

Indian Immigrants and Global Knowledge Economy

Immigrants from Bharat, constituting the knowledge based Indian diaspora, serving across the world from Singapore in far east to the US in far west, have been visibly contributing for sustained progress and prosperity of the host countries, by adding to net economic value, higher GDP, job creation, intellectual wealth generation and by nurturing entrepreneurial ecosystem for the host countries. Therefore, the restrictions being imposed on the immigrant technocrats and skilled manpower from India by several countries these days, would cause unwarranted slowdown in the host economies as well as dampen the overall economic growth worldwide. India-born people and Persons of Indian Origin, are largely behind the success of a host of multi-billion dollar multinational companies as well as countries with demographic deficit, as key executives, Chief Executive Officers (CEOs) or as other professionals. The Indian CEOs of hundreds of companies like Microsoft, Google, Adobe, Soft Bank, MasterCard, PepsiCo, Citibank, Berkshire Hathway Insurance, Global Foundries, Cognizant, Net App, Herman International and so on, drawing hefty salaries between Rs 100-900 crore per annum, add several billions of dollars in the net worth and revenues of these companies and GDP of the host countries. In the US, even IPOs of those companies get more over-subscribed, which have Indian co-promoter(s). Thus, the Indian immigrants constitute the core for economies as value adding talents in the host countries.

The industrialized, as well as the industrialising countries are equally dependent over Indian immigrant talent as well as skilled manpower for a broad spectrum of their knowledge based sectors, to sustain employment, maintain economic growth and balance in the trade. As per the latest available data on immigrants, provided by the World Bank and the UN, India leads the world in sending immigrant manpower worldwide, with an outflow of 26 lakh people in 2015 alone, followed by China (18 lakh), Columbia (14.5 lakh), Lebanon (12.5 lakh) and Pakistan (10 lakh). The biggest host country has been the US, accepting 40 lakh in 2015 alone. There are countries, having unbelievably high percentage of immigrants in their total populations upto 80% and above, with all the riches and a very low rate of unemployment. Countries having very high ratio of immigrants in total population, have very low unemployment rate. Therefore, the restrictions being invoked on the entry of Indian technocrats and skilled manpower is futile and would prove counterproductive.

Scores of studies reveal that immigrants do not kill the jobs in the US or any other host country. Rather, on the other hand, immigrants help create more jobs as consumers, entrepreneurs and executives in the host country. They also create huge demand for housing wealth in the host country to trigger the entire construction value chain. A new research by Americas Society/Council of the Americas (AS/COA) and Partnership for a New American Economy (PNAE) has found that the 40 million immigrants in the United States have created \$3.7 trillion in housing wealth to generate manifold turnovers and employment into several allied sectors and downstream or front end value chain. According to a 2011 study, immigrants with advanced degrees or even with some skill, after going to the US, even on temporary visas have created more jobs for native-born workers

A study by American Enterprise Institute and the Partnership For A New American Economy, has analyzed state-level employment data from 2000 to 2007, and found that every 100 foreign-born workers, working with advanced degrees had helped generate additional 262 jobs for native-born workers. The study also found “that American States with greater numbers of temporary workers in the H-1B program for skilled workers and H-2B program for less-skilled non-agricultural workers had higher employment among US natives.” According to this study, the addition of 100 H-1B workers was associated with an additional 183 jobs for native-born workers, while the addition of 100 H-2B workers was associated with an additional 464 jobs for native-born workers. Moreover, it has also been found that the immigrants are more likely than natives to start their own businesses. According to a report from the Kauffman Foundation, “immigrants were more than twice as likely to start businesses each month than were the native-born in 2010.” Besides the immigrants fuel technological and scientific innovations. According to a report from the Brookings Institution, “the immigrants with advanced degrees are three times more likely to file patents than the U.S.-born citizens. This higher probability of investments in new businesses as well as in generating intellectual wealth through research, provides huge spillover benefits to U.S.-born workers by enhancing job creation and by increasing innovations”. Likewise a study of PwC and London First of immigrants in London reveals that each migrant worker in London alone, with full time job contributes an additional £46000 (equal to Rs 32,20,000) in gross value added (GVA)

per year to the economy. According to this study, a combined total of £83bn for all of London's 1.8m migrant workers is added, making up approximately 22 per cent of the British capital's GVA. The additional value generated by 10 migrant worker jobs will support additional four jobs in the wider economy, according to this report.

However, the migrants from Islamic countries, especially refugees, creating crime and rape scares, indulging in jihadi activities including suicide bombings in Europe etc., should not be clubbed with the Indian Diaspora, as the latter has been powering the economies of the host countries. There are even Nobel Laureates like Hargobind Khorana, Subrahmanyam Chandra Shekhar, Venkatraman Ramakrishnan, Amartya Sen etc. who had migrated to the US with Indian degrees and earned Nobel prize for their innovation. Indeed, from healthcare to space research and from FMCG sector to biotechnology and IT, the people of Indian Origin are the prime resource, not only for the US but for several industrialized nations.

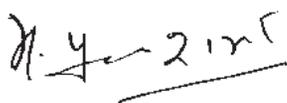
Therefore, by ignoring the contribution of the Indian diaspora, the countries ranging from Singapore to the US imposing restrictions over Indian immigrants, would dampen their growth. It would affect the bottom lines of Indian Companies less than the domestic companies of the host countries opting to restrict immigrants from India. If the US proposal to double minimum pay requirement for the H1B visa to \$ 1, 30,000 is enacted, it would severely affect the US corporate performance as well as the economy as a whole. Likewise, Singapore has also recently stopped issuing visas to Indian IT professionals and in November last year, the UK government had also tightened visa rules, making it difficult for Indian IT professionals to work there. The overall protectionist restrictions by countries deriving economic value from Indian diaspora would no doubt hit the bottom lines of Indian companies and remittances to India to some extent as well. But, the impact on the economies of host countries applying these restrictions would be much more severe.

Indian Diaspora is the world's largest today, at 1.6 crore as per the UN

According to the latest United Nations estimates, 244 million people, or 3.3% of the world's population, have been living in a country different than the one where they were born. Their number is even growing at a faster pace than the growth in world population, with enormous economic, social civilisational, Cultural and demographic repercussions for their native and adopted countries. Mostly, they are concentrated in just 20 countries.

Indians, who make up the largest diaspora as 16 million Indians are spread across the world, which not only reflects the country's demographic size (1.2 billion) but, its youthfulness with median age around 26 and top of all it constitutes the cream of talent to power those host economies. The effect of their absence can be enormous for those host economies. These, migrants tend to be mostly young, working-age people with high qualifications of high end skills, which can be a boon to countries like those in Europe where the native population is swiftly aging.

Estimates reveal that on account of superannuation alone in next 5 years, a deficit of 57 million is likely to be felt by the industrialized countries alone for manning various knowledge based sectors. Out of which, 43 million would be available from India alone. Even today, if we take the case of IBM, it has 1.12 lac Indians working in India and 43000 in the US out of a workforce of 1 lac in the US. Since India is also a recipient of around \$69 billion as private transfers i.e. NRI remittances. Therefore Indian think tanks and the Indian diaspora need to sponsor simulated studies to dither away the regimes across the host nations for Indian diaspora before they feel the brunt of restricting Indian migrants.



(Prof. Bhagwati Prakash Sharma)

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