

Migration and Diaspora Formation: Mobility of Indian Students to Developed Countries¹

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Abstract

There has been a continuous increase in the number of Indian students pursuing higher education abroad. The mobility of Indian students is not limited to the UK or the US, as it used to be a few decades back, rather several countries such as Canada, Australia, Germany, France, New Zealand and Singapore have also emerged as their favoured destinations. Huge expenditures incurred by the people of developing countries like India for a foreign degree can broadly be perceived as a form of investment for it is widely believed that a foreign degree helps in securing better employment and consequently higher remuneration. Many students pursue a foreign degree with an aim to access the employment market of the destination countries through the 'academic gate'. Although international students are perceived to be temporary migrants and are supposed to go back to their respective countries after completing their education but some host countries allow them to work as a strategy to attract more foreign students. A significant proportion of these students eventually add volume to the diaspora by turning into permanent migrants. This proportion is increasing year after year and therefore, the contribution of student migration in diaspora formation has become an important area of contemporary migration research.

Keywords: Migration, diaspora formation, international students, higher education, global cities.

I. Introduction

People have been leaving their places of origin for long in search of better opportunities. Depending upon various factors such as the kind of treatment and experiences received in the destination country, opportunities to come back to their homeland, their capacity to acclimatize in the new environment, etc., migrants decide whether to stay on or return back to their origin country. Although quite a few migrants return but a significant proportion tend to settle in the destination country, obtain its citizenship, and thereupon forming the diaspora. The term diaspora, originally confined to describe the Jewish communities living outside their 'promised land', i.e., Palestine (Baumann, 2007), has gained wider acceptance to refer to all kinds of displaced people/communities who feel or maintain their connection with the origin country.

Historically there have been various phases of emigration from India, characterized by the dominance of particular set of people and the specific channels used by them, which have

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resulted in permanent inter-country migration. The paper begins by identifying dominant features of various phases of Indian emigration and presents a detailed discussion on student migration from India with the aim of delineating its role in diaspora formation. Including introduction the paper is divided into seven sections. Section II contains a brief analysis of the distinguishable features of each phase of mass emigration from India to overseas destinations and its contribution in diaspora formation. Section III provides an overview of the mobility of students to the developed Countries. Section IV contains a discussion on the mobility of Indian students to developed countries. It also discusses student mobility to three most favoured destination countries, viz, the US, UK and Australia. Section V discusses the dynamics of student mobility and its implications for India. Section VI tries to establish how student migration ultimately culminates into diaspora formation. Lastly, Section VII concludes by reiterating the growing volume of student migration and the importance of student mobility in diaspora formation.

II. Migration from India and Diaspora Formation

In terms of numerical strength Indian Diaspora is the third largest, after the British and the Chinese, comprising 25 million people spreading over 130 countries (MOIA, 2007). The Indian diaspora has reached this distinction as a result of a long history of migration of its people over centuries driven by a variety of reasons such as colonialism, transnational trade, education, and globalization. People from Indian subcontinent have moved into different directions possessing differential amount of physical and human capital. But there are certain discernible phases of migration from India. This section provides a brief account of major migratory flows of Indian emigration and their contribution in diaspora formation.

1. Migration of Seers and Scholars

The first imprints of Indian migration, which is thousands of years old, consisting of saints and seers having a deep understanding of philosophy and Indian culture, could be traced to countries like Cambodia, Vietnam, China, Sri Lanka and Indonesia (Agrawal, 2001). For example, during his reign Emperor Ashoka sent his son Mahendra to Cylon and his daughter Sanghmitra to China for spreading the message of peace and non-violence. The spread of Buddhism in many countries of Asia is a testimony of such migration.

2. Migration of Indians under Indenture System

The first mass emigration of Indians, led by the 'British colonialism' (Jain, 1993), took place in the third decade of the 19th century and spanned over a century. During this phase Indian labour was imported, mainly under the indentured system, to fill the supply gap created by the emancipation of slaves in the plantations in British and other colonies (Appleyard, 1988). "About 3 million Indians migrated to different parts of the world between around 1800 and 1945. Of these, 2.2 million went to Ceylon, Burma and Malaysia; 420,000 to East Africa and Mauritius; 400,000 to the West Indies and Fiji; and 50,000 to the United States, United Kingdom, Canada and other countries. Nearly four-fifths of the Indian emigrants were agricultural labourers, who had little or no education, had endured uncertain and difficult economic conditions at home, and hoped that emigration would help them and their families escape the curse of poverty. Some of these persons returned to India when they experienced worse conditions in their adopted countries than they had at home, but most of them settled

permanently in their adopted country” (Madhavan, 1985). When their indenture agreements were completed, some immigrants continued to stay on plantations, while others moved out into the rural communities. It is the result of majority Indian emigrants staying permanently in their adopted countries that has brought significant changes in their demographic profiles and later on helped them to make considerable presence in social, economic and political spheres in many erstwhile colonies.

3. Migration of Merchants and Traders

During the 19th century, emigration of traders and skilled artisans from India to the East African countries presented a different pattern than the prevalent indentured labour system. However, when the local Africans showed reluctance, indentured labourers were brought to East Africa for building a railway from Kenya to Uganda. Later on, these indentured labourers were joined by voluntary migrants mainly traders and small shopkeepers who arrived to cater to the need of railway workers and the growing community of service providers. Many of these traders moved to remote areas and established little shops there (Jain, 1993; MOIA, 2007).

