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**TRANSCENDING NATIONAL BORDERS TO EMBRACE THE BEYOND: A  
STUDY OF TRANSNATIONAL ASIAN INDIAN ENTREPRENEURS IN THE  
UNITED STATES AND INDIA**

**BY**

**MANASHI RAY**

**A DISSERTATION**

**Submitted to  
Michigan State University  
in partial fulfillment of the requirements  
for the degree of**

**DOCTOR OF PHILOSOPHY**

**Sociology**

**2010**

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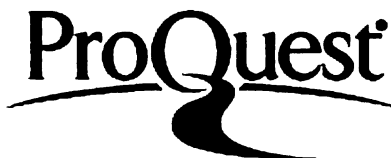
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## **ABSTRACT**

### **TRANSCENDING NATIONAL BORDERS TO EMBRACE THE BEYOND: A STUDY OF TRANSNATIONAL ASIAN INDIAN ENTREPRENEURS IN THE UNITED STATES AND INDIA.**

**BY**

**MANASHI RAY**

The main objective of this dissertation is to understand how and why Asian Indians maintain transnational business enterprises between the United States and India.

Migration scholars now recognize that many contemporary migrants maintain various kinds of ties to their homelands while adapting to the countries that receive them. This makes transnationalism a phenomenon where social, economic, political, religious, and cultural lives of migrants span national boundaries, even as the political and cultural salience of nation-states remains strong.

I direct my investigation on three sub-groups of the Indian population: Indian immigrant entrepreneurs in the United States, Indian entrepreneurs who have returned to India from the United States (returnees); and non-migrant Indian entrepreneurs in India engaged in transnational business. In each sub-category of Asian Indian respondents, I examine their social and economic status, level and type of education in India and the United States, work experiences, migratory networks, and ethnic group characteristics as pre-disposing factors for the formation of entrepreneurial networks. These play a critical role in determining the social capital available to them for their business endeavors. I also pay attention to the changing global economic environment and Indian policy changes that affected the ease with which transnational business can be started.

Data was collected primarily through 42 in-depth interviews in the United States and in India between May 2007 and December 2007. The findings show that financial,

cultural, human, and social capital shape the types of networks transnational entrepreneurs use, and how they act as sources and determinants at both the individual and collective levels. Also, I establish the fundamental importance of the relational (norms and ties) and structural (size, diversity and connectivity) aspects of social networks, along with investment policies and market opportunities in the host and home country. The findings confirm that configurations of transnational networking affect business performance and survival, an area that has received scant attention because ethnicity has been considered the main actor in the networking-performance relationship.

Prior immigration research on transnational practices has largely been directed towards a single physical location (mainly the United States) resulting in an incomplete and fragmented view of transnational experiences. My research on Indians addresses this shortcoming in the immigration literature by analyzing the process in social, economic, and political contexts along with differences in business opportunities in two territorial locations. Second, scholars tend to study transnational entrepreneurship by focusing on marginalized and resource-deprived migrant populations, neglecting the potential for study involving transnational entrepreneurship among a highly skilled migrant population. My research on educated and financially well-endowed Indian transnational entrepreneurs is a contribution to filling this lacuna in transnational literature. Finally, the dissertation makes a contribution to sociological knowledge of ethnicity and area studies, as the elements of Indian transnational entrepreneurship possess unique characteristics that make them distinctive, as it is true of various ethnic populations in the U.S.

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**I dedicate this dissertation to my parents  
Dr. Deba Brata Ray and Mrs. Jayanti Ray,  
and to my adorable sister, Tapasi Ray.**

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Like everything in my life, I would not have reached this point in my academic career nor would I have completed my dissertation without the freedom of thought and action, support, and enduring love of my parents and my younger sister. My sister, whom I consider to be my gift from heaven, has been my guiding spirit, steadying hand, and “conscience keeper” through the entire process. She and her husband Sarada Namhata welcomed me into their home and into their lives, cared for me, and provided solace and the inspiration to fight a personal battle to health and recovery after a life transforming auto accident. My family and my closest friends: Jackie Miller, Amy Jones, and Cheryl Danley helped me learn to walk again as a below-knee amputee. Dr. Steven J. Gold and Dr. Ruben G. Rumbaut encouraged me to persevere in those difficult circumstances and made it possible for me to pursue my scholastic goals.

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Dr. Michael Schechter opened the dynamic universe of international relations and political economy to me. With his witty sense of humor, he helped me to understand the



complexity of the transformation taking place around the world brought on by the process of globalization. He made me aware that, within a world that appears to be so familiar, there are significant political, economic, and cultural changes taking place—that the world is a very different place than what often meets the eye. He reviewed each draft of my dissertation chapters and provided critical comments and helpful advice. I remain grateful to his mentoring, support, encouragement to see the brighter and comical side of life. Dr Alesia Montgomery joined my committee when I was gathering my thoughts for the research proposal. Over many lengthy conversations at her office, cafés, and restaurants, she gave me sound, thoughtful suggestions and advice about theoretical and methodological issues. I remain indebted to her for invaluable support and encouragement when everything seemed a blur and I was lost and disheartened. Dr. Xuefei Ren kindly joined my committee at the final stages of my dissertation writing stage, yet provided many useful suggestions.

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conduct interviews with the respondents of this research—posh offices, factories and industrial complexes, country clubs, coffeehouses, book stores, hotel and airport lobbies, and conference and trade venues— in metropolises of India and the United States. Losing myself in the individual narratives of the interviewees were, for me, moments stolen from time. These conversations shone a light on their genius, on their acquired talent in winning people over to promote worldwide enterprise, and how the migratory experience was a powerful mobilizer of emotions and shaper of perceptions. I remain grateful to them. I can only hope my study conveys the richness and complexity of their transnational business experience in the United States and India.

To my close groups of friends I owe my deepest gratitude for having made my years of doctoral study at Michigan State University one of the happiest periods of my life. They have been a source of happiness, comfort, and strength during my PhD program. My friend, Cheryl Danley, discussed and debated at length the merits and demerits of my research proposal, and later the findings of my dissertation while we did our workout at the gyms in the evenings. Her lively intellectual curiosity and probing questions motivated me to examine knotty issues of the dissertation chapters from multiple perspectives. These discussions (sometimes heated!) always added value. I shall always remain thankful to her for being my sounding board. Her husband Richard Fotsin generously gave his time in designing the computer generated schematic diagram of the research framework, and spontaneously shared his technical expertise and assistance for making optimum use of the latest innovations in software programs and electronic equipments. All along I was deeply touched by his altruistic spirit in helping me present



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# Chapter – 1

## Introduction

### ***“Transcending National Borders to Embrace the Beyond”—A Study of Transnational Asian Indian Entrepreneurs in the United States and India.***

*The defining metaphor of India today is ‘churning,’ as entrenched interests lose power, as new jobs are created, as people move across states, as yesterday’s Bharat becomes today’s India, which becomes tomorrow’s Bharat again.* (Raghuram Rajan, Eric J. Gleacher Distinguished Service Professor of Finance at the University of Chicago’s Booth School of Business. India Today Dec. 26<sup>th</sup> 2005)<sup>1</sup>

### ***Intellectual Merit of the Research***

The main objective of this research is to understand how and why Asian Indians<sup>2</sup> maintain transnational business enterprises between the United States and India. In order to explain transnational business practices by Indian entrepreneurs<sup>3</sup> in a holistic and comprehensive manner, my study focuses on three subgroups of the Indian population in the United States and India: Indian immigrant entrepreneurs in the United States, returning U.S. migrant entrepreneurs of Indian origin in India, popularly known as

---

<sup>1</sup> Bharat (Sanskrit) The ancient and original name of India and the constitutional name of independent India. In Hindu mythology the churning of the ocean of milk is one of the most famous episodes, where the ocean of milk is the mind or the human consciousness. The churning produces ‘Amrit’- the nectar of immortality, which symbolizes the ultimate achievement of the goal of self-realization.

<sup>2</sup> The term Asian Indian refers to those individuals who are from the subcontinent of India and are of Indian background and ancestry. For the first time in the history of the U.S. Census, Asian Indians were listed as a separate ethnic group in 1980 (Leonard 1997). According to the U.S. Census Bureau’s 2006 American Community Survey (ACS) and 2000 Decennial Census, and the Department of Homeland Security’s Office of Immigration Statistics (OIS) for 2006-07, there were 1.5 million foreign born from India residing in the United States in 2006 who made up slightly over 4% of all immigrants in 2006. In 2006, the Indian born were the fourth-largest foreign-born group in the United States after immigrants from Mexico, the Philippines, and China (Migration Information Source, July 11<sup>th</sup>. 2008). Henceforth the term ‘Asian Indian’ will be referred to as ‘Indian’ in the study.

<sup>3</sup> For this study I have defined transnational Indian entrepreneurs to be (a) entrepreneurs who own their business enterprise between India and the United States for more than 5 years and receive 50% or more of their profit/ income from business activities between these two countries and (b) travel more than once to India or to the U.S. on business annually.

returnees<sup>4</sup>, and non-migrant Indian entrepreneurs in India. My desire to examine transnational entrepreneurship among Indians was inspired primarily by the lack of research studies that take into consideration the heterogeneity of transnational businesses engaged in by Indian entrepreneurs in both countries. The very few existing studies on transnational entrepreneurship among Indians have dealt solely with Indian software engineers (Biradavolu 2008; Saxenian 2006), where the overwhelming concern has been with entrepreneurship between narrowly conceived regions in India and the United States, i.e. between Silicon Valley and Bangalore. My research fills this gap in research on transnational entrepreneurship among Indians by widening and diversifying to incorporate many more urban locations in both countries that can now be said to be truly global in extent, as well as by including Indian entrepreneurs in the non-technology business sectors, along with ones in the technology sector.

In migration literature transnational practices are conceptualized as a “multi-level process (demographic, political, economic, cultural, familial, and religious) that involves various links between two or more settings rather than a discrete event constituted by a permanent move from one nation to another” (Gold 2001:57). While this position challenges the long standing settler-sojourner model<sup>5</sup> that frames migration between nations exclusively in terms of its domestic impact and the incorporation of immigrants to receiving countries, migration scholars like Waldinger & Fitzgerald (2004) and Foner (1997; 2007) have argued it is not a new phenomenon and had existed even in the earlier waves of migration to the United States.

---

<sup>4</sup> Henceforth, the returning immigrant Indian entrepreneurs who are at present living in India will be referred as returnee entrepreneurs in the research.

<sup>5</sup> The “sojourner” model is a utilitarian conception of migrants as economic beings divorced from social settings and working exclusively for money. It ignores the social context of migration (Massey 1986).



Nonetheless, there is a shared consensus among migration scholars that despite the long history of transnational patterns in previous waves of immigration, the distinctive feature of contemporary transnational practices is its location in a different period of time in the world economy. Therefore, it is influenced by a different set of socio-economic forces, making it more common yet dynamic than before among migrants and non-migrants. Migration scholars like Gold (2002), Portes (1999; 2000; 2001), Portes & Borocz (1989), Portes et al. (1999), Levitt & Jaworsky (2007), and Fong & Luk (2007) contend that the present form of transnational practices stems from the accelerating globalization of the world economy, an increase in the flow of international capital, and the constant international migration of workers meeting the demands of emerging global markets. As a result of these macrostructural changes in the past three decades, many more immigrants are able to carry out transnational economic practices by making use of time-space compression resulting from varied and avid use of technological and communication options. Moreover, the transportation and communication revolution has made transnational back-and-forth travels much easier, quicker, and more affordable (Portes et al. 1999:227; Vertovec 2004; Foner 2000). Additionally, the tolerance for ethnic pluralism and multiculturalism in the late 20<sup>th</sup> century in the United States has allowed transnationalism to flourish in the immigrant population. All these aspects together have impacted the perception of immigration scholars, who now view the process in a more positive light (Foner 1997:362).

By viewing migration not as a one-way process of movement or simple assimilation into the host country's melting pot or multicultural salad bowl, but as a process in which migrants are simultaneously embedded in multiple sites, they create 'transnational social

fields'<sup>6</sup>. These are “set[s] of multiple interlocking networks of social relationships through which ideas, practices, and resources are unequally exchanged, organized, and transformed”(Levitt & Glick Schiller 2004:1009). By conceptualizing migration experiences taking place in the ‘social fields,’ the analysis is led beyond those who migrate to include those who do not actually migrate but are connected to migrants through the networks of social relations that are maintained across national borders. The social field perspective therefore includes multiple layers of transnational social fields, in addition to multiple sites. These transnational connections are integrated both vertically and horizontally like a grid that crosses country borders, which reinforces the sites and also produces tension between them (Levitt & Glick Schiller 2004). These fluid transnational social fields or spaces are shared by return migrants, non-immigrants and immobile residents whose lives are transformed by a steady back-and-forth flow of social remittances (norms, ideas, practices, and identities), money, and people from numerous territorial locations (Levitt 2001; Faist 2000).

Interestingly, the sea change in migration scholarship in the past three decades has been based primarily on the experiences of Latin American and Caribbean migrants in the United States, who have a particular historical and social relationship to the United States. This body of empirical work has served as the context for many conceptual conclusions on migrant transnational business practices. One example of such research is Portes & Gaurinzo’s (1991) study on 113 Dominican firms that prospered because of a cyclical back-and-forth movement through which the transnational entrepreneur made use of the differential economic opportunities in the United States and the Dominican

---

<sup>6</sup> Transnational social fields have been variously called as transnational social spaces or transnational communities (Gold 2002:13).

Republic. Similarly, Landolt et al. (1999) documents how the Salvadorian expatriate community has driven the growth of package delivery firms that service the manifold needs of the Salvadorian immigrants in major cities of the United States and their counterparts in El Salvador.

These grassroots transnational enterprises are made possible by the same technological innovations in communication and transportation that have fueled large-scale industrial restructuring (Portes 2000:258). Some studies have framed this informal economy of small-scale enterprises that depend on webs of social networks as a form of resistance to the conditions of global capitalism. This assertion is based largely on the resources of the migrants to the United States from Latin American and Caribbean nations. They are mainly of working class origins and migrate with low levels of human and cultural capital and poor English language skills. The claim that migrant economic transnationalism is closely associated to a working class response to global capitalism overlooks the experience of educated, skilled, middle- or upper-class migrants who constitute a substantial and increasing share of migrants to the United States. Therefore, an analysis of transnational entrepreneurship that looks beyond working class migration will add complexity and depth to the scholarship on transnational entrepreneurship.

Further, transnational practices and entrepreneurship have been portrayed as ‘deterritorialized’ or as ‘boundless’ and for that reason as a liberatory process. In this framework, the local is often seen as backward, communitarian, closed, and static, while the transnational (as part of global) is a space that is dynamic, open, rational, and cosmopolitan (Appadurai 1996:179 cited in Guarnizo and Smith 1998:11). In this conception of transnational business as demonstrated by Ong’s (1999) research on

Chinese entrepreneurs, it is asserted that the erosion to transaction costs and increasing flexibility of citizenship provisions have created a class of entrepreneurs that occupy undifferentiated spaces, which allows for contesting the authority and influence of nation, class, ethnicity, and race, while permitting the use of these transnational sites for capital accumulation. Little attention is paid to the fact that transnational entrepreneurial competency has been much sought by states that want to engage neo-liberal global forces by looking outside their national borders for entrepreneurs with significant human and financial capital who could assist in fulfilling their national objectives (Ley 2004; Levitt & Jaworsky 2007). Therefore an examination of how ungrounded and unfettered is the world work of transnational entrepreneurs would be an important line of inquiry in a different Asian sub-population in the United States, as each ethnic group possesses characteristics that make them unique. In addition, a country's position in the geopolitical global order, and its distinctive culture and history can considerably influence how its emigrants are received in the host country. This also affects emigrants' chances of transnational entrepreneurship within both the receiving society and at the broader global system (Patterson 2006; Glick-Schiller & Levitt 2006), to which I turn next.

### ***The Context of the Study Population and Filling the Gaps in Transnational Research***

This study aims to fill the lacunae mentioned above in the existing literature by empirically analyzing the case of Indian transnational entrepreneurs in the United States and India. To analyze the investment capital that facilitates transnational connections and entrepreneurship among Indians, I pay attention to the many resources that Indians use for their adaptation to the American society. Thus I adopt the migration studies approach that tends to be economic in focus. I further assume that migrants are motivated by better

career options, education, and improvement in lifestyle or increased income (Massey et al. 1993). I state below the context of Indian immigration from the home country, the characteristics of Indian immigrants as an ethnic group in the United States, and the Indian government's state policies that determine the political, social, and economic contexts of both sending and receiving communities for subsequent return migration among Indian immigrants.

Contemporary migration from India to the United States began in the mid-1960s and has accelerated in the four subsequent decades. The Indian migration can be interpreted from the perspective of a much larger trend of global migration in the wake of the restructuring of the global capitalist economy and a changing world order (Massey et al. 1998; Portes 1999; Zolberg 1989). The perceived shortage of highly skilled workers—business professionals, scientists, and medical personnel in the United States—as well as rapidly expanding U.S. economic and political interests in the Asia-Pacific region lay behind the 1965 revision of the U.S. immigration laws. This was the first time the United States admitted a large number of skilled professionals from India. Twenty-five years later, the revision of the Immigration Act in 1990 again substantially increased the number of technical and specialty temporary workers arriving in the United States under the temporary H-1B visa program. The H1-B program became the primary channel for the arrival of huge numbers of Indian skilled professional migrants in the past thirty years (Portes & Rumbaut 2006:80; Khadria 2001:49). Consequently, migration of highly skilled Indians to the United States and the ensuing “core”<sup>7</sup> transnational economic

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<sup>7</sup> Guarnizo (2000) describes “core” transnationalism as those activities that “(a) form an integral part of individual’s habitual life (b) are undertaken on a regular basis and (c) are patterned and therefore somewhat predictable.” In contrast, “expanded” transnationalism includes migrants who engage in occasional transnational practices, such as response to natural disasters (Levitt 2001:198).

activities by Indians can be understood as an outcome of ongoing and increasing global integration.

In addition, global articulations of higher education along with global economic inequality between south and north countries can be perceived to be the major components of global integration and transformation. Especially after World War II, the United States emerged as the major destination of higher education for international students. This has not abated among Indian students. India has remained the leading country of origin for international students in the United States for the eighth consecutive year. In 2008–2009, 15.4% (103,260 of 671,616) of all international students in the United States came from India, with China and South Korea being the second and third largest countries of origin for international students in the United States (Opendoors: 2009).

**Table No.1-1:Entry of Indians as International Students in the United States, 2000 -09.**

Year	2000 - 01	2001 - 02	2002 - 03	2003 - 04	2004 - 05	2005 - 06	2006 - 07	2007- 08	2008- 09
India	54,664  (10.0%) of Int'l Total	66,836  (11.5%) of Int'l Total	74, 603  (12.7%) of Int'l Total	79,736  (13.9%) of Int'l Total	80, 466  (14.2%) of Int'l Total	76,503  (13.5%) of Int'l Total	83,833  (14.4%) of Int'l Total	94,563  (15.2%) of Int'l Total	103,260  (15.4%) of Int'l Total)
World Total	547,867	582,996	586,323	572,509	565,039	564,766	582,984	623,805	671,616

Source: "Opendoors": Report on International Student Exchange 20/01; 20/02; 20/03; 20/04; 20/05; 20/06; 20/07, 20/08, 20/09. Institute of International Education; New York; USA.

To become globally competitive, emerging economies like India recognize the urgency to further train the well educated, and therefore continue to be in a dependent relationship with western countries. The global articulation of higher education in India—

a former British colony—has a long history with the establishment of schools and universities based on a western style educational system and professional practices. English is also the official language of higher education in India. With the emergence of the United States as a dominant economic power since the middle of last century, the process of internationalization of academic and research personnel has continued. Examples are foreign aid grants, inter-university programs sponsored by American universities, and community development efforts in developing countries financed by private foundations, such as the Ford Foundation, the Rockefeller Foundation, and others (Ong et al. 1992:552–53). Thus, the United States was able to exercise considerable influence through these economic and community development initiatives. These long-term institutional relationships contributed towards a favorable perception of American expertise and scholarship. American universities came to be regarded as the best place for technical training for Indian nationals<sup>8</sup>.

Meanwhile many highly trained Indians migrated to the United States before the revision of Immigration Act in 1990 by taking advantage of the VISA allocation system that was reserved for ‘priority workers; professionals with advanced degrees, or aliens of exceptional ability’ (Portes & Rumbaut 2006). These “persons of extra-ordinary ability” or “outstanding researchers” were alleged to have played a role in the “brain drain” from

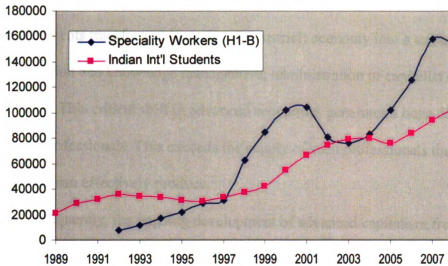
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<sup>8</sup> Of late, building on the positive and favorable image of American education among Indians, many top U.S. universities and institutions are opting to join hands with existing Indian institutions of higher education and research. Columbia Business School, for instance, has started a student exchange program in 2007 with the Indian Institute of Management at Ahmedabad. The institutions teamed up to write case material devised to teach American students about doing business in India. Another example is Carnegie Mellon, which offers a degree in partnership with a small private institution in India, Sri Sivasubramaniya Nadar School of Advanced Software Engineering. In this case, most of the course work is done at relatively inexpensive rates in India, followed by six months in Pittsburg at the end of which, students graduate with a degree from Carnegie Mellon. The connections with Indian teaching and research institutions are different from what has been done in China, Singapore, or Qatar, where satellite campuses of U.S. universities have been set up (Sengupta 2007).

India at that time. This movement of Indian immigrants corresponded to a significant gain for the United States in highly trained and skilled personnel (Portes & Rumbaut 2006).

While there has been a steady increase in Indian students migrating to the United States for graduate education over the past four decades, a much higher proportion and number of Indians have entered the United States temporarily as technical and temporary specialty workers on H1B visas (see figure 1). The minimum requirement to obtain an H1B visa is a four year undergraduate degree. So, whether Indians entered the United States to study or directly to work, a bachelor's degree would be the minimum qualification possessed. Out of a total of 409,619 H1B workers admitted to the United States in 2008, 38 percent (154,726) were temporary professional workers from India. India has been the primary source of professional/technical immigration to the United States since 1990. Figure 1-1 compares the two major routes of entrance among Indian immigrants to the United States.

**Figure No. 1-1: Admission of Indians as Workers with Specialty Occupation and as International Students in U.S. Universities, 1989 – 2008.**



Source: "Opendoors": Report on International Student Exchange 89/90; 90/91; 90/92; 90/93; 90/94; 90/95; 90/96; 90/97; 90/98; 90/99; 00/20; 20/01; 20/02; 20/03; 20/04; 20/05; 20/06; 20/07; 20/08; 20/09. Institute of International Education; New York; USA and Year Book of Immigration Statistics 1992–2008.

As a group, temporary Indian professional workers on H1-B visas are truly transnational in orientation, with a constant flow of information about immigration strategies and job opportunities from successful migrants back to friends, peers, and relatives in India. They maintain their extensive ties with India because of their short-term stay in the United States and expected return. For the same reason they are less likely to establish permanent residency in the cities where they work in high tech industries. However, because of their high numbers, they are not as inconspicuous as the permanent professional Indian migrants. Sometimes they become the targets of anger and bitterness of native workers, who complain of unfair competition (Portes & Rumbaut 2006:27). Very often the employers of H1B professional Indian workers change their visa status to permanent residents of the United States.

The ready availability of a sizable pool of technical workers becomes necessary in the United States and in other developed western nations as modern technology advancements transform a secondary (industrial) economy into a tertiary economy (information and knowledge management, administration of capitalist enterprises and services). This critical shift in advanced economies generates a huge demand for highly trained professionals. This exceeds the supply of such professionals that developed countries can effectively produce.

Consequently, the ongoing development of advanced capitalism from innovation and science and technology strategies that has emerged in the past few years in northern countries requires attracting and retaining highly trained professionals from all over the world. This is true of the United States and other western nations like Germany, U.K., Denmark, Canada, and Australia. It has to do with the actual international transference and utilization of human capital resources required to stay ahead in competition, and the economic growth curve. Attention on the issue of skill shortage is forcefully advocated by industrial and business associations and technology companies like Microsoft, Google, and IBM in changing the migration legislation to help companies meet skill demand from overseas professionals. The hunger for trained labor in the high-tech and other expanding sectors of the U.S. economy does not seem to be influenced by recent business downturns (Mahroum 2005; Cheng & Yang 1998; Portes & Rumbaut 2006).

In summary, funding and granting institutions, special visa allocations, multinational organizations, universities, and other knowledge production organizations have come to play a very crucial role in shaping international mobility from India (Mahroum 2005:220). At the personal level, the attraction of higher education, better working

conditions, relatively higher earnings, and occupational opportunities in the United States have a great effect on emigration from India, where similar opportunities are scarce and where the highly educated did not have many alternatives during the decades of the 1970s and the 1980s. (Cheng & Yang 1998:630).

This mode of entry of the highly skilled Indian immigrants to the United States therefore creates a positive image for this ethnic group. They join the U.S labor market, which is favorable, and benefit from the affirmative characteristics of the resident ethnic Indian community in the United States. All these factors contribute to a positive context of reception for Indians in the United States, which has been reflected in the highest proportion (51.3 percent) of Indians being employed in professional specialty occupations in the U.S. labor force in 2000. The occupation profile of the Indians in the United States bears out the close association between high levels of education and being employed in professional and managerial occupations suggested by Portes & Rumbaut (2006:77). Out of 629,218 Indian-born male workers age 16 and older employed in the civilian labor force in 2006, 27.4 percent worked in the Information Technology (IT) sector, where as 20 percent worked in management, business, and finance, see Table 1-2.

**Table No. 1-2: Occupation profile of Indian workers in the U.S. Civilian Labor Force Age 16 and older, 2006.**

	Indian foreign born		All foreign born	
	Male	Female	Male	Female
Persons age 16 and older employed in the Civilian labor force	629,218	346,733	13,285,912	8,921,521
Total percent	100	100	100	100
Information Technology	27.4%	13.1%	3.9%	1.9%
Management, Business and Finance	20.0%	15.3%	10.2%	9.8%
Sales	11.4%	11.1%	7.8%	10.9%
Other Sciences and Engineering	11.2%	6.2%	4.1%	2.3%
Construction, Extraction, and Transportation	5.4%	1.5%	26.8%	3.4%
Physicians	4.8%	5.8%	1.3%	1%
Education/Training and Media/Entertainment	4.7%	8.7%	3.3%	6.9%
Manufacturing, Installation, and Repair	4.4%	4.7%	15%	9.4%
Administrative Support	4.3%	11.9%	5.5%	15.1%
Services	3.3%	5.8%	16.9%	25%
Other Health Care practitioners	1.8%	6.1%	0.9%	3%
Social Services and Legal	0.8%	1.2%	1%	1.9%
Health Care support	0.3%	2.7%	0.6%	5.2%
Registered Nurses	0.2%	5.9%	0.3%	3.3%

Source: 2006 American Community Survey in Indian Immigrants in the United States; Migration Information Source, July 11<sup>th</sup>, 2008.

Indian immigrants are likely to come from urban centers—which in the Indian context indicate a certain modernity, western orientation, and familiarity with English—and also from middle and upper classes and castes. Although India is a low-income and mainly rural, agrarian country, where 27.8 percent of the population lived in poverty in 2004–05<sup>9</sup>, it is not the poorest citizens who migrate to the United States. Rather the most erudite and sophisticated migrate: people trained in medicine, economics, nursing, engineering, or management. The ambitious young people endowed with cultural, human, and social capital are those that leave for the United States, in an attempt to reduce “the

<sup>9</sup> According to Planning Commission, Government of India (2006, Table 2), the all India consumption poverty head count ratio of 27.8 percent is reported based on the 2004-05 National Sample Survey, with poverty in the worst state rising to 46.5 percent.

gap between available salaries and work conditions in their own countries and those regarded there as acceptable for people with their education” (Portes & Rumbaut 1996). This makes the contemporary Indian migration a selective process.

Another significant impact of the rapid technological advancement and economic growth in the northern countries has been the outflow of capital (e.g. Foreign Direct Investments (FDI), loans, and equity) and technologies (e.g. equipment, machinery, and technology patents) into countries like China, Mexico, India, and Brazil for profits since labor costs in developing nations are low. Since the 1970s this has become an increasingly viable option because of industrial techniques that greatly reduced the turnover time of fixed capital. Additionally, investors could avoid risks associated with changing wage levels and political instability in their home countries.

The penetration of financial resources and technical know-how in the last decades of the 20<sup>th</sup> century placed the transnational companies in contact with a large number of professionals in sending countries. For the professional who worked in these multinational corporations (MNC), they had opportunities to travel to advanced countries for skill upgrading and technical training, exposure to western life style and work ethics. These in turn encouraged many professionals to emigrate from countries in the south in pursuit of greater material enjoyment and the higher standard of living in northern countries (Ong et al. 1992; Cheng & Yang 1998; Gold 2002). It can be argued that an international difference in occupational specific earnings rather than aggregate per capita income explains the propensity for migration among professionals.

In the Indian context, the inflow of foreign capital and technical knowledge from western and richer nations could be considered a major harbinger of Indian economic transnational activities in the 1980s, which gathered strength in the 1990s and since. However, to appreciate the ripple effect of MNCs and the motives for individual transnational entrepreneurship between India and the United States, one must recognize the changes in Indian state policies since the mid 1980s. These provided an enabling macro environment, first for the MNCs to complement the growth of indigenous Indian industries by making them more competitive, and second by encouraging private export businesses. Thus, the motives for emigration by Indians to the United States and their transnational entrepreneurship can be understood as being context-based interpretations that correspond to a community's understanding of itself, both in the United States and in India (Mills 1940 cited in Gold 1997:412; Gold 2002).

***India begins to play 'Catch Up' for re-integrating into the Global Economy***

Ironically, developing nations can experience enormous economic growth even when there is a substantial emigration of highly educated labor, which has been true in the cases of Taiwan and Singapore in the late 1970s and 1980s. The process of catch up is a self-accelerating process. As low and middle income nations successfully integrate technology and expand economies, they increase the capacity to absorb highly skilled workers, thus retaining a greater proportion of this class of labor, while simultaneously attracting returning migrants to their home countries. The returning migrants play a crucial role in the transfer of technology as well as social and financial remittances in the process of global integration (Saxenian 2006; 2008; Gold 2007; Cheng 1999; Lowell & Gerova 2004).

To a great extent, India's emergence as a top global innovator for high-tech products and services in recent years has much to do with the importation of technological skills of overseas Indians, which is perceived as important to building India's national capacity (Saxenian 2006:281–286). India aspires to maximize on 'brain gain/circulation/ return' and make effective use of foreign-trained Indian immigrants and nationals to act as a magnet for foreign and diasporic investments in knowledge-based industries (Saxenian 2006; 2008; Kapur & Ramamurti 2001).

Complementing the above reasoning and to provide opportunities for domestic and foreign investments, there have been steady but dramatic shifts in Indian state policies since the 1980s<sup>10</sup>, prioritizing economic growth by embracing Indian capital as the main ruling ally. India adopted the 'pro-business'<sup>11</sup> development strategy, similar to South Korea and Brazil (during some time periods), where the Indian state gradually became highly interventionist<sup>12</sup> by giving precedence to economic growth as a national goal. But, unlike much of high economic growth in East Asian countries, the Indian economy has grown within the framework of a democracy.

The pro-business development strategy during the 1980s somewhat opened up the Indian economy to both foreign investors and foreign goods. Import liberalization in 1981 was significant but short lived as Indian businessmen demanded protection from

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<sup>10</sup> From 1950 to 1980, Indian political and policy orientations were left leaning and more redistributive. It followed the import-substitution model of development.

<sup>11</sup> There is a distinction between pro-business and pro-market strategies. A pro-market strategy supports new entrants and consumers, whereas a pro-business strategy mainly supports established producers. A pro-market rests on the idea that free play of the market will lead to efficient allocation of resources, as well as promote competitiveness, hence boosting production and growth. This was the thinking and inspiration behind the 'Washington Consensus' on development during the 1980s and 1990s (Kohli 2007:90).

<sup>12</sup> Kohli (2007:89) defines an interventionist state to be one that prioritizes economic growth as a state goal, which ruthlessly supports capitalists, represses labor, mobilizes economic nationalism to provide social glue, and channels firm activities to produce both for protected domestic markets and for exports.

cheaper imports. The Indian government's primary commitment during the 1980s was to achieve economic growth by establishing Indian businesses, and only secondarily to adopt an abstract notion of "openness" or "laissez faire." While Indian business groups received significant concessions on corporate and personal taxes, what was more significant—and has had a lasting impact—was the state's active participation in promoting the growth of industries like computers and electronics. The state provided supply-side<sup>13</sup> support to these industries, but also maintained pressure on them to stay competitive by minimizing protection. Summarily, the major economic policy changes during the 1980s created a new pro-business, growth-oriented model of development in India. India's nationalist-capitalist model shared many traits with East Asian countries, and partnered with established, pro-indigenous businesses and against labor and only selectively linked the Indian economy to the world, often through trade rather than capital.

The state's pro-business attitude in the 1980s yielded a rise in private investment and an enhanced role of the private sector in the Indian economy. The import of technology became easier and foreign exchange was available. This allowed for the accessibility of a variety of scarce inputs and helped make use of industrial capacity at a high level. As a result, a segment of Indian capital became more efficient and patterns of business organization and lobbying underwent significant changes, which prepared them to deal

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<sup>13</sup> Supply side economics is a macroeconomic school of thought, where it is believed that economic growth can be most effectively created using incentives like adjusting income or the capital gains tax, etc. for production of (supply) goods and services that people value (Source: The Concise Encyclopedia of Economics).

with foreign competition in the 1990s. These internal changes in the private sector of India set the stage for further reforms in the state policies of 1990<sup>14</sup>.

A significant departure in the reforms of the 1990s from those in the 1980s was in the area of India's external economic relations, including trade, foreign investment, and financial relations<sup>15</sup>. Starting in 1991 import quotas were lifted—even if fully in 2001—tariffs declined steadily, the currency was devalued, the foreign investment regime was liberalized, and restrictions on external financial transactions were made easier by removing various restrictions. Some of these reforms helped Indian businesses, while others exerted enormous competitive pressure on them. In implementing the external economic reforms in 1990, the Indian state entered into a new social contract with Indian businesses, putting the full weight of the state behind them with an understanding that Indian businesses had to become more competitive in the international arena.

To put it differently, with further changes in the economic reforms in the 1990s, the Indian state responded to a sharply changed world and hitched its wagon to the global economy (Kohli 2007; Krueger & Chinoy 2002). The impact of opening up the Indian economy has been significant, with structural increase in India's potential growth to

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<sup>14</sup> On the political economy front, India could never fully replicate the state-capital alliance for the rapid growth model of development of East Asian countries because of the nature of power in the Indian state and fragmented authority structure. Besides, within the framework of democracy with the underlying class basis of state power, it was impossible to completely adopt the pro-business growth model. The clearest economic manifestation of these political upheavals was the gradual increase of fiscal pressures. Most noteworthy were the inability to limit a variety of public expenditures and the inability to collect more revenues (Kohli 2007:103). As a result, India's deficit on the current account increased throughout the eighties. From the mid-eighties it was pushed into greater reliance on high interest commercial loans from international banks to finance the deficits. The net outcome was that her external debt tripled during this decade of high growth. The above scenario set the stage in the 1990s for adopting the structural adjustment program advocated by the IMF and WB.

<sup>15</sup> The variety of India's industrial reforms was well under way during the 1980s. The reforms in the 1990s can be perceived as a continuation of those reforms, that is, further delicensing, tax concessions, opening of newer areas to private business which were previously reserved for the public sector, and controlling labor (Kohli 2007:104).

nearly 8 percent since 2003, compared to 5 percent to 6 percent in the previous two decades<sup>16</sup>. Productivity growth has been the major component behind the increase in GDP growth, contributing nearly half of overall growth since 2003, compared with a contribution of roughly one-quarter in the 1980s and 1990s. The productivity estimate is useful as it provides a benchmark with which to assess actual growth outcomes (Poddar & Yi 2007:6).

The opening up of the Indian economy to the global markets by way of reforms in the 1980s and more so in the 1990s presented a unique opportunity to the overseas Indian immigrant community and Indian immigrants in the United States to invest and establish business with India. Around 200,000 Indian-American families are headed by millionaires, and the median household annual income of U.S. residents of Indian origin is \$70,002, much higher than the median U.S. national income of \$49,000 in 2000 (Ministry of External Affairs, Government of India 2004 in Goel et al. 2007:91; Portes & Rumbaut 2006:89). In addition, more than 20 percent of U.S. technology firms were started by Indian immigrants, and about 44 percent of Indian immigrants hold managerial positions (Goel et al. 2007:91). Given the professional profile and success of the Indian community in the United States as well as their social and financial position in American society, some Indian immigrants were inspired to participate and become active in the process of economic growth and development of their home country. Their involvement in India's progress has been through social and financial remittances, networks, and access to knowledge and markets. Thus, this process has transformed the process of 'brain drain' and has created a great 'brain gain/circulation' opportunity.

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<sup>16</sup> India's growth rate for the year 2007-08 was 6.7% at constant (1999-2000) price in the year 2008-09 (Source: Press Information Bureau; Government of India, 29<sup>th</sup> May 2009).

The Non-resident Indians (NRI) from the United States have had significant impact as mentors, investors, catalysts for policy changes, and direct sources of returning talent. Above all, the Indian expatriate community in the United States played a critical role in promoting India's software and business process outsourcing boom. As Indians became senior executives at many of the major U.S. corporations such as IBM, General Electric, Intel, Microsoft, Cisco, and American Express they influenced the companies' decisions to invest in or outsource work to India. In part, the individuals' own success supported the emerging positive reputation of Indian engineers. Also, Indian executives—like Khailash Joshi of IBM, Ranga Puranik of Motorola, and Radha Basu of HP-India—had direct experience with India that lent credibility to their assurances that India's infrastructure and bureaucratic problems could be overcome. Additionally, the above mentioned Indian immigrants in the United States and others like them had chosen to return to India for a few years to supervise U.S. investments or outsourcing contracts, and to assist in training manpower to match U.S. performance standards (Saxenian 2000; 2006; Goel et al. 2007). By 2002, the combination of recession in Silicon Valley and growing professional and entrepreneurial opportunities in India prompted for the first time a sustained interest among U.S. educated Indian engineers to return to India (Saxenain 2008).

From the 1980s onward, there were other compelling reasons for Indian immigrants to pursue economic transnational activities in India. The technology sector had produced a shift in the global alignment of capital and labor, and tolerance in the United States for ethnic pluralism and multiculturalism had been growing since the 1960s. Also, effortless accessibility to the immense potential of communication technology to compress distance

and space, and increasingly cheaper options for travels to India were important. All these factors provided for new possibilities of creating nationalities, identities, and a sense of homeland among the dispersed Indian population in the United States (Gold 2007; Foner 2007). Contemporary Indian migrants, who are highly skilled, possess competency in the English language, and who are familiar with both Indian and American cultures and peoples, have the ability to control the outcomes of their investment (Dossani 2002). Taken together, transnational Indian immigrants are in a position to choose among countries of settlement to realize the full potential of their transnational lives, just as other groups of highly skilled transnational entrepreneurs among Israeli or Taiwanese or Chinese immigrants in the United States (Gold 2007; Saxenian 2006).

Since the mid 1980s an important macro factor has been the dependence of India's IT sector on U.S. investment, research and development (R&D), technology transfer, labor off shoring and export markets. In fact, the United States accounted for about two-thirds of all exports in 2003–04, with all of Europe accounting for about 23 percent. Earnings from India's IT sector have been decisive in attaining the balance of payment surplus and the building of India's sizable foreign exchange reserves in recent years (NASSCOM<sup>17</sup> Strategic Review 2005 in Sen & Frankel 2005).

Further, the expansion of foreign direct investments (FDIs) in India's IT and electronics industries has attracted Indian technology professionals to return to India. More than 30,000 technology professionals have been estimated to return to India since 2004 (Rai 2005 in Goel et al 2007). For the returning migrant the main attractions are

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<sup>17</sup> National Association of Software and Services Companies. NASSCOM's members are primarily companies run by Indian nationals in the business of software development, software services, and IT-enabled/BPO services.

western style of management practices and work cultures, competitive global pay packages, and encouraging career prospects reinforced by a weak IT job market in the United States in 2003–04. For example, out of the total 2,300 employees at General Electric's John F Welch R & D Center at Bangalore, 700 had returned from the United States in recent years. Notably, returning migrants from the United States—particularly in the technology sector—usually establish their own companies and transnational businesses, rather than work for big multinational corporations or local firms. A category of returning migrant transnational entrepreneurs located in India is thereby constituted (Goel et al. 2007).

Similar to the governments of many countries of emigration, (e.g. China, Israel, Brazil, etc.), the Indian state plays a catalyzing role by strengthening the support infrastructure to tap into the knowledge base of transnational entrepreneurs. Recently, India has passed legislation<sup>18</sup> that advances an accommodating notion of Indian citizenship as a strategy to accumulate capital, power, and social prestige in the global arena (Faist(a) 2000:201–204; Levitt(b) 2001:204; Ong 1999:6). The Indian government is highly responsive to the challenges faced by economic transnational actors and for that reason established policies of tax exemptions for soliciting remittances. For instance, for non-resident Indians the savings accounts and annuities with the State Bank of India earn interest rates higher than those available to Indians in the country. Similarly, by granting “Overseas Citizenship of India” cards the Indian state facilitates the economic and

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<sup>18</sup> The constitution of India does NOT allow dual citizenship, i.e. holding Indian citizenship and citizenship of a foreign country simultaneously. The government of India grants Overseas Citizenship of India (OCI) often mistakenly referred to as ‘dual citizenship.’ People who migrated from India and acquired citizenship in a foreign country other than Pakistan or Bangladesh are eligible for the granting of OCI as long as their home countries allow dual citizenship in some form under their local laws (Ministry of Home Affairs; Government of India; 2006).

political incorporation of their expatriate communities, irrespective of their place of residence (Portes & Rumbaut 2006; Gold 2000; Levitt 2007; Portes 2001; Faist(b) 2000). The public policy rationale for these initiatives is based on information asymmetries between the two countries and the previously uncaptured synergies from activities whose benefits exceed their private ones. Thus, the Indian state plays a crucial role in shaping economic transnational practices.

The success in India's IT sector and growth of software exports through the 1980s and 1990s positively affected India's capitalism as well as the general business climate in India. As a result, first time entrepreneurs and family owned businesses by non-migrant Indians were persuaded to engage in export businesses with the United States in non-traditional sectors. The change in Indian state policies along with the participation of U.S. transnational entrepreneurs as a business community of practice facilitated an atmosphere in India in which non-migrant entrepreneurial spirit has flourished and succeeded in the last two decades.

In addition, the economic boom has triggered market reforms in other knowledge-based sectors—including health care services, engineering, financial and accounting services, and media and entertainment—as well as in land-based industries dealing with tangible goods like agro products, textiles, and high fashion to enhance India's role in the global economy (Lessinger 1999:76; Kapur & Ramamurti 2001:23).

