Migration in South and South-West Asia

A paper prepared for the Policy Analysis and Research Programme of the Global Commission on International Migration

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The analysis provided in this paper is that of the author, and does not represent the views of the Global Commission on International Migration.
1. The region: redefining the boundaries, and the backdrop

To undertake ‘South and South-West Asia’ as a single entity for studying international migration from a regional perspective would perhaps warrant a clear definition of the region and the sub-regions covered. The two sub-regions implied here are South Asia and South-West Asia. Whereas no classification called South-West Asia is available in the literature, the countries that could fall under this category of region by a process of elimination are only two: Afghanistan and the Islamic Republic of Iran. The Unesco’s Global Monitoring Report on Education for All 2003-4 includes them both as part of ‘South and West Asia’. UNDP’s Human Development Report covers both these countries under the definition of ‘South Asia’, whereas the World Bank’s World Development Report leaves the Islamic Republic of Iran out of South Asia and locates it in the region of ‘Middle East’. Since Iran could be said to be geo-culturally closer to countries of the Middle-East than to those in South Asia, and there would also be a separate GCIM regional study covering the Middle East (along with the Mediterranean), this study on South and South-West Asia would cover only the following eight countries: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. Further, for reasons of relatively smaller volumes of migratory movements, and also lack of data for the other countries, the focus would be on India, Pakistan, Bangladesh, and Sri Lanka. For brevity and convenience along with non-ambiguity, I have described the region by calling it simply South Asia in the rest of the study. Secondly, one also has to bear in mind that this study is not aimed at providing large amounts of empirical data or descriptive detail, which are otherwise available in some of my earlier works of the subject. Thirdly, in its quest for being an original work by not including studies that have been available in the public domain, only references are provided to established trends and existing material, without going through the contents all over again.

The region of South Asia covered by this study is a heterogeneous group in many ways, not to speak from the point of view of international migration only. There are similarities too among the countries, arising from the large density of population and extensive poverty in the region, often in contrast to the neighbouring East and South-East Asian region. However, let us look at the differences within the region. These differences are

1 Assuming that a minimum average level of education is a necessary condition for citizens to partake in international migration barring cross-border movement to neighbouring nations, Afghanistan, Bhutan, and Nepal do not come up as active partners. Maldives is a very small country anyway, and data are almost completely lacking, excepting for the kind of information saying, “close to 9000 Sri Lankans work in Maldives in Sri Lankan companies in tourism, banking, insurance, credit cards, management consulting and manufacturing” (RIS 2004) Asian Development Bank’s (2001) grouping of developing member countries have spread the eight South-Asian countries into four separate groups out of seven: India (along with China) in group 1; Pakistan and Sri Lanka in group 3; Bangladesh in group 4; Afghanistan, Bhutan, and Nepal in group 5, and Maldives in group 7. This study would thus focus on countries belonging to groups 1, 3, 4.

2 One justification for using this nomenclature could be borrowed from the grouping of the SAARC (South Asian Association for Regional Cooperation) countries (see, Section 4.2), wherein Afghanistan is not a member yet. Afghans, who have come back “home” over the last two years after eviction of the Taliban and years of exile now live as refugees in their own homeland (‘Afghanistan Today’, The Hindu, Nov. 2004). Some information on the Afghan Diaspora is available in GTZ (2004).

3 See Khadria references.
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 of the population, etc., intangible factors like political milieu, culture, values, and traditions may ask for very different policies for specific countries. With this qualification, let us look at the basic characteristics of the countries in the region.

Maldives and Bhutan are the two smallest countries in the region; first one a small cluster of tiny islands in the Indian Ocean south-west of India, and the second a landlocked country on the foothills of the Himalayas north of India and east of Nepal. Next in size are Nepal, a landlocked Himalayan state north of India, and Sri Lanka, an island country south of India in the Indian Ocean. Bangladesh, in the east of India, mostly lie in the delta of the Ganges and the Brahmaputra rivers flowing into the Bay of Bengal. Pakistan and Afghanistan are relatively large land masses in the South-West region of Asia, the former a landlocked country, and the latter to the north of the Arabian Sea. Finally, the South Asian region is dominated by India, whether in terms of landmass, population, or the gross domestic product. Consequently, whereas no generalization about the region can be made unless it applies to India, anything could also hardly be a regional generalization if applicable only to India. The analysis, therefore, has to be one that befits primarily the Indian case, at the same time takes care of the variations and the extent thereof in the other countries of the region.

At least a fifth of the humanity on earth lives in South Asia. 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. Agriculture has been the predominant sector of employment in South Asia, but 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 vocations and education that have currently become relevant to migration.

Historically, a common influence affecting the development strategy adopted by the countries in the South Asian region has been their colonial legacy. The intellectual and political thinking of the period linked 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 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 both above the range of 20-30 per cent, excepting for Sri Lanka, which had opened up in the late 1970s. 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, a stronger liberalization effort in Sri Lanka to 1977, and in Pakistan to 1978, comparable to India’s
first phase of domestic liberalization in 1980. Subsequently all these retracted -
Bangladesh in 1982, Pakistan and Sri Lanka in 1984, and in India in 1990. A second
wave of reforms began in 1989 for Pakistan and Sri Lanka, and in 1991 for Bangladesh
and India. Thereafter, in India, and to a lesser extent in Sri Lanka, 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. 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).

2. Overview of emerging migration trends in the region

Before analyzing in the next section, the key migration trends in the region, which to my
mind are three, viz., temporary migration, student migration, and the remittance
backwash flows, I may reiterate that I have deliberately desisted myself from analyzing,
beyond providing some references, the established trends of South Asian migration in the
twentieth century, as details could be easily found in the literature. Instead, I have tried
to highlight only the newer developments emerging over the brief span of the last four or
five years in the new, twenty-first century. However, leading up to the three key trends,
that I identify to be crystallizing in the 21st century - and breaking from the past, I
undertake below a directional stock-taking of the established trends, along with further
referencing of their analysis in the literature.