4. Migration of Skilled Workforce and Professionals

After World War II, especially after the end of British rule in India, large number of people emigrated to the industrial nations of Europe and North America. The United Kingdom, the United States and Canada have emerged as the main destination/ recipient countries for Indian emigrants. Due to the colonial ties between the two countries and English being the medium of instruction, particularly at the higher professional and technical education, the UK has been the main receiving country of Indian immigrants until the 1960s (Khadria, 2001). It was first overtaken by Canada and then by the US, which still retains the position of most favoured destination for Indian emigrants (Khadria, 1999:62; 2001). Because of being dominated by people having diverse professional specializations, such as, doctors, engineers and chartered accountant; emigration during this period was popularly termed as brain drain. These people did not experience the difficulties, which the indentured labour had to face in the destination countries. Also, in contrast to the emigrants of the earlier phase, majority of Indians who migrated during this phase were from the affluent society and possessed better productive and remunerative skills. They were the products of India’s premier institutions of higher and technical education like the Indian Institutes of Technology (IITs), Regional Colleges of Engineering, All India Institute of Medical Sciences (AIIMS), etc. These people have contributed immensely, at various stages, in the development of their destination countries. As per the law extending citizenship to migrants, many of them became citizens of the countries to which they migrated. As a result, Indian community in the UK stands at 1,200,000; in the US at 1,678,765; in Canada at 851,000 and in Australia at 190,000 (ICWA, 2001). Significant proportion of this diaspora belongs to the category of skilled professionals migrated in the post World War II period.

5. Migration of Indian Workforce to the Gulf

Though, Indian association with the Gulf region was established much earlier with the migration of traders and financiers from the Indian sub-continent, the massive extraction of petroleum products and the subsequent construction boom of the 1970s offered enormous opportunities for Indians to migrate to the Gulf countries. There arose an unprecedented demand for human resources in the region which could not be met by the local workforce and hence made the importation of workers in these countries inevitable. In response to this

demand large number of Indians migrated to the Gulf. The inflow of Indian workers in the Gulf changed the very profile of erstwhile settled Indian community of traders and financiers of Indian origin in the region as majority of them were low-skilled or semi-skilled. Pant (2001) estimated that out of the 3.3 million Indians engaged in different categories of economic activities 'about 70 percent are semi-skilled and unskilled, white collar employees including families are 20 percent, professionals including families are 10 percent. He further estimated that the largest number of Indian expatriates are in Saudi Arabia (about 1.3 million), followed by United Arab Emirates (1.2 million), Oman (336,000), Kuwait (260,000), Bahrain (140,000) and Qatar (120,000). Around two-thirds of the Indian expatriates to the Gulf hail from Kerala. Indian community in the Gulf not only contributes to the development of their destination country but also contributes significantly to their motherland by sending huge amounts of remittances (MOIA, 2007).

6. Migration under the Aegis of Globalization

The contemporary wave of globalization has been linking labour markets across borders and creating labour flows spanning global cities that are rooted in hierarchies of labour demand (Lowell and Findlay, 2001). Towards the last decade of the twentieth century, as most nation-states in the world moved ahead with the globalization agenda, new areas of labour demand have emerged in the developed countries. Many nation-states, which were earlier averse to immigration, are now looking for labour from developing countries. Besides, the aging of population in large parts of the developed world, and the consequent labour shortages forced these countries to import people for household jobs, driving, nursing, teaching, and other specialized services. Owing to the advantage of its demographic profile and knowledge of English language, India has emerged as the one of the most prominent country to fill the supply gaps in the labour-deficient economies of the developed world. Besides having emigrated to the traditional immigrant countries like the UK, the US, Canada and Australia, Indian professionals are now also welcomed in Germany, France, Japan, New Zealand, Denmark, Ireland, Korea and Singapore. The emphasis shifted from the specifics to the generics, i.e., skill composition for the labour in demand tilted in favour of the migrant professionals such as IT-professionals who were capable of applying their knowledge in more than one field of professional expertise (Khadria, 2001).

III. International Student Mobility: An Overview

There has been an unprecedented increase in the number of international students studying outside their home country in the last decade. The number of international students rose from 1.68 million in 1999 to 2.7 million in 2005, registering 61 percent increase during this period (UNESCO, 2006; University World News, 2007; OECD, 2007). This growth can be attributed *inter alia* to the factors like rapid economic globalization, internationalization of higher education, emergence of a tacit understanding in favour of exporting education to get foreign exchange (particularly in the developed countries) commercialization of higher education, increasing demand of professionals for filling the gaps in the industrial and service sectors having multinational presence. However, the most important factor leading to international migration of students to the developed countries is the desire for a better quality degree, having more market value and credibility which provides them a better standing in the labour market. The destination countries are now increasingly attracting international students not only for funds but also for long-term socio-economic benefits accruing from these highly-skilled migrants; a sizeable proportion of whom aim for long-term migration and happen to become permanent residents in the destination country. Hence, major flows of international

students are towards the developed countries for getting good education and better opportunities.

The destinations of international students are becoming increasingly diverse and they are now choosing both the developed and the developing countries. However, a majority of the students are moving towards the western developed countries for higher education. In 2005, out of the total number of students enrolled in tertiary institutions as foreign (non-resident) students, more than 2 million students comprising 52.4 percent of these were from Asian countries, just slightly below the population share of Asia in the world, i.e., 56.5 percent. Five countries, viz., the United States, the United Kingdom, Australia, Japan and Germany, account for almost 80 percent of the stock of foreign students. Members of this group of five also dominate as the countries of destination for students from Asia, accounting for 76.3 percent of total Asian students. Figure 1 provides a glimpse of the distribution of international students in most favoured educational destinations in the world. It is clear from the figure that nearly half of the international students (45 percent) go to the UK, the US and Australia, which clearly emerge as the most preferred destinations for international students while Germany and France account for 20 percent i.e. one-fifth population of international students (OBHE, 2007).

