

CHAPTER I INTRODUCTION

A. Background

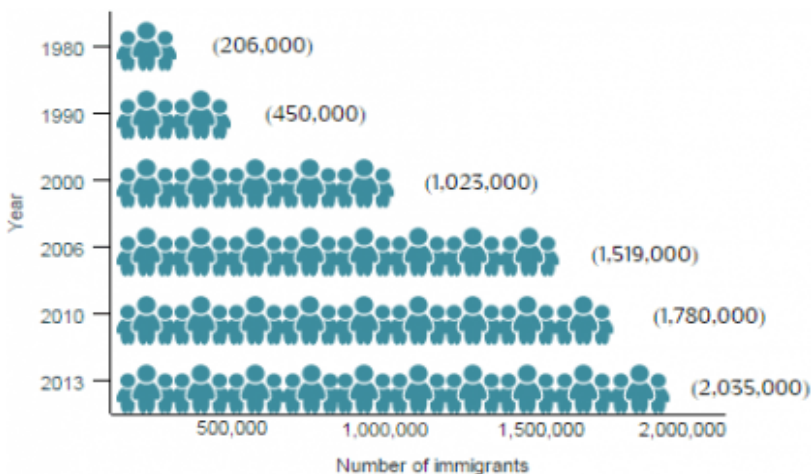
India has been known as the second largest state with a huge number of population in the world. The total population of India in 2010 was more than 1 billion people including 1.780.000 people who migrated from India to other countries (known as Non-Residence of India or NRI). Before 2010, the number of India's people migrated significantly increased and faced the exponential growth in early 2000 (Zong & Batalova, Migration information source, 2015).

The increasing number of India's people migrated was triggered by several factors such as, the small opportunity of workspace in India, the limited proper job for their specification, the unequal amount of salary in India to their job proportions or things the people have done, and the limited technology and facility supporting their job. They seek a better job, better way of living to fulfill their needs and life's quality improvement.

Moreover, the NRI does not only consist of the common citizen of India migrated from their country to look for a better living condition abroad but comprises a highly educated people i.e. scientists, engineers, doctors and the bright students of India who seek for a better education in developed countries (in this case, the United States became the top destination for the NRI). It was begun in the 1960s, where there were a huge number of highly educated people from India who migrated to the United States (hereinafter called the U.S). This is because, in that time, U.S gave the biggest opportunities for the citizens of developing countries, especially the highly educated people for instance scientists, engineers, and the bright students to get a better job, better life and better education system in the U.S. This phenomenon was called "brain drain phenomenon". The U.S government supported them by giving a lot of scholarships for the capable young people and gave a proper job specialization for the scientists, engineers, and doctors (Morning, 2001).

Many people of India in that time were attracted to those "American dream" offered by U.S government. It was proven by the enormous number of the immigrant from India to the U.S in that time. In the 1960s, the number of migration was around 12,000 from India to the United States (Zong & Batalova, Migration information source, 2015). Subsequently, the number of NRI migration increased exponentially as shown in Figure 1 1.1.

Figure 1 1.1 NRI Migration Population in the United States, 1980-2013



Source: Data from U.S. Census Bureau 2006, 2010, and 2013 American Community Surveys (ACS), and Campbell J. Gibson and Kay Jung, "Historical Census Statistics on the Foreign-born Population of the United States: 1850-2000", www.census.gov/population/www/documentation/twps0081/twps0081.html. Taken from <http://www.migrationpolicy.org/article/indian-immigrants-united-states>.

As the number of NRI migration was increasing from time to time, these phenomena became the concern for the government of India. The government started to feel insecure and anxious with this phenomenon, because India will lack good quality of human resources to build their infrastructure and economy if their citizen was more attracted to migrate from India to the U.S. In order to stop such phenomenon, the government of India begun their action to attract the NRIs to come back to India by some plans that later became a policy called **reverse brain drain policy**. India was the first country in the world starting the reverse brain phenomenon (Chacko, 2007).

The terms reverse brain drain or brain gain generally means people move reversely from the developed country to less developed country that is currently developing rapidly. In this case, those highly educated people from India who currently stay and work in the U.S before, are returning to their home country. By the returning of those highly educated NRIs, it offers a chance for India to grow and to develop more in every sector of economy, social and physical infrastructures. Moreover, it strengthens the transnational relations between India and U.S (Chacko, 2007).

Before the reverse brain drain policy was implemented in India, the number of highly skilled NRIs who returned to India still very low, especially for the scientists. From 2007-2012, there are only 243 people who returned to India from the U.S. However, from 2012-2017 the number are increasing to 649 people (Bhattacharya, 2018).

Furthermore, after the three years of Narendra Modi became the Prime Minister of India, the development of India increased significantly. This case especially happened in the science and technology sector, proven by the number of the NRIs who worked as scientists returning to India in enormous number. Stated by the Union Minister of Science and Technology and Earth Sciences of India, Dr. Harshvardhan on May 23rd, 2017 that “India has moved from the era of brain drain to brain gain as over 1000 Indian scientists have returned from

foreign countries to work in India.” The minister said that those returning scientists are the people who have a good intention to return to their home country and are interested in making betterment for India. (FE Online, 2017)

B. Research Question

Based on the background which has been written above, the writer formulated research question as the following: *What are the factors that influence the effectiveness of India's reverse brain drain policy to solve the brain drain phenomenon?*

C. Theoretical Framework

1. International Migration

Eisnstadt in Sinha (2005, p. 404) defined “migration as the physical transition of an individual or a group from one society to another”. The range of migration movement can be between rural areas to city, region to another region in one country and even one state to another state. The movement between one state to another state is called as international migration.

Furthermore, Çağlar and Maurice in Özden & Schiff (2006, p. 1) state that international migration is the movement of people across international boundaries which has enormous economic, social, and cultural implications in both origin and destination countries.

According to Lee (1966, pp. 47-57), the factors that lead to the migration are divided into 4 (four) factors. They are:

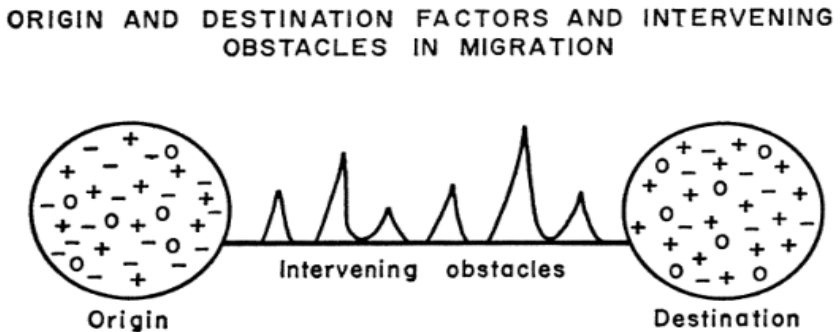
- a. Factors associated with the area of origin.
- b. Factors associated with the area of destination.
- c. Intervening obstacles.
- d. Personal factors.

Factors associated with the area of origin means that there are several factors influencing their decision to move from their place of origins, such as the improper infrastructures in their origin place and lack of job field. On the other hand, the factors associated with the area of destination are the factors that attract people to choose the country as their destination. The

intervening obstacles are the barriers that can hamper the migration process, for example, the distance between the destination place from their place of origins, or some restriction by the immigration laws. Personal factors are the individual reasons that encourage their decision to move (Lee, 1966).

Furthermore, he illustrated the first three factors into a picture to show the connection between them. It illustrates that both in the origin and destination place (country) have a different positive (+) factors and negative (-) factors that can attract or repel the people. There is also an O's showing that the positive and negative factors affect the other people in different ways (Lee, 1966). Shown in Figure 2.

Figure 2 1.2 Origin and destination Factors and intervening Obstacles in Migration



Source: Everett, L. (1966). A Theory of Migration. *Demography*, 3 No (1), 47-57. Retrieved June 03, 2017, from <http://www.jstor.org/stable/2060063>

Those highly educated people from India once decided to move and to stay permanently in the U.S, were trying to seek a better job with a better living condition there. Additionally, it was generated by the lack of proper social and physical infrastructure, the unsuitable working field with their job

specialties and the low amount of salary in India (Carrington, 1999).

Since the inauguration of Narendra Modi as the prime minister of India, the government of India started to concern about the NRIs. They initiate to approach and discuss with the NRIs who left India to pursue their dream in U.S. According to Jitendra Singh in Mukherjee & Dey (2014), the minister of science and technology in India stated that the government begins to conduct a conducive environment for the NRIs who works as scientist an advancement of technology to attract them.

These scientists, mostly coming back through different government fellowships, will be inducted in various reputed institutions and departments, including the Council of Scientific & Industrial Research, Jawaharlal Nehru Centre for Advanced Scientific Research, Bose Institute and many other research centers, mainly those funded by the government (Mukherjee & Dey, 2014).

Furthermore, to attract the other NRIs, the government promised the development of physical and social infrastructure in India, the improvement of jobs field specialization, as well as the number of salaries that commensurate with their income in the U.S.

2. Foreign Direct Investment

FDI and MNCs are two terms which are sometimes linked to each other. MNCs are defined as enterprises that open their roles internationally and build up and run companies in the host country. FDI (Foreign Direct Investment) is a form of investment that can be done by specific people or groups to maintain their own activities and broaden their target in another country. The form of investment means that the major actors of FDI belong to MNCs.

According to Cohen (2007), FDI is defined as a financial phenomenon that takes place whenever a company acquires 10 percent or more of the voting stock in a commercial entity

incorporated in a foreign country. He defines that one of the activities of the MNCs that is related to FDI is the acquisition or the merger of the company with the host country's company.

Practically, MNCs are planting their investment (FDI) in the host country in various ways. There are four types of the establishment FDI in the host country. Those are resource-seeking FDI, market-seeking FDI, efficiency-seeking FDI, and the asset-seeking FDI. Resource-seeking FDI is related to the activity of the MNCs to find a better resource and strategic foreign subsidiary. Market-seeking FDI is seek for the opportunity to broaden their foreign market in some countries. The efficiency-seeking FDI aim to reduce the cost of production. And the last is strategic asset-seeking which related to the competition between foreign company to acquire some or all assets to achieve their targets and minimize the competition in the host countries (Cohen, 2007).

The number of multinational cooperation in India has grown up significantly after the 1990s, it was stated by Chacko (2007, p. 134) "The liberalization of the economy in the 1990s encouraged foreign direct investment and the establishment of more offices by multinational firms in India". It was proven that many giant industries and MNCs in three main sectors in India are established. Thus, they included IT, Energy, and Pharmaceutical sectors. In the IT sector, there were IBM, Qualcomm, and Microsoft. An example of the prominent MNCs on energy such as GE Energy. In terms of the Pharmaceutical sector, they were Procter & Gamble, Pfizer and Johnson & Johnson (Make in India, n.d.). Those industries and MNCs. The establishment of branch offices in India improved the number of NRIs who returned and worked in India (Chacko, 2007).

D. Hypothesis

The effectiveness of reverse brain drain policy in India is influenced by these factors:

1. The promises from the government of India to give the NRIs a better social and physical infrastructure, a job that is suitable to their job specialization and a commensurate salary compared to that of U.S.
2. The increasing number of FDI (Foreign Direct Investment) and MNCs from the U.S that decide to establish their foreign subsidiary in India, requiring the highly educated NRIs to work in the middle and top-level position in there.

E. Research Method

This research will use the descriptive methodology. It is defined by Sugiyono (2003, p. 11), that descriptive research is the research that is done to know the independent variable value, one variable or more without making a comparison or connection with other values. In addition, the descriptive methodology used is the descriptive-qualitative methodology. A descriptive qualitative method is a part of qualitative research. This method can be defined as descriptive research and tends to use inductive analysis approach. The aim of this method is to collect detailed information, identify problems, make comparisons or evaluations as well as uncover the facts, phenomenon, variables, and circumstances occurred when the research is conducted.

The qualitative research method is a method that cannot be measured using numbers, statistics, or matters relating to the exact, but it is a research which is formed by the words, scheme, and pictures (Sugiyono, 2003, p. 14). Qualitative research method seeks for a depth understanding of why and how the phenomenon can occur.

This research employs a secondary accumulation method. Secondary accumulation method is a technique which is chosen by the author to find the reference from literature, journal, e-book, books, and newspaper. According to Arikunto (2006, p. 158) documentation is finding and collecting the data about the thing which is formed through notes, transcripts, books, newspapers, magazines, notations, agendas, and etc. The other information is from the internet or electronic media which is relevant to the research.

In this case, the qualitative-descriptive method is used to explain how effective the government policy towards reverse brain drain phenomenon in India. Moreover, this final paper uses the secondary accumulation method to support the author in this research.

F. Research Purpose

1. Objective Purpose

The study was conducted to explain the reverse brain drain phenomenon in India, to find out the effectiveness of India's reverse brain drain policy, and to analyze factors that support the effectiveness of India's reverse brain drain policy to solve brain drain phenomenon that occurs in India.

2. Subjective Purpose

In addition to the objective purpose of the study in which to increase the depth of knowledge of the author, this research is worth conducting because the author found out that this topic is interesting to explore. Furthermore, this study is also conducted as one of the final requirements to be met by the author to complete the study of undergraduate (S.1) and later earn a degree of S.IP (Bachelor of Political Science).

G. Scope of Research

To make the research more specific, this study concentrates on the implementation of policy regulating the reverse brain drain phenomenon from the government of India,

where reverse brain drain attracted its citizens who currently stayed in the U.S.

To facilitate the research, the data were collected in order to remain relevant to the issues. The discussion of this topic then started in or after the reverse brain drain phenomenon was being given much attention by India's government since 2010 until now. However, the research is opened for other relevant data outside the range as long as it supports the research.

H. Outlines

In writing this research into a final paper the author divides the thesis into 5 (five) chapters in which each chapter is interrelated.

Chapter I: This chapter contains an introduction part consisting of the background, research question, theory, hypothesis, research purposes, research method, the range of research, and the writing system.

Chapter II: This chapter contains the brief explanation and the history of brain drain, more specifically about India's brain drain phenomenon.

Chapter III: This chapter consists of several steps and methods used by the government of India to make the reverse brain drain phenomenon happened.

Chapter IV: This chapter will be implementing the theory about the factors that influence the effectiveness of India's reverse brain drain policy to solve the brain drain phenomenon.

Chapter V: Conclusion.