2.1 Intra-regional international migration amongst the South Asian countries

Although internal migration and internal displacement of people is outside the purview
of regional studies under this series, this exclusion is meant only with respect to the
individual countries concerned, and not to the region per se. Intra-regional migration is,
therefore, part of international migration in so far as the mobility of the people involves
the crossing of sovereign borders of the countries within the region. It needs to be
mentioned, however, that cross-border mobility of people to neighbouring countries
within the South Asian region assumes the character of internal migration, particularly in
those cases where passports and/or visas are not required by law, say for example,
between India and Nepal, or India and Bhutan, or Bhutan and Nepal. Also, there is
sizeable illegal migration even where visa is required, e.g. from Bangladesh to India, or
perhaps between Afghanistan and Pakistan. Some of these migrants have been too poor
to go to distant lands, such as the many thousands of farmers from Nepal’s valleys who
cross over to north-east India regularly during planting and harvesting seasons; or the
young women who were trafficked for sexual exploitation in the brothels of Mumbai4.

4 “Important movements such as those across Nepal-Indian border... have largely gone unrecorded and
are seldom reckoned in studies of migration in the region.” (IOM, World Migration 2003, chapter 11)
Assuming that half of the refugees would have joined the work force, the Japan Institute of Labor (2002) estimates of year 2000 for intra-South-Asian migrant labour stock are as follows: In India, a stock of 580,000 from Nepal, Bangladesh, Sri Lanka, Afghanistan, (and Tibet), possibly Bhutan included; and in Pakistan, a stock of 1200,000 from Afghanistan, and Bangladesh (and Myanmar). Even then, the Asian migrant population working in the region represents a rather insignificant proportion of the aggregate regional workforce. It is estimated that at the beginning of the new century they numbered about 6.2 million, i.e., roughly a million over the number of Asian workers in the Middle-east, and just slightly more than the total number born in Asia living in Western Europe and North America (IOM, 2003).

The migration flows within Asia and to other regions of the world excepting for North America and Australia consisted mainly of people recruited to perform blue-collar work. Technical and skilled workers comprised a tiny proportion of the migrant flows from Bangladesh, Pakistan, and Sri Lanka. In the case of India, the size of the share of the highly skilled within the South Asian region is difficult to predict since data concern registrations from people with lower educational qualifications only, and the receiving countries do not have well-structured data on immigration. In India, the law does not require college graduates (and also those who have previously worked abroad) to submit their contracts to the Protector of Emigrants for approval prior to accepting employment abroad.

The UN (2001) has projected that during the period 2000-25 the population of Bangladesh and Nepal will grow from 137 million to 211 million and from 23 million to 49 million respectively. “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 and Nepal to India” (India in the Twenty-first Century).

2. 2 Inter-regional international migration from the South Asian countries

2. 2.1 Eastward destinations

The uneven pace of industrialization in Asia (South Asia vis-à-vis South-East Asia) has led to greater and more diversified cross-border movements, involving varying migratory trends from the South Asian countries. Although many of the South Asian workers continue to trail the earlier migrants to the oil-rich countries in the Middle-East region for all kinds of service and maintenance jobs, house construction, store-keeping, security and guarding, etc., the 1990s saw more workers moving to better-paying jobs closer to home, notably in South-East Asia. Besides Japan, the more attractive destinations have been Hong Kong, South Korea, Malaysia, Singapore, and Taiwan. A large number of them also went to work in the plantations of Malaysia, or as domestic workers in Singapore, and in the building industry in South Korea. Sri Lankan women went to Malaysia, Singapore, and Hong Kong for the jobs of domestic maids, child caring, and house
cleaning. The number of Bangladeshi plantation workers in Malaysia rose considerably, and of the Nepalese construction workers in the Republic of Korea. Thus, the most sought after destination countries were not necessarily only the high-income countries like Japan, South Korea, or Singapore, but the middle-income countries like Malaysia or Thailand. Being more remote compared to from Sri Lanka or Bangladesh, Indian workers largely went to Saudi Arabia, Kuwait and the other Gulf states, but

Most of the twentieth-century migration in Asia thus had a bottom-heavy structure dominated by the movement of blue-collar workers. Since the mid-1970s, most people who left their countries in South Asia for work were recruited to perform jobs in construction, small factories, domestic services, and agriculture. Only a thin layer of managers, professionals and technicians, mostly those employed by transnational corporations, topped the pyramid of migration flows within and out of the region. The structure reflected the more rapid expansion of labour-intensive sectors like manufacturing and construction in the rapidly industrializing economies of South-East Asian region, as well as the social changes that was taking place. The unmet demand for labour in the early stages of industrialization there was for construction workers, assembly-line production workers, and the female migrant domestics who could replace women leaving household work to pursue employment outside the home. It was only in the 1990s, when the global competition in the development of computer software and IT equipment intensified that the demand for migrant labour progressively began to be more varied in technical and educational composition. Even there, as per the 2002 Japan Institute for Labor studies, migration of the highly-skilled from principal South Asian countries to South-East Asia comprises only those from India to Malaysia and Thailand. Thus, in terms of contemporary migration trends, what distinguished South Asia from other regions is perhaps the rapid growth of a market-led intra-continental migration to other parts of Asia.