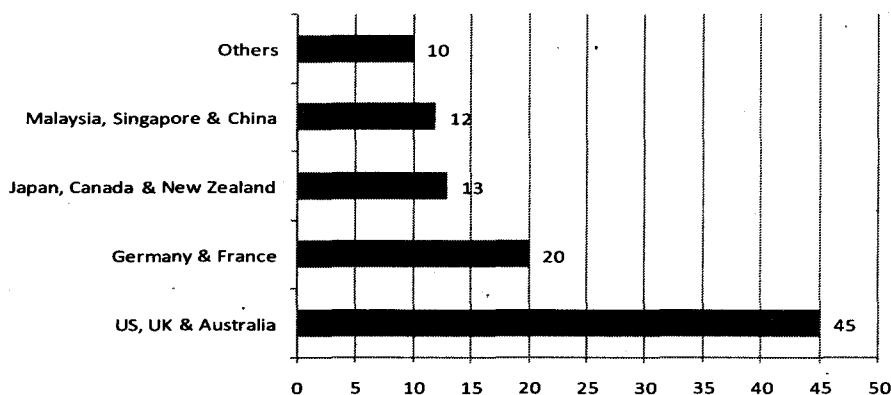


Figure 1: Distribution of International Students in Destination Countries (%)

Source: *International Mobility: Patterns and Trends, The Observatory on Borderless Higher Education, 2007.*

IV. Student Migration from India

Today, a larger number of people from India cross the national borders for foreign education than ever before. It is also called the other stream of skilled migration, apart from the one taking place through the “employment gate”, that has been taking place through the “academic gate” as growing pools of revolving students formed a distinct set of actor amongst the Indian migrants – the “semi-finished human capital” of Indian professionals abroad (Majumdar, 1994; Abella, 2006). The mobility of Indian students is not only limited to the countries that either have traditional ties with India like the UK or to the US that attracts the largest numbers of foreign students every year, rather in the past few decades, the movement of Indian students has been in more diverse directions like the European Union (e.g., Germany, France) and Oceania (e.g., Australia, New Zealand). These countries are competing with one another to attract students from developing countries by tailor-making their immigration policies that are suitable for international students. The growing competition among countries like the U.S., the UK, Canada, Australia, New Zealand, Ireland, and Singapore as well as non-English speaking countries like France, Germany, and the Netherlands, has brought even the Ivy League institutions to India, and to other South Asian

countries, to identify and select the best minds (The Economic Times, 2004). Figure 2 shows the distribution of Indian students among the various developed destination countries. Almost four-fifth of the Indian students migrating abroad for higher education went to the US in 2001 making it the top-most destination of Indian students. Australia occupies the second spot with 10 percent followed by the UK receiving 7 percent Indian students.

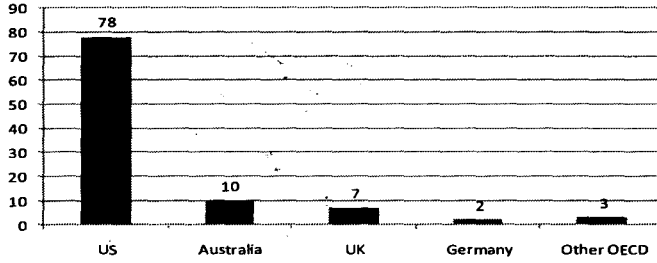


Figure 2: Distribution of Indian Tertiary Students in receiving OECD Countries, 2001(%)

Source: OECD Database.

Various reasons can be attributed to such a massive increase in the number of Indian students going abroad to pursue higher education. Firstly, Indian universities do not have the capacity to absorb all the applicants, especially in the professional courses. For a country of more than 1.1 billion people, there are only 400 universities. Approximately more than 90 percent of students who aspire for the Indian Institute of Technology (IITs) and the Indian Institute of Management (IIMs) admissions do not succeed due to capacity constraints, hence the top 40 percent among them go abroad for higher education (The Financial Express, 2008). Secondly, India's policy of positive discrimination in higher education reserving 50 percent of seats or as high as 69 percent in the southern state of Tamil Nadu for students from underprivileged and backward castes. So a large number of bright students belonging to the upper castes are not able to get admission in courses and institutions of their choice. Thirdly, a foreign degree is considered superior than a degree provided by most Indian institutions, and is valued highly in the job market. Fourthly, now the middle-class parents are willing to support their children's education in universities abroad and banks provide educational loans at low interest rates.

1. Migration of Indian Students to the US

The US has been the top most destination country of Indian students for higher education for about eight years in a row. Figure 3 shows that Indian students occupied 10 percent share amongst all foreign students enrolled in the US in 2001.

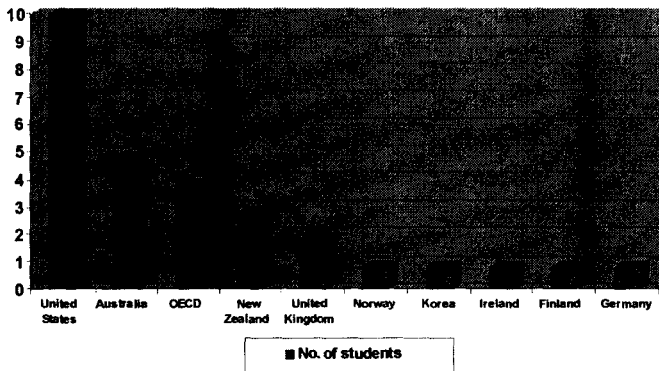


Figure 3: Share of Indian Students among all Foreign Students in Receiving OECD Countries, 2001 (%)

Source: OECD Education database.

Note: Excluding data for Canada, Greece, Luxembourg, and Portugal.

In 2004, however the share of Indian students amongst all foreign students in the US went up to 14 percent from 10 percent in 2001. Data collected by the US Institute of International Education's Open Doors 2005 survey revealed that in 2004–05 India retained its No. 1 position in the US university enrolments (followed by China, Korea, Japan, Canada, and Taiwan) for the fourth year in a row. In 2005–06, the numbers of applications from Indian students have been reported to have registered a 23 percent increase over the previous year, the highest amongst all countries (Hindustan Times, 2006). The US still continues to grow in stature as the most favoured destination for Indian students. According to the data released in November 2007, international student population in the US rose from 564,000 in 2005-06 to 583,000 in 2006-07 and for the sixth year in a row Indian students accounted for the largest number of international students in the US. According to a recent survey that monitors student flow, the population of Indian students in the US went up by 10 percent from 76,503 in 2005-06 to 83,833 in 2006-'07; the number has doubled in the last decade (Times of India, 2008). Moreover, Chennai seems to be one of the largest exporters in the country. 38,274 student visas were issued from across the country in fiscal year 2006-07 (October 2006 to September 2007), of which the Chennai consulate gave out 19,973. Correspondingly, between October 2007 and April 2008, 50,316 student visas were issued from across the country, of which the Chennai consulate alone accounted for 24,975.

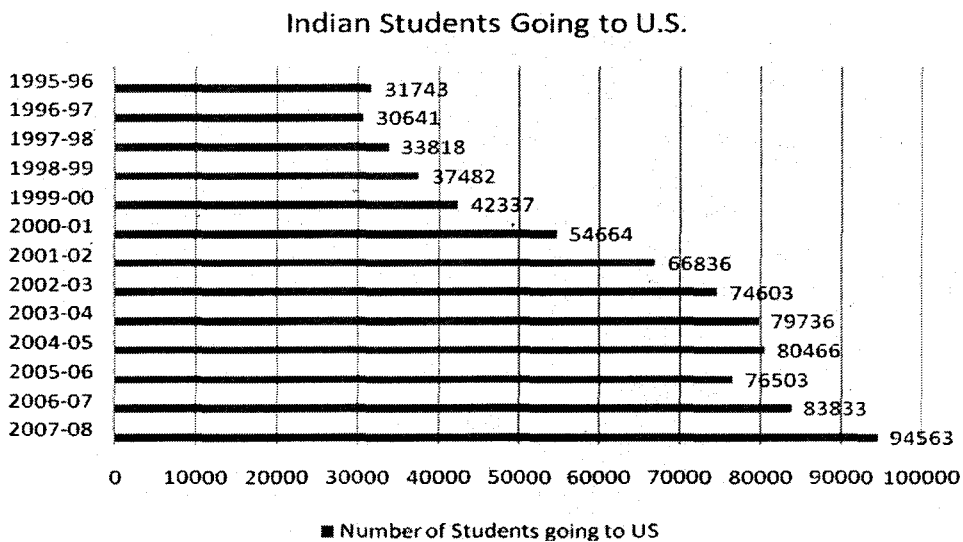


Figure 4: Number of Indian Students Going to the US

Source: Open Doors: Report on International Education Exchange (2004), An annual publication by the Institute of International Education.

Figure 4 shows that the number of Indian students going to the US has been increasing over years. Internationalization of higher education has been a major driving force for this. Also, with a rising middle class in India being able to afford foreign university programmes (either through family funding or through education loans) and universities actively recruiting them, Indians have become the largest group of international students in the US. One plausible explanation for this increase in the flow of Indian students to the US could be the acceptance of the three-year bachelor degree programme for entry to their graduate schools. Earlier, the US accepted students in its graduate schools only after they completed 16 years of formal education (12+4). Indian students were required to study one year of post-graduation

before they could take any entrance test to American universities. The change in rule was targeted towards opening the doors of higher studies in American universities to a massive Indian pool of B.A., B.Com., B.Sc. degree holders.

2. Student Migration from India to the UK

The United Kingdom is the second most preferred destination of the Indian students for two simple reasons, that is, its traditional relations with India on the one hand and the quality of higher education associated with the UK universities on the other. UK has a long history of hosting international students including India. In 1998 there were 3,300 Indian students in the UK (ranked at the 18th position) which rose to 10,900 students in 2003 upgrading its rank to the 7th position (British Council, 2004). At present, Indian students rank second, next to Chinese, among the number of international students going to the UK. According to data from the Higher Education Statistics Agency (HESA), the number of Indian international students in UK rose from 19,205 in 2005-06 (5.8 percent of total international students in the UK) to 23,835 in 2006-07. Britain attracts more foreign international students than any other country except the USA and is increasingly becoming the Athens of the global education economy (Indian Overseas, 2007).

In 2006, 19,737 student visas were issued by UK embassies in India. 26,551 student visa applications were received in 2005 in which there has been a 27 percent increase in 2006 with the numbers rising to 33,600. But Indian students in the UK have faced a lot of problems amidst uncertainties and volatility of its immigration laws. In 2006, large number of Indian students studying in British universities converted their student visa into Highly Skilled Migrants Programme (HSMP) category and they later on regretted their decision with a change in the immigration law. Many Indian students after completing post-graduation and other courses switched to Highly Skilled Migrant Programme as in-country applicants but the changes introduced by the UK government dismantled all their plans. Still due to its established reputation of quality education and the opportunity for better prospects, the UK attracts a large number of Indian students (Express India, 2007). In 2007-08, 25,905 Indian students were studying in the UK being the second largest group. One of the major reason for attracting international students is that British universities are virtually all now dependent - to a greater or lesser extent - on overseas students to balance their books, and foreign students are worth an estimated £4billion (Guardian, 2007).

