

The Grass is Indeed Greener in India and China for Returnee Entrepreneurs

America's New Immigrant Entrepreneurs, Part VI

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Introduction

Anecdotal evidence indicates that large numbers of skilled workers have returned home from the United States to countries such as India and China. There are no hard data available, but most authorities agree that the numbers returning per year are in the tens of thousands. For example, the Chinese Ministry of Education estimates that the number of overseas Chinese who returned to China in 2009 having received a foreign education reached 108,000: a sharp increase of 56.2 percent over the previous year. In 2010, this number reached an all-time high of 134,800.¹ Our earlier research² had estimated that, as of October 2006, waiting for a yearly allocation of 120,000 permanent-resident visas were 1,055,084 employment-based principals in the focal employment categories and their family members residing in the United States. We had speculated that these workers might get frustrated at the wait and return to their home countries, producing a “reverse brain drain.”

In 2008, our surveys³ of 1,203 Indian and Chinese immigrants who had worked in or received their education in the United States and returned to their home countries revealed that, although restrictive immigration policies had caused some returnees to depart the United States, the most significant factors in the decision to return home were career opportunities, family ties, and quality of life. We learned that a majority of these returnees to India and China aspired to start businesses within five years.

We decided to research this further by surveying a select group of Indian and Chinese immigrant professionals who had returned from the United States to their home countries and started businesses there. We wanted to learn the following:

- Why did these entrepreneurs return from the United States to India and China?
- What are their perceptions of the entrepreneurial climate in their home countries?
- According to them, what are the advantages and disadvantages of working in India and China over working in the United States?
- Do they maintain transnational ties to the United States upon return?

We obtained responses to a detailed online survey from 153 such professionals in India and 111 in China. The survey was conducted from September 2010 to March 2011. In the absence of a census on returnees in India and China, our sample was not a random one. We selected, recruited, and researched the backgrounds of respondents via LinkedIn, an online network of more than 90 million experienced professionals and managers worldwide that provides a valuable source of information on these types of workers. We contacted the returnees through LinkedIn and by e-mail. We also obtained the assistance of several industry associations in India and China to help us connect with returnees through their own networks. Though our findings may not generalize to all highly educated returnee entrepreneurs, we believe they are representative of the professionals who are returning to India and China and starting high-tech ventures there.

We required that survey respondents meet the following criteria:

- that the entrepreneur be of Indian/Chinese origin and had founded or co-founded his/her current company in India/China;

The Chinese Ministry of Education estimates that the number of overseas Chinese who returned to China in 2009 having received a foreign education reached 108,000: a sharp increase of 56.2 percent over the previous year.

1. Xinhua News Net, March 18, 2010; Xinhua News Net, March 3, 2011.

2. Wadhwa, Vivek; Jasso, Guillermina; Rissing, Ben; Gereffi, Gary; and Freeman, Richard B., *Intellectual Property, the Immigration Backlog, and a Reverse Brain-Drain: America's New Immigrant Entrepreneurs, Part III*. August 22, 2007. Available at SSRN: <http://ssrn.com/abstract=1008366>.

3. Wadhwa, Vivek; Saxenian, AnnaLee; Freeman, Richard B.; and Gereffi, Gary, *America's Loss is the World's Gain: America's New Immigrant Entrepreneurs, Part 4*. March 2, 2009. Available at SSRN: <http://ssrn.com/abstract=1348616>.

The most significant factors drawing both Indians and Chinese home were economic opportunities, access to local markets, and family ties. More than 60 percent of Indian and 90 percent of Chinese respondents said the availability of economic opportunities in their countries was a very important factor.

- that the entrepreneur had been managing his/her company in India/China for at least a year at the time of taking the survey, in order that he/she be able to look back on his/her adaptation process with some temporal certainty and to reflect on the challenges and advantages of managing a company in India and China; and
- that, prior to moving to India/China, the respondent had studied in the United States full time as an undergraduate or graduate student and/or had worked in the United States for at least one year.
- Fifty-six percent of Indian companies, but only 33 percent of Chinese ones were in the information technology (IT) sector. The rest were in a wide assortment of industries.
- Most startups were in India's and China's major cities.
- Seventy percent of the Indian companies and 64 percent of the Chinese companies in our sample had two to fifty employees. Sixteen percent of Indian and of Chinese companies had more than 100 employees.
- Eighty-six percent of Indian companies and 73 percent of Chinese ones had been funded initially by personal savings. A far higher proportion of Chinese companies (19 percent) than of Indian ones (5 percent) had obtained initial venture capital funding.

Our Findings

Background of respondents

- In our sample, the majority of respondents were in their mid-thirties. The average age of both Indian respondents and Chinese respondents was thirty-seven years.
- Ninety-three percent of Indian and 89 percent of Chinese respondents were male.
- On average, Indian respondents had studied in the United States for 1.8 years; Chinese, for 4.2 years. Indians had lived as professionals for an average of five years in the United States; Chinese, 4.9 years.
- Fifty-six percent of Indian and 24 percent of Chinese returnees moved to the United States with their families and subsequently returned with them to their home countries.

Characteristics of companies started in India/China

- Most companies started by the returnees were less than five years old.
- Few companies—26 percent of Indian respondents' and 10 percent of Chinese respondents'—were family-owned.

Why did they return?

- The most significant factors drawing both Indians and Chinese home were economic opportunities, access to local markets, and family ties.
 - More than 60 percent of Indian and 90 percent of Chinese respondents said the availability of economic opportunities in their countries was a very important factor.
 - The Chinese ranked local markets as very important reasons far more commonly than the Indians did (Indians, 53 percent; Chinese, 78 percent).
 - And, consistent with our previous research on why Indian and Chinese immigrants return to their home countries, more Indian (76 percent) than Chinese (51 percent) respondents considered family ties as very important in motivating their return.
- The returnees took pride in contributing to their home country's economic development. More than 60 percent of Indians and 51 percent of Chinese rated this as very important.

- Government incentives were far more important to Chinese than to Indian returnees. Only 4 percent of Indians ranked them as very important, but 23 percent of Chinese respondents did.
- Visas were a very important influence on the decision to return by only 9 percent of the Indians and of the Chinese in this cohort.

Personal comparisons: the United States vs. India/China

- Surprisingly, 72 percent of Indian and 81 percent of Chinese returnees said that the opportunities to start their own businesses were better or much better in their home countries. Only 14 percent of Indians and 5 percent of Chinese said that opportunities had been better in the United States.
- Speed of professional growth was also better back home for the majority of Indians (54 percent) and Chinese (68 percent).
- Fifty-six percent of Indians and 59 percent of Chinese enjoyed a quality of life back home that was better or at least equal to what they'd enjoyed in the United States; 43 percent and 40 percent, respectively, found it better in the United States.
- Sixty-four percent of Indians and 83 percent of Chinese said professional recognition was about the same or better in their home countries as in the United States; 34 percent and 15 percent, respectively, said it was better in the United States.

Advantages of doing business in India and China

- Among Indians, the strongest common advantage to entrepreneurs who had moved home was lower operating costs; among Chinese, it was access to local markets.
- In India, 77 percent ranked operating costs and 72 percent ranked employee wages as very important advantages. In China, 64 percent and 61 percent, respectively, did.

- In China, 76 percent ranked access to local markets as very important. In India, 64 percent did.
- Availability of qualified workers was perceived as a more significant advantage in India than in China, with 60 percent in India and 43 percent in China regarding it as very important.
- Indians and Chinese both (55 percent and 53 percent, respectively) saw the mood in their countries as a very important advantage.
- Far more Chinese consider government support very important than do Indians (7 percent of Indian and 31 percent of Chinese respondents).
- A minority of Indians (31 percent) and Chinese (35 percent) ranked their country's infrastructure as very important.

The American advantage

- The only advantage respondents typically indicated that the United States offered lay in the salaries received—64 percent of Indian respondents said the salaries had been better in the United States than they were at home. Forty-three percent of Chinese respondents stated that salaries had been better in the United States, while 20 percent stated that they were about the same in China and the United States.

The value of networks

- Business networks were considered very important by 81 percent of Indians and 91 percent of Chinese.
- Personal/family networks were regarded as very important more frequently by Chinese (74 percent) than by Indians (60 percent).
- Indian respondents less commonly (28 percent) regarded ties to government officials as very important than did the Chinese (48 percent).
- Fifty-one percent of Indians and 45 percent of Chinese considered alumni networks to be very important.

Seventy-two percent of Indian and 81 percent of Chinese returnees said that the opportunities to start their own businesses were better or much better in their home countries. Only 14 percent of Indians and 5 percent of Chinese said that opportunities had been better in the United States.

The entrepreneurs in this survey are strikingly similar to their U.S.-based counterparts: They are overwhelmingly male, and most are bootstrapping businesses with personal savings and funds from family and friends.

Ties to the United States

- Both Indians and Chinese maintained strong contacts with former colleagues and family and friends in the United States.
- Eighty-four percent of Indian returnees maintained monthly or more frequent contact with family and friends, and 66 percent maintained contact of that frequency with their former colleagues.
- Eighty-one percent of Chinese returnees maintained at least monthly contact with family and friends, and 55 percent maintained contact of that frequency with their former colleagues.
- Chinese returnees maintained stronger contacts with United States ethnic and educational organizations than Indian returnees did.
- Only 7 percent of Indian respondents, but 19 percent of Chinese ones maintained at least monthly contact with ethnic organizations. Twenty-five percent of the Indian and half of the Chinese respondents maintained contact every six months or more frequently with these groups.
- Seventeen percent of Indian and 34 percent of Chinese respondents maintained at least monthly contact with educational institutions.
- Thirty-seven percent of Indians made monthly or more frequent contact with professional organizations, as did 45 percent of the Chinese.
- The discussions that returnees engaged in monthly or more frequently with their contacts in the United States were about customers (Indians, 61 percent; Chinese, 74 percent), markets (Indians, 62 percent; Chinese, 71 percent), technical information (Indians, 58 percent; Chinese, 68 percent), job opportunities (Indians, 35 percent; Chinese, 55 percent), and business funding (Indians, 31 percent; Chinese, 54 percent).
- Over the previous two years, Indian returnees had travelled to the United States or abroad for work purposes on average 2.5 times; Chinese returnees, 4.3 times.

Conclusions

As recently as the 1990s, we talked about a “brain drain.” The great majority of U.S.-educated professionals from places such as India and China remained in this country to work at research labs, universities, and private companies. Most stayed in the United States for the remainder of their careers here because the economic and professional opportunities were more attractive than in their home countries. Some—particularly those in technology regions such as Silicon Valley, Boston, and Seattle—pioneered a wave of “new” immigrant entrepreneurship. Few returned home permanently.

This pattern changed abruptly in the 2000s, with U.S.-educated immigrants returning to their home countries in growing numbers. Many were attracted by jobs in established firms, but a significant cohort is trying its hand at entrepreneurship. This survey offers an invaluable glimpse into the motivations of these professionals who are starting businesses in China and India after studying and working in the United States. And, though it reveals interesting differences between Indian and Chinese returnees and the contexts of entrepreneurship in their home countries, the most significant themes that emerge from the survey results are the commonalities between these two groups.

The entrepreneurs in this survey are strikingly similar to their U.S.-based counterparts: They are overwhelmingly male, and most are bootstrapping businesses with personal savings and funds from family and friends. Their businesses are small, relatively new, and focused on fast-growing, low-barrier-to-entry markets in IT and the service sectors. Finally, most are incorporating their businesses as limited-liability or professional corporations—rather than adopting the model of the family-owned firm that was dominant historically in both China and India.

These returnees identify economic opportunities, the opportunity to start a business, and the speed of professional growth as the leading motivations for returning home. They rank these factors well above others such as lower business costs or government incentives, the expiration of U.S. visas, and the

opportunity to contribute to domestic economic development. For Indians, family ties also are a major motivation to return, and, for Chinese, access to the large domestic market looms large. Clearly, the rapid growth of the Chinese and Indian economies has created professional and entrepreneurial opportunities that didn't exist in prior decades.

The calculations in this report parallel those of prior generations of U.S.-educated professionals who returned to Taiwan and Israel in the late 1980s and 1990s. In both eras, the pull of economic growth at home, and the professional opportunities that growth generates, loom significantly larger than policy measures in either the United States or abroad. It is worth noting, in addition, that in both cases, the timing of these "reversals" also corresponds to periods of economic downturn in the United States that diminish the professional opportunities for immigrants.

Moreover, the factors that led to the original brain drain—relative poverty and underdevelopment—are now sources of competitive advantage for India and China. Return entrepreneurs in both countries identify lower operating costs, lower salaries, and access to the domestic market as the most important advantages of doing business at home rather than in the United States. The availability of qualified workers and the mood in the country also are advantages to both. And, though scholars and the media often highlight the role of government policy in attracting or repelling talent, the survey respondents rank infrastructure and government support as the least-important considerations for doing business in India or China relative to the U.S. market.

These return entrepreneurs are uniquely positioned to exploit the economic differences between their home countries and the United States because of their linguistic and cultural knowhow and connections with domestic institutions and businesses. Both Indian and Chinese entrepreneurs identify business networks as being very important for entrepreneurial success in their home countries, followed by family and

personal networks, and alumni networks. To both, ties to government officials rank lower than their other networks, although they are more important to Chinese than to Indians.

This might be seen as a zero-sum story: entrepreneurs are leaving the United States for the "greener" pastures—better economic and professional opportunities—at home. What was once a "brain drain" that advantaged the U.S. economy now is reversed, to the long-term benefit of India and China. The data from the final section of the survey suggest, however, a more complex process—one characterized by a two-way "brain circulation" with potential benefit to both the United States and these emerging economies.

The survey confirms that, when entrepreneurs return home, they maintain close and continuing contact with friends and family, colleagues, customers, partners, and sources of business information in the United States. Indian returnees report visiting the United States between two and three times over the previous two years, and Chinese report visiting more than four times in that period. A majority of the survey's respondents report monthly or more frequent contact with former colleagues in the United States; more than a quarter have contact with U.S.-based colleagues at least roughly weekly. A majority also exchange information about customers and collaborators, markets and technology, or organizations with people in the United States at least monthly; approximately one-third exchange information about customers and collaborators with colleagues in the United States weekly or more frequently.

Returning entrepreneurs in India and China are exploiting their privileged position in the world economy: building businesses that take advantage of their access to the lower costs, growing markets, and business networks in their home countries but maintaining close ties also with customers, collaborators, and sources of information in the United States. The accumulation of linkages between

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Regions that support entrepreneurial experimentation will remain important nodes in today's global economy.

entrepreneurs in regions such as Bangalore and Beijing and entrepreneurs in the United States offers opportunities for mutually beneficial growth. We have seen this positive dynamic at work in the relationships between entrepreneurs and institutions in Taiwan and Israel and Silicon Valley: Each benefits from participation in the decentralized, cross-regional collaborations that support innovation in today's global economy. Albeit that the entrepreneurs in this survey do not rank government policy as an important advantage, the timing of their return underscores the importance of the recent economic and political reforms in India and China.

This is a lesson the United States can learn from China and India: Regions that support entrepreneurial experimentation will remain important nodes in today's global economy. Since individual entrepreneurs lack the incentive or the ability to preserve the wider economic environment, when competitive conditions change they can either move to where the "grass" is greener or work with the public sector to ensure that it encourages future generations of entrepreneurs.

Methodology

We surveyed Indian and Chinese professionals who had returned to India or China to start their companies. The survey was conducted by Masters of Engineering Management students at the Pratt School of Engineering at Duke University from late September 2010 to March 2011. All survey respondents fulfilled the following criteria: At the time of taking the survey, they were entrepreneurs of Indian/Chinese origin and had founded or co-founded their current companies in India/China. Furthermore, when responding to the survey, they had been managing their companies in India/China for at least a year. Finally, prior to moving to India/China, respondents had studied in the United States full time for at least a year as undergraduate or graduate students and/or had worked in the United States.

The primary means used to recruit entrepreneurs who met our search criteria were online "social media." For example, we selected, recruited, and researched the backgrounds of respondents via

LinkedIn, an online network of more than 90 million experienced professionals and managers worldwide that provides a valuable source of information on these types of workers. We contacted the returnees through LinkedIn, by e-mailing them directly, and by phone. We also obtained the assistance of several industry associations in India and China to help us connect with returnees.

Respondents were told that their identities would be kept strictly anonymous. The survey was conducted using Qualtrics, a web-based survey tool.

Of the people we were able to reach, approximately 30 percent started the survey. Two hundred and forty-nine people started our India survey, and 153 completed it. Two hundred and one Chinese respondents started our China survey, and 111 completed it. Most who left the survey incomplete did so because they did not qualify.

Though our findings may not generalize to all highly educated returnee entrepreneurs, we believe they are representative of the professionals who returned to India and China and started high-tech ventures there.

Background of respondents

In our sample, the majority of respondents were in their mid-thirties. The average age of Indian and of Chinese respondents was thirty-seven years. The majority of Indian (93 percent) and Chinese (89 percent) respondents were male.

We asked how many years the respondents had studied in the United States and how many years they had worked in the United States before returning. On average, Indian respondents had studied in the United States for 1.8 years and the Chinese for 4.2 years. On average, Indians had worked in the United States as professionals for five years; Chinese, 4.9 years.

Fifty-six percent of Indians and 24 percent of Chinese had family members who had moved to the United States to live with them and subsequently had returned with them to their home countries. The spouse and/or children of 2 percent of Indian and 21 percent of Chinese respondents had remained in the United States after the respondent had returned to India/China.

Characteristics of companies started

Most of the entrepreneurs in our sample had businesses that had been started less than five years before they completed our survey.

Figure 1
Age Distribution of Businesses Started

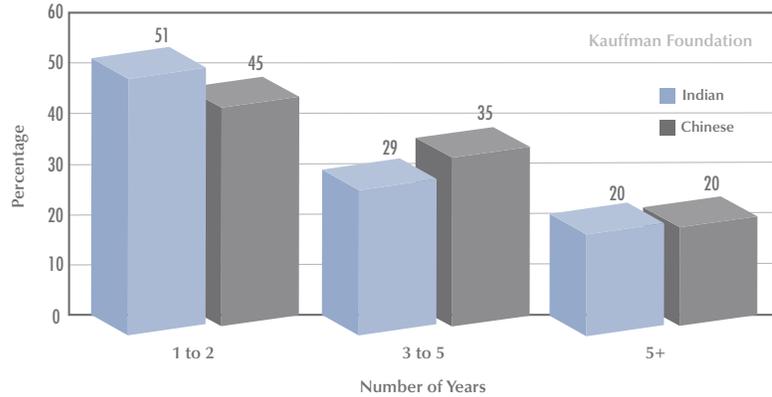


Figure 2
Distribution of Kinds of Incorporation

Very few companies (26 percent of Indian respondents' and 10 percent of Chinese respondents') were family-owned. Most were limited-liability companies or professional corporations.

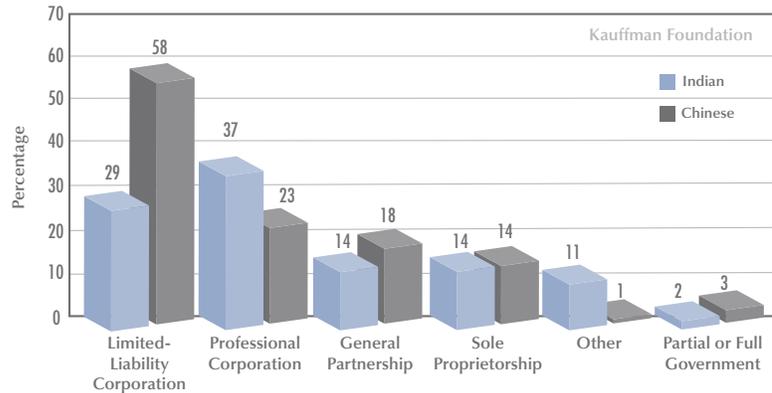
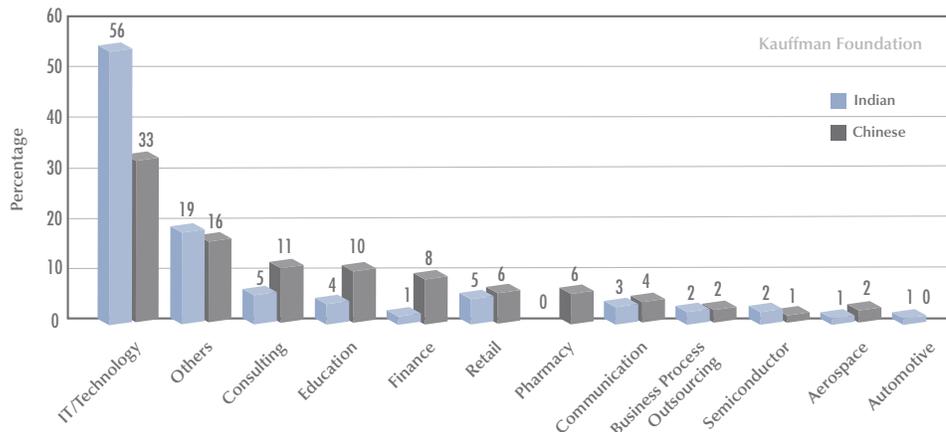


Figure 3
Industry Distribution of Businesses

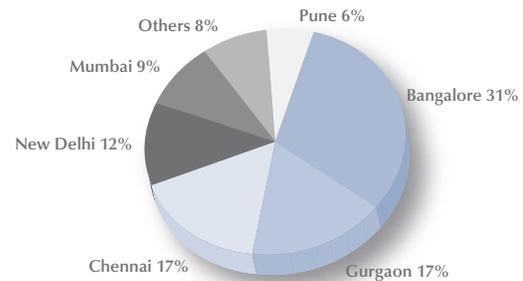
Fifty-six percent of Indian respondents and 33 percent of Chinese ones operated companies in the IT sector; 5 percent and 11 percent, respectively, companies in consulting; and 4 percent and 10 percent, respectively, companies in education.



Not surprisingly, many of our respondents' company headquarters were located in metropolitan areas. Thirty-one percent of Indian respondents had their headquarters in Bangalore; 17 percent each in Chennai and Gurgaon; 12 percent in New Delhi; 9 percent in Mumbai; and 6 percent in Pune. Sixty percent of Chinese respondents' company headquarters were located in Beijing and 17 percent in Shanghai.

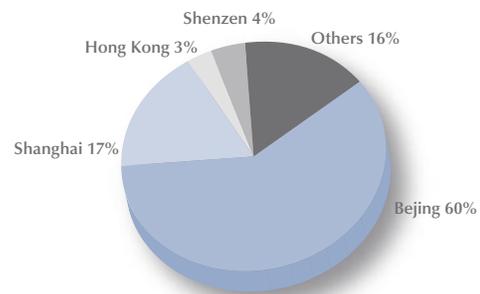
Thirty-six percent of Indian companies had between two and ten employees and 34 percent between eleven and fifty.

Figure 4
Location Distribution of Businesses



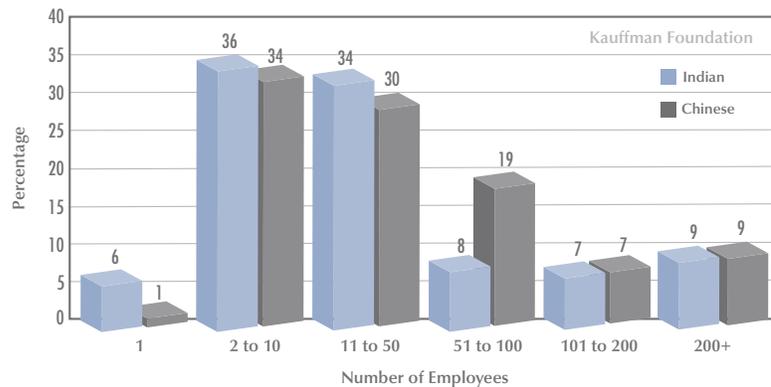
India

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China

Figure 5
Size Distribution of Businesses

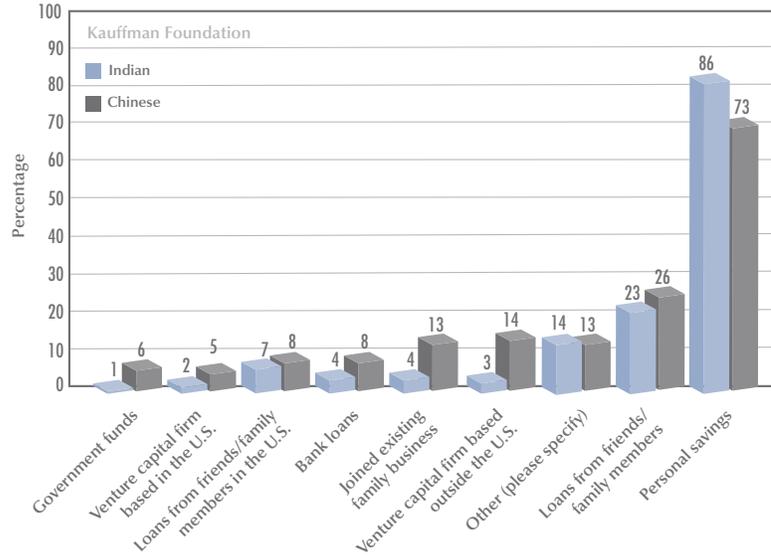


Thirty-six percent of Indian companies had between two and ten employees and 34 percent between eleven and fifty. In the Chinese case, 34 percent had between two and ten employees and 30 percent between eleven and fifty employees. Sixteen percent of Indian and of Chinese companies had more than 100 employees.

We asked respondents to list the initial and (if applicable) subsequent sources of capital. A majority of Indians (86 percent) and of Chinese (73 percent) listed personal savings as instrumental in having initially launched their companies. Loans from friends and family members in India (23 percent) and China (26 percent) were the second-most-cited factors. Two percent of Indians and 5 percent of Chinese had obtained venture capital funding from firms based in the United States. Three percent of Indians and 14 percent of Chinese had obtained funding from outside the United States. Friends and family members in the United States also had helped 7 percent of Indian and 8 percent of Chinese respondents with startup funds. One percent of the respondents in India and 6 percent of those in China had procured government funds to jumpstart their firms. (These percentages exceed 100 in total for each country, because respondents were asked to name all fields that applied.)

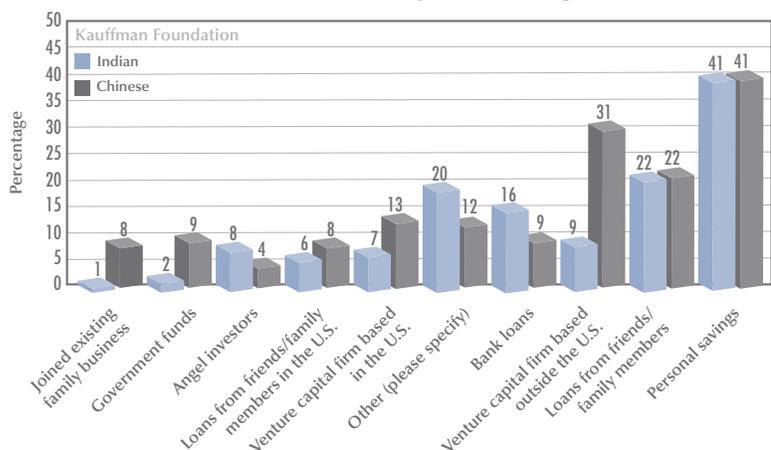
Sources of subsequent funding included the personal savings of 41 percent of both Indians and Chinese. Venture capital funding contributed to the subsequent funding of 16 percent of Indians and 44 percent Chinese respondents. Nearly 8 percent of Indians and 4 percent of Chinese also reported that angel investors had contributed to subsequent rounds of funding. Bank loans also had been a source of subsequent funding for 16 percent of Indians and 9 percent of Chinese. Only 2 percent of Indian and 9 percent of Chinese respondents had received government funding after the first round.

Figure 6
Distribution of Initial Funding Sources



A majority of Indians (86 percent) and of Chinese (73 percent) listed personal savings as instrumental in having initially launched their companies. Loans from friends and family members in India (23 percent) and China (26 percent) were the second-most-cited factors.

Figure 7
Distribution of Subsequent Funding Sources



Why did they return?

The most significant factors drawing both Indian and Chinese respondents home had been economic opportunities, access to local markets, and family ties. More than 60 percent of Indian and 90 percent of Chinese respondents said that the availability of economic opportunities in their countries had been very important. The Chinese ranked local markets as very important reasons far more commonly than the Indians did (Indians, 53 percent; Chinese, 78 percent). And, consistent with our previous research on why Indian and Chinese immigrants return to their home countries, more Indian (76 percent) than Chinese (51 percent) respondents considered family ties as very important in motivating their return.

More than 60 percent of Indian and 90 percent of Chinese respondents said that the availability of economic opportunities in their countries had been very important.

Figure 8
Availability of Economic Opportunities
(Distribution of Degrees of Importance)

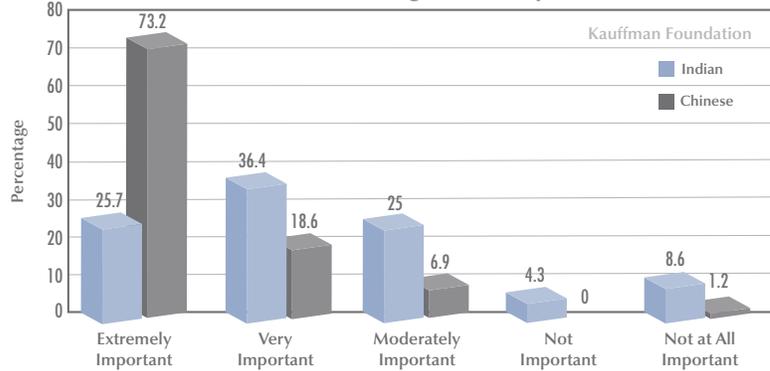


Figure 9
Family Ties (Distribution of Degrees of Importance)

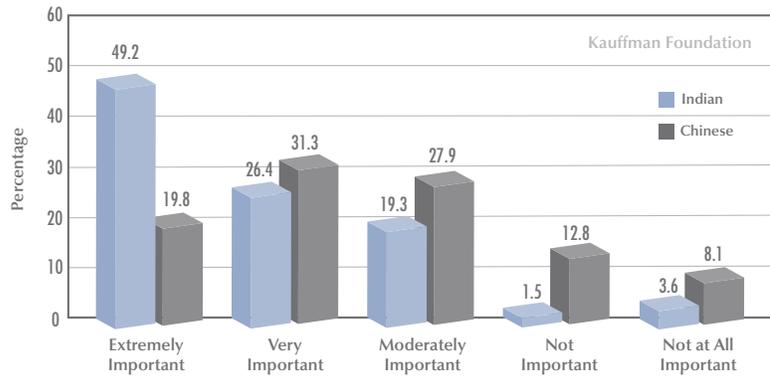
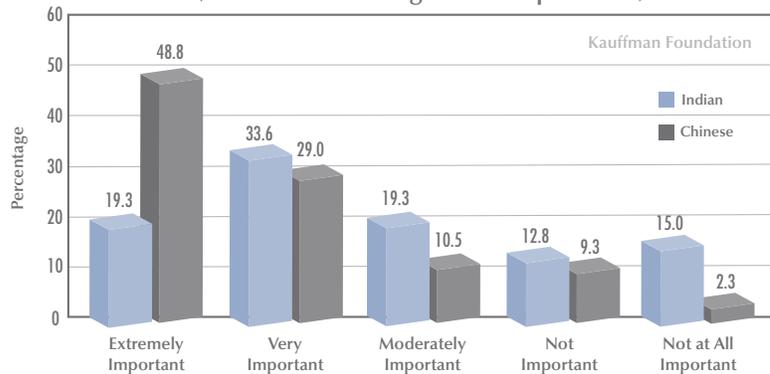
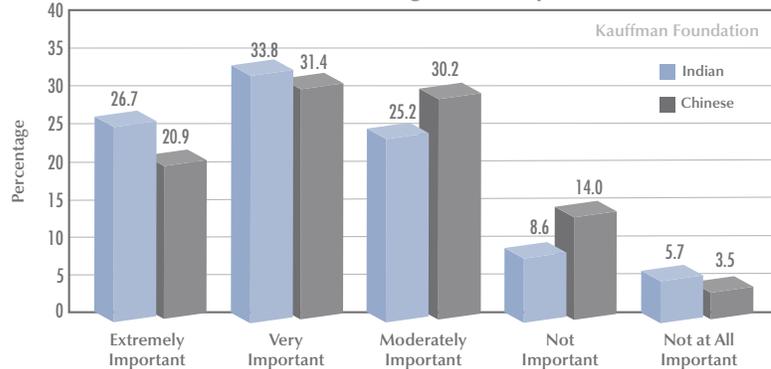


Figure 10
Access to Local Markets
(Distribution of Degrees of Importance)



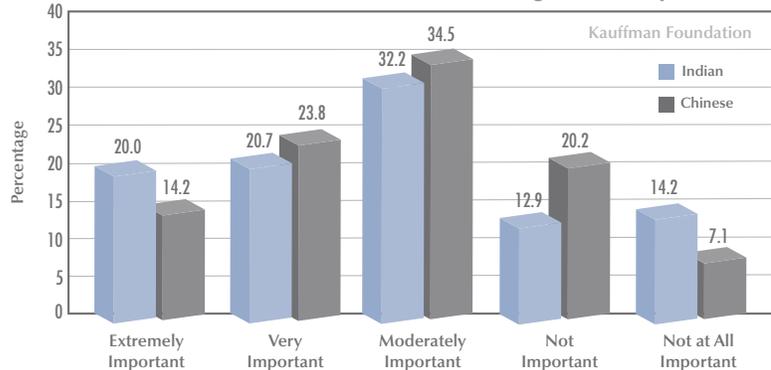
The returnees took pride in contributing to their home countries' economic development, with more than 60 percent of Indians and 51 percent of Chinese rating this as very important.

Figure 11
Contributing to Home Country's Economic Development (Distribution of Degrees of Importance)



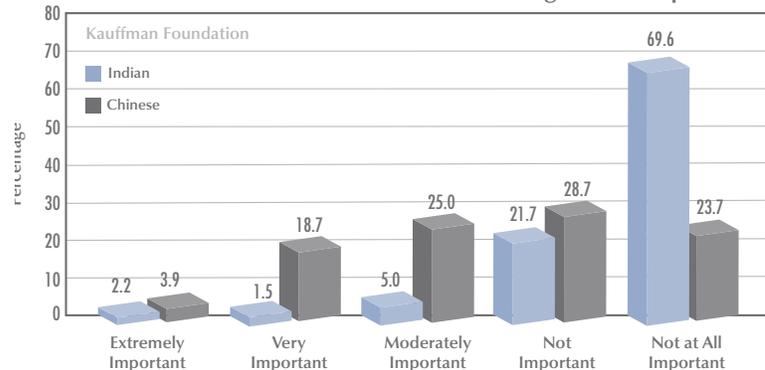
Lower business costs were less important, as they were ranked as very important by just 41 percent of Indians and 38 percent of Chinese.

Figure 12
Lower Business Costs (Distribution of Degrees of Importance)



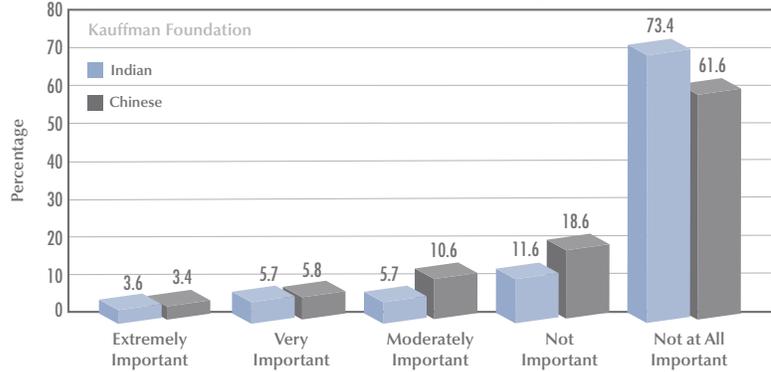
Incentives had been far more important to Chinese than to Indian returnees. Only 4 percent of Indians ranked them as very important, but 23 percent of Chinese respondents did.

Figure 13
Government Incentives (Distribution of Degrees of Importance)



Visas had not been very important to this cohort overall. They had been driven more by economic opportunities. Only about 9 percent of the Indians and of the Chinese ranked visa issues as very important in motivating return.

Figure 14
Expiration of U.S. Visa (Distribution of Degrees of Importance)



Advantages of doing business in India and China

We asked respondents to rate in importance various potential advantages of the choice between doing business in India or China and doing it in the United States.

The strongest advantage for entrepreneurs who had returned to India was lower operating costs; in China, it was access to local markets. Seventy-seven percent of Indian respondents and 64 percent of Chinese ones ranked operating costs as very important advantages; 72 percent and 61 percent, respectively, ranked employee wages as very important; and 64 percent and 76 percent, respectively, ranked access to local markets as very important.

Figure 15
Operating Costs (Distribution of Degrees of Importance of Advantage)

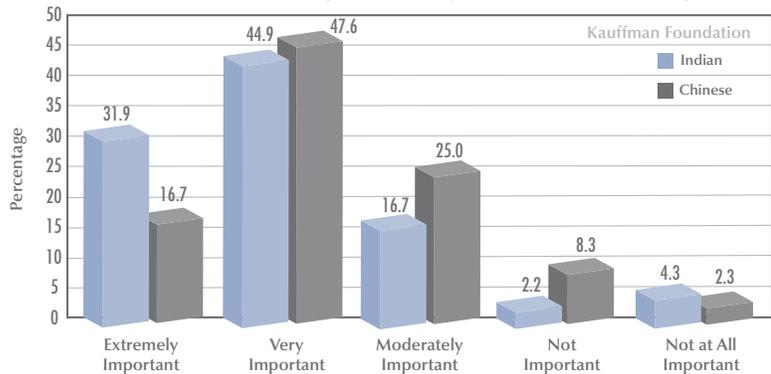


Figure 16
Employee Wages (Distribution of Degrees of Importance of Advantage)

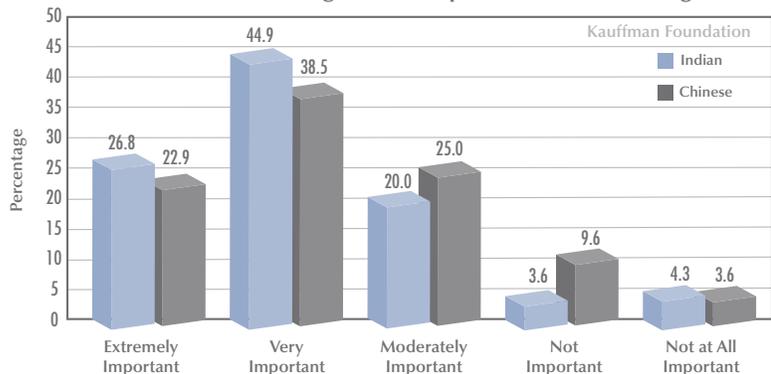


Figure 17
Access to Local Markets
(Distribution of Degrees of Importance of Advantage)

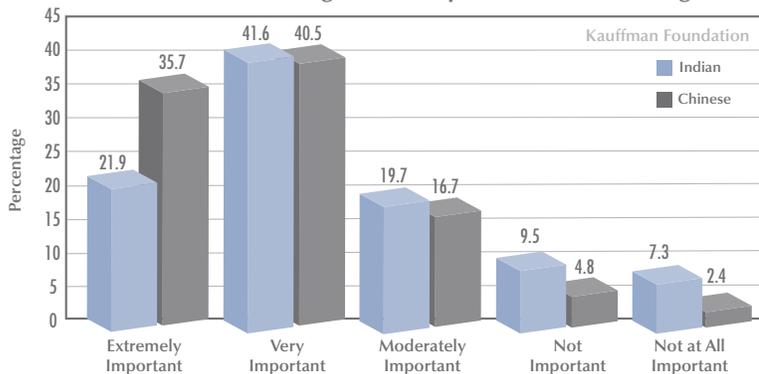
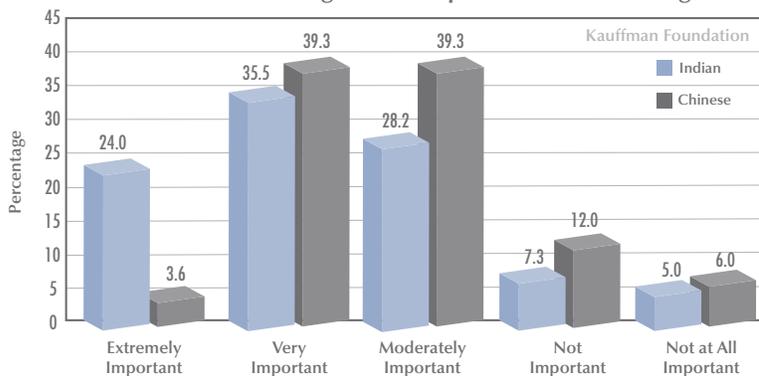


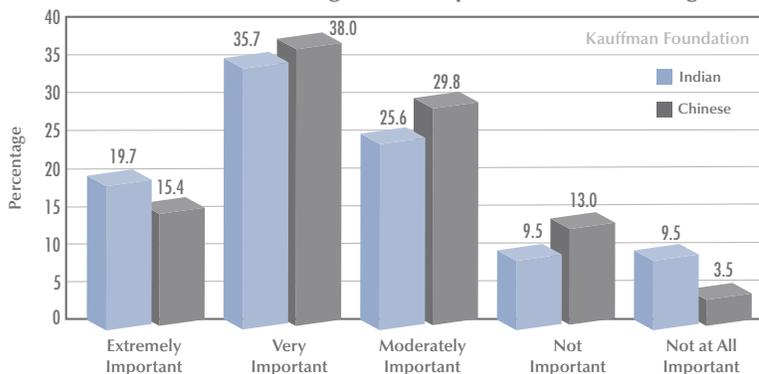
Figure 18
Availability of Qualified Workers
(Distribution of Degrees of Importance of Advantage)



Regarding the supply of engineers in India and China, we noted in our research that, despite China’s high graduation rates compared with those of India and the United States,⁴ corporate executives had told us consistently that there was adequate supply in India but not in China.⁵ This cohort reported similar results: Sixty percent in India ranked availability of qualified workers as a very important advantage, but only 43 percent in China did so.

Indians and Chinese also saw the mood in their countries as an important advantage. Fifty-five percent of Indians and 53 percent of Chinese, respectively, said it was very important.

Figure 19
Mood in the Country
(Distribution of Degrees of Importance of Advantage)

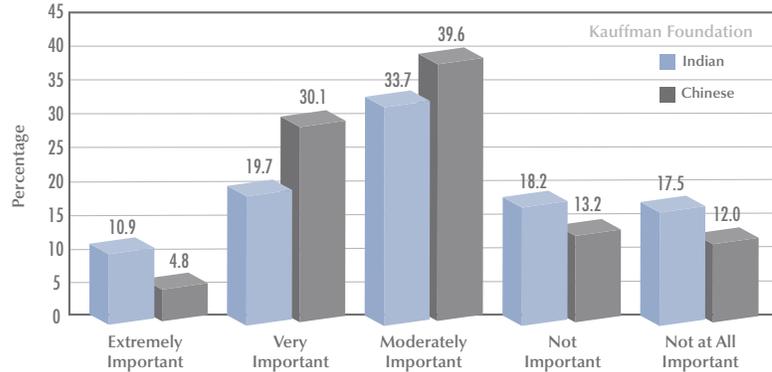


4. Gereffi, Gary; Wadhwa, Vivek; Rissing, Ben; and Ong, Ryan, “Getting the Numbers Right: International Engineering Education in the United States, China, and India,” *Journal of Engineering Education* 2008; 97(1):13–25. Available at SSRN: <http://ssrn.com/abstract=1081923>.

5. Wadhwa, Vivek; Rissing, Ben; and Gereffi, Gary, *Industry Trends in Engineering Offshoring*. October 24, 2006. Available at SSRN: <http://ssrn.com/abstract=1015839>.

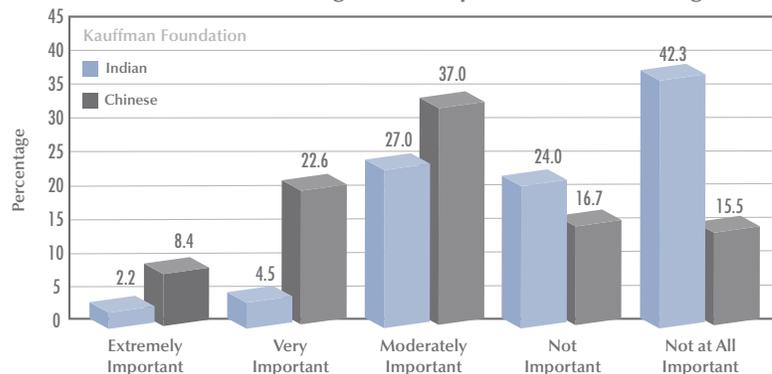
Only a minority of Indians (31 percent) and Chinese (35 percent) ranked their country's infrastructure as a very important advantage.

Figure 20
Infrastructure (Power, Water, Broadband)
(Distribution of Degrees of Importance of Advantage)



Chinese said far more commonly than Indians (Indians, 7 percent; Chinese, 31 percent) that government support is very important.

Figure 21
Government Support
(Distribution of Degrees of Importance of Advantage)

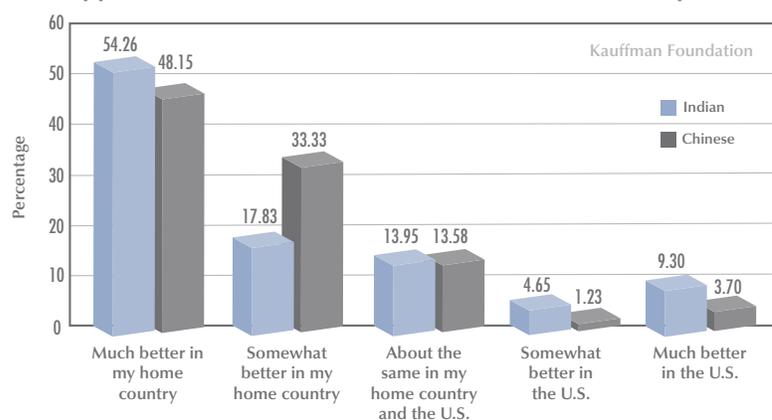


Personal comparisons: the United States vs. India/China

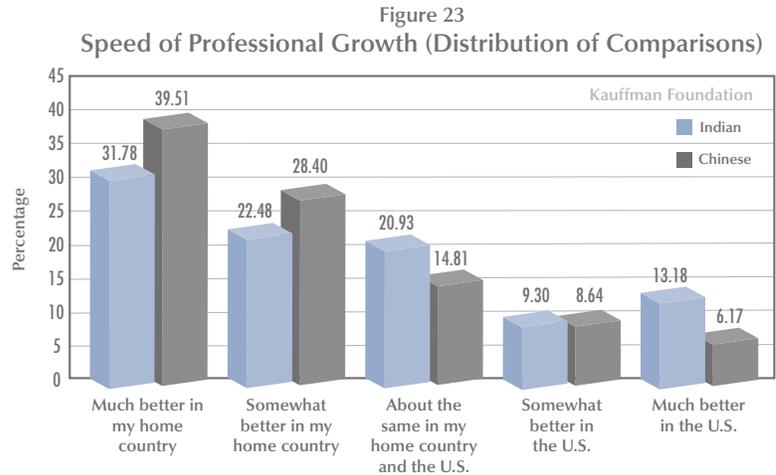
We asked a series of questions about the respondents' comparisons of their current situations with their previous situations in the United States.

Surprisingly, 72 percent of Indians and 81 percent of Chinese said the opportunities to start their own businesses were better in their home countries. Only 5 percent of Chinese and 14 percent of Indian respondents said the opportunities were better in the United States.

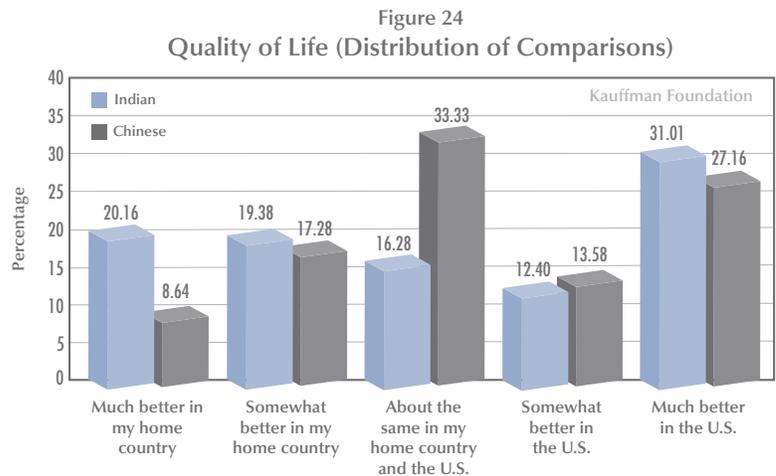
Figure 22
Opportunities to Start a Business (Distribution of Comparisons)



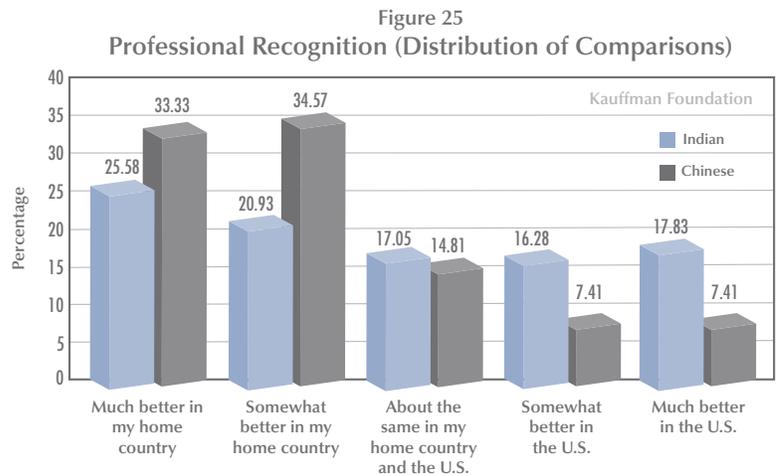
Speed of professional growth also was better back home for the majority of Indians (54 percent) and of Chinese (68 percent).



Fifty-six percent of Indians and 59 percent of Chinese enjoyed a quality of life back home that was better than or at least equal to what they'd enjoyed in the United States; 43 percent and 41 percent, respectively, found it better in the United States.



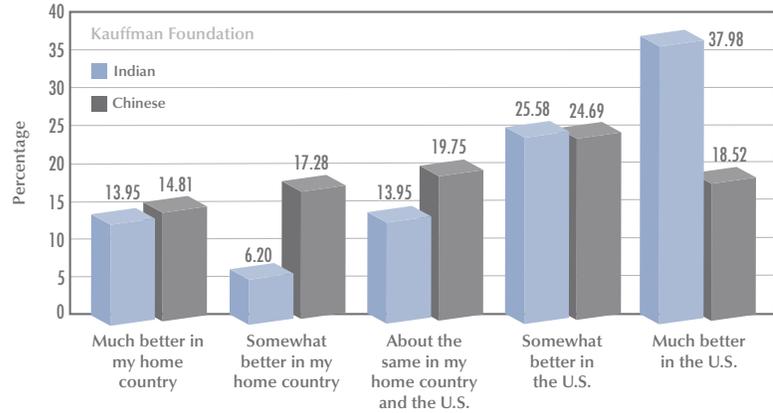
They didn't have to sacrifice professional recognition, either. Sixty-four percent of Indians and 83 percent of Chinese said professional recognition was about the same or better in their home countries as in the United States; 34 percent of Indians and 15 percent of Chinese said professional recognition was better in the United States.



The American advantage

The only advantage respondents indicated that the United States offered lay in the salaries received—64 percent of Indian respondents said the salaries had been better in the United States than they were at home. Forty-three percent of Chinese respondents stated that salaries had been better in the United States, while 20 percent stated that they were about the same in China and the United States.

Figure 26
Salary Received (Distribution of Comparisons)



Importance of networks in home country

To gauge the relative importance of networks and government contacts, we asked the respondents to rank their importance relative to each other.

Business networks were considered very important by 81 percent of Indian and 91 percent of Chinese respondents.

Figure 27
Business Networks (Distribution of Degrees of Importance)

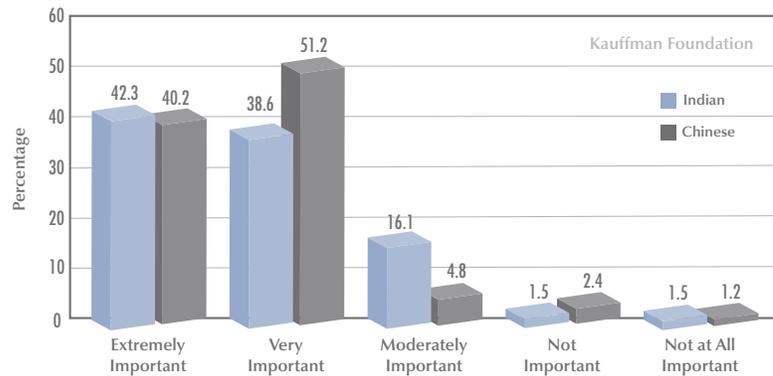
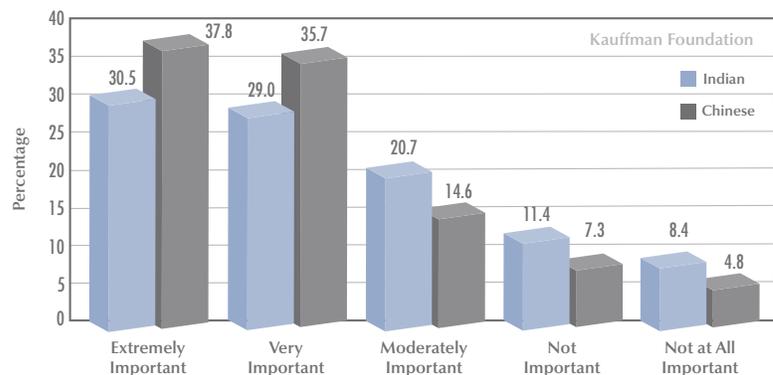


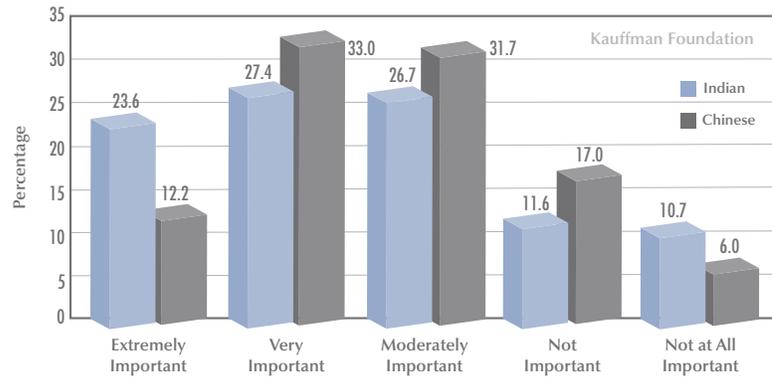
Figure 28
Personal/Family Networks (Distribution of Degrees of Importance)



Personal/family networks were regarded as very important more commonly by Chinese than by Indian respondents (Indians, 60 percent; Chinese, 74 percent).

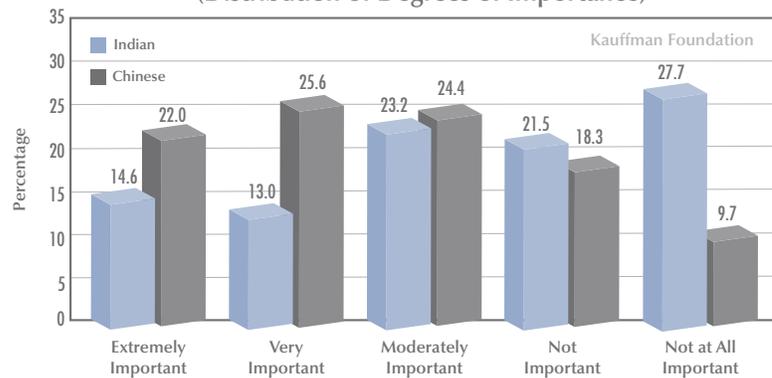
Alumni networks also were valued. Fifty-one percent of Indians and 45 percent of Chinese considered them to be very important.

Figure 29
Alumni Networks (Distribution of Degrees of Importance)



Indian respondents less commonly (28 percent) regarded ties to government officials as very important than Chinese ones did (48 percent).

Figure 30
Ties to Government Officials (Distribution of Degrees of Importance)



Ties to the United States

Close economic ties between Indian and Chinese entrepreneurs in California’s Silicon Valley and their respective home countries have enabled the transfer of organizational and technical expertise between these regions (Saxenian 2002; 2006).^{6, 7} Saxenian’s study of U.S.-based Chinese and Indian immigrants, for example, found that they have a wide range of professional ties to their native countries. Many returned to their native countries regularly for business purposes and to exchange technology and labor-market information with colleagues and friends. Some also advised companies, invested in startups and venture

funds, and met with government officials in their native countries.

To better understand the transnational behavior of our respondents, we asked them to tell us how often, in a typical year since returning to their home countries, they maintained contact with their former colleagues, family/friends, educational organizations, professional organizations, and ethnic organizations in the United States. And we asked how often they exchange information with people/organizations in the United States about job opportunities and business funding opportunities, technical information, and information

6. Saxenian, AnnaLee, *Local and Global Networks of Immigrant Professionals in Silicon Valley*. San Francisco: Public Policy Institute of California, 2002.

7. Saxenian, AnnaLee, *The New Argonauts: Regional Advantage in a Global Economy*. Cambridge, Mass.: Harvard University Press, 2002.

on markets and customers/ collaborators. The results are presented below.

Over the previous two years, Indian returnees had travelled to the United States or abroad for work purposes on average 2.5 times; Chinese returnees, 4.3 times.

We found that both Indians and Chinese maintained strong contacts with former colleagues, family, and friends.

Eighty-four percent of Indians maintained at least monthly contact with family and friends, and 66 percent maintained contact of this frequency with their former colleagues. Only seven percent maintained monthly or more frequent contact with ethnic organizations; 17 percent, with educational institutions; and 37 percent, with professional organizations. The vast majority, 75 percent, maintained no contact at all with United States ethnic organizations.

Eighty-one percent of Chinese maintained at least monthly contact with family and friends, and 55 percent maintained contact of this frequency with their former colleagues. Nineteen percent maintained monthly or more frequent contact with ethnic organizations; 34 percent, with educational institutions; and 45 percent, with professional organizations.

Chinese connections to ethnic organizations were far stronger than Indian ones. Half made contact every six months or more frequently with these groups (compared with 25 percent of Indians).

Figure 31
Indian Returnees' Contacts with Colleagues, Friends, Family, and Organizations in the United States (Distribution of Contact Frequency by Contact Type)

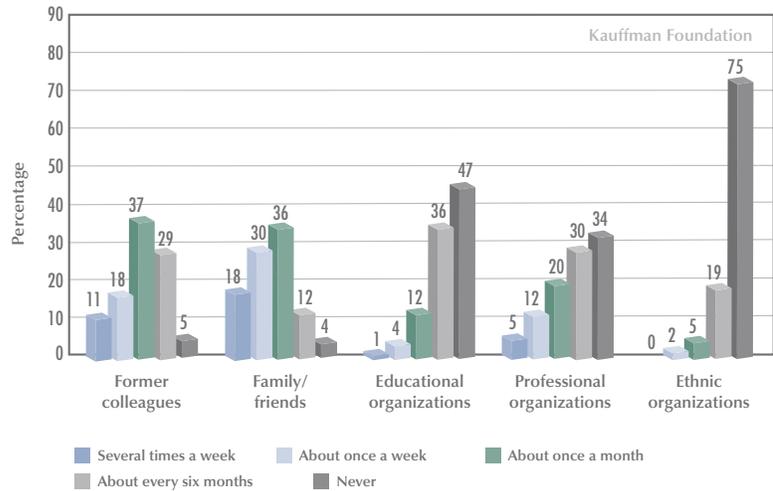
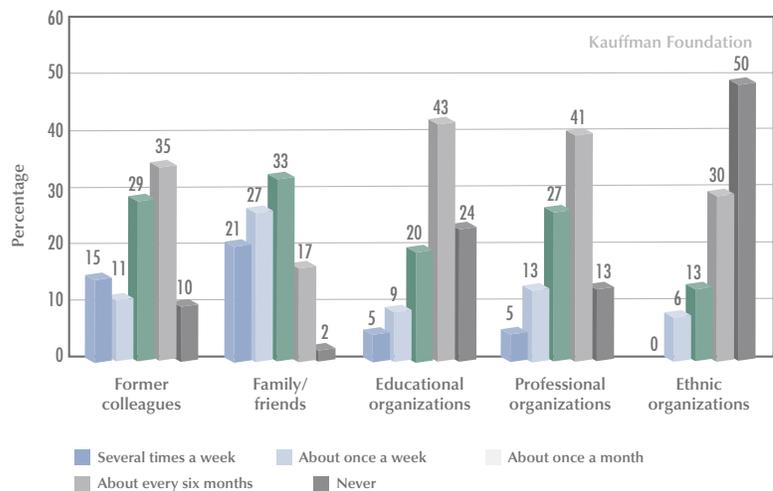
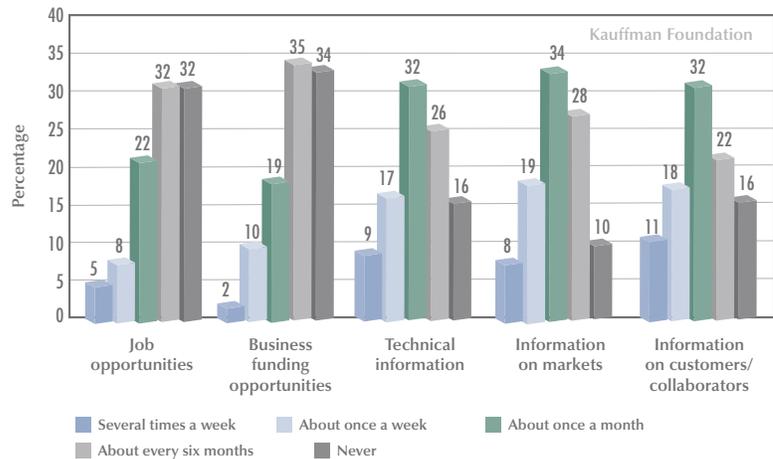


Figure 32
Chinese Returnees' Contacts with Colleagues, Friends, Family, and Organizations in the United States (Distribution of Contact Frequency by Contact Type)



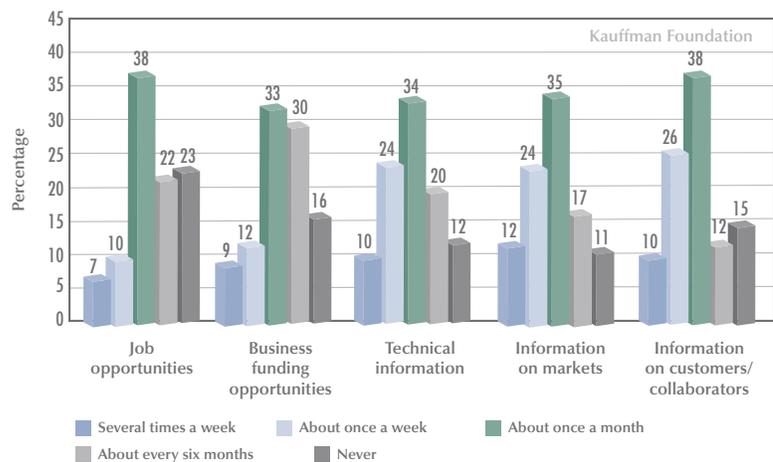
The percentage of Indian respondents who discussed at least monthly with their contacts in the United States the following topics was: markets, 62 percent; customers, 61 percent; technical information, 58 percent; job opportunities, 35 percent; and business funding, 31 percent.

Figure 33
Indian Returnees' Exchange of Professional Information with People/Organizations in the United States (Distribution of Contact Frequency by Contact Type)



The percentage of Chinese respondents who discussed at least monthly with their contacts in the United States the following topics was: customers, 74 percent; markets, 71 percent; technical information, 68 percent; job opportunities, 55 percent; and business funding, 54 percent.

Figure 34
Chinese Returnees' Exchange of Professional Information with People/Organizations in the United States (Distribution of Contact Frequency by Contact Type)



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