2.2.2 Westward dimensions

Unlike the unskilled workers who mainly moved from the less to the more developed countries of the world, the highly-skilled moved in all directions - between the less and the more developed countries, among the less developed, and of course among the developed countries themselves. The emergence of Asia as the dominant source of highly skilled immigrants to North America, Europe, and Australia is well documented, and in this the recent competition for Indian IT workers highlights the importance of South Asia as a source of highly trained and educated migrant workers. In Britain, almost one-third of 18,000 IT professionals in year 2000 came from India (Khadria 2002). Close to 69 per cent of H-1B visa employees who, as per the US State Department, came to the US during 1990-97 were only from four Asian countries, and India in South Asia was one of the largest amongst them (See also Khadria 2004a, b). During 2000-04, with 245,000 Indian immigrants settling in the US, out of a worldwide total flow of 6.1 million over the period (in a cumulative stock of 34 million foreign-born) have ranked the fourth largest source, after Mexico, China and the Philippines (ET 26 Nov. 2004)
2.2.3 Immigration in the South Asian region countries

The movement of the highly skilled professionals into the countries of the South Asian region is clearly related to the flows of foreign direct investment (FDI). State policies provided specifically for the liberal admission of foreign managers and technical personnel needed to facilitate the establishment of subsidiaries or branches of transnational corporations. India has a relatively huge share of the population of highly-skilled immigrants in the region, many of them Non-Resident-Indian (NRI) returnees, no doubt due to its position as the hub of operations for many transnational companies, say in cities like Bangalore, and Hyderabad, or Gurgaon and Noida near Delhi. Similarly, Dhaka, or Karachi, and Colombo or Kathmandu will also have some immigrants residing in those countries, but their numbers are likely to be much smaller than in India.

To estimate the number of unskilled and semi-skilled immigrant labour, as per the 1991 Census, India had 5.7 million immigrants in a population of 816.2 million, comprising 107 males per 100 females, the ratio coming down from 114 per 100 in 1981 (6.0 million immigrants in 659.3 million population), and 116 per 100 in 1971 (6.7 million immigrants in a population of 528.6 million) (Dyson and Visaria 2004). These comprised the immigrants from the neighbouring countries in South Asia as well. The 2001 Census figures are yet not published. Similar figures for other countries in the region could be available from their respective Censuses. Large numbers of these immigrants are employed in the unorganised sector, and substantial numbers are illegal immigrants.

A much smaller component of migrants in the South Asian region comprises the foreign students. For the US students, India is the fifth most attractive destination in Asia (after Japan, China, Thailand, and South Korea), first in South Asia. In 2002-3, 703 Americans received credits from US institutes for study time spent in India. That is a rise of 12 per cent from 627 reported in 2001-2 (Open Doors 2004 cited in ET 15 Nov. 2004). “India is a strategically and culturally important country for US students. Knowledge of India is valued by universities,” says the Executive Director of the USEFI. Usefi has identified about 50 different India specific Study Abroad programmes that give American students a channel into India. These range from full-year to semester-long to just a few weeks. The wide variety of exchanges allows American students to choose from a range of options that stretch from the study of religion and culture to law, engineering, and the sciences. Apart from credit-granting programmes, many business schools in the US, like the MIT Sloan, have also begun to bring student groups to India. At the research level, the Fulbright Programme, which gives fresh graduates, post graduates candidates, developing professionals and artists from the US the opportunity to conduct study and research abroad. Among senior scholars, the number of applications to India is second only to Germany. In contrast, students show an interest, but India is still lesser known to them.

USEFI is working with India’s UGC and AIU to increase the flow of US students to India on study abroad programmes. However, as the ED points out, there are some informational and infrastructural problems that need to be solved, e.g., “US students are accustomed to having universities present information about the programmes they offer. In India, however, there is less of a culture of marketing to students.
2.2.4 The three key aspects of the emerging 21st century trend

(a) The primacy of temporary migration from South Asia:

Recent publications (OECD, 2004, Trends in International Migration 2003) testify that while growth of permanent settler admissions in the developed countries from the region have grown slowly, temporary worker entrants have grown more rapidly in the initial years of the twenty-first century. This has been the fallout of a new trend of emphasis on return migration as part of “effective migration management” policies, though not harmonized or similar, of the receiving countries in Europe and North America in handling irregular migration. Return migration here means the act of going back from a country of presence to the country of origin, and the policies vary in inducing different categories of return, e.g. voluntary, forced, assisted, or spontaneous etc.

In the case of legal migration, and particularly involving the educated and the qualified migrants, the British work permit, the German ‘green card’ or the American H-1B visa, even the proposed so-called ‘GATS visa’ are all examples of policies to encourage temporary migration of professionals rather than their permanent settlement. One key aspect of this trend of temporary or return migration, whether of irregular migrants or of legally admitted professionals, has been the higher turnover of migrants in the receiving developed countries.

(b) The primacy of student migration from South Asia:

I have elsewhere provided a country-wise account of student migration from India to the developed countries (Khadria 2001, 2002). The highly skilled from South Asia have come to the USA not only through the ‘employment gate’ but also the ‘academic gate’ as students, and in the latter case, Indians, and to some extent the Pakistanis, have dominated the scene. Figures collated by the US Institute of International Education’s Open Doors 2004 (HT, Nov 11, 2004) survey reveal that in 2003-04 India has retained its No. 1 position in the US university enrolments (followed by China, Korea, Japan, Canada, and Taiwan) for the third year in a row, despite a decline of 2.4 per cent in the inflow of foreign students into the US campuses - 572,509 as against 586,323 in the previous year. India sent 79,736 students, which is 6.9 per cent higher over the previous years. Pakistan with just one-tenth the number of students also ranked number seven, despite a fall of 9.8 per cent in a year. Indians now account for 13.9 per cent of the foreign students stock in the US. A majority of 79 per cent Indian students pursue graduate studies, while 17 per cent are enrolled for undergraduate programmes.

To kill two birds with one stone, i.e. to sustain expensive education, and meet short-term labour shortages, both the UK and the US have adopted a policy of allowing foreign

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6 See, IOM (2004, p. 10) for detailed description of the practices under these policies.
students in the British and American universities respectively to stay on and work, rather than return to their countries of origin on completion of their degrees. With the launch of the Science and Engineering Graduate Scheme (SEGS) on 25th October, 2004 which allows non-EEA nationals who have graduated from the UK’s higher or further education establishments in certain physical sciences, mathematics and engineering subjects within a 2.2 (second class honours) or higher degree score to remain in the UK for 12 months after their studies, in order to pursue a career, the UK government has made jobs easier for science and technology graduates of foreign nationality easier (ET 15 Nov., 2004). It has also made a British degree more attractive. Given the British colonial legacy in South Asia, a large number of respondents would be from India, Pakistan, Bangladesh, Sri Lanka, and Nepal. The launch of this scheme yet again reflects the British government’s strong emphasis on the current immigration policy of promoting managed migration. Says Richard McKee, one of the prominent Immigration Appeals Adjudicator at Taylor House, London: “This is really a continuation of the original ‘concession’ allowing students who had graduated in the UK to ‘switch’ to work permit employment. Of course, it is a prerequisite to have graduated in the UK in the first place. As this is a ‘switching’ category, most applications would be made within the UK. No doubt grads of UK universities can apply from abroad, if they meet the criteria of this scheme (within one year of graduation”).