3. Student Migration from India to Australia: A Case Study of Two Global Cities

Internationalization of higher education has become a trend as countries are utilizing their higher education sector as an export industry. Australia's internationalization of the higher education sector has been a success story and a growing number of countries are trying to emulate the Australian system. Australia has emerged as one of the most favoured destinations for international students during the last few decades. International education industry is Australia's third largest export industry contributing \$12.5 billion in 2007. Over a million international students have studied in Australia in the last ten years. The AEI enrolment data (2007) show that 455,185 full-fee overseas students, hailing from 217 countries, were undertaking Australian qualification (on a student visa) in Australia. Asia is the

main supplier of international students'. The shrinking of government funding was an important factor in the internationalization of Australian universities as it exerted pressure on the universities to explore alternative sources of financing. Universities found the perfect solution for their financial woes in recruitment of overseas students.

India has become the second top donor country for Australia's international education industry with 63.9 percent (between 2006 and 2007), and has recorded the highest growth in enrolments among the top 10 source countries followed by China (18.9 percent), Thailand (11.9 percent) and the Republic of Korea (11.3 percent). The data for international student commencements show a 25.9 percent increase between 2006 and 2007. India again showed the highest growth among the top ten countries with an increase of 87.8 percent from 2006. Figure 5 shows how enrolment of Indian students has increased rapidly down the years.

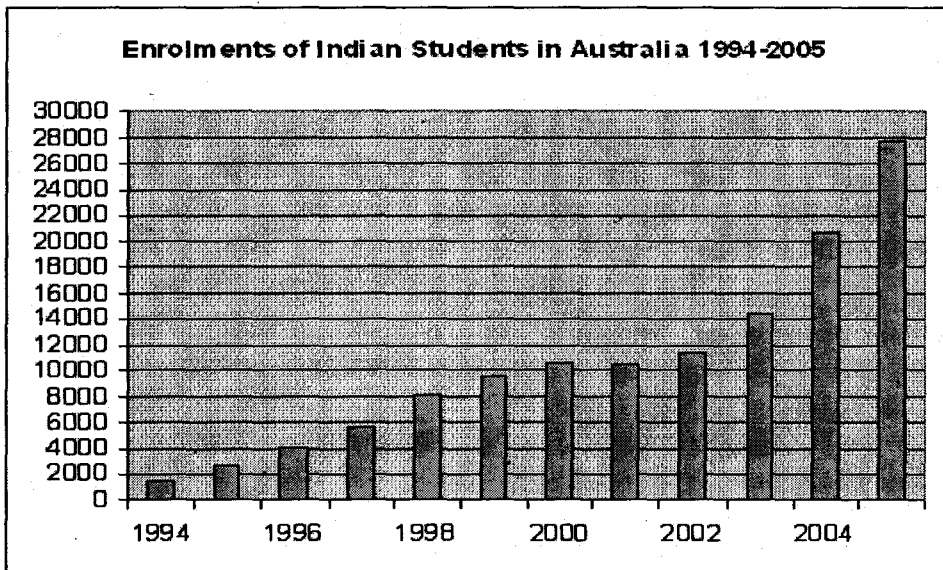


Figure 5: Enrolments of Indian Students in Australia 1994 - 2005

Source: The Australian High Commission (2007-08)

The figure shows that in 2005 enrolment of Indian students was around 28,000 and the percentage increase from 1994 to 2005 was unprecedented. The statistics for the year 2007 show that enrolments of Indian students have been over 59,000. Considering the period in the 21st century, the percentage increase in enrolments of Indian students from 2000 to 2007 is a mammoth 446 percent. Between 1989 and 1996, enrolment of Indian students increased by 863 percent; and the reason behind such a huge increase was that it grew from a low base. However, it was then predicted that India had the potential to become one of the highest suppliers of students to Australia and the present data confirm it.

Globalization has increasingly been transforming the world into a large global village. Global cities in different parts of the world have emerged as business and financial centers of the global market. They act as cultural hubs of the world by hosting international events associated to academics, world politics, sports, and culture. They also serve as gateways (by having international airports) to other parts of the world. They are home to renowned universities or have close proximity to intellectual hubs. These cities provide an interface between industry and education sector and are therefore, not only business hotspots but have

also become academic centers. The motive of international students who are migrating to foreign countries is not only limited to earn a foreign degree but also to gain foreign work experience in the course of time. Therefore, the cities that provide them a blend of world class universities as well as job opportunities in reputed organizations, top the list of the destination points.

Australia's two most populous cities - Sydney and Melbourne, are beta world city and gamma world city respectively. They are home to Australia's top universities and host the maximum number of university students. Immigration has always been an important factor in the growth of Sydney and Melbourne. Sydney is located in New South Wales and Melbourne is located in Victoria. The universities in Sydney are University of Western Sydney [UWS], Macquarie University [Macquarie], University of New South Wales [UNSW], University of Sydney [Sydney], University of Technology Sydney [UTS]. Deakin University [Deakin], La Trobe University [La Trobe], Monash University [Monash], RMIT University [RMIT], Swinburne University of Technology [Swinburne], University of Ballarat [Ballarat], University of Melbourne [Melbourne], Victoria University [VU] and Australian Catholic University [ACU] are in Melbourne. Twelve Australian universities feature in the list of 2007 THES-QS Top World 200 Ranking Times Higher Education Supplement University Rankings. Out of the twelve universities, six are in these two global cities, i.e., Sydney and Melbourne, each hosting three universities.

