

CHAPTER V CONCLUSION

Since 1960, a lot of highly educated people such as scientist, engineer, doctors and even the prominent student in India decided to migrate from their home country. The people who migrated from India to other countries known as Non-Residence of India or NRI. Those Skilled NRIs seek for a better job, better social and physical infrastructure and better education system in the U.S. In the same time, the government of U.S gave a lot of opportunities for the highly skilled people from the developing countries to move to the U.S and developed their country. The government provides a job with a high amount of wages for the scientists, engineer, and doctors. They also provide fully funded scholarships for prominent students. This phenomenon called 'brain drain phenomenon' (Morning, 2001).

As the number of highly educated people who migrate to the U.S was increasing from time to time, this phenomenon became the concern for the government of India. The government believes that brain drain phenomenon brings more harm than good for India. Also, the existence of those people in the home country are needed for the development in India. 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 that starting the reverse brain phenomenon (Chacko, 2007).

After the inauguration of Narendra Modi as the Prime Minister of India in 2014, the government of India started to approach the highly educated NRIs that currently stay and work in the U.S. The government held a discussion with them aim to find the suitable solutions to attract them back to India. The government promises 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

the U.S for the skilled NRIs who return to India (Mukherjee & Dey, 2014).

To attract the skilled NRIs to return to India, the government of India decided to develop a conducive environment for them. In 2005, the government began to develop the Bangalore and Hyderabad city to become a high-tech city that suitable for the skilled NRIs. Both of Bangalore and Hyderabad have good social and physical infrastructure and a lot of job opportunity with the amount of wages that commensurate to that in the U.S (Chacko, 2007).

Furthermore, in the Education sector, since 2006-2007 the government of India launched a program called "Scholarship Programme for Diaspora Children" (SPDC) devoted to the students of Persons of India Origin (PIOs) and Non-Resident Indians (NRIs) from 40 selected countries. This program aims to attract and accommodate them to pursue higher education in India. This scholarship provided to 100 selected students with the distribution of 50 seats for PIOs candidates and 50 seats for NRIs candidates (Ministry of External Affairs Government of India, n.d.).

However, in the academic year 2015-2016, this program was revised with an extension from 40 selected countries to 66 countries (including 17 ECR countries), the number of quotas available for the scholarship recipients increase to 150 seats and the children of Indian workers in ECR (Emigration Check Required) countries allowed to apply for this scholarship. Until 2017, there are approximately 800 candidates awarded with this scholarship program (Ministry of External Affairs Government of India, n.d.).

The government of India was also trying to attract more FDI and MNCs to India. The existences of FDI in India started in 1991, where the liberalization of economy happened. After that event, the number of FDI and a foreign subsidiary in India slightly increased. To encourage more foreign investment and MNCs to India, the government took an initiative to revise the FDI policy in 2014. The government was increasing the limit for foreign investment in the insurance sector from 26% to 49%.

They also launched a program called 'Make in India' to improve their manufacturing sector. Hence, in 2015 the FDI inflow in India has increased by 48% and successfully attracted investment of \$31 billion. Thus, make India became the country with the biggest amount of investment in the world (Singh, 2015).

Furthermore, to accommodate a lot of FDI and MNCs in India, the government decided that the development of industrial and commercial sector should be centralized in the city of Bangalore and Hyderabad. In Bangalore, the government of India established STPI (Software Technology Parks of India) to support the exporting process for the software and IT development in India. The government gives a tax exemption or the software and IT companies that established in there for five years. The development of STPI gives an opportunity for the local software and IT companies to establish the companies in Bangalore. Until 2018, the amount of the STPI in Bangalore reach 529 units (Chacko, 2007).

Meanwhile, in Hyderabad, the government established Hyderabad Information Technology Engineering Consultancy City (HITEC City). It encouraged a lot of MNCs and local companies to open their companies in there. There are 1300 IT companies across Hyderabad that could provide an employment for 407,000 people. Due to the efforts from the state and city government in India to attracts a lot of foreign investment, the development of IT sectors and R&D sectors in Bangalore and Hyderabad successfully attract approximately 200,000 NRIs from the U.S to return to India every year (Chacko, 2007).

To prevent the brain drain phenomenon in the future, the government of India should increase the quality of their social and physical infrastructure to fulfill the needs of Indian citizens and provide a lot of job opportunities in there.

From this study, the author believes that the implementation of FDI concept in the government plans to attract the highly skilled people is effective. This should become the example for the other government from the developing countries about the importance of the highly skilled people for the development of their countries and the strategies to attract them back.