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From brain drain to brain gain: reverse migration to Bangalore and Hyderabad, India's globalizing high tech cities

Elizabeth Chacko

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Abstract This paper assesses the mutual impact of returning Indian-origin skilled workers on the cities of Bangalore (Bengaluru) and Hyderabad, which have emerged as India's leading "tech cities". During the 1970s and 1980s, there was concern that India was losing its educated workforce to the West, particularly to the United States through a phenomenon known as "brain drain". More recently, there is evidence that reverse brain drain is occurring, as U.S.-trained Indian professionals are returning to their home country in increasing numbers to take advantage of new growth and employment opportunities. The effects of this skilled, transnationally active labor force on various sectors of the economy, on the social and physical infrastructure of Bangalore and Hyderabad and in forging and solidifying transnational linkages between India and the United States are explored in this paper. This study also investigates the reasons why successful US professionals of Asian-Indian origin are returning to their home country via a series of personal interviews. The paper offers Bangalore and Hyderabad as "worldwide leading cities" with a niche status in the global Information Technology (IT) sector.

Keywords Reverse brain-drain · India · Bangalore · Hyderabad · Transnational migration

The cities of Bangalore (also known as Bengaluru) and Hyderabad gained recognition recently as leading centers of high tech industry and high level services. Located in the Indian states of Karnataka and Andhra Pradesh (AP), they are India's 5th and 6th largest cities respectively (Census of India 2001). Regional capitals that lagged behind more established industrial, financial and commercial hubs such as Mumbai, Delhi, Kolkata and Chennai, Bangalore and Hyderabad catapulted to their present status as modern metropolises of national and international significance in the 1990s. These cities are linked to the global economy through firms that develop software and hardware, call centers that meet the needs of firms located in the United States and in Europe and superior educational and research institutions (Heitzman 2004; Nair 2005; Ramachandraiah and Bawa 2000).

The transfer of financial capital and knowledge, and the political will of state and city governments to attract the assets necessary to transform metropolitan economies and infrastructure are considered critical to the rise of high tech cities. Equally important in the ascendance of Bangalore and Hyderabad was human capital in the form of highly skilled workers who included locals as well as returning first-generation Indian immigrants to developed countries. Additionally, even those immigrants who chose not to

E. Chacko (✉)
Department of Geography, The George Washington
University, 1957 E street, NW, Suite 512, Washington,
DC 20052, USA
e-mail: echacko@gwu.edu

physically relocate served as bridges, facilitating the transfer of technology, capital and expertise to the home country (Kapur 2002; Saxenian 2005).

This paper offers Bangalore and Hyderabad as emerging niche world cities that are increasingly linked to a global network through not just their economic activities, but their transnational high skill residents. Glick Schiller et al. (1995) define transnational migration as a process by which immigrants forge and maintain concurrent multi-stranded relations between home and host societies. This study investigates a special category of transnational migrants—successful Asian Indian professionals, who after spending years in the United States have returned to India. The emphasis in most studies of transnationalism is on immigrants from less developed countries who have settled in the developed world. This study's focus is the reverse; migrants from advanced societies who have moved back to a developing country, albeit their own.

This paper tells the story of return migrants and their relationships with and impacts on two emerging niche world cities by weaving together information from city governments, Indian media reports and personal interviews. All persons interviewed had been first-generation highly skilled immigrants from India to developed countries, most of whom had lived and worked in the United States but were currently part of a stream of reverse migration. The paper investigates the reasons why these high skill workers are returning to India and their effects on the infrastructure and cityscapes of Bangalore and Hyderabad as well as the social and economic structures of the two cities.

The analysis that follows draws on in-depth interviews conducted during 2005–2006 with 15 return migrants currently living in the cities of Bangalore and Hyderabad. I initially identified persons to interview through referrals from acquaintances in the United States and in the two Indian cities, and subsequently used the technique of 'snowballing' to contact other respondents. All persons interviewed were males who had been employed in the USA for periods ranging from 6 to 19 years and who ranged in age from 32 to 54 years at the time of the interviews. I communicated with my respondents in face-to-face settings, over the phone and via e-mail. The transcribed interviews were used to gain a fuller understanding of the reasons why some Asian Indian

professionals are returning to their home country and their experiences of reverse migration.