The US has followed suit within a month. The Congress cleared a legislative measure allowing an additional 20,000 H-1B work visas to partly neutralise the slash in the annual quota of H-1B visas from 195,000 to the original level of 65,000 three years ago, from October 1, 2003. It, however, introduced an important caveat of reserving these 20,000 visas for foreign students passing out of American universities with masters or doctorate degrees. In addition, the US Congress also doubled the H-1B visa fee to US$ 2000, which has a component of US$ 500 “anti-fraud” provision, and the requirement that American companies will attest that an H-1B worker will not displace a US worker (HT, Nov 24, 2004). The three months lobby by US industry (led by leading US tech industries like Microsoft, Intel, HP, and Texas Instruments) and staunch opposition by

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7 See next section for analysis.
8 The need to set up this scheme has been highlighted in the review carried out by Sir Gareth Roberts, titled, “The Supply of People with Science, Technology, Engineering, and Mathematics Skills.” It highlighted that the UK was suffering from a shortage of physical science, engineering, and mathematics students at universities and (of) skilled workers in the labour market. As a proactive response to this, in Budget 2003 the government announced that from 2004 foreign students at UK universities graduating from specific courses would be permitted to stay in the UK for one year following their graduation to take up employment. The beneficiary must be able to maintain and accommodate themselves and any dependants without recourse to public funds and intend to leave the UK at the end of their stay (unless granted leave to switch in-country as a employment or self-employment category work permit holder, highly skilled migrant, business person or innovator). Those applicants who have been sponsored by a government or international scholarship agency will need to obtain written permission from their sponsor before applying for SEGS. The British Dept for Education and Skills (DfES) has created a list of eligible courses. See ET 15 Nov. 2004.
9 The initiative was taken by Sen. Saxby Chambliss and Rep Lamar Smith, both Republicans, through separate bills into Houses, finally tucked into Omnibus Appropriations Bill that was passed by Congress over the weekend (HT, Nov 24, 2004). It also tightened the provisions of the L-1 visa programme to prevent misuse, barring the holders from working for third party (ET, Nov 10, 2004).
Labour groups produced results that are seen to be benefiting several thousand Indian and other South Asians who are either waiting in American campuses or back at home. Says Sandra Boyd, who chairs the ‘Compete America’ coalition that lobbied for exemption, “It is counterproductive to educate these students and force them abroad to compete against us.” Obviously, like the SEGS scheme making a British degree attractive, the new H-1B quota would make the American degrees being sought after, and counter the decline of foreign student enrolments in the US.

The growing competition among countries like the US, UK, Canada, Australia, New Zealand, and Ireland, and even non-English speaking ones like France, Germany, and the Netherlands, are bringing even the Ivy League institutions to South Asia, particularly India, to look for the cream of students (ET, Nov., 24, 2004).

(c) The silent backwash of remittances from South Asia:

Remittances have drawn a lot of attention in the literature and debate as one of the positive fallout of international migration. In South Asian countries, remittances have grown very rapidly. (Clare Waddington, 2003). According to the IMF, remittances to developing countries were US$ 65 billion in 1999 (Martin and Straubhaar, 2002). Officially recorded remittances data show that they are concentrated in a few countries in each region. For example, India (along with the Philippines) received 65 per cent of inter-Asian remittances. Official remittances to LDCs more than doubled in the 1990s, but dropped for India in 1991 due to the Gulf war. Martin and Straubhaar (2002) calculate that at 1990s growth rates, remittances to these countries would be more than US$100 billion by 2006–7.

There are discourses on policies to promote remittances. But not enough attention is being paid to the utilization of remittances in the home countries. A more recent trend that I have drawn attention to elsewhere in a media debate and other fora is the backwash flow of remittances to the developed countries in the form of overseas students’ fees (Khadria 2004d). According to the Open Doors 2004 estimates of 2003–4, for two-thirds (67.3 per cent) of the overall 572,509 international students in the US during the year, the primary funding for education in the US came from the students’ ‘personal and family’ source. The home ‘government/university’, ‘private sponsor’, and ‘current employer’ supported another 6.7 per cent such students; the US sources supported only 25.7 per cent students; and international organisations sponsored a mere 0.3 per cent. Academic level wise, 81.8 per cent of the undergraduate students supported themselves, another 4.9 per cent by other home country sources; and the US sources supported only 13.2 per cent. The corresponding estimates for graduate students are 51.6 per cent plus 4.3 per cent home support and 42.6 host support, with international organisations

10 There are rare exceptions like the recently reported paper by R. Chami, and S. Jahjaj of the IMF, and C. Fullenkamp of Duke University (ET, Dec. 19, 2003)
11 During his recent visit to the UN meet in New York, the Indian Prime Minister Dr. Manmohan Singh, in fact, made an appeal to the developed countries to reduce their overseas student fees which are a multiple of the home student fees (HT, Oct., 2004)
supporting 1.4 per cent of them (ET Nov 15, 2004). The American economy thus reaps a handsome US$ 13 billion annually from more than 500,000 students who come to the US to study (ET Nov 29, 2004). Similar estimates for the UK and other countries in the EU, Canada, Australia and the New Zealand would substantiate the proposition that the developed immigration countries are already on the path to capitalize on the ‘trade in educational services’ even with GATS fully stepping in, and that there is now a new trend of a backwash flow of remittances out of the home countries of the migrants. Partly, the home countries’ policies (or lack of policies) are also responsible for this in terms of the governments being complacent and non-discriminating about exploring and exploiting the socially productive investment avenues for the remittances in sustainable home-country projects.