It is in this present global, political, and economic context that the emergence and continuity of transnational business activities as a source of income and capital accumulation across national boundaries among Indian immigrants in the United States, returnee and non-migrants entrepreneurs in India must be understood.

***Research Question:***

As discussed in the earlier section, Indian immigrants in the United States possess a high volume of human capital. By human capital, I mean an individual's investment in personal productivity, where productivity is understood to mean person's ability to add value by doing work. Formal education and work experience are the essential forms of human capital (Light & Gold 2000:87). The volume of human capital embedded in this ethnic group also becomes evident from the two most favored U.S. immigration legislative provisions used by Indians for entering the United States, i.e. as foreign students for graduate education in American university or as technical and temporary specialty workers on an H1-B visa.

This has led scholars studying Indian technology entrepreneurs of Silicon Valley (Saxenian 2002 and 2006; Dossani 2002; Biradavolu 2008) and highly skilled migrant Indian professionals and engineers in the United States (Chakravartty 2006; Bagchi 2001; Harvey 2008; Radhakrishnan 2008) to use the variable of 'human capital' as the most important explanatory factor in their respective investigations on immigration and employment networks and occupational integration in American economy. Similarly, the few existing empirical research studies on other highly skilled transnational entrepreneurs—including Israeli, Chinese and Taiwanese by Gold (2002), Saxenian (2006), and Li (1998)—have employed the inherent human capital in these ethnic groups as one of the aspects to explain the transnational entrepreneurship between their homeland and the United States.

Nonetheless, the lack of coverage of what and how pre-migratory social and economic conditions influence decisions among the highly skilled Indian to migrate to

the United States leaves major gaps in understanding the close association of human capital as a class-based resource, particularly from a country that has the largest number of illiterates in the world <sup>19</sup>(Rediff November 21<sup>st</sup> 2007). The studies on Indian technology entrepreneurs have neglected to examine how human capital as a form of class resource, like financial capital, offers the added potential for private enterprise and capital accumulation, besides the rewards that come from group membership. The advantages from having human capital in addition to cultural and social capital have been demonstrated to be vital for business success in numerous studies on entrepreneurship among different ethno-racial groups and categories (Light & Gold 2000:88; Valdez 2008).

Therefore the linkage between cultural and human capital of highly skilled Indian transnational entrepreneurs merits close examination. By cultural capital, which is normally possessed by members of higher classes, I mean the ‘culture of entrepreneurship’, of skills, knowledge, competencies, tastes, attitude, and values transmitted in the course of socialization at home as well as in school to be successful in the market economy. Bourdieu (1986 cited in Light and Gold 2000:91) asserts that this non-material cultural knowledge can be used to owners’ financial advantage in numerous ways in various circumstances in ones’ life span. My study addresses this gap in transnational entrepreneurship among Indians.

Finally, class-based resources and cultural capital also determine social relationships that facilitate entrepreneurship. Entrepreneurs of all socio-economic class backgrounds

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<sup>19</sup> India’s national literacy rate grew to 66% in 2007 from 12% at the end of the British rule in 1947, which is well below the world average literacy rate of 84% (UNICEF 2009: India Statistics; Crossette, B. in New York Times, Dec. 9<sup>th</sup> 1998).

extensively use social networks and the social capital embedded in them for starting and sustaining their transnational business enterprises. However, the vast majority of research on transnational entrepreneurial networks in the United States has been focused on the extraordinary resilience and benefits to be gotten from networks used by resource-poor Latin American and Caribbean migrant groups to compensate for their lack of human and cultural capital (Portes 2000:258; Guarnizo & Smith 1998). This includes research on Dominican entrepreneurs in the informal economy by Itzigsohn (1994); Salvadorian transnational entrepreneurs by Landolt et al. (1999), and Otavalan entrepreneurs of Ecuador by Kyle (1994). This predisposition to study migrant groups from contiguous countries of the United States has been to the detriment of a better understanding of transnational immigrant entrepreneurs, who might use very different type of networks either because of their middle or upper class upbringing or by virtue of profession. Lin (1998) studied Chinese entrepreneurship in New York's Chinatown where he observed that foreign investments such as in shops and branches of foreign banks had transformed the character of ethnic businesses from previously small family oriented businesses. Likewise Zhou's (1992 cited in Fong & Luk 2007:9) study notes that many professional firms of New York's Chinatown were supported by finances from Taiwan and Hong Kong. My study on highly skilled Indian entrepreneurs will provide insights into the relationship between cultural and social capital, and how they reinforce each other, even though these are distinctive forms of capital that entrepreneurs strategically employ for their transnational business.

The research that follows attempts to address these issues in the transnational literature dealing with highly skilled Indian entrepreneurs, as well as to fill the lacunae

noted in the earlier section of this chapter. In order to address the central research objective of how and why Indians maintain transnational business enterprises between the United States and India, I have formulated two issue or procedural subquestions (Creswell 2007:109). Issue-oriented sub-questions will help in breaking down the explanations of the phenomenon of economic transnational practices among Indians into subtopics for examination. They are as follows:

*(a) How do Indian immigrant entrepreneurs use their class-based cultural capital, their Indian and American college/university education and skills (human capital), and social capital for their transnational business?*

*(b) What are the pro-business Indian policies that have created an enabling macro environment for transnational activities between the United States and India?*

### **Research Methods**

The research is a multi-sited and bi-national ethnographic study on the theme of economic transnationalism among Indians in the United States and India, within the broader field of contemporary International Migration and Globalization. The study is not dictated by conducting comparative research to establish differences and similarities between two locations. Rather, it is directed towards understanding economic transnationalism as a process, and how Indian entrepreneurs as global agents<sup>20</sup> employ their class-based cultural, human and social capital for conducting their businesses worldwide.

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<sup>20</sup> Transnational agents are those whose practices are regularly developed across international borders. Global agents are a subclass of transnational agents whose practices are regularly developed not just transnationally but at worldwide levels. Local agents are those individuals and organizations whose social practices are mainly concentrated in the same locality in which they are based. National agents are those whose practices are regularly developed at a national level (Mato (1997) in Gille & O' Riain 2002:273).

In order to avoid a one-sided inquiry that focuses exclusively on the transnational economic activities from one country, I chose home and the host countries (India and the United States) as major sites for the research. Within these two countries, I have selected a few urban centers as “places” in which my respondents have decided to live. One of my objectives as a researcher was also to analyze these “places” as projects of capitalist forces and modernity. The selection of urban centers in both countries was guided by the perspective of how transnational Indians understand the place of their locality in the global scheme of things, and the transnational actions they take to transform and shape that “place” (Gille & O’Riain 2002).

My dissertation uses data from in-depth interviews with 42 transnational entrepreneurs. I adopted a stratified purposive sampling technique in the selection of the respondents in both countries that had particular characteristics. This sampling technique allowed for a comprehensive understanding of the experiences of transnational Indians who are very similar to each other and yet differed in age, class, type and level of education, and physical location.

I interviewed three categories of transnational respondents, which included Indian immigrants in the United States, returnee migrants from the United States in India, and non-migrant Indians. All of the 42 respondents were owners and founders or partners of private transnational business for a minimum of 5 to 6 years. To build variation in the data set, I included two age cohorts of entrepreneurs, that is above the age of 50 years or who have migrated to the United States between 1970–79, and those below the age of 50 years or who have migrated to the United States between 1980–99. In addition, my data set included entrepreneurs from two different business sectors: those whose transnational

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businesses dealt with tangible material goods, mainly luxury goods (e.g. handmade textiles, fashion and costume jewelry) and agro products (e.g. canned fruits or organic food items etc.) and others who were in the technology (e.g. IT, IT enabled solutions, Financial services, or Biotechnology) businesses. All the respondents frequently traveled to India or to the United States (4 to 6 times either way) for business activities and maintained a high intensity of exchange and contacts with people associated with their business, class mates, friends, family members, work and professional colleagues on a regular basis in both countries.

### ***Why Study the Indian Case?***

A major contribution of this research on transnational Indians, like any study of global migration of a population with high levels of education and skill, like the Taiwanese, Canadians, Chinese, Israelis, is also a study of how these immigrants use their reservoir of resources to become transnationals. This process is believed to be distinctive to each migrant population and different from members of the native population who are endowed with the same resources. The challenge, then, is to explain the variation in the ways that economic transnational migrants (and non-migrants) manage to rotate between host country and homeland or how other transnational ties mutually influence each other. Therefore, the study of transnational Indians can be perceived as an attempt to give voice to a group of new migrants who have contributed disproportionately in the most dynamic part of the U.S. and Indian economy—the high tech sector—in the recent past, in addition to restoring balance in immigration and transnational literature. I consider this aspect of the research to be a timely contribution.

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Second, the study will highlight how the power dynamics of class resources (cultural, human, and social) and nationality intersect within social fields or spaces, as different social groups have distinct relationships to mobility and to the resource flows of capital, commodities, knowledge, and information. The research will confirm empirically how global macro-level processes interact with local lived experiences, which are increasingly perceived as important avenues for socio-economic development in emigrating countries. The study is intended to contribute to debates on national development in the context of transnational activities.

Finally, a transnational approach for this research allows for studying economic practices as a dynamic cross-border network process, and to explore how state's policies combine forces or resist such entrepreneurship by migrants and non-migrants. It helps us to understand economic transnational experiences of constituents both in the home and host country.

### ***Organization of the Study***

The first three chapters of this dissertation set the stage for the analysis that follows. Chapter One primarily provides the rationale for the study by presenting the main foci of the research as well as offering an introduction to research questions. Chapter Two reviews the literature on the structure and function of networks that allows for analyzing transnational social field(s) or spaces between the non-contiguous nations of India and the United States. By underscoring the significance of a variety of networks ties, contexts, and values, I discuss the impact of the societal structural as well as the agency of the transnational entrepreneurs in fulfilling the goals of transnational business. Chapter Three elaborates on the research design and methods utilized in the study, data collection

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process, sample characteristics, and analysis procedures. Chapter Four describes the economic transnational activities initiated from the United States by Indian entrepreneurs in the technology domain, as well as in the tangible material goods sector like chemicals, fashion and designer jewelry, and agro products. The chapter is intended to give readers an idea of the diverse use of cultural, human and social capital and heterogeneity of networks dictated by the nature of transnational business and also by unevenness in the forms of capital among migrant cohorts from India to the United States. Chapter Five reports on how the economic transnational process unfolds in India, primarily led by returnee entrepreneurs from the United States mainly in the technology sector, and non-migrant transnational Indian entrepreneurs in businesses dealing with material goods such as processed food, tea, spices, and luxury goods like handmade textiles and herbal medicine. This chapter highlights the extraordinary power of transnational networks, which are utilized by entrepreneurs as a source of social capital to advance their global enterprise. Chapter Six discusses how immigrant, returnee entrepreneurs in particular re-articulate their identity from the meaning they derive from their transnational enterprise and cross-border cultural experiences. This has been enabled by recent changes in the Indian citizenship laws and policies. The concluding chapter summarizes the key findings of the research and utilizes these conclusions to make recommendations for future research on transnational practices among high skilled entrepreneurs.

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## **Chapter - 2**

### **Literature Review**

The main objective of this study is to enhance the understanding of the interrelated networks of power that effect the success of Indian transnational entrepreneurs in the United States and India. I use a network-based transnational perspective as an explanatory framework. In this chapter I detail my reasons for this approach and then review the sociological literature on three forms of capital—cultural, human, and social. I argue that the strategic use of these forms of capital generates and motivates transnational networks. As status resources, they support the transnational business actions and practices of highly skilled entrepreneurs. This notion hitherto has received scant attention in transnational entrepreneurship discourse. I end by providing a conceptual explanatory framework for this research.

#### ***Network perspective for explaining transnational practices:***

The transnational paradigm emphasizes the ability of migrants to combine resources, connections, and identities available from multiple locations so as to maximize their freedom and independence from restrictions imposed by any one nation state, and to minimize obligations and drawbacks associated with societal hierarchies, gender ideologies, patriotism, and citizenship (Gold 2002:13). This vision, which generally emphasizes potential gain over immeasurable loss, is based on networks as the essential foundation for social organization and resource mobilization.

For the purpose of this research, I use the definition of network offered by Gold (2005), “[as an] approach [that] emphasizes that migration is embedded in a series political, ethnic, familial, and communal relationships and environments, including some

that cross borders. Through it, we see that migrating populations remain connected to more than one national context. A network approach understands migration as a collective process shaped by both agency and structure (p. 259).” For this reason, the network perspective is a useful strategy to study how resources, capital, knowledge, information, goods, and ideas flow through particular configurations of social and symbolic patterns of ties or bonds (Faist(a) 2000). The approach establishes a socio-historical perspective, showing the weight of previous migratory events on the course of those occurring at a given time. It shows the shaping of migration systems linking particular countries in precise relationships through connections and ties developed as a result of continuous human inflows (Meyer 2001:93).

In recent times the network approach has become popular among migration scholars because of its emphasis on the *relational* aspect, which allows for a broader examination of the contextual aspects for transnational actions—i.e. kinship groups, economic activities, communities, and nation states—both in the countries of origin and settlement (Gold 2005). Further, Waldinger (2008) and Waldinger and Fitzgerald (2004) state that the multiplicity of involvement that migrants are able to sustain both in the home and host societies is due to state and citizenship policies, which act as powerful conditioning factors. This makes transnational actions and practices both social and political phenomenon that transform the notion of home and host into transnational and global spaces. It frames migration not as a one-way path but as a dynamic process of networking and linkages (Mahroum et al. 2006).

Thus, the network approach has considerably enriched the understanding of migration processes in various ways. It challenges the neo-classical economic idea that depicts

wage differentials to be the primary determining factor for migration. This theoretical framework perceives migration as a result of geographical differences in the availability of and demand for labor, such that workers will leave countries with large supplies of labor and less capital (the push factor) for a destination where economic opportunities and wages are greater because of short supply of labor (the pull factor). This model sees migration as an individual's undertaking to optimize expected income (Massey et al. 1993; Portes & Borocz 1989). The critics of the neo-classical explanation point out that profound transformations in social and economic institutions mobilize labor for reasons beyond individual utility maximization (Massey 1990). The neo-classical model, thus, fails to incorporate the larger structural aspects of migration.

On the other hand, the macro theoretical framework of the World-system understands that migration has little to do with wage rates or employment differences between countries. It makes the case that contemporary immigration waves are a consequence of socio-economic, political, and cultural transformation that go along with the penetration of capitalist markets into noncapitalist or precapitalist societies and the incorporation of these societies into the global world-economy. Therefore, rather than attributing migration exclusively to economic factors or individual agency, World-system theorists argue that actions carried out by capitalists and states acting on their behalf in peripheral countries lead to disruption of existing economic, social, and institutional arrangements. This results in massive dislocation of people from traditional ways of life (Portes & Borocz 1989; Gold 2005), thereby acting as a driving force of migration.

Therefore, choice-based micro-neoclassical theory—which emphasizes individual agency rather than the impact of societal structures—and World-system macro-structural

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theory—which sees migration as structurally-determined without individual agency—have several divergent assumptions. However, they each attempt to explain migration at a single level of analysis—micro or macro—rather than accommodating multiple factors and relationships. By engaging on a single-level analysis, these analytical frameworks minimize the influence on migration of human groups and relations as sources of motivation, support, and meaning (Castles & Miller 1998; Faist(a) 2000; Zelizer 2002 cited in Gold 2005:258). Both models also disregard issues of power—inequalities in categories including class, gender, ethnicity, and legal status—and their effects on resources, responsibilities, and decision-making power. These are major considerations of social stratification in all migrant population and social groups (Gold 2005:258).

Finally, the disproportionate emphasis on labor migration in both neo-classical and World-systems theory conceals identity-based and collective motives for migration, including military conflict, forced migration, religiously-motivated travel, family unification, and cultural links between peoples. Basch et al. (1997:12 cited in Gold 2005:258) state “World-system theorist[s] have tended to reduce migration to labor migration and immigrants to workers, eliminating all discussions of the many different racial, ethnic or national identities which shape people’s actions and consciousness.”

In sharp contrast to the micro-neo-classical theory and the macro-structural theory of World-system, the new paradigm of transnationalism takes into account major concerns of both micro and macro perspectives. Hence it can be deemed as a meso-level middle range theory. Similar to micro tradition, it affirms the importance of networks, contexts, and local value and also pays attention to the macro approaches of immigration, large scale economic, political, and legal structures within which immigrants organize their

lives. To cite Gold (1997:410), “it offers an approach for synthesizing structural and personal reasons for migration.” Transnational networks are therefore governed by a dense network of social relations. It offers an alternative explanation to permanent immigration by emphasizing the fluid and ongoing nature of the process, as a result of which ideas, resources, and people change locations and migrants and nonmigrants develop meanings to multiple settings. That is why personalized transnational networks now command a new respect to understand the conditions of flexible capital accumulation and of late capitalism in the 21<sup>st</sup> century (Tseng 1995; Zhou & Tseng 2001; Gold 1997). A case in point is that of the Indian and Chinese professionals in Silicon Valley who became key intermediaries linking U.S. businesses to low-cost software expertise in India and Taiwan, by constructing a strong two-way relationship between technology communities in Silicon Valley, Taiwan and India respectively. In these cases, entrepreneurial networks provided the Valley’s skilled immigrants with resources unavailable to mainstream competitors—cultural know how, language skills, and contacts to build business relationships in Asia (Saxenian 2000:258). Likewise, Gold (1997:419) mentions diasporic groups like Jews, Armenians, Parsis, and Overseas Chinese who are especially active in transnational economic activities, indicating a clear relationship between their ethnicity and global involvement.

Furthermore, unlike World-system or neo-classical theory, the network-based transnational perspective makes provision for explaining the reverse migration of highly skilled and talented people—usually former expatriates—from developed countries of the West to their home countries. This is particularly true in the case of Asian countries like China, Taiwan, Korea, and India that have experienced a rising economic growth in the

recent decades. Of late, many rapidly growing economies of the global “South” have embraced policies similar to those of the developed countries in order to compete for talent, including among their expatriates, as these countries make technological progress and transform to become knowledge-based economies. To quote Mahroum, “the motion of brain drain and brain gain might be going in all directions: north-north, north-south, south-north, and south-south (2000:23).” The network perspective allows for understanding the connection between sending and receiving countries not as a relationship of losers and winners, but as a global circulation of population and labor, which in turn has contributed to changing the profile, perceptions, and actions of contemporary migrants. The dramatic changes in economic globalization and restructuring pose new opportunities as well as challenges for all the countries that can be reasoned from a transnational point of view (Wadhwa et.al. 2009; Chacko 2007; Ramji 2006; Saxenian 2008; 2006, 2005).

Waldinger (2008), Fitzgerald (2008), Faist (2000; 2008), Levitt & de la Dehesa (2003), Goldring (2002), Favell et al. (2006), and Smith (1998) point out that the transformation in the mobility of migrants has to be seen in the context of intentionally-directed state policies, which allow it to happen (explicitly or implicitly). As stated earlier, nations’ migration and citizenship politics and policies play a significant role that is “largely affected by conditions *internal* to receiving states, [that] exercise the crucial influence on the “here”-“there” activities of international migrants (Waldinger 2008:8; italics in the original).” For instance, many emigrating countries like the Philippines, Mexico, and countries in Central America benefit in a variety of ways from their overseas populations, most obviously in social and financial remittances. While it is true that

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remittances can be spent on purchasing medicine, food, health care, other consumer durables and luxury goods, more importantly remittances introduce more money into the economy and create jobs. The multiplier effects of foreign remittances have been known to be considerable and can partially provide a safety network from absolute poverty (Lowell 2001 cited in Mahroum et al. 2006). In fact many developing nations are known to have a high level of dependency on remittances and perceive them as a source of revenue (Ratha 2003)<sup>1</sup>.

Other illustrations of macro-structural state policies that enable the agency of transnational actors, with regard to cross-border entrepreneurial and employment opportunities, expressions of patriotic feelings, scientific curiosity, family reunification, escape from persecution, and safety considerations are those of multi-state membership of states, favorable emigrating and immigrating laws, the legal permission for community and ethnic organizations that facilitate remittances and travel between home and host countries, and celebrating multiculturalism as an official policy (Waldinger & Fitzgerald 2004; Bloemraad 2007; 2008, Mahroum 2005; 2006).

In many instances, the state governments' policies make certain locations attractive for migrants by providing tax incentives, superior research infrastructure, and preferred wages that encourage return or circulatory migration, for example the "Software Technology Parks of India" or the "Hsinchu" science-based industrial park in Taiwan (Sexenian 2005). A study of transnational actors' experiences would be incomplete

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<sup>1</sup> According to World Bank's Economic Prospects (GEP) for 2006, India received 10% (\$ 21.7 billion) of the officially recorded remittances worldwide, which exceeded \$232 billion in 2005. NRI (Nonresident Indians) remittance in India was nearly four times more than FDI (Foreign Direct Investment), which is estimated to be around \$ 5 billion in 2006 (Maimbo and Ratha 2005).

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without considering the ways in which a nation is embedded in transnational economic, political, and socio-cultural networks (Levitt 2008).

In this new paradigm the transnational actors' experiences and activities are grounded in an environment variously described as transnational space, transnational social field, or transnational communities (Gold 2002:13). Such a domain is not defined by geographical boundaries of nations and yet links countries of origin and settlement (ibid). The process of building a social field is described by Levitt & Glick Schiller (2004:1011) as "where migrant experience can be thought of as a kind of gauge which, while anchored, pivots between a new land and a transnational incorporation. Movements and attachment is not linear or sequential but capable of rotating back and forth and changing direction over time. The median point on this gauge is not full incorporation but rather simultaneity of connections." For example, in this study the returnee transnational Indian entrepreneurs living in India at present have retained their American citizenship and cast their votes in U.S. presidential elections. Similarly, studies by Levitt (2001) on Dominicans and by Smith (1998) on Mexicans show how migrants and nonmigrants in both countries of origin and the United States share common styles of consumptions and political agendas. The transnational social field includes people, their array of activities, and networks in both point of origin and settlement where resources, ideas, agendas, and expectations are regularly exchanged. Gold (2002:13) states that "the transnational fields include people who have never traveled because these network members are immersed in social and economic environments and forms of subjectivity that are produced by migration."

Perceiving the transnational field to be a thick web of networks of social relations between those who move (migrants) and those who do not move (nonmigrants)—and

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privileging neither environment—becomes a powerful tool for conceptualizing transnational business practices for this research. It broadens the scope of examining transnational actions beyond the direct experiences of migrants to include interactions of people who are stationary themselves but establish regular connectivity and social relations across boundaries using diverse forms of communication. For example, a “father-manager” who resides in Mumbai may control the business strategies of an Indian transnational businessman selling handcrafted costume jewelry in New York. The transnational business functions as a decentralized organization—the financial and human resources and skills of nonmigrants constitute a major source of value for the organization.

The transnational social field can be understood from the perspective of Bourdieu’s (1992) notion of field, which he describes as a social arena in which people strategize, maneuver, and struggle in pursuit of desirable resources. It is a domain of practices or array of activities that have their own logic and are constituted by a unique combination of various kinds of capital—social (connections), symbolic (prestige, renown), cultural (tastes, habits, skills, way of life)—and other resources that allow for the transfer and recombination of information and assets across national borders (Postill 2008; Schatzki 2001).

For Bourdieu (1992; 1997) and Giddens (1979; 1984), a discussion of actual practices serves to free activity from the determining grasp of objectified social structures and systems (Schatzki 2001). This practice approach liberates individual agency from the constrictions of structuralists, while avoiding methodological individualism, which claims that social phenomena must be explained from the results of individual actions

(Postill 2008). To that effect, Bourdieu (1997) used the concept *habitus* to capture “the permanent internalization of the social order in the human body” (Eriksen & Neilsen 2000:130 cited by Postill 2008) while recognizing “the agents practice, his or her capacity for invention and improvisation” (Bourdieu 1990:13). It is the *habitus* of the transnational entrepreneurs that produces the strategies and practices found in the transnational fields of business networks linking India and the United States.

The practice approach to social theory takes the human body to be the nexus of “array of activities” (i.e. practices) that agents carry out with lesser or greater mastery, grace, and commitment (Postill 2008). *Habitus* is the by product and functions within social structures determined by forms of capital. These forms of capital both enable and constrain individuals and also act as resources that entrepreneurs use to operate at a global level, making relevant Bourdieu’s theory of practice that goes beyond the usual dichotomous agency-structure framework (Terjesen & Elam 2009).

### ***Forms of Capital:***

Transnational networks made up of a web of interpersonal ties—friendship, kinship, fellowship, comradeship or memberships in organizations—become extremely important in cross cultural and national entrepreneurship. They are greatly conditioned in often-unconscious ways by previous experiences and learning, cultural legacies, and current realities that are part of a certain *habitus* of entrepreneurs (Drori et. al 2009:1011). Significant socio-economic consequences follow from these connections and bonds that migrants (and nonmigrants) have with one another. The complex of benefits gained from group or network membership is called “*social capital*.” Conceptualizations of social capital are manifold and diverse. For this project, I find it useful to follow the definition

that articulates social capital as “the ability of actors to secure benefits by virtue of membership in social networks or other social structures” (Portes 1998:6). Social capital is here an intangible universal resource inherent in relationships between network members and presents itself as information (potential or real) or linkages to other network members, who may be sources of benefits, support or control (Portes 1998 cited in Bashi 2007:20).

Scholars like Portes (1998), Light (2004), Kadushin (2004), and Gold (2005; 2000) point out that what is best known and discussed about social capital in the literature are the *consequences* of social capital: economic mobility and growth; good health; democratic governance; and to a lesser extent the negative outcomes like social exclusion or intolerance. Little attention is paid to the *causes* of social capital. To cite Daly & Silver (2008:558), “We know who has the social capital . . . but not how they came to have it or where it comes from in the first place.” Scholarship on social capital needs to be substantiated with information and research about: *how* social capital is generated, transmitted, and reproduced; *who* possesses social capital; and *how* societal structural shifts—for instance Indian policy changes regarding corporate and personal taxes—affect the social capital of *whom* (Cornwell et al. 2008:856-57; Light 2004).

One of the ways to overcome the assumption of universality of social capital is by examining the context in which it is situated and under what circumstances it is generated (Light 2004). One must examine the social structures that mediate the entrepreneurial practices that provide access to networks and the resources they deliver. These vary according to the characteristics of migrants, conditions of the country of origin, sector of

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business and entrepreneurship, and other factors (Gold 2005). Circumstances that contribute to social capital are also important (Kadushin 2004:14).

The context is not limited to the spatial location within which networks carry out exchanges, but extends to economic and social locations such as hierarchy among members or definitions of membership and social distance. For example, the sole condition for membership in the alumni organizations of IIT was to have attended any one of these institutions in India. This social boundary gave the insiders advantages, including help relocating businesses and procuring transnational business contracts with Fortune 500 companies. Dense network connections within this group capture information and resources that circulate only among the members of this alumni organization.

To consider how the “context” affects “meaning” and “functioning” of social capital that relies on social and historical circumstances, I turn to Bourdieu’s (1986; 1990) description of three forms of capital (cultural, human, and social). The close relationship between them shows how three forms of capital are fungible or convertible. This is another major component of Bourdieu’s theory of practice, which allows me to examine how transnational entrepreneurs use their knowledge, perceptions, skill, network membership, wealth, and other psychological measures in a reflexive and strategic manner to navigate complex social structures of opportunity and constraint (Elam 2008). To fully appreciate the value of social capital employed by the skilled transnational entrepreneurs of this research, it needs to be studied in tandem with neighboring concepts of cultural and human capital<sup>2</sup> (Valdez 2008; Light 2004; Nee & Sanders 2001).

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### ***Cultural Capital:***

Bourdieu and his associates, in their studies of the educational system, used the concept of cultural capital to explain the higher success rates for the children of educated parents. These scholars argued that the children not only had benefits of their education and the help they received from their parents, but also enjoyed rewards from their familiarity with the elitist culture, such as knowledge of fine arts and classical music. According to Bourdieu & Passeron (1979:17 cited in Prieur et al. 2008:47), “Not only do the more privileged students derive from their background of origin habits, skills, and attitudes which serve them directly in their scholastic tasks, but they also inherit from it knowledge and know-how, tastes, and ‘good-taste’ whose scholastic profitability is no less certain for being indirect.” These habits, mental dispositions, skills, and way of life have since become known as cultural capital. The right kind of cultural knowledge benefits the owner by providing socio-economic advantage. An example would be to know how to dress appropriately for success. Light (2004) states that Fortune 500 companies hire executives who dress appropriately. The executives’ familiarity with cultural knowledge such as table manners, figures of speech, and dress styles is a capital resource that commands a high salary based on more than productivity. Cultural capital becomes part of an individual’s lifestyle and personality as they are socialized in affluent arenas.

In “Forms of Capital,” Bourdieu (1986) further articulates meanings of cultural capital. According to him, cultural capital exists in three forms: First is the *embodied* state—“long lasting dispositions of the mind and the body” (Bourdieu 1986:243), which he refers to as *habitus*. *Habitus* exemplifies habituated and transposable dispositions,

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mental structures, judgmental competencies, or cognitive schema that guides the thoughts and actions of an actor in a given social field, where field in the strict Bourdieuan view is a subjectively defined social space (Emirbayer & Johnston 2008). *Habitus* is commonly referred to as the world view of the actor (Dobbin 2008; Elam 2008 cited in Terjesen & Elam 2009:1104). This form of cultural capital to a great extent is inherited or acquired through an upbringing in a “cultivated home.” It can be assessed as attitudes, competencies, and preferences. Second is the *objectified* state, which takes the form of cultural goods of a material type—pictures, books, dictionaries, instruments, machines and the like. The cultural goods in the material form are a reflection of the *habitus*. Third is the *institutionalized* state, by which Bourdieu primarily means educational certificates and credentials (ibid).

Light & Gold (2000:84) assert that cultural capital can be regarded as a “class resource” of the affluent entrepreneurial community. They define it to be “vocationally relevant cultural and material endowment of bourgeoisies”<sup>3</sup>. These scholars contend that this form of class-based cultural capital enables entrepreneurs to initiate and run businesses in the formal sector. This capital includes occupationally relevant skills and supportive values, tastes, knowledge, and attitudes. To be successful in the market place, business owners who possess the expertise of business culture and the entrepreneurial skills necessary to be successful pass it on to their children in the course of socialization. Cultural capital points to a resource that has a market value in the struggle for privilege, or as stated by Lareau & Weininger (2003:567 cited in Prieur et al 2008:49), “one that

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<sup>3</sup> In Marxism, bourgeoisie refers to those who control the means of production and distribution within market economies. It includes all employers in an economy’s formal sector. Marxists typically do not include those in the illegal or informal sectors. Light & Gold (2000:84) expand the definition to include all business owners in the formal, informal, and illegal sectors. Light & Gold (2000) have called this ‘the class of business owners’ to distinguish it from the Marxist concept of bourgeoisie.

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provides access to scarce rewards, is subject to monopolization, and, under certain conditions, may be transmitted from one generation to the next.” For instance, entrepreneurs in my study possessed class-derived proficiency in English language. Respondents attended private English medium schools in India where they became acquainted with western culture and acquired English language skills. This is an invaluable cultural asset for Indian transnational entrepreneurs, as English is the lingua franca for international business. Light & Gold (2000) explain that members of the affluent class have the cultural capital required to start and run businesses in the formal economy. As a result, transnational entrepreneurs’ competence and success is to a great extent influenced by their economic and socio-cultural characteristics, which are context bound.

A number of scholars have expanded on Bourdieu’s work in order to make it more adequately suited to examining transnational networks. Light & Gold (2000:92) include the notion of occupational competency in their definition of cultural capital—going beyond Bourdieu’s (1986) limited definition of cultural capital, where he stressed aesthetic values and judgment in defining cultural capital of the Parisian academic and artistic society. This reiterates Farkas’ (1996 cited in Light & Gold 2000:92) claim that in the entrepreneurs’ world cultural capital means “tool kit,” which confers competency in running business effectively—what Berger (1991) has called “the culture of entrepreneurship,” which is an occupational culture and not quite an aesthetic benchmark. Bourdieu’s (1986; 1992) description of individual *habitus*, when applied to the context of transnational entrepreneurship, falls short in explaining how various types of capital (cultural, human and social) provide a competitive advantage to the actor engaged in

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transnational fields. Bourdieu (1977, 1998) does not address how cultural sensibilities shift as actors migrate or move across geographic spaces for managing transnational business. In other words Bourdieu's affirmation of the adequacy of *habitus* does not completely explain the array of activity of transnational entrepreneurs. Specifically addressing these activities, Giddens (1979) and other practice theorists insist that skills be supplemented by some combination of perception, propositional knowledge, reason, and goals (Schatzki 2001:8). For that reason I draw on Swidler's (1986) and Drori et al.'s (2009 :1008) deliberations on how cultural orientations shape a repertoire or "tool kit" of habits, skills, and styles from which people construct strategies or build lines of action. These scholars justify how culture actually works, or transform the notion of "culture as practice." It means that cultural repertoires of entrepreneurial actions are not necessarily tied to, or restricted by, cultures. To cite Swidler (2001:23) "there are not simply different cultures: there are different ways of mobilizing and using culture, different ways of linking culture to action."

Participants in this research considered their sophisticated awareness of cultural nuances to be central to the success of their transnational businesses. They acquired these refined understandings of culture, along with strong communication and interpersonal skills, while living or studying abroad or pursuing early careers at multinational enterprises. In their business enterprises they had introduced novel hybrid management models and implemented new ways of doing business--outcomes of their familiarity with different cultures across multiple countries. Similarly, nonmigrant transnational entrepreneurs saw global travel and varied cultural and business experience—benefits of their class status—as important to their success. Both migrant and nonmigrant

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transnational entrepreneurs benefited significantly from abilities and skills gained from experiences that provided flexible world views. This distinguishing ability to transcend local cultures and utilize multiple cultural toolkits in different settings enabled the entrepreneurs to operate in the global arena. Thus, I contend that the cultural tool kit for entrepreneurial action is not a static conception comprising of fixed cultural codes and modes of behavior from which the transnational businessperson makes a selection, but a cultural code that “means more than being able to apply it mechanically in stereotyped situations—it also means having the ability to elaborate it, to modify, or adapt its rules to novel circumstances” (Sewell 1999:51 cited in Drori 2009:1008). Cultural repertoires for entrepreneurial practices are therefore constantly rearranged through human action and attuned to particular social contexts and to actors’ social skills and habits (Drori et al. 2009).

Closely associated to this argument for the action-oriented role of culture is the fact that cultural boundaries are permeable, fluid and implicit (Lamont & Molnar 2002). Transnational entrepreneurs must negotiate a variety of schemas, strategize within varied symbolic orders, and develop “a ‘repertoire’ which offers various options of how to act and to which agents can have reflexive access” (Putz 2003:557 cited in Drori et al. 2009:1009). This repertoire allows them to redraw cultural boundaries and create action paths, habitual behaviors, and routines in a diverse symbolic order. For instance, women in this study mentioned dressing in western clothes for meetings or enjoying multi-cuisine food—attributes they shared with non-Indian businesswomen. As Portes et al. (2002) and Light & Gold (2002) state, transnational entrepreneurs made it a point to cultivate broad cultural tools in order to benefit from their social presence in both home

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and host countries. So they nurtured cultural traits that are ethno-cultural in origin, like communicating in Hindi with the co-ethnic workers and employees. Having the competency in code switching and multi-linguistic abilities increased the entrepreneurs' latitude in negotiation and their ability to recognize and control business outcomes in different cultures. Their cross-cultural awareness had profound implications with respect to developing a critical awareness of social relationships, and in understanding the diversity which underlies ways of constructing and organizing knowledge in different realities. In sum, the cultural capital—the *habitus*—of the transnational entrepreneur uniquely positions them to use knowledge spill-overs from multiple social contexts in transnational social fields.

### ***Human Capital:***

One of the effective ways by which cultural capital is converted into financial capital by employment or engaging in business activities is through the means of acquiring educational credentials. Thus human capital can be defined as investment in personal productivity. Here productivity means a person's ability to add value by doing work. Work experience and education are the essential types of human capital, which resides in the owner's person and is an enduring resource. Empirical research by Coleman (1988), Nee and Sanders (1996; 2001), Light & Gold (2002), Yoon (1991), and Valdez (2008) has highlighted that human capital among all ethnoracial groups and categories facilitates higher rates of entrepreneurship. Light & Gold (2002:88) compared the rates of entrepreneurship among blacks and whites using data from Statistical Abstracts of the United States, 1996 (Table 49). They found that, in addition to having more financial capital, the higher levels of human capital among whites gave the group an advantage

that translated into higher rates of entrepreneurship. When human capital between these two groups was statistically controlled, it decreased the self-employment rates between blacks and whites by 30%. When the unequal distribution of human capital between these two ethnoracial was combined with unequal financial capital, the consequence of relative lack of human capital among blacks became all the more evident.

Research conducted by Valdez (2008) on the effects of social capital on income among four ethnic groups—Koreans, Blacks, Mexicans and Non-white Hispanics—makes the case that “human capital” provides the winning competitive edge to ethnic entrepreneurship in a market economy. Valdez (2008) explains the volume of human capital among ethnic entrepreneurs is especially valuable when social relationships can only generate social capital to provide some economic and noneconomic support, and is generally compensatory or contingent and eventually insufficient to withstand market uncertainties and shortcomings. Therefore, just as investments that are made in business inventory, investments are also made in education in the hope of monetary returns (Schultz 1963). Becker (1993) argued that investment in training, education, and even work experience increases one’s productivity as well as earns financial returns. Costs for training and college tuition can be considered reliable and long term investments that yield income-generating potentials. Economists therefore recognize an individual’s repertoire of skills as a capital reserve similar to financial capital (Light 2004:146). And it is human capital that enables immigrants to gain employment in mainstream society and engage in entrepreneurship beyond the confines of ethnic economy and community.

Human capital is desirable because it can be translated into financial capital, but procurement of human capital is far more dependent on class than on income (Light &

Gold 2000:90). To prove the importance of nonmonetary influence on educational attainment, Farkas's (1991 cited in Light & Gold 2000:90) research highlights the correlation between white and black childrens' educational attainment and their parents' cognitive skills. Children whose parents demonstrated strong cognitive skill benefited more from the informal curriculum these parents maintained at home, which paralleled and reinforced the school curriculum, than children whose parents did not do the same at their home. As there were many more white children than black children who benefited from the informal practices at home, this explained the differences in the educational outcome among these two groups of children. The cultural traits the white children had spontaneously internalized overshadowed income as the explanatory factor. However, Light (2004:146) cautions that "high cultural knowledge is not human capital because it does not directly support personal productivity. A business owner may have human capital without the cultural capital, or, more commonly cultural capital without human capital."

Consequently, financial resources not only confer the ability to purchase human capital, but class culture among the affluent nurtures an attitude that causes and espouses educational accomplishment, reflecting Bourdieu's *habitus*. This made the human credentials of the Indian transnational entrepreneurs in this study a status resource, just as much as financial and social capital. The Indian entrepreneurs therefore employed a class strategy in executing their decision to attend U.S. universities—enhancing their individual ability to reproduce and replenishing collectively the volume of their class resources (Light & Gold 2000:90).

As class resources, cultural and human combine to provide a perspective on the ways in which social capital is embedded in varying types of networks. It is generated and used in ways that allow Indian transnational entrepreneurs to accomplish their business goals. Below, I examine the forms of capital generated within family structures, and the stock of social connections that embed the family within larger social structures.

### ***Social Capital and Networks:***

As stated earlier, social capital, at its most basic, is a social network of a variety of ties (Light & Gold 2000:94). Hence the framework of social capital probes into the density and quality of social relations—strong and weak ties—and emphasizes the importance of active participation. This form of capital has a strong normative element to it, acting as a means of social integration that enhances group-based solidarity, reciprocal obligations, and trust among network members (Bourdieu 1986). This distinguishes social capital—which increases with use—from financial capital, which is depleted by use. Social capital therefore is an external resource which the learner absorbs and can be distinguished from cultural capital which is endowed on actors.

For Bourdieu (ibid), group membership in social networks yields power and shapes life chances for the individual, a notion that he shares with Nan Lin (2001). Mobilization of social capital occurs by linking with social actors with similar class resources. That is why Bourdieu perceives social capital to be a *class (privilege) goods* and a rather exclusive resource, and is keen to show how class-based social resources lead to exchanges that reflect the constant struggle for domination and control.

Expanding on Bourdieu's conception of social capital, Light & Gold (2002:94) distinguish *class-derived social capital*, which is access to class-based social

relationships that facilitate entrepreneurship, and *ethnic-derived social capital*, which has ethnic origins. Ethnic-based social capital represents interpersonal relationships that are defined by ethnic group-specific skills and knowledge that the members of the group possess by virtue of their distinctive socialization—like Mexican immigrants knowledge about Mexican cuisine, or Jamaican immigrants knowledge of Reggae music. However, ethnic and class-based social capitals often work in conjunction with and contribute to the social capital required for entrepreneurship (Light & Gold 2002:105–108). For instance, Indian transnational entrepreneurs dealing in agro products and Indian spices use their diasporic ethnic networks as well as their knowledge of American tastes and sensibilities in marketing their goods at U.S.-based stores like Target and in retail stores in India.

Moreover, Light & Gold (2002:95) maintain that social capital can be either inherited or acquired. Inherited social capital is closely associated with class and represents class-based advantages in entrepreneurship when, for instance, the recipient automatically gains access to advantageous social relationships because of his or her class background. Acquired social capital is slightly different from inherited social capital because it is class status acquired through educational accomplishments or career development. It is separate from the owner's ethno-racial identity. Even entrepreneurs with inherited social capital have to work towards attaining their own class-defined acquired social capital. In Montgomery's (2008) study, Taiwanese and Indian software engineers strategically used both inherited and acquired social capital to get their difficult assignments done, advance their careers, and facilitate migration adjustments. By nurturing alumni ties to their universities and institutions of higher education, these professionals were able to influence their professional growth in the United States and the profit margins of their

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U.S. firms. They had access to the social capital of their alumni networks because of their class-based acquired social capital. It was their class status (cultural, human and financial capital) that ensured their admission to these institutions. Another example is of Korean entrepreneurs in the United States who are often successful because of their extensive entrepreneurial networks from inherited and acquired social capital that situate them in profitable businesses (Bhattacharya 2003; Zhou 2000; Portes & Rumbaut 1990). Both these examples highlight that social capital, when conceived of as a process over time, can become a self-reinforcing virtuous circle in which multiple dimensions are inter-related.

While Bourdieu (1986) and Nan Lin (2001) conceive social capital as an outcome of rational self-interested behavior, others think of it as a civic virtue. Communitarians like Coleman (1988, 1990) and Putnam (1993) conceive of social capital as a “collective attribute,” which intrinsically belongs to those aspects of social life that allow people to co-operate. These two theorists perceive social capital as public goods of communities, cities, and even nations regardless of which members (individual or corporate actors) actually promote, contribute, or sustain such resources. They associate social capital with particular features of social structures that are useful to individuals for specific actions. In this version, because social capital is perceived of as public goods, it depends on the good will of individual members to make it happen<sup>4</sup>. For instance, Coleman (1988:98–99)

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<sup>4</sup> The two contrasting approaches to social capital can be traced to two distinct theoretical lineages. It is generally accepted that the privileged-goods view, which tends to focus on networks and resources available to both individuals and collectivities, is principally an extension of rational choice theorists and an elaboration of the social relation in Marx’s capital theory. The public-goods perspective, which emphasizes social cohesion, is inspired by the integrative approach or Durkheim’s view of social relation (Daly & Silver 2008:544; Nan Lin 2001:24; Portes 1998:7-8). However, the thrust of both these approaches is to bring social relations to the forefront of analysis, except they do so in different ways. Both approaches

gives the example of wholesale diamond market of New York where merchants freely exchange the precious stones estimated to be worth thousand of dollars completely based on trustworthiness. Trust as a virtue is taken for granted among the diamond merchants because of multiple and cherished familial, religious, and interpersonal ties that prevail in this community. Coleman (ibid) reasons that the social structure of these merchants' community has specific attributes, like the strength of trust-based ties that make these transactions possible and trade to occur with ease. In the absence of these ties, expensive and elaborate insurance devices would be needed, or business dealings would not take place.

Although the above example shows the value of social capital in bringing about a favorable outcome—both economic and noneconomic—it assumes that all the diamond merchants had equal access to the same measure of social capital in terms of civic participation. For communitarian theorists of social capital like Putnam (2000) and Coleman (1988) the issue of how social capital engages inequality remains largely neglected. In Putnam's conception of social capital, inequality or class bias is only considered to the extent that it has potential for negative outcomes. The social structure is taken as a given, where people can take advantage of social capital to find their location within it. Some critics of Putnam have noted an elitist attitude in his reasoning of declining social capital, as he squarely places the blame for its demise on the leisure activities of the masses, while ignoring the class-based and political organizations which are more likely to mobilize the participation of low-income populations.

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However, despite their positions on social capital, Coleman, Bourdieu, Putnam and Nan Lin emphasize the convertibility or fungibility of social capital to other forms of capital. Theorists of social capital agree that bonds, exchange, and ties among members of networks facilitate actions that overcome market inefficiencies and information deficits that are converted into economic resources that contribute to socio-economic mobility. Or, trust and norms of reciprocity are cherished for their potential economic outcomes. For instance, Waldinger (1994; 1996) found in his research that hiring networks among Indians workers had brought about their rapid entry into professional and technical positions in New York City's government, despite the reputation of the agency as a bureaucratic structure which changed at a slow pace.

So, in the general literature on social capital there is a tendency to portray the positive consequences of strong networks, which idealizes the co-operative nature of some ethnic groups, but in so doing overlooks the undesirable consequences of networks (Portes & Sensenbrenner 1993:1338–44). Portes (1998) has referred to this as the “negative social capital.” Gold (2005:268) states that because of the varied characteristics of the emigrant population and the different locations in which they settle, the networks offer different kinds of resources to their members and may be more or less exclusionary in permitting people to join. This is especially true when network participation is contingent on high financial costs and ascriptive aspects, like race, gender, religious or institutional affiliations, religious observance, class, citizenship, ideological conformity, and the like. Those who do not qualify because they are deficient of appropriate attributes are devoid of the social capital in the exclusive networks (Portes 1998; Tilly 1990 cited in Gold 2005:269). For instance, the Indian entrepreneurs in this research benefited to varying

degrees from their respective diasporic networks because their access to social networks was based on their affiliation to different religious sects of the Hindu faith.

In many situations, network membership defines commendable and condemned behavior for its members. It shapes a variety of collective concerns—like being strict vegetarians, adhering to strict dress code, and other forms of normative behavior—in exchange for economic support and co-operation in business ventures. From this angle, networks are not merely sources of useful business information, contacts, and resources, they also change the context of social relationships of their members (Gold 2005:275). To a great degree, the members' world view and life chances are redirected as they interact within the social environment of the network. For instance, the Indian transnational entrepreneurs of this research who were members of The Indus Entrepreneurs (TiE) became committed to the idea that, through transnational business with India, they were participating in the economic and social development of India.

In many instances, networks created by immigrants create and perpetuate inequality among members. Daly & Silver (2008:555) cite the example of Mafia or youth gangs that have enormous social capital and can conspire against the public to cut off opportunities from outsiders. These groups can become nepotistic and claim complete loyalty from their members, besides making demands on their members to redistribute resources to the group, thereby curbing individual mobility. Similarly, migrant networks are quite likely to function as mobility traps of low-skilled workers and offer few prospects to learn the host society's language or develop the skills required to move beyond the bottom-rung jobs in ethnic businesses (Bonacich 1987; Sander and Nee 1987; Powers and Seltzer 1998 cited in Gold 2005:268). Networks therefore provide their members with a variety

of resources. In fact, the prevalence of uneven power relations between members uncovers the structured access to scarce resources, which has an affect on opportunities or imposes restrictions on behavior, besides influencing the amount and the kinds of resources that flow from one member to the other (Wellman 1983; Portes & Sensenbrenner 1993)<sup>5</sup>.

Next, the quantity and the extent of social capital embedded in relationships is mentioned as “*bonding*” social capital that is the degree to which members of a group can co-operate, trust, and work with one another. These bonds therefore amount to “strong” and “weak” ties<sup>6</sup>, and one would imagine them to be placed at opposite ends of the spectrum. However, for Granovetter (2005; 1983; 1974) the distinction is not of quantity but of quality of ties. This idea runs contrary to the “dense” network emphasized by Coleman (1988) and Loury (1977) as a necessary condition for the emergence of social capital, such as those found among family members or close friends (Portes 1998:6). For Granovetter (1973), “*strength of weak ties*” is the basis for “*bridging*” social capital and accessing potential resources through opportunities made available by distant acquaintances. It refers to the power of indirect influences—outside the immediate circle of family and close friends—to serve as informal informants, particularly in accessing employment or entrepreneurial success, or mobility through the occupation ladder.

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<sup>5</sup> Portes and Sensenbrenner (1993:1339) cite the research of Chea (1985) and Efron (1990) on Southeast Asians, particularly Vietnamese businesses in California, that had been affected by destructive forms of collective demands from fellow exiles, which included Vietnamese youth and former military officers. Similarly Rumbaut’s (1990 cited in Portes and Sensenbrenner 1993:1340) interview with a successful Vietnamese electronic manufacturer in Orange County, California found that the businessman did not employ Vietnamese and had anglicized his name, besides cutting off his ties with the immigrant community in fear of demands from other Vietnamese and extortion from former members of the Vietnamese police.

<sup>6</sup> Simplistically, strong ties are close friends, family members, spouse, close office/work colleagues, school or college mates, peers, whereas weak ties are business associates from other companies, acquaintances or people who are less well known to the individual (Harvey 2008:456-57).

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Burt (1992), two decades later, drew on Granovetter's insights and developed the concept of structural holes, which he defined as a "relationship of nonredundancy between two contacts." The hole is a buffer, like an insulator in an electric circuit. As a result of the hole between them, the two contacts provide network benefits that are in some degree additive rather than overlapping (p. 65)." Like Bourdieu, he acknowledges the role of social capital as instrumental, but unlike Bourdieu argues for paucity as opposed to density of ties in facilitating individual mobility (Portes 1998:12). So, for these theorists—Granovetter and Burt—the concept of connection is key to furthering individual or group mobility, and does not conceptualize ties to be social capital unequivocally. The emphasis regarding economic outcomes is on weak ties or structural holes respectively, which are considered to be sources of new knowledge and resources, as opposed to stronger/denser/bonding ties that tend to pass on redundant information. Granovetter claims that weak ties have a special role in a person's opportunity for mobility by asserting a "structural tendency for those to whom one is only *weakly* tied to have better access to job information one does not already have. Acquaintances, as compared to close friends, are more prone to move in different circles than oneself. Those to whom one is closest are likely to have the greatest overlap in contact with those one already knows, so that the information to which they are privy is likely to be much the same as that which one already has" (Granovetter 1974:52–53 cited in Granovetter 1983:205).

For scholars like Burt and Granovetter, the structure of the network and the *location* of the individual member in the social structure of the network become crucial to achieve a competitive advantage. A balance between network size and diversity is obtained by

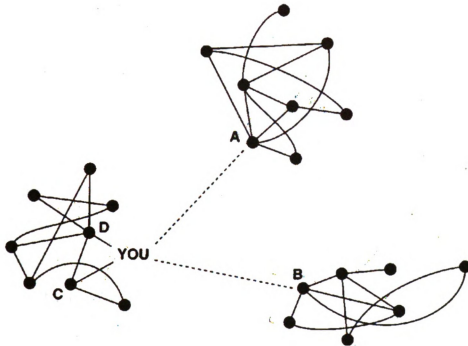
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optimizing structural holes, where these holes are the key to information benefits. To optimize the returns from networks depends on two principles: efficiency and effectiveness of structural holes. The first principle is about the average number of people reached with a primary contact, and the second is comprised of the total number of people reached with all primary contacts. When more contacts are included in the network there is higher volume of benefits. Apart from the volume, diversity in the network augments the quality of benefits. Hence, nonredundant contacts ensure exposure to a wide variety of sources of information.

Although Granovetter's concept of weak ties and Burt's idea of structural holes seem to describe similar phenomena with regard to information benefits, they differ in their treatment of two key aspects: causation and strength of ties. Burt (1992: 73) argues that the causal agent (*vis-à-vis* information benefits) is not the weakness of the tie but the structural hole that it spans. Regarding the strength of ties, the weak ties framework obscures the control benefits of structural holes by moving responsibility for information payoffs from the structural hole to the strength of the tie providing them, the 'weak ties' argument eclipses the control benefits of structural holes. The benefit of control over structural holes is in many ways more important than the information benefits of structural holes. Moreover, the weak ties framework is about the location as well as the strength of the tie, where the bridge is understood to be the chasm spanned and the span itself. Put differently, it is the strength of the relationship that spans the distance between two social clusters. Structural holes are gaps that have already been spanned, where information benefits are generated irrespective of the relationship being weak or strong, when there is a nonredundant tie as a bridge in place. To clarify the concepts of structural

holes and weak ties, here is a visual of connections between clusters in a network from Burt (1992:73).

*Figure no: 2-1: Structural Holes and Weak Ties (Burt 1992:73)*



*"In this diagram there are three clusters of players. Strong ties, indicated by solid lines, connect players with clusters. Dashed lines indicate two weak ties between players in separate clusters. You, as one of the players, have a unique pattern of four ties: two strong ties within your cluster and a weak tie to a contact in each in the other clusters. These are three classes of structural holes in your network: (1) holes between the cluster around contact A and everyone in your own cluster – for example, the hole between contact A and C; (2) holes between the cluster around contact B and everyone in your own cluster – for example, the hole between contacts B and C; and (3) the hole between contacts A and B. Weak ties and structural holes seem to describe the same phenomenon. In this figure, You are best positioned for information benefits, contact A and B have one each, and everyone else has none. You have the largest volume of structural holes between your contacts, contact A and B have fewer, and everyone else has few or none (ibid)".*

Empirical research using the concept of "quality of ties" has demonstrated that use of social networks varies greatly depending in what context people use networks, whether it

is for job purposes or for business opportunities as is the case for this dissertation research. Granovetter's research on professional, technical, and managerial (PMT) workers in Newton, Massachusetts failed to take into consideration the contexts that influenced peoples' use of networks. To cite Harvey (2008:456), "Granovetter fails to discuss in any detail whether social networks may vary from one sector to another, or whether the density of social networks may vary within a firm." Thus, issues of context are important and crucial because there may be specific trends in the use of interpersonal ties and contacts for achieving individual goals.

Quite a few studies highlight how different contexts—like geographical location, institutional or ethnic culture, macro-level factors like U.S. policies—determine the usage of different types of ties and in different arrangements and combinations. Alarcon (1999), in his research on Indian and Mexican scientists and engineers in Silicon Valley, highlights this significance of context. He states although both ethnic groups used contacts from their previous universities to help them obtain their first jobs, Indian migrants used social networks far more than Mexican migrants for job information. He concluded that Indians were prone to use networks more for job information because (a) U.S. immigration policy—which favored skills and education—assisted in maintaining a highly educated network from India, (b) Indian policies which have given high priority to the software industry had formed professional networks between India and the United States, and, (c) English language proficiency, which is the language of higher education in India, had given the Indian migrants a competitive advantage in forming relationships with non co-ethnics in the United States. Similarly, Bagchi's (2001:142–43) research on Indian and Filipino professionals points out that macro level factors of U.S. immigration

policies can influence the extent to which migrants participate in different types of networks. While not minimizing the individual's agency in seeking jobs, she explains how regional economies also play a role in the types of networks these two groups use for procuring job information in the United States

Further, the importance of weak ties (as opposed to strong ties) has also been challenged. These types of ties expose better-educated individuals to different social circles, and therefore to new information about job or business opportunities. A recent study by Harvey (2008) on British and Indian scientists in pharmaceutical firms in Boston made clear that scientists of both nationalities to varying degrees were inclined to use both types of ties to obtain information about employment opportunities. In his research, the junior or senior scientists in the pharmaceutical firms did not display a preference for using either strong or weak ties. Harvey concluded that the boundaries between these two types of ties are blurred. For him, strong or weak ties are significant in different contexts, and "for the ability of actors to secure benefits by virtue of membership in social networks or other social structure (Portes 1998:6 cited in Harvey 2008:460)."

Likewise, Ooka and Wellman's (2003) study of German and English Canadians in Toronto show that "*intra* ethnic ties, and not *inter*-ethnic ties, benefit job seekers in high status ethnic groups (Ooka and Wellman 2003:14 cited in Harvey 2008:457, italics in original)." This finding was in contrast to low status ethnic groups such as Ukrainians, who regularly used inter-ethnic ties for job referrals. In other words, the highly educated German and English Canadian migrants used their own expatriate social networks as opposed to low skilled migrants who used the networks of other migrant groups. Ooka

and Wellman's study concludes that the decision and the choice to use a particular network therefore depended on what sort of resources were controlled within and outside of one's own ethnic group in the particular labor market.

True, there are evidences in the literature of occasions—as in the social and professional networks of four groups of transnational entrepreneurs in the technology and material goods sector of this study—when individuals make a choice of using strong ties over weak ties, or vice versa. But in analyzing networks only a small effort is made—other than for conceptual purposes—to separate the two. Scholars like Montgomery (2008), Gold (2005), Ooka & Wellman (2003), Nahapiet & Ghoshal (1998), and Elliot (2001) opine that more attention needs to be paid to the complexity of social networks, and to move beyond the analysis of ties.

From the above empirical research findings, it is clear that the structural and the relational dimension of social capital needs to be examined in depth to find answers as to whether a migrant group has a network advantage or a disadvantage over others. The structural aspects refer to the overall pattern of connections between members or actors of the network—that is, who you reach and how you reach them (Nahapiet & Ghoshal 1998:244; Harvey 2008:470; Burt 1992). This brings forth the most important aspect of networks, that is (a) the presence or absence of ties between actors (Scott 1991; Wasserman & Faust 1994 cited in Nahapiet & Ghoshal 1998:244), and (b) the network configuration (Krackhardt 1989 cited in Nahapiet & Ghoshal 1998:244), or morphology (Tichy, Tushman & Fomburn 1979 cited in Nahapiet & Ghoshal 1998:244) delineating the patterns of linkages in terms of connectivity, density, hierarchy, and appropriable

organizations and clusters, that is the existence of a network created for one purpose serves the use for another objective (Coleman 1988:118–19).

“Relational embeddedness” of social networks means the kind of personal relationships people have developed with each other through a history of interactions (Granovetter 1992). The notion indicates the specific relations people have, such as friendship or respect that influence an individual’s behavior. It is through these ongoing personal relationships that network members fulfill their social motives, like sociability, approval, recognition, prestige, and the like. Thus, the relational dimension of social capital means those assets leveraged and formed through relationships, of which the key facets are trust or trustworthiness (Putnam 1993; Fukuyama 1995 cited in Nahapiet & Ghoshal 1998:244), sanctions and norms (Coleman 1990; Putnam 1995), obligations and expectations (Burt 1992; Coleman 1990; Granovetter 1985), and identity and identification (Hakansson & Snehota 1995; Merton 1968 cited in Nahapiet & Ghoshal 1998:244).

For the purpose of this research, social capital comprises both the network and the assets that may be mobilized through that network, primarily using the conceptualization of forms of capital by Bourdieu (1986), Burt (1992), and Granovetter (1983). I have chosen Bourdieu’s concept of capital for examining the resources embedded in transnational networks of Indian entrepreneurs, because Bourdieu provides the toolbox for analyses of social divisions in a society by thinking through the connections between cultural, economic, and social worlds. This presents an opportunity to assess not just the valuation of the various forms of capital, but also permits me to explore how such valuations and rewards are being arrived at, by whom, and to whose interests. In my

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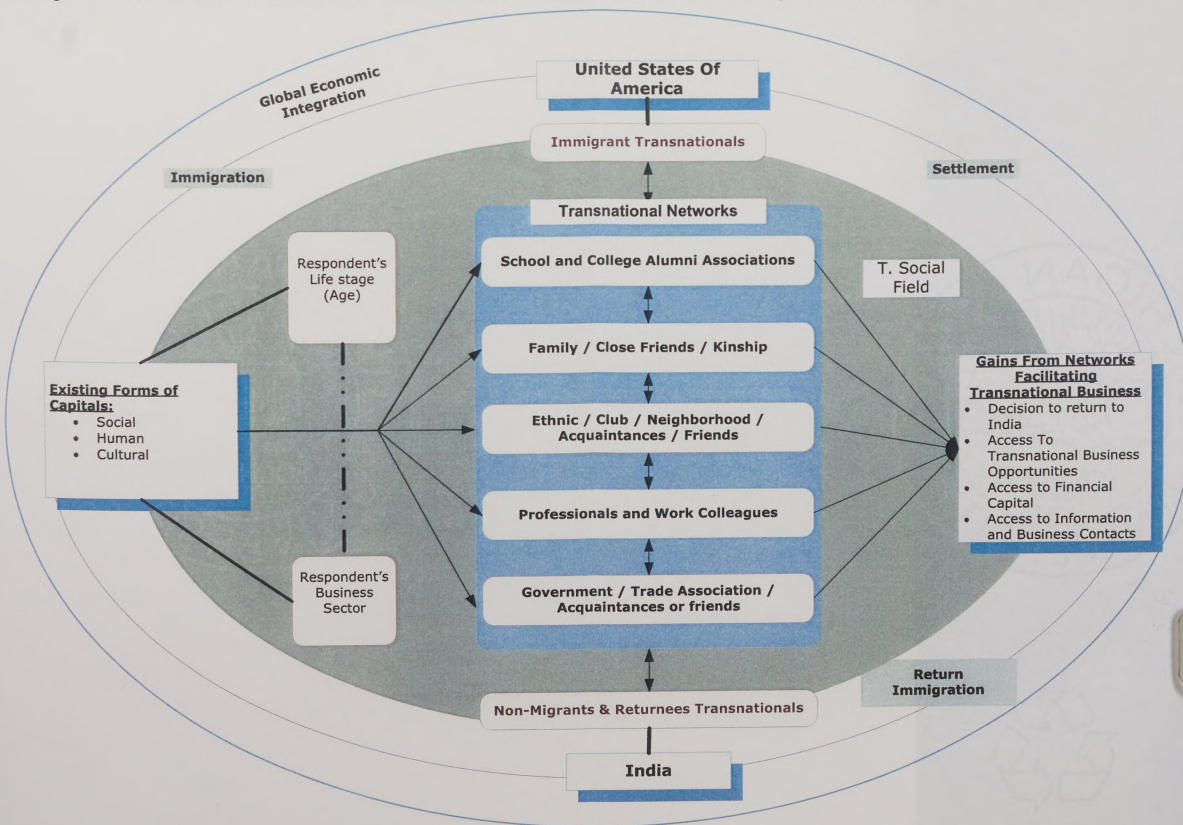
opinion, by employing Bourdieu's concept of capital for this research on transnational Indian entrepreneurs operating in two different domain of business venture: (a) the technology sector and (b) material good sector will enable me to expose to what extent the business practices and actions of individual transnational entrepreneurs is dependent on structural patterns over individual choice or vice versa. Additionally, I will be able to explore how the dissimilar contextual realm and differential distribution of capital resources affect the scope, depth, and the effectiveness of social capital and social networks of transnational entrepreneurs in the two separate business domains. For example, technology entrepreneurs in their transnational businesses might be more inclined to make use of their industry networks, including those that span geographical borders. For them membership of these professional networks may supersede advantages provided by ethnic and/or diasporic relations, as these members embrace a unique and common language and shared culture, which precludes nontech entrepreneurs (Barley 1996 cited in Drori et al. 2009:1012). In the case of the material goods sector the transnational entrepreneurs might rely heavily on ethnic, community, national, and diasporic family networks for alleviating risks and uncertainty stemming from unpredictability of the global markets, as documented in the case of loosely structured so-called "bamboo networks" of Chinese transnational entrepreneurs (Koot, Leisink & Verveel 2003 cited in Drori et al. 2009:1012).

Finally, as important as we acknowledge immigration and transnational networks to be, they still remain little explored, particularly among the highly skilled migrants in the United States. My research redresses this shortcoming in the literature by contextualizing the case of skilled Indian transnational entrepreneurs in the 21<sup>st</sup> century.

***Conceptual Framework of Transnational Networks between the United States and India used by Indian Entrepreneurs***

My explanatory framework deals with conceptualizing transnational economic practices from a network perspective. In my model see figure no. 2–1, the outermost circles stand for the present global economic integration as an outcome of the present phase of capitalism, which promotes circulatory mobility among highly skilled population groups. The second circle contextualizes the case of immigration from India to the United States as well as return migration to the home country. The rectangular box of the left depicts the three forms of pre-migratory capital (cultural, human, and social) with which the study population had entered the United States. The third circle highlighted with a grey background depicts the transnational social field or space created by immigrant, returnees, and nonmigrant transnationals between India and the United States. The thick web of several transnational networks is embedded within the transnational space (highlighted by a blue rectangle within the grey oblong), which are optimally used by Indian transnational entrepreneurs for facilitating their business activities. The choice of networks to be employed for transnational business is determined by the context and the resources that are available and/or generated by the transnational entrepreneurs. The context is defined by the cultural and human capital of the individual entrepreneurs, which is mediated by their *habitus*, personal life stage, the transnational business sector, and the geographical location of the enterprise. The rectangular box on the right hand side of the framework displays the crucial and strategic gains from memberships in various networks that make transnational business happen. See Framework Diagram no. 2–1 overleaf.

Diagram No 2-1: Framework of Transnational Networks between the United States and India used by Indian Entrepreneurs





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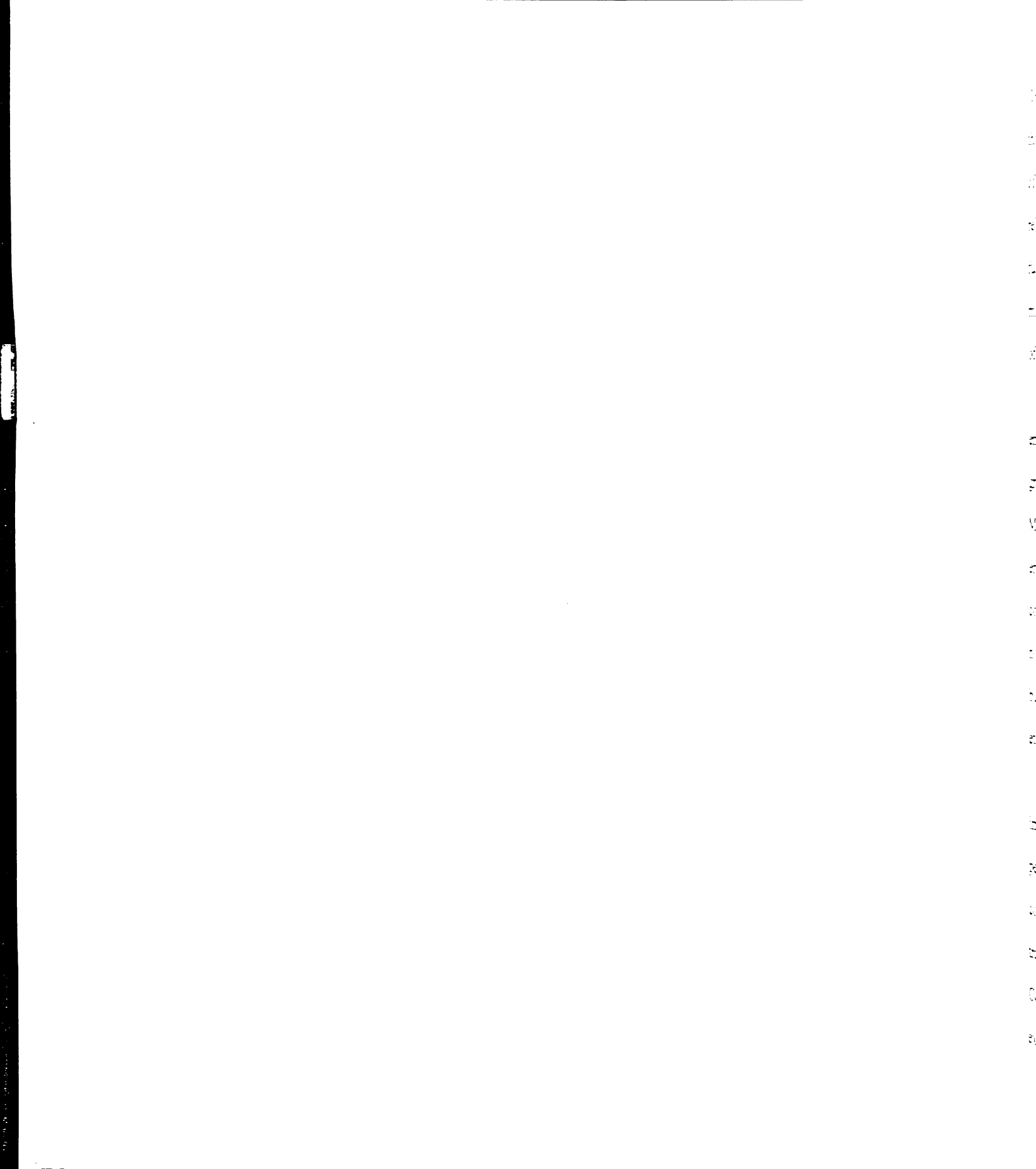
## **Chapter – 3**

### **Methodology and Data**

#### **A Multi-sited Ethnographic Research Design**

One way to answer the research question of why and how Indian entrepreneurs engage in transnational business would be to explain the varied networks that are used by the respondents of this study to achieve their goal. I assume that transnational networks exist among Indian entrepreneurs not simply because that they are important links with family members, friend and community members, but because they have the potential of functioning as complex structures across nations when global or international opportunities become available to members of particular groups (Bagchi 2001; Lindquist 1993). The efficacy of cross-country networks for transnational entrepreneurship has been acknowledged by numerous studies among immigrant groups in the United States. For instance, in Landolt et al.'s (1999) study on the large Salvadorian immigrant populations of Los Angeles and Washington D.C., she and her associates discovered a vibrant entrepreneurial community functioned embedded in a web of cross border network ties that was responsible for the emergence of micro-enterprises, such as food stuff, clothing, auto sales and repair, and video stores both in the home and host country. These low-end micro-enterprises catered to the needs of the immigrant and non-migrant Salvadorian population.

Similarly, Portes et al.'s (2002) study on Colombians, Dominicans, and Salvadorian immigrants in New York, Los Angeles, Providence, and Washington D.C. established that the survival of immigrant entrepreneurship, specifically the reliance of many ethnic firms was dependent on continuing network ties with their home countries. In Gold's



(1994) research on Chinese Vietnamese in Southern California, he found that although this group of immigrants generally did not function on the scale of import/export business of the Japanese or the Taiwanese, they maintained social and economic network ties with relatives, friends, and other organizations throughout the world. This allowed them to function successfully in meeting the unique consumer tastes of co-ethnic Vietnamese migrants, such as vegetables, sauces, teas, Vietnamese style cookware spices, and types of fish.

However, a major shortcoming of research on existing literature on transnational entrepreneurship is that it centers on the circumstances faced by low-skilled immigrant groups in the United States and predominantly from Latin American source countries or Mexico (Menjivar 1997; Hagan 1998). This causes biases in the literature of immigrant entrepreneurship against (a) transnational business enterprises from distant sending countries and (b) the resources needed by transnational immigrant entrepreneurs who do not operate ventures in traditionally low-skilled business sectors, nor primarily engage in businesses targeted for the co-ethnic market in the United States, and also do not employ ethnic labor.

To address these gaps in the literature of economic transnational practices among immigrants from distant Asian countries, and of Indian entrepreneurs in this study, who perhaps incur greater costs than those entrepreneurs who enter the U.S from neighboring countries, we must know the resources and actions that would be needed for cross-border transnational business networks to function effectively for this group of immigrants. Consequently, to assess the worth of networks for Indian entrepreneurs, I choose to examine the resources or capital that might have contributed to the formation of

relationships and ties within transnational networks in specific social and historical circumstances both in India and the United States. Hence in this chapter I explain the factors that underlie the formation of the social capital embedded in network relationships, which affects both the meaning and functioning of this vital resource necessary for transnational business.

Relatively fewer studies on Indian immigrant experience in the United States (Harvey 2008; Chakravartty 2006; Varma 2006; Bagchi 2001; Montgomery 2008) and of Indian transnational entrepreneurship among software engineers and scientists in Silicon Valley (Saxenian; 2006; Biradavolu 2008) have used the variables of human and social capital to explain their individual research objectives: e.g. how Indian migrants use varied networks for migration or to seek job information and employment in the United States, advance their career, facilitate migration adjustments, or for transnational entrepreneurship among software engineers. Following their example, I too decided to choose social and human capital as primary explanatory variables for this research on Indian transnational entrepreneurship. Comparable research on highly skilled Israeli transnational entrepreneurs (Gold: 1997; 2002; 2007) and that of Chinese transnational entrepreneurship (Leung 2002 cited in Light 2007:93; Cheng 1999 cited in Fong and Luk 2007:11) have also highlighted in their findings that the high level of human capital and financial resources brought to the United States by new immigrants or acquired as foreign students not only shape many aspects for their social and economic well-being, but also strongly influence their preferences, practices, and priorities in transnational business. This makes a crucial difference in the resource content in the networks of skilled immigrants compared to those with lower skill levels, as discussed earlier.

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Further, I choose to explore the how cultural capital that is closely related to human and social capital can act as a class resource of the transnational entrepreneurs in this study. While there are outstanding case studies (Saxenian 2006; Hondagneu-Sotello 1994; Landolt 2001; Levitt 2001; Menjivar 2000; Lessinger 1992 and others) in which all three, sometimes two or one strand of capital have been explained, their exact interrelation has seldom been theorized, especially among the skilled economic transnational entrepreneurs. I intend to fill this gap by analyzing how all three forms of capital interact to create and maintain transnational connectivity.

### **Definitions of Key Terms for this Research:**

The following definitions are used throughout the dissertation:

**(i) *Economic Transnationalism:*** For this research, Portes et al.'s (1999:219) definition of economic transnational activities is adopted because he offers a structural, sociological and measurable conceptualization of economic transnational activities. This is relevant for my research. Portes et al. (1999:219) states economic transnational activities as those actions and businesses that call for "regular and sustained contacts over time across national borders for their implementation." This kind of social conduct is characterized by a high intensity of exchanges, new modes of transacting, and the multiplication of activities that require cross-border travel and contacts on a sustained basis. Explaining it further, Gold (2002:13) mentions that transnational activities are grounded in environments variously called transnational social fields, transnational spaces, or transnational communities.

**(ii) *Cultural Capital:*** For defining the term "cultural capital," I have used Bourdieu's (1986) explanation. According to Bourdieu (1986:47), this form of capital "exists in three

forms: in the *embodied* state, i.e. in the form of long-lasting dispositions of the mind and body; in the *objectified* state, in the form of cultural goods (books, paintings, artifacts, machines, and dictionaries) . . . and in the *institutional* state”. The Institutional state can be considered as objectification of cultural capital in the form of academic qualifications. For the purpose of this study, I use *cultural capital* to mean the *embodied* and the *objectified* states of cultural capital (emphasis added).

In the embodied state, most of the properties of cultural capital can be reasoned to be present within the body and presupposes embodiment. Bourdieu (1986:48) explains the accumulation of cultural capital in the embodied state to be a process of incorporation and embodiment that entails a conscious labor of inculcation and assimilation, cost time, and personal investment of time by the investor. In other words, the work of acquisition of cultural capital is work of self-improvement, particularly “as competence in a society’s high-status culture” (Bourdieu cited in Light & Gold 2000:91). Furthermore, Bourdieu states that “this embodied capital is external wealth converted into an integral part of the person, into a *habitus* (emphasis added) that cannot be transmitted instantaneously, (unlike money or property rights or title of nobility) by gift or bequest, purchase or exchange.”

Therefore, cultural capital is acquired to a varying extent by members of a society, depending on the period, the society, migration experience, and the social and economic status, in the absence of any intentional cultivation and quite unconsciously. An important aspect of the embodied state of cultural capital is the close association between economic and cultural capital, which is established through the mediation of time required for its acquisition. So, the differences in the possession of cultural capital by the

family suggest differences “first in the age at which the work of transmission and accumulation begins—the limiting case being full use of the time biologically available, with the maximum free time being harnessed to maximum cultural capital—and then in the capacity, thus defined, to satisfy the specifically cultural demands of a prolonged process of acquisition (ibid:49).”

Cultural capital in the objectified state in Bourdieu’s depiction has a number of properties which can be described in relationship with cultural capital in its embodied form. To cite Bourdieu, “the cultural capital objectified in material objects and media, such as writing, painting, monuments, instruments, etc. is transmissible in its materiality. . . . what is transmissible is legal ownership and not (or not necessarily!) what constitutes the precondition for specific appropriation, namely, the possession of the means of ‘consuming’ a painting or using a machine, which being nothing other than embodied capital, are subject to the same laws of transmission (ibid:50).”

**(iii) Human Capital:** To maintain integration between the three forms of capital as well as to emphasize the fungibility aspect of one form of capital to another—as has been elaborated in the previous chapter—I would like to use human capital to mean Bourdieu’s definition of ‘institutional capital’ which is constituted by educational credentials or qualifications. It confers entirely original properties on the cultural capital which it is presumed to guarantee. The main difference between cultural and human forms of capital lies in how the capital benefits the owner. In the case of human capital it increases its owner’s productivity, a competence that the employer rewards with an increase in wages. On the other hand, cultural capital expresses the prestige recognition on the strength of which people acquire desirable marriage partners, dream jobs and

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business contacts. Light & Gold (2000:91) clarify the two forms of capital as thus, “the same diploma has value as human capital and as cultural capital; the difference depends upon whether we emphasize the real vocational competencies that a diploma represents or the prestige recognition it commands for its owner.” Educational qualification confers both human and cultural capital. And, when a person’s education provides opportunities that enhance his/her productivity and prestige recognition, then that person has two categories of capital and can easily convert them into financial capital (Light & Gold 2000:91).

**(iv) Social Capital:** I have used the definition of social capital offered by Portes (1995:12) as “the capacity of individuals to command scarce resources by virtue of their membership in networks or broader social structures . . . The resources themselves are *not* social capital; the concept refers instead to the individual’s *ability* to mobilize them on demand” (italics in original). Portes offers a Bourdieu-based definition of social capital which I think is apt for this research on transnational entrepreneurs. Thus, social capital is not a property inherent to the individual. It is drawn from that person’s web of relationships. The volume of social capital possessed by an individual depends on the size of network. As a result, social capital can curb an individual’s freedom by controlling behavior or enhance privileged access to resources. It is founded on a collective expectation that influences an individual’s behavior, including normative reciprocity, trust, loyalty, and morality that is protected and controlled within social networks. Social capital comprises both the networks and the assets that might be mobilized through those networks. Conceiving social capital as dependent on membership or engagement in social networks assists in identifying transnational networks arising out of opportunity

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structures in sending and receiving countries that motivate people to engage in transnational business activities (Vertovec 2003:648).

### **Choice for a Multi-sited Ethnography:**

A number of characteristics of the multi-sited ethnographic approach proved to be appropriate for this research to explain causes and consequences of transnational entrepreneurship. As the respondents of the study were spread across multiple urban sites in India and the United States, it is a bi-national ethnography of immigrant, returnee, and non-migrant transnational entrepreneurs who have opted to register their businesses and live in the United States or in India at the time of the study.

This methodological approach enabled me to show how global intersects with the local experiences of individual agents and how global processes are grounded in the local circumstances and resources (Marcus 1995; Gupta and Ferguson 1997; Fitzgerald 2006; Burawoy et al. 2000). The multi-sited approach challenges the claims of conventional ethnographers who understand social relations by involving a family of methods for direct and continued social contact with agents (Willis & Trondman 2000:1 cited in Fitzgerald 2006:2). The latter is more suited to study the settler migrant populations, who have long periods of stay in the host country and so have deeper and more extensive family connections in one location—the United States in this case—than sojourners or transnational subjects.

In contrast, the present study is of transnational respondents who were neither sojourner nor settlers<sup>1</sup>, and for whom migration was not perceived as a permanent move,

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<sup>1</sup> The sojourner immigrant is often a male who leaves his family behind and enters the United States with the intention of earning money to take back home. The settler, in contrast, is someone who enters the United States and remains for a long period, perhaps for the rest of his or her life. Settler immigrants tend to have deeper and more extensive family connections in the United States than sojourners (Paral 2005).

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but as an on-going process between multiple settings to which the respondents develop personal meanings, which demanded analyzing social relations that were greatly influenced by conditions of globalization. Consequently, I sought to understand how relationships between society, space, and mobility are conceptualized, as well as implications for appreciating ethnographic sites where social relations are not totally embedded in a specific place.

Although sociologists and scholars of other disciplines have rewoven the de-linking of the social and the spatial in many different ways, the approach I have adopted is to analyze the power relations within networks. That would allow me to make clear the reproduction and changes in the relational and structural aspects of networks. For such an analysis to happen, it is necessary to incorporate place-based resources, as well as the agency of the entrepreneurs and their sense-making activities as forces shaping the networks. This line of inquiry where importance is given to knowing the actor's connections and practices in defining the transnational networks, based on social categories like class, gender, race, and citizenship which revealed the heterogeneity and diversity inherent in the cross-border network structure.

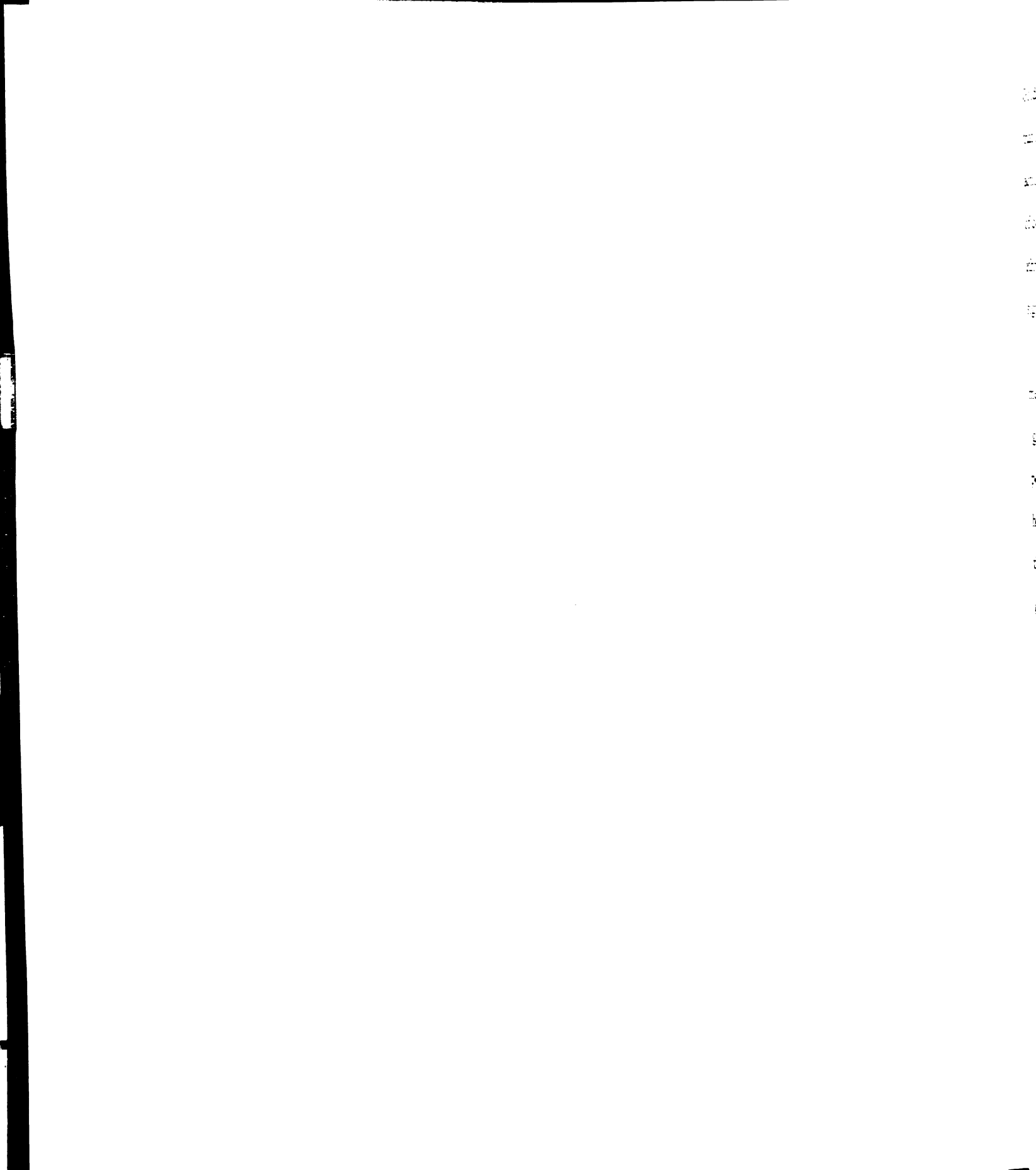
In keeping with the above view of global ethnography, sociologists like Portes et al. (1999), Gold (2002), Grasmuck & Pessar (1991), Kyle (2000), Smith & Guarnizo (1998), Smith (2005), Voigt-Graf (2005) who have studied the social as “transnational” define it as a study of various manners of border crossings by people, discourses, texts, and representations at various geographical levels (Schiller 1997 cited in Gille & O’Riain 2002:275). The studies by the scholars mentioned above testify to a sociological method where studying transnational social relations as a measurable object of inquiry requires

considerable amount of conceptual rigor and field research to make it worthy of the new term. These migration scholars have directed their attention to studying transnational activities of migrants, immigrants, returnees, transnational entrepreneurs, and cultural groups from sending countries to émigré communities in receiving countries. This way of conceptualization of social action as ‘transnational’ gives insight into how social actors build, mediate, and develop new scales of social relations and activities between the national and the global. Another example of analyzing the transnational practices by employing the rigors of sociological research to multi-sited ethnography was done by Smith (2005) who examined migration between a town in the Mexican state of Puebla and New York City, demonstrating migrants’ integration into New York, while simultaneously remaining deeply involved with the cultural and economic life at Puebla.

Conceiving and analyzing transnational practices more as a lived and grounded reality as opposed to perspectives by globalization scholars like Lash & Urry (1994), Castells (1997), Appadurai (1990), where it is conceived as a global imagination such as how social groups or movements create visions, construct identities, and develop discourses on what globalization ought to, or might, look like tend to reify networks and migration as themselves defining society. In this view the social is disassociated from any particular place (Gille & O’Riain 2002:274). These scholars provide meaningful insights and put forth a whole range of new processes for scholarly considerations of competing visions of the global. They reveal the impact of global organization on the local knowledge and ideas in an increasingly globalized world<sup>2</sup> (DeSoto 2000; Gille 2000;

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<sup>2</sup> For more elaborate discussion on global forces, global connections, and global imaginations see Burawoy et al. (2000).



Goldman 2001). However, they fail to take into account the structural basis of resources that are needed for accomplishing the goals of migration and transnational practices and actions realistically (Gold 2002:21–22). So, for me, the drawbacks of the alternative ways of conceptualizing transnational throws into relief the advantage of adopting a multi-sited ethnographical approach, where the “place” and structural resources continue to be significant in analyzing transnational economic activities.

I considered ethnography to be the most appropriate methodology because it allowed me to investigate the social structures that are created across multiple scales (geographical scope and range) and sites, by strategically locating myself at critical points of intersection of these scales and units of analysis. For example I could examine how transnational entrepreneurs situated in the United States or in India collaborate with their school peers or work colleagues who inhabit the transnational space for acquiring global business deals. Another reason for choosing ethnography is because it does not rely on comparable or fixed units of analysis, as do surveys and comparative research. It is well suited to explain and describe “the articulation of macro structures with members’ lived experience, micro-interactions, and a deep appreciation of members’ meanings” (Fitzgerald 2006:12).

Finally, by following the methodological leads of a growing number of immigration scholars in recent times (Tsuda 2003; Voigt-Graf 2005; Bashi 2007; Fitzgerald 2009) who chose multi-site strategy for analyzing migrant and non-migrant transnational networks between the host and the home country, I too have incorporated in-depth qualitative interviews for collecting data at the research sites in India and the United States. The information gathered from interviews, supplemented with other ethnographic

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fieldwork methods in two countries permitted me to explain the transnational business practices of Indian entrepreneurs in fine-grained detail. In addition, using a multi-sited perspective I could illustrate that the ‘field’ of ethnographic inquiry is not merely a geographic place waiting to be entered but in fact a conceptual space whose boundaries are being constantly negotiated and constructed by the ethnographer and the transnational respondents. In closing, I considered ethnography to be valuable for analyzing “embeddedness” because it allows an understanding of the causes, consequences, and mechanisms by which social structures affect economic outcomes and it generates a rich source of data for testable and specific hypotheses (Uzzi1996:677).

#### **Data Sources and Collection Procedure:**

Long before initiating this research project in 2007, I had conducted pre-dissertation research on the Indian community in the United States as part of a requirement for a class in qualitative methods in the fall semester of 2001. The preliminary research of 2001, where I had conducted 15 in-depth interviews with Indian professionals working for private and public universities, medical institutions, and multi-national corporations in three mid-western states—Michigan, Indiana, and Illinois—gave me insights into heavily politicized issues concerning the Indian immigrant community in the United States. It quickly became apparent in my interviews and in conversations at private social gatherings with this group of technically qualified professional Indians, that they were grappling to understand the steady increase in the trend among their contemporaries, friends, and relatives who had decided to re-locate to India, either as American expatriates working for their U.S. company, or to launch their own transnational business.

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Exchanges and meetings with the Indian community in informal and formal settings over the next few years further revealed that the Indian immigrants who had chosen to become transnational entrepreneurs resided in many regions of the United States (Northeast, Midwest, South, Southwest, and Northwest) and in India. In other words, economic transnational practices were becoming increasingly a popular option of earning a livelihood among Indian immigrants in the United States. There appeared to be two characteristics that determined this trend. First, a small proportion of the Indian immigrant community, largely men, took the risk of resigning from their secure high paying jobs in U.S. corporations or universities to become full-time business people. Second, they were a widely dispersed population in the United States in adherence to Portes & Rumbaut's (2006:41–51) observation of recent Indian immigrants. They represented one of the most spatially dispersed groups, whose numbers had more than doubled during the 1990s. Given the dispersed nature of the study population in 2003, I started maintaining a roster of names, office addresses, and the type/sector of transnational business activities of possible respondents in the United States and India.

In addition, information on prospective transnational respondents in both countries was gathered by extensively participating in numerous community activities of Indian immigrants over three to four years, especially in the United States. I was an observer to the TiE (The Indus Entrepreneurs) chapter meetings in Chicago and Detroit, public social gatherings on occasions of Hindu festivals like Holi, Diwali, Durga Puja at the Bharatiya temple in Haslett, the Hindu temple in Lemont, Illinois, the Vivekananda Vedanta Society in Chicago, and meetings of Michigan State University's India Council. I kept extensive notes of my observations from attending these meetings and public gatherings.

In addition, I exhaustively used personal networks of family, kin, and friends in the United States and India to gather information about transnational entrepreneurs residing in both countries. Finally, I used public data sources on the web and mailing lists of Indian professional and business associations to complete the master roster of potential transnational respondents. These multiple avenues of access enabled me to gather information about prospective respondents from a wide range of groups who were transnational entrepreneurs in the United States and in India, rather than a small number of specific groups.

The Indian community in the United States at the venues mentioned earlier responded to me with friendliness and with active interest in my search for identifying transnational respondents in both countries. I was quite successful in establishing a rapport and gaining acceptance in the Indian community in the United States, and as a result it eased my efforts in identifying respondents whom I could approach in 2007 to participate in my study. As the news of my intended doctoral research spread by word of mouth, information of immigrant and returnee transnational respondents who more or less fit the profile of transnational entrepreneurs for this research began contacting me on a regular basis and in greater numbers.

While in India, I visited the office of NASSCOM<sup>3</sup> at Teen Murti Marg, New Delhi, where I had lengthy conversation with the secretary and officials of this premier trade body and the chamber of commerce of the IT-BPO<sup>4</sup> industries in India (see more about NASSCOM in appendix no.6). With a membership of 1,300 Indian and multinational

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<sup>3</sup> National Association of Software and Services Companies

<sup>4</sup> IT-BPO: Information Technology and Business Process Outsourcing

companies in 2008, who have a broad presence in India in the businesses of software development, software services, software products, consulting services, BPO services, e-commerce and web services, engineering services, off shoring, and animation and gaming, NASSCOM proved to be a fountainhead of information. Undoubtedly as an Indian woman, and a PhD candidate from an American university doing fieldwork in India, and with the complete understanding of NASSCOM's officials and staff of my research project, I was considered as an insider. My status as an "insider" among officials at NASSCOM made them willing to share information about companies and their owners in India who matched the profile of transnational entrepreneurs residing in India.

To supplement the primary data from interviews, I used secondary data from the 2000 U.S. Decennial Census, the Department of Homeland Security's Office of Immigration Statistics (OIS) for 2006-07, the American Community Survey report 2006, World Bank documents, Government of India Reports, and newspaper and online journal articles to analyze transnational business trends among Indians in the United States and in India.

The next step of the data collection procedure was to select suitable transnational respondents from the roster that I had created from 2003 onwards. At the time of my fieldwork in 2007, the master roster had information on more than 100 transnational potential respondents situated in the United States and India. In order to incorporate multiple perspectives into the analysis, a stratified purposeful sampling strategy was employed. I chose this sampling method because I had prior knowledge about this population and this strategy would allow selection of cases that would highlight different perspectives of the transnational economic process. Moreover, this strategy was useful for studying subgroups of transnational entrepreneurs and for facilitating comparisons

among different groups (Creswell 1998; Miles & Huberman 1994). To build diversity into the data and to include a wide variety of experiences and opinions of economic transnational practices, three groups of transnational entrepreneurial respondents were interviewed: a) immigrant transnational entrepreneurs in the United States, b) returnee transnational entrepreneurs from the United States in India, and c) non-migrant transnational entrepreneurs in India.

### **Gaining Access:**

The key component of the research plan was to collect information by conducting personal in-depth interviews with the chosen respondents in the two countries. All met the profile of the interviewees of the study (discussed later under The Sample). In 2007 I sent out letters of invitation to participate in my study, accompanied with a letter from my advisor stating the relevance of the research in advancing the study of transnationalism, and the IRB<sup>5</sup> approval statement to a total of 55 potential respondents located in the United States and India. I sent copies of the three documents first by surface mail and later followed up by electronic mail and telephone calls to the registered company offices of the transnational entrepreneurs (see Appendices 1, 2 and IRB approval).

Although I had met some of the potential respondents at various venues and knew an intermediary in most cases (e.g. an official at NASSCOM or other ethnic or occupation-specific professional organization, a friend, acquaintance, or relative) who had volunteered to act as a bridge to reach and persuade the respondents to participate in my research, I was nonetheless acutely aware of the ‘elitist’ nature of the study population, their hyper-mobility across the world, the enormous time constraints under which they

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<sup>5</sup> Institutional Review Board

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functioned, and their transnational lives. Therefore, I reasoned the best course of action would be to take a formal route by obtaining an interview appointment scheduled in their business calendar. I also thought perhaps this way I could avoid the respondent insisting on a phone interview because they felt they did not have the time to spare for a face-to-face meeting due to variable schedules and their professional and business responsibilities. However, this proved to be impossible in a number of cases both in the United States and in India, and I was compelled to conduct some telephone interviews and thus compromise contextual information in the interest of guaranteeing participation by these key respondents whom I knew would add value to the study.

To my pleasant surprise in several instances the administrative or personal assistants to these high-profile transnational entrepreneurs (the respondents for my study) became my advocates, enabling me to schedule a 30 (minimum) to 40 (maximum) minute appointment time for a face-to-face or telephone interview. The reference to an earlier casual meeting with the respondent at a meeting, the letters, the IRB approval, and timely interventions by intermediaries also helped in securing the participation of the respondents. On average the appointments for an interview with the respondents were scheduled two to four months from the time when the first contact was made by the official letter. The only problem I encountered with the transnational respondents in both countries was when interview appointments were suddenly cancelled because of genuine inability to find a time slot in the calendar of the potential respondent. Also, a good number of interview appointments had to be re-scheduled two or three times prolonging the scheduling process over four to six months.

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On other hand I have wonderful experiences of prompt email responses or telephone calls from transnational respondents located in both countries, where they responded immediately to me on receiving my invitation letter to schedule an interview appointment at a mutually convenient time. So, it was an assortment of experiences in gaining access to this elite population of transnational entrepreneurs. However, once I was able to schedule an interview, even those to whom access was relatively difficult to gain, respondents were enthusiastic and shared information freely and spontaneously. On occasion they were willing to talk for a long time. All of my respondents made me feel welcome and displayed an eagerness to know and learn about the research on “Transnationals,” a term many admitted to not having heard before. They felt more comfortable with the phrase “Globalization.”

The primary data were collected from transnational entrepreneurs by conducting in-depth interviews. The respondents of the study were given the freedom to select the time, date, and place that best met their busy schedule. However at the time of scheduling the interview appointment I would mention the date(s) of my visit to a particular city or area in the United States or in India. Sometimes when arrangements for a face-to-face interview were not feasible during my visit to a particular city or region, alternative locations were explored, and finally when it seemed impossible to have a personal interview, telephone interviews were arranged. While many of the interviews were conducted during office hours on weekdays, some respondents found it more convenient to conduct interviews over the weekend and also during evening hours. Interviews were conducted at numerous locations. Many of the respondents preferred the interview to be conducted at their corporate offices, whereas others requested interviews to be organized

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at their private homes, hotel and airport lobbies, private health clubs, public libraries, coffee shops, or bookstores.

At nearly all interviews (in person) the respondent had a dossier which held all the correspondence I have had with him or her, as well as had done the ground work to prepare to answer the interview questions, especially those who had requested the interview questions be sent to them ahead of time. More than half of the respondents had been graduate students in U.S. universities themselves and others had attended institutions of higher education in India, so all seemed to have a good idea what social science research was about and had no trouble understanding my identity as a graduate student researcher conducting fieldwork. My role and identity as a doctoral student at an American university often led them to reminiscence about their graduate years in the United States.

I conducted 42 in-depth interviews in 2007 spread over eight months with transnational respondents, which constitute the primary source of data for this study. The first phase was comprised of fieldwork conducting interviews mainly with transnational immigrant entrepreneurs in the United States. In the second phase of fieldwork in India I conducted interviews with returnee and non-migrant transnational entrepreneurs living in India. In a few rare cases, the interviews were conducted with an immigrant in India or returnee entrepreneur in the United States that was not in the country of the respondent's residence.

To ensure both structure and flexibility in the in-depth interview, I created an interview guide that contained open- and closed-ended questions (Legard et al. 2003). For preparing the interview schedule, previous research and literature on transnational

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networks were utilized: Uzzi's (1996) ethnographic research on CEOs and select staff members of New York based apparel firms, Bashi's (2007) examination of migrant networks of West Indians, and Bagchi's (2001) study of networks of Indian and Filipino immigrant professionals to the United States.

In addition to obtaining demographic, socio-economic, educational, and occupational information on the respondents and also that of their parents' social, economic, and occupational background, my interview questions were organized around the themes of a) the societal or institutional structures in the respondents' background that contributed in the creation of cultural, human, and social capital; b) the migratory history of the respondents to the United States and of return migration to India; c) the career path of the respondents leading to transnational business; d) the configuration and utilization of respondents' transnational business networks; and e) perception of self as a transnational entrepreneur (for further details see Interview schedule, Appendix no. 3).

My interviews were conversationally oriented. I initiated the interview with open-ended questions and then followed up on respondent's responses, but I was careful to conduct what Merton, Fiske, and Kendall (1990) call "the focused interview." This approach helped in providing the respondent considerable latitude to respond to the questions and to discuss relevant topics that exceeded the prepared interview guidelines. I was open to changes of the sequence and form of the questions, and when required I incorporated probing or follow up questions to increase the richness of the data (Patton 1990). All interviews were tape recorded digitally and, as suggested by Creswell (1998), were transcribed into a Microsoft Word document within 48 hours of the interview being held. I also kept handwritten notes made during the interviews. Soon afterwards I

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organized my notes and supplemented them with observations while my memory of the interview was still fresh.

The language used at the interview was English, although sometimes to express a particular sentiment or to describe a situation aptly a Hindi word or an adage was used. I wore comfortable professional clothes while meeting with the respondents for an interview in the United States. However, in India I wore traditional Indian clothes. At the start of the interview I stated that the respondent's privacy was protected by guaranteeing anonymity in the study. Each person interviewed was assigned a case number in the analysis of the data and I assigned a pseudonym to each numbered subject and used only these pseudonyms in writing the dissertation. I also made the interviewee sign a confidentiality form to support my guarantee to protect the subject's privacy (see Appendix no. 4). For telephone interviews, I obtained verbal consent at the start of the interview. No remuneration was given to the respondents. On some occasions, I received complementary gifts from the respondents which were either products or an insignia of their company, like packets of Darjeeling Tea earmarked for export to the United States, books, or a painting of respondents, a hand-crafted scarf, hand bags, desk calendar, paper weights, pens and mugs with the company logo. I was obliged to accept these gifts as it would be considered disrespectful in Indian culture if I were to refuse them. I was also offered lots of Darjeeling tea or coffee or other non-alcoholic beverages during the interview session.

### **The Sample:**

I was curious to analyze the different types of transnational network configurations because of dissimilar levels of resources (social, cultural, financial, and human capital)

embedded within them, and thus I adopted a stratified purposive sampling technique (as stated earlier) in the selection of the respondents that had particular characteristics or features. This approach enabled a thorough exploration and understanding of the central question: How do Indian transnational entrepreneurs in the United States and in India develop transnational business/economic ties? The sampling technique allowed for a comprehensive understanding of the experiences of transnational Indians that are very similar to each other and yet the interviewees differ in physical location, age, sector of business and entrepreneurship, and type and level of education.

I interviewed three categories of transnational respondents: Indian immigrants in the United States, returnee migrants from the United States in India, and non-migrant Indians. All the 42 respondents were owners and founders or a partner of a private transnational business for a minimum of five to six years. Their ages ranged from 35–65 years. They all frequently travel to India or to the United States (four to six times annually either way) for business activities and maintained a high intensity of exchange and contacts with people from all walks of life on a regular basis between both countries.

To build variation in the data set I included two age cohorts of entrepreneurs (a) above the age of 50 years or who have migrated to the United States between 1970–79, and (b) below the age of 50 years or who have migrated to the United States in 1980–99. See Table 3-1.

**Table No. 3-1: Distribution of Respondents by Age, Entrepreneurial Sector & Gender**

Respondents' Age (Between 35–50 years)				Respondents' Age (Between 51–65 years)				Grand Total
Sector of Business	Men	Women	Total	Sector of Business	Men	Women	Total	
Tech - nology Sector	15	3	18	Tech- nology Sector	8	1	9	27 (64%)
Material goods Sector	6	1	7	Material goods Sector	7	1	8	15 (36%)
Total	21	4	25 (60%)	Total	15	2	17 (40%)	42

The two time frames—determined by taking into account two migration cohorts to the United States from India—were selected to capture the consequences of the macroeconomic policy changes in India since the 1980s on the performance of transnational business networks, and also to distinguish the economic transnational practices and networks between these two age groups in their respective business sectors. There were other distinctive differences between these two age groups in terms of their individual motivation for migrating to the United States and that of receiving assistance and support from established migratory networks. Another consideration in determining the age cohorts was the year in which the respondents had registered their transnational business in both countries. As a result, the respondents who had arrived in the United States in 1970s, 1980s, and 1990s as graduate students or as company transferees were at different stages of their professional career and at different ages. For instance, for the younger transnational respondents it was far easier to obtain financial capital from



venture capitalists and financial institutions or as angel funds. Besides, the pro-business policies of India acted dissimilarly as an incentive for undertaking transnational business ventures between India and the United States, thereby affecting the volume of enterprise between the two age groups. For example, younger women were more inclined towards entrepreneurship than women respondents above age 50.

As highlighted in Table No. 3–1, 27 (64% of 42) respondents were entrepreneurs in the technology domain, whereas 15 (36% of 42) were engaged in transnational businesses dealing in material goods in both countries. Women form only 14% (six of 42) of the respondents in the study compared to men, who constitute 86% (36 of 42) of the respondents. Efforts to recruit an equal number of participants by gender were unsuccessful. To some extent this was caused by the difficulties in actual recruitment. For instance, women transnational entrepreneurs who were heads or partners of their firms were especially difficult to find. Several had chosen to go back to salaried employment because of family responsibilities and to avoid frequent foreign travel. Further, more than half, 60% (25 of 42) of the respondents were below the age of 50 years, whereas 40% (17 of 42) were above the age of 50 years. The striking imbalance in the ages of the interviewees in this study is reflective of the demographic characteristics of Indian population in both countries<sup>6</sup>.

Moreover, as seen in Figure 3.1, a higher proportion of younger entrepreneurs were living in India 56% (14 of 25), whereas 44% (11 of 25) were residents of the United States. Another conspicuous aspect of age distribution is the huge difference (almost double) between the two age groups in India, compared to an almost similar ratio of

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<sup>6</sup> 75% of Indian Population is below 35 years of age (Source: Population Bulletin (2006) Vol. 61, no. 3).

participants in two generation in the United States. In sum, the study largely describes a younger population (below the age of 50 years), almost entirely male, engaged in transnational economic activities in the technology domain, with a slightly higher fraction living in India.

Figure No. 3.1: *Distribution of Respondents by Age and Country*

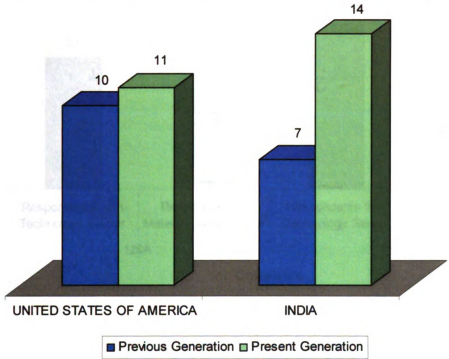
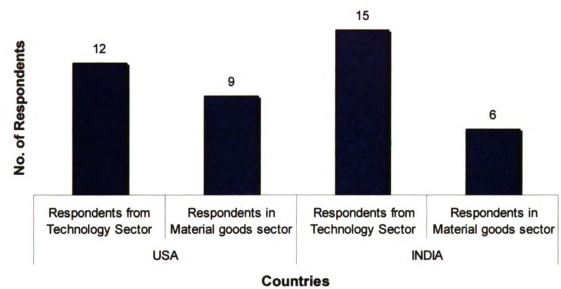


Figure no. 3.2 illustrates the distribution of the respondents in their respective transnational businesses in both countries. Respondents who dealt with tangible material goods, mainly luxury goods (e.g. handmade textiles, fashion and costume jewelry) and agro products (e.g. canned fruits or organic food items etc.), were fewer in India as compared to the United States. It was the other way around regarding respondents in technology business (e.g. IT, IT Enabled Solutions, Financial Services, Biotechnology, etc.). The stratification plan aimed at recruiting an equal number of respondents in the

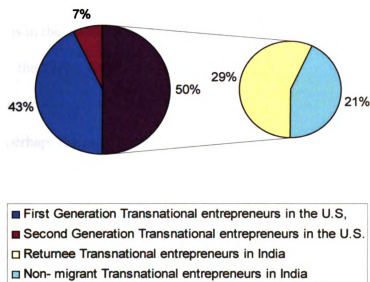
two sectors in both countries—that is, entrepreneurs who were engaged in transnational businesses in the technology and material goods sectors—was futile.

Figure No: 3.2: *Transnational Respondents in the U.S and India by Sector*



While I did achieve the goal of recruiting an equal number of participants in both countries (21 in each country), immigrant, returnee, and non-migrant transnational entrepreneurs are not equally represented in each of these categories of respondents. See figure no. 3.3.

**Figure No: 3.3: Migration Status of Respondents by Country**



Among the transnational immigrants entrepreneurs 43% (18 of 42) interviewees were first-generation immigrants to the United States, where as only 7% (three of 42) were second-generation entrepreneurs of Indian origin in the United States. The over representation of first-generation Indian immigrants in the study was mainly due to the fact that there are not many children of the first-generation Indian immigrants who have come of sufficient age to have an established career of their own in the United States. The three second-generation transnational respondents considered in the study had taken charge and expanded their parents' or their family's business in the United States. Some of the sample biases reflected the population characteristics of this group of immigrant economic transnationals.

All the respondents in the Technology sector in both the research sites were first-time transnational entrepreneurs. In the material good sector seven respondents had been involved in their family business since their early youth. But, all seven of them were

responsible for extending their businesses beyond the national shores of their respective countries and had initiated transnational business undertakings. The other eight businesspersons in the material goods sector were first-generation entrepreneurs like their counterparts in the Technology domain.

### **The Study Site:**

I adopted perhaps the most obvious and conventional mode of executing a multisided ethnography, that is to “follow the people” (the transnational entrepreneurs). The procedure was to follow the movement or migration of the respondents to their present destination. As my research examined how such transnational economic activities change the perception and construction of “place” within transnational social fields, the trail to the present locations of the transnational respondents led me to four of the most sought-after urban centers in the north, west, east, and south of India, which have gradually emerged over the past two decades as global hubs for worldwide businesses and initiatives in various sectors. They are as follows: Noida (close to New Delhi, the national capital of India) in the north; Kolkata in the state of West Bengal in the east; Bangalore and Chennai, in the southern states of Karnataka and Tamil Nadu respectively; Pune and Mumbai in the state of Maharashtra, Ahmedabad in the state of Gujarat—both in the west; and Hyderabad and Vishakapatnam in the southern state of Andhra Pradesh (refer to the location map at the end of the chapter, diagram no. 3-1). Similarly, the selection of urban centers in the East Coast, South, Midwest and West Coast of the United States were the present business locations of Indian transnational immigrants. This included Alexandria, Herndon, Chantilly, and McLean, Virginia (metropolitan Washington D.C.); Rochester Hills, Bloomfield Hills, and the Indian ethnic business districts of Orchard

Lake Road in the greater metropolitan area of Detroit, Michigan; Devon Street in Chicago, Illinois; Jackson Heights in New York City; Santa Clara and Mountain View in California; Dallas, Texas; Teaneck in New Jersey; and Clearwater in south Florida.

### **Data Analysis:**

Data were analyzed both qualitatively and quantitatively. For the quantitative analysis of the data I looked for personal information of the respondents, such as age, gender, level of formal education, high school and universities attended in India and in the United States, language proficiency, parents' education, citizenship, position/title in the company, economic class of the respondent's birth family, urban locations in India where they were raised as children and young adults, year of migration to the United States (where applicable), and the visa status at the first time of migration to the United States. This was done to get a fair description of the socio-economic and demographic characteristics of the three categories of respondents—immigrant entrepreneurs in the U.S, returnee and non-migrant entrepreneurs in India—as well as to detect differences between them and among the two age cohorts of interviewees.

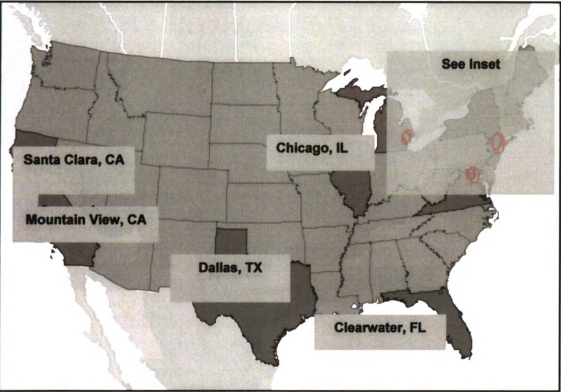
For the qualitative analysis, all 42 taped interviews were transcribed into Microsoft Word documents and the data were analyzed using the qualitative data analysis software program NVivo (Version 8). First, the interviews were manually coded by looking for common themes and patterns, and frequently-appearing key words on the major themes examined: (i) motives for migration to the United States and return to India, (ii) social and human capital within networks employed for transnational business, (iii) skills and competencies gained from migration experience and work career in multiple settings, and (iv) revised perception of self brought about by transnational interpersonal connections

and from the advantages of being a member/citizen of multiple states. Second, by copying and pasting the highlighted excerpts from the interviews that were representative of these three major themes, I created an exhaustive list of “Tree Nodes” in NVivo for a detailed analysis of the data under each particular theme. The audio tapes and transcriptions of the interviews were continually listened to and read to identify common trends throughout the coding process.

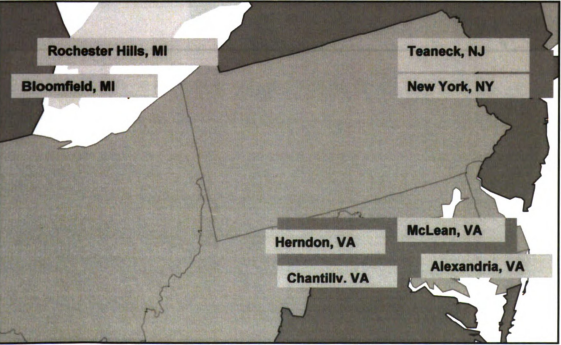
Next, under each Tree Node, I created further nodes identifying minor themes, which represented more specific experiences. These minor nodes were helpful in highlighting the richness of transnational experiences, to select relevant quotes and compare respondents’ background information. This coding scheme in NVivo made it easier to compare similarities and differences in the three groups of transnational entrepreneurs in two territorial locations by their age groups, volume of cultural, social, and human capital embedded in networks, sources of financial capital, immigration period, and by their transnational business sectors. It also facilitated the analytic process to search for configuration or patterns of networks routinely used by transnational business people for their enterprise.

Diagram No: 3-1(a):

*Interview Locations in the United States*

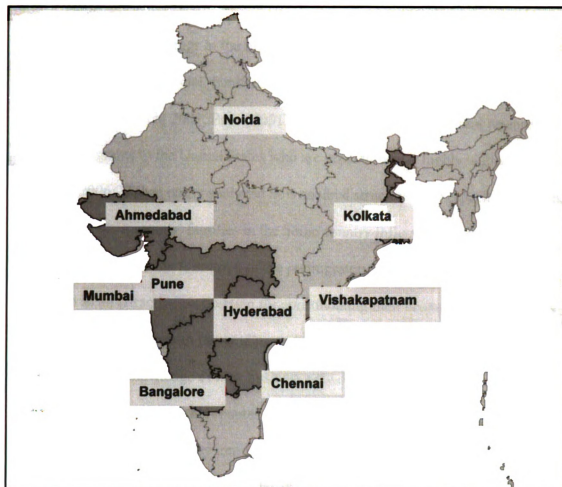


**INSET**



*Diagram No: 3-1(b):*

***Interview Locations in India***



## Chapter - 4

### When Imagination becomes Reality

In keeping with findings in the immigration literature, earlier studies on Indian emigration focused on social, familial, and economic motivations (Harvey 2008; Saxenian 2006; Bagchi 2001; Poros 2001). However, previous empirical research on Indian immigrants to the United States who are predominantly highly skilled (Portes & Rumbaut 2006:77) has rarely analyzed how societal structures and especially class-based resources of the migrants' families in the home country influenced their migratory decisions and shaped the formation of the premigratory networks that presented migration as an attractive proposition for consolidating their economic resources. By examining networks in both the sending and receiving countries, this chapter eliminates these gaps in the knowledge of how business networks of highly skilled entrepreneurs operate transnationally. In this chapter and in chapter 5, I also show that the types of transnational networks used by immigrant entrepreneurs are likely to differ according to their sector of entrepreneurship and resource distribution.

In this chapter I examine the social patterning of cultural competencies, preferences, and practices that corresponds to the distribution of social and human capital that inspires one to migrate to the United States over other countries. I analyze: *How* does migratory experience reinforce the cultural and social capital that transforms some immigrants into transnational entrepreneurs? *How* do cultural and human capital interact and function as the essential powers beneath the social capital available in the relationships of transnational business networks spanning India and the United States? *How* do social ties—"bonding" (strong) and/or "bridging" (weak)—give rise to additional benefits? In

other words, in this chapter, I explore how the resources (cultural, human, financial, and social) and the norms (quality of ties—strong, weak, ambiguous, etc.), which constitute the essential *relational* aspect of networks together with the *structural* (context, size, density, diversity, connectivity) component of networks form different configurations to enhance transnational entrepreneurship among Indians.

In the following sections, I first examine the premigratory cultural and human capital of all forty-two transnational entrepreneurs, which I argue plays a decisive role in the decision-making and motivation for 30 interviewees to migrate to the United States<sup>1</sup>. I then examine how disparate possession of resources among immigrant entrepreneurs of two age cohorts and in two sectors (technology and material goods) leads to varied configurations and usage of transnational entrepreneurial networks. I conclude by discussing the significance and patterns of network ties in four immigrant entrepreneurial networks used by the interviewees for advancing their transnational enterprise

Next, I focus most specifically on the cross-border entrepreneurial experiences of Indians who were located in the United States at the time of this study and had initiated their transnational business as well as registered their administrative headquarters in the United States. In Chapter 5, I will discuss the similar entrepreneurial experiences of returnee and nonmigrant transnational businesspeople located in India.

### **I. Distribution of Premigratory Cultural, Human, and Social Capital:**

In the previous chapter, I reasoned that in order to understand how “social capital” becomes a significant outcome of transnational networks, one has to investigate the local contextual circumstances that contribute to the formation of the cultural and human

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<sup>1</sup> Among the immigrant entrepreneurs, three are second generation Indians and nine are nonmigrant entrepreneurs.

capital of the respondents. In the subsequent sections, I investigate the life experiences of transnational entrepreneurs (especially their school and college years in India) in keeping with Bourdieu's (1986:243) notion of *habitus*. I recognize the value assigned to the reproduction of cultural capital among the respondents by their family members influenced by their social and class background, and the close connection among various forms of capital. This takes the analysis of transnational networks beyond the divide of structure and agency at a particular moment in time to reveal the deeper societal structures that lie behind the transnational practices of these entrepreneurs. By examining real cases of interviewees, I bring together the cultural, social, and human capital of transnational entrepreneurs with their structural circumstances, such as father's education, economic class, type of school and college attended, etc. that both contribute to and constrain their transnational activities, but sometimes are not of their choosing.

1. *The Human Capital of Respondents' Birth Family*: The majority of fathers of respondents (23 of 37 cases or 62%) had a professional degree, masters' degree, or a PhD as indicated in Table 4-1. I considered the fathers' education level to be the main indicator of respondents' inherited cultural capital. This is in keeping with Bourdieu's (1986:89) "volume of capital" notion, which is decisive for the construction of social space—particularly in a society that is as highly socio-economically differentiated as India. On the other hand, there were only six fathers who had only a high school education, which does not necessarily reflect a lack of financial capital in the family. See Figure 4-1.

**Table No. 4-1: Level of Education among Fathers of Respondents**

Level of Father's education	Frequency	Percent
High School Education	6	16.2
Undergraduate Degree	8	21.6
Masters Degree, PhD, Professional Degree	23	62.1
Total	37	100
Missing Cases	5	

When the father's education level and vocation (an indicator of respondent's class origin) was considered, the largest proportion of fathers with at least masters or professional degrees worked for the federal or state government, followed by fathers who were big business owners or industrialists. An equal numbers of respondents' fathers were corporate executives, or had careers as teaching faculty in the education sector. Therefore, level of education among fathers strongly influenced their earning capacity, and—when considered alongside vocation—points to the social, economic, and cultural circumstances in which the respondents were raised as children. See Table 4-2.

Table 4-2 illustrates that, of the men with higher education (36 of 42 or 85.7%), 23 (64%) had converted their noneconomic goods and services (human capital) into high-paying employment in India, either with the state or federal government or in other influential positions. In socialist-leaning India, the prestige and security of a government job normally attracted the best talent in the country, particularly in the context of low rates of total male literacy in India, which ranged from 34 percent to 47 percent between 1961 and 1981 (Source: UNESCO 1984:34–35).

**Table No: 4-2: Respondent's Father's Education and Vocation<sup>2</sup>**

Father's Educational Level	Father's Occupational Sector/Profession					
	Education Sector	Big Business Owner & Industrialist	Corporate Executive	Government & Civil Official	Blue-collar Worker	Total
High School or Undergraduate Degree	0	6 (46.1%)	2 (15.4%)	0	5 (38.5%)	13
<b>Graduate Degree</b>  Masters Degree or PhD, or Professional Degree in Medicine, Engineering, Law or Management	6 (26.1%)	2 (8.7%)	4 (17.4%)	11 (47.8%)	0	23
Total	6 (17%)	8 (22%)	6 (17%)	11 (30%)	5 (14%)	36

Note: Big business owners are those with a large number of employees working for their business enterprise. Industrialists owned big industries like chemical factories/plants, cotton mills, etc. Corporate executives were high-ranking employees in multi-national firms.

This association between respondent's father's education level and the choice of vocation explains the fluidity of social life, which compels Swartz (1997:75) to argue for a broader understanding of Bourdieu's cultural capital, ". . . which covers a wide variety of resources including such things as verbal facility, general cultural awareness, aesthetic preferences, information about the school system, and educational credentials. His [Bourdieu] point is to suggest that culture (in the broadest sense of the term) can become a

<sup>2</sup> The mother's education levels or employment were not considered because, except for five mothers of 42 respondents, none were employed in the formal economy or had an individual career. They also had low levels of education. The mothers were 'homemakers' that is, as wife to their husbands they managed the household. In keeping with the patriarchal norms of the Indian society in 1960s and 1970s, women of upper and middle class were not encouraged to work outside their homes. Less formal education among respondents' mothers was not indicative of lack of resourcefulness and influence within the household.

powerful resource.” In this manner, Bourdieu reminds us of the arbitrary and historical sense of social relations, as well as directs the analysis to the point of intersection of structure and the biography (Lareau 2001:82). In this research, many transnational respondents exhibited proficiency in more than two to three languages: English, Hindi, and more than one Indian regional language<sup>3</sup>.

Only six (16%) fathers of respondents (except for two corporate executives and five blue-collar factory workers) who did not have a graduate education were big business owners, including an industrialist<sup>4</sup>. In such cases the interviewees’ fathers had preferred—sometimes had been persuaded—to join the family business, being the son of the family to assume familial responsibilities on reaching adulthood<sup>5</sup>. Moreover, these fathers who were members of the middleman minority<sup>6</sup> groups in India, like the Punjabis, Gujaratis and Marwaris (Light and Gold 2000:7; Min 1984:334), did not feel the need to pursue higher education as they reasoned at that time it would not have added value to their existing family business or to their employment. Even though the level of education and vocation of respondents’ fathers is a good indicator of economic class, and consequently of specific cultural capital within respondents’ natal family, it leaves the

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<sup>3</sup> Indians now have embraced the idea of English as the language of the globalizing Indian economy. Most middle class Indians speak in at least two languages, besides their mother tongue. They usually have a functional fluency in English for business purposes and to manage communication with different communities (Nilekeni: 2009:92).

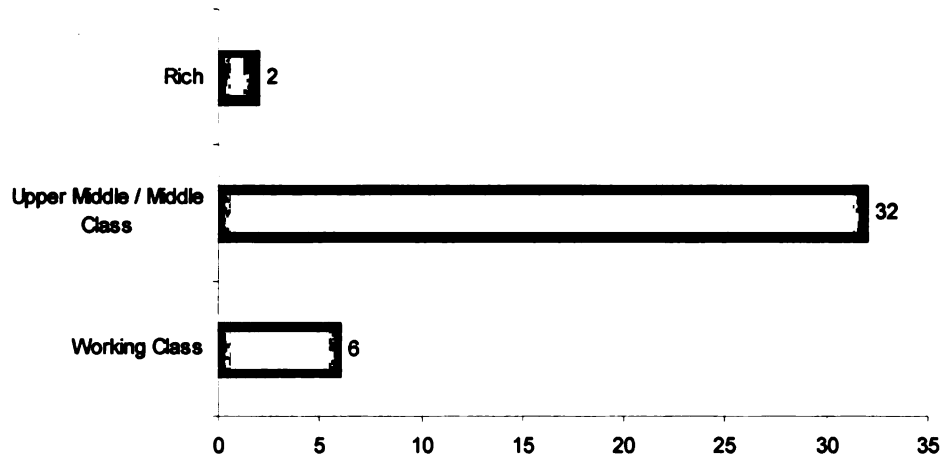
<sup>4</sup> As an outlier, there is a father of a respondent who is an industrialist and also has a PhD from one of the prestigious institutions of higher education.

<sup>5</sup> In Indian patriarchal society, the “son(s)” of the family are expected to take charge of family matters and function as key decision makers, especially in traditional family run business houses.

<sup>6</sup> Middleman minorities are trading communities with a history of traditional capitalism and occupy intermediate position in their economic roles. Their focus is on trade, commerce, and other middleman occupations that connect “producer and consumer, employer and employee, owner and renter, elite and masses.” Examples of such middleman minority groups are Armenians, Chinese, Jews etc. (Bonacich 1973:583 cited in Min 1984:334)

picture incomplete. Figure 4-1 informs us of the economic status of respondents' parents, as perceived by interviewees when they lived in their parents' household:

**Figure No. 4-1: The Economic/Financial Status of Respondents' Birth Family**



On examining the perception of economic class, it becomes evident that the largest proportion (76%) of respondents felt that their parents had provided them the security and physical and social comforts of the middle or upper middle class, notwithstanding a few fathers who had lower education levels. The economic resources of respondents' parents provided the physical resources—like a spacious place to live and study, membership in social clubs for cultivation of their personal talents or hobbies, travel opportunities—that aided in the easy intergenerational transfer of embodied cultural capital in the birth families of respondents. In my dialogue with respondents, some shared their memories of growing up in India. Here is a reflection from one Silicon Valley immigrant woman transnational, which is indicative of the life that most respondents enjoyed as a consequence of their parents' economic class and social status in Indian society:

*I had progressive and liberal parents. I think both my parents crossed many social and cultural barriers. Both my parents did not confine me in anyway in thoughts or actions. I think that kind of upbringing left an indelible mark on my personality in all the choices I made. I am sure my kind of parents' family was reflective of many middle class families in post independence India . . . I was*

*exposed to lots of books and friends from different countries since my childhood. My best friend was a Japanese girl. There was plenty available in India to build a strong Indian identity and yet to be familiar with what was happening in the world (sic).*

Lamont et al. (1996:32) in their research have documented the importance of structural positioning (economic class) in shaping cultural and moral boundaries<sup>7</sup>, which they argue can be explained first by *local cultural supply-side factors* (italics in original) that are formed by drawing on the cultural tool-kit that is readily available to individuals (Swidler 1986), which depends on the geographic location where one lives. And second, the lifestyle in which they are involved is determined by their *structural position*—class, race, and gender. Together these factors increase the likelihood that individuals will draw on one type of boundary instead of another. From this viewpoint it can be concluded that the majority of transnational entrepreneurs had developed their values, tastes, patterns of recreation, and dress—*habitus*—for particular forms of lifestyle that the economic class of their parents offered in the Indian context. Their common class lifestyle in India—such as appreciation for the game of cricket and English literature, love for Hollywood and Bollywood movies, Bhangra<sup>8</sup> or Beatles, travels to foreign countries, and exposure to diverse regional ethnic cultures of India as well as foreign cultures—in their school and college years played a central role in the formation of social networks as well as in the definition of their reference groups and role models.

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<sup>7</sup> Lamont et al. (1996:34) explains “cultural boundaries to be based on self-actualization (including intellectual curiosity), manners, tastes, education, and appreciation of high culture. Those who feel superior towards people who are less culturally sophisticated than themselves are said to draw cultural boundaries.” Similarly, moral boundaries are drawn on the basis of moral character. They are comprised of qualities such as honesty, work ethics, personal integrity, sexuality, religiosity, and consideration for others.

<sup>8</sup> Bhangra is a form of music and dance that originated in the Punjab region of India and Pakistan.

The distinctive cultural orientation of upper and middle class of respondents' birth families was further enhanced when the educational qualifications (human capital) of respondents' fathers and the economic resources of the family became instrumental in the preference of type of school the respondent attended in India. Refer to Table 4-3.

**Table No:4-3: Type of school attended by respondents with father education**

Father's Educational Level	Type of School attended by respondents in India			
	Private School	Missionary or Elite Residential School	Government Aided School	Total
High School or Undergraduate Degree	2 (16.7%)	5 (41.7%)	5 (41.7%)	12
<b>Graduate Degree</b> (Masters Degree or PhD or Professional Degree in Medicine, Engineering, Law, Management)	10 (52.6%)	9 (47.3%)	0	19
<b>Total</b>	<b>12 (38%)</b>	<b>14 (45%)</b>	<b>5 (16%)</b>	<b>31</b>

Note: In private, missionary (also known as convent schools) and residential schools in India the instruction is in English, whereas in government-aided schools, the instructions are in the local regional language. Additionally, government-aided schools severely lack in financial resources, as a result they have very poor infrastructure and high rate of teacher absenteeism. Boarding or residential schools have always been popular with India's upper middle class and elite (Nilekani 2009:176).

## **2. Cultural Capital of the Respondents:**

Above all, Table 4-4 reveals the high degree of association between the preferences for school with the level of respondents' father's education. When 31 of 42 (73%) cases are considered, 19 (61%) fathers with PhDs, or masters or professional degrees had selected to send their children either to private or missionary or elite residential schools. In contrast, some of the fathers with an undergraduate degree or lower levels of education

and who in all probability belonged to the working class, decided to send their children to government-aided schools. Therefore, respondents' fathers' educational level, as well as cultural and financial capital of the respondents' birth family were powerful influences on the choice of school the respondents attended in India.

In the Indian context, parents' choice of private or missionary or a residential school for their children's education meant the priority and valuation that was assigned to the role of English as career language, as well as parents' knowledge of where the opportunities lay in the future. The well-educated and professional fathers were aware of the trade-offs that came from sending their sons and daughters to English-medium schools. As the largest proportion of respondents' fathers worked for the public sector organizations, they were acutely conscious—despite the reluctance of Indian legislators to address the English language issue head on<sup>9</sup>—that proficiency in English was the key for admission to the best institutions of higher education and to top jobs in the bureaucratic circles and private sectors. Thus, the type of schools that the respondents attended valorized and assisted in transferring the embodied cultural capital (*habitus*) of their parents' social and economic class background, besides fulfilling the aspirations respondents' parents had for their children. But more notably, the English-medium schools in India provided access to the language of modernity, and along with it a western world vision and orientation that has proved to be of enormous consequence for these transnational entrepreneurs later in their lives.

The value of English education in the families of these entrepreneurs as the pathway for social and economic mobility and globalization is shown in Table 4-4, which shows

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<sup>9</sup> For a detailed discussion on the economics and politics of use of English language in independent India refer to Nilekani (2009).

27 (82% of 33 cases) of the respondents had attended one of the types of schools that imparted education in English.

***Table No: 4-4: The Type of school attended in India by Respondents***

Type of School attended in India	Frequency	Percent
Private School	12	36.4
Missionary or Elite Residential School	15	45.4
Government aided public School	6	18.2
Total	33	100
Missing Cases	9	

It can also be concluded from Table 4-4 that those parents with lower education levels, or those not sharing the cultural capital of fathers employed in the government service or the corporate sector, had also shared similar ideas and ambitions for their children in an ever-changing world. The majority of parents who had the advantage of economic resources wanted to impart the “English way of life” to their children and extend their support to institutions that had a key role in the process. Unfortunately, English language education does not come cheap in India, which explains the six (18% of 33 cases) who attended the state government-aided school where education is primarily in vernacular or regional language of the state.

To understand how the cultural capital and associated effects of social networks were employed for intergenerational transfer of such resources, I asked the questions: (a) how did your family make choices regarding your education? And, (b) who is your role model? The responses uniformly revealed that their parents had given a very high priority to their children’s education regardless of economic class background, but what is

notable is the variation in parental involvement between those from traditional business families and those whose fathers were professionals or held salaried employment.

Families where respondents' fathers held salaried positions in the private or public sector and who had the wherewithal (such as professional skills and complementary social networks) were intimately involved in shaping their children's school experiences and felt obligated to maximize their children's learning both at school and at home, especially for their sons, as stated by Goutam Kohli:

*My father made sure wherever we lived I attended the best school in the city. I think it was one of the key decisions that my father made that is to send me to a private English medium school. But, at the same time he made sure that I spent equal amount of time—outside school—learning my vernacular language, so that I would not become a brown sahib [an Englishman of color]. He made me appear for a variety of exams in math and science, which were conducted at the state level. My father was more focused on my education than for my sister ... I suppose that would be considered old fashioned now (sic).*

From Coleman's (1988:110) perspective, parents of respondents with professional training and a higher level of education carefully nurtured the human capital of the interviewees, utilizing the social capital inherent in family relations. The abundance of social capital in respondents' birth family was made explicit by the important role and the presence of mothers at home during the school years of the respondents, regardless of their social class. It is noteworthy that women transnational entrepreneurs in particular acknowledged the inspiring influence of their mothers in achieving their educational credentials and later as entrepreneurs. Poonam Sharma, a woman immigrant transnational entrepreneur, explained to me:

*For whatever I am is because of my mother. My mother, who was the only person with school education in her family was forced to marry at young age, therefore could not pursue her education. So, she made it her life's mission to educate all three of her daughters and make them financially independent. I presume she decided my school as well. My father was gone most of the time*

*from home for his business. For my mother education was of tremendous importance, nothing else would satisfy her . . . we lived with our grandparents. I think I got lucky too . . . being a 'baniya'<sup>10</sup> my grandfather was supportive of my mother's dreams (sic).*

My research makes a departure from Lareau's (2003) research on white and black families of different class backgrounds (middle, working, and poor), where social class triumphed over race in reflecting the difference in parenting practices because of the class-based patterns of thought, behavior, and taste—*habitus*. My research suggests that, in the Indian context, entrepreneurs' individual dispositions were effected by caste<sup>11</sup>—within the same social class.

Although I did not collect data on caste, it sometimes surfaced in my conversations with the respondents. In the Indian context, class and caste identities are interconnected in various and complex ways, and the nature of this interconnection varies over time and by geographical location. Even if class is the most important axis of social differentiation in contemporary India, caste-based values and social organizations exercise considerable influence over social practices. One way to approach the class and caste interconnection is to view both caste and class as vehicles for the creation of social identities that are available for deployment by the individual and collectivities for various purpose. For instance, to receive assistance from influential class members who also belong to the same caste, it not only depends on one's entrepreneurial success but also to have the ability to manipulate cultural symbols of caste, and nurture the right kind of relationships, like taking up leadership positions in caste-based business organizations or by making

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<sup>10</sup> An Indian caste consisting generally of moneylenders and merchants, found mostly in northern and western India.

<sup>11</sup> The Indian caste system describes the social stratification and social restrictions in the Indian subcontinent, in which social classes are defined by thousands of endogamous hereditary groups, often termed as *jātis* or castes.

charitable donations. And, these caste-based symbolic gestures feed back into capital accumulation, particularly for businesspeople.

Respondents belonging to traditional Hindu business families and castes, like the Marwaris and Jains, mentioned that their career trajectories were strongly influenced by the cultural capital of their business caste and class. For example, the child rearing practices of parents of respondents from traditional business communities were strongly influenced by the patriarchal norms of conservative Hindu society that encouraged adherence to traditional gender roles. Radha Agarwal's account of differential gender role expectations in her family demonstrates the intergenerational transfer of social norms and cultural capital along gender lines in conventional business households:

*Education was never the be all and end all of our lives. All of us had an excellent convent school education. We were raised sensibly to be good human beings first and to be street smart. Being the daughter, my mother took special care to raise me to be a good homemaker, like how to entertain guests, arrange flower decorations, etc. Business was for the guys in the house ... Life changed for me, when I was divorced. I had to eek out a living as a single parent with a small child. I suppose I too had the entrepreneurial genes in the same measure like my brothers. My grandfather was a noted businessman in his time, and everyone in my mother's family is a successful entrepreneur (sic).*

For additional information about cultural and social capital in informants' parents' homes, I asked about role models in the lives of respondents. The majority of the respondents stated either one or both parents had been their role models, whereas one of them mentioned the principal of his missionary school. Others regarded a successful elder brother, an uncle, aunt, or a close family friend with impressive academic credentials and careers in India or overseas to have motivated them in making major decisions of their lives. This is what an immigrant technology entrepreneur in the United States had to tell me:

*Hard to say actually ... yes it was probably a close family friend who graduated in '77 from IIT in Bombay. He was not a mentor, but a role model for me. His name is ---. Today, he is a professor at Columbia University. I think my parents were my mentors; particularly my mother has been a great moral influence on me and on our children (sic).*

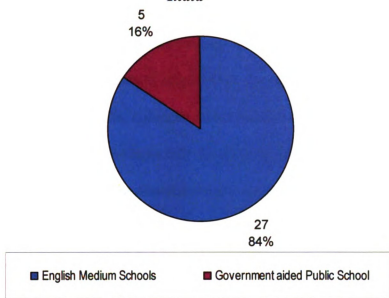
Surprisingly, all the folks who were role models to the respondents were part of or a node in their family networks, rather than someone who was a spatially distant figure, such as a national/international hero or a cricket star. For many, role models often doubled as mentors and were people with whom they had regular contacts. These mentors provided the respondents with information and strategic knowledge about how to navigate their career and to fulfill their ambitions, including that of college education in India and the United States as well as for migration to the United States. Hence, for this section of the Indian population the social networks of their family, kin, and friends offered what Giddens (1990:123) called the *transformative aspect of intimacy* and a positive appropriation of circumstances in which globalized influences impinged on the informants' everyday life during their school years and youth. Therefore, I contend the unevenness in cultural capital possessed by respondents' parents, their social class, network connections and respondent's *habitus* played a crucial role in the selection of institutions for undergraduate/ graduate education in India.

### *3. Human Capital of the Respondents:*

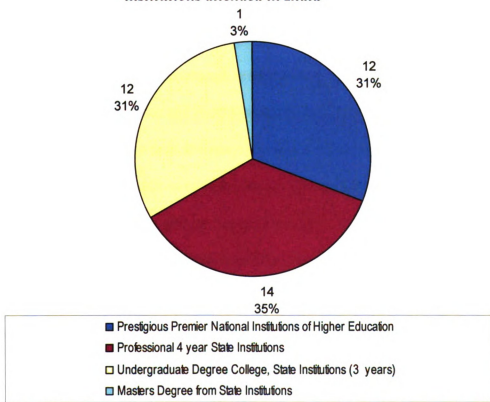
In Figure no. 4-2 and 4-3, it is clear that a higher proportion of respondents who had attended any type of English medium schools – 27 (84% of 32 cases) -- also studied in either premier institutions of higher education (31%), in professional 4-year state universities (35%), or in the 3-year undergraduate degree colleges of state

universities (31%)<sup>1</sup>.

**Fig:4-2: Distribution of type of schools attended in India**



**Fig: 4-3: Distribution of higher educational institutions attended in India**



The three different types of higher education institutions attended by respondents in India, above all, point towards the college network resources that were available to the respondents. Undergraduate institutions of higher education in India fulfilled two objectives for respondents. The type of institution attended served first as the repository for human capital for respondents to acquire their formal educational credentials (technical/ nontechnical), skills, competencies, and other individual characteristics. Secondly, it served as a space—especially for those who lived on college or university campuses—for forming life-long friendships and gaining access to associations—networks beyond the nuclear family. Thus, college or university life helped in expanding their social networks.

I argue in order to analyze the alternative forms of networks created and used by Indian transnational entrepreneurs, one has to step back and scrutinize the three major types of undergraduate institutions attended by interviewees in India (see Figure 4-3). These affected the differing volume and quality of cultural and social resources respondents brought for social exchange, which in turn influenced their connections for migration to the United States and their transnational entrepreneurial operations (explained later). In other words, the unevenness in cultural and social capital entrenched in higher educational institutions of India, along with respondent's individual level of human capital, add to the complexity that underlies the dissimilar configuration of transnational business networks. Graduates of premier institutions like IIMs and IITs have access to alumni organizations that span the globe because such large numbers of graduates have migrated to—and succeeded professionally in—the United States, Australia, developed countries in East and Far East Asia, as well as in major metropolitan

centers in India. Comparably, informants who attended professional or other degree colleges of state universities in India had no access to such mammoth alumni networks or to the global reach of the premier institutes of India. This hierarchy in undergraduate educational institutions also played a key role in their migration decisions to the United States, to which I turn in the next section.

## **II. Time to “Go West...”**

A close examination of informants’ motives for immigration provides insights into their reasons for living in the United States for their transnational businesses or for returning to India for the same reason—as well as into their economic transnational practices itself. For example, what factors might have prompted respondents at a personal level to consider migration to the United States in the first place? How did respondents get their information for migration to the United States? What kind of contacts did informants use for aiding their migration to the United States? Do company sponsorships, especially in the case of an Indian employer, signal access to a network? Answers to these questions provide a comprehensive view of how networks among Indian transnational entrepreneurs developed over the course of time.

### *1. Motives for Immigration*

Immigrating to the United States on a job assignment, as a student, or to be reunited with family does not always indicate a move for permanent settlement. It is necessary to examine the immigrant’s economic, social, and human capital at the time of entry to the United States—their previous business/work affiliations, and personal and familial ties and obligations—all of which provide information about the existence of various network contacts prior to their migration.

***Table 4-5: Motives for Emigration to the United States***

Reasons for Immigrating to the United States	Frequency	Percent
Study	21	64
Relocation on Company Transfer	8	24
Reunion with Family	4	12
Total	33	100

Note: This table reflects all the respondents who are immigrant and returnee transnational entrepreneurs (33 of 42). This section does not take into account the nonmigrant transnational entrepreneurs (nine) as they had entered the United States mainly on short-term business visas for their transnational business.

As shown in Table 4-5, the highest number (21 individuals, 64%) of immigrant and returnee transnational entrepreneurs first came to the United States to study, primarily for postgraduate education. Closer examination of the relatively higher proportion of informants migrating to the United States for graduate education reveals that 16 of 21 (76%) informants got a masters degree or a PhD in engineering, computer science, or bio-sciences, whereas five got degrees in management studies, economics, or finance.

The higher frequency of informants choosing to immigrate as young adults to the United States for a science-based American education speaks to a macro structural<sup>12</sup> impact at the individual level. For these respondents, charting a career in engineering or science implied access to high quality infrastructure and facilities and the kinds of resources that were not easily available in India, but were to be found in the resource-rich, often highly-specialized, institutes and centers in United States universities. The

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<sup>12</sup> Cheng & Yang (1998:632) contend that, in addition to economic interdependency, there has been a growing articulation of higher education between poor and rich countries since the 1970s. The impact of advanced countries' higher education systems on less developed countries has been accumulated scientific knowledge and an advanced technological base—with the requisite economic and social infrastructure. One direct outcome of global articulation of higher education has been higher levels of migration from poor to advanced countries by foreign students who want to be employable internationally.

desire for international mobility as young adults was also a natural extension of the Indian cosmopolitan character cultivated during their school and undergraduate college years in India. Added to these personal considerations was the awareness of the progressive internationalization of science and engineering, which too proved to be a powerful attraction for migrating to the United States. This quote from Sudhir, an immigrant transnational entrepreneur in California, encapsulates these motives.

*I came to the U.S. for post-graduate education, because higher education in Engineering and in any field of Science is considered to be the best here than anywhere else. I wanted to think big. Studying in IISc makes you very hardworking. You have got to be that way in order to survive there, and it also opens opportunities for you to grow. But, in the U.S. you learn things a little differently and at an international level. I learned to cultivate "critical thinking" about issues. In fact, it becomes a second nature to think out of the box. I would say my Stanford education or from any reputed U.S. university is an interesting one. It comes handy over a long period of time. It's like osmosis . . . it has a long-term impact (sic).*

Among 21 respondents who had migrated to the United States for graduate studies 12 (57%) were from premier national institutions of India. The higher proportion of students from premier institutions as graduate students in American universities bespeaks of the extent to which global articulation of higher education and the process of internationalization of academic faculty through inter-university research programs, often supported by foreign universities and foundations, had taken place (Ong et al. 1992). Consequently, the institutional structures of premier and other centers of higher education in India and college peer pressure can be expected to have exercised a powerful influence on respondents' perspectives on available mobility opportunities more strongly than their individual desires. When asked about how they had arrived at the decision to migrate to the United States, two IIT alumni described the process in the following manner:

*When I was growing up in India the path to live the American dream was, first to get into IIT and the second was to go to the United States. America exists in the IIT campuses. In the 3<sup>rd</sup> year you write GRE, all these are predetermined steps in the IITs. It has changed a little bit now. Then in the 4<sup>th</sup> year you write your advanced GRE and in your final year you apply, get your scholarships and then you go. That was the normal course of things in the IITs then. It is a kind of herd mentality. If 10 people are doing it, then you will wonder why you are not doing it. And, people who did not go to the U.S., it was assumed that either that person did not get a scholarship or they might have some problem. That is what you are talking all the time in IIT. In the final year the talk is about how many job interviews one has given ... although you are 60 percent certain you might not take up the job offer or which is the best scholarship offer from the U.S. I too gave an interview with Infosys, knowing fully well I would not join them. That's the kind of thing that existed in IITs, maybe it exists in all engineering colleges ... (Rukmini Mehta; 2007).*

*After graduating from IIT, Powai, I felt a need to go to the U.S. It was a herd mentality. The peer pressure is very high. And, in IITs one gets so many signals from your seniors and specially faculty while you are living in the IIT campus that you develop a mindset for migrating to the U.S. for higher education. Parents too exert the same pressure. I think I would have got the same education in India what I got at Virginia Tech, but that would not have changed the way I had thought then. We are almost brain washed to go to the U.S., after having done undergraduate degree in engineering at IIT. (Neel Mukherjee; 2007)*

Some even stated that they had nurtured a desire to particularly work with internationally renowned scholars, so the star reputation of U.S. academicians exerted a magnetic pull, as well. I make a special mention of interviewees from foremost national institutes—like the IITs and professional 4 year degree colleges of State universities—to illustrate the strong peer bonding these transnational entrepreneurs had developed during their undergraduate years. The strength of their peer bonding which aided in developing their migration networks to assist in their initial move to the United States, later got fortified into transnational business networks with the development of ethnicized professional organizations for Indian entrepreneurs (TiE), or global alumni organizations (Pan IIT), etc.

There were eight (24%) respondents who entered the United States on company transfer and only four (12%) who migrated to reunite with family. Seven respondents who had migrated to the United States on behalf of their parent Indian multinational companies came to expand their company's operations in the United States, e.g. TATA Companies, whereas one of them worked for Bank of America. These interviewees stated that they moved to the United States for better opportunities for the advancement of their career and to provide their children an international school education. Therefore, 88 percent of respondents entered the United States on a nonimmigrant visas. So, the majority of the respondents, who had considerable amount of cultural, social and human capital at their disposal, did not perceive their move to the United States as a conclusion of the migration process.

Furthermore, it is interesting to note that none of the respondents gained admission to the United States on occupation preference or H1-B visa, where work authorization is strictly limited to employment by the sponsoring U.S. employer, which might have had a bearing on their decision and orientation for transnational entrepreneurial activities later on in their careers. Immigrant transnational businesspeople that had decided to settle in the United States admitted to considering returning either to India or some other country, if better business opportunities became available.

## 2. The Structure of Migration Networks:

**Table 4-6: Contacts for Migration to the United States**

Contact in United States before migration	Reason for Migration to the United States		
	Study	Work	Family Reunion
College Peer	11 (52%)	2 (25%)	
Immediate Family (e.g. sibling, fiancée, parents)	8 (38%)		4 (100%)
Friends and Work Colleagues		4(50%)	
Did not know anyone in the United States	2 (9.5%)	2(25%)	
Total	21(100%)	8 (100%)	4(100%)

Note: For many respondents, college peers and close friends were the same individuals and are counted as peers in the table. For the category "friends and work colleagues," means these individuals did not attend the same college as the respondent in India. Work colleagues often doubled as close friends.

All the informants but four had contacts prior to migration to the United States, as illustrated in Table 4-6. More than half of the respondents (52%) who had migrated as students took the help of their college peers, who were mostly their seniors during their undergraduate years and were admitted into U.S. universities; others knew family members, friends, and work colleagues. There were only three women respondents who had migrated to the United States for higher education, and all of them mentioned their fiancée had graduated ahead of them and was in the U.S. at the time of their migration. Although the three women respondents had migrated as graduate students, their decision to move to the United States had greatly been influenced by the presence of their future husbands in the United States.

The overwhelming presence of men as immigrant and returnee transnational entrepreneurs within this study might arise from the fact that the majority of them had also obtained their degree from the best business and engineering schools in India, where

far fewer women than men are enrolled. The small ratio of women students in these institutions is reflective of gender bias in Indian society, where women are not encouraged and do not receive the same educational training. Further, responses of these three women reaffirm Bagchi's (2001:134) findings of professional Indian migrants, where conventional Indian gender norms could have interfered with autonomous female migration.

A novel feature of peer-supported migration to the United States among the respondents was the exclusivity of college/institution migration networks. College seniors in U.S. universities encouraged migration of their peers from their own alma mater in India, and established a sort of information system guiding the efforts of their incoming peers. Sometimes these college seniors in the United States took the pains of establishing the initial contacts between faculty members with project funding and potential incoming students from their colleges in India, thereby securing funding at U.S. institutions for their college peers. Rarely did the lines of peer support overlap for participants from different educational institutions in India. I contend that these informal migration channels set up by seniors at U.S. universities (Findlay & Li 1998) perpetuated inequality of relational resources (ties and norms) available later in the different configurations of transnational networks (Gold 2005:268). An example of such a channel would be, as told by one immigrant respondent, *"I knew I would either get admission at Duke, Berkeley, or Stanford; that is where seniors from IIT had gone in the past. Hey! I needed the comfort zone of IIT 'Desis' [meaning Indians in Hindi] when I was leaving India for the first time."*

Although an insignificant number of respondents (12% of 33) knew no one before their migration in the early and mid 1970s to the United States, it is reflective of the absence of a substantial U.S. Indian population before the 1965 amendments to the Immigration and Nationality Act, where the primary objective of the act was to unify immigrant families (Bhalla 2006; Khadria 1999). With the changes in 1965 of the act, this was not the case for informants who entered the United States in later decades on job assignments, who had work colleagues in their company's U.S. offices, family members, and college peers as permanent residents in the United States.

The figures in Table 4-6 suggest that for 29 (87% of 33) respondents, the presence of college peers, friends, and family members in the United States played an important role in their migratory decision making process, although the actual act of moving was an independent decision. The individual nature of the migratory decision is highlighted in the following recollection of a returnee informant, where he emphasizes his decision to move to the United States for post graduate studies was completely personal, even if his action was motivated by his college peers.

*In the 80's, the job market was hard in India. I was one of the few guys who got a job straight out of college when I graduated. I worked for a software company in Bangalore making a grand salary of 3000 rupees in those days. I was one of 3 or 4 guys out of a graduating class of 80 who had got a job straight out of campus. The job market was awful at that time ... So, when we graduated, what happened is many of my close friends applied to graduate school in the U.S. because that's what everyone did. For me, it was more of my close friends, maybe 8 or 10 of us, everyone besides me had made up their minds to go to grad school in the U.S. Because they decided to go, I said okay let me go too. For me, it was like I was losing a group of my friends, whom I'd known for 10 to 12 years, we'd all gone to school and college together. For me, it was unthinkable that they would all leave and I would be left behind in India. I had a good job . . . but I thought it would not make too much of a difference if I stayed or left for the U.S. My dad was still working with the Government. But, it was clear that I'd be there for a few years and then make my way back to India (sic).*

In addition to the social resources from contacts in their respective college networks from India and family members, these respondents indicated that they had personal financial resources, such as graduate assistantships from the U.S. universities and financial support from their parents, when required. With respect to family support, nearly every one of the interviewees stated they had received encouragement for availing opportunities in the United States to realize their potential, and to perceive their migration decision as a personal responsibility. It can be inferred that family members (especially parents) and the respondents themselves perceived migration as a strategy to fulfill their individual ambitions with economic and/or social gains to follow. Analyzing the motives for migration, the findings among transnational Indian entrepreneurs bears closer resemblance to the result of Hondagneu Sotelo's (1994) study of undocumented immigrants, in which very few people migrated as part of a conscious and deliberate household strategy. This conclusion differs from the understanding of "new economics of migration," where migration is explained to occur as a strategy for income diversification or maximization (Massey et al. 1993:432). In fact, the findings validate Pessar's (1999) perspective on "moral economy" within traditional household migration.

Finally, the presence and use of contacts in the United States availed by the respondents was strongly determined by the year/decade of migration to the United States. As displayed in Table 4-7, the largest proportion of respondents (76% or 22 of 29) migrated to the United States in the 1980s and 1990s. A smaller number of respondents (7) had migrated in the previous decade; four of those had come to the United States on company transfer and three for postgraduate education. All the respondents came directly

to the United States from their country of birth, except for three who reported their parents had entered the United States after having lived in the U.K. for some time.

***Table 4-7: Migration History of the Respondents***

Decade of Migration	Frequency	Percent
1969–1979	7	24.1
1980–1989	13	44.8
1990–1999	9	31.0
Total	29	100
Missing Cases	4	

Note: Out of the 4 missing cases, 3 respondents were 2<sup>nd</sup> generation Asian Indian immigrant entrepreneurs. Information on year of arrival in the United States for 1 returnee entrepreneur is missing.

The respondents of the 1970s could be considered pioneer immigrants and, as stated earlier, did not have the assistance of a resident Indian community or an established college peer network in the United States. The higher number of respondents entering the United States in the 1980s and 1990s is indicative of a shift in the valuation of a career in the Indian Government—which was held in high regard by respondents’ fathers belonging to an earlier generation—as well as the gradual implementation of the neo-liberal economic policies in India. Besides, a preference for western postgraduate education had gained momentum in Indian universities and colleges during the 1980s and 1990s, which encouraged and supported international migration among their students. The decade of migration appears to have played a significant role in determining the extent to which the interviewees in the 1970s relied on themselves, and migration networks proved to be less important to them than for others who had entered the United States in the 1980s and 1990s.

Therefore, despite the independent and voluntary nature of immigrant and returnee transnational entrepreneurs' move to the United States, the social capital derived from *strong or interpersonal ties*<sup>13</sup> of friendship dominated their migration social networks, where actions were guided by the normative content of trust and obligatory assistance of college peers and family members. These norms of reciprocity, trust and identity had developed because of having attended the same institute/college as undergraduate students in India and for having shared a common class and cultural capital. While the channels for the transfer of information was effective and resulted in positive outcomes, there existed distinct social boundaries—similar to Coleman's (1988:105–08) notion of closure—which directed the trustworthy behavior and cooperation in the college migration network of the respondents. These sociological boundaries distinguished members of a particular college from nonmembers and was conducive to the development of high levels of social capital among members, although the closure facilitated stratification among Indian educational institutions, and also perpetuated a system of uneven access to network resources for return migration to India.

In the eight cases of company transfer where respondents entered the United States through sponsorship by their respective Indian companies, such a move cannot be described totally as “weak ties” as often an affable relationship was responsible for the relocation decision. In a few cases, the desire for relocation was floated by the respondents themselves and later supported by their peers and superiors in the company and therefore cannot be considered as part of network structure. Thus, social capital

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<sup>13</sup> Poros (2001:245) distinguishes between interpersonal and organizational ties. Interpersonal ties are social relationships with family members, relatives, and friends. Organizational ties are mediating structures of firm/organization/school networks, which include social relationships with colleagues, college seniors, supervisors, etc. Sometimes interpersonal ties of family and friendship exit in organizations.

embedded in relationships that originated both in the home and host societies was employed in developing the migratory network structures. More importantly, these migratory network arrangements laid the foundation for transnational business fields to emerge spanning India and the United States.

In sum, a majority of the 33 immigrant entrepreneurs brought with them the cultural practices and social capital of their upper or middle class professional background. In addition, they entered the United States primarily for augmenting their human capital by acquiring an U.S. graduate education in anticipation of being part of the U.S economy in professional and managerial occupations. While these characteristics of Indian immigrant entrepreneurs bears resemblance to that of Korean entrepreneurs in the United States (Light and Bonacich 1988:361; Min 1984), who too had migrated to the host country with the cultural capital of urban middle class background, the major difference between the two immigrants group was that of English-language proficiency, which greatly determined access and opportunities in the American labor market.

The Indian immigrants of this study, like Filipinos and other South Asian migrant groups, had a good command of the English language on their arrival to the United States as compared to Korean immigrants in the 1960s and 1970s, most of whom had a severe English language handicap and consequently were unable to practice the profession for which they were trained, besides facing other labor market discrimination, such as for being viewed as foreigners or as a member of racial minority. I imagine an unspoken and underlying motive for obtaining an American education by Indian immigrants especially by pioneer transnational entrepreneurs of 1970s, who had the cultural advantage of

English language skills, was also to minimize job discrimination as foreigners, which Asian professional immigrants have regularly faced in the United States (Parlin 1976).

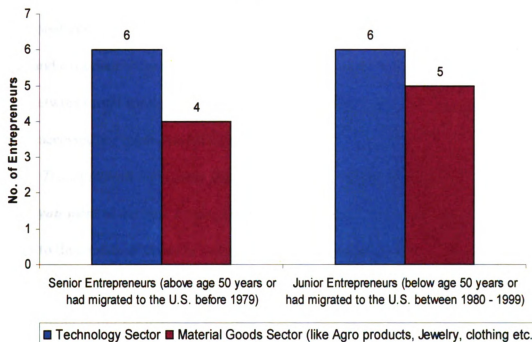
### **III. Capital and Networks among Immigrant Transnational Indian Entrepreneurs:**

The friendship ties that the immigrant entrepreneurs developed during their school and college years in India, and the networks used during their migration process to the United States proved to be important in many ways and serve their long term transnational business interests, which I discuss in this section. In this segment, I explain the dissimilar and yet distinctive patterns of transnational networks because of differences in the distribution of cultural, social and human capital among *immigrant transnational entrepreneurs* in two business sectors. My objective was to find out how the structure of transnational business networks were formed, the longitudinal changes in the networks arrangements upon which transnational entrepreneurs relied, as well as the means that were employed to generate social capital in these networks to support their individual business.

I focused on two age groups of immigrant entrepreneurs: a) the senior transnational Indian entrepreneurs who migrated to the United States in the 1970s and were between the age of 51 and 65 years, and b) younger immigrant transnational businesspeople who entered the United States in the 1980s and 1990s and were mostly between 35 and 50 years. Two time frames were selected to capture the consequences of the macro economic policy changes in India since the 1980s on the performance of transnational business networks, and also to ascertain the subsequent increase in the economic transnational activities between the United States and India. I begin by discussing economic transnational business networks of senior transnational entrepreneurs from an earlier

generation, followed by networks of younger transnational entrepreneurs, who were engaged in two different business sectors: a) the technology sector and b) the material goods sector (agro products, chemicals, jewelry, etc.). The following bar diagram shows the distribution of immigrant transnational entrepreneurs by age and sector:

*Figure No 4-4: Distribution of Immigrant Transnational Entrepreneurs in the United States by Age and Sector*



Note: At the time of the study all 21 of the immigrant transnational entrepreneurs lived in the United States for periods longer than a year and mentioned the United States as their home.

The discussion in Chapter 3 on the age of the informants is again clearly reflected in Figure 4-4, where a slightly higher proportion (11 or 52% of 21) of transnational immigrant entrepreneurs were below 50 years, and the rest (10 or 48% of 21) of the entrepreneurs had migrated to the United States before 1979. When the distribution of entrepreneurs is considered in terms of their business sector, a higher ratio of informants earned their livelihood from businesses in the technology sector in both the age cohorts.

By default, my study sample reflects the highly skilled nature of post-1965 migration of Indians to the United States.

I regarded the interview questions concerning transnational entrepreneurship ties and networks to be the most important part of the interview sessions and these were complemented by all the respondents in the same spirit. The conversations were guided by questions focusing on entrepreneurs' experiences and the use of networks for their transnational business primarily with India. The discussion centered on: a) personal reasons and experiences for choosing to become a transnational entrepreneur and b) the type of networks used for their transnational business where actual or potential resources could be accessed for cross-border economic activities.

*1. Senior Transnational Immigrant Entrepreneurs in the United States:*

***Why did you want to become a transnational entrepreneur?*** My reason for soliciting a response to this question from the senior immigrant respondents was to inquire into the relevance of socially and contextually embedded forms of capital and knowledge that had prompted them to opt for transnational entrepreneurship. For example, did the senior immigrant entrepreneurs consider their migration to the United States to be a decisive factor in their decision, or how did their experience as students and professionals in the United States impact their transnational practices, actions and social capital?

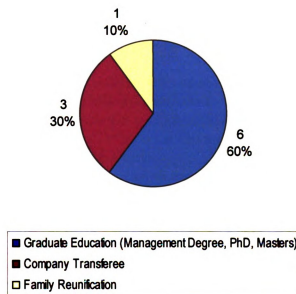
Out of 10 senior respondents, more than half (six) of them had arrived in the United States to enhance their educational credentials, while one third (three) of them had come on company transfer, and one on family reunification<sup>14</sup>. See Figure 4-5. The resource

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<sup>14</sup> One more senior respondent had initially come to the United States as a company transferee. Within a very short time of his arrival in the United States he resigned from his job to obtain a management degree. So, I have not counted him as a company transferee in my analysis of this section.

distribution of human and social capital among senior immigrant entrepreneurs largely can be explained from their context of entering the host country, which would play a key role in the patterns of the transnational business networks in both sectors.

*Figure No 4-5: The context of entering the United States among senior immigrant entrepreneurs*



The common answer from the six senior transnational entrepreneurs, who had spent at least 2 to 5 years in a U.S. academic institution, mainly stated their deep appreciation of social factors, such as freedom, transparency and informality, they had experienced while working with American faculty members and college peers, that was absent in India. Although opinion was divided among the six interviewees about the benefits of American graduate education in the advancement of their technical knowledge base and skills, they all agreed that American school experience had immeasurably helped in their bi-cultural literacy and in consolidating a few life long friendships. Besides, the U.S. school experience had enlarged their network contacts that went beyond their national and ethnic loyalties. For example, the senior transnational interviewees stated that it was

their non-Indian friends and the American university experience that had facilitated developing an international outlook—cultivating different cultural competencies, tastes, and mannerisms and appreciating diversity in lifestyles among fellow mates and colleagues—that helped in augmenting their self-confidence to conduct transnational business beyond the comfort and familiarity of co-ethnics. Such was the case for Rahul Sethi, who got his management degree from The Ross School of Business, University of Michigan.

*At Ross school, I understood the global environment better. I understood the world is a big place and I had the freedom to choose my path. In India I grew up with the perspective that if you are not good at holding a regular salaried job, you did business to survive. That perspective changed completely. At the business school I learnt that if I was an entrepreneur the faculty would encourage me. That kind of learning environment helped me to think of business positively, and not as a dirty word meant for the corrupt. In India, people did management to strengthen their résumé to get better jobs. Nobody thought of entrepreneurship, at the time when I went to school in India. In the U.S. it was just the opposite. I could talk openly with my professors and peers about my business models, where each of us were using a different cultural conceptual lens (sic).*

How the respondents dealt with the cultural and human resources that were available in their changed context and new surroundings in the United States, in my view, had a lot to do with the respondents' personal *habitus* and competencies they brought with them on migration from India. From this standpoint, the six senior immigrant transnational interviewees who were from better institutions of higher education in India, and had a fair amount of western cultural exposure during their school and college years—including competency of English language as their instrument for constructing social reality—had a definite advantage in embracing the ground rules for a globalized social field that would transform them into transnational entrepreneurs. Thus, being embedded in a multi-

cultural setting helped them learn the rules of the game in order to pursue acceptable transnational actions.

Interestingly, it was these interviewees who stated that they had *not* got much out of formal U.S. education, nonetheless were quick to point out that years in the United States, universities had considerably changed their representation of reality and patterns of action, which they concurred to have had a compelling influence in shaping their respective transnational business. However, those who were beneficiaries of undergraduate education from second or third tier state universities in India had the highest regard and were proud of their U.S. university education. The two respondents from state universities voiced they would never have acquired the opportunity for postgraduate education had they remained in India.

In addition, senior immigrant entrepreneurs' experiences suggest that re-articulation of the social reality and inculcation of international business cultural practices was also true for those who entered the United States on company transfer. Ram Shankar, who worked for Bank of America for 14 years before launching his own transnational firm, attests to the mental make-up of these senior entrepreneurs:

*My professional experience of 14 years was very useful. The work ethic of my colleagues, their customer focus, professionalism, transparency in business transactions, and focus on efficiency and innovation, the flat organizational thinking, the performance-oriented reward system; team spirit, an open and diversity-tolerant culture and finally people's ability to manage a healthy work-life and personal-life balance had a great influence on me, and I have tried to bring the same international (American) culture into my business (sic).*

In sum, the majority of the senior Indian entrepreneurs had entered the host country under a favorable and positive "context of reception," defined by Portes and Rumbaut (2006:93) as conditions of the host labor markets, policies of the receiving country's

government and the characteristics of the immigrant ethnic community that determine the incorporation of immigrants into American society. In the case of the Indian immigrant entrepreneurs, all three attributes worked to their advantage in the 1970s.

Up to now I have presented evidence regarding the unequal allocation of human and cultural resources of senior immigrant transnational entrepreneurs, however, does this mean that the seniors in the technology and material goods domain had similar motivations for starting their own business? The four senior entrepreneurs dealing with material goods did not appear to differ much in their reasons for becoming transnational businesspeople (Figure 4-4). All four of them stated they were part of existing family businesses in India and had migrated to the United States in search for better markets for their business enterprise. However, two of them had arrived as students to the United States and went on to complete their graduate education in U.S. universities. According to them, it was easier to enter the United States as students, and therefore they chose to avoid the inconvenience of a long wait time stipulated for family reunion.

In contrast, the key motives of the six senior entrepreneurs in the technology sector mirrored the personal experiences of “Making it in America” (Portes & Rumbaut 2006), which was reflected in the nature of their arrival to the United States as international graduate students with the ambition of working for the world’s biggest economy. All six of the pioneer transnational technology entrepreneurs had professional work experience in American and Indian multinational firms—an average of 20.4 years—before and after emigrating to the United States as students or as company transferees, and were citizens of the United States for around 32 years at the time of this study.

For these senior immigrant businessmen, a combination of personal and secondary factors catapulted them into becoming transnational entrepreneurs. As noted by Ong (2003:161), in the early 1980s during the early years of high tech industry, these senior technology entrepreneurs were hired by their companies because they were trained in American universities, and had the knowledge and skill that contributed to a large extent to the growth of the industry as a whole. However, they all recognized their rapid rise within the company would hit the glass ceiling, and they would never make to the executive management levels. In our conversations, they pointed out that in the late 1970s and early to mid 1980s, U.S. corporate culture was very different from what it is today, where educational credentials from the very best engineering institutions in the United States and in India and exemplary work experience give them a slight advantage over native-born white Americans. Previously, their ethnicity disqualified them for managerial roles in the company, despite the favorable reception they had enjoyed since their arrival in the United States.

The glass ceiling experience of the senior Indian technology entrepreneurs, which has also been felt by other Asian immigrant professionals, can be explained from the perspective of *labor market disadvantage*<sup>15</sup> theory. Light & Gold (2000:197–202) describe the phenomenon as: ethno-racial groups who have no *resource disadvantage* receive below-expected returns for their human capital, for reasons not related to productivity. The ceiling on promotion, despite the senior technology entrepreneurs’

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<sup>15</sup> Labor market disadvantage theory is a variant of disadvantage theory, which explains the high propensity of self-employment among Asian minorities. Light & Gold (2000:197- 202) first proposed this theory, where self-employment is not for economic mobility, but as an alternative means for wealth accumulation. The glass ceiling faced by Asian professionals has been documented extensively in research by Ong (2003), Gu (2006), Saxenian (1999:42-44), and others.

education credentials and skill, was a form of labor market disadvantage. Another example of labor market disadvantage is when women who are equally productive as their male colleagues are paid less. Min (1984) highlights the case of Korean businessmen in Atlanta who started small businesses because their lack of English proficiency raised barriers to success in white-collar occupations. Bates (1997 cited in Light & Gold 2000:200) referred to this as blocked mobility.

However, because senior Indian technology entrepreneurs were not a resource-disadvantaged group, they were able to overcome the labor market disadvantage by launching their private transnational business in the formal sector of the economy. Their superior levels of resources (some brought from India and others acquired in the United States) made them invest in large transnational enterprises, as has been the case with the Taiwanese and Chinese transnational entrepreneurs from Silicon Valley studied by Saxenian (2002). Naturally, experiences of entrepreneurs with resource advantages differ from immigrant entrepreneurs who have inferior resources such as Mexicans, Dominicans, Salvadorians, Vietnamese, and some other Asian groups (Portes 2000; Gold & Kibria 1993; Landolt 1999; Itzigsohn 1994). For many immigrants from these countries, transnational entrepreneurship is to avoid the drudgery and the minimal remuneration of work in the industrial sector. The resource disadvantaged immigrant entrepreneurs become aware that their pay and labor conditions in America's advanced economy will not go far in promoting their own economic goals, and hence turn to self-employment in the informal economy. These immigrant entrepreneurs are unable to mount a response in the formal sector to counter labor market disadvantage.

Coincidentally the personal experience of discrimination by senior technology entrepreneurs caused by labor market disadvantage happened around the time of economic boom in the U.S. computer industry, which had put pressure on the federal government to increase the intake of skilled foreign workers to 65,000 in 1990 (Portes & Rumbaut 2006:87). So, all six senior entrepreneur informants, including two who entered the United States on behalf of their employers, called it quits and created their own transnational businesses during the 1980s and early 1990s, bearing out the tenets of “disadvantage theory” discussed earlier. Similar to American corporations they too were able to recruit skilled workers from India on H1-B visas for their technology firms. In addition, it gave them a hiatus to break free of the Indian middle class mindset of having a **good, solid stable job**, to fulfill their personal ambition. Here is an example of a senior entrepreneur’s emotion:

*I wanted to be my own Boss . . . I had made enough money to call the shots. I was tired of being tied down. I wanted to be an entrepreneur. It was something that I wanted to do what was potentially a growth area and having worked for so long obviously helped . . . Honestly, this was happening en masse among my friends in the Valley and elsewhere in the United States.*

*Q: Was this again the ‘herd mentality’ that you had mentioned earlier regarding your decision to migrate to the United States?*

*Yes and no. We were much older and experienced men by now. But, I felt encouraged to take the plunge, when my buddies were doing the same (sic).*

This was probably also a fortuitous opportunity to link India’s vast cheap talent pool with the global economic picture and re-write their personal destinies and those of whom they employed in their transnational business. It made perfect economic sense for the first-time entrepreneur, Sudip Choudhury, to stretch his reach back to India:

*In early 90s, I saw that if I outsourced my work in India, I could offer better services to my customer at a competitive rate. I continued to do that for 5 to 6 years and then started my own subsidiary in India. I saw that potential 15 years ago even when no one was doing business with India. I was located in Washington D.C. area. It would have been very expensive for me to do business being brand new to the game and an immigrant. The cost factor was a huge consideration. And, I am from India originally so why should I not take my work there. At least I could help my country. I have started a company in India and it's growing . . .(sic).*

Therefore, for senior immigrant transnational entrepreneurs it was the coming together of their personal, cultural, and social capital, along with the opportune integration of the global economy, which transformed them into transnational entrepreneurs.

## *2. Type of Networks used for Transnational Business by Senior Transnationals:*

Now that I have provided a general picture of what the distribution of human and cultural capital looked like for the senior immigrant entrepreneurs in both sectors, I would like to explain how three forms of capital affected the formation and usage of numerous networks for their cross-border business. This caused me to ask the question:

### ***How did you get transnational customers for your business?***

One commonality between senior immigrants of both the sectors was the assistance of their immediate family members (wife, brother, uncle, brother-in-law, and children) in the United States. None of them, except for two corporate transferees, owned office/shop space in the 1970s and early 1980s; hence most started their businesses from the “kitchen table” or the basement of their residences with unconditional co-operation of their spouses and support from their family members. Two senior entrepreneurs with transnational business in the material goods sector even chose to become traveling salespersons in the initial years of their business, as described by one of them:

*My jewelry business experience comes totally from my family. So, my immediate family and relatives in the U.S. and India is my business network. In the U.S. we first marketed through Indian grocery stores, many of whom knew my brother well, and also by using the Mandir [Indian temple] organizations in cities with high South Asian populations. In those days, the Indian stores would mail invitations for us and then we would rent a room in a hotel and people would come. We would make the jewelry and ship to the customer. Yes, it went back to India to make the jewelry order. My father in India saw to it that it was done (sic).*

As established by Gold (2002), Gold and Kibria (1993) Zhou (1992), Light and Bonacich (1988), research on immigrant and refugee entrepreneurs in the United States from Israel, Vietnam, China, and Korea respectively, the above example illustrates the economic benefits gained from co-ethnic collaboration, and the cooperation received by the senior Indian businessmen in the material goods sector from their fellow co-nationals. Concerted efforts were made to mobilize the economic benefits from social interactions and relationships from the resident Indian business community in the United States, despite its relatively small size and limited geographic range—mainly in a few major cities on the eastern seaboard. Hari Thakur of Jackson Heights in Queens, New York prided himself as a veteran of the Indian ethnic business community in the United States, and the very first transnational entrepreneur in the true sense of the word in that area. He stated in order to achieve remarkable growth for his business in Indian garments and to serve the South Asian population across the United States, he had to make the best use of resources available from contacts in the Indian diaspora (U.K., Hong Kong, Singapore) and in India, while being appreciative of the support from co-ethnic businessmen in the United States. His aim was to dispel the stereotypical image of a struggling ethnic business family. It was possible for him only because of his prior international experience, cultural repertoire, diasporic connections, reliance on personal and family

financial resources in the home country, and by regular travel and trade with India. In addition, he recruited for his chain of stores Indian managers from India with whom he shared a common cultural perspective for conducting business with Indian American customers. In his words:

*I arrived in the U.S. in New York in April 1971 and have not left ever since. I have been here for 37 years. We opened our first store in May of 1971, 37 East, 29<sup>th</sup> street in New York. It was 2000 square foot shop. We have shops in every major city of the U.S.—Los Angeles, New York, Houston, Cleveland, San Francisco, Washington DC, Chicago, Detroit, etc. We have had a very good run for several years. We grew into an organization .... we don't run business like a typical family business, where the wife is running the business from the garage with the kid helping out, no expenses nothing... but these types of stores mushroomed and it became hard to compete with them because we have high overheads. We don't get our managers on the cheap because they have lot of responsibilities. We maintain certain standards in our shops, like convenience, open, large floor areas to display our goods, which meant many more employees, and usually in very good shopping districts.*

*We built this shop in 1986 in this area because over the years this had become the area where most South Asians prefer to live. We chose this area because of convenience and its closeness to LaGuardia Airport. There are a lot of transit people (people who were traveling via NYC to other places in the U.S. and tourists to New York, both ways) who come into this store. It was a good move to have a shop in Queens for the (a) concentration of the ethnic population and (b) closeness to the airport. Slowly this place gained the reputation of Indian Ethnic business all over the world. The convenience of the customers mattered to me (sic).*

My interviews with the four senior immigrant entrepreneurs revealed disparate configurations and optimum usage of very distinctive business networks, defined mainly by the respondents' families' community membership and religious affiliations<sup>16</sup> in India. For example, where one of them leveraged his contacts in the global Sindhi council network, another took advantage of the South Indian Mandir [temple] network. All of

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<sup>16</sup> Sub sects of Hinduism like followers of spiritual gurus like Swami Narayan, Sadhu Dada J.P. Vaswani etc.

them agreed that *trust-based strong* ties of family members, relatives, family business partnerships spanning multiple generations, and personal friendships played a key role in their network arrangements, from where they gathered and exchanged information, obtained business contacts and customers, and so on to set up their transnational businesses in the United States (Rajagopal 2001; Rangaswamy 2000).

Further, representing the different Indian business subgroups, like the Sindhis, Gujaratis, Punjabis, the four respondents hailed from different Indian business communities. They brought distinctive cultural practices and financial capital to their respective networks, shaped by that community's business presence in international markets: the size, global spread, and migratory history of the individual business communities. For example, the Gujarati and Punjabi business communities have a compelling presence in many countries of Africa, Asia, and Europe compared to the South Indian community. I found the degree to which economic and social resources were made available to these senior entrepreneurs—decided by the cultural capital embedded in the global network structure of their respective business community—strongly influenced the scale and volume of their personal business activities in the United States. Nevertheless, as if by rule, network members of the Indian business community in India and in the diaspora nurtured close social contacts with their members' for enhancing their chances of economic prosperity in the United States. Thus, diasporic and American co-ethnic co-operation and support proved beneficial for the senior immigrant respondents of the 1970s in launching their transnational businesses in a variety of consumer and luxury items. They were executing middleman economic roles, similar to the other Asian ethnic businesses at that period of time (Gold 1994:205–207).

Further, to ensure continued support from their particular business sub groups, these senior respondents preserved their unique lifestyle, like being strict vegetarian, attending their sub sects' specific religious institutions, etc., despite their migration and settlement in the United States. In this way *strong* familial, social, and business ties of senior immigrant interviewees served their economic interests in the United States, although strictly controlled and dictated by their family's longstanding relationship to specific Indian business communities (Portes & Sensenbrenner 1993:1335–36). Very similar to Gold's (2002:80–82) findings of Kibbutzniks and Mizrahi Jew entrepreneurs in the United States, who brought various capitals from Israel and Middle Eastern countries respectively, the patterns and norms of traditional Indian business community networks' solidarity originated in India and were brought to the United States by the senior entrepreneurs dealing in material goods.

The sway of dissimilar cultural and human resource allocation among the senior immigrant informants becomes boldly apparent when network configuration of transnational businesses of senior entrepreneurs in the technology domain is considered. All of the six senior technology entrepreneurs stated categorically the enormous assistance, counsel, recommendations, business information, and contacts—and in two cases financial investment—they had received from their former colleagues and friends at previous work places in the United States and in India. The resource mobilization for this group cut across ethnic, religious, racial, and national boundaries. Along with connections to their previous work environments, the senior technology entrepreneurs said their personal professional reputations as specialists in their chosen fields brought legitimacy to their enterprises. For these men, social capital was relevant only when their

personal, social, and professional relationships could be organized to mobilize knowledge, competencies, and skills which gave their business venture a competitive advantage. All of them acknowledged that they could achieve their ambitious business goals because they were able to put together what Yeung (1998; cited in Vertovec 2003:657) has called the economics of synergy, that is, resource pooling (capital, labor, and technology), information sharing, and reciprocal personal favors. Sudhir Parikh's account exemplifies the economics of synergy, which resonates with the notion of social capital:

*First, when I started the company my existing customers from my previous employment said that they would come with me after I started something of my own. They were true to their word. Then as I was building the company I tried to put the right board members and management team together so that the company could scale beyond me. I was cognizant of their potential and they had a good idea of my work. So, the point is when you have this powerful team, the team brings with it their social network. Then you can leverage from these networks. You can start with your reference customers: build your brand, that's how each one feeds on the other positively. We also got some introduction from my board member friend, who was our financial investor. We get our clients now because of the reputation we started with and arduously built over the years. We are known all over the world now, so customers come to us (sic).*

This quote from an elderly immigrant technology entrepreneur—which bears a close resemblance to the others in this category—highlights how a prudent mix of *strong* and *weak* ties was deliberately cultivated for the acquisition of transnational business deals. First, being industry insiders in their respective areas, they relied on strong ties from previous professional relationships, which provided access to resources (financial and expertise), and offered trusted feedback. Interestingly, the emergent phase of their businesses was equally marked by the corresponding presence of weak ties brought into the network by the board members and by the management team. Hence, both *strong* and *weak* ties played an influential role right from the beginning of their enterprise.

Second, although strong ties with their college peers from India and the United States, who were industry insiders, provided easy access to the resources they desired, these entrepreneurs required additional contacts for knowledge, the latest information, and for the diverse perspectives that enhance business creativity. The weak ties within the network put in place by the management team and board members fulfilled that function. Strong ties with previous co-workers and current management also offered a degree of focus in the search for the weak ties that provided the vital novel information needed for further business expansion. In particular, for the elderly technology entrepreneurs in this study, the legitimacy of the founder and company board members in combination with other network advantages created a multiplex of ties that played a key role in the development of transnational business between India and the United States (Steier & Greenwood: 2000 cited in Elfring & Hulsink 2007:1862). In sum, it was the importance of prior knowledge (Shane 2000) in strong ties of personal relationships and new information found in the weak ties (Fiet 1996) that were beneficial in different ways in the different stages of their entrepreneurship (Elfring & Hulsink 2007; Uzzi 1997).

Their wives' income was another significant source of social and financial capital for the senior technology entrepreneurs—particularly during the initial phase of their businesses. The spouses of all six technology entrepreneurs were professionals and worked as doctors, accountants, administrators, etc. when their husbands made the transition to self-employment. In four out of these six cases, the business was self-financed, and the wives acted as guarantors for the risk of entrepreneurship. Professional relationships were important in acquiring social capital, but so were family ties. Relationships with people the entrepreneur knew from previous activities, like childhood

mentors, school principal and classmates, were also important. Consequently, the transnational business networks of these senior technology immigrant interviewees included personal relationships, contacts with business and professional associates and colleagues, and the social contexts of past and present life in India and in the United States. Table 4-8 summarizes the information on the sources of financial assistance for senior immigrant transnational entrepreneurs in both sectors of business.

***Table No. 4-8: Source of Financial Capital for Senior Transnational Entrepreneurs***

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*In the Material Good Sector (like agro products, jewelry, clothing etc.)*

- My jewelry business was totally funded by my family and kin in the U.S. and India.
- My mentor, who was also a distant family member in Singapore, funded a large part of our business operations in the U.S. He is no more. So it was my family and our diasporic [religious and ethnic or both] business community.

*In the Technology Sector*

- My wife had her own practice as a doctor. That was a steady source of revenue to fund my business venture initially. I did not take a salary for the first 5 years from my business. Later, I could sustain and expand the business without external financial help. There were no Indian venture capitalists around when I started. No angels.
  - My friends and colleagues were interested in my project. So they helped me initially with financial capital. Rest was my savings. I took no institutional finance. [One of the board member, who is also a friend of this respondent was his firm's financial investor].
  - My wife has been a big help in the business. She was my financial guarantor. My elder brother also invested in my business.
- 

Further, my interviews revealed that the entrepreneurial networks that emerged in the 1990s grew out of efforts begun by these senior founders of technology companies in the United States. Their efforts have proven to be extremely valuable for transnational business in the technology sector for immigrant and returnee entrepreneurs in the United States and in India respectively. Saxenian (1999:42–51) states that the new ethnic business networks were developed as a result of the barriers the senior entrepreneurs

experienced when starting or sustaining their transnational enterprises in the 1980s in Silicon Valley.

First, their experiences as transnational entrepreneurs inspired senior U.S.-based founders of technology firms to invest their fortunes, provide mentorship, and become catalysts to the younger generation Indian entrepreneurs. This gave birth to an organization called The IndUS Entrepreneurs (or TiE). Over the years, TiE has become a platform where successful Indian immigrant entrepreneurs in the technology sector share their resources with other aspiring Indian entrepreneurs<sup>17</sup>. Thus, TiE is both a means and a process through which successful transnational entrepreneurs who have moved into positions of leadership and greater socio-economic status can “preach the advantages of hard work and efficiency they now believed explained their own success and the value of ethnic identity, an element which generated the cohesiveness necessary for many to succeed and attain positions of group leadership” (Bodnar 1985:139 cited in Gold 2005:267). Poonam Sharma, a benefactor of TiE, explained the dual objective of this entrepreneurial network:

*See there was not a critical mass of people in the late 80s or early 90s. In December of 1993 TiE was formed in the Silicon Valley, when some of the Asian Indian immigrants who had phenomenal success in their business venture came together to start TiE to give something back to the younger generation, which they did not have when they were starting out. It serves two purposes: one is their sense of altruism, and two it gives them an opportunity to invest their financial and social resources, that is, to invest their money to good use, where it would multiply (sic).*

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<sup>17</sup> The founding members of TiE included three of most successful older Indian entrepreneurs in Silicon Valley: Suhas Patil, former MIT professor and founder of Cirrus Logic; Prabhu Goel, founder of Gateway Design Automation; and Kanwal Rekhi who founded Exelan, which merged with Novell (Saxenian 1999:44). At present, TiE has 53 Chapters in 12 countries spread across five continents. The organization has 11,000 members and 2,500 charter members who are the top entrepreneurs, venture capitalists, lawyers, and management professionals in their chosen field. Source: The Indus Entrepreneurs (TiE).

Second, all four senior technology entrepreneurs in the United States who had graduated from premier national institutions had a strong loyalty and serious commitment to the alumni entrepreneurial networks of their alma mater, for instance Pan IIT networks. I contend that the networks of premier institutes have been more effective and influential than those of lower-tier universities and colleges in India, as I elaborate in the next chapter. As discussed earlier, the exclusive nature of college peer networks that were dominant in setting up the migration channels to educational institutions in the United States (refer pages 27-29), were again reinvented as entrepreneurial networks for the alumni of those institutions. Explaining the high-standards and competitive spirit upheld in the premier national institutes, Rahul Sethi expressed the basis for his commitment to fellow IITians:

*I feel what brings us together is the common experience of being together from age 17 or 18 for the next five years. The value of such an education is to make you aware of your potentials and all the possibilities that exist. Above all it convinces you that you can do it. I assume we come across as conceited to others. My involvement in the IIT network is to take this critical mass of excellence to another level. By coming together we are and can be a formidable force (sic).*

Therefore both TiE and IIT<sup>18</sup> are examples of existing networks that absorb newcomers; function as a source of meaningful ties with the past and with college peers and co-ethnics; and make additional network resources available to members, which in turn encourages further network expansion, a process that is repeated again and again as the size of both these networks continues. Over time, both these entrepreneurial network organizations have spread outwards to encompass nonmigrant Indian entrepreneurs in India and many others in the Indian diaspora.

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<sup>18</sup> Both TiE and IIT alumni networks are exclusively for technology entrepreneurs.

### *3. Present Transnational Immigrant Entrepreneurs in the United States:*

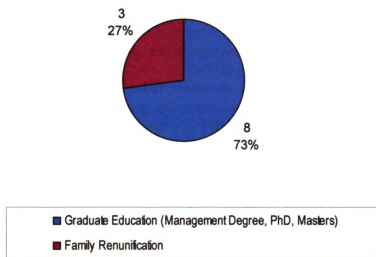
Conversations with the younger entrepreneurs in both the technical and material goods sectors revealed a clear shift in the *modus operandi* of conducting transnational business with India, when compared to their senior counterparts. I see these changes as an outcome of the slightly higher levels of human and cultural capital in both sectors compared to their predecessors, which could have had a bearing on their network arrangement, and thereby on the social capital available to them. Also, the timing (i.e. the year) of their migration to the United States influenced their access to existing network resources.

Among the 11 younger immigrant entrepreneurs represented in Figure no. 4-7, none of them were from premier national institutions of higher education in India, nor was anyone a company transferee<sup>19</sup>. Eight were first-time migrants to the United States—most were the first in their immediate families to migrate—and entered the United States to acquire graduate degrees. The remaining three were second generation Indian Americans and therefore considered to have migrated as part of family reunification. With the exception of one transnational businesswoman in the technology domain, all other younger informants in the United States were men.

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<sup>19</sup> One person in the material goods sector migrated on company assignment, but resigned from his job soon after his arrival to attend graduate school in the United States.

**Figure No. 4-6: *The context of entering the United States for younger immigrant entrepreneurs***



Eight of the entrepreneurs from Figure 4-6 who entered the United States in the 1980s or 1990s as graduate students made the United States the base for their business. All the recent immigrant entrepreneurs explicitly stated the U.S. university experience had contributed immeasurably to their personal self-discovery as graduate students, then as professionals in the U.S. labor force, and later as transnational businessmen. Likewise to the accounts of senior transnational businessmen, the American university education was a transformative experience for younger transnational entrepreneurs. It honed their cultural and social competencies and their ability to participate effectively in the global economy. Additionally, the status a graduate degree from a U.S. university confers cultural capital. For Siddharth, it was especially important in acquiring a tool-kit of communication skills, the ability to handle multiple tasks, an awareness of others' points of view, etc. that helped him fulfill his long-term entrepreneurial goals. To cite Siddharth:

*I think something new that I learnt in my U.S. education is 'networking'. It is a skill that is not taught in India. This is what U.S. business schools focus a lot. In India it is more family connections. Networking is much more overt and taught as a skill to develop in the U.S. If I had not learnt that skill in the U.S., I would not be where I am.*

*I really used to think this networking skill to be innate and unchangeable, but I worked at it and learnt it. This helped me to relate to people from different countries and different cultures and of course to advance my worldwide business . . . Another thing I learnt in the U.S. campus is the power of knowledge. It made me realize that preparation is so important. It has taught me to be well prepared before going into any business meeting. I am not an expert, but I can do fairly well. Little things like this are not given importance in India (sic).*

An American university education was part of a premigratory strategic plan for the younger immigrant entrepreneurs—whereas it had been an emergent product for senior entrepreneurs. Admission to U.S. universities also could have been a calculated move to compensate for what they thought they might have missed by not attending premier institutions in India. For them, an American education was an effective means of challenging the ways in which they were recognized by their Indian entrepreneurial colleagues or in their business circles (Williams and Balaz 2005:446). My findings on younger immigrant entrepreneurs in the United States confirms the conclusions arrived at by Wadhwa et al. (2007) in their study of Indian immigrant entrepreneurs in the technology and engineering domain. Their study found that recent Indian founders of technology companies in the United States graduated from a diverse set of schools in India, including many considered to be second—or third—tier universities.

Analogous to the senior transnationals, I asked the present entrepreneurs: ***Why did you want to become a transnational entrepreneur?*** I wanted to explore the ways in which their *habitus*, along with their migratory experience in a different time, had shaped

their resolve to embrace a life of transnational entrepreneurship. All eight immigrant entrepreneurs—irrespective of business sector—said they possessed a desire for entrepreneurship before entering the United States. I see their desire for private enterprise and a global business career as being influenced primarily by the Indian government's pro-business attitude since the 1980s. Migration for a U.S. education was intended to build their competitive advantage at an international level. Unlike the immigrants of the 1970s, these men and women came to the United States with what Nilekani (2009:73) dubbed a "Bombay House mind set"<sup>20</sup>. This hastened the process of their maturity into economic transnationals. Summing up the changed socio-economic situation in India and the opportunities to be had from an American education and work experience, Rajiv Bhatia said:

*Indian business was opening up after its lengthy stranglehold by the time I entered Engineering College in the mid 1980s. I agree every business person is not successful, but when there is a tide it opens up a lot of opportunities for a lot of people. Having said so, being in the U.S. it was far easier to become a transnational. The campus life in the States gave me a global perspective and a taste of what it means to be internationally competitive (sic).*

#### *4. Type of Networks used for Transnational Business by Younger Transnationals:*

Among the younger entrepreneurs in the material goods sector, there were three second generation Indian Americans, whereas two were first generation immigrant businessmen. Despite the small number of respondents (five, which represent 45 percent in this category—see Figure 4-4), it was remarkable to observe the innovative ways in which these interviewees made use of their cultural and social resources for cross-border

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<sup>20</sup> Bombay House is the headquarters of the Tatas and is located in the center of Bombay's business district. It is an enormous, beautiful building and is the symbolic representation of burgeoning spirit of entrepreneurship (Nilekani 2009).

businesses. Three second generation transnationals had taken charge of their parents' small, local, ethnic enterprises more than 10 years ago, and had evolved an import-oriented family business into either one large transnational firm or separate units of a firm functioning across the national borders. These young transnationals in food, garment, and jewelry businesses had built their own manufacturing bases in India, like food processing and garment factories in Gujarat<sup>21</sup>, or diamond cutting and polishing industrial units that belonged to the same owner in Chicago.

They had established new distribution networks both for U.S. and Indian markets by not relying completely on contacts from family members or co-ethnics in the United States. They had Indian bank accounts and real estate in India as well as in affluent urban neighborhoods and in multi-ethnic suburbs of American cities. Indians are not the only immigrants to transform family owned ethnic enterprises into transnational businesses by taking advantage of the technological and travel facilities of the global economy. Similar patterns can be seen among second generation Chinese, Korean, Jewish, and Iranian entrepreneurs in Los Angeles and New York (Gold, Light & Johnston 2006; Zhou 2004:1055).

Furthermore, the second generation Indian American entrepreneurs, who had the benefits of bi-cultural literacy and financial resources from their immediate families and ethnic financial institutions in the United States, perceived their transnational business activities as initial attempts to enter the mainstream American economy, and of making the first cracks at the formidable Indian markets. Shiv explained how he markets his products for Indian and American customers:

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<sup>21</sup> A state in western India.

*Let's say I want to start a particular packaged Indian food, for example sweet lime pickle. First I would go find the best guy who makes this in India. I will delegate this responsibility to the team I have set up in Bombay who works for my enterprise. This core team who are also my manufacturers would get to learn the know-how and put it together. I will find markets for this product all over the world wherever I have network tie-ups, including all my retailers in the U.S. I will also sell the product in my shops in the U.S. I had put up the seed money for the factory of my manufacturers in Gujarat. We work together basically. I also sell their products in the American market. They have the advantage of having a set up in the U.S. They have full access to my infrastructure and to my connoisseur team. It's a win win situation (sic).*

From the above quote, I infer that the younger generations of entrepreneurs dealing with material goods constructed personal collaborative transnational network structures. These consisted predominantly of strong, *trust-based* ties of workers, suppliers, manufacturers, fashion designers, business associates, and friends. The long-term relations between entrepreneurs and their sub contractors in India relied on personal trust, which generated high standards of behavior and feelings of reciprocity and obligations. These entrepreneurs had formed a cohesive, durable network built around these affective relationships that acted as glue for smooth functioning of their transnational enterprise, comparable to those found in Mitchell & Old's (2000) study of "overseas Chinese" business networks in the development of property markets worldwide.

All five contemporary entrepreneurs shared information about the roles their families played in teaching them the tricks of the trade, and also as benefactors—most of them had family members partly finance their businesses. However, these entrepreneurs in the material goods sector recognized their family and co-ethnic members' limitations as resources, as their knowledge was primarily of the specific requirements of the U.S. Indian community. Transnational business networks provided younger entrepreneurs with more expansive knowledge on global market trends. A collaborative network of vendors

provided material resources that might, for example, include no-fee credit lines to boost transnational economic activities.

Four of these contemporary entrepreneurs extended their business with customers in India and elsewhere through extensive use of their business websites. In the words of one Michigan-based transnational businessman dealing with fashion accessories, jewelry, and Indian costumes:

*Now days, I do much of my business with India using interactive media and the internet: email, web chat, social networking sites, and videos, etc. In 2000-01, we used Yahoo chat to procure our products from all over India, including from little known towns like Jabalpur. My manufacturers now all have digital cameras. They photograph their products and upload them on my website for me to make decisions. The revenue from website sales is Ok. (sic).*

These entrepreneurs, in conjunction with other networks of suppliers and manufacturers, constructed an extensive virtual network and maintained a relatively large volume of *occupationally-based weak ties*. The weak ties that approached the entrepreneur for business came from diverse social backgrounds (i.e. ethnicity, gender) and possessed different occupational skills, which provided these entrepreneurs with access to an enormous variety of social capital and knowledge (Boase et al. 2004). In some cases these weak ties evolved into strong ties of business partnership, for instance when two businesses decided to merge after developing a relationship online. For this group of businessmen, the internet affected the configuration of their business networks, which in turn promoted their transnational business. These virtual networks provided the younger entrepreneurs in the material goods sector a sense of freedom and openness beyond the bounds of local ethnic enclaves in the United States.

An important difference between transnational immigrant businessmen in the material goods and the technology sectors was access to powerful professional or trade networks.

Entrepreneurs in material goods lacked access to these networks. Neither did they seek support from ethnic social structures locally or in the diasporic Indian community, as had their senior counterparts. By stepping out of the niche ethnic markets in the United States, these young Indian entrepreneurs developed their distinct individual transnational networks using both strong and weak ties that were widely dispersed in both countries. Their membership in diverse worldwide entrepreneurial networks empowered them to sometimes challenge the “enforceable trust” mechanisms of the local ethnic community, as their source of social capital was not entirely characterized by the local group level ethnic behavior (Portes & Zhou 1992). The greatest strength and resource for these transnational businessmen was their individual demographic and socio-economic profile, such as their U.S. education, higher level of English and computer literacy, and the bi-cultural capital accrued from knowledge of American society as well as being second generation Indian American—which they strategically employed in the United States and India to advance their enterprises.

The second generation respondents in the material goods sector adhered to the “middleman model,” where ethnic groups retain high levels of self-employment across generations, despite having high levels of education. Although second generation Indian American entrepreneurs comprised only 14 percent of my sample, preliminary observation highlighted a trend towards self-employment in transnational business. Their preference for self-employment challenges the tenets of the classic model of generational succession in self-employment. In this model, immigrants’ children pursue professional work instead of self-employment as they acquire better educations and become more assimilated into American society (Gold, Light & Johnston:2006).

A somewhat dissimilar network pattern emerges when I examine the contemporary immigrant transnational entrepreneurs in the technology domain. As described earlier, all the respondents in this group had acquired advanced degrees from American universities. This expanded their existing networks of peers from engineering schools in India to include friends, cohort mates, and alumni from American universities. In addition, the six had worked for U.S. technology companies for an average of 10 years before starting their own enterprises, during which time they built a network of professional colleagues. Four of the entrepreneurs had opportunities to work in countries other than India and the United States while with multinational firms, which too had expanded their web of professional and social networks. In short, these young entrepreneurs had a vast circle of contacts acquired at universities in two countries, work experience in the United States and other countries, and from membership in ethnicized entrepreneurial networks (TiE). They were fortified with human and cultural capital to become transnational businesspeople.

I asked the contemporary transnational respondents in the technology domain the same question that I had asked their senior counterparts: ***How did you get transnational customers for your business?*** From their responses, I became aware of the creative and multiple strategies they had used to generate the social resources/capital from their relationship in various networks to develop their transnational enterprises. Here, by narrating the thoughts and actions of Dev Gupta, I try to explain why the present-day technology entrepreneurs had placed enormous significance on networking to acquire business information and knowledge, and to demonstrate the practical relevance of Ronald Burt's (1992:65) concept of "structural holes". Structural holes can be thought of

as bridges or buffers that can attach disconnected and unlike network clusters, which can be influential sources of social capital and supply vital connections. Here is Dev Gupta:

*Networking is very critical. It's not what you know, or who you know. I actually take it further to say "who knows you." That is why I am very active in TiE chapter of Washington D.C. I speak at events, and do interviews and write articles regularly. Primarily you are building yourself as the thought leader in your field. You can't directly correlate one to one with everyone to get business. It would be a futile exercise. But, when you meet three people at a network meeting you will get one client. Besides, the bigger your network and the more your connections, the probability to bat is higher, whether you hit the ball is a different question.*

*I joined TiE for two reasons, one I have been running this company for seven years, and there are lots of people who are looking to start a company and Indians in particular have a tough time. The Indians do not have the advantage of "good old boys network" if you didn't go to Yale or Harvard, etc. Most Indians don't have that, except for those who went to IIT. I joined TiE if I could help other Indians. Second, I am not plugged into the 'Desi' [meaning Indians in Hindi] network here like the 'mandir [Temple] network' etc., so for me to meet other Indian entrepreneurs would have to be through TiE. In my opinion TiE has grown to be a great organization.*

*In terms of networks, I would say first the D.C. network, which is everyone whom I meet in D.C. of Indian origin, the second network is what I call larger telecom network—you know I have been in the telecom and media industry for the last 15 years. That's how I know a lot of people in the communication space—whether they be in software, or mobile company or telephone company. Then there is the McKinsey network, which is a very strong network of powerful people whom you can tap into (sic).*

The younger technology entrepreneurs in transnational business are unlike the entrepreneurs of the earlier generation in their unwavering belief in networking in professional or ethnicized business networks like TiE. To them this is the proven way to success for their transnational business. It was a definite departure from their senior counterparts where the underlying belief in operating their transnational business was to know lots of people inside the industry/company and employ expert knowledge to get things done. Whereas for the younger entrepreneurs in the technology sector, grave

importance was given to gaining and bringing new ideas to their transnational enterprises from outside contacts or by means of *occupationally-based weak* ties. This shift in the perspective of obtaining transnational business therefore distinguishes their network arrangements and their uses from the senior technology entrepreneurs.

So, younger entrepreneurs' enterprises were characterized by the presence of numerous *weak* ties leveraged from multiple networks—professional, specialized, and socio-cultural—where they might or might not have been a member of the network. They had access to the social resources of several networks because of *bridging* ties. The presence of numerous *weak* ties was essential for acquiring first hand and private information on transnational business opportunities, especially during the emergent phase of their businesses. Their network membership and participation also gave them access to inner circles of influential heavyweights in the IT industry, both in India and the United States.

My conversation with younger entrepreneurs disclosed that, above all, network ties to prominent players in the technology field—for example, by inviting them to be on their company's board or in the role of venture capitalist for their firms—they were able to fulfill two main requirements for their business to take off. One, it brought much-needed legitimacy to their innovative business ventures, which helped them to improve the public image of their transnational firms. It also enhanced their ability as founders to create further social ties to central players in the field. In this way they were able to compensate for the lack of expert/specialized knowledge, which the senior technology entrepreneurs had in good measure when they started their transnational business. Two, reputable network members supported transnational start-up entrepreneurship by

investing financial capital in the firms of the younger entrepreneurs in the United States and India. In addition to the financial support, the venture capitalists also brought managerial and technical expertise to the transnational businesses that were started in the 1990s, thereby increasing the information base of the firm. Unlike the senior technology entrepreneurs, four of the younger transnational entrepreneurs in the United States received start-up funds from venture capitalists to augment their own investments (see Table 4-9). None of the younger entrepreneurs mentioned their family's finances or their spouses' earnings and involvement in their transnational business.

***Table No. 4-9: Source of Financial Capital for Younger Transnational Entrepreneurs in the Technology Sector***

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- I actually had investments out of Swiss venture capital company out of Zurich. They invested 2 million dollars when I first started out. I did not invest any of my personal capital.
  - I took money from venture capitalists who are members of TiE and my own money.
  - We got our capital from (venture capital) from members in TiE and their friends. We had Angel funds too. People from TiE were big contributors to our enterprise. So, it was a combination of two sources. No personal funds.
  - Venture capital. Everything else was all self-financed with credit cards. No bank loans or personal funds.
  - It was basically savings from the job I had at The World Bank. So, it was personal capital to a large extent.
  - I funded both the operations in the U.S. and India.
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This does not mean that strong ties to family, friends, and colleagues did not have a role in their business. As with the senior technology entrepreneurs, both strong and weak ties had definite involvement during the initial years of their entrepreneurship, particularly in the resource and information acquisition phase. As one entrepreneur said, “my college buddies in India will give me a heads-up on emerging opportunities that will

do the rounds in the network circuits later. In our business it's the early bird that gets the worm." For another younger entrepreneur, his first transnational business opportunity came from his parent company, for which his new firm was the sub-contractor for many years. Thus, for the younger immigrant technology entrepreneurs, where the emphasis for their relatively newer transnational business was marked by their exploration for new information on opportunities, *occupation-based weak* ties were more pronounced. Strong ties were important, too. On some occasions during the growth phase of their entrepreneurship, weak ties developed into trusted strong ties, which later played a significant role in securing all sorts of resources.

#### *Summary and Conclusions:*

In this chapter I attempted to take the analysis of transnational networks beyond the mere divide of structure and agency at a particular moment in time, to reveal the deeper economic and social contexts that lie beneath the transnational businesses of Indian immigrant entrepreneurs. By examining the cases of 42 transnational Indian entrepreneurs, I analyzed their dispositions (*habitus*) by taking account of their cultural, social, and human capital, primarily determined by the social and economic location of their birth families in Indian society. I examined the education and occupation of the respondents' fathers, the type of school and college attended by the respondents, and other factors that both contributed to and constrained their access to a variety of networks that functioned as a source of social capital. My research found a strong association between the cultural, human, and social capital of the entrepreneurs, assessed by the type of undergraduate colleges they attended in India and in the use of peer networks for their initial migration to the United States. The undergraduate college and peer networks also

laid the foundation for the development of transnational entrepreneurial networks. Thus, dissimilar possession of cultural and social capital during their school and college years in India had led to a stratified character of social networks.

A major task, then, was to specify the configuration of the networks of four groups of transnational immigrant entrepreneurs and their usage for transnational business. A substantial variety seems to exist among entrepreneurial networks when cultural, social and human capital are taken together with variables such as timing (age and year) of migration, motives for migration, national and immigration policies of sending and receiving countries, respondents' individual involvement with co-ethnics and the diasporic community, etc. In particular, intergenerational differences among the senior and relatively younger immigrant transnational entrepreneurs in the material and technology sectors revealed the heterogeneity of Indian transnational entrepreneurial groups and the complexity of ties within respective networks.

The major determinants affecting all the transnational entrepreneurs for both generations in both business sectors were the existing socio-economic founding conditions for their entrepreneurship in the United States and the availability of resources (cultural, social, and human capital) when they launched their enterprise. Both of these decisive factors influenced their network configuration, membership, and the tie formation during their post-founding entrepreneurial process. For senior entrepreneurs in both sectors, the relational content—the norms (reciprocity, sanctions) and strength (strong or weak) of ties—in the business networks was mainly related to their diasporic connections and to their professional experiences in the United States in the 1970s.

Nonetheless, two distinct configurations of networks emerge when the two groups of elderly transnational businessmen are studied separately. For senior businessmen in the material goods sector, their transnational economic activities and personal behavior was shaped and controlled—e.g. severity of sanctions like loss of reputation, loss of close ties, loss of source of income, etc.—by their respective ethnic business community in the Indian diaspora, which had a religious overtone. Hence, their support (social capital) for transnational economic behavior was intertwined with their social behavior, as well as participation in the religious and community organizations of their respective sub groups. For senior transnational businesspeople in the material goods sector, the solidarity of their transnational business networks was typified exclusively by *trust based strong* family and community ties. These ties originated in India and were brought to and reproduced in the United States. The social relationships and practices of these entrepreneurs reinforced the “twice migrant theory” where shared identity and collective way of life prior to migration is recreated in the host country far more quickly than those migrants who are members of majority groups in the society (Bhachu 1985; Espiritu 1989; Zenner 1991; Nonini and Ong 1997 cited in Gold 2002:81).

On the other hand, the senior entrepreneurs in the technology domain did not identify as belonging to any particular sub group from India—religious, ethnic, or otherwise. While they too banked on *trust based strong* ties, these largely originated from work colleagues, friends, and college peers in the United States and in other international locales where they had worked. So, their social capital was expressed in the form of business information and contacts, counsel, and expertise that was not limited by ethnic, religious, racial, or national boundaries.

Further, the difference in the primary sources of cultural and social capital for these two groups of senior transnationals explains the process through which legitimacy was acquired for their business. For the technology entrepreneurs, their professional reputation as specialists in their field and their friendship with people of similar backgrounds brought legitimacy to their businesses and gave them a competitive edge. For the material goods entrepreneurs, it was their umbilical connection to their personal diasporic Indian business community that fulfilled this necessity.

In other words, the form and level of social capital enjoyed by both these groups of senior transnational entrepreneurs was affected by different kinds of personal cultural endowments. For instance, the attitude towards family, friends, and community (cultural capital) was the strength of interpersonal relations for the businessmen in the material sector—this was substituted for relations defined mainly by human capital at another level for the technology transnational entrepreneurs.

Analysis of the entrepreneurial networks of senior technology entrepreneurs highlights the equally important role weak ties play in transnational business success. In many instances, critical information was exchanged through the use of both strong and weak ties and sometimes via ambiguous ties. My research has found that technology entrepreneurs do not give preference to either strong or weak ties, which challenges the popular argument that highly skilled workers prefer to use exclusively weak ties (Granovetter 1973; 1995).

The founding conditions for the younger immigrant transnationals in the United States were somewhat different from those of their predecessors in both the sectors. They had the advantage of higher levels of human and bicultural capital, which clearly

influenced their network arrangements in both structure and relational aspects. Younger immigrant entrepreneurs, especially those in the technology domain, who migrated to the United States in the last two decades of the 20<sup>th</sup> century, had access to existing entrepreneurial organizations like TiE, and to the organizational network. Taken together, the favorable macro socio-political circumstances (the cordial political relations between the United States and India and the market-friendly Indian policies of the 1990s) and their personal endowment of cultural and human capital substantially increased the chances of business success for the younger transnational entrepreneurs.

Further, regardless of business sector, younger transnational entrepreneurs strategically drew on multiple networks simultaneously: professional, specialized and ethnicized networks, U.S. and Indian university/college alumni networks, global networks of friends and work colleagues, networks of vendors and manufacturers, and local ethnic community and family networks. Although trust based strong ties had an important role, especially for those in the material goods sector, their reliance on *occupation based weak* ties for acquiring new business information and contacts was more pronounced than in older entrepreneurs. The emphasis among the senior entrepreneurs was to gain support, invest in relationships, and search for expertise from within the industry/company or in ones' own diasporic business community. The younger entrepreneurs acquired information and new ideas from a wider world in order to stay ahead of the game.

Younger entrepreneurs saw membership and active participation in all sorts of networks—including internet networking sites like LinkedIn—as important for new business opportunities. The increased scope of their networks and the volume of weak

ties compensated for their lack of extensive work experience—and in some cases the absence of hereditary cultural capital from traditional business families. But—as with senior technology entrepreneurs—strong ties to family, friends, college peers, and work colleagues contributed during the initial phase of their enterprise.

In conclusion, the three transnational groups of two generations and in two business sectors relied on both strong and weak ties to further their transnational business goals. The only exceptions were the senior transnational entrepreneurs trading in the material goods sector, who relied primarily on family and intra-ethnic strong ties. This could be because of lower levels of human capital and bicultural literacy among this group of senior entrepreneurs, who migrated in the 1970s (Valdez 2008; Zhou 2004; Sanders 2002). The transnational entrepreneurs in the United States as a whole—except the elderly businessmen in the material goods sector—displayed a highly individualized decision making process and therefore cannot be typified by business sector or generation.

The transnational business ties based on premigratory college networks and those formed through post-migration professional networks appear to converge at intermediary organizations like TiE and SIPA (Silicon Valley Indian Professional Association). Here, ties to members in the organizations facilitated entrepreneurship and made transnational business transactions easier in multiple ways. The common platforms functioned as hubs for intellectual capital, defined by Nahapiet & Ghoshal (1998:245) as the knowing capability of a social collective that enables people to act in new ways. For transnational entrepreneurs, collectives like TiE represented a potential resource where action and practices could be taken based on knowing and on knowledge that was socially and

contextually embedded. Consequently, the formation of transnational business organizations played a significant role in channeling and optimizing economic transnational practices among Indian immigrant entrepreneurs.

In addition, respondents defined the intimacy of a relationship—and whether it was strong or weak—based on the *social context* in which the social relationship was formed, e.g. having lived together in the same dormitory during university years. My analysis here of the origins of tie formation in this group contests Granovetter's (1973; 1983; 1995) thesis that innovative ideas originate solely from weak ties. Resources, be they financial or social (ideas or information) came to these entrepreneurs from strong and weak ties equally at different stages in their careers. In some cases the strong ties—e.g. a venture capitalist friend—doubled as *bridging* ties and exploited the structural holes in the networks. In keeping with Burt's (1992) notion, the quality of ties was defined largely by the context in which they were formed, their functional arrangement, and their location within the entrepreneurial networks.

Finally, my findings reaffirm the conclusions of scholars—including Saxenian (2002; 2006) and Gold (2002; 2007)—who argue that migrants with high levels of human capital require networks for migration, settlement, economic advancement, and transnational business just as much as migrants having low or no human capital. For the young technology entrepreneurs, the networks and strong ties that support migration to the United States are also invaluable in return migration to India, and to the success of their transnational business enterprises, which I discuss in the next chapter.

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<sup>1</sup> Although India produces a large number of engineers each year, their quality is uneven. Most higher education in India is still oriented towards producing 'Babus' (Hindi for pen pushing government officials and petty bureaucrats). Very few regional engineering colleges, including IIS and IIT, train world-class engineers. India also produces a very small number of doctorates. The public university system, which is

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corrupt and often politicized, has to grapple with a shortage of high quality teaching and research faculty and is severely limited in resources. The unequal structure of the educational system is to a large extent self-perpetuating: those who have access to private schools have access to the elite universities. The majority of students in these educational institutions both at the school and college level are from upper caste, urban, or Jain background. Poor rural and lower caste students usually attend resource-starved inferior public schools and rarely qualify for college or higher education. (Saxenian 2006: 323)

Soon after India gained independence from the British in 1947, the Indian state under the leadership of Cambridge-educated Prime Minister Nehru actively encouraged the development of institutions of higher education devoted to science and technology. The idea of founding Indian Institutes of Technology (IIT) was the brainchild of Sir Ardeshir Dalal, an aristocratic Parsi technocrat of extraordinary dynamism. Sir Ardeshir Dalal was a member of the cabinet-in-waiting when India became independent in 1947. Dalal, like Nehru, strongly believed that the economic future of the country rested on the development of science and technology. To raise India up the technology ladder, Dalal's strategy was threefold: (a) produce world class engineers, (b) set up a vibrant research infrastructure, and (c) create a system of scholarship so that deserving Indian students can take advantage of the best post graduate education in the world. The founding of IIT represented the first part of the threefold strategy (Deb 2004; Biradavolu 2008).

## **Chapter – 5**

### **The Game Changers**

The transnational immigrant Indian entrepreneurs in the United States epitomize not only a powerhouse of human and social capital—as explained in the previous chapter—which they deftly use for their business advantage by aligning their actions to the forces of global economy, but they are also actors who came from India’s emerging economy, and have the capacity and the wherewithal to make long-term contributions in two geographically non-contiguous countries: India and the United States. In the following chapter I discuss *why* some transnational Indian entrepreneurs have exercised a choice to return to India (returnee) from the United States, and *how* they use their social, human, and cultural capital (resources) and a variety of ties (bonding/strong, bridging/weak, interpersonal, organizational, ambiguous) within entrepreneurial networks to advance their transnational business in the Indian context. To assess the transnational economic practices of returnee respondents, I will compare and contrast their experiences with networks and capital used by non-migrant entrepreneurs engaged in transnational entrepreneurship. The final section of the chapter discusses how “place” or “location” plays a significant role in facilitating economic transnational practices.

The return migration to homeland by transnational members of various immigrant ethnic groups, like the Chinese, Taiwanese, Israelis, Koreans, and Indians in the United States has been established to be one of the notable outcomes of the emergence of late capitalism that has brought about flexible modes of production, social arrangements, and consumption behavior worldwide (Gold 2007; Lowell & Gerova 2004:8-14; Saxenian 2000, 2002; Ong & Nonini 1997:10-11). However, there are very few ethnographic

studies which investigate the experiences of returnee entrepreneurs in their home country, particularly of well qualified and successful transnational Indian entrepreneurs who have spent a major part of their young adult lives in the United States (an average of 11 years) before making the crucial decision to relocate with their families to India.

Although in this research I am unable to establish the extent of return of highly accomplished Indian immigrants compared to the total immigrant Indian population in the United States, the return of Indian technology professionals with more than 5 years of experience has been a growing trend since 2002-2003 (Saxenian 2006:288). Also, the NASSCOM-McKinsey Report (2005) has estimated that some 25,000 IT professionals returned to India between 2000 and 2004 after having worked abroad (Chacko 2007:134). This challenges the popular image of immigrants set by those from low-income countries like China and India, who have historically tended to stay permanently in the United States. Observers like Pocha (2007), Lowell & Gerova (2004), and Kuznetsov (2006) have commented that even before the 2008 financial and economic crisis, a substantial number of highly skilled immigrants from emerging economies like China and India had returned to their home country to participate in the tech boom of their respective countries, thereby revolutionizing the old concept of 'brain drain' to 'brain gain/circulation (Wadhwa et. al. 2009)<sup>1</sup>.

Further, despite the reverse flow of highly skilled returnees to India being relatively small, these technically qualified Indians are welcomed back by the national and state

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<sup>1</sup> For more discussion on this issue refer to Chapter 1.

governments in India<sup>2</sup>. In the present political and economic climate of liberalization and free market in India, they are perceived to embody knowledge and capital resources by returning to facilitate the skill and financial transfers necessary for integrating India's economy with global business. As a result, transnational returnee entrepreneurs in this study had high profiles in India.

It is interesting to notice that of the 22 migrant entrepreneurs (refer Table 4-7) to the United States during the 20 year period (1980–1999)<sup>3</sup>, 12 (55%) of 22 immigrant technology entrepreneurs had decided to return to India either to start their transnational business or to promote further growth of their transnational entrepreneurship, whereas eight (36% of 22) younger immigrant technology entrepreneurs belonging to same time cohorts had decided to continue living in the United States. Given that 22 entrepreneurs had migrated to the United States from India under similar political and economic situations and in the same time frame, although having graduated from varied undergraduate institutions/colleges in India, this dissertation seeks to understand what could have inspired the 12 returnee entrepreneurs to move to India, while eight of their younger compatriots chose to be in the United States for their transnational business. To address this incongruity among technology transnational entrepreneurs, I begin by analyzing the motives of the returnee entrepreneurs by examining the networks that might have aided in their return to India.

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<sup>2</sup> Traditionally India had maintained a distance from the Indian diaspora and thwarted the gestures of goodwill and development from its immigrant community. Thankfully, this attitude of the Indian government has changed in the last few years (Khanna 2007).

<sup>3</sup> The 22 immigrants to the U.S during 1980 - 1999, include 2 senior immigrant transnational entrepreneurs who have not relocated in India. The remaining 19 migrants to the U.S. during that period were below 50 years and 1 returnee entrepreneur was above 50 years.

## **I. Time to “Come home . . .”**

Saxenian (1999; 2002), in her study of Indian technology entrepreneurs in the Silicon Valley, found that Indian entrepreneurs when compared to Taiwanese and Chinese engineers were reluctant to return to their home country to start new technology companies because of the heavy administrative burden of doing business in India and for the lack of reliable infrastructure.

Defying these notions, 12 returnee transnational entrepreneurs in this study<sup>4</sup>, returned to India to either consolidate or re-register their transnational businesses as Indian companies or to start new technology companies in India (see Figure 5-1 overleaf). These returnees had migrated to the United States in the 1980s and in the first half of the 1990s for higher technical education, except for three who had entered the United States as company transferees.

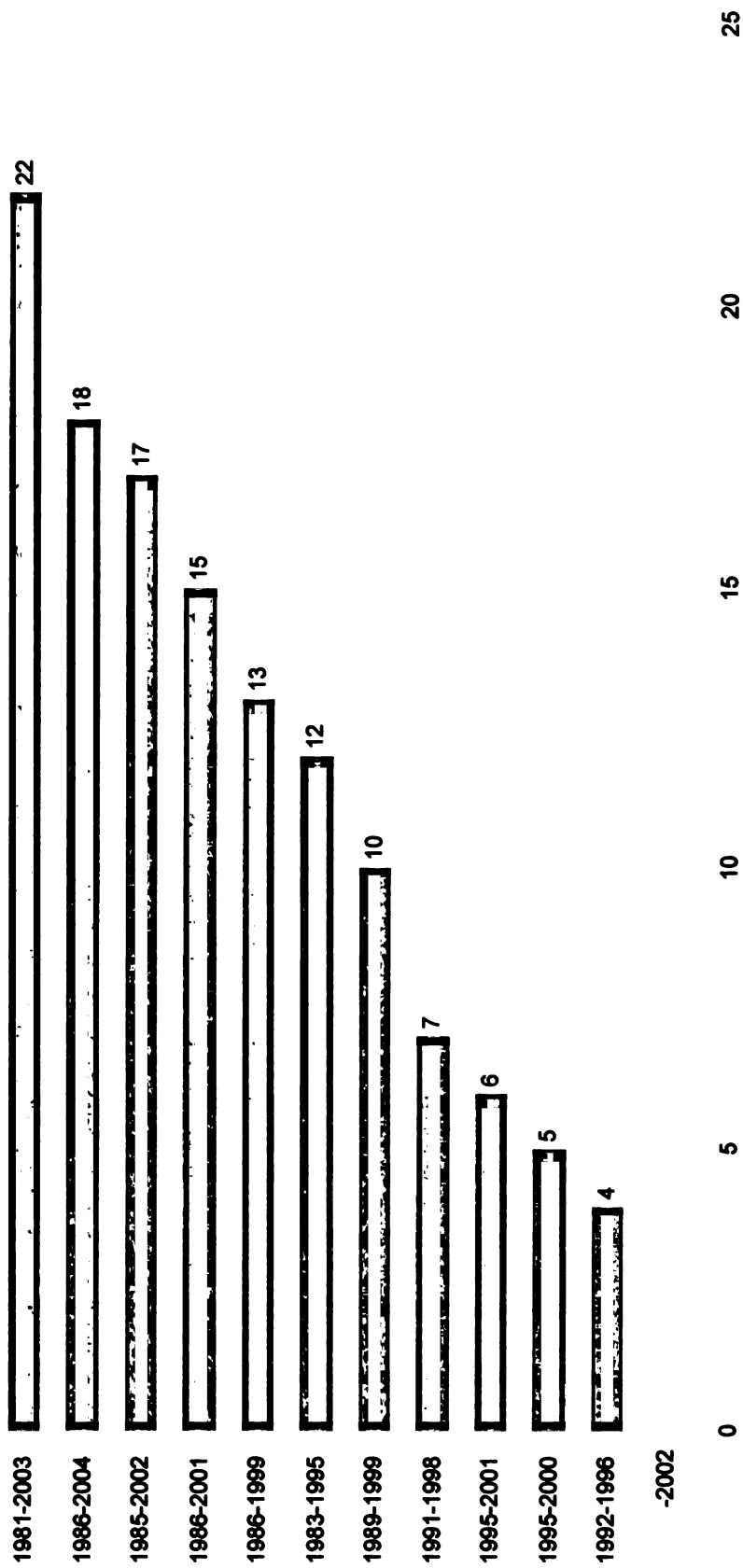
Ironically, contrary to the widespread perception, while all the returnee transnational entrepreneurs were in the technology domain, only two of them lived or worked in Silicon Valley at the time of their return to India. Only three of them relocated their technology business at Bangalore<sup>5</sup>. Does that mean these tech returnee entrepreneurs, for their relocation to India, followed a different path than their counterparts in Silicon Valley? Did they have compelling reasons for returning to India other than career advancement?

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<sup>4</sup> As a cautionary note the small sample size does not allow one to make broad conclusions.

<sup>5</sup> A metropolis in the south of India. In India, Bangalore is regarded as the hub of Information Technology. It is often considered to be the counterpart of Silicon Valley in Asia.

**Figure No 5-1: Length of Stay of Returnee Transnational Entrepreneurs in the U.S.**



Note: The first column of years depicts the year of entry into the United States by the respondents and the second column of years shows the year of return to India

Analyzing Figure 5-1, out of 12 returnee entrepreneurs, seven returned to India in 2000 and afterwards. Three of them had relocated to India toward the end of 1990s, one in 1995, and one in 1996. The returnee respondents had spent between four and 22 years in the United States—as graduate students, salaried professionals, or as technology entrepreneurs—before returning to India. All but one were under age 50. He had been a professor at a major U.S. university. The decision to return home permanently or temporarily was a phenomenon that correlated with the younger generation of respondents, which affirms Saxenian's (2002:32) research on Indian and Chinese foreign born professionals in the Bay Area, where 50 percent of foreign born respondents under age 35 had expressed a desire to return home in the future. The length of stay of returnee entrepreneurs who had entered the United States in the 1990s was shorter than those who had migrated to the United States in the 1980s. This could be reflective of dissimilarity in the expectations of these immigrants in the United States. Changes in macro-economic determinants regarding entrepreneurial and business opportunities in both countries might have also been reasons.

However, personal relocation decisions for transnational entrepreneurs in the second half of the 1990s or between 2000 and 2004 in India is not indicative of the span of the careers of transnational technology entrepreneurs. The year of departure from the United States for the returnee entrepreneurs seems to be related to multiple factors in their lives, with no issue gaining a priority. These factors included personal, social, professional, and entrepreneurial factors like quality of life and culture, loyalty to family, caring for aging parents, desire to contribute to India's economic development, wanting an Indian education for children, and business opportunities in India in the latter half of the 1990s

and 2000s<sup>6</sup>. Thus, for the returnee Indian respondents, the move to India was as much an act of self-determination as was their migration to the United States for higher education or professional advancement. Similar to Gold's (2002; 2007) research on Israeli returnees, Saxenian et al.'s (2002) work on Taiwanese tech returnees from Silicon Valley in Taiwan, and Phillips & Potter's (2009) research on Bajan- Brit returnees living in Barbados, the returnee Indian entrepreneurs' decision to relocate in India emphasized a new understanding regarding the relationship between emigrant sending/ immigrant receiving countries in this current moment of capitalism. In doing so, the returnee entrepreneurs shifted the debate beyond the separate macro push-and-pull factors in different countries to micro-meso level dynamics as major explanatory factors of what is actually occurring. This is particularly true for the highly skilled migrants from emerging economies of the world—and challenges the popular ideology that sees migration as a permanent move.

Further, the action of returning to India after an average of a decade's stay in the U.S. suggests that the social and economic reality of highly skilled immigrants is vastly different from migrants who have lower levels of human capital, and for whom returning to home countries would mean reduction of economic opportunities and a drastic compromise in standard of living (Gold 2002:217). The difference in the perception regarding return was brought out by Akash Jain when I asked him to share his reasons for returning to India in spite of having a dream job in a U.S. technology company:

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<sup>6</sup> In Chapter - 6, I discuss the social and personal aspects of returnee transnational entrepreneurs which had motivated them to return to India.

*The word migration is strong in my case. I don't think I migrated. I traveled to the U.S. for higher education. I worked for a couple of years so that I could build my financial capital and business network before returning home. I had always wanted to come back to India to start my business. No question about it (sic).*

The returnee entrepreneurs had a transnational orientation even before their arrival to the United States. And, given their favorable reception and professional success in the United States, their transnational endeavors represent a linear extension of their interests, former activities, and contacts in India (Portes 1999:466). This is opposed to the “reactive ethnicity” that is often an outcome of immigrant groups that are confined to the bottom of the economic and social ladder. Of the 12 returnee entrepreneurs, 10 stated pre-return transnational business connections/contacts in India, and had arduously nurtured interpersonal or strong ties with their undergraduate college friends, classmates, and college alumni—some of whom were non-migrants in India. In a few situations, family members—like a brother/brother-in-law/ cousin, father, and even parents in law—served as business partners. Ravi Gandhi in my interview explained the mutual benefits from being a board member for a technology company in India started by his college peers from IIT, a couple of years ahead of his decision to relocate in India.

*Returning to India permanently was not a big decision for me. I had got married to a woman from Pune, who had mentioned at the time of our wedding she would want to live in India. I finished my doctoral studies and got a job almost immediately, then we had our first child ... I had everything going for me actually ... an ocean front office as a tenure track faculty in a good university, two children and a happy marriage. But, my wife felt very strongly about returning to India . . . I was ambivalent. But, I must say returning to India fitted well with my plans of starting a tech company of my own, although I was in the teaching profession. So, when the opportunity came my way to join P... as a board member, I was delighted and grabbed it. P . . . was a fledging technology company of my buddies I had known at IIT. Linking up with my college friends made the transition to India easy . . . I had left for the U.S. in 1983, as part of the herd from IIT. I had mentioned to my parents that I would return to India 4-*

*5 years. What changed was the number of years got extended, but I had not totally abandoned the idea of returning to India (sic).*

Conversation with the returnee respondents made absolutely clear that existence of transnational professional networks was crucial for facilitating a return to India, as noted by Vertovec (2002). While none of the returnee entrepreneurs had registered their own business in the United States, they often functioned as a business partner or as a consultant/advisor or source for angel funds<sup>7</sup> for technology firms in India. In the role of a transnational business contact in the United States prior to departure to India, the returnee entrepreneurs provided Indian technology companies with critical contacts, information, and cultural know-how that linked the Indian company to the U.S. and global economies. These kinds of transnational business connections expanded the returnees' social networks and business relationships spanning India and the United States. Many of the returnees had cultivated enduring informal and formal ties with start-up Indian tech companies even while working at salaried jobs in the United States.

Considerable diversity existed in the forms of transnational business tie-ups and new transnational joint ventures. And, in all cases the business association was with someone with whom the returnee entrepreneurs shared a strong bonding relationship. The transnational linkage with their Indian peers brought the returnee entrepreneurs back into the loop. Kapil Dua said, *"I got re-connected to India, which I had got disconnected from while working in various corporations."* Two of the returnee respondents who had chosen to become entrepreneurs in 1997—but had waited until 2002 and 2004 before returning

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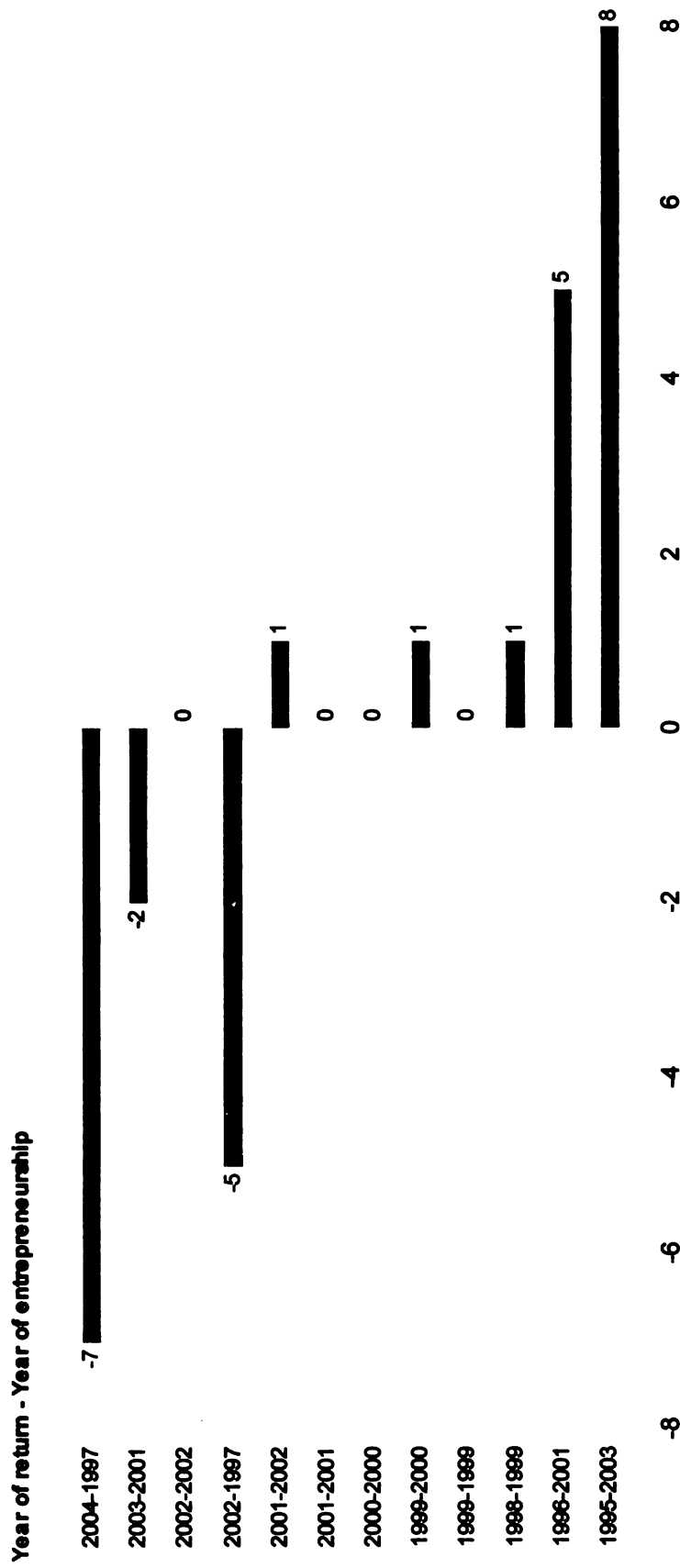
<sup>7</sup> An angel investor is an affluent individual who provides capital for a business start-up, usually in exchange for ownership equity.

to India—permanently resigned from their respective corporate jobs in the United States and were co-founders/ partners of their Indian transnational business enterprises (see figure 5-2). They worked for their transnational company from the United States, bringing to their private business newly accrued skills from their corporate careers, a taste for innovation, and networks that proved to be advantageous, as described to me by one of them:

*My career (i.e. work life) was constantly flourishing; I didn't feel stagnated at any time in the U.S. I worked for exciting companies for nine years, did independent consulting for two years with an Indian technology company, and then ran my own business for about seven years before relocating to India (sic).*

Hence, the returnee entrepreneurs acted as conduits for transnational linkages between India and the United States prior to their return to India. We see another variant of such transnational linkage in the cases of two returnees who came back to India in 1995 and 1996 with attractive jobs in Indian and U.S. multinational technology companies and later launched their own private businesses. For the remaining eight returnees shown in Fig. 5-2 on the next page to engage in transnational technology business, it was an expression of a deep yearning. All of them started their enterprises no more than two years before or after their arrival in India. India appeared to be the best option in fulfilling their business aspirations.

**Figure No. 5-2: Year of Starting Entrepreneurship in India Relative to Return**



Note: The bars on the left hand side of the chart depict number of years of returnees' transnational entrepreneurship before the year of return to India. The returnee entrepreneurs who had started their transnational business in the year of their return to India are shown as 0. The bars on the right hand side reflect the number of years in India as a returnee before registering their own technology company in India.

For the younger generation of Indian returnee entrepreneurs, coming back to India made perfect business sense when considering the economic factors needed for their entrepreneurship: the availability of cheaper skilled labor, a booming Information Technology industry, access to financial capital, and—above all—a stable, open, complimentary macro political and economic environment. The combination was just right for them to compete in the world market.

In my research and the research of others, 2000 stands out as a watershed year<sup>8</sup>. The entrepreneurial atmosphere in India had changed significantly since the state controlled socialist past prior to the 1980s. This new atmosphere enabled the growth of middle and small scale indigenous entrepreneurship among new and first generation Indians who had no political access or capital, but plenty of verve and ambition to challenge old monopolies owned by business families (Nilekani 2009:125-26). There was the perception among the returnees and across Indian industry that they were in a position of unique strength in the international economy (Wadhwa et al. 2009; Nilekani 2009; Kamdar 2007; Saxenian 2006; Bardhan & Kroll 2003). This perception was based on the success of domestic IT firms—Infosys, Wipro, Tata Consultancy Services (TCS)—in the international market, infra-structural investment in research and development, as well as outsourcing of software projects by established multinational firms like Hewlett-Packard, Intel, Microsoft, Oracle, Texas Instruments<sup>9</sup> and others because of recession in the

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<sup>8</sup> Saxenian (2006:304) states during the 1990s very few domestic IT start-ups survived in Bangalore compared to the accelerated success of start-ups in Taiwan and Israel started by returnees from the U.S. in the 1990s in those countries.

<sup>9</sup> As mentioned in Chapter 1, in the 1980s and 1990s a small but significant cohort of U.S. educated Indian engineers (NRIs) played a critical role in convincing the management of their respective U.S. corporations that India was the location for their software development centers and encouraged the use of Indian firms as outsourcing partners. They also initiated an ongoing dialogue with Indian policy makers and laid the

Silicon Valley around 2000<sup>10</sup>. For one U.S.-educated returnee entrepreneur, the preference to be in India was based on (a) high quality work opportunities and (b) opportunities for more career growth:

*This is the third wave for India. The first wave was to build software application for back end functions, the second wave was all around BPO services (business processing outsourcing), and the third wave is what is happening now where start ups and established players are building their products in India. Today we have all the leading software industries in the U.S. as our clients be it Google, Oracle, Yahoo etc. If I had remained in the U.S., I would have missed the bus (sic).*

To better understand the evolution of political institutions since the 1990s and the consequent macro-level changes in broader economic and social trends in India—especially in everyday practices at the micro level—I asked the returnee entrepreneurs with at least five or six years of Indian entrepreneurial experience to share their evaluation of the present business climate. Here are three responses to my question:

*Q. How has the central and state government policies changed to encourage export business<sup>11</sup> as a result of which your business has benefited?*

*Respondent 1: I would say there's a cultural shift that has happened since the late 1990s. India has encouraged exports across the board. So anybody who is exporting is given certain benefits, which a normal Indian company will not be given, whether it is benefit of tax holidays or importing equipments. Our export revenue is tax free, as of now. We can apply to the State Industrial Development Board for land and they will acquire in one of the commercial parks at a slightly lower rate. This was an attractive proposition for me. So far, we have not experienced any interference from the state government, although I wish the government had intervened to improve the infrastructure. It would help us all.*

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foundation for cooperation between Indian government officials and successive generation of American multinationals (Saxenian 2006:274-287).

<sup>10</sup> The economic recession in the early 2000s was felt in mostly Western countries, and affected the United States mostly in 2002 and 2003. This phenomenon is also commonly known as the IT boom of the 1990s followed by IT bust of 2000 when many service jobs were outsourced to India (Pandey et.al. 2006:82).

<sup>11</sup> I used “export business” to mean “transnational” in my interview. More often than not, “transnational” caused confusion among the interviewees. I gradually navigated our conversation for the respondents to elaborate on business with the United States.

*No delays or anything for registration and getting the authorization. The local state government officials can be moody but overall proactive (sic).*

*Respondent 2: Perhaps it is because of the domain I am in. For a very large part the Government of India has disabled a lot of bad things—like crippling laws, rules and legislation—that existed earlier. Although it takes way longer to start a company in India, it is shorter than what it used to be earlier. We still have a long way to go. The government has cut a lot of disablement for entrepreneurs, so that a lot of enablement can happen (sic).*

*Respondent 3: Indian government policies are very encouraging, their functioning is sufficiently supporting. If there is one area they can make an improvement it is in the department called “registrar of companies” or “director of company registration”, it should be made more transparent. No, I did not have to pay bribe for registration of my company, but when we had to seek permission for something ... I did not have to pay the bribe myself, but the consultant had to grease a few palms in the government departments to obtain permission. That remains a problem in the Indian scenario. What is worse is when an Indian who has lived in the U.S. or is an American citizen who tries to get past the bureaucratic permissions is charged an arm and a leg . . . The “babus” [Hindi for Indian bureaucrats/officials]<sup>12</sup> at the local level is not exactly friendly on nitty gritty details to Indians who have returned or lived abroad for a considerable period of time (sic).*

Hence, within the overarching enabling macro economic environment to promote growth through export-oriented trade policies (see Appendix no. 5), particularly favoring pro-indigenous businesses in the Information Technology and electronic industries, problems remained in the execution of these changes at the state and local level in India.

Resentment towards returnee entrepreneurs by the locals were often cited in the interviews. Harassment was noted in long and unnecessary wait time for official permissions or to contend with the culture of paying bribes. Here is Sanjay Mathur’s experience of starting his transnational entrepreneurship in Bangalore:

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<sup>12</sup> To cite Chinmay Chakravarty (2007) “In British India “babu” was used to mean a native Indian clerk who was educated enough to help the colonialists in plundering India. They were known for their blind loyalty and so drew hatred from the nationalists. This was the beginning of a more negative usage for this term. A typical ‘babu’ sits on the files, deals with red tape, procrastinates, takes bribes, snobs and snubs, behaves in a copybook style, and smiles only in befitting company and meticulously follows a dress code. The term, ironically, defies class division as it is applicable from the clerk upwards to the topmost officer in the hierarchy.”

*One is certainly infrastructure, which seems ridiculous, but just to set up office space and whatever is required to set up an IT shop still takes several weeks as opposed to days, I don't know why. By the time you get through the process of registration, down to a telephone line and water supply, it took me two months, which is ridiculous but that's still the case. So I think for people like me, even though I grew up here . . . but since I've never done it before, I didn't really know how to get a telephone line in '99. It was these little things that irritated me (sic).*

*Q. Did you have to bribe government officials?*

*Mathur: That's one way to do it. I never paid a rupee and I never will. I also didn't have someone else do it. Direct or indirect. I don't believe in doing that. In that case what do you do? You live with the cycle. It took me two months to get a telephone connection but I eventually did it. At some point, you have to learn how to turn government screws on people and I learned how to do that (sic).*

Resentment towards return migrants as a phenomenon has been cited in the literature for other nationalities as well (Saxenian 1999; Lucas 2004; Gevorkyan & Grigorian 2003 cited in Lowell & Gerova 2004:14; Louie 2004 cited in Gold & Hart forthcoming). This was true for the returnees in this study, despite prevailing favorable business climate and legal rights that had strongly conditioned the desirability of their return to India. I argue that more considerable improvements in the efficacy at the state and local level of the national government's pro-business policies might have attracted many more returnee entrepreneurs<sup>13</sup>. While I have elaborated on the main motives of the 12 immigrant entrepreneurs for returning to India, the explanation does not reasonably answer why eight immigrant transnational entrepreneurs who had entered the United States after 1980

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<sup>13</sup> Resistance and resentment by the locals was shown mostly by the people in the government at the local level, as these officials thought of themselves as losers from the benefits to be reaped from economic reforms in India. Lucas (2004) claims that more advanced countries such as Korea, Taiwan, Israel, and Ireland have been successful in attracting higher rates of investment from their diasporas because government efforts in these nations have been more explicit in embracing their expatriate population, besides continuing engagement of these governments in promoting return of its diasporic community.

chose not to follow their cohort mates. The answer is to be found in the size and resource content of the networks structures of the returnee entrepreneurs, to which I turn next.

## **II. Capital and Networks among Returnee and Non-migrant Transnational Indian Entrepreneurs:**

The demographic characteristics, especially age, and the status of being a returnee or a non-migrant entrepreneur, shows a strong correlation with the domains of technology and the material goods sectors of transnational entrepreneurship in the Indian context. All but one of the 11 returnee entrepreneurs from the United States belonged to the younger generation—i.e. below 50 years—of a total of 15 businesspeople engaged in transnational entrepreneurship in the technology field in India (see Table 5-1). Out of 15, there were three nonmigrant entrepreneurs, and only three technology entrepreneurs who were above 50 years of age. The remaining 12 (80% of 15) respondents were below 50 years.

***Table No. 5-1: Distribution of Transnational Entrepreneurs in India by Sector***

Sector	Returnees and Non-migrants	Non-migrants	Total
Technology Sector (Younger Generation)	15 (12 returnees from the U.S. and 3 non-migrant entrepreneurs.)	0	15 (71%)
Material Goods Sector (Senior Generation)	0	6	6 (29%)
	15	6	21 (100%)

Note: Out of the 15 technology entrepreneurs, there were three entrepreneurs above 50 years of age, while the remaining 12 were below age 50. Out of the six non-migrant entrepreneurs in the material goods sector, four were above 50 years of age, and only two were below age 50.

Although men (10) overshadowed women as returnee technology entrepreneurs, there were two women returnees in the group, and one senior non-migrant transnational businesswoman in the technology domain. For the convenience of analysis, I decided to

merge the non-migrant and returnee technology entrepreneurs and the very few senior entrepreneurs (3) in the technology sector into a single category, which has been considered as a younger generation of transnational entrepreneurs in India. Similarly, in the material sector, nonmigrant senior transnational entrepreneurs (4 out of 6) were double the younger non-migrant respondents (2) in this category of transnational business. Hence, businesses dealings with material goods in India have reflected the senior generation of transnational entrepreneurship.

The presence of 24 percent women transnational entrepreneurs (5 out of 21) in India in both sectors of business enterprises and across both generations was noteworthy, compared to one immigrant woman transnational in the United States. Although women comprised only 14 percent of the total number of cases (42), these women nurtured a unique *habitus*—a consequence of their middle and upper class background and their migratory and professional experiences in both countries. A combination of their higher education, prior executive experience in multinational companies in India and other countries had empowered them to launch transnational businesses in spheres not traditionally dominated by Indian women. Four younger women transnational entrepreneurs in particular mentioned receiving the same educational opportunities, freedom of spatial mobility, and access to public and private resources as their male siblings. This was true in the homes of their parents, during their college years both in India and United States, and in their careers. They enjoyed similar freedom in decisions regarding their marriages. Following marriage, expectations on them as homemakers and caregivers to their children and immediate family had undergone a transformation as well. The two nonmigrant senior transnational women entrepreneurs opted to launch their

own ventures as a consequence of economic necessity due to events in their personal lives. As their businesses grew and flourished, along with simultaneous changes in India's pro-business economic policies, both these women respondents were emboldened to take on the risks and uncertainties of expanding their businesses globally. None of the women said they received any special privileges earmarked for women or members of minority groups in either country. They perceived themselves solely as entrepreneurs, although they admitted to awareness of the overarching patriarchal articulations of entrepreneurial practices and actions.

In this study, the age profile of transnational entrepreneurs in India unexpectedly mirrored the “demographic dividend”, an argument which was put forward by the landmark study of Goldman Sachs in Paper no. 99 (2003)—Dreaming with BRIC: The Path to 2050—popularly known as the BRIC<sup>14</sup> report. The authors argue that the young Indian population and India's sustained service-led (rather than manufacturing-led) growth drove growth in Asia and provides India the “triple play” opportunity for further growth: in the domestic market; in the world economy through migration; and through the rise of the outsourcing industry (Nilekani 2009:125). I reason that the higher number of younger entrepreneurs in technology driven service industry (15 or 71% of 21) in this research is part of broader macro demographic trends in India.

In addition, the age distribution of the transnational entrepreneurs, with a distinct presence of returnee entrepreneurs (57% out of 21) in the technology sector indicates the disparity of resource content—human, cultural, and social capital—in the two categories

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<sup>14</sup> BRIC: Brazil, Russia, India, and China. The authors of Goldman Sachs Report no. 99 claim that by 2050, BRIC economies could become a much larger force in the world economy. If things go right for these countries and if these countries are able to maintain policies and develop institutions that are supportive of growth, then in less than 40 years, the BRIC economies together could be larger than the G6 in U.S. dollar terms (Goldman Sachs: 2003).

of transnational entrepreneurship. As in the case of immigrant transnational entrepreneurship, the returnee Indian businesspeople in the home country make optimum use of their pre-migratory and migratory human and social capital, which in turn greatly influences the configuration of their social and professional transnational networks and organizational affiliations.

### *1. Younger Transnational Entrepreneurs in India:*

My interviews with the 12 returnee respondents revealed the effectiveness of the normative and relational element (the quality of transnational ties) in various social and professional networks, and in particular longitudinal development and arrangements of school alumni and peer networks. This proved unequivocally critical for the transition as returnee entrepreneurs and for the survival of their personal business in a different locale. The technology entrepreneurs in India shared the “Bombay House mind set” (refer to page 47) of entrepreneurship with their counterparts in the United States. Their immigration to the United States and subsequent return to India was a natural progression in their conceptualization of a seamless world. Nonetheless, their bold and new way of imagining migration and return, and future work/ entrepreneurship was guided as much by their personal life stage issues as it was by the enabling macro business environment in India and their personal endowment of human and social capital. Most of the returnee entrepreneurs were married and had families with young children who were in primary school or kindergarten, while one senior returnee had children in middle and high school. None had children in college. A few of the returnees were single and had deliberately postponed family life until they had worked out the location for their entrepreneurship. Therefore, comparable to senior immigrant transnational entrepreneurs in the United

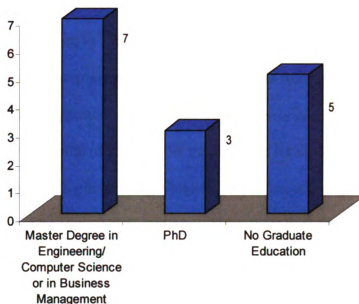
States, for the returnee entrepreneurs it was the convergence of a different set of factors at a different time: taking care of their personal responsibilities at the stage of life they were in, along with well established entrepreneurial network support that made it possible for availing business opportunities in India. Here are two women returnees expressing how life stage issues intervened with their entrepreneurial decision of returning to India:

*Rani Shah: My daughter was young when we decided it was time we moved back to India. That is why we had not bought any property in the U.S., nor had any investment. All our money was in stocks. If I had waited until my child went to middle or high school it would be difficult for her to adjust to Indian schools. It's a combination of reasons which prompts you to decide where you want to do your business, so it wasn't just one reason (sic).*

*Rukmini Mehta: Once you stay longer than necessary it would have been difficult for us to return to India. Besides, we would not have the same kind of energy levels to uproot ourselves later. So, when we became serious about starting something of our own it was best to come back to India (sic).*

The human capital among the transnational entrepreneurs in the technology sector in India was the highest among all the categories of entrepreneurs considered in this research. Among the 15 technology entrepreneurs in India, there were three returnees with a doctoral degree, followed by seven who had a Masters degree in engineering, computer science, or business management (refer to figure 5-3 overleaf). Five of them had no graduate degree; three were company transferees to the United States; and two were non-migrants.

**Figure No. 5-3: Distribution of U.S. Graduate Education among Technology Entrepreneurs in India**



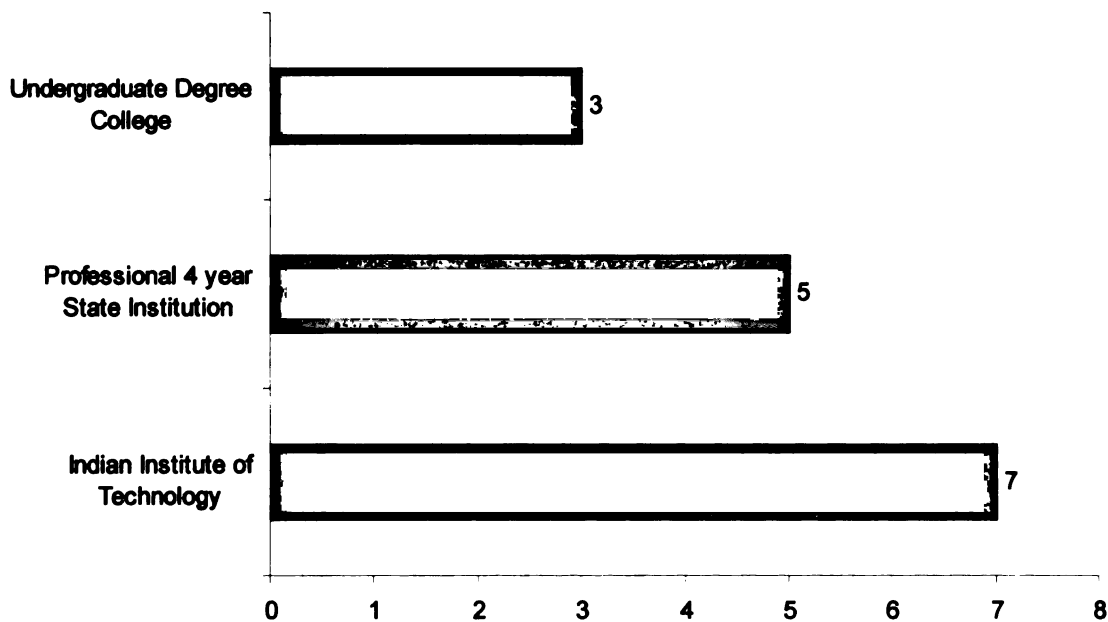
On closer examination of the human capital among all 12 returnee entrepreneurs, I found that all six entrepreneurs from IIT who had migrated to the United States for graduate studies in the 1980s and 1990s had decided to return to India for advancing their transnational technology business around 2000.

This group of six sharply contrasts with the other five of the 11 technology entrepreneurs who migrated to the United States in the 1970s. These 11 (52%) of the 21 respondents who migrated for graduate studies (discussed in Chapter 4) were all from premier institutes in India (IIT being among them). Unlike the more recent technology entrepreneurial migrants, these earlier five remained in the United States. Thus, there appears to be a generational rift between seniors who had obtained undergraduate education from IIT(s) and other national premier institutions and the relatively younger generation of technology entrepreneurs who had all attended IIT(s). No discernable

pattern of return migration was clear among Indian entrepreneurs from professional 4 year state institutions (e.g., engineering, pharmacology, biotechnology).

This decision to return by the six who were alumni of IIT(s) affected the human capital of technology entrepreneurs as a group in India, as well as the potential for their transnational business opportunities, by employing a variety of networks. Figure 5-4 illustrates the human capital of all 15 of the transnational technology entrepreneurs—returnee and non-migrant—in India. The highest proportion of entrepreneurs hailed from IIT (47%), followed by engineers from 4 year professional state institutions (33%). The rest came from 3 year undergraduate colleges (20%).

***Figure No. 5-4: Distribution of undergraduate educational institutions attended by Returnees & Nonmigrant Technology Transnational Entrepreneurs in India***



Furthermore, when considering the graduate education received by 21 immigrant transnational entrepreneurs, there is not much variation in the type of degrees obtained, areas of specialization, or the graduate schools they attended in the United States. Consequently, the immigrant and the returnee Indian entrepreneurs of the 1980s and

1990s were privy to similar social and cultural resources embedded in U.S. graduate school networks, as well as those from ethnicized professional organizations like TiE. Therefore, one of the convincing differences between the migrant transnational entrepreneurs of the 1980s and 1990s who decided to return to India—and others who have chosen to continue operating their transnational business from the United States—is the different types of undergraduate colleges/institutions they had attended in India. This led to a disparity in access to their individual college peer networks.

College/institutional alumni migration networks, particularly for those from IIT, not only played a significant role in the initial move to the United States but were essential for creating the enabling environment and opportunities for return migration. The presence of six (50% of 12) returnee entrepreneurs who had obtained their undergraduate degree from IITs stands out. IIT's is the only college peer and alumni network from India to have evolved as an effective return migration network. From a socio-historical perspective, the relatively recent relocation of IIT returnee entrepreneurs also highlights the longitudinal expansion and weight of the actions of senior immigrant entrepreneurs from IIT in the late 1980s and 1990s. They laid the foundations for IIT networks, which enabled the return of younger entrepreneurs from the same institution. The motivating force and the exclusivity of IIT networks can be gauged from the fact that IIT alumni associations in the United States make multi dollar contributions to their alma maters rather than to enhancing education at large in India (High Level Committee on Indian Diaspora 2001 cited in Lowell & Gerova 2004:25; Saxenian 2006:309).

Additionally, Saxenian (2008: 383) states is that the salience of these big diasporic network donations to the economic development of the alma maters does not necessarily

lie in building assets for these educational institutions, but also in the role of alumni networks in designing new ways of functioning. Also, these network donations develop new contexts and expand the peer networks of highly skilled people. Thus, returnees belonging to these premier engineering schools or to other 4 year professional state institutions were not simply moving in a vacuum between supply and demand situations in India and the United States. They are actors whose movements and entrepreneurial activities result from collective actions of many others who share a common cultural capital that can be historically and physically contextualized (Meyer 2001:96).

The remaining returnee entrepreneurs (6) who did not have the direct support and resources of IIT network had adequately compensated for these limitations by leveraging social capital from their participation and company membership in Indian software and service organizations, like NASSCOM<sup>15</sup>, TiE chapters in Indian cities, and Young Entrepreneurs Organization. Their family business connections, and college and high school peer networks had also contributed in building their social networks. The main difference among the 15 transnational technology entrepreneurs in India was that the seven who attended IITs appeared to have attained a critical mass in this category of entrepreneurs, while the remaining 8 of them, who were former students of other undergraduate state institutions, seemed to lack this group support.

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<sup>15</sup> National Association of Software and Services Companies (NASSCOM). NASSCOM is the premier trade body and the chamber of commerce of the IT-BPO industries in India. NASSCOM aims to drive the overall growth of the global off-shoring market and maintain India's leadership position, by taking up the role of a strategic advisor to the industry. NASSCOM's varied strengths include advocacy on public policy, international trade development, research and market intelligence services, and access to an international network through 20 MoUs (Memoranda of Understanding) and linkages with 40 industry associations across the globe. This enables NASSCOM to advise members—both established and emerging companies—to further their growth. Source: NASSCOM.

***Why did you want to become a transnational entrepreneur?*** I asked the question to explore any disparity in their personal experiences when compared with their counterparts—younger transnational entrepreneurs—in the United States. From my conversations with this group of technology entrepreneurs, it became clear that India had hit a different stride after the economic reforms in the late 1980s and 1990s. There was no turning back to the socialist past. Although India had entered the global market under duress and hesitantly in 1991 (see foot note 14 & 15 of Chapter 1), some of the biggest gainers of the economic reform policy were the technology entrepreneurs. They wasted no time in taking advantage of the favorable pro-business macro environment. So pervasive was the enthusiasm for entrepreneurship in the software sector that a few of the technology entrepreneurs had their first taste of private enterprise as undergraduate students at their respective engineering colleges/institutions. Here are recollections from two technology interviewees in India:

*Ved Iyer: It was during my college years, I knew that I wanted do something of my own. Though, I had a government scholarship, I used to sell graph sheets, engineering drawings to my classmates. In those days graph sheets were difficult to come by. Very small stuff, but it used to make me happy. I liked the thrill of it. I knew for certain I would give up my job sometime to become an entrepreneur. Besides, I grew up around a lot of people who were thinking of business of some sort at that time. Entrepreneurship can be infectious. . . (sic).*

*Goutam Kohli: Even while I was in IIT, I had picked up a few clients from Japan and had started a company and was working from there. That was during my 3<sup>rd</sup> and 4<sup>th</sup> year of study at IIT. One of the clients motivated me to get more projects to sustain my expenses. It was a stimulating feeling and I liked the free environment. Although I got a job with Tata, which was bit of a social pressure from family, I never abandoned the idea of running my own business. . . (sic).*

Therefore, for the technology entrepreneurs (returnees and non-migrants) classroom education in colleges and universities in India and the United States, as well as acquisition of skill sets was entirely directed towards becoming a successful entrepreneur

in the global technology domain and in particular to ride the tide of unfolding opportunities in India.

Complementing their counterparts in the United States, for the returnee entrepreneurs too migration was a strategic decision to stay in a dynamic and stimulating environment and to create further contacts and opportunities internationally. When asked how American education and work experience might have enhanced his aptitude for transnational entrepreneurship, Akash Jain responded:

*The key difference that the U.S. does for you is that it exposes you to a completely different culture. It makes you understand that you pay for everything and you develop that outlook only after going to school in the U.S. I discovered that everything is understood and perceived in commercial terms. Adopting that perspective has helped me in my business . . . a sense of accountability for your actions. Besides, after having spent a large amount of time working in India and the U.S., I can say although we are people from different parts of the world and have lots of things in common, we also have our unique traits that cause us to react to different situations and issues in different ways. . . For example, when I first started my job at a U.S. corporation I was very hesitant to speak out in public, particularly amidst people whom I did not know. But, I looked around and found Americans, including second generations Indians were comfortable to do so. So, you pick up a lot of things that hopefully would make you a better person. I gained self confidence to talk about unpleasant things in public. I used to find it very difficult to say “No” or convey bad news. One other thing that I did learn from my U.S. work experience is planning my work and home schedule, which has served me well over the years (sic).*

All the returnees and non migrant technology entrepreneurs who had lived in the United States for short of long periods of time—when on business visa—felt that they were driven to uncommon performance levels as transnational entrepreneurs because they perceived travel and the migration process as a vital learning experience. The personal involvement that migration required and the necessity to overcome adverse conditions in a competitive environment was a common trait that returnee technology entrepreneurs

shared with Meyer's (2001:100) results of research on highly skilled Colombian and South African migrants to numerous host countries.

### *3. Type of Networks used for Transnational Business by Younger Transnationals:*

For maintaining congruity of ideas between technology transnational entrepreneurs in the United States and those who lived in India, I asked the respondents in India the same question: ***How did you get transnational customers for your business?*** I believed the responses to this question would disclose how cultural and human capital of technology entrepreneurs in India could have played an important role in defining sub group boundaries and the contexts within which different networks operated, and how business—strong and weak—ties were formed.

I found that entrepreneurs who were alumni of IIT(s) in India had a definite advantage over the other entrepreneurs<sup>16</sup>, because of their membership of a cohesive subgroup/organization (IIT alumni organization/Pan IIT), which could be defined as a critical meso-level engagement that significantly defined their transnational business actions<sup>17</sup>. However, the participation of the IIT alumni entrepreneurs was not restricted solely to their Pan IIT alumni subgroup; they concurrently nurtured social relationships in other national, regional, and local level Indian organizations like NASSCOM, CII (Confederation of Indian Industries), the local TiE chapter, etc., as well as sought out other business platforms like trade conferences and internet portals like LinkedIn. Two of the seven IIT technology entrepreneurs also found financial assistance and expert business advice from their immediate and extended family members. To cite the case of

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<sup>16</sup> Henceforth referred as non-IITians.

<sup>17</sup> Frank & Yasumoto's (1998) research on French financial elite also illustrate the critical meso-level engagements which defined their respondents' actions.

Rukmini Mehta, who with her husband and a cousin operated a transnational business in the life science domain, forming a complementary entrepreneurial team. Here, in the words of Ms. Mehta:

*Q. Tell me about the creation of your transnational enterprise. How did it all happen?*

*Ms. Mehta: Basically, me and my husband toyed with a lot of ideas, starting from IT outsourcing to many other things, and then we met with our partner X, who was trying to put all her consulting practice into one. Now, X is a cousin of my husband and has been in the Biotech field for 20 years. See, you can have many brilliant ideas, but at the end of the day it might be a simple idea which when executed successfully is what makes one an entrepreneur. That is what it all boiled down to . . . X had the biotech background, my husband had the finance background and I have the more IT kind of background, besides being a people person, process person and having knowledge of MIS. Now, with this kind of talent pool, we thought out how to make 'end to end contract research' successful. We were not interested to do part of the work like only delivering IT solution or something else. We wanted to put all the things together in a research form. See, X had the domain knowledge . . . And if we were serious about this entrepreneurship, we needed to give up our jobs and return to India. That is how this company was started.*

*The decision about me being the CEO of our company had to do with our individual personality. I think it was a collective decision that I was best suited to deal with a variety of people in India and abroad. My husband's family is also a business family. O . . . is one of the companies of our extended family, which we have started. It is true, if I did not have ongoing help and support of my in-laws, [who were financiers of the transnational business in the initial phase] and our extended family, it would be very difficult for me to run the business (sic).*

In my research I found business partnerships among technology entrepreneurs in India to be a common practice as opposed to transnational entrepreneurship in the United States. Very few of them were single owners of their enterprises. Partnerships were formed out of *trust-based strong* bonds of friendships, spouses, or family members. Among technology entrepreneurs from IITs, six out of seven transnational business partnerships were formed with friends who had previously been classmates or seniors during their

years of study at IIT(s). Thus, much like the relationship of the French prestigious institution Ecole National D'Administration (ENA) to French financial elites (Frank and Yasumoto 1998:649), I argue that the premier Indian institutes like the IIT(s) not only provides students with an excellent engineering education and recommendations and contacts for migration, but also cultivated the social structure for students to nurture their common cultural capital. This sense of exceptionalism among the entrepreneurs from IIT might have transformed lasting friendships formed during undergraduate years into business partnership. This sense of continuity of experiences among the technology entrepreneurs in India, from their young student days then to their later careers as businessmen, primarily among the graduates from IIT, was a departure from the transnational business experience among other immigrant entrepreneurs in the United States. Ravi Gandhi explained the transnational business partnership with his friend:

*My business partner, Y and I are high school classmates and buddies. We used to sit on the same bench from class 8<sup>th</sup> – 11<sup>th</sup>. Then I went to IIT, Mumbai and he went to IIT, Kharagpur. We left for the U.S. together. We have been in constant touch with each other during my stay in the U.S. and later after my return to India. We grew up professionally together, although we started working together only when we started this enterprise. My friend and business partner lives and works from Chicago. Q... Pvt. Ltd. is India based private limited company and registered in Pune and it has 100% subsidiary in the U.S. (sic).*

Further, the *trust-based* entrepreneurial teams of strong ties facilitated by the IIT alumni network's social structure, which can be regarded as a sub-group with well defined boundaries, provided the social context for graduates to experiment with new business models, including cross-regional start-ups<sup>18</sup> between India and the United States. This was feasible because of the very high *trust* quotient in the cohesive subgroup

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<sup>18</sup> Saxenian (2006: 313) defines a cross regional technology start up as those technology firms which combine the Silicon Valley—in this research the United States—ecosystem with India's low-cost technological capabilities. It is unique because it serves the fast growing technology market in India and Asia and those in the United States and Europe.

of ex-students from IITs, but which allowed for the growth of important business ties to develop, as well. Adhering to the line of reasoning put forward by Frank and Yasumoto (1998), the *enforceable trust* (Portes & Sensenbrenner 1993) that prevailed among dyad or triad business partners who were good friends resulted in the requisite social capital for transnational business actions. It was an outcome of the social context created by the IIT alumni network. To quote one co-founder of such team entrepreneurship in India:

*The networking that happens in Pan IIT meetings is helpful. These are actually old friends (old boys network) who look out for you all the time. We give each other information—you see, we had studied, played, hanged out, saw movies, sometimes even courted the same girl by turn—about industry trends, and enormous trust that exists right off the bat. This trust factor is tremendous. Somebody from the network gives you an introduction, you don't go about doing checks and when people give references they are also very clear. If someone has violated this trust it goes around equally quickly in the network. The best kind of trust is established while you are going to school. And you retain the connection and continue behaving with people the way you did with them in school with no vested interest. You interact with such peers and friends because either you need something from them and you are upfront about it or help someone without any expectations. So that continues to operate . . . among IITians, that is why the whole transnational business among us is booming (sic).*

Hence, besides illustrating the relationship between social context and the supportive business actions, the above quote points to the general norms that had to be present to generate social capital for the members of this subgroup of technology entrepreneurs.

Very often the social capital present in these *trust based strong* ties of friendships in the Pan IIT networks or this cohesive subgroup provided the leads or information about potential transnational customers, thus functioning as *bridging* ties to multiple diverse external professional, trade, and personal networks like TiE, NASSCOM, U.S. graduate school networks, previous professional, and work colleagues in the United States. In other words, Pan IIT networks can be thought of as exclusive internal networks of the peers and alumni of this premier engineering institution. Thus IIT technology

entrepreneurs had access to information within the network of this powerful subgroup as well as external networks that are commonly used by any of the technology entrepreneurs in India and the United States. Moreover, team members of such entrepreneurial partnerships could acquire more resources, information, and knowledge from other team members and increase the volume of interactions many fold because they could work together more effectively and efficiently when they knew each other so well (Chen & Wang 2008). When I interviewed Amar Kelkar and Kapil Dua, co-founders of two different transnational entrepreneurship in Pune, and asked about the process of procuring business clients, and in what way did the team entrepreneurship give them a competitive edge in a complex environment, they patiently walked me through the first few business deals:

*Kapil<sup>19</sup>: We took a whole lot of help from IIT alumni association in India to establish and get ahead in our business. Let me tell you about the first few deals. In all the deals either the buyer or the seller had something to do with IIT. For instance, we sold a Bangalore based company in France. The French company who bought the Bangalore company was 1/3<sup>rd</sup> owned by private equity fund in California. And one of my classmates had set up this fund. We could locate the buyer because my classmate part owned the French company who was looking for a subsidy in B'lore. The next deal we did was at the Pan IIT conference at Washington D.C. Such a meeting happens every year. Now I met this guy from IIT, Delhi and few years later I sold him a company. I am sure it happened because of IIT network. Look, first you cultivate a relationship and then the deal happens. The third guy was a Boston guy, who was the neighbor of a graduate buddy of mine. I and my friend overlapped about four years in graduate school. My friend introduced me to this customer (sic).*

*Amar: In addition to IIT network, my U.S. graduate school network at V . . . and later working for A . . . in the U.S. is extremely helpful to do this sort of business. All my customers have come from my involvement in various networks, except for one which went through RFP [request for proposal] process. Let me think . . . our first customer was a company called D . . ., which was founded by X, who was my co-founder's colleague at S . . . Besides, he was also my co-*

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<sup>19</sup> The respondent is the co-founder of a full service investment bank focused on cross-border transactions  
Source: From the respondent's company website.

*founder's buddy and a contemporary graduate student at P . . . Then, our third customer F networks was founded by L, who was with me at IIT, Mumbai for five years. So, between the both of us, we manage to cover a many more networks . . . Look just being a member of networks does not deliver goods in tangibles, but you make the first contacts in these networks, who then introduce you to someone else and it just snowballs like that and it certainly helps. We have got a few potential customers that way whom we both have met at these Pan IIT meetings. But, more than that these networks are venues for branding exercise, people get to know about the company and we get to target the right kind of people as potential customers (sic).*

Consequently the *strong* tie team entrepreneurship became beneficial because information about market opportunities and knowledge about latest innovations were likely to be passed on by intermediary individuals (*weak ties*) which would eventually reach the core team. The internal networks also created more value to their technology business because of inner core team members' access to more knowledge from interactions with each other, where often the two co-founders had blended their IT skills with their competency in Information Technology enabled services (ITES) like finance, construction, or medical technology. The team entrepreneurs in the technology domain adhered to the similar practice of economics of synergy that had been adopted by the senior technology entrepreneurs in the United States. So, there was evidence of intergenerational transfer of business practices among technology entrepreneurs, although in different locales.

The collective entrepreneurship of talent, energy, and skill integrated into a team of two or three co-founders was also true of technology entrepreneurs who were not alumni of IIT(s), except in three instances where the ownership of the transnational business was the respondent himself/ herself. Notably, among five non-IIT technology team entrepreneurs the co-founders were family members who shared a *strong* emotional bond



with the interviewee: brother/sister or spouse or father. As described by one such entrepreneur:

*My sister and I have a good business relationship. We are kind of a unique company, as we started our company in India and the U.S. at the same time. Stanford University did a case study on us and called it a start-up globalization strategy. We believed in global delivery model in which much would be done in India but the face of the company was in the U.S. One of the advantages was that we both [the sister and the respondent] had similar vision and believed in it (sic).*

Inclusion of family members in the transnational entrepreneurs' team highlights complexity of the origin of social capital. In the example above, social capital is not created intentionally, as might have been the case with the technology entrepreneurs from IIT(s). It was not an outcome of consequences of having made planned investment as asserted by Nan Lin (2001:6 cited in Gold 2002:89) that is, "investment in social relations with expected returns". Family members' involvement as partners or co-founders had more to do with the easy availability and maximizing of the right kind of resources within their family, and because of their family's middle/ upper class position in Indian society, which unintentionally had brought rewards—e.g. connections to powerful bureaucratic elites—to their functioning as transnational businesspeople in India.

Therefore the channeling of transnational business information, knowledge, and contacts often happened because of the presence of the influential Pan IIT subgroup, where economic gains are affected by the cultural and institutional context in which the business ties of IIT entrepreneurs were strongly embedded (Uzzi 1996). However the non-IIT technology entrepreneurs did not state feelings of exclusion or a limitation of business options as individuals who were outside the IIT subgroup and therefore deprived

of equivalent social capital. The experience of these highly skilled technology entrepreneurs contrasts with the findings of other researchers (Gold 2005:269; Sanders 2002; Portes and Sensenbrenner 1993) where distribution of network-based social capital because of closure or network boundaries (Coleman 1988:105-08; Ibarra 1992) has led to inequality in accessing different amounts of communal resources, although they had similar levels of human capital (Meyers 2001; Gold 2001; Frank & Yasumoto 1998). I found that the uneven distribution of social capital that existed within the college peer and alumni networks of IIT(s) and among other undergraduate state intuitions was remarkably apparent in specific situations, mainly when the IIT alumni network has served as a bridgehead for college peers in both migrating to the United States as well as in facilitating their return to India. In that sense the inequalities in social capital within networks of various undergraduate colleges/institutions in India remain uneven as enablers for circulatory migration of technology entrepreneurs.

The technology entrepreneurs without the membership of Pan IIT subgroup relied far more heavily on more inclusive organizational networks like NASSCOM, the local chapters of TiE networks, trade fairs, conference venues, company presentations, family business connections, customer referrals, work colleagues and graduate school alumni associations in the United States, the internet, and personal professional reputation for acquiring transnational customers. The organization NASSCOM acted as the springboard for transnational activities and a business platform where strong and weak ties were nurtured, adhering to personal interests and aptitudes. Here is a narration from an interviewee in the technology domain, who had decided to make a living from writing books. Nonetheless, he became a technology entrepreneur as business opportunities

became available from several transnational networks he was plugged into, which also offset the advantages of membership in the powerful IIT alumni network.

*Q. How did you obtain your first client in the U.S. after having made the decision to relocate in India and take a break from the rat race in a corporate career?*

*Mathur: Hmmm . . . It was from my own personal connection in the U.S. In the early 90's, I had started writing technology books and one of my publishers was McGraw Hill in the U.S. I had direct access to the publishing community because I was published myself. So when I came up with a product idea which was a virtual computer lab to allow people to learn computer programming in a web browser, I gave the idea to the publishers who had books on programming and I said rather than read a book on programming, what if they can practice what the book talks about? So I literally emailed my publisher and said look I have this prototype would you be interested in looking at this as a solution? So that's what sucked me back into working, at that point. Another thing that happened was when this investor called me out of the blue, actually Bank of America. They called me and said we're trying to put together a fund to focus on companies in the product space and they had my background. In '99 there weren't many people with similar backgrounds as mine.*

*Q: How do you normally get clients for your business?*

*Mathur: We have 2 business models. One is we license our technology platform to publishing companies in the U.S., so that started from publishers I knew directly and once I got into 2-3 big publishers, they put you into a platform for the rest of the companies. So it's a platform licensing revenue model. In India, we sell directly to corporate customers, mostly companies in the IT sector. There's 2 ways, either direct contact with a c-level executive or word of mouth. I'll clarify both. Most of the c-level executives in India are probably my peers, so you either run into them at a trade show or seminar or you have heard them talk, or they've heard you talk, or they've read my books. So it's easy to create individual branding in the IT industry. In India, there are probably 200-300 individuals who have some level of branding because of this network. The second thing is that there's probably 50 IT companies to talk about in India and once you acquire the first 2 or 3 of them, others go in and see what they're doing for their training. So they find out that you're cutting cost by using E-learning for 50% of training, therefore the logical path to follow is what they do differently and we get a solution for them and we get referred. Besides, my company is well known at NASSCOM (sic).*

From the information shared by this transnational entrepreneur and others like him, it is clear that it was their middle/upper class position, occupation status, human and cultural capital, and social and professional relationships in the United States and India that were absolutely crucial for the relative ease of functioning as transnational entrepreneurs in India. All these attributes helped in overcoming the constraints of accessing valuable resources (business information and contacts) in collectives like Pan IIT networks. The role of being a member of a privileged class, caste, and having the requisite human and cultural capital for engaging in skilled economic transnationalism is borne out by Gold's (2001) ethnographic research on highly skilled Israeli émigrés and returnees. These findings add to the disagreement about whether or not high or low skilled emigrants are likely to be involved in business ventures in their home countries (Gaumnitz 2003). Put differently, is it the lack of human capital or the possession of it along with social capital that encourages transnational business activities?

While it is likely that educated immigrants from rich host countries are more inclined to relocate with well-paying jobs in their home country (Gold 2001: 65), and are prone to make philanthropic contributions to their hometown or university, there is now substantial amount of evidence that high skilled immigrants, similar to unskilled or semi-skilled migrant entrepreneurs perceive transnational entrepreneurship as an attractive source of income and an opportunity for career growth (Saxenian 2002). What really matters is the resource content and nature of ties within the social networks to which transnational entrepreneurs have access along with investment policies and market opportunities in the host and home country. Country-specific factors account for the

differences in the scope, density, and level of economic transnational activities (Lowell & Gerova 2004; Gold 2001).

In sum, the technology entrepreneurs in India, who were mostly below 50 years of age functioned as interest maximizers to remain competitive in a tough global environment. They used strong and weak ties simultaneously and sometimes selectively to obtain transnational business. What was noteworthy with this group of technology entrepreneurs was their sustained group solidarity over many years, like affiliation to an undergraduate college network that is Pan IIT. This solidarity provided access to business information and recommendations, counsel, and contacts with transnational customers. While using *trust-based* strong ties of friendship, as in being a co-founder in a dyad/ triad entrepreneurial team, and/or having the status of alumni of IIT(s), they also diversified to avoid the “blinding aspects” of strong ties, and enlarged their networks for fresh information by exploiting the structural holes in their subgroup. For example a classmate or college peer gave them access to *occupation-based weak* ties with others not in their subgroup. The presence of intermediary or mediating organizations like the Pan IIT or more inclusive organizations like NASSCOM—similar to TiE among their counterparts in the United States—acted as most important hubs at the meso-level for transnational entrepreneurs to access common intellectual capital<sup>20</sup> created from social capital employing *strong*, *weak*, and *ambiguous* ties in different combinations. For that reason, no common framework emerged as to how technology entrepreneurs chose to activate

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<sup>20</sup> Nahapiet and Ghoshal (1998: 245) argue that social relationships and the social capital therein are important influences in developing intellectual capital. The authors refer to intellectual capital as “the knowledge and knowing capability of a social collectivity, such as organization, intellectual community or professional practice . . . Intellectual capital thus represents a valuable resource and a capability for action based in knowledge and knowing.”

one set of ties over the other or how these entrepreneurs balanced the demands of ties within the subgroup with those outside the subgroup. But belonging to different collectives beyond their sub group was critical to advance their transnational business.

#### *4. Senior Transnational Nonmigrant Entrepreneurs in India:*

My conversations were with the six senior nonmigrant transnational entrepreneurs—four older than 50 and two who were not yet 50 years old dealing with material goods such as hand crafted textiles, craftworks, metalwares, processed food products, and specialty and organic teas. For this group of nonmigrant businesspeople very dissimilar trajectories were followed in transforming mostly personal existing businesses into transnational entrepreneurship soon after the first phase of economic reforms was implemented in 1985. Out of six entrepreneurs, three of them had inherited and now led family companies, whereas the other three interviewees were first time entrepreneurs. The latter had completed at least 10 years of professional life as corporate executives in multinational corporations in India. All of them had traveled to the United States and to other countries in Europe, Asia, South and Central America, and Africa for their business and continue to travel extensively.

Unlike the transnational entrepreneurial groups discussed so far, the entrepreneurs of this group had not migrated to the United States, some of them by design. None had studied in a foreign country. All the respondents in this category had attended English medium private schools, while two of them had spent their school years in an elite residential school. Relative to other transnational entrepreneurial groups in the study, the non-resident transnational businesspeople had lower levels of human capital. While all

had an undergraduate degree from 3 year colleges in India, none had post graduate education except for one woman entrepreneur.

To compare and contrast with the experiences of migrant groups of transnational entrepreneurs it was important to learn how the indigenous factors might have facilitated transnational entrepreneurship among nonmigrant respondents. For example, how did this group of transnational entrepreneurs compensate for the lower levels of formal education as compared to other transnational entrepreneurs in the study? How has the success of India's IT sector and the growth of software exports impacted the business climate for entrepreneurs in nonservice sectors? How did these nonmigrant entrepreneurs form transnational ties without migrant experience?

It was apparent in my interviews with nonmigrant entrepreneurs that the practice of transnational business had to be understood using a much wider lens. It had to be situated in the context of India's colonial past, along with the current nature of global capitalism, where nonmigrant Indian entrepreneurs equally desired to participate as actors in an emerging economy. From nonimmigrant interviewees' perspectives, economic transnationalism was not limited to the scale of the individual where "occupations and activities that require regular and sustained social contacts across borders for their implementation" (Portes et al. 1999: 219), which distinguished it from other dimensions of globalization, but involved incorporating global structures of inequality, dependence, and power. Thus, the nonimmigrant transnational entrepreneurs called attention to their lived experiences in India before and after the implementation of economic reforms since the mid 1980s, and incorporated the dimension of structural power relations in their understanding of transnational business practices. So, when I asked what had inspired

Gauri Rao to leave her lucrative job at Taj Group of Hotels to become an entrepreneur in craftwork, she stated:

*I had got fed up with my job and so I had joined an organization that dealt with high fashion and craft-based women's clothing who exported their creations. I was managing their retail stores in Mumbai which exposed me to the whole industry of hand made textiles and crafts. That's where I got my idea of working together with the craft people to showcase their products in the global market to get the best deal for them. It was also my concerns with livelihood issues of rural communities in India. My enterprise focuses on the use of capital that is already there with the crafts-people in terms of skill, competencies ... and not moving them out of their natural environment into captive units in the cities or in sweat shops. That meant getting connected with organizations world wide. Thankfully, I ran into networks which created marketing organizations/ platforms for initiative such as mine. During the 90s this evolved into a new way of doing business with the setting up of International Association for Fair Trade (IAFT) a whole network for marketing crafts and textiles around the world (sic).*

All the 6 nonimmigrant respondents made prudent use of their upper middle/rich class capital, which had provided them with a western-oriented *embodied cultural capital*.

Bourdieu (1986) defined this as “their long lasting dispositions of the mind and body.”

For example, their knowledge of western cultural tastes was important for marketing their products—like handicrafts or organic tea—to mainstream Americans. Their accent and proficiency in English and in western cultural practices compensated for their lower levels of human capital (i.e. university certification of technical education). Their strategic use of social skills and cosmopolitan interpersonal competencies helped them to give meaning and add economic value to their merchandise in overseas markets, mostly within particular social and spatial contexts in keeping with Bourdieu's concept of *habitus*. For instance, Radha Agarwal sold her handcrafted textiles and clothing only in very upper end markets in the United States—designer shops, museum stores, and trade conferences. Kunal Singh markets his organic Darjeeling green tea by co-branding under the Stash Tea banner. It was clear that the various types of capital possessed by these

entrepreneurs were evaluated similarly in the transnational habitus. This was true even though the capital originated in different nations with dissimilar political economies (Kelly & Lusi 2006). Mohit De, founder of a food solutions company that caters to the global processed foods market, grew up in upper middle class milieu in urban India during the 1960s and 1970s. This gave him the necessary social skills and sensibilities of western and Indian cultures simultaneously, allowing him to straddle both worlds with ease and particularly in business matters:

*I can say to have been raised in a cosmopolitan, open, liberal and pluralistic and diverse atmosphere from my childhood. In that sense the defense services of India [the respondent father's career] is a wonderful example where you rise above religion, race, color, ethnicity, or whatever . . . so we grew up as Indian kids. From my mother I got the richness of Bengali culture and the army environment provided the British colonial exposure with whisky soda at home, the food to be eaten with fork and knife at the dinner table, etc. Added to that mix, I had a very English education in a missionary school and was taught by Irish teachers in my formative years. In some sense without being formally planned as India moved into globalizing world, I and many others like me are able to use these latent skills of being able to relate on the one side with insular rural communities in India, who did not have the same opportunities as I did, let's say a villager in Bengal or Maharashtra, while on the other side with a westerners let's say an importer in New Jersey, or a customer in Hamburg. I can drink beer and talk baseball with one and with equal ease sit on the ground and have "bhat"<sup>21</sup> with the other, which in some sense I think India of that period created in terms of social skills in us of my class background. So we had the backbone of our ethnic origins at home but in public life we were Indians. It is my personal background that has evolved me as a globe trotting businessman—"transnational" as you define—that I am today. At a very subconscious level, I have an understanding as an Indian and as a non-Indian and am able to work with both effectively (sic).*

The favorable economic policies and easy availability of bank credit for export-oriented entrepreneurship since the 1990s acted as an incentive for the nonmigrant respondents. Either they took their domestic business to the next level and participated in

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<sup>21</sup> Rice in Bengali

global markets, or they were motivated to resign from their present salaried positions to start their own enterprise. Even though India's rise as an economic power has been credited with the success of entrepreneurs in the IT industry and the role of Indian expatriates in the United States, the six nonresident entrepreneurs dealing in tangible goods felt enthused to participate in the country's dynamic business atmosphere. This was the first time the Indian banks had shifted their orientation from big industrial houses and were open to work as allies to first time and smaller businesspeople. Additionally, India's sustained economic growth and expansion in international services and manufacturing transformed attitudes towards market openness across Indian industries (Nilekeni 2009:135). Summarizing the "feel good" factor that accompanied the expansion of business opportunities, Kunal Singh recounted how credit facilities had changed the scale of operations of his tea business and enabled him to create jobs in a stratified Indian community with restrictive of social structures:

*The line of credit and the credit facilities has improved tremendously. Before the economic reforms it was difficult to get credit. So, that's a major change. You almost feel competitively at par with any other country in the world. Look, I could not have dreamt of having a factory to pack tea for the U.S. market earlier. We are doing it now. Quite honestly, I don't feel deprived in any way because the IT sector has received special favors from the government. Or, Government of India is promoting IT exports as opposed to land based products/produce. The Central and the state government have been very favorable to exports of all kinds, particularly in the last five years. I consider that to be a dramatic change in India's policies. The government mind set has changed. Earlier if you wanted to become big and successful in your domain, you had to belong to one of the well established business families. Today it is solely by ability and the harbingers of this change have been the leaders of the IT sector. But, people like us have a bigger advantage because we never built our business by taking government support. We built it by our own virtue (sic).*

Consequently, my conversation with nonmigrant transnational respondents revealed that their transnational entrepreneurship and push towards more economic reforms in India is

a story of opportunity. They asked for more market openness to continue to act as change agents and bring about social justice.

*5. Type of Networks used for Transnational Business by Senior Transnationals:*

The entrepreneurs trading in material goods were much like their counterparts in the technology sector. They used a mix of strong and weak ties to obtain transnational business assignments and contracts from their customers residing in the United States. However, there exists variation between first-time entrepreneurs and those who had upgraded their family-owned business. As before, I asked this group of nonmigrant respondents: *How do you get transnational customers for your business?* The three first-time entrepreneurs, with notable track records as corporate executives in multinational companies in India, had a great interest in the topic of networking. This perhaps accounted for their success as transnational entrepreneurs. They did not, however, have the support that accompanies the resource-rich and well-organized undergraduate college alumni organizations entrepreneurs in the technology domain possessed, or the collaboration and co-operation of professional ethnicized networks like TiE and SIPA. Interestingly, none of the nonmigrant entrepreneurs mentioned membership or affiliation with religious or ethnic community-based diasporic networks that were so important to the senior Indian material goods entrepreneurs in the United States.

They aggressively employed international all-inclusive networks in structuring business opportunities for promoting and selling their products, as well as for advancing their careers as transnational entrepreneurs. Interviewees in this group of nonmigrant entrepreneurs judged trade-based networks or international networks based on a common

interest to be perfect transnational platforms for vertical integration of markets, that is, from the local/grassroots levels in India to the consumer in the United States. For instance, connections made in one context, for example at an international trade fair, very often became the conduit for information for another context, like information about the organic food sector in the United States, non-tea companies like traditional medicine to market ginger and black and green tea for their therapeutic value. By adopting this way of accessing the international and the U.S. markets, the nonmigrant entrepreneurs deliberately resisted the strong tendency towards “homophily”<sup>22</sup> (Nan Lin 2000:787) often exhibited in the network functioning of other transnational entrepreneurial groups in this research. Kunal Singh, the owner of multiple tea gardens in eastern India, summarized the strategies and benefits of reaching U.S. buyers directly, even if mediated by global trade networks:

*We don't sell our products to any exporter. We are able to sell directly to the consumer. We dismantled the colonial model. There were 8-10 intermediaries between the producer and the consumer in the tea business. So, the appropriation was very small—only 5 percent—of what the consumer pays to the grower if you go the traditional route. We have totally collapsed the value chain market and re-done the appropriation system. This way the business contacts in the U.S. can source the tea from us at a cheaper price and we can get a much higher realization because the intermediaries are out. We have gone from zero profit to one hundred percent profit.*

*As you can see, we have this complex of one and half acres—one of the first of its kind in India. Our corporate office, our tea tasting department, our warehousing, blending, is all under one roof. This was not the case before. We have complete control over our tea. They buyer can come to us; he/she can see the tea being packed and shipped directly. In today's world, especially in the food sector, one has to be very careful of food safety. So we worked on that side seriously and put some systems in place to access the market by having full*

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<sup>22</sup> Homophily is the tendency for individuals to share and interact with others with similar characteristics. In other words, members of a social group tend to form networks involving other members of the same group, or establish relationships with others who resemble them along one or more dimensions such as age, class, gender, occupation, sexuality, family status, preferred leisure pursuits, etc. (Homans 1958; Lazarsfeld and Merton 1954; Laumann 1966; Nan Lin 1982 cited in Nan Lin 2000:787).

*clarity and transparency on food safety. By selling organic tea I moved up the value chain and transcended the barriers usually associated with selling a third world commodity in terms of product packaging and design (sic).*

Each of the six nonmigrant entrepreneurs emphasized building network diversity to extend their outreach to different segments of customers in the United States. For that reason, they simultaneously participated in a multitude of international networks. No network had a priority. Varied and multiple memberships in associations helped avoid redundancy in the information exchanged in the networks of these associations, garnered international support and legitimacy for their enterprises, and increased business opportunities worldwide (Hanson 2000:754). In my conversations with Radha Aggarwal, she laid out the virtues of networking at such public international events, where buyers and sellers converge because of common interests. She enthusiastically talked about the unprecedented methods espoused by new nonmigrant entrepreneurs for entering the U.S. market recently:

*Networking was how I could get into exports [transnational] business. I became a member of World Craft Council, Surface Design Association of United States Museums Store Association, U.S.A., and Craft Council of India. My first international export was to West Japan, with the two people I had met at World Shibori Conference in India. Then from there I happen to go to the U.S. for a conference of Surface Design Association at Kansas City in 2001. At the conference I met so many people. At the conference they give us a table, where we can do a trunk show of our stuff we can bring to the conference as participants. I managed to sell almost 95% of my stuff at the conference. I realized that the people in the U.S. appreciate hand-crafted things. The U.S. has a very upper end market, while there is a regular market. In the U.S., I started supplying garments at small exclusive boutiques, who had attended the conference, like Asiatica, World's Window at Kansas City, Weaving Gallery at Santa Fe, then for the shops at Museum of Modern Art at New York. Peabody Essex Museum at Salem, Massachusetts, The Textile Museum, Washington D.C., and the Folk Art museum at Santa Fe. All the museum stores are my regular customers now. I have individual designers also as my clients in Canada and other places.*

*Then, one of my best friend who lives in the U.S., mentioned about the Santa Fe International Folk Art market in New Mexico. This event brings together folk artists from all over the world as well as business people. So for the last three years I have gone to the folk arts market and we are one of the top sellers. For the last couple of years we have done pretty well in the U.S. market. I supply directly to the markets in the U.S. We use UPS commercial shipment or any other way depending on the buyer. There's a lot of merit to networking. I participate at these venues to use them as an opportunity for communication and networking (sic).*

So, while there was heavy dependence on *occupation based weak ties* by the nonmigrant transnational entrepreneurs, they nurtured an inner core of *strong ties* of family members and friends. These were activated from time to time as foundations for effective networking, as illustrated in the passage above. The contributions of the *trust based strong* family ties take on vital significance in family based businesses that had scaled their domestic business to a transnational level since the reform policies. For Dilip Jha, the long-term strong bonds of understanding, trust, and reciprocity with his daughter and son-in-law, who resided in the United States, enabled the smooth functioning of networks across international borders, even if the conceptualization of these networks was inherently local in nature. The *strong* family ties located in the United States helped enhance the knowledge of the U.S. context and changing tastes of American society. This encouraged the nonmigrant entrepreneur to make relatively large-scale business investments for the first time in the U.S. market (Mitchell & Old: 2000). In the words of Dilip Jha, who lives in Darjeeling, India:

*My daughter is a textile designer. She got further degrees from Philadelphia University. I arranged for her marriage with a software engineer in the U.S. and both of them continue to live in the U.S. I made my daughter one of the local sales representatives of the company I started in the U.S. with the same name C . . . Inc. People are more confident to do business in the U.S. if there is some person from the company in the U.S. Both my son-in-law and daughter have been helping me out and I have been participating in trade fairs regularly. We have participated in fancy food shows in SFO, New York, Chicago, and*

*Baltimore. The whole idea was for the initial 2 years was to participate in every possible trade fairs. That is the only way major players come to know that you are there for sure and not something temporary. Like, last year I was at Private Label Manufacturers Association (PLMA) in Chicago. I am again going to attend the same fair this year. I regularly visit the major cities in the U.S. and Vegas. So far I have been successful with bulk and existing customers, but now I am going to focus on small tea customers in the U.S., because tea is becoming fashionable in the States.*

Endorsing the concept of transnational social field (Fraser 1991; Mahler 1998; Glick Schiller 2000 cited in Levitt 2001: 197-99), I argue that the transnational economic initiative of nonmigrant entrepreneurs was a result of being embedded in an increasingly dense and diverse transnational entrepreneurial social field. This social field has been created between India and the United States, by active and ongoing participation of technology transnational entrepreneurs in both countries, in addition to the political patronage of the Indian state for export-oriented activities. The phenomenal growth for more than two decades of the Indian IT-led service economy has impacted many other businesses, including medical diagnostic, manufacturing, finance, education, and the under-performer agriculture (Nilekeni 2009:129). Consequently, for the nonmigrant entrepreneur in the agro industry, being embedded in the transnational entrepreneurial social field was a unique opportunity for using this labor-intensive industry to position themselves in the global markets. As Levitt (2001:198) points out, these nonmigrant entrepreneurs calibrated their production systems and their lives to advance the formation of a transnational entrepreneurial social space between India and the United States that extended beyond the IT sector. Describing a transnational process that is firmly anchored in a particular location (Zhou & Tseng 2001), Dilip Jha—a nonmigrant entrepreneur—

credited his success in the United States with his break from traditional tea growing practices and the socially isolated tea planters in India:

*One significant change we made in 1992-93 was to convert our tea gardens in Darjeeling to organic farming. After my travel to Germany around that time, my belief was confirmed that the organic movement is going to gain strength in future years. Today, we are the largest producer of organic tea from north India. I export more than 1.2 million kilograms of organic tea. My last customer was COSTCO Departmental Stores in the U.S. It's like having a club membership. Many small shop keepers and retailers purchase tea in large value packs from COSTCO. My tea garden workers supply 'specialty' tea for tea drinking population in the U.S., which is still very small (sic).*

In summary, the nonmigrant entrepreneurs in transnational tangible goods businesses, like other transnational businessmen in India and the United States had used both strong and weak ties, although weaker ties appeared to be far more dominant in the networks of first-time nonmigrant entrepreneurs. I assert that nonmigrant entrepreneurs' distinct inclination for weak ties was partly because they were breaking new ground. None had the support of mediating or intermediary organizational/ social structures formed out of shared past experiences in specific social contexts, like having attended the same educational institutions or having familiarity as work colleagues. They were compelled to search beyond the strong ties of their friends and family by using the contacts of their friends to meet their business needs. They participated in international trade associations where the focus was on obtaining transnational businesses by setting up connections of *occupation based weak ties*. In a slightly different manner, the family-owned businessmen, who felt encouraged to take the risk of initiating transnational business—particularly with the United States—depended on *trust based strong ties* embedded within immediate and extended family networks who lived in the United States. These entrepreneurs were dissimilar from their counterparts in the United States as they did not

count on assistance of any kind from the diasporic Indian community. The emphasis of family owned businesses on personal family networks dominated by strong ties in the United States was intentionally managed, to act as *bridging* ties and create networks rich in *weak* ties. This two-phase network formation served to make inroads into the U.S. market (Hite & Hesterly 2001 cited in Elfring & Hulsink 2008:1851).

#### *6. The Role of Place within Transnational Space:*

Finally, I asked the transnational entrepreneur why it mattered to be at a particular location given the transnational nature of their business. How did their present transnational business site/place constitute the diverse social and business connections and networks that bind different parts of the world<sup>23</sup>?

The situated nature of transnational business was felt intimately by the transnational entrepreneurs, and more precisely by respondents in the material goods domain both in the United States and in India. They conceived the physical sites of their business operations to be the locus from which transnational networks originated, which in turn transformed the dynamics of the “place” as projects of capitalist forces and modernity. I quote Kapil and Radha, both nonmigrant transnationals, to highlight how they understood place—or their locality in the global scheme of things—as well as the definite transnational actions they had taken as entrepreneurs to shape and transform that place in transnational social field (Gille & O’Riain 2002).

*Kunal Singh: Logistically, it boils down to the following: we are in business where there are tangibles...tea estates etc. The practical part of the business ties me to this place. My company is sustainable so I don’t have to be involved in the daily operation of my company. I can give that direction from being anywhere in*

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<sup>23</sup> Featherstone, Phillips & Waters (2007:383) define this phenomenon as spatiality. By spatiality these authors mean “the diverse ongoing connections and networks that bind different parts of the world together and that are constituted though (and in fact constitute) particular sites and places.”

*the world to the departmental heads. You can say my software is coming from my hardware. It's the other way round. My hardware is the specialty tea, the soil, and my software is the organic agriculture, the packaging, the food safety and all those issues. We are all the time aware of the hardware quality and that binds us to the land or place where we are situated, as well as to the tastes and fancy of the overseas customers.*

*Radha Aggarwal: My parents and my team of workers with whom I set up this business, were located in Y . . . I have never dreamt of taking my business anywhere else. If I had to set up my business in any other city in India I would have faced major competition. Besides, I am close to all the villages where I work, and live close enough to factories where all the stuff [hand crafted textile and crafts] that I sell is made. You may say it was the comfort zone which made Y . . . the headquarters of my company. The familiarity and established network of the place mattered to me (sic).*

These transnational entrepreneurs were deeply embedded in place, unable to escape the local context which had shaped and affected their transnational enterprise with the United States and other countries. This echoes Guarnizo and Smith's (1998:11) argument of local specificity as central to economic transnationalism, "*transnational practices, while connecting collectivities located in more than one national territory, are embodied in specific social relations established between specific people, situated in unequivocal localities, at historical determined times.*" In other words, the power of the place, as seen in the above examples, does not exist in the location itself, but in the reciprocal pattern of social relations between the transnational entrepreneur and the processes within the local context (Zhou and Tseng 2001:135).

Both Radha Aggarwal and Kapil Singh had established new territorial forms of the division of labor that gave local actors opportunities to form new alliances and negotiate their identities. For instance, in transnational agro businesses, factory employees in small towns in India engaged and communicated with buyers from Germany, the United States, and Russia on a regular basis as part of their jobs. This would not have been possible

without the transformation of their workplace (Cox & Mair 1991 cited in Zhou & Tseng 2001:135)

In a similar vein, when locating their transnational businesses in India, the returnee entrepreneurs opted for sites where they could visualize large scale transnational business activities that would mutually complement their social and personal sets of connections and ties at local contexts, which were wider and deeper. These considerations often made them choose urban locations in India other than Bangalore and Chennai. Examples are Pune, Noida (close to New Delhi), Ahmedabad, Hyderabad, Visakhapatnam, Mumbai, and Kolkata. This widening and diversifying incorporated far more locations and can now be said to be truly global in extent<sup>24</sup>. In addition, these findings regarding the choice of alternative locations for transnational IT enterprises is a distinct departure from earlier research on transnational entrepreneurship among Indian software engineers (Saxenian 2006; Biradavolu 2008), where the overwhelming concern has been with migration and entrepreneurship between narrowly conceived regions in India and the United States, particularly Silicon Valley and Bangalore. Sharing details of what led Ved Iyer to locate his transnational technology business in Pune, he stated:

*I grew up here, my folks live here. So if I were to come back to India, living in another city wasn't even an option. I think place matters, and the networking is related to the place. It was easier to set up my business in Pune because we had established networks and some people who could assist us . . . basically networks of family and friends and associates.*

*Honestly, it didn't matter to me that Bangalore was an emerging IT town in the mid 90s, which continues to seem to be the hotspot. Bangalore was for big companies, it would be very hard for entrepreneurs like me to get in. First, I would need more capital and second people wouldn't want to join unless you*

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<sup>24</sup> Saxenian (2006:293) mentions that Bangalore at present is experiencing human resource constraints as it has matured, where the attrition rates are 20-30 percent per year (and up to 60 percent for firms doing BPO services) and wages rising almost 15 percent a year. This has led IT services and software firms to seek alternative lower cost, talent-rich locations, such as Chennai, Hyderabad, Kolkata, and Pune.

*are a multinational brand. Once they get the offer, they go next door and shop the offer around. I really needed people whom I could depend on. Why would I choose an alternate location when we [his co-founder and he] had everything going for us at Pune. Today Pune's growth rate in the IT sector is outstripping Bangalore. For me, the biggest help has been the exemption on export duty [Government of India policy to encourage software export], because my company is located in the STPI park<sup>25</sup>. That way I could offer competitive salary to my staff and yet it allowed me to think about expanding (sic).*

In addition to the presence of a network of local strong and weak ties, the source and nature of funding for transnational business and the life stage of the respondents were major considerations in making decisions about the location of their entrepreneurship, as discussed earlier. For some of the younger transnational technology entrepreneurs in the United States, being located in the United States was associated with venture capital they received for their companies, as Poonam Sharma said:

*If you're a venture-backed company in the U.S., they would expect you to be in the U.S. There are a lot of legal implications that one has to comply with. We have 85 percent of our customers in the U.S. and our biggest share of the revenue is from the U.S. My company is very customer focused. This makes it necessary for us to be with the customