

# The Transforming Role of Skilled and Business Returnees: Taiwan, China and Bangladesh<sup>1</sup>

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## Introduction

The impact of migrants as agents of development or social change in sending and receiving countries or regions received increasing attention in the 1990s. By the late 1990s, theory in relation to the effects of temporary or permanent emigration had been developed to the point where the potential benefits of emigration were seen as possibly occurring at three different levels: the micro-level for individual migrants, families and communities; the mezzo-level or intermediate effects on particular industries/areas; and the macro-level effects for economies and societies as a whole (Skeldon, 1997; Abella, 1999).

Most of research into the effects of emigration, temporary or permanent, has focussed on two aspects: the effects of labour out-migration (mostly for relatively unskilled work), the probability of the return of these labour migrants and the impacts of their return. A study by Colton (1993) on the return migration of Yemenis from Saudi Arabia found that upon their return, many people invested in small businesses such as convenience stores, but there was no analysis of the processes or of the interaction between the returning migrants and the society at large. Studies about US-Mexico migration also touched on the issue of impacts of return migration (Massey and Espinosa, 1997).

Highly skilled migrants represent an increasingly large component of global migration streams and while some research has been conducted into various types of highly skilled migration, there has been little work on impacts. The total number of professional migrants at any one time is unknown but Stalker (2000) estimates that there are 1.5 million professionals from developing countries in the industrial countries alone. There are many types of movement: permanent settlement to major immigrant-receiving countries, and temporary migration within and outside of multinational corporations. Few countries take highly skilled professionals on a permanent basis but many are seeking them on a temporary basis, supposedly to meet skills shortages until they can train their own stock of skilled workers.

The potential benefits of the return migration of professionals and business people, usually from more developed countries, for both the country of original emigration and the country from which the return migration takes place, has received little attention. Much of the early skilled migration was termed 'brain-drain' and sending countries tended to see it as a loss of their resources to wealthier countries. Industrialised countries accepted these

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<sup>1</sup> This project was funded by the Ford Foundation and conducted under the umbrella of the UNESCO-MOST Asia Pacific Migration Research Network (APMRN). The authors wish to acknowledge the contributions by Professor Luo Keren, Dr Santi Rozario and Professor Ching-Lung Tsay.

immigrants as they filled labour market shortages and increased the general human capital stock of the nation. Few benefits were seen as emanating from these flows for the sending countries. The possibility of return was also seen as minimal and the lack of data on both emigration and return migration made analysis of the scale of the flows difficult if not impossible.

Research by Thomas-Hope on return skilled migration in the Caribbean region has been innovative. Much of it has been in collaboration with the International Organization for Migration (IOM) focusing on IOM's *Return of Talent Program*. She found that migration came to be regarded less as a means of permanent escape and more as a mechanism for extending opportunities beyond the resource limitations of small islands. Return became an integral part of the purpose for emigration and this has continued to the present time by providing the opportunity for migrants to reap the benefits of working abroad. These benefits were measured both in economic terms and in terms of opportunities for social mobility for the migrants and their children (Thomas-Hope, 1992). The return of families had formerly not been common but has emerged recently. Thomas-Hope (1998: 191) states that 'only when Caribbean international migration is examined in its entirety will activity at the origin and destination be seen to be intrinsically linked'. She maintains that the presence of the migrant abroad must be seen as 'part of the wider transnational system of outflow, interaction and feedback'.

Zweig (1997) conducted a study on Mainland Chinese people's view of returning to China from the United States and found that the majority (91%) did not intend to return. Economic factors, such as better income and housing in the United States, as well as professional concerns, such as lack of career mobility and poor work environment in China, were important. However, Zweig predicted that if China's economy continues to grow significant numbers of Chinese would return in the future. Subsequently, a report in the *Far Eastern Economic Review* (Wilhelm and Biers, 2000) provides a number of stories of successful returned overseas professional Chinese who have found success in China. Another report in *Newsweek International* (Larmer, 2000) also suggests that there is an increasing number of Western-educated, highly qualified, overseas Chinese who have returned to China. They often work in law firms and multinational companies and/or establish their own firms. Xiang's (2001) research into Indian information technology professionals in Australia shows that they are very active in forming a bridge in the industry between India and other parts of the world.

Research on the impact of return migration on the country from which the migrants are returning is also very limited. In 1994, Hugo completed an Australian study for the Bureau of Immigration, Multicultural and Population Research in which he calculated a settler loss rate of 21% during the period from 1947 to 1991. Kee and Skeldon's study (1994) of Hong Kong immigrants in Australia confirmed a high return migration rate of 30% for those who arrived in 1990-91. Pe-Pua *et al.* (1996: 70) in a more qualitative Australian study of Hong Kong 'astronauts' (people who have acquired permanent residence elsewhere but continue to work or do business in Hong Kong) concluded that 'returnees to Hong Kong appear to be more an asset than a liability to their adopted country'. In 1997, Mak conducted a study of skilled Hong Kong immigrants in Australia and their intention to repatriate, using the *Longitudinal Survey of Immigrants to Australia*. Khoo and Mak (2000) partially replicated Mak's 1997 study and analysed data for 530 skilled and business migrants: 70%

were classified as ‘having the intention of settling permanently’. The remainder were classed as possible or actual (having been absent for the second interview) returnees but the rate of return varied by group: 37% for South Asia (India and Sri Lanka), 31% for Taiwan and Korea and 24% for China.

The view that return migration (and emigration) from developed countries represents a loss of human capital and a waste of migration administration funds is gaining added impetus. Countries such as Australia, the United States and Canada are now themselves talking about ‘brain drain’ from their countries. However, there has also been some increasing recognition that return migration or the long term or permanent departure of Australia, United States or Canadian-born may actually bring benefits to these countries as well as contribute to social and economic transformation in the countries of destination of these migrants. However, there have been few studies that have been able to explain or quantify these gains.