3. Problems, dilemmas and policy issues arising from the key trends

“Return migration has in recent decades emerged as a critical element of many governments’ migration policy…. ” The IOM’s latest publication on this theme of return migration pertains basically to managing involuntary and voluntary return of irregular migrants to their countries of origin (IOM 2004). However, lately in the 21st century, the issue of return migration has become pertinent also as a prospective antidote to the regular brain drain of knowledge workers, particularly in the context of international mobility of the information technology (IT) workers and the health professionals. This is an issue, which despite being largely uncharted so far, would perhaps be important enough for being included explicitly in the agenda of the Second International Symposium of the Berne Initiative, scheduled by the end of 2004, and other such policy efforts to neutralise the adverse effects of international migration.

The participants of the First International Symposium on Migration held under the Berne Initiative in June 2001 had concluded “that there are diverging interests and perspectives among origin … and destination countries …” (Bartsch 2004). The question that has been raised is whether it is possible “to identify these… as a basis for policy framework at the international level in order to achieve a better management of migration”. It is in this context that it becomes important to flag a few of these interests and perspectives, in particular of the destination countries.

Many destination countries in Europe receiving highly skilled human capital from developing countries including South Asia, like Germany receiving the IT professionals from India or the U.K. receiving the health professionals, have lately become conscious of the home-country losses through drain of resources invested in higher education on the one hand, and the vital skills that the higher education system produced in these countries of origin on the other. What remain uncharted in their blueprint are perhaps their own interests underlying their policy of promoting return migration as a solution to the brain drain problem. This has only become evident in an outcry when the return gets linked to

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12 Three years ago, the Indian government, for example, faced with a huge accumulation of foreign exchange reserve (which has amounted to US$ 125 billion in Nov. 2004) allowed a US$ 25,000 transfer of funds per annum by any single Indian citizen to anywhere in the world.
a booming outsourcing industry in South Asia, particularly India, and to generation of employment outside the developed host countries.\footnote{In the US, this could become as sensitive as being an election issue of the recent Presidential contest.}

Now the first thing about return migration is that it must not be understood as necessarily leading to a reduction in the volume of migration. On the contrary, it might lead to a higher turnover of migrants because the stakes seem to be low, for both the countries of destination and origin, in the temporary migration that results as a natural fallout. The destination countries would have no fear of large scale permanent settlement of increasing number of the foreigners’ stock under temporary migration even if the flow became higher and higher. In short, the policy of promoting return migration of knowledge workers is a policy of promoting temporary migration (involving 5-7 years’ stay) over their permanent immigration.

Socio-psychologically speaking, this, like a ‘safety valve’ suits the interest of those developed countries where racial xenophobia against the foreigners’ presence in the labour market often becomes a potential political headache for the state, say for example the reaction that the introduction of the German ‘green card’ for encouraging immigration of Indian and other IT professionals had received in the German labour market a few years ago. Although Germany had not promised any permanent stay-rights to the beneficiaries under the scheme, the name ‘green card’ being derived from the American green card, which allows permanent residence in the United States, might have created such desired impression to attract the aspiring knowledge workers from abroad to Germany (Khadria 2003b). It was another matter that it rather led to a far more serious apprehension amongst their native competitors in the German labour market.

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 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.

However, there is more to return migration than this only. There are other interests, which are beneficial to the destination countries exclusively – immediately in the short run, shortly in the medium run, and eventually in the long run. For stylistic consideration, I have elsewhere called these three destination-country motives as the motives of Age, Wage, and Vintage respectively (Khadria 2004a).

In those destination societies, where because of past policies or practices of stringent population control, the current age-structure of the population has become lopsided by a large presence of the aged, inward replacement migration of younger immigrants through a policy of return migration of the older immigrants would be an exogenously given remedy for quick correction of that bias in the population structure. Moreover, if young...
health professionals could be made to dominate the number of newer entrants, then that would help in taking care of the aging native population too.  

Secondly, a higher turnover of the managerial and technical knowledge workers replaces the senior and more experienced immigrant workers on the payroll of the employers in the destination countries. This helps the employers in destination countries keep their total wages-bill on immigrant workers low because the less experienced and younger workers are normally not paid as high wages and as many perks as the more experienced senior workers get. It also helps them keep their future pension liabilities low, an issue which dogs the polities of these receiving countries, particularly during the elections. Many multinational companies having subsidiaries in countries of origin of immigrants, therefore follow, and are encouraged to follow this principle of high turnover of professionals as a matter of general policy even while recruiting all knowledge workers in the subsidiaries from the local domestic population.

Thirdly, a higher turnover of immigrant knowledge workers in general, not necessarily limited to IT and health areas, under a policy of return migration has the long-term advantage of continuously upgrading the vintage-profile of its stock of knowledge workers. Because the students graduating from universities and institutions of higher learning in more recent years get an exposure to a later-generation and more advanced vintage of knowledge and technology, the human capital embodied in them is of more state-of-the-art nature than that in the preceding batches or generations of graduates. This provides a long-term benefit to the destination countries following the practice of sending back older workers to their countries of origin and replacing them with newer graduates from those same countries of origin. In fact, this practice is supplemented by the other type of temporary migration too – that of students from origin countries pursuing higher studies in the destination countries and then some of them deciding to stay on upon graduation. A captive population of fresh graduates is thus added to the revolving stock of knowledge workers, and they too are encouraged to go back to their countries of origin when over time their vintage becomes less relevant to the needs of hour.

The effects of such key trends in countries of origin have started becoming evident in terms of shortage of teachers in the technical schools. In India, the technical schools are facing a huge faculty crunch. It is not just the third rate polytechnics experiencing the effects of the trend. India’s biggest global brand, the publicly subsidised Indian Institutes of Technology (IITs), is starved of qualified teaching staff. By an estimate, some 380

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15 Foreign students graduating from this system have in the past gone on to fire some of the most seminal inventions and changes in areas of high technology, including the Pentium chip, Lasik eye surgery, Hotmail and Google, to name a few. See, ET, Nov. 29, 2004.
16 See Khadria (2004c) for proportions of doctoral students planning to stay on in the US after completion of their degrees. This US National Science Foundation data is available by nationality of South Asian Students.
critical vacancies at the seven IITs across the country have no takers\textsuperscript{18}. By next year, India will need 38,957 Ph. Ds to man academic positions, but only 12,772 would have earned their doctorates. This is because it pays to earn a degree and get started with a job if staying within the country. This is why the best of the IITians go abroad\textsuperscript{19}. Others go to the Indian Institutes of Management (IIMs) to earn an additional diploma in management, or take the public service examination to become bureaucrats. For almost 350,000 students who make it to the engineering schools every year, barely 350 go on to earn a PhD in technology within the country. Despite India’s so called technological prowess, the country lacks sufficient technical teachers. The IITs were originally set up to produce quality work force “to enable the future generation of engineers to become competent innovators, designers and product manufacturers”. With future teachers being wooed by the developed host countries, they reap the benefits.

The developing countries of origin in South Asia, particularly India, Pakistan, Bangladesh, and Sri Lanka, have been overwhelmed by the bandwagon of a return migration policy, which is apparently aimed at benefiting them in all respects. These destination countries have been totally complacent about the interests of the developed destination countries underlying these key trends, spanning all the three time-horizons. At the same time, these countries 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 is imminent, it is likely that in most cases 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 arises because of the constraints of the job of the spouse in the home country: Whether to resign when leave is not commensurate with the partner’s engagement abroad? It also arises because of the schooling of the children in the home country: Whether to withdraw them from school when admission/readmission is difficult in the country of origin? Under the circumstances, temporary migration might entail a compulsory separation amongst the members of the family, making the family ‘nomadic’, so to say, in character, and making the return of the worker too a type of ‘forced migration’, although all the decisions within the concerned migrant’s family seem to remain ‘voluntary’ (or what is termed as the “assisted voluntary return” that sounds contradictory in terms). Ironically, the element of coercion here is hidden and in-built into the policy itself of return migration. Unfortunately, the countries of destination as well as the countries of origin are oblivious of this aspect of the policy affecting the workers who participate in international (temporary) migration. The challenge of policy is that these are not limited to labour migration but to brain drain as well.

\textsuperscript{18} Indian government sources say that this is acute at the Kharagpur and Guwahati IITs.

\textsuperscript{19} See Khadria (1999a) for the survey results on brain drain from the IITs.
4. Policy responses of the stakeholders: multilateral, regional, bilateral, and unilateral initiatives

4.1 Multilateral initiatives:

When it comes to policy, the number of operational stakeholders in the field of international migration is reduced from three to two: The countries or the region of origin, and the countries or regions of destination. The role of the third stakeholder, the migrant(s) does not exist independently of the home country or the host country. It is in this context that the policy responses of the stakeholders to the key trends and issues become important to be analyzed. The policy responses could be seen to have been taking place at the various levels: multilateral amongst most countries of the world, regional among the countries of the South Asian region, bilateral between any two countries of the region, and unilateral by any single country in the region.

At the multilateral level, the General Agreement on Trade in Services (GATS) under the framework of World Trade Organization (WTO) is the most prominent current forum that involves policy responses directly affecting international migration of both students as well as workers. Of the four modes of trade in services, the First Mode, which is called ‘Consumption Abroad’, involves mobility of students for education overseas, a predominant form that now comes under trade in educational services. As I have pointed out earlier, the rising competition for foreign students, due not only to economic reasons but also because of the aging structure of the population in the developed countries, has been accompanied by initiatives in the marketing of higher education institutions. Such initiatives, sponsored by destination-country governments, universities, or private firms, include dissemination of information on the institutions recruiting students. For example, the so-called ‘education fairs’ are one of the most common mechanisms used by governments and institutions of the destination countries, either directly or through education marketing agencies, to attract the South Asian students. Similarly, the Fourth Mode, ‘Presence of Natural Persons’, refers to the ‘freedom’ for workers in countries of origin to move to other countries to provide services through temporary stay, not well defined but roughly for six to ten years period. The two modes of trade in services are thus supposed to cover international migration of people described as ‘natural persons’ (as opposed to ‘juridical persons’, which are the trading firms and companies). The scope here is limited to movement to and presence on foreign soil, of the ‘natural persons’, primarily for (a) the purpose of consuming or providing a service rather than goods, and (b) temporary stay rather than permanent residency.

For negotiating international migration of students and workers at the multilateral level, the South Asian countries would perhaps be better off in following a holistic approach rather than a piecemeal approach. Under such an approach of trade in ‘human services’,

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20 There are other multilateral fora, like the ILO under the UN system, or the IOM outside the UN system, which directly deal with various aspects of international migration. In South Asia, India is not a formal member of the IOM. The conventions under different UN bodies also involve multilateral negotiations, but keeping the novelty of GATS negotiations in view, the others are not covered by this regional study.
international migration could be described as ‘Movement of Embodied Human Capital’, comprising Modes I and IV in the GATS jargon, and thus incorporating the international migration of students, teachers and professionals from a developing country rich in these endowments, like those on the Indian subcontinent, to the developed continents like the north America, Europe, and Australia under a single umbrella. The counterpart, what I would call the ‘Movement of Disembodied Human Capital’, primarily covering Modes II and III respectively by way of large-scale ‘Cross-border Supply’ of the online courses and material through the Internet, and face-to-face supply of education by way of offshore ‘Commercial Presence’ of foreign universities and campuses of the developed countries in countries of South Asia.