Sydney is one of the most thriving commercial centers in Australia accounting for more than 25 percent of Australia's economic activity. It has become a centre for large-scale business and financial transactions as well as IT&T and retail hub. In 1999, 70 percent of Australia's top 100 IT companies and two-thirds of the 50 largest computer software producers had their headquarters in Sydney (Sydney Media Fact sheet, 2007). Majority of Australia's Internet traffic is carried by NSW based Internet service providers. Another striking feature of Sydney is its Call Centre Industry. It is growing at a rapid pace and is being facilitated by Sydney's technological capacity and skilled multicultural workforce. Thus Sydney is the heart of Australian IT sector. In this era of globalization, business and financial services are not limited within the national boundary and the importance of global financial services is increasing. Sydney has become such an imperative financial center that it is considered to be among the top 10 world cities in providing finance, accounting, legal and marketing services to global clients. Two-thirds of Australia's banking and finance industry and almost three-fourths of financial services are based in Sydney. The headquarters of Australia's main financial institutions, e.g., the Reserve Bank of Australia, the Australian Stock Exchange and the Sydney Futures Exchange are located in Sydney. An overview of Sydney's commercial topography is that nearly half of Australia and New Zealand's top 500 companies are based in Sydney. Global corporations like American Express, Unilever, H. J. Heinz, IBM, Microsoft, Oracle, Compaq, Philips, etc., have made Sydney as their regional headquarters in the Asia Pacific region. Increasing number of companies are relocating their regional headquarters of the Asia Pacific region in Sydney. On the whole Sydney has become an economic and commercial behemoth and gateway to the Asia Pacific region.

According to Sydney Media fact sheet (2007), Sydney's economic growth rate for the period 1994 - 2001 was above 5 percent (about 1 percent above the national growth rate). The growth is commendable as it is the period of the Asian financial crisis. Sydney's unemployment rate in 2002 was 4.9 percent as compared to the national average of 6 percent. The city's financial sector is growing rapidly. Around 47.1 percent of Sydney's workforce is

employed in the financial and business services. In 2001, the Sydney Futures Exchange (SFE) was the second largest financial futures and options exchange in the Asia Pacific region. Further, the Australian Securities Exchange (ASX) in 2002 was ranked 12th in terms of size and 19th in terms of turnover, internationally. This illustrates the importance of Sydney as a major financial center in the international market.

Besides hosting Australia's three of the top ten universities, Melbourne is a major hub of commerce, industry and other cultural and sports activities. It has hosted a lot of international seminars and sporting events like the 'G20 Summit 2006' and the 1956 Summer Olympic Games, 2006 Commonwealth games, etc. Melbourne is referred to as the spiritual home of Australia's cricket and Australian Rules football. Before the federal parliament was shifted to Australia's capital Canberra, Melbourne served as the headquarters of the government since 1901 and is home to a diverse community, which consists of different groups of people living, working and studying in its suburbs. The composition and economic activity of the suburbs varies from each other. Melbourne has Australia's largest port and therefore is a major business and financial centre. It has headquarters of some of Australia's large companies like National Australia Bank (NAB), ANZ, BHP Billiton, Rio Tinto, etc. Melbourne is also home to a major part of Australia's automobile industry. Automobile giants Ford and Toyota have their manufacturing units and Holden has its engine manufacturing facilities in Melbourne. It employs one third of Australia's IT workforce. Australia's largest state of the art convention centre in Hilton Hotel has made Melbourne an attractive centre for domestic as well as international conferences.

Melbourne is also turning out to be a major educational hub in Australia. Melbourne has a student population that is 48 percent of the city's resident population. According to the data provided by the Department of Education, Science and Training (DEST) in 2002 around 17,713 students were living in Melbourne city, out of which 9,664 were international students. However, around 71,773 people were studying in the various institutions in Melbourne and it comprised 16,926 international students. From the point of view of the location of educational institutions and student housing, the City of Melbourne is well organized. Melbourne has 22 locations with dormitory style student accommodation with a total capacity of 2,653 beds and 18 residential buildings with a total of 1,991 student apartments (CLUE, 2002). According to the census of 2001 the City of Melbourne has 11,453 tertiary students with the highest number of students living in the suburbs of Carlton (2956) and Central Business District or CBD (2477). The reason being that both these suburbs have the highest number of tertiary educational institutions (Carlton has 6 while CBD has 15). On the whole the city of Melbourne has the capacity of 84,452 students in tertiary educational institutions (CLUE, 2002). According to the data provided by DEST, nearly 60 percent of overseas students living in Melbourne are in the age group of 20-24 years. This shows Melbourne's importance as a financial as well as education hotspot.

V. Dynamics of Student Mobility: Some Implications for India

1. Strategic Implications: Increasing Role of Education Fairs

The increasing reliance on the revenue generated by exporting higher education to international students has sprouted competition among the universities and many other higher education institutions across the developed countries. There is an extensive use of

various marketing techniques to attract more and more international students paying extremely high fees. One such technique is of conducting educational fairs in the source countries. In October 2000, four countries had held education fairs in Delhi and other Indian cities, and since then education fairs have become a regular feature in India. Now-a-days it is a frequent exercise by the overseas universities and educational institutions to organize education fairs for attracting Indian students. These universities conduct such fairs with the help of Indian institutions which act as middlemen and help in interfacing between students and universities. One such example is Edwise International which operates as Overseas Education Consultant and is involved in conducting education fairs, and providing other related services, where universities from various countries like Australia, the UK, the U.S., Singapore, New Zealand and others come together at a single platform. Educational fairs make the application, selection and other related procedures quick and easy for the aspirant students.

2. Economic Implications

In order to analyze the transformation of student migration to permanent migration one needs to look at the whole journey that an international student goes through. Although down the years technological advancements have brought places close to one another, the cost of studying abroad has remained a big hurdle for many of the aspiring students. Apart from academic or tuition cost, a student also has to incur the expenses on food and lodging in the destination country. Australia has an advantage in this respect as living costs and student fees are affordable and comparatively less than that in the UK and the US. In Indian case, a large part of the funding of a student's foreign education comes from their family source. In other words, the overseas students are mostly full-fee paying students. For India the emigration of students costs an annual outflow of \$4 billion (Jayanthi, 2007). The fees paid by the student migrants (who are mostly from developing countries) are a kind of 'silent backlash' of foreign exchange received through the much debated remittances, which are considered to be one-way flow of money from the destination country to the source country and the fees paid by the students is not properly enunciated (Khadria, 2006a). The heavy amount of expenditure by the people of India for getting foreign education can broadly be perceived as a form of investment in education, for people think that a foreign degree would help them not only secure better employment opportunities but also to enter into the employment market of the destination country through the 'academic gate' (Khadria, 2005). Also, there is a common perception that a foreign degree leads to better employment and consequently better remuneration package. In many instances, students make this investment with loans by mortgaging their ancestral property. They know that repaying the loan in India would be very burdensome on their families. Therefore, they desire to work in the destination country for at least a couple of years after the completion of their courses, so that they can repay their loan easily and make some savings.

VI. Role of Student Migration in Diaspora Formation

1. Student Migration Turning into Permanent Migration

It can be argued that international migration of students comes under the ambit of temporary migration. However, a closer look shows that this temporary migration transforms into permanent migration in the course of time. Down the years it has been observed that the

number of international students is increasing by leaps and bounds and they form part of the existing diaspora in the respective host countries at least in the short run. However, in the long run, some proportion of these students joins the workforce in the host country and thus become permanent component of the diaspora. This fraction has been increasing year after year and therefore, the contribution of student migration in diaspora formation has become an important area of research. Many of the international students generally try to remain in the destination country even after the completion of their courses *via* applying for jobs to get work visa, enrolment into another course, marrying a foreign citizen, etc. It is generally observed that the international students start looking for a job, in order to get a work permit to prolong their stay in the destination country. A job offer not only solves their monetary problems but also provides them an opportunity to earn foreign work experience, which adds value to their resume. The immigrant countries have been allowing international students to stay on and work after completing their courses, as against returning to their country. This serves two purposes for them: one of financing their expensive higher education and the second of fulfilling short-term labour shortages (Khadria, 2006b). So this not only attracts the students from developing countries primarily for education purpose but eventually results in their settlement in the destination country.

In Australia, there is a common perception about Indian students that they are more interested in acquiring the permanent residence (PR) status than the content of the course they are enrolled in. Baas (2006), while providing a detailed insight into various motives behind the enrolment by Indian students in Australian universities, argues that Indian students primarily come to Australia because of the possibility of obtaining a PR after completing their courses, i.e., studying in Australia is a way of settling there. He states that 73 percent of international students from India who completed their course in 2003 obtained a PR visa under the overseas student visa subclasses during 2003-04. The fact is that if the overseas student is under the age of thirty, has two years of education in Australia, graduating in a field that Department of Immigration and Multicultural Affairs (DIMA) defines as a sixty point occupation, or if the course is designated as a 'Migrant Occupation in Demand' (MODL), then the student has a good chance to obtain a PR.

2. Universities Acting as Immigration Routes

Today, many universities in the developed countries are formulating different strategies to attract students from developing countries like China, India, etc. In order to lure more student immigrants, governments in most of the receiving countries are also playing a facilitating role by making work and visa permits easier. Many education exporting countries are now allowing the students to stay for a few years and participate in their labour markets even after completing higher studies because recruitment of international students has several benefits for the receiving countries such as financing their expensive higher education and fulfilling short-term labour shortages. The receiving countries find international students not only as a major source of skilled human resources but also as means of gaining political mileage as foreign students become their long-term ambassadors in the international political arena. As the British Prime Minister, Tony Blair observed:

Wherever I travel I meet international leaders who have studied in Britain. Dynamic, intelligent people who chose Britain because we offer high-quality education and training. This is good news for the UK. People who are educated here have a lasting tie to our country.

'They promote Britain in the world, helping our trade and democracy.' (Quoted in British Council, 2004)

In the case of US, for example, one of the most important routes to become a member of the high-skill workforce is as a graduate student or as a post-doctoral scholar. Most foreign students and scholars enter the country with either an F1 visa, issued to full-time students, or a J1 visa issued to students and scholars in a field of specialized knowledge that enables them to participate in specialized training programs. During 2000-2004, between 600,000 to 700,000 persons annually entered the country on students' visa. Figure 3 shows that the proportion of doctoral students in the US who plan not to return to their home country is very large for the two largest origin Asian countries (GCIM, 2005).

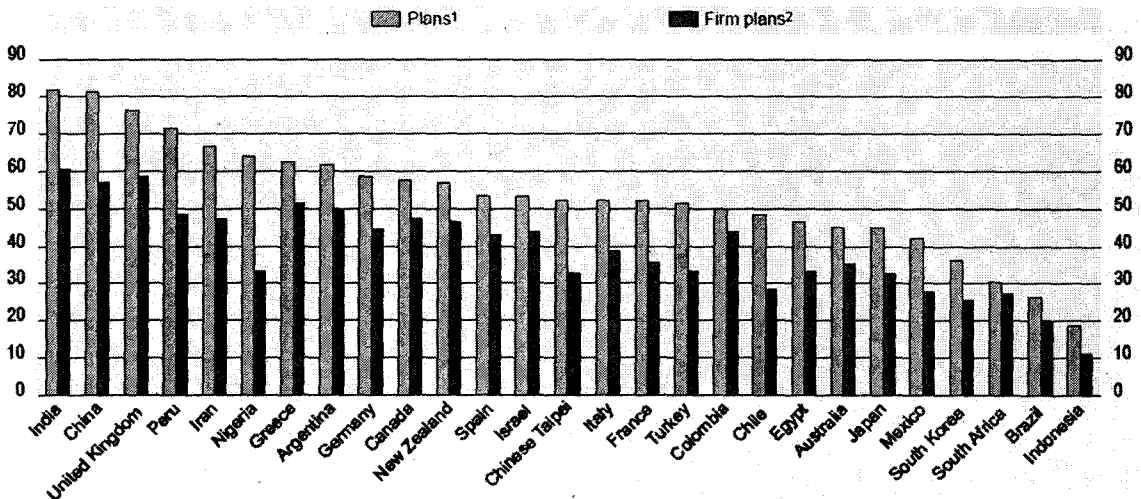


Figure 6: Potential and Effective Loss for the Country of Origin of Students who Finished Their PhD in the United States Percentage of Total Students (all fields of study), by Country of Origin

Source: *Science and Engineering Indicators, 2000* (cited in OECD, 2001).

Note: 1. Proportion of foreign doctoral students who intend to stay in the United States on completion of their studies.

2. Proportion of foreign doctoral students who received an offer of work from an American employer on completion of their study.

The figure shows that over 80 percent of Indian students who finished their Ph.D. in the US intend to stay there and more than 60 percent of Indian students have received job offer from an American employer after completing their Ph.D. Also, international students are welcomed by the developed countries and their contribution to the host countries' is being recognized resulting in policies to attract increasing numbers of international students, eventually turning into permanent migration and diaspora formation.

Baas (2006) classifies Indian students in Australia into three groups. The first group consists of students who did not consider obtaining a permanent residency when they got enrolled. These students come to Australia because they had to get admission in their first or second choice countries like US and UK owing to stringent visa regulations, high competition or high education cost. Australia provided them the opportunity to get higher education abroad at a comparatively low cost. However, during their stay in Australia they were influenced to obtain permanent residency from migrants around them. Some of these students who dreamt of studying in US or UK were unsatisfied with the quality of education in Australia and for them obtaining permanent residence was a kind of compensation for the huge investment they had made in their Australian education. A small section was also there

who liked the lifestyle in Australia and wanted to settle permanently there. The second group consists of students who always wanted to acquire permanent residence or certain work permit after completing their courses as they had planned to work in Australia for at least a couple of years. These students had taken heavy loans to finance their Australian education and for them earning money to repay their debts would be easier and less burdensome in Australia as compared to India. Apart from money they would also gain experience of working in an international work environment. The third group consists of people whose foremost endeavour was to acquire permanent residency and they migrated as students as it was an easy way to obtain resident status. This group of students contribute prominently to the expansion of the Indian diaspora in Australia. They basically take courses that provide maximum points according to DIMA and are enrolled in universities which are also called PR factories. Therefore sometimes, they even have to enrol for courses they are least interested in. Baas suggests that majority of Indian students come under the third group and that's why the notion in the Australian education sector is that Indian students are more interested in MODL and less in the course outline. Thus it can be observed that majority of students transform their temporary migrant status to permanent residents and become a part of the diaspora in the long run.

VII. Concluding Remarks

Owing to the importance of quality higher education in shaping their future, increasing number of students from developing countries are migrating to the developed countries. The growing economies of the south and south-east Asia are among the major sending countries and the universities of the developed countries like the US, the UK, Canada, Australia, etc. are competing with each other to capture a larger share of international education market. Since, education has become a highly profitable export good, governments in these countries are framing immigration and work policies to help their universities attracting international students and are supporting this sector to flourish. On the supply side, the universities have found a perfect alternative of dwindling government funds in the recruitment of international students (who are generally full fee paying students) to meet their expenditure. Thus a lot of emphasis is being put on the recruitment of international students. Global rankings have now become an annual affair which provide students an index to compare universities worldwide. Strategies are being designed by the universities depending on the characteristics of the market. On the demand side, students have a growing desire to acquire a foreign degree to achieve an edge in the labour market.

It is a worldwide trend that originally, the international students form a temporary component of the diaspora. However, the transition from temporary to permanent migrants is evident in large number of cases and this number is increasing over time. A student's educational voyage to a foreign country is not only an educational one only but way beyond it. One of the major factors that students consider before choosing their education destination is the kind of economic opportunities that are provided by it. As a result, the countries providing a combination of good universities and job opportunities top the preference list of international students. International students can be broadly clubbed into/under three categories. The first group consists of students who want to extend their stay in the host country and join the workforce in order to compensate for their dissatisfaction about the quality of education. The second group comprises those who want to stay and work at least for a couple of years in order to repay their heavy education loans. The third group includes

those who use the student visa to migrate and later on settle in the destination country as it is an easy way to acquire permanent residence. The members of this group are more like migrants who are interested in immigration rules rather than students interested in the curriculum. However, it can be clearly observed that student migration acts as a first step towards gaining permanent residence, ultimately leading to diaspora formation in the long run. In the context, student migration from India has emerged as a contemporary channel of diaspora formation, with Indian students being a major component of international students. Indian students migrate to a wide range of countries including the US, the UK, Canada, Australia, Singapore, Malaysia, other European and Asian countries, etc. Importantly, they not only represent India in the foreign countries but are also an important source for creation of social and human capital for India as well as the destination countries.

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