INTERNATIONAL MIGRATION AND REFORMS IN INDIA:
FROM POLITICAL AND BUREAUCRATIC LEADERSHIP TO SOCIAL
ENTREPRENEURS

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INTRODUCTION

In January 2003 the Indian Government organized the first Pravasi Bharatiya Divas – a celebration of overseas Indians that mixed emotion and sentimentality with business and economic opportunities. In his inaugural address the Indian Prime Minister Atal Bihari Vajpayee inevitably asked for help from the distinguished “alumni” of his country in building the country. But the “ask” interestingly was not for money:

*We do not want your investments, we want your ideas.*
*We do not want your riches; we want the richness of your experience.*

As Planning Commission Deputy Chairman Montek Singh Ahluwalia recently stated, "We are reaching out (to NRIs) because we value the long, socio-cultural footprint that we all share. So, honestly I would tell you, if you don't feel ready to invest in India, don't be apologetic. It's our job to get investors...Indian or foreigner doesn't matter." Indeed of the cumulative foreign direct investment (FDI) in India after the 1991 reforms (through 2010) of $179.45 billion, the NRI share of this investment was just 1.3 percent.

While NRIs may not have invested much directly through FDI they have “invested” heavily indirectly through remittances. Cumulative remittances into India from 1992-2010 total $382.7 billion, half of which ($191 billion) occurred over the last four years (2007-2010), one reason why the buzz around international migration and development has focused on the financial benefits to the country of origin. Nonetheless the Indian Prime Minister’s request had indeed focused on something less tangible and less visible: the expertise, ideas and experiences of the country’s migrants. Might these, rather than money, have greater influence on the country of origin?

In this paper we examine the impact of these “social remittances” on reforms in India. Following Kuznetsov (2010), this paper looks at the effects at two levels:

i) top-down elite driven reforms at the national level;

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2 Atal Bihari Vajpayee, Prime Minister of India, Pravasi Bharatiya Divas (Overseas Indians Day), New Delhi, January 9, 2003.
4 The term “social remittances” was first used by Peggy Levitt, albeit in a somewhat different sense.
“inside-outside”, bottom-up reforms at local levels which leverage the heterogeneity of institutions in India’s federal system, across both states and sectors, to ally with forward-looking segments of entrenched interests and gradually expand and provide prototypes for others to mimic, replicate and improve.

The circulation of skills and ideas through international migration, especially studying and working abroad, has influenced migration policy in sending countries historically and recently. Early 19th century Britain endeavoured to thwart French and Russian efforts to recruit its skilled workers by sharply limiting these workers’ mobility abroad; emigrant workers were required to return home within six months of being warned, on threat of losing their property and citizenship. And if before the end of the Cold War Western countries lured immigration (defection) of Soviet scientists, in the aftermath of the Soviet Union’s collapse, they were equally concerned with ensuring that these scientists did not leave.

The ideational effects of international migration on decision-making behaviour are manifest at multiple levels of society. The migration and education abroad of Latin American elites, for instance, has been an explanatory factor for the sharp shift in macroeconomic policies in that region. A country’s “ownership” of IMF programs is greater when its economic decision makers have studied in similar graduate schools as their Fund counterparts or have worked in that institution. Even at the micro level, controlling for household characteristics, Mexican households with family members in the U.S. have more neo-liberal economic views than those who do not; accordingly, the former are the households that increasingly form the electoral support for neo-liberal economic policies. The causal chain we posit here runs from how migrants get exposed to new ideas which shape their policy preferences and actions as “change agents” whether through their political or bureaucratic roles or as social entrepreneurs.

In the first part of the paper we demonstrate how the education of India’s political and bureaucratic elites in the past half-century have translated into institutional and policy choices at two critical junctures in India’s history: at the time of independence and economic liberalization.


in 1991. This analysis reveals three broad trends. First, in the decades following Indian independence, the number of India’s decision-making elites being educated abroad declined steadily, as new political elites representing hitherto marginalized social groups came to the fore through democratic processes. Thus as India’s political elites became more socially representative vis-à-vis India, they also became more parochial relative to the earlier elite profile. Second, since the 1990s this trend reversed. At the time when India became more “open” to international trade and finance, the international exposure of its elites has also been growing. Third, the source of ideas to which Indian policy elites were exposed has shifted markedly from the United Kingdom to the United States.

The second part of the paper examines the role of returning migrants as change agents in fomenting bottom-up changes, focusing on social entrepreneurship. There are reasons for the shift in their insertion points, from the public to the private and non-profit sectors. The changing nature and weakness of the Indian state coupled with the abounding need for creative solutions to address social challenges in India together with the market’s dominance as a place for developing and testing innovative ideas have all resulted in returning talent to use the market and social sector as platforms to address these challenges. The private sector has supplanted public institutions as a main pathway for generating and institutionalizing new ideas. A major facet of this trend has been the rise of social entrepreneurship, led through the private sector as well as civil society.

IDEAS AND ELITES

In recent years, literature has emphasized how norms and ideas shape political outcomes. What actors believe in may be just as important as what they want, insofar as these beliefs influence interests, priorities, and preferences. Ideas give content to interests, and new ideas can profoundly change an agent’s interests. Understanding the exchange of ideas can help us to understand how interests are formulated. However, the extent to which ideas exert long-term effects depends on whether or not they are institutionalized in administrative procedures, programs, and bureaucracies. Once they become programmatic and paradigmatic, ideas are reified and can generate constituencies to later defend these ideas. The concept of institutionalized ideas helps us understand the path-dependent nature of public policy.

Where and how individuals spend their formative years helps to determine how an individual’s ideas and world views are shaped. The type of education, the country of education, or

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specific experiences in the workplace and broader environment may matter. Of course the transformative effects of overseas experiences are not the result of higher education alone. Rather, the very dislocation from one’s own social imaginary may force a deeper introspection, one informed by varied experiences.

Whether the ideas one returns with are due to the selection effect (pre-existing skills and values of the individual), the transformative effects of their experience, or some combination is exceedingly hard to distinguish. Also, the choice to enter these environments may be exogenously directed by financial or other parameters. The ideational effects of migration on the home country will depend on the migrant population’s size, socio-economic characteristics, country of location, and its access points in the power structure of the country of origin. Recent studies suggest an intriguing reason why overseas exposure might be transformative: it appears to enhance creativity. Time spent living abroad appears to have a positive relationship with creativity. There is also evidence that individuals who have lived abroad or who identify themselves with multiple national cultures are more likely to become entrepreneurs or come up with new product ideas at work.10

INDIAN POLITICAL AND BUREAUCRATIC ELITES

The definition of elites in this paper uses Lasswell’s classic definition of elites as “people at the top.” He writes, “The study of politics is the study of influence and the influential . . . the influential are those that get the most of what there is to get . . . Those who get the most are elite; the rest are mass.”12 For the purposes of this study we have focused on national elites who may have an impact on the political economy of India in some direct way. Consequently, the analysis focuses on political, business, bureaucratic and scientific elites while excluding cultural elites (such as experts in the performing arts and literature).

While the database of Indian elites covers four critical decision making groups – politicians, bureaucrats, scientists and industrialists – in this paper we focus on the first two. Education was measured on two dimensions: the level to which the individual studied and the

place from where the degree was obtained. The time period covered was 1950-2000. The data captures three points in time – 1950, 1980 and 2000 – to reflect changes in the aggregate population of elites throughout its gradual turnover during the time period examined here. (For the groups comprising politicians and scientists, the data covers all three points in time, while for bureaucrats the data covers only 1980 and 2000.)

*Political Elites*

In a parliamentary system, members of parliament constitute a self-selected national political elite. The database includes all members of both houses of the Parliament, the Lok Sabha (the lower house of parliament) and Rajya Sabha (the upper house). While this criterion supports consistency, it fails to capture all of India’s political elites. Regional power brokers who have never been members of parliament often hold critical influence in India’s diffuse political system. While this was less of an issue in earlier years, regional parties have grown in importance since the 1990s, and thus limit the robustness of the 2000 snapshot.

The data are presented in Table 1. While one of ten parliamentarians after independence had an overseas education, by 1980 this figure had declined to 6.2 percent. Two decades later the figure dropped further: one out of twenty-five received an overseas education. While in 1950, India’s political elites who were educated abroad predominantly studied in the UK, by 2000 the US emerged as the principal destination.

[Table 1 somewhere here]

A significant selection effect with regard to who was able to study abroad and who got elected helps to explain the decline in overseas education of India’s political elites. The student’s family had either enough wealth to send him abroad, or the connections to secure overseas scholarships. In both scenarios, these families were usually members of India’s upper-caste social echelons. Yet the success of India’s democracy after independence shifted the demographic of India’s political elites to include hitherto marginalized social groups and non-Anglicized elites. The ideas of the Indian political elite thus became more parochial, less cosmopolitan and “open”. This shift was inevitable: nationalist movements were invariably led by Western educated elites, whose education empowered them both within their societies as well as against the colonizing

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13 For more details of the methodology, in particular problems of consistency over time, and sources for the database see Kapur (2010).
power. However, universal franchise in such a socially heterogeneous society meant that sooner or later, voters would select representatives that better reflected their own social identities.

_Bureaucratic Elites_

In examining bureaucratic elites we took two approaches. First, we extracted names from the 1980 and 2000 _India Who’s Who_, a storehouse of basic information about India’s leading personalities, compiled by the India News and Feature Alliance (INFA), the country’s leading news and feature agency founded in 1959 (hence data for 1950 was not available). As we see from Table 3, in a trend similar to political elites, there is a decline in overseas education as well as in the importance of the UK as a source for education over time. However, in contrast to political elites, the share of US-educated returnees does not grow; instead, other countries (notably Australia and several Asian countries) become more important.

[Table 2 somewhere here]

Second, a database was compiled from the list of all current (as of mid-2004) serving officers of the Indian Administrative Service (IAS), based on records of the Ministry of Personnel, Government of India. These records help track different cohorts of the India’s bureaucratic elite over the past thirty-five years. Given the source of the database, the accuracy and consistency of this data are very high. As far as IAS reference frames, the oldest cohort was formed in 1965 and the youngest in 2003.

The total number in the database is 4791. Of these, 542 or 11.3 percent had overseas exposure through education, foreign training, or foreign posting. (More precisely, 438 have had foreign training, 195 a foreign posting and 26 foreign education.) A substantial number of officers are of too recent vintage to have had foreign training or a foreign posting. In general 12-15 years of service are required before being eligible for selection for overseas training/posting. The average percentage of officers who went abroad in the 1970-1974, 1975-1979 and 1980-1984 cadres, respectively, rises over time. This suggests that just as India’s economy opened up, its bureaucracy also began to put a greater emphasis on “openness,” at least in the sense of being more open to foreign exposure. That older cohorts of the IAS (who joined

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the service in the 1970s) participated in overseas courses just recently, while younger cohorts
(who joined in the 1980s) take positions overseas earlier in their careers, is also reflective of this
trend.

The bulk of the training courses took place after 1995. Nearly half of all training
programs are in the UK. While the UK still holds a dominant position, its share has been
declining after 1999. This decline has been offset by the emergence of Australia and other Asian
countries as destination sites, while the relative share of the US and Canada has not changed
(though their respective absolute numbers have increased). However, in the last few years the
Indian government has increasingly sent members of its civil service for study and training in the
United States.

THE INSTITUTIONALIZATION OF ELITE IDEAS I. THE INSTITUTIONS OF
INDEPENDENT INDIA

The hallmarks of pre-independence India’s elites were international migration, education,
and return. Returning skilled migrants have been more likely than other Indians to possess an
important non-observable trait: intense nationalism. Most Indian nationalist elites had
considerable overseas exposure through either work or education. Indeed, what stands out is just
how disproportionately India’s elites at the time the country became independent – in politics in
particular, but also in science, business and the bureaucracy – were educated or had lived abroad.
Their social status in combination with these experiences gave them the opportunity and will to
shape India’s new government. In politics, for example, the giants of India’s freedom movement
equipped themselves with knowledge of British legal mores and its constitutional processes to
both confront the colonizing power and design India’s own constitutional norms and structures.
Gandhi, Nehru, Patel and Ambedkar all studied abroad.15

Perhaps the most ostensibly significant institutional impact of the overseas education of
India’s elite was on the character and content of the Indian constitution, which proved to be the
new nation’s “cornerstone”.16 Given Ambedkar’s seminal role in its drafting, his own overseas
influences (at Columbia University and the LSE) assume particular importance. According to
Eleanor Zelliot, Ambedkar used his “knowledge of American culture to analyse his own

15 One might add the brilliant but mercurial Subhas Chandra Bose. However, his premature death in 1945
meant that he did not leave any institutional legacy.
16 Granville Austin, The Indian Constitution: Cornerstone of a Nation. New Delhi: Oxford University Press
(1966).
country’s social situation.” Thus the value of Ambedkar’s experience in America “seems to be chiefly in developing his commitment to a pragmatic, flexible democratic system.”

Two other institutions that shaped independent India and which, in turn, were shaped by overseas experiences, were the Finance Commission and the Planning Commission. The antecedents of the Finance Commission lay in a visit by two key civil servants to Australia in 1946 to frame policies that would strengthen provincial autonomy and improve provincial finances. Their tract, “Report of the Australian System of Federal Finance and its Applicability to Indian Conditions,” became the basis of India’s Finance Commission – a statutory body that developed into the cornerstone of India’s fiscal federalism. Similarly, India’s Planning Commission was set up by PC Mahalanobis, a distinguished professor of physics at Cambridge who returned to India on Nehru’s urging. His impact on India has arguably been greater than that of almost any other economist, whether through hatching the 2nd Five Year Plan, the establishment of the Indian Statistical Institute, or leadership of the Planning Commission itself.

India’s independence was clearly a key historical moment and returning migrants played a critical role in shaping the fundamental institutions of independent India. A half-century later a very different group of return migrants, this time “technocrats”, would also play an important role in another critical juncture: India’s historic economic reforms of 1991.

THE INSTITUTIONALIZATION OF ELITE IDEAS II. THE 1991 REFORMS

The reasons for India’s economic liberalization in 1991 are varied and complex: economic crisis; manifest inimical effects of existing policies; broader political and ideational changes in the outside world; and external pressure from international financial institutions. We argue that the Indian leadership of this process indicates that ideational effects of migration played an important role.

India’s liberal reforms have borne rich fruit in comparison to similar shifts in countries around the world. We argue this is because India’s versions of these policies were “home-grown”; they reflect the global experience of their key architects, but also a keen eye on domestic political realities. India’s institutional set-up – a strong bureaucracy and a parliamentary system – means that a returning technocrat has to spend time in an advisory capacity before he can undertake a decision-making position. This fosters trust and also offers the returning technocrat a chance to understand critical political nuances. The fact that one has to pay one’s dues to the system ensures that a technocrat becomes a stakeholder. This is an important reason why

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individual Indians living abroad, no matter how prominent they may be, wield less influence than those who return and work from within the system.

How ideas held by the diaspora or return migrants influence policy depends on three factors. First, the institutional configurations of the “home” country and its relative receptivity to accepting both new ideas and returning human capital; second, the willingness of individuals to return; and third, the reputation and credibility of the destination to which an individual has gone abroad. Economic policy-making in India has been singularly affected by returning economists who have studied and worked abroad. As might be expected, they most often assumed positions in the economic ministries – the Finance Ministry and the Commerce Ministry – but also the central bank (Reserve Bank of India (RBI)) and the Prime Minister’s Office. While this has been especially marked in the last few decades, fluctuations in this trend have had notable consequences throughout the latter half of the twentieth century.

Unlike their predecessors, many of the country’s brightest young minds who went abroad to study in the mid-1960s and after did not return.18 Liberal economists in particular left and key Indian universities became self-reinforcing havens of sceptics of markets and free trade. Unsurprisingly their students joining the bureaucracy harboured similar views during this period. The Planning Commission, which had been an intellectually stimulating and politically powerful institution, lost both attributes after Nehru’s death. India’s economic (and increasingly political) travails during the 1970s also made return less attractive, and, indeed, many who had returned left again.

In the 1970s, many economists joined the IMF and World Bank, especially the latter, which at this time emerged as one of the most intellectually vibrant places for research in economic development. Starting in the early 1980s, although only a few returned, there was enough strength in numbers for them to matter in key roles in the principal economic ministries, finance, commerce and industry.19 Three prominent governors of the RBI during the crucial decade of the 1990s and the noughties, S. Venkitaramanan, C. Rangarajan and Bimal Jalan, had done their doctoral work in the U.S. and had engaged with the Bretton Woods Institutions in various forms. But the most prominent returnees that mattered occupied political roles of them was of course Manmohan Singh (having studied at Cambridge and Oxford), who went on to play

19 These included Montek Singh Ahluwalia, Rakesh Mohan, Suman Bery, Arvind Virmani, Shankar Acharya and Vijay Kelkar.
a preeminent role as the architect of India’s economic liberalization in 1991 and became India’s Prime Minister in May 2004. And M. A. Chidambaram served as finance minister in the United Front Government (1996-98) and again in the Congress-led UPA government of 2004. His MBA experience at Harvard Business School “exposed me to another model, which appeared to be more successful, which appeared to have brought jobs and incomes and prosperity to a much larger proportion of people.”

Virtually all of the aforementioned individuals had worked in, or with, international financial institutions. Khatkhate argues that in the case of the aforementioned individuals, having worked on diverse countries at the World Bank “enriched” their insights and, more importantly, that “the lack of insularity in their thinking enabled them to see India’s problems in a broader perspective and real world context and counter some of the ingrained habits of many Indian economists, both in academia and the government, brought up in the interventionist environment.”

Diaspora members with such experience have also, to a limited extent, been able to influence India’s corridors of power. Finance Minister Chidambaram explained, “First, the phenomenal success achieved by Indians abroad by practicing free enterprise meant that if Indians were allowed to function in an open market, they could replicate some of that success here. Secondly, by 1991 sons and daughters of political leaders and senior civil servants were all going abroad ... I think they played a great part in influencing the thinking of their parents.” A wealthy, educated diaspora, embedded in networks with access to policy-relevant institutions in India, and lubricated by easy and relatively inexpensive communication technology, has amplified the policy influence of international migration.

BOTTOM-UP CHANGE AGENTS

If the state and its different organs were the principal locus of reforms and change until the 1990s, in recent years the private sector, non-profits and civil society have been playing a greater role as change agents in the Indian economy and society. In part this is because the reforms of the 1990s unleashed a hitherto shackled private sector. But perhaps the more important reason is the poor state of the Indian State, where corruption is ripe and competence is limited, resulting the government’s limited ability to address India’s numerous challenges. At the same time...

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time India’s democracy allows civil society and “change-agents” to function without being smothered by the state (as say in China). For a country like China where the State is very strong, returnees might have the greatest impact by joining state organs. In India this was the case in earlier decades. In recent years the private sector and civil society in India have become stronger, supplanting weakening public institutions as primary routes for the diaspora and returnees to influence reform processes. And in contrast to activists who self-consciously view themselves as having a contentious relationship with the state, social entrepreneurs committed to providing services and acting as “change-agents” are more likely to work with the state rather than in or against the state. Thus while in principle the role that returning and circulating migrants can play in fomenting “inside-out” or “bottom-up” reform appears quite intuitive, the mechanisms through which this may occur are contingent on the institutional structures of the country.22

India’s massive challenges and huge market, coupled with an ineffective state but open society have created both needs and opportunities for creative and innovative solutions. Indeed, innovative market-based provision of social services has become an important supplement to the often-strapped public sector in aiding India’s poor. Capitalizing on the severely limited incomes of this “bottom-of-the-pyramid” market, private enterprises are providing affordable goods and services—from healthcare to off-grid refrigerators—to India’s low income population. With a similar entrepreneurial spirit, effective NGOs and collectives have empowered otherwise marginalized groups through education, advocacy, and access to markets and capital.

While these organizations are numerous and varied in their impact and scale, the following section demonstrates the importance of social enterprise as a venue for returnees to provide “bottom-up” solutions. We argue that their particularly transformative ideas, implemented through entrepreneurship, have reverberated in follow-on enterprises; public-private partnerships; and other mechanisms that are being scaled-up and therefore have the potential of catalysing systemic reform in India.

SOCIAL ENTREPRENEURSHIP

India’s social entrepreneurs have sought to directly improve social welfare by applying innovation and a grassroots approach to address India’s many challenges, and in particular India’s 400 odd million living in poverty. From power and water to healthcare and education, India’s huge low income populations struggle to access basic necessities to break the cycle of

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limited economic opportunity, poor health, and indigence. While public sector capacity is limited in addressing this overwhelming burden, misallocation and massive leakage of resources intended for India’s poor further strain existing government programs. Also, while involvement through politics often requires a career-long commitment and has high barriers to entry to someone coming from outside, volunteerism and social enterprise offer an avenue for those with other primary careers to engage in service and leverage their talents for the social good. In this section, we aim to describe trends in social enterprise in India, and to characterize the roles played by returnees. For our purposes, we broadly define “social entrepreneurship” to include the founding and leadership of any NGO, non-profit or for-profit organization focused on improving the welfare of India’s poor in some way. India’s growing corps of social entrepreneurs has devised organizations to address needs across a range of sectors. These organizations provide affordability and access to products and services; develop and market technologies to improve lives at the bottom of the pyramid; and use innovative business schemes from tiered pricing to marketing cooperatives to empower the underserved. However, only a handful of these groups are able to measure and make available data on their performance and outcomes. Consequently it is not possible to evaluate the impact of social enterprise on poverty alleviation and to disentangle this causal relationship from the many other economic changes occurring in India. Notwithstanding this limitation we hope to demonstrate that social enterprises are emerging as an important force within India’s development landscape, and a crucial window for returnees to contribute to development efforts in India. This argument is supported with trends drawn from a database of social enterprise activity in India. Second, both trends in returnee involvement and illustrative case studies demonstrate the crucial role of returnees as change-agents who collectively are reshaping India’s ideas, practices and institutions in the development field.

a. Trends in India-based social enterprises and NGOs

A recent official study commissioned by the Indian government estimates that India may house the largest number of non-profit organizations in the world—3.3 million, or 1 for every 400 of its residents, outnumbering schools and health centres.23 While only 0.144 million organizations were registered prior to 1970, this number grew to 1.122 million by the end of the 1990s. The greatest growth in number of registrations occurred after 2000. Yet little is known

about the actual functioning of these organizations and there has been almost no attempt to physically verify their existence and collect employment and financial data.

The government has been a substantial donor, having set aside Rs. 18,000 crore (about $4 billion) in the XI Plan, followed by foreign contributors, who donated around Rs. 9,700 ($2.2 billion) in 2007-08. Individual donors are becoming increasingly important sources for funds, and private sector companies, long a minor player, are playing an increasing role. According to a recent estimate, annual private giving in India has increased almost threefold to between $5-6 billion in 2010, from $2 billion in 2006. Corporations in India gave an estimated $1.5 billion in 2010, five times the amount donated in 2006.\footnote{Arpan Sheth and Madhur Singha, India Philanthropy Report 2011, Bain and Company. Available at: http://www.bain.com/bainweb/images/LocalOffices/Bain_Philanthropy_Report_2011.pdf}

Capturing the true scale and scope of such activities throughout the country is a challenge. The Indian government’s study accounted only for organizations registered under the Societies Registration Act, 1860 or the Mumbai Public Trust Act and various state equivalents, while numerous other pathways for registration exist. Further, little effort has been made to maintain an official database or track the activity and efficacy of such organizations as their growth has exploded. Moreover innovators are influencing change from the “outside” through increasingly diverse channels. As discussed earlier, social enterprise often comes in the form of for-profit business models. Entrepreneurs create products, services and financing schemes designed for the bottom-of-the-pyramid and its ability to pay, engaging those historically marginalized from the market in economic activity. The double-bottom line of profit and social welfare guides these groups, which aim to transform charity from an act of giving to one of empowering. Whether legally structured as for- or non-profit, socially innovative organizations like these are especially important to broader reform because their goals include sustainability and scale.

Systematic efforts to understand these types of organizations are just beginning. However, projects like the Ayllu Initiative have undertaken the task of increasing organization transparency and creating a hub for NGO information to facilitate investors and entrepreneurs alike in the creation of market-based solutions to poverty. Ayllu aims to collect, analyse and disseminate information on social enterprise around the world. Its latest project, begun in early 2010 is iuMAP, created in partnership with NextBillion.Net. iuMAP is a searchable directory of social enterprises catalogued by information such as name, geography, area of focus, and sector. While still in beta form and expanding, the database purports to be the largest publicly available
directory of social enterprises focused on alleviating poverty.\textsuperscript{25} iuMAP’s current listings include 235 active organizations working in India. Its current method for identifying organizations includes scanning listings of award and fellowship recipients, investors’ portfolios, organization reports and media coverage available on the Internet, and following up through web searches to classify and create a brief profile for each organization.\textsuperscript{26}

Given the selection effects of such a web-based methodology where the most notable, creative and innovative groups are self-selected, there are obvious limitations. A universe consisting only of organizations with a web presence perhaps skews towards those with resources, capacity and skill for public relations, which may not relate to the organization’s effectiveness. Awards programs and investors have widely varying criteria; some offer start-up funds based on business plans alone, while others focus on specific social issues over others. Initiatives with a narrow focus or non-technological thrust may neither need nor have capacity to create a web presence, and may also not involve themselves in internationally recognized awards programs. Further, the recognitions and web presence of organizations catalogued by Ayllu do not offer any understanding of these organizations’ scale and impact. Nonetheless the iuMAP database offers us a place to begin understanding basic trends in social entrepreneurship focused within India including their objectives, activities, history and drivers.

To investigate the role of India’s returnees in social innovation and entrepreneurship, we used this database as a jumping-off point. Starting with information on each group’s name, sector of operation, founder’s name, founding year, brief mission/objectives, countries and/or regions of activity, and for- or non-profit status, we conducted further background research to develop a profile of each founder. In some cases, we also used personal communication to fill information gaps or verify data. We thus were able to catalogue the gender and status as returnee, local, or non-Indian, of nearly all founders of the 235 organizations. We also broadly classified the type of innovation each organization undertook as “service,” “technology” or a combination of the two. We define service innovation as the offering of a novel product, such as agricultural training; process, such as a marketing or financing strategy; or organizational innovation such as a collective or grassroots advocacy group. Organizations classified as technological innovators are those founded around the development and/or marketing of a product or process involving a technological breakthrough or improvement, from biomass-based rural energy systems to novel healthcare devices.

\textsuperscript{26} Personal communication with Nate Heller, February 21, 2011.
This information enables us to extrapolate broader trends in involvement and interest in social entrepreneurship in India. However, it falls short of offering us a way to understand the causal impact of such efforts on poverty alleviation, such as geographic scale or number of people affected and the intensity of the impact. While social welfare indicators have improved as these organizations have proliferated over the past few decades, it is difficult to parse the effect of social enterprise from the multitude of foreign aid or government-led programs or the broader economic changes underway. Also, while many social enterprises have existed for many years, the vast majority are less than a decade old; their effects have only begun to show (Table 3).

[Table 3 somewhere here]

The organizations in the database were overwhelmingly founded over the past decade; however, their founding years range from 1946 to 2010. Their sectors of focus span agriculture, education, energy, fairtrade crafts, health, housing, information technology, labor/other (including other types of advocacy and rights), sanitation, transportation, water, and waste (Table 4).

[Table 4 somewhere here]

Overall, energy has been the focus of the greatest number of organizations (40) and also is the sector including the highest proportion of both returnees (50 percent) and expatriates (20 percent). While locals have consistently dominated social enterprise across time periods and sectors, the diaspora and foreigners have increasingly contributed to such efforts. Of the 229 organizations for which the founders’ biographical data are known, 78 include returnee founders or co-founders.

The founding of 25 organizations prior to 1990—dating back to 1946—is reflective of India’s historically robust civil society space. As Figure 1 illustrates, returnees have long played a role in leading social welfare initiatives, and increasingly so since the 1990s. Interestingly, as returnee leadership increased, so has that of expatriates. By the 2005 to 2010 period, of 125 organizations, 42 were founded or co-founded by returnees.

[Figure 1 somewhere here]

Over time, the focus of these organizations has shifted. While agriculture and education have long held the interest of social entrepreneurs in India, the number and proportion of
technology-related innovations—particularly in the fields of energy and information technology (IT)—has spiralled with increased involvement from expatriates and returnees (Table 5).

[Table 5 somewhere here]

The tech-heavy energy and information technology sectors have ballooned particularly from 2005-2010. 21 percent of organizations founded between 2005-2010 are in the information technology sector alone. While leadership in energy has been dominated by returnees (50 percent) and a significant number of expatriates (20 percent), information technology organizations have been founded mostly by locals (56 percent). While many of the energy sector technology breakthroughs involve an innovation which harnesses an alternative energy source (solar, biomass, etc.), information technology enterprises more often involve use of existing platforms for new and specific purposes, such as mobile phone-based banking; and web-based access to knowledge and markets. These more incremental innovations are focused on filling specific needs. In contrast, energy-focused innovations are more disruptive, hinging on entirely new forms of technology to generate power for the underserved. This perhaps helps in identify the divergence in demographics of the innovators in these two sectors.

The proportion of female founders or co-founders of social enterprises has not increased markedly over time – indeed it has dropped in recent years. Overall, just 41 organizations (18 percent of the 228 in the sample) were founded solely by women, and another 17 included a female co-founder (in total, 25 percent of organizations were founded or co-founded by women). Most women involved in innovation/entrepreneurship are locals, perhaps due to more men than women returning to India, and have led organizations focused on providing services, as opposed to new technology (Table 6 and Table 7).

[Tables 6 and 7 somewhere here]

Education has drawn more women than any other sector; 10 of the 30 education enterprises were founded or co-founded by local women. Education is also the only sector in which women independently founded enterprises across all time periods in the database. Overall, 8 out of the 13 founders of fairtrade crafts organizations (62 percent) are women. Housing (50 percent), education (41 percent), transportation (40 percent), and waste (36 percent) all also include a significant proportion of female leaders. These sectors are also dominated by service-oriented organizations, and lie within the traditional domains of women’s interests in the
household—more than, say, energy or sanitation. While one would think that by this logic water too should attract a significant number of female entrepreneurs, the 13 initiatives in this sector were not founded or co-founded by a single woman. This is perhaps because all but one, a foundation focused on supporting water security innovations, include a technological component or are purely technology based. The data (Table 7) supports the notion that women focus more on entrepreneurship that results in direct service provision, while a greater proportion of men are attracted to working on systemic change through upstream innovation, such as development of new technology.

This data is emblematic of the rapid growth of non-profits and social enterprise in India, with returnees playing an important role in the more significant organizations. While the impact of this sector’s growth in terms of goal achievement is not well understood, the spread and stickiness of ideas is an important impact indicator, especially in signifying how individual efforts relate to broader reforms. We posit that returnees contribute particularly transformative ideas because of their overseas experiences, and while their ventures are in early phases, the broader impact of these ventures is visible in how these ideas are catalysing new initiatives and institutions.

Case Studies in Returnee Social Enterprise

The six examples we have chosen to examine here are illustrative of returnees’ role as change agents through social enterprises. Through both background research and personal communications with the founders of each enterprise, we draw linkages between each entrepreneur’s experience abroad, and the mission and design of their organization. Furthermore we trace how these organizations have launched new trends, approaches, and institutions in India. Together, these cases show how social enterprise in India thrives from the country’s limited public sector capacity and broad demand for innovation, and how returnees have catapulted it into a tool to create “bottom-up” reforms.

Indicorps: Fostering Self-Discovery Through Civic Engagement

Highly competitive and well-structured volunteer programs targeting the diaspora, like those offered by Indicorps, have given young people of Indian origin a transformative experience and bolstered the notion that direct service is an important component to discovering one’s Indian identity. The affirmation of this narrative has, over time, contributed to the spike in returnee-led social enterprises, and the growth of a global Indian service network.
Indicorps is perhaps the most widely recognized success in this field. It is a non-profit organization based in Ahmedabad, India which places youth from the Indian diaspora with grassroots community organizations across India for summer, one-year, or multi-year service fellowships. Founded in 2002 by Gujarat-born and US-raised siblings Anand, Sonal, and Roopal Shah, the program aims to have a long-term impact on development by offering the chance to create ties to India for its volunteers. Indicorps also works to legitimize service as a career for the high-performing. It has maintained a small and highly competitive program with most volunteers recent college graduates from some of the best universities in the US and around the world.27 Fellows usually work on specific projects with a potential for substantial local impact although some assignments involve development of solutions to large-scale problems. Indicorps provides its volunteers with a modest and immersive living experience through a small monthly stipend, housing with NGOs or families, and rigorous initial training, plus workshops throughout the internship and periodic phone check-ins.

In the 1990s, as the Shah siblings began to formulate the Indicorps concept, they realized that their goal to create “young leaders with impeccable values: refined by the deep history of Indian service movements, weathered by the hard reality of grassroots efforts for change, and permanently motivated by the power of an individual action” would require a significant paradigm change away from financial donations and remittances and instead to “the idea of serving in India noble and prestigious.”28 In recent years, such structured volunteer programs have proliferated at the hands of NGOs and elite U.S. universities alike. Examples include the American India Foundation (AIF), the Deshpande Foundation’s Sandbox Fellowship and the Asian Foundation for Philanthropy’s Paropkaar Volunteers program have helped expose the leaders of tomorrow to the benefits of direct service. Yet While Indicorps maintains its focus on young Indians, these other programs offer opportunities to non-resident Indians as well as non-Indians, proliferating awareness and interest in India beyond those of Indian origin.

The ability to empathize with young Indian-Americans in combination with their knowledge of social welfare service in India allowed Sonal, Roopal and Anand to craft such a highly successful program. The three were raised in Houston, Texas and were inculcated with the value of service and civic engagement at a young age. During and after their college years, each spent time travelling and volunteering abroad and found that many other Indian-Americans were

searching for ways to spend structured time volunteering in India. They also observed that the
Indian development space was largely driven by fundraising interests rather than the idea of
service and a desire to have an impact. Drawing from the models of Teach for America and Peace
Corps they decide to mount an initiative that could act as an interface between the Indian diaspora
youth and India’s NGO sector. Leveraging strong ties on both ends—travelling to India,
conducting first-hand research to find high-functioning NGOs with worthy projects for volunteers
while drawing on ties in the American development sector to raise funds—the three launched
their first round of internships in 2002.29

While it has chosen to expand little over the past decade, Indicorps has provided a model
and inspiration to those interested in service in India, and actively assisted in the launch of other
programs to facilitate involvement from Indians abroad, including Connect India, Piramal
Fellowship, Teach for India, Inspire Now, the Gandhi Fellowship, MedicIndia, Sama Source,
Super Flux, and Learning Journey, while numerous Indicorps partner organizations having
benefited from the inputs of dedicated individuals, have also created structured volunteer
programs of their own. Former Indicorps fellows have played a role in establishing many of these
programs, in addition to other awareness and service-oriented projects such as Global Rickshaw,
LaborVoices, and ThinkChange India.30 Indicorps has even begun accepting applications from
urban youth living in India who wish to participate in rural development projects. This surge in
service leadership, follow-on NGOs to the Indicorps experience, and rise in interest from young
resident Indians reflects a shift in attitudes and interest in direct service within India, in which
Indicorps, AIF, and similar programs driven by non-resident Indians have played an important
role.

Dasra: Mobilizing Resources for Strategic Philanthropy

Dasra was established in 1999 by Deval Sanghavi and Neera Nundy who had both been
working at Morgan Stanley in New York. They were inspired to adapt for the non-profit sector
Morgan Stanley’s focus on scaling and increasing profitability through management. Sanghavi
was born in the US while Nundy was born in Canada. Their experiences working with venture
capital and strategic investments led them to return to India after 2 years on Wall Street. Through
their transnational connections, Sanghavi and Nundy began Dasra with support mostly from
wealthy Indians in the US.31

Dasra aims to provide financial and direct management support to promising social enterprises and non-profits in India, particularly those addressing the challenges of marginalized communities. Capitalizing on their unique position with respect to philanthropic funders abroad who were eager to enter India but lacked their own teams on the ground, Dasra quickly expanded to act as the operating arm of many international funders, such as Zurich-based LGT Philanthropy, in addition to working with Indian funders. It has drawn in 20 philanthropies and high-net worth individuals, has worked with more than 200 social sector organizations and directed $9 million funding into the non-profit sector since its inception. Its strategy is hands-on investing, combining hand-holding and strategic planning support with funds to help organizations scale and succeed. This approach, showcased to philanthropists through donor study tours, has helped draw more funds to organizational development, and creating ripple effects whereby philanthropists seek to implement similar hands-on models throughout their portfolios.

While Dasra began by focusing on early-stage organizations, since 2002 it has taken a greater interest in mid-growth initiatives that have potential to flourish with improved management support. It has also developed a nine-month executive training program called Dasra-Social Impact which helps 30-40 social entrepreneurs on a quarterly basis to create 3-5 year business plans and readies a selection of them to receive grants.

There are two distinctive strands in Dasra’s active philanthropy approach. It has focused on improving management and helping organizations scale, as well as building a new culture of Indian philanthropy. Launched in March 2010, Dasra’s Indian Philanthropy Forum aims to build a network of influential individuals committed to strategic philanthropy in India. With a membership of over 150 philanthropists, the Forum is taking important steps to further transform India’s funding landscape. Forum members receive reports on India’s social sector; participate in informative events or field visits to learn about the application of philanthropy; and are invited to pool funds with other donors through Dasra Giving Circles to provide organizations with Rs. 3 crore (close to US $700,000) coupled with 250 days of hands-on support. The Indian Philanthropy Forum also helps reduce barriers between the public and private sectors and facilitate government involvement by inviting corporates to bring their clients as well as NGOs and government officials. Having found that most organizations that have scaled significantly have done so through government partnership, Dasra endeavors to build such partnerships for the organizations it works with.

Seeds of change have become visible beyond Dasra’s direct activities. In 2010, the Indian government proposed a law stipulating that firms with a turnover of Rs 1,000 crore (about US

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$232 million) or net profit of Rs 5 crore (about US $1.2 million) or more earmark 2 percent of their net profit for the preceding three years for corporate philanthropy.\textsuperscript{35} In early 2011 saw Warren Buffett and Bill and Melinda Gates visiting India to encourage philanthropy in the country.\textsuperscript{36} Globally, organizations like New Philanthropy Capital, Robin Hood Foundation, Global Social Benefit Incubator and Global Philanthropist Circle have taken on aspects similar to the Dasra model. GiveIndia has launched the First Givers Summit, which gathers first givers and forms giving circles, engaging retail donors and mobilizing individuals to get involved in philanthropy. While Dasra’s model, based on the larger sums its giving circles accrue, and its work with organizations both pre- and post-grant disbursement, is noteworthy by itself, even more its leadership in strategic giving has undeniably opened new doors for philanthropy in India.

\textit{SEARCH: Research and Action to Improve Health Systems}

Both born in India, Abhay and Rani Bang attended medical school together at Nagpur University. After completing their studies, they founded Chetna Vikas, a local health care delivery NGO providing services in the villages of Wardha. In pursuit of a strong desire to address India’s health care challenges at a larger scale, Abhay and Rani both completed Masters degrees in Public Health at Johns Hopkins University in the US. Upon returning to India, they identified key health issues in the Gadchiroli, Maharashtra, and launched the research and service-based projects which comprise SEARCH (Society for Education, Action and Research in Community Health) in 1985.\textsuperscript{37} Disagreeing with the priorities of the official Indian medical establishment which included population control and family planning as a primary public health objective, they adopted a communal consensus method favoured by Gandhi to listen to people to determine public health priorities. They started out with surveying two villages, and discovered that contrary to the current understanding of women’s health needs in the area, contraception was not the biggest issue—92 percent of women had gynaecological diseases. With this approach—atypical of public health trends in India at the time—they developed SEARCH’s key program areas, one of which has been gynaecological health, on which Rani and Abhay Bang have published multiple landmark papers.\textsuperscript{38}


The overall mission of SEARCH includes community health care, research and training.\textsuperscript{39} It operates public health programs in 39 villages in Maharashtra.\textsuperscript{40} With SEARCH’s work in the region, neonatal mortality in the area declined by 70 percent over seven years. The program also helped cut the rate of illness in half for mothers during and immediately after childbirth.\textsuperscript{41} Even more it has parlayed its deep understanding of effective community health into policies and programs at the state and national levels, especially a community health training program designed to reduce infant mortality. The latter program is now being adopted across India, and in Nepal, Bangladesh, Pakistan and parts of Africa.\textsuperscript{42}

\textit{Husk Power Systems: Scaling Renewable Energy}

India’s rural population (also its poorest) continues to rely on traditional fuels like firewood, kerosene and dung which are inefficient and unreliable, pose health risks and contribute to environmental degradation.\textsuperscript{43} The market for clean energy products among India’s rural poor exceeds two billion dollars annually. Some of this can be sourced from biomass kilns or small-scale hydro-electricity plants and others from new technologies including solar-based home electricity systems and lanterns; energy efficient cookstoves; and decentralized electricity services generated from micro hydro and biomass gasifiers. Though efforts to correct this have be run aground by politicization, evidence points to a high ability and willingness to pay amongst rural consumers. Yet credit constraints, lack of technical capacity, lack of awareness and under-developed market distribution all continue challenge deployment of renewables for rural electricity.\textsuperscript{44} Indian returnees have entered the market to overcome such challenges.

A notable example is a rice husk based off-grid village-level generation system. The founders of Husk Power Systems, Gyanesh Pandey and Manoj Sinha, grew up in Bihar (one of

\begin{footnotes}
\end{footnotes}
India’s largest and poorest states), and after spending time during their careers in the US decided to devote their efforts to tackle Bihar’s energy insecurity, one of the most severe across India.

Husk Power Systems (HPS) implements the concept of “decentralized renewable energy” using biomass-based power plants which run on rice husk, a common agricultural waste product in many northern Indian states, India’s rice belt.\(^4^5\) Currently HPS has 60 power plants up and running, serving 60 villages and 150,000 people.\(^4^6\) On an average, each power plant serves about 400 households and replaces ~ 42 KL of kerosene and 18 KL of diesel per year.\(^4^7\) HPS energy saves customers a third of what they would have spent on kerosene, allows shops to stay open later, and provides business and employment through its use of a local waste product.

Pandey returned to India in 2002 after spending nine years in the US working at a semiconductor manufacturer in Los Angeles where he was responsible for getting the best performance from integrated circuits at the lowest possible cost, skills that would prove useful for HPS.\(^4^8\) Sinha similarly had earned an engineering degree in India and went on to earn a Ph.D and MBA in the US. He led a successful career in banking and corporate development in the US before becoming the driver of the Husk Power Systems business model, along with Sinha’s MBA classmate Charles Rensler.

HPS has developed a number of innovations complementary to its technology. For example, HPS set up a side business turning the char from used rice husk into incense which provides supplemental income to 500 women. The company also developed a pre-payment smart-card reader for home installation to help curb electricity theft and inadvertent use.\(^4^9\) The wider diffusion of its technology is being undertaken through franchising and a training institution which will enlist, train and support partners who wish to open their own HPS franchise. This way, HPS hopes to replicate its model in countries around the world, serving 10-20 million people in the next 10-15 years.\(^5^0\) To meet the demands of the $2 billion clean electricity market among

\(^{45}\) S. Bairiganjan “Power to the people: investing in clean energy for the base of the pyramid in India,” 2010. Available at http://pdf.wri.org/power_to_the_people.pdf


India’s rural poor is HPS’s next benchmark; the organization is currently seeking further international investment to support its expansion.51

Aakash Ganga: Scaling Water Security through Public-Private-Community Partnership

Water security challenges in India’s resource-poor communities and elsewhere require the combination of appropriate technology and local capacity. Government supplies are not adequate in quantity or quality—fluoride and dissolved salts levels exceed public health norms, and during the dry season, households in areas like Rajasthan have to buy water often priced as high as $2 for a day’s supply.52 Numerous systems have been developed to facilitate safe water access, from its procurement through rainwater collection to its purification for drinking to its protection through sanitary latrines and hand-washing. By applying expertise gained in the private sector, returnees have played a catalytic role in bringing such innovations to scale.

After earning a Ph.D in the U.S. in engineering science and working with in R&D in companies such as Alcatel, Verizon, General Dynamics and Hughes Network Systems and also founding two start-ups, Bhagwati P. Agrawal founded Aakash Ganga (“river from the sky”) and the associated network Sustainable Innovations in his home state of Rajasthan.53 Agrawal drew from these experiences, along with his upbringing in rural Rajasthan and an engineering degree from there, to approach Rajasthan’s water security challenge. Over seven years, he and his team worked to develop a program that would be holistically sustainable in the socioeconomic, institutional, and cultural context of rural India.

Aakash Ganga (AG) has developed a rainwater harvesting system for Rajasthan’s rural areas (56 million people, 40,000 rural villages) which channels rooftop rainwater from every house in a village into a network of underground reservoirs. Agrawal drew upon his technical expertise as well as his knowledge of traditional water procurement practices in Rajasthan’s rural communities to design this water collection network. He incorporated the levy system and communal water supplies, both part of a long history in Rajasthan, into the AG model. In

addition, satellite images are used to set up GIS to guide optimal reservoir placement. An IT network manages utilization and monitors water quality.54

With demonstrated results, Agrawal created a public-private-community partnership in Rajasthan which acquires rights from homeowners to harvest their rooftop rainwater for a fee or subsidy. The harvested rainwater is supplied to the village according to a socially equitable distribution policy. Households with thatched roofs fill their cisterns from the shared community reservoir, while for participating households, half the rainwater flows to a private reservoir and the other half to the community’s shared reservoir. AG has the capacity to collect and store several hundred cubic feet of rainwater sufficient to last for an entire year, with average rainfall. The shared water is used for revenue generation and cost recovery.55 Funding has been provided by the government, social investors, and communities. While its development and scale is capital-intensive, AG relies on public and community partnership to garner the necessary resources for its expansion.

Piloted successfully in Raila village, as of July 2009, the program has been implemented in six villages.56 With financial support from the state government, AG is on schedule to expand to 15–20 villages by the year 2013, and 100 villages by 2015, serving 50,000 and 250,000 people, respectively. Early successes have drawn increasing support from AG’s support network to allow these rapid jumps in scale. The available evidence suggests that in the villages where it has been implemented women have become economically more productive and girls’ school attendance has increased. Almost all households with rainwater tanks have established kitchen gardens which in turn will improve household nutrition and health conditions.57 Also, by strategically placing reservoirs and maintaining the communal supply (as opposed to a solely household-based system), people of different castes are all participating in the rainwater harvesting scheme and the pooling of water resources.58 The system is being considered for large-scale implementation by the Government of India.59

Educate Girls: Scaling Through Up-Front Government Partnership

Educate Girls Globally (EGG) is rare amongst the numerous NGOs working to improve gender equality in its efforts to introduce education reform through the existing government school system. With a comprehensive, multi-intervention model, EGG empowers local community stakeholders to take ownership of their government-owned schools. Begun in 1999 by economist A. Lawrence Chickering in Sausalito, California, EGG initially struck a partnership with a local NGO in Uttarakhand, with little impact. A second partnership in 2005 with the Rajasthan government saw success at 47 out of 50 schools. To scale this to 2342 schools in 1067 villages, EGG established an independent Indian affiliate, the Foundation to Educate Girls Globally (FEGG), more recently re-titled Educate Girls (EG), under the leadership of Safeena Husain.

Husain came to lead EGG’s flagship initiative in India after studying at the LSE and 15 years of experience on community health projects in Ecuador, Mexico, Bolivia, and South Africa with US-based NGOs. Working with different communities and local country partners, the experiences served her well in crafting a basket of interventions to achieve EG’s main goal—an effectively scaled model with high impact and low cost.

EGG has combined an innovative approach of getting young girls in school to act as peer “brand ambassadors” in persuading households with young girls who were not going to school to send them as well as using innovative techniques in teacher training. EGG achieves long-term sustainability by fostering community ownership of improved schools. EGG schools develop Action Committees, charged to create plans for their schools. These committees engage in community outreach to identify and tackle key issues. EGG gradually removes itself from the Action Committee’s functionings, leaving fully capable Action Committees to lead on their own. EG also provides training to government schoolteachers, and fosters leadership skills through student parliament and other self-esteem building activities.

Its approach has proven to combine scale with impact; in its growth from 50 to 500 to 2342 schools. A recent evaluation of 29,000 children from 910 primary schools in grades 3rd, 4th and 5th students in Educate Girls program schools are almost 13% more likely to score in the upper achievement levels in Hindi and 14% more likely to score in the upper achievement levels in Math than students in non-program schools. Improvement occurs among both boys and girls in the program schools.

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EG estimates a cost of about Rs.100, just above US $2, per child per year, as compared with the $90 per student annual cost associated with building a new school. Partnerships keep costs down, as EG’s success lies in the synergy of the resources it marshals. It uses materials developed by leading education and community mobilization NGOs; its government partnership ensures that EG builds on government investments in existing schools, and also supports its financial stability – the state’s contribution to the program has increased from zero to 46 percent.

There is undoubtedly a positive sample bias in these case studies but they are a window into the growing corps of returnees working to shape India’s future. Several elements define this new generation of returnees. First, unlike their predecessors, who embarked on careers as diplomats, technocrats, or public servants, these individuals are professional, not policy, experts. They are doctors, engineers, lawyers, and financiers—turned into social entrepreneurs. Their impact is in part the result of a transfer of skills and knowledge from these overseas experiences and in part the result of their access to different networks that allows for initial seed funding to build prototypes and “proof of concept” models for potentially scalable (and transformative) solutions.

Second, they are either relatively young or have already achieved their career goals overseas. For both, India offers innumerable opportunities in the social sectors and the fact that the country now has many of the amenities once found only abroad, also makes the shift more conducive.

Third, they recognize that any intervention can only be meaningful if it can be scaled up, and this requires partnerships with both the market and the government. While recognizing the weakness of the Indian state to provide those services, they are also cognizant of the heterogeneity among state institutions and the fact that state is often not a veto player and sometimes can be a partner for those willing to make that commitment.

CONCLUSION

During the first half of the 20th century most migrants who left Indian to augment their human capital, returned. More often than not their re-entry point was the state, especially at the federal level, whether in politics or the bureaucracy or the many new state institutions in higher education and research. Through these vantage points returnees helped shaped key institutions, exemplified by the democratic bedrock of India’s constitution. In subsequent decades, most of those who left did not return and the few who did in the 1980s and 1990s joined the Indian
government in economic policy making ministries and institutions and helped shaped another pivotal moment in Indian history – the economic reforms that began in the 1990s.

In the last decade, the travails of the Indian state together with an economic boom in India have led to an increase in returnees – but this time the locus of their activities has shifted from the state to the private sector and social entrepreneurship, reflecting both a weakness of the Indian state but also its inability to leverage such a reservoir of talent. While India’s development and growth story is primarily a domestic story, its international migrants have played – and are playing – important roles, especially as “change agents” in driving bottom-up initiatives. Given India’s chaotic democracy and weak institutions, but an open society, there are numerous opportunities for returning talent to foment change. Whether that can compensate for the State’s weaknesses remains to be seen.
### Table 1. Political Elites

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<th>Year</th>
<th>1950</th>
<th>1980</th>
<th>2000</th>
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</thead>
<tbody>
<tr>
<td><strong>percent studied abroad</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- in UK</td>
<td>74.6</td>
<td>61.4</td>
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</tr>
<tr>
<td>- in US</td>
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<tr>
<td>- elsewhere</td>
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<tr>
<td>- Bachelors degrees</td>
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<td>- Other Masters and PhDs</td>
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<td>4.7</td>
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<tr>
<td>- Diplomas in Arts etc</td>
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<tr>
<td><strong>Sample Size (N)</strong></td>
<td>605</td>
<td>915</td>
<td>879</td>
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Source: Kapur (2010)

Note: The percentages do not precisely add up to hundred because in some cases a person has studied in more than one country and several others have more than one type of degree.

### Table 2. Bureaucratic Elites

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<td>- More than one degree</td>
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<td>- Diplomas in Arts etc</td>
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<td><strong>Sample Size (N)</strong></td>
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Source: Kapur (2010)
Table 3. Trends Over Time*

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<td>22</td>
<td>50</td>
<td>136</td>
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<td>Local</td>
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<td>11</td>
<td>10</td>
<td>29</td>
<td>64</td>
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<td>2</td>
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<td>42</td>
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<td>1</td>
<td>5</td>
<td>30</td>
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<td>4</td>
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<tr>
<td>Education</td>
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<td>4</td>
<td>6</td>
<td>5</td>
<td>9</td>
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<td>Energy</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>10</td>
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<tr>
<td>fairtrade crafts</td>
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<td>0</td>
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<td>6</td>
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<td>2</td>
<td>9</td>
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<tr>
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<td>Transportation</td>
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<td>0</td>
<td>6</td>
</tr>
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<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Water</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td><strong>Gender of Founders or Co-founders</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of organizations with female founders or co-founders</td>
<td>8 (32%)</td>
<td>4 (31%)</td>
<td>5 (23%)</td>
<td>12 (24%)</td>
<td>29 (21%)</td>
</tr>
<tr>
<td><strong>Type of Innovation (percent)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>percent organizations with tech component</td>
<td>25</td>
<td>8</td>
<td>55</td>
<td>40</td>
<td>38</td>
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</tbody>
</table>

*Sample size of organizations with known founding year is 226.
Source: Ayllu and authors database
Table 4. Trends by Sector (%)**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Founders or Co-founders of organizations who are: (%)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local</td>
<td>Returnee</td>
<td>non-Indian</td>
<td></td>
</tr>
<tr>
<td>agriculture</td>
<td>50</td>
<td>44</td>
<td>6</td>
<td></td>
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<tr>
<td>Education</td>
<td>67</td>
<td>23</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>30</td>
<td>50</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>fairtrade crafts</td>
<td>54</td>
<td>31</td>
<td>15</td>
<td></td>
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<tr>
<td>Health</td>
<td>52</td>
<td>39</td>
<td>9</td>
<td></td>
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<tr>
<td>Housing</td>
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<td>0</td>
<td></td>
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<tr>
<td>labor/other</td>
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<td>20</td>
<td>17</td>
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<td>Water</td>
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</table>

**For founder location, sample size is 230. For founder gender, sample size is 228.

Table 5. Type of Innovation, by Sector

<table>
<thead>
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<th>Sector</th>
<th>Service</th>
<th>Tech</th>
<th>Tech + Service</th>
<th>Total</th>
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</thead>
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<td>18</td>
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<td>Education</td>
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<td>33</td>
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<tr>
<td>Energy</td>
<td>5</td>
<td>27</td>
<td>8</td>
<td>40</td>
</tr>
<tr>
<td>Fairtrade Crafts</td>
<td>13</td>
<td>1</td>
<td>14</td>
<td>37</td>
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<td>Health</td>
<td>24</td>
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<td>28</td>
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<td>Housing</td>
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<td>2</td>
<td>2</td>
<td>6</td>
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<td>Information Technology</td>
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<td>Other</td>
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<td>2</td>
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<tr>
<td>Transportation</td>
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<td>7</td>
<td>14</td>
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<td>Waste</td>
<td>9</td>
<td>3</td>
<td>12</td>
<td></td>
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<tr>
<td>Water</td>
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<td>6</td>
<td>14</td>
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<tr>
<td><strong>Total</strong></td>
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<td>45</td>
<td>50</td>
<td>235</td>
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</table>
Table 6. Gender and Residence/Location Status of Organization Founders and Co-founders

<table>
<thead>
<tr>
<th>Gender</th>
<th>Returnee</th>
<th>Returnee + Local</th>
<th>Returnee + Non-Indian</th>
<th>Local</th>
<th>Local + Non-Indian</th>
<th>Non-Indian</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>F</td>
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<td>28</td>
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<td>41</td>
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<td>41</td>
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<tr>
<td>F+M</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>17</td>
</tr>
<tr>
<td>M</td>
<td>55</td>
<td>4</td>
<td>2</td>
<td>79</td>
<td>7</td>
<td>22</td>
<td>170</td>
</tr>
<tr>
<td>Total</td>
<td>67</td>
<td>5</td>
<td>5</td>
<td>115</td>
<td>8</td>
<td>27</td>
<td>228</td>
</tr>
</tbody>
</table>

Table 7. Type of Innovation, by Gender of Founders and Co-founders

<table>
<thead>
<tr>
<th>Innovation</th>
<th>F</th>
<th>F+M</th>
<th>M</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>35</td>
<td>9</td>
<td>93</td>
<td>137</td>
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<tr>
<td>Tech</td>
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<td>4</td>
<td>36</td>
<td>43</td>
</tr>
<tr>
<td>tech/service</td>
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<td>4</td>
<td>41</td>
<td>48</td>
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<tr>
<td>Total</td>
<td>41</td>
<td>17</td>
<td>170</td>
<td>228</td>
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</tbody>
</table>

Figure 1. Returnee Involvement in Social Enterprise Over Time