The short-term implication of proliferation of foreign universities and their curriculum in developing countries of South Asia could be a simple gainful trade in a service. But the long-term implications could be indeterminate. In the long run, it may lead to at least two revelations:

First could be a rise in the brain drain from South Asia as the educational ethos and values of the students and their parents get guided by an ex ante choice in favour of pursuing that education, content-wise, which is likely to get internationalized in the labour markets of the developed countries. Such an impact has, in fact, been visible at least in India lately, for example, through a shift in the choice of the ‘majors’, by students entering the senior secondary schooling (after class X) and colleges in favour of subjects like commerce and marketable languages, and away from the sciences or social sciences over the last decade. In the post-graduate courses too, there has been a definite shift towards the business studies and away from the general university education.

Secondly, there hinges the large-scale infrastructure sustenance of the universities, the polytechnics, and other institutions of higher education in a developed negotiating country at the cost of those in the developing countries in South Asia through a period of domestic recession in the former. There is ample evidence of this in statements occasionally made by foreign educational agencies like the U.S. Educational Foundation in India or the British Council Division of the British High Commission in other South Asian countries.

The paradox here is between the short-run and the long-run implications. In the short-run, it seems the global physical presence of South Asian students, teachers, and professionals abroad would be gainful for the home countries in terms of employment, income, remittances and so on, but the long-run implications could be manifold. One could be the erosion, qualitative if not quantitative, of their capability to produce the kind of professionals, the doctors or even the teachers who train the very professionals or doctors that the world would like to import in future\(^\text{21}\). Another could be a simple domestic shortage of the professionals possessing generic skills applicable in all types of knowledge generating and research activities. A third could be the infrastructural challenge of hedging against the vulnerabilities of the supply and demand mismatches

\(^{21}\) The shortage of teachers in the Indian IITs mentioned earlier is a case in point.
when there are as frequent changes in the immigration policies of the developed receiving countries as they are taking place now.

One also must understand that the universities, the teachers, and the students that together make the educational service, are the inputs in the production of another intermediate input - the commodity producers or service providers; they are not similar to the final products that other services like banking, shipping, insurance, or telecommunications produce\(^\text{22}\). Given this dichotomy, the paradox between factor-endowment and factor-use inherent in student and teacher mobility as a form of trade in education services must be recognized and taken care of in the new knowledge paradigm that may emerge by the joint efforts of the destination countries and the South Asian countries of origin at the GATS negotiations.

Secondly, along with mobility of embodied human capital, what needs to be looked into even more carefully are the policies that determine the content and the curriculum of disembodied human capital the foreign universities supply through cross-border supply and commercial presence in developing countries of South Asia. It is crucial to make sure that these are geared towards the current needs and future requirements of capacity building in these developing countries rather than concentration of future global knowledge in the developed countries.

4.2 Regional, bilateral, and sub-regional initiatives:

There are regional and bilateral efforts of cooperation amongst the South Asian countries but none of these have explicitly covered the area of international migration, whether intra-regionally or with other regions, and countries of the world. There have been important issues touching upon the elements of international migration in the region, e.g. the issue of developing a network of fairly developed transport infrastructure amongst the member countries to facilitate better mobility of goods and people; or of bio-technology, which is a frontier area of choice for a career. However, perhaps the slow pace of trade liberalization itself under the SAARC regional framework has kept any direct reference to the issue of international migration from being taken up for policy. Going beyond a South Asian Free Trade Area (SAFTA) after 2010, the SAARC has set before itself a bold vision for all member countries to form a South Asian Customs Union by 2015, and South Asian Economic Union by 2020. There are also the prospects of a Monetary Union with a common currency, which will have a bearing on intra-regional mobility of the people of South Asia. The actual progress on these fronts has however been far from steady.

In the area of trade and investment liberalization, the South Asian region has been seen to be more intensive in bilateral linkages than regional, and this is being interpreted as a response of the member states to a rather slow progress under the SAARC framework (IRS 2004, p. 52). The bilateral Free Trade Agreements (FTAs) between India-Bhutan,

\(^{22}\) For an analysis of the ‘domain-distinction argument’ that lies at the root of this peculiarity of educational service, see Majumdar (1983).
Indian-Nepal, and India-Sri Lanka are in place; while India-Bangladesh, and Pakistan-Sri Lanka are in the process; and Bangladesh-Pakistan, and Maldives-Sri Lanka are at the contemplating stage. India and Pakistan have also got into a trade and investment cooperation agreement, but it is the bilateral negotiations on political boundary matters and cross-border terrorism that have overshadowed such issues.

Two sub-regional initiatives involving South Asian countries have also complemented the regional and bilateral initiatives. These are Bangladesh-Bhutan-India-Nepal Growth Quadrilateral Initiative (BBINGQ), and Bangladesh-India-Myanmar-Sri Lanka-Thailand Economic Cooperation (BIMSTEC), the latter involving two member countries of ASEAN, and thus forming a bridge between SAARC and ASEAN.

The most recent sub-regional initiative of EU-India Strategic partnership portends the larger role that India aspires to play in world affairs (Editorial, ET 11 Nov. 2004). India is the sixth country to conclude a strategic partnership with the EU - the others being USA, Canada, China, Russia and Japan. Pre-WTO Summit consultations are planned. It would substantially widen India’s international platform. Meanwhile, even the 25-member EU might use India’s advantage with the economic integration in South, and South-East Asia. Ireland and India are two of the biggest software exporters, and intellectual property right (IPR) consultations are planned. The EU will need to cooperate to realise India’s competitive advantage in a variety of high-value services when these are opened up for trade. India may ask Brussels to truly level the playing fields for all. For Indian IT majors, the India-EU business roundtable is yet another platform to deliberate issues that make the movement of IT professionals difficult (ET, Nov. 11, 2004). The EU has, despite a few relaxations, tough immigration laws. Industry experts in India are of the opinion that stringent immigration norms for Indian professionals are to blame for Indian the ITs not contributing to its potential in the EU. The mobility of IT professionals within the EU member-countries is hampered by the current work permit procedures. Residence permits, which in some parts of the EU are prerequisite for work permits, are often difficult to obtain. Often applicants have to produce birth and marriage certificates, which can be difficult. The industry would like a waiver of these requirements for IT professionals, who are on short-term assignments. Not only are the procedures tedious and tough to crack but these differ from country to country. Indian IT industry would paddle for uniform processes that may apply throughout the EU. Given the demand for IT workers, there is also talk of getting IT skills listed as a ‘shortage’ profession. This would bypass the need by EU employers to certify that the positions cannot be filled locally before for foreign skilled workers are employed. Other immigration issues to be pursued from the business round-table include the need to do away with the pre-employment requirements for obtaining work visas. The stringent norms for entry and exit for software professionals, as well as wage parity are also likely to be taken up. On the taxation front, the social security policies would come up for negotiations. The industry would like a waiver of the social security taxes for the short-term IT professionals. The percentage taxed as social security is high in the EU, whereas most Indian IT professionals would not enjoy the benefits of these taxes.