## **Aims of this study**

The aims of this study are to:

- describe the patterns of return migration to Bangladesh, Mainland China, Taiwan and Vietnam;.
- discuss the process of decision-making about return migration;
- investigate the impacts of return migration on the receiving countries/regions;
- contribute to understanding of the role of transnational communities on social transformation and development;
- explore migration-based linkages between returnee receiving countries and Australia, in order to examine the importance of transnational communities for social transformation and the possible flow-on effects of return migration for Australia.

## **Data and methods**

The research for this project was funded by the Ford Foundation and carried out under the auspices of the Asia Pacific Migration Research Network (APMRN). The APMRN is an UNESCO-MOST funded body that has linked migration researchers in the Asia Pacific region since 1995. The network facilitates communication, capacity building and the joint development of collaborative research projects.

### Fieldwork in Bangladesh, China, Taiwan and Vietnam

The four receiving regions are all at different stages of economic development and were chosen to provide a range of scenarios on the impact of returned skilled and business migrants. ‘Skilled and business returnees’ were defined as those who have returned from overseas to be employed or to set up private business, plus other criteria: having an advanced degree and have at least two-year working experience overseas. The initial stage of

this project started in late 1999 and interviews and fieldwork were carried out in 2000-01. Each of the country/region coordinators conducted a survey that included a sample of 100 or more skilled and business returnees. A common schedule was used and additional country-specific questions were included in most cases. In-depth interviews were also conducted in some instances to elaborate on the material collected. The common questionnaire includes seven major sections:

- personal characteristics
- decision-making about return
- recruitment/return
- working conditions
- living conditions
- impacts of return migration
- overall perception about return migration

#### Fieldwork in Australia

Australia, as a major sending country in the region, was incorporated to complete the picture and provide insight as to the decision-making process that engages returnees. The 1998 UNFPA Technical Symposium in the Hague developed a useful concept which broadened the field of analysis from what had previously been considered the factors influencing return migration (Working Group on International Migration, 1998). Questions that came to be seen as important are ‘Do migrants compare the anticipated ‘comfort level’ in the home country with that in the country of residence as part of the return decision-making process?’ ‘Which factors among the whole range of social, psychological and economic factors most affect the decision to return?’ In order to investigate these questions, we decided to conduct fieldwork amongst potential or intending returnees in Australia.

This fieldwork consisted of in depth interviews with a sample of 49 intending or potential returnees. ‘Potential returnees’ were defined as either prospective permanent or long-term emigrants from Australia or intermittent returnees to their home countries/regions. A questionnaire was constructed and four samples of potential returnees to the four countries/regions in the study were interviewed in Brisbane, Canberra, Melbourne, Sydney and Wollongong in 2000. The snowballing method of sampling was used and the interviewers were all members of the communities or had close connections with them. Some more intensive interviews were also conducted and documented. The data collected covered:

- demographic characteristics of potential returnees;
- education and employment profile of potential returnees;
- experiences in Australia that led to their intention to return;
- linkages and influence of migration communities in Australia;
- motivation of return and decision making process;
- plan and expectation of potential returnees; and
- pattern of economic activity of returnees and links with the Australian economy.

The findings presented in this paper are preliminary and more comprehensive and comparative analysis, using a combined data set, is ongoing, Vietnam has not been included in this paper.

## **Major findings**

### **Taiwan: The continuation of return skilled and business migration**

#### Background

Like other developing countries, Taiwan suffered a substantial loss of highly educated human resources during the late 1950 to 1980s (noticeably to the United States). A study by Liao and Tang (1984) indicated that one fifth of undergraduates in the field of science and technology went abroad and only 10% of them returned after completing their study. Chang (1992) found that more than 80% of students studying abroad failed to return after the successful completion of their graduate study. This 'brain drain' phenomenon attracted nation-wide attention.

By the late 1980s, Taiwan's socioeconomic system had entered the post-industrial development stage. Per capita GNP had risen from US\$196 in 1952 to around US\$13,500 by the end of 1997 and associated with this socioeconomic development was a reversal of the 'brain drain'. Data (excluding those who came back from the Mainland China) from the 1990 population census show that former elite emigrants from Taiwan started to return to their homeland (Chang, 1992; San, 1999). The Taiwan government had implemented a series policies and programs to encourage the return of highly educated former immigrants. The major strategies included providing a travel subsidy for returnees and their family members, helping people to get jobs, providing business investment assistance, facilitating visits of academic members and experts, setting up recruitment programs by offering competitive salaries and improving working condition (Tsay and Lin, 2000).

Table 1 shows that returnees in the labour force (aged 15-64) numbered close to 20,000. Almost two thirds of returnees of these were male. Returnees tended to be concentrated in two age groups 30-34 (26.4%) and 35-39 (22.6%), but there was still a noticeable proportion of returnees in the younger group 25-29 and older group 40-44.

**Table 1. Major characteristics of returned migrants, Taiwan, 1990**

Characteristics	Number of People	%
Total	19674	100.0
Sex		
Male	12233	62.2
Female	7441	37.8
Age		
15-19	499	2.5
20-24	1680	8.5
25-29	2974	15.1
30-34	5188	26.4
35-39	4440	22.6
40-44	2351	11.9
45-49	1118	5.7
50-54	781	4.0
55-59	385	2.0
60-64	258	1.3
Education		
Secondary school & under	4720	24.0
High school	4435	22.5
College and University	6691	34.0
Post-graduate	3828	19.5
Occupation		
Professional	5040	26.9
Managerial	644	3.4
Clerk/sales	8313	44.4
Agricultural workers	343	1.8
Industrial workers	4404	23.5

*Source:* Tsay and Lin (2001).

The educational profile of returnees reveals, indirectly, the importance of economic restructuring in attracting previous emigrants back ‘home’ — more than half of returnees in labour force (aged 15-64) had at least college education. Moreover, since the unemployment rate declines with the educational level, we can speculate that newly created employment opportunities as a result of economic restructuring served as an important force in drawing back highly educated emigrants. More than 30% of returnees were employed as professionals/managers, much higher than for their native counterparts. In terms of the employment structure, more than 60% of employed returnees were engaged in the tertiary sector and 37% were in the secondary sector (not shown in the table).

Spatial analysis shows that of returnees with a university degree, 83% choose to live in more developed and higher income areas: Taipei City and its satellite area (Taipei Prefecture) have absorbed more than 55% of returnees. What we observed here in Taiwan’s case suggests that the impacts of returnees in terms of human capital, particularly by

education level, are quite different among various regions in Taiwan: there is a positive effect in Taipei City but a negative effect in Taipei Prefecture area and other regional areas. This is similar to major cities in Mainland China, such as Shanghai and Beijing, where highly educated overseas returnees are concentrated. This will be dealt with in a later section in this paper.

**Table 2. Spatial distribution of returnees in labour force, aged 20 and above, by education and industry, 1990**

Category	Total No.	Total %	Taipei %	Taipei prefecture %	Kaohsiung %	Taichung %	Hsinchu %	Other urbanized areas %	Rural prefecture %
<b>Education</b>									
Total No.	7246		3057	995	396	353	276	944	1225
Total %		100.0	42.2	13.7	5.5	4.9	3.8	13.0	16.9
Primary	597	8.2	12.4	19.6	4.0	3.0	1.3	16.6	43.1
J. High	470	6.5	20.6	24.0	5.7	3.2	1.1	12.8	32.6
S. High	1172	16.2	34.6	16.8	6.7	4.7	0.7	16.0	20.6
College	796	11.0	45.7	13.7	6.5	5.8	1.8	13.1	13.4
University	2083	28.7	51.9	11.0	5.3	5.3	2.5	11.4	12.5
Graduate	2128	29.4	48.7	10.8	4.9	5.1	8.8	12.0	9.7
<b>Industry</b>									
Total No.	7035		2980	969	374	344	275	913	1180
Total %		100.0	42.4	13.8	5.3	4.9	3.9	13.0	16.8
Primary	316	4.5	1.9	2.5	5.4	1.0	0.3	13.6	75.3
Secondary	1807	25.7	33.4	18.7	6.0	3.9	4.0	16.6	17.4
Tertiary	4912	69.8	48.3	12.7	5.1	5.5	4.1	11.6	12.8

Source: Tsay and Lin (2001).

It is worthy highlighting the example of Taiwan Silicon Valley, in Hsinchu City, which was established in the late 1980s. Taiwan Silicon Valley has been well known for its high capacity to absorb highly educated returnees (especially those with postgraduate education). Postgraduate returnees in Hsinchu Silicon Valley account for about 78% of its total labour force. The successful establishment of IT and other high-tech industries in Hsinchu indicates that skilled returnees have played a crucial role in Taiwan's economic development even though the number of returnees to Hsinchu was relatively small in the 1990 census. It has been observed that many highly educated returnees have been attracted back to aerospace and other industries. Even if this means taking a pay cut of 30 to 0%, they seemed happy to make the move (Stalker, 2000).

#### Decision-making about returning

The Australian fieldwork showed that the Taiwanese experience in Australia was fairly positive but there was still some dissatisfaction. People who had gained Australian tertiary qualifications, at either the bachelor's or postgraduate level, had integrated reasonably well into the Australian labour market. There was a positive view about life in Taiwan. Many

Taiwanese had family members and close relatives in Taiwan, some of them had family businesses in Taiwan, and it is clear that close ties with family members and relatives in Taiwan have played an important role in the decision-making process. All interviewees had maintained regular contact with Taiwan and friends and family were unanimous in their support for the intended 'return' of the respondents in our sample. Nobody knew of government programs for encouraging the return of skilled emigrants which suggests that such programs do not extend to Australia but are focused on North America.

Taiwanese were cautiously optimistic about their economic and business prospects on returning. A number of people were returning with savings from Australia to invest in various types of businesses (for example trading companies and English language training institutions). One man who had been running a sales/retail operation in Australia was returning to establish a private English tutoring business in Taiwan. He had acquired an Australian PhD and intended to set up a school where students could learn English in a social, rather than 'bookish', way. He thought that his knowledge about Australian culture would provide an added advantage in teaching about culture. If the business was not successful in two years he would return with his wife to Australia and 'find another business to run'. Another respondent planned to diversify from a retail business in Australia and establish a western style coffee shop chain. He said that young people in Taiwan want to try new things and 'I think they'll like an Australian/European style café rather than an American one'. He plans to retire in Australia.

Others saw much better prospects in the labour market than they had been able to find in Australia. One young woman who has been working for four years as a bank teller in Australia has been offered a job as the editor of an English magazine in Taipei. She said 'I anticipate better career opportunities in Taiwan. Working as a bank teller is a dead end job ... I don't think an opportunity like this would arise for me in Australia. My better understanding of the English language and its cultural context will enable me to ascertain whether translations are accurate or not'. She also felt some pressure to marry and 'there are very few Taiwanese men of my age around to choose from [in Australia]'.

Another 36 year old man with an Australian PhD said 'I'm disappointed I haven't been able to find a position in Australia but I'm also happy to resume my old position. I think I'll do a better job now I have been exposed to different teaching methods'. A 40 year old female social worker with a PhD from Australia has been offered a job managing a home for elderly Chinese women in Taiwan. She said:

My PhD dissertation was on elderly Taiwanese immigrants to Australia, so I feel I have some understanding of the needs of elderly Taiwanese. My degree will bring the home a good reputation also. ...It's an opportunity I can't refuse because I could never find a position with comparable responsibilities in Australia. It will give me enormous job satisfaction because it's an opportunity to put my learning to the test. Even if I don't like my new job after all, I [may well] stay in Taiwan given the more promising career opportunities.

In general, Taiwanese were planning to 'return' home on a very fluid basis. Many people anticipated a transnational or 'astronaut' type of existence where they spent some time in both Taiwan and Australia. The establishment of a Taiwanese diaspora in Australia in the last 20 years enables people to retain a foot in both camps and some will act as a bridge between the economic activities of the two communities and other countries/regions.



Economic factors, especially better opportunities for employment and businesses, and social support networks, were strong motivating factors for all potential Taiwanese returnees. There was a sense of optimism and excitement about the positive nature of what they were doing though there was some cautiously optimism, as a result of the Asian financial crisis. The anticipated problems, which were much less substantial than for the Chinese and Bangladesh samples, were mostly associated with a less attractive living environment in Taiwan than Australia, pollution, over-crowding and the higher cost of living.

Many comments were made about the good business environment and about being able to use the skills that they had acquired in Australia. They had a sense that they would be highly valued on their return and that they would be able to transfer communication, cultural and other skills to Taiwan. While they saw themselves as conveyers of new and different attitudes they were sometimes anxious about the outcome. At the individual level, therefore, there were high hopes for personal advancement and opportunities in Taiwan that did not exist in Australia.

#### Impacts of return migration

The impact of return migration on Taiwan's economic development has been widely recognised. The results from this project confirm that highly skilled returnees are able to utilise their skills and knowledge gained overseas. The widely cited Hsinchu model has shown that the return flow of human talents has had a strong impact on both regional development (mezzo level), as well as national (macro) economic development. Many high-tech or IT firms set up in "Hsinchu Science and Technology Parks" are run by former returnees from the United States. Their skills and knowledge, as well as their international connections, have had a positive impact on the development of their business. In general, they have been highly valued as a group and the government of Taiwan has gone out of its way to attract them back and support them.

The links with the U.S. are particularly crucial, not only in the economic sphere. Taiwan has gradually democratised and part of this must be attributable to the impact of the returnees. They have forged links with many parts of the world and have business interests everywhere. It is expected that as time goes by, if there is no internal or external political crisis Taiwanese overseas will continue to hold positive expectations toward Taiwan's development and the return of highly educated overseas Taiwanese will continue.

### **China: Government policy and the emerging trend of the reversal of brain drain**

#### Background

Skilled emigrants from China were usually referred as those who went overseas to study, particularly to the United States, European countries, Japan, Australia and New Zealand. In recent years, independent migration has occurred to countries such as the U.S., Australia and Canada, but the number of people has been relatively small compared to the number of students and scholars. Table 3 shows the return rates for officially-sponsored students/scholars between 1978-98 (Li, 2000). If self-sponsored students are included, the return rate is smaller. UNESCO estimates that there were 713,200 Chinese studying abroad from 1978 to 1998 (Li and Liu, 1999). The average return rate of Chinese studying abroad is

about 33.3%, 83% among state-sponsored students and scholars, 56.5% among institution-sponsored and only 3.9% of self-sponsored.

**Table 3. Estimated number of officially-sponsored Overseas Chinese students and returnees, 1978-1998**

Receiving Country	Number arriving	Returnees	Stayers	Return rate %
U. S. A.	160,000	30,000	130,000	18.8
Japan	50,000	25,000	25,000	50.0
Canada	20,000	10,000	10,000	50.0
Germany	20,000	10,000	10,000	50.0
Britain	16,000	10,000	6,000	62.5
France	11,000	7,000	4,000	63.6
Australia	10,000	6,000	4,000	60.0
Others	13,000	2,000	11,000	15.4
Total	300,000	100,000	200,000	33.3

Source: Li, 2000.

China has introduced many measures to alleviate the loss of skilled people. It is stipulated that those studying abroad at their own expense must serve in China for a certain period of time or pay back part of their general education fee, and those studying abroad at public expense must sign an agreement that they will return before leaving the country. In spite of seemingly strict restrictions on leaving the country, the central government supports 'studying abroad, encouraging return and securing free movement'. In addition, the Chinese government has implemented a series of reforms of policies, regulations and administration to stimulate return. Local authorities at various levels have also adopted similar policies and as a result there was an increasing number of returnees in the late 1990s.

Table 4 lists information on the proportion of returnees in China's three most developed cities, Beijing, Shanghai and Shenzhen, and on particular initiatives. Returnees with scientific and technological projects or programs are welcomed in Beijing to develop and produce new and high-tech products there and from table 4 we see that Beijing ranks first in the number of return scholars and the proportion of doctoral degree holders. A number of 'Science Parks', 'Special Development Zones' or 'High-Tech Zones' have been established in the capital city, Beijing, and most provincial cities. Beijing government issued a provisional regulation in 1999 to encourage overseas Chinese students and scholars to work in Beijing, particularly to work in '*Zhong Guan Cun Science Park*'. According to this regulation, returnees are entitled to a number of benefits: simplified application and registration procedures for setting up a business venture, waive of business tax in high-tech areas, eligibility to apply for special research funding and low interest loans to establish private business, eligibility to import some tax-free equipment, material and other necessary goods for research and establishing business, and eligibility to import some tax-free durable goods for personal use (Shenzhou Xueren, 1999).

**Table 4. Information on the number and characteristics of returned overseas students/scholars in Beijing, 1999, Shanghai & Shenzhen, 1997**

Factor	Beijing	Shanghai	Shenzhen
Total number of returnees	20 000	17 000	676
Proportion of those returnees from the developed countries	n.a.	>70%	>80%
The number of 'Science Parks for Returned Scholars'	2	5	0
Proportion of Doctoral degree holders in the 'Science Parks for Returned Scholars'	60%	18%	13%*
Proportion of Master degree holders in the 'Science Parks for Returned Scholars'	30%	53%	23%*
Number of Enterprises in 'Science Parks for Return Scholars'	48	674	—

*Source:* Data collected by Luo Keren from interviews with the Scientific and Technological Cadre Bureau of Beijing, the Overseas Scholars' Affairs Office, Shanghai, and Shenzhen Bureau of Personnel in 1999 (Luo, 2001).

Shanghai has also taken measures to attract returnees: establishing special offices to strengthen coordination and management; setting up working network between home institutions and overseas organisations; outlining the main policy 'Go abroad, welcome back'; making various types of assistance available for returnees; improving complementary service and better service quality, and helping with projects and investments in 'Science Parks'. The rapid economic and social change in Shanghai and gradual improvement in policies and service for returnees has brought about a 'return wave' in recent years. There are two groups of people who are targeted by policies: doctoral degree holders in all disciplines, particularly in science and technology, and entrepreneurs. Shanghai's total population comprises 1.0% of the total population of China and yet the proportion of overseas students and scholars that leave from Shanghai is very high - constituting about 25% of the total number of overseas Chinese students and scholars since the 1980s. Shanghai has seen a great number of returnees, about 17,000 people which accounts for 1/6 of the total returnees in China.

#### Decision-making about returning

Observations by researchers in some western countries, including Australia, have indicated that people who plan to return to their home countries are those who have obtained residence status abroad and who are able to take advantage of both sides. However, our survey in Shanghai found that only 27.6% of our respondents had kept their permanent residential status in another country or held foreign citizenship. Among the returnees, 78.4% had returned permanently and only a small proportion (9.0%) still owned property overseas. Among temporary returnees (15.9% of total returnees), about 71% still owned property overseas. Among a third category, intermittent returnees (4% of total returnees), about 57% still kept property overseas.

The Shanghai survey sample included returnees from 28 different countries. The eight most common countries were the United States, Japan, Britain, France, Canada, Germany, Australia and Russia. About 72.4% had overseas working experience and the average number of years of working overseas was 4.36. More than 80% of the respondents were concentrated in the service sector, including information systems, banking and financial service and other conventional services. Almost half of the respondents in the Shanghai sample were professionals and about 30% were managers. Given the fact that almost all our respondents were equipped with high degree and western working experience, many of them were at senior management positions or business owners (33.5%). About 43.5% of respondents were in teaching and research positions in universities and research institutions. It needs to be pointed out that private/joint-venture and university/research institution were the major sectors that attracted overseas skilled returnees.

This pattern directly reflects government policies to encourage return of overseas talents in these areas. Government policies have played an important role as 82 out of 174 valid cases claimed that they had returned in response to these policies or programs. The next most common reason was 'better job opportunities' which was given by 57 people. Better opportunities in Shanghai may also have resulted from the policies and programs. Other major reasons offered by respondents were 'to be close to members of family and friends'.

Table 5 lists types of assistance that returnees received on their return. The table only includes the most important assistance that the respondents claimed to receive from various state programs or their employers. It has to admit that many returnees have received multiple assistance from the state program or their employers. If only the most important assistance received is considered, over half of returnees got a housing allowance, while assistance with finding a job and with children's education were important. More than half (52.1%) of the returnees had obtained job offers from employers before they returned.

**Table 5. The most important assistance received from the government programs or employers, 2000**

Assistance Received	Number	%
Housing allowance	69	53.1
finding job	17	13.1
settlement	16	12.3
education of Children	14	10.8
job for spouse	5	3.8
other assistance	9	7.0
number of valid cases	95	100.0

*Source:* Luo, 2001.

This profile in Shanghai fits with the Chinese sample interviewed in Australia. All Chinese in the Australian sample held professional positions before migrating to Australia, either as university lecturers, researchers or editors. Most of them worked in similar occupations in

Australia but most claimed that they were not satisfied with their current jobs. The possibility of advancing their careers in Australia was slim and they were unable to play an important role, or 'big role', in their institutions. It was not so much their current job that makes them return to China but expectations of their lack of future career advancement in Australia.

The Chinese sample in Australia kept close links with their home country and all but two people had visited China at least once in the past two years. All respondents claimed that they had been following what was happening in China through various forms of media and through communication with friends and relative. Most people claimed that they had gathered up-to-date information on recent trips to China and this confirmed their decision to return. While it has been widely reported that the Chinese government has implemented a series of regulations and policies to attract overseas scholars, businesspersons as well foreign investors (Shenzhou Xueren, 1999; Xinhua News Agency, 1999), few people in the Australian sample were enthusiastic about government-promoted programs. Most of them were aware of the government programs but they did not see them as directly relevant to their own situations.

For example, one university lecturer got a job offer in a high profile and dynamic electronic and IT company on a recent trip to China. He was offered the position as Managing Engineer in the company's newly established IT department. The new position provides not only a challenge but also significant reward and recognition for his innovative research in the IT industry in the past years. He has been very successful. He has a PhD in electronic engineering, has worked in highly regarded research institutes in U.S. and Canada and has just been promoted to senior lecturer. He often felt that his Australian job didn't provide enough challenge for him. When asked the main reason for his decision he said 'The challenges and unpredictability in China are the main driving forces'.

The overall impression gleaned in Australia was that most Chinese were not very sure of what they would do after returning but many were not fully satisfied with their future job prospects in Australia. One researcher with a PhD in biology from a European country moved to Australia in 1994 and has been doing research as a post-doctoral fellow for the past four years. He has gradually become dissatisfied with his job perspective in Australia and has decided to return to China before he reaches 45 years old.

When we (Chinese researchers in Australia) were young and just got our PhD, we were willing to play a role as research associates in projects. We are willing to do others' projects. Gradually when you see people around you all have chance to get promotion, get permanent positions, or get their own projects, you would feel frustrated. In Australia, we work harder than anyone else, but the reward is not good enough. We hardly got promoted in a research institute and bosses take credit for the work we do.

Thus, being able to play a 'big role' in Chinese research institutes is one important expectation for their return. Most claimed that what they had learned or experienced in Australia and other western countries would benefit their career advancement in China. This is particularly true for researchers. They have learned research processes, grant application writing and research management in the west, and this will help build international standards in scientific research. Most returnees made their decision to go home on the basis of careful study and comparison between their home and host countries. They normally had high

expectations before returning, such as better job/business opportunities. Income was a consideration but not a priority. Although the Chinese government's incentive programs don't appear to have had a direct impact on people's decision-making processes in Australia, they have provided a positive signal from the government that the social environment and policies in China are improving.

#### Impacts of return migration

Our findings in the Shanghai survey confirmed that the primary motivation of return for returnees was to 'give full play to their professional knowledge and skills'. Most of them were particularly concerned as to whether the job in China matched their education and training background. In addition, most returnees were concerned as to how their colleagues or co-workers saw them. Respect and responsibility were the two major concerns of returnees.

In terms of impacts, the majority of respondents (82%) claimed that the knowledge and skills they gained overseas were important to their current work — 60.6% saw themselves as carriers of advanced techniques and managerial skills that had made a contribution to the Chinese economy. About 11% of returnees claimed that the business network they established overseas helped their business in China. Some (5.8%) of returnees said that the capital or savings they had accumulated overseas helped their establishment in China. Among all returnees, 31.2% brought back over US\$50,000, about 43.1% brought \$10,000 to 50,000 and 25.7% brought less than US\$10,000. The top items of consumption for returnees were housing, durable appliances and providing support for members of families. Investing in business and stock markets was less important but it is believed that once they settled down, they would actively participate in business investments or stock markets.

Respondents' overall impression of their impact on Shanghai was very positive. About 26.7% said that they had made a positive impact on social transformation in terms of introducing western culture, ideals, and values, as well as international business practices and rules. However, some of them (10.0%) considered that their influence was not strong enough at this stage. Respondents who were in managerial or professional positions played an important role in decision-making in their work places but most PhD holders, who were in research institutes and universities, felt they had had little decision-making impact.

As a part of the incentive policies, governments at various levels have relaxed regulations on returnees' overseas trips, either for family reason or business reasons. Our findings showed that the majority (63.7%) of returnees found going overseas relatively easy but the remainder still considered it inconvenient. Complicated approval procedures or lack of funding for their trips were the major disincentives. This type of negative feedback is likely to make its way back overseas and persuade others that the environment is still not as liberal and devoid of red tape as many would like.

## **Bangladesh: Eager to leave but reluctant to return**

### Background

Bangladesh is a highly stratified society, with great differentials in terms of income, education and opportunity between the impoverished majority of the people and a relatively small, often quite wealthy and almost entirely urban elite. It is this elite group who generate skilled and business migrants. It is they too, for the most part, who are in a position to travel overseas for study, since they have both the cultural capital and the connections to secure Bangladesh government scholarships or funding from overseas sources.

Bangladesh, like other South Asian societies, has developed what could be termed a 'migration culture,' in which the idea of migration to one of the developed countries of the West, in particular, has become very widespread. It has been a major source of migrants to other countries, both permanent and temporary, for the last 20 years. Most young people, especially educated men, appear to be oriented towards going overseas to find work and settle in another country. One reason is to get out of the country as 'there is no law and order here'. Of major concern is the state of education: teachers do not do any real teaching in the classroom and compel parents to pay for private tuition after hours; the actual capacity of most teachers is in doubt; the public school system is allegedly corrupt and university education is worse. Bureaucratic hassles and lack of efficiency is another reason given for wanting to leave the country. Getting electricity or telephone lines, paying bills, applying for jobs, opening a bank account, getting loans, and generally getting anything done that involves government offices takes much too long, as well as involving bribes and unnecessary waste of energy. Often things never get done, especially for those who do not have prior contacts in the relevant section of the government.

The U.S., Canada, U.K. and Australia are attractive destinations for permanent settlement of highly educated and professional Bangladeshis. An estimated 200,000 to 300,000 were said to be living in these countries in 1994 (Mahmood, 1995: 702). A significant proportion of the Bangladesh community in Australia and other western societies is made up of students, many of whom will return to Bangladesh after their studies. The long-term populations in these countries is skewed towards professional and highly-skilled occupations with academics and the medical profession strongly represented.

### Decision-making about returning

Bangladesh returnees surveyed in this project mainly included those who had travelled to Australia, the U.K., U.S. or elsewhere, for higher degrees, usually at postgraduate level, and who then returned to Bangladesh. Among those whom we interviewed, more than 50% had been employed in Bangladesh before migration and they returned to their jobs in government organisations, non-government organisations (NGOs) or the university system. Because government jobs, including in universities, are not well-paid they are often involved in consultancy, in business or work in the informal economy. Among the returnees that were interviewed, few had returned on a permanent basis. Among those who had gained foreign permanent residence or citizenship, only very small fraction of them wanted to settle in Bangladesh permanently.

The story of one Bangladesh expatriate who recently spent two years back in Bangladesh as a training adviser to a Bangladesh Government Ministry is revealing in this

regard. It initially took him six weeks before his unaccompanied personal belongings from Australia were released. There were four different government departments involved, to whom he had to write letters, who had to write to each other, etc. Finally, he was told to pay demurrage for so many days but the relevant personnel refused to accept his demurrage fee until he was paid a bribe, an amount higher than the actual demurrage! Yet there was apparently a memorandum of understanding between his sponsor the Commonwealth Secretariat and the Bangladesh government that his belongings would be released quickly and duty free. When he began work, he received no cooperation whatsoever in his job from either his employer or fellow employees. For two years he had no telephone or internet connection in his office, there were no toilets in his building and there were no instructors for him to train (no new instructors had been employed by the Government for some years). His colleagues were uncooperative and the lack of professionalism was a major problem. Things were no better in his daily living and after two years he returned to Australia. Unlike other countries/regions included in this study, there is as yet no government policy to actively encourage or provide incentives for migrants to return to Bangladesh. Indeed there is no perception that there may be a need for this. For the last few decades, the explicit policy has been to encourage and facilitate international migration to other countries, largely as contract labour migration. Not only are there no incentive programs in place for nationals but it is alleged that government officials are uncooperative with expatriate employees who may be funded by international organisations.

So why do skilled and business people return? The Australian occupational profile indicated a high level of downward social mobility, with only a few people attaining the equivalent of their pre-migration positions. Four people were planning to return because of their unsatisfactory occupational situation in Australia but there was no firm commitment to the length of stay in Bangladesh. They intended to see what happened and perhaps move to a third country (United States) at a later date or send their children back to Australia for their education. Three of these had gained some career benefit from being in Australia, including general education and experience and one had undertaken an IT course that would benefit later research work. Five others were returning with more positive motivation in that they saw opportunities to assist with Bangladesh's economic and social development.

Overall, Bangladeshis were returning with an ambivalent attitude. The possibility of good and prestigious jobs, as opposed to the reality for many in Australia, was the overriding factor motivating their return. The downward occupational mobility that most had experienced in Australia eventually led to the decision to take their skills back home where they could be used. The survey did not ask questions about health and family issues but from key informants it is known that the Bangladesh community in Australia experiences a significant level of health and social problems due to loss of social status. Most people tolerate this for some time but eventually must decide between their own long-term career opportunities and the opportunities for their children.

### Impacts of return migration

The returnees in the sample were employed in the following industries in Bangladesh after their return: education, health, research, business, NGOs, development, construction, airlines, manufacturing, garments industry, government, petroleum, banking, finance etc.



The majority hold postgraduate degrees: 28% have doctorate level and 23% have masters level qualification, the remainder bachelor or vocational training. 85% of these returnees were never permanent residents of another country, 8.5% have lost their permanent status, and 1.2% kept their permanent status.

Most returnees (67%) had gone abroad to study and therefore they had to return. Many of them were employed in government services, e.g. medical profession, Universities, NGOs, and some limited number in business. Most of the returnees interviewed valued the knowledge and skills they obtained abroad. Overall, they felt more confident, and their status within the community had increased. Their families, surrounding communities and colleagues often looked up to them and many said that their knowledge was appreciated by their colleagues. Because most of the returnees were students, they did not bring back substantial amount of money to be invested in business.

However, not all can use their skills and knowledge in the jobs they hold after their return as there may not be any awareness within a company or university that these new skills could be used more effectively. Many university teachers, who returned with PhDs from abroad, said they often faced protests from their colleagues when they tried to introduce new methods or syllabus for teaching in their departments. Others, e.g. a medical doctor who had worked in the primary health care system in K.S.A., said he could not use his skills upon his return to Bangladesh, but was working as an administrator. The idea of community medicine and primary health care is still fairly new in Bangladesh and trained doctors rarely venture out of the metropolitan areas to serve poor village communities. In any case, there is still no infrastructure in place for doctors to position themselves within communities outside of metropolitan centres. Other doctors said they were able to use the professional obtained abroad in better treatment and management of patients in Bangladesh.

Many NGOs seek out overseas-trained returnees and these returnees reported more job satisfaction and being able to use their skills and knowledge more effectively than they would have been if they were in government services. By and large, returned government employees felt trapped within a bureaucratic culture where they found it difficult to make any real impact upon. The culture of rigid status hierarchy, and the desire not to go against the wishes of those on the top lest their promotion get withheld, means that none are prepared to take the bold step in changing anything. Indeed in order to be chosen to be sent for overseas training/studies one has to be connected to the higher authorities through nepotism and other means, and this also means that the most suitable employees do not always receive these expensive overseas training in the first place.

One category of returnees trying to make the best use of their experience, knowledge and skills gained overseas is female academics. In a way, it is this group who benefit most from their experience abroad. Women who go abroad to study with a scholarship, with or without their husbands, often have a liberating experience. This experience may lead to conflicts with husbands and families, such as when they refuse to live with extended families and want more independence. In one case a female returnee professor was able to initiate a new gender studies courses for the first time in her campus after she returned from

doing her PhD in Australia. This is a really significant achievement. In addition, this professor said she is proud to have been able to train a couple of male colleagues in this area so that now they too do teaching in gender studies. This same female teacher has been able to help her students (male and female) in mobilising and starting a university-wide students' movement against various sexual harassment and some rape incidents in the campus. This movement gained much public support, including from various women's organisations and intellectuals. Although because of the alliance of the culprits with high-placed politicians the punishment handed down to them was nominal, it is clear that this kind of students movements against sexual assault in university campuses is very new. Indeed this movement had influenced other university students mobilising around similar issues. Gradually, awareness is being raised, and female students are being made to feel they do not have to suffer in silence so as not to ruin her honour and reputation.

While the achievements of these female academics may appear, on surface, to add little in pure economic sense to Bangladesh, there is no doubt they are playing a very significant role in trying to make an impact in the gender values that continue to subordinate women in Bangladeshi society. A society cannot progress when its women continue to be treated as second class citizens. But returnees' impact at the mezzo or macro level is not seen as being significant, either by themselves or by government. Most feel frustrated and few see great personal benefits from returning. The return was often driven by lack of success in Australia or elsewhere. This does not tend to produce the best returnees as they may be disillusioned and returning with a sense of failure.

However, there are examples from the Australian sample of people who intend working in the manufacturing sector on their return. This is a new trend and is indicative of the gradual incorporation of Bangladesh into the global economy. One man intends to advance Bangladesh's industrial development and international trade and has been employed as an executive manager of a company. He intends to develop strategic alliances with Australian and international universities and promote a 'trade bridge' between Australia and Bangladesh. Another person, formerly an IT consultant in Bangladesh, intends to establish a software business (in partnership with a Bangladeshi) in Dhaka. He sees his U.S. Bachelor's degree and experience as valuable as opposed to his Australian experience. 'The transfer of new technologies and IT knowledge could contribute to Bangladeshi computer institutions'. He intends to work in the private sector as he said the 'Bangladesh Government has been talking about software exports but so far nothing has been done'. He plans to maintain his business links with people in Australia as part of the development of his software export business.

At this stage, emigration is still the key trend and until the government makes major changes there will be little incentive for people to come back home. The domestic social and political environment is inhibiting people's return and is also a major factor in minimising returnees' role in the society. The hope is that Bangladesh will ride on the tail of what is happening in the Indian IT industry and begin to open up new industrial sectors and orient itself more to the outside world. However, in an interview in Los Angeles in December 2000, the Prime Minister Sheikh Hasina was asked how Bangladesh would feed, educate, employ and house its population, which is projected to rise from 128 million in 2000 to 211 million in 2050. The answer given was:

We'll send them to America. [Laughter] Globalization will take that problem away, as you free up all factors of production, also labor. There'll be free movement, country to country. Globalization in its purest form should not have any boundaries, so small countries with big populations should be able to send population to countries with big boundaries and small populations. Already we have nearly two million working abroad (Migration News, 2001: 22).

## **Conclusion**

Taiwan's success in being able to attract back highly skilled and business Taiwanese provides an exemplar for other states. The reversal of the 'brain drain' and the positive contribution by returnees to the economic and social development of the country has been widely acknowledged. The situation in the 1970s to 1990s was one of rapid growth for Taiwan and these people have both fed into that and been attracted by it. They have been a major force in Taiwan's economic and social change, culminating in the achievement of democracy in 2001. The trend continues and we now see new flows back from Australia of people who have joined the family of transnational communities.

In China, we have seen an emerging trend of the return of skilled and business migrants. Government policies that encouraged the return of 'overseas talents' have shown some results, particularly in research and higher education areas. With China's entry to the World Trade Organization (WTO), we could expect to see more returnees from overseas taking advantage of rapid economic development in the emerging markets. All Chinese are well aware of the potential problems they face if they return to China. Most people don't complain about the lower living standards as they are able to have a relatively comfortable life in China if they can earn enough income. However, almost all people express deep concern about the social infrastructure. While they appreciate what the government has been doing in trying to attract returnees, many think that the government should improve the social infrastructure. Less tangible factors, such as improvements in grant application procedures, promotion and personnel systems and academic freedom, would provide even greater incentive.

The anticipated problems or negative aspects of returning to Bangladesh can be broadly categorised as falling into three categories: administrative/government aspects or governance, lack of opportunities and quality of life. The inefficiency, corruption, nepotism and lack of good governance are all difficult for people to deal with but especially for people who have lived and worked in a system which is more open and where there are legal systems to cover most operations. The large extralegal sector in Bangladesh, as in many developing and ex-communist countries, makes for an environment where bribes, protection rackets and corruption are commonplace. The quality of life in cities such as Dhaka is problematic. Over-crowding, traffic congestion, pollution, crime and lack of tolerance are all features of large rapidly developing cities where the development of infrastructure and institutions has not kept pace with numbers. Internal migration, as well as natural increase, have led to severe urban problems. At the moment there seems little prospect of this

changing and even those who do return do not anticipate a long term commitment, on the whole.

Thus, return migration of skilled and business people can play a major role in transforming an economy and society but it is in a complementary way. It cannot lead or drive the change but if change has begun to occur, and there is optimism that life will be of a reasonable quality, then people are willing to take a chance. The hope that change will be propelled by skilled and business returnees or non-residents is overly optimistic, though such a view was expressed at a workshop in Chennai, India on 12 June, 2001 (Ramasami, 2001). This view ignores the crucial importance that negative factors play in influencing decisions to both leave and return: such as the lack of individual autonomy and freedom, the high level of 'red tapism', the lack of reward for excellence and promotion on merit and the general poor level of governance at the institutional, regional and national level (Ravichandran, 2001).

Skilled and business migrants make a calculated decision about returning, on whatever basis, after weighing up many factors. Personal factors and characteristics are very important which is quite different to Waldorf's finding (1995) for guestworkers in Europe. But in this era, decisions are not so costly as they are mostly reversible. This makes for more itinerant migrants and puts much more onus on countries to come up with good policies or not only will people not return but, if they do, they will quickly leave again if they are unhappy. This group of migrants has an increasing range of options as industrialised countries vie for their skills. The 'war' over skills has the potential to affect sending as well as receiving countries.

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