This study documents the migrants' experiences as they adapt as transmigrants and reintegrate into a receiving society that was once their home. It argues that returning high skill migrants bring with them knowledge, expertise, access to global networks and capital, but also a international sensibility that influences where they work, live and their expectations and vision of life in the Indian cities in which they settle. The return migrants' demands and expectations are mirrored in the highly paid jobs, gated communities with upscale facilities, improved infrastructure and unfortunately, also an escalation in disparities among the populations of the cities.

World cities, globalization and transnationalism

World/global cities have been defined using various criteria, most commonly, a disproportionate share of corporate headquarters and international financial services. They are also hubs for legal, accounting, publishing, advanced telecommunications and producer services, and command and control operations (Friedmann 1986; Sassen 1994). World cities have knowledge-based activities like research, education and the creative arts. They attract highly-skilled migrants (Beaverstock and Smith 1996; Castles and Miller 2003) who form transnational and highly mobile human capital. Such capital may be in the form of knowledge workers (Bathelt et al. 2004; Hospers 2003) or a "creative class" that through its ability to innovate can spur economic growth (Florida 2003). Highly skilled workers are attracted to and thrive in cities that provide a cosmopolitan environment characterized by diversity and openness (Yeoh and Chang 2001; Yusuf and Wu 2002). Quintessential world cities are thus not just nodes in the global network of economic flows but also centers of culture and media that set social trends (Friedman 1995; Taylor 2004).

The *Globalization and World Cities Study Group and Network* (GaWC), classified world cities in 1999 based on their "advanced producer services" into Alpha (full service) cities, Beta (major) cities and Gamma (minor) cities, while also listing urban centers that showed some evidence of world city status. In this typology, all Alpha cities were in the

developed world; South Asia did not have any Alpha, Beta or Gamma cities, although New Delhi and Mumbai were listed as showing strong evidence of world city formation.

In a 2004 recategorization, the GaWC group distinguished between global and world cities; the former being cities that were “well rounded” as opposed to the latter that had niche functions. Taylor (2005) noted that it was possible to have different kinds of globalization and that the agencies responsible for world city network formation include service firms, city governments, service-sector institutions and nation-states. In the new schema, Mumbai and Delhi acquired “worldwide leading city” status as urban centers with non-economic global contributions. However, drawing on Manuel Castells’ (1996) argument that the global city is a process, not a place, it is becoming evident that regional and local urban centers become integrated into a global network through both economic and non-economic functions. This idea has been reinforced by studies such as that of Breathnach (2000), who demonstrated that lower order urban centers like Dublin, Ireland, gained global prominence as they developed new transnational niche functions. The same is also true of cities like Bangalore and Hyderabad, with their increasing recognition as global centers of the IT industry.

Immigration from India: from brain drain to brain gain and transnationalism

Even though contemporary studies have demonstrated that late 19th century immigrants to the United States maintained ties with their home countries through remittances, return visits and communications, while a sizable number even returned permanently (Bodnar 1985; Wyman 1993), conventional theorization of immigration was largely assimilationist in its approach. Since the 1980s, increasing attention has been paid to the idea that international immigrants maintain economic, social, cultural and political links with their countries and societies of origin even as they become incorporated in the host country (Glick Schiller et al. 1995; Patterson 2006).

Under the umbrella of “transnationalism”, this paradigm posits that integration and assimilation need not result in the increasing distancing of the immigrant from his/her home country. Rather, as

globalization runs its course and the transfer of goods, capital, ideas and people becomes cheaper and faster, immigrants find it easier to construct and maintain ties across international boundaries. Transnational migrants are persons whose identities, connections and lives are tied to more than one nation-state.