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23 See Khadria (2003b) on European policies.
4.3 Unilateral initiatives:

In Bangladesh, the governments have been more proactive in negotiating with foreign governments and major employers for their share of the labour market for expatriate labour. The Bangladesh government set up Bangladesh Overseas Employment Services Ltd. Similarly, Pakistan had established its Bureau of Emigration and Overseas Employment in 1971 which worked through labour attaches in the Middle East and a network of about 500 private licensed agents processing state to state labour contracts (Waddington 2003). In India, private recruitment agents operate within the structure of the Protectorate of Emigrants established the state. India has only recently institutionalised state capacity to respond to the crises, which lead to the repatriation of its citizens. These more proactive policies towards migration were developed following the repatriation of several thousand returnees from UAE to Kerala during the Gulf War. At the provincial government level, the Kerala state government set up a separate department to look at the problems of non-resident Keralites, their welfare and investment facilities in 1996. At the national level, the Report of High-level Committee on Indian Diaspora led to Indian government’s conscious efforts in building cultural, political and economic links with the PIOs (Persons of Indian Origin) and the NRIs (Non Resident Indians) (ICWA 2001). As a follow-up, the government also declared the annual celebration of a ‘Bharatiya Pravasi Divas’ (The Indian Expatriates Day) on 9th January from 2003 onwards. About the same time as the report was submitted, the recognition of the importance of Indian IT professionals and their migration had led to the creation of the Ministry of Information Technology, which along with NASSCOM deals with the issues concerning the Indian IT professionals’ migration to other countries. The present national government has constituted a separate ministry with a full cabinet minister to look after the issues relating to the Indian expatriates abroad. It remains to be seen what multilateral, regional, bilateral, or unilateral initiatives this ministry takes.

Irrespective of the various levels where policies related to migration are adopted by the South Asian countries, what is important for both the countries of origin and destination in this context is to be able to distinguish and identify the ‘painful’ from the ‘gainful’ aspects of international migration in migration management. Being aware of these tasks and the responsibility involved, the countries of origin need to make use of these in their ‘give and take’ strategy. They need to gear up to press for international norms in the multilateral negotiations of the GATS around the issue of movement of natural persons as service providers under trade, which is just another description for promoting the temporary entry of migrants. The vulnerability is the key aspect that should be taken out of international migration, whether as part of trade in services or otherwise, whether of the illiterate labourer or the highly skilled professional.
5. Experiences of policy, legislation, and practices: lessons to be learnt

“The vulnerability of migrants is not limited to specific situations or to unscrupulous people. It is embedded in a development system that relies on foreign workers for low paying and low status jobs. The system ensures that these foreigners are kept in that situation to provide continuity and flexibility to the labour market. Thus, attention to protection cannot be limited to the correction of specific situations. It must question the system that continues to produce situations of exploitation”24. The policy discourse in migration stops at the legislation of recommendations; when it comes to prescription of the laws and procedures the entire focus is on how to stop the exploitation of the migrants, mostly irregular and illegal migrants, in the hands of the vested interest groups operating in the migration space. Enough has been said about such exploitation, and about the loopholes in the policies for effectively combating such exploitation - be it because of ‘feminization, privatization, or regionalization’, the three contemporary features of labour migration the ILO would identify as not being adequately provided for in the ILO Labour Conventions or national immigration laws, and which would challenge traditional efforts to regulate migration25. The systemic vulnerability that is generated in South Asian developing countries for the legal migrants begins one step earlier than with this three-headed hydra: Literally at the doorsteps of the foreign consulates that issue the visas or the entry permits for the migrants’ entry into their countries. The humiliating experience that the so-called ‘off-white’ people (the ladies, the elderly, and the gentlemen alike) of South Asia are more often subjected to than not in their own lands by the ‘whites’ and their ‘brown sahibs’ in the consulates would perhaps require the likes of a Sir Richard Branson to protest and fight against on the ground that a ‘white’ would have never had it so, lying down26. The indignation of queuing up in a hostile environment - natural as well as man-made - outside the gate of the consulates in South Asia is degrading enough for these migrants to become vulnerable to any kind of misbehaviour, insult, threat, and exploitation that could be in store in the new land or on the way to it. The ‘visitor at the gate’, Mr. MITS (Man In The Street), could be utterly alone and vulnerable to the uncharted contours of a journey, which is made further uncertain by the frequently changing policies, legislation, quotas, and the practices of migration management in the destination countries. Stability of policy and dignity in the practice of that policy are perhaps two key elements which would go a long way in making migration ‘user-friendly’ not only in South Asia but equally in all other spaces too.

26 “Both malaria and AIDS are creating havoc in Africa and India (the subcontinent). They wouldn’t have reached the levels they are if they were a white man’s disease.... ” Branson further said in Delhi, “The creation of wealth is fine. But the businesses need to pay back to the society in a number of ways. ” (HT, Nov. 29, 2004). Even the 21st century paradigm shift in international migration from the work-seeking mode by the citizens of countries of origin to worker-seeking mode by the ‘wealth-creating’ employers in the countries of destination has not have led to a change of attitude of the this genre of diplomats manning the embassies and the high-commissions in the developing countries.
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