas of origin, professional specialisation, level of education, sectors of activity/academic discipline, migration experience, length of stay in Italy.

**Qualitative questions:**

1. When and how did you arrive in Italy?
2. Please, could you describe briefly your migration project?
3. Why did you choose Italy?
4. How did you find the job/activity in Italy?
5. What kind of relation do you keep with your country/state/region of origin?
6. Are you a member of the Indian Diaspora?
7. Do you participate in any Indian network?

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<sup>†</sup> Social and economic variables (e.g. push and pull factors, costs, benefits, social and professional networks, length of stay, migration projects, remittances, direct investments, etc.)

8. What are your future plans?
9. Would you desire to return in your home country?

## **TABLE OF CONTENT**

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- Definition of: categories, concept, phenomenon of HSM and local development
- Formulation of: aim, hypothesis, questions
- Existing biography, research studies, academic debates
- Definition of problems and outcomes awaited (statistics, data, studies, etc.)

### **2. Highly skilled Migration**

- The right to free movement
- Temporary and contractual HSM – GATS and the EU, national / international / NGOs / business projects
- Permanent HSM - national programmes
- Transfers of skills and knowledge
- Analysis of existing theories: classical and neo-classical migration theory, brain-drain, brain-gain, brain-overflow, brain-waste, brain-circulation, brain-sharing, outsourcing of skills and knowledge
- New categories (if come out during the research)

### **3. Local Development**

- Theoretical approach to local development
- Local development and migration
- Economic development
- Human development
- Socio-political development
- Policy responses: retention, return, circulation of skills

### **4. HSM and Development**

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- Propensity to migrate (when highly skilled)

### **5. Local Policies**

- Policy responses to high skilled emigration: return of migrants, restriction of mobility, recruitment of international migrants, reparation for loss of human capital (tax),

resourcing expatriates (diaspora options), retention through educational policies, retention through economic development

- Policy options open to local governments

### **6. Case study: Indian highly skilled migrants in Italy and their impact on the local development in Maharashtra or Karnataka:**

- Statistics, quantitative and qualitative data

- Questionnaire, on-line survey, interview

- Data gathering, evaluation, analysis

- Testing the theoretical model

- Policy responses / options

- Conclusion

### **6. Conclusion**

### **Annexes, Statistics**

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