High-skill workers migrate for a variety of reasons. Their relocation may be temporary (Baldwin-Edwards 2006; Beaverstock 2005) or part of a strategy for permanent settlement (Hazen and Alberts 2006). Some move to advanced countries to pursue higher education or conduct research in premier educational institutions and in sophisticated laboratories not available in the sending country (Hazen and Alberts 2006), others are drawn by the promise of a better standard of living (Cheshire and Magrini 2006) while still others are motivated by entrepreneurial desires (Portes et al. 2002). In global cities every where, highly skilled and highly mobile professionals, managers and entrepreneurs form a privileged transnational migrant group.

Indian immigrants to the United States in the 19th and early 20th centuries were few in number. The 1900 census noted 2,050 persons from India, while some 4,713 Indian immigrants are identified in the first decade of the 20th century. Most of these early immigrants were merchants and laborers who worked on the wharves, in mines, on railroads and as agricultural workers. Asian Indians began immigrating to the United States in large numbers after the Immigration and Naturalization Services Act of 1965 abolished the national-origin quotas that had been in place in the United States since 1924. In the aftermath of the 1965 Act that established preferences based on professional experience, education, family ties and refugee status, immigration from developing world countries in Asia and Latin America soared. The emigration of Indian professionals was triggered by the availability of jobs for trained engineers, physicians and scientists, the promise of a materially superior lifestyle, and also a shortage of medical personnel and engineers in the United States until the mid-1970s. Continued high levels of unemployment in India assisted the outflow. By 1990, persons who were born in India and living in the United States numbered over 450,000, an exponential increase from the approximately 12,000 persons of Indian origin noted in 1960 (Morning 2001).

As India's highly skilled and educated people emigrated, there was concern that the country was losing its educated workforce to the West, through a phenomenon known as "brain drain". Entire graduating classes of the prestigious Indian Institutes of Technology (IIT) left for graduate studies in universities in the United States in the 1970s and 1980s, many staying on to work after obtaining their advanced degrees (Morning 2001). The outmigration of India's educated population has continued apace into the 21st century. In 2004–2005, Asian Indian students in American universities numbered over 80,000, up from approximately 33,000 in 1993–1994 (USEFI 2006). India was the second highest source of legal immigration to the United States after Mexico in 2005, contributing nearly 86,000 permanent residents (USCIS, 2006). Indian nationals accounted for 14% of the visas granted in 2005 in the United States under the "employment preference" category, given to professionals with scarce and valued skills (US-DHS 2006).

However, reverse migration is also taking place. A growing number of U.S.-trained and U.S.-based Asian Indians report that they wish to return to their home country, and more are doing so (Kabra 2005). Members of a highly skilled workforce, they are returning to take advantage of new growth and employment opportunities in India, settling in its large metropolitan cities. Some of those who came back to India did so because jobs in the US information technology (IT) industry dried up in the aftermath of a slump in this sector between 2000 and 2004. Others were established professionals; permanent residents and citizens of the United States who returned after spending years abroad, bringing valuable work experience, entrepreneurial skills, access to global networks and even venture capital. Cities like Bangalore, Hyderabad and the suburbs of Delhi and Mumbai have become magnets for a stream of returning first-generation Indian immigrants from the United States. Particularly in the IT, biotechnology, research, and business sectors, these cities offer returning Indians career opportunities and familiar western-style work environments in their technology, business and industrial parks, research institutions and multinational firms.

The contributions of Indian high-skill workers to economic growth in the United States' IT industry, particularly in the areas of research, innovation and

entrepreneurship are acknowledged (Saxenian 2005). Now Indian professionals in the US have not only become primary drivers of knowledge and capital flows to India, facilitating financial and skill transfers (Panagariya 2001), but embody such transfers as they themselves return. The reverse flow is relatively small; it is estimated that some 25,000 IT professionals returned to India between 2000 and 2004 after working abroad (Nasscom-McKinsey Report 2005). But this group of returnees has a high profile and is a resource that is welcomed back by national and state governments.

The increasing density of transnational linkages between India and the developed world was precipitated by many factors. The liberalization of the economy in the 1990s encouraged foreign direct investment and the establishment of more offices by multinational firms in India. The Indian government promoted ideologies that supported an Asian Indian identity in its national's abroad and socio-cultural and economic linkages with the home country. New legislative and tax rules encouraged remittances from Indian citizens who resided abroad (Non-resident Indians or NRIs), while restrictions related to visas, investment and the purchase of property by Indian nationals who were citizens of other countries were eased. In 2004, the Government of India instituted its Overseas Citizenship of India program for those who had been citizens of an independent India, but held the citizenship of another country. Except for the right to vote, to stand for public office and to purchase agricultural land, those who obtained the Overseas Citizenship had the same rights as Indian citizens. However, following 1999–2000, which saw a large influx of computer professionals to the USA, job opportunities for software programmers and hardware engineers declined somewhat while US visa requirements became more stringent following the 9/11 attacks on the World Trade Center in New York and the dot com bust.

In the 1990s, an increasing number of traditional Fortune 500 companies as well as newer multinational technology corporations turned to India for software programming and development, call centers and back-office operations. India's revenue from exports of these industries is expected to grow by 25% a year to \$60 billion by 2010 (Nasscom-McKinsey Report 2005). Industry giants like General Electric, Microsoft Corp. and Dell Inc. rapidly

increased their workforce in India; many multinational corporations like Motorola, Larsen and Toubro and Siemens actively recruited Non-Resident Indians (NRIs) to work in their India-based operations.

Simultaneously, Indian IT leaders like Infosys Technologies, Wipro and Tata Consultancy Services increased recruitment and extended their domain to other parts of the world, setting up offices in the United States and Canada, Europe, East Asia, Australia, and the Middle East. Infosys Technologies recruited 25 Asian Indian graduates from premier American universities for its competitive 100-seat summer internship. Leading Indian technology firms also looked to hire Indians with experience in the United States for middle and top level positions and estimate that between 5 and 12% of job applications are from NRIs. Indeed, India's returning professionals have been categorized as "brain gain" or "brain circulation" and viewed as catalysts for economic and social development.

Bangalore and Hyderabad: reasons for return, motivations to stay

High skill workers interviewed for this study cite a combination of pull and push factors and personal and professional reasons that precipitated their decision to return to India. Most referred to positives in India such as exciting work, prospects for advancement and making a difference, a desire to return to their roots, hope for a lifestyle that allowed more time with family, and salaries that were commensurate with those in the United States in terms of purchasing power. However, a few of the interviewees also mentioned security concerns in the post 9/11 period, when Asian Indians who were mistaken for Arabs were urged to go back to their country or discriminated against. Incidents of this kind made the immigrants feel unwelcome; they believed that they were now viewed with suspicion and their loyalty to the United States questioned. The media focus on outsourcing of jobs to India also drew negative attention to the Asian Indian community. Concern that their children would become second-class citizens in the United States due to their heritage was an additional push factor for the sample of returnees, who sought jobs in Bangalore and Hyderabad.

Bangalore was conceptualized as a garden city in the early decades of the 20th century. With its cantonment, numerous gardens, parks and lakes and relatively cool highland climate, it was considered an ideal retirement city, particularly for military personnel. However, it also was an industrial and commercial hub. In post-independence India, Bangalore boasted many large public and private sector firms, ranging from those manufacturing textiles, foods and beverages, to engineering, electronics, chemicals and the aeronautical industry. It is the site of the Indian Institute of Science and various other prestigious scientific, medical and engineering institutions (Heitzman 2004; Nair 2005). The city of Hyderabad, in contrast, is over 400 years old; it was the capital of pre-independence India's richest feudal state. Still known for its gardens, culture and trade in pearls and other gems, the stately old city has acquired contemporary glitz and amenities as it has grown and modernized. Today, it is in the national spotlight for its IT sector, biotechnology research industries, medical facilities and excellent schools and universities (Ramachandriah and Bawa 2000).

Bangalore and Hyderabad became magnets for returning IT, finance and management professionals for a number of reasons. Behrman and Rondinelli (2002) state that in response to globalization, many cities develop specific cultures to woo high-tech professionals, investment and businesses. This is the case with Bangalore and Hyderabad, where local governments, private and public sectors and skilled personnel converged to develop the economic bases, infrastructure and cultures necessary for their transformation and development. The cities have acquired "trade recognition" as hubs in the Indian and global IT industry.

There has been a rapid increase in the number and strength of the financial, industrial and commercial linkages between firms and institutions in Bangalore and Hyderabad and those in the developed world, in part due to the efforts of state and city governments, which offered incentives to business enterprises and institutions to locate in their city. Tax breaks, the setting up of special economic zones and the development of suitable infrastructure made the cities attractive to prospective IT firms (Government of Karnataka 2006).

With the shifting of many Research and Development (R & D) centers of American technology firms

to India, there has been a renewed emphasis on developing local technical, scientific and professional institutions. R & D units in India have proliferated, filing more patents than Bell Labs, a premier global research organization (Sheshabalaya 2005). No longer considered merely locations for cheaper call center operations and back office work, Bangalore and Hyderabad have developed into important R & D sites.

Providing training to work in the R & D centers are the technical and professional schools in Bangalore and Hyderabad, which have increased in number and stature. In addition to the Indian Institute of Science, Bangalore has additional research institutes such as the Defence Research and Development Organisation, ISRO Satellite Centre, Centre for Artificial Intelligence & Robotics and the Raman Research Institute. Among Hyderabad's premier institutes are the International Institute of Information Technology, the Indian Institute of Chemical Technology and the Centre for Cellular and Molecular Biology. In 1999, the new Indian School of Business (ISB), affiliated with the London School of Business, Wharton Business School and the Kellogg School of Management was established in collaboration with the AP government and a group of Fortune 500 entrepreneurs. Plans for a new campus of the Birla Institute of Technology and Sciences in Jawaharnagar on the outskirts of the city are well underway. The government of Andhra Pradesh plans to develop the area around Hyderabad into a "Genome Valley", with cutting-edge biotechnology research and development as well as production through public-private partnerships.

Returning NRIs are an important part of the scheme to develop scientific and technical know how and output. Bangalore, acknowledged as India's premier high tech city was a natural choice for returning Indian professionals. Twelve of the 20 top IT software and service exporters from India in 2005–2006 had their headquarters in Bangalore, offering numerous job opportunities. Some 95% of international companies in Software Technology Parks (STPs) in Bangalore were run by Indians who had lived and worked abroad, mostly in the United States (Kapur 2002). Approximately a third of the employees working in R&D at General Electric's John F Welch Technology Center in Bangalore were returnees from the United States (Ryan 2005). "This

(Bangalore) is where the action is—the challenging projects, the cutting edge work, the excitement of tackling something brand new that's just getting off the ground" says a consultant with a master's degree in computer science and over a decade's experience with an American technology firm. An engineer who returned to the city after spending six years in the United States said, "In the past if you had an IIT (Indian Institutes of Technology) tag, it boosted your career. Or better yet, an IIT and top U.S. university tag—it still does. But there is also the Bangalore tag. If you are a tecchie and have worked in this city, it prepares you for work anywhere in the world. Companies want people with Bangalore experience. It rounds off your resume".

The AP government is also active in promoting the image of Hyderabad as a high tech city. It intends to attract scientists and engineers who are currently engaged in research, academics or manufacturing in the field of biotechnology in the US back to the home state (Iype 2004). Andhra Pradesh has produced a large share of Non Resident Indians (NRIs) and a large percentage of software engineers who have been trained in the United States. In the late 1990s, an estimated 30–40% of H1-B visa applicants to the Consulate General were from Andhra Pradesh, while 23% of India's registered software professionals were from the state (Ramachandriah and Bawa 2000).

The dual pulls of home and professional advancement have been successful in drawing high-skill professionals. "In India now you have can everything—a good salary, a nice house, household help, a car and driver, good schools for the children and family close by. What more can you ask for?" asked a scientist, now based in Hyderabad. Another returning migrant who was recruited to head a new software company explained why he decided to come back to India, "You feel the pull of your roots as you grow older. I'd been in the US for nearly 16 years and life there was good. But I felt badly about my parents growing old by themselves. They had sacrificed a lot for me. I felt it was time to return and take care of them. I jumped at the chance to come back to Hyderabad when the opportunity came. I'm happy I did". Or according to a Bangalore professional, "I would say that there is a balance is my life between the adrenalin rush of the work and the stability of being home, back in India."

Cityscapes and infrastructure

Globalization, transnationalism and the rise of Bangalore and Hyderabad as globally connected cities are manifested in material changes in their cityscapes. Both cities have made significant investments in improving their digital infrastructure, developing Technology Parks and new residential townships on greenfield sites on the city outskirts to cater to their transnational industries and workforce.

Since the first Software Technology Parks (STP) were established by the Department of Electronics in Bangalore, Pune and Bhubaneswar in the early 1990s, there has been a proliferation of technology parks in urban centers in India. The STPs function like export processing zones, providing infrastructure and tax exemptions for 5 years to software firms located in them. Initially a government enterprise, over time STPs evolved into partnerships between the government and national and international firms. By 2006 there were 47 STPs in the country (Government of India 2006).

Technology parks in Bangalore were developed on the city's fringes where land was available. These planned industrial parks have state-of-the-art facilities and house mainly electronics, telecommunications, computer software and services firms. Electronic City is one such technology park. Set on 330 landscaped acres of land, it has mainly IT firms, among them, Motorola, Siemens and Indian electronics giants Infosys and Wipro. Infosys Technologies Limited's corporate headquarters in Bangalore is the world's largest software services campus. To accommodate future business and population growth, Bangalore city planners have proposed a 25 km long "information corridor" stretching along the periphery of the metropolis connecting Electronic City and Whitefield International Tech Park, to serve a population of one million by 2021. In addition to business and industrial parks, the corridor will include commercial centers, six townships, two new universities, hospitals, polyclinics and two golf courses (Government of Karnataka 2006).

In Hyderabad, most of the development has taken place to the northwest of the city in the Madhapur, Gachibowli, Nanakramguda and Vatingunapally areas. HITEC (Hyderabad Information Technology Engineering Consultancy) City, a state-of-the-art technology park built and managed by the firm

Larsen and Toubro and the Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC), was designed to showcase the city's IT sector. The AP government allocated another 5,000 acres around Hitec City as "Cyberabad", a planned development with offices of well known national and international IT firms such as Satyam, Infosys, Wipro, Polaris, CSC, Oracle, Microsoft, IBM and Google. A residential township with apartment complexes and single family homes on adjoining land is planned to house those employed in Hitec City.

Both Bangalore and Hyderabad have new international airports built with public-private partnerships planned for completion within the next 5 years. An international airport is being built about 30 km outside Bangalore, with an initial projected passenger capacity of 4.5 million per year. The AP government hopes to capitalize on Hyderabad's central location in India and its proximity to southeast Asian countries and make its new airport an international passenger, cargo and transshipment hub similar to Singapore and Dubai.

In response to the high demand for upscale housing, new townships and gated communities have developed in the cities. Planned and integrated townships on outskirts of Bangalore and Hyderabad are designed to accommodate the returning NRIs (See Fig. 1). Many of them such as the Palm Meadows, Ozone and Lake Vista communities in the Whitefields suburb of Bangalore are gated and have the amenities of similar developments in the United States. Companies such as California Developers, promoted by NRI entrepreneurs, are responding to



Fig. 1 Palm Meadows, Bangalore—a new gated community modeled on the US suburbs and their lifestyle. Photo credit: Ashok Koshy

housing shortages and real estate development opportunities in India. The firm plans to build six NRI townships. Work on the Kompally township near Hyderabad has already begun, while others are planned in Bangalore and Pune. The Royal Indian Raj International Corporation (RIRIC), an NRI firm based in Nevada is set to finance the development of planned townships in India. The company has embarked on its inaugural project on 17 acres outside Bangalore (Indo-Asian News Service 2005). An Indian architect who moved from Australia to Bangalore noted that there seemed to be an insatiable demand for housing. According to him, “The returning NRIs want houses that have the designs, interiors and amenities they are used to. They want the spatial configurations, the high-end kitchens and bathrooms, the built-in closets, pantries and shelving. That’s where guys like me come in. We can marry the best of Indian and Western architecture”.

Some returning professionals try to effect positive change or expedite it by focusing on the comprehensive development of their hometowns. Their efforts range from funding infrastructure development and education, to fostering civic engagement. In Bangalore, a returning NRI set up a trust fund to support government-run schools, while another built the Indus International School that offers world-class education using the latest educational systems. On returning to Bangalore, a former vice president of an international bank in the United States started a center for citizenship and democracy, with a view to promote greater citizen participation in local government while also engaging local NGOs and the corporate sector in this venture.

These philanthropists and entrepreneurs report that they wish to provide an anchor for foreign-born second and third generation Indian immigrants while helping improve the physical and social infrastructures of their home towns. At the same time, they maintain transnational links with the United State through their work, personal friendships, ownership of property and a desire to send their children back to the United States for a college education. The father of two said, “The schools in India are top-notch. I think my children are getting a wonderful grounding in all the subjects. It is also competitive here because parents push their kids to excel. College, now that’s different. Unless my kid wants to become an engineer and gets into an IIT or some such, I think it’s better

for him to experience the broad-based education of an US university before specializing.”

However, despite an overall positive experience, returning expatriates also experience frustrations. Other city residents perceive many of the NRI townships and gated communities as islands of privilege. The upscale residential communities often have landscaped gardens, tennis and badminton courts, swimming pools, clubhouses with gyms and well-equipped playgrounds that are a far cry from other typical residential environments in the cities. Being gated keeps them exclusive and inaccessible to any other than the residents and their guests and the hired help. The NRIs themselves, with their affluent lifestyles and high salaries are sometimes resented and viewed as instrumental in the skyrocketing of real estate values in the areas where they settle. Native locals also take exception to their extraordinarily high purchasing power and luxurious lifestyles. The overall poor infrastructure, pot-holed and traffic-clogged streets, and apathetic governmental departments and bureaucracy in the cities they live in also continue to vex the newly returned.

Conclusion

The dynamism of the globalizing cities in India and the opportunities they offer now draw skilled immigrants homeward. Well-educated and affluent first-generation Indian expatriates are returning to India to take advantage of new job opportunities and to strengthen their connections with their heritage. Transnational migrants whose professional expertise was honed in American universities and through work experience in the United States, they are a tangible force in the cities of Bangalore and Hyderabad, where many have chosen to settle. Returning immigrants who were part of the “knowledge diaspora” bring skills, connections and capital that helped thrust the Indian IT industry to the forefront. They are also involved in improving the physical and social infrastructure of their hometowns not only with capital but with personal involvement, helping the cities and communities from which they originated.

The rising number and strength of transnational linkages forged by returning immigrants in Bangalore and Hyderabad are mirrored in the global connections of firms, services and institutions located in these

cities. National, state and city governments as well as private enterprise here have been instrumental in promoting transnational ties that are economic, social and cultural in nature. Although neither city can claim to have the density of financial and business headquarters or the cultural pre-eminence of truly global cities, they are clearly connected to a world network particularly through their IT firms and their transnational workers. They are “worldwide leading cities” with a niche status in the global IT sector and they, along with their transnational residents are increasing in visibility and recognition as they fulfill global niche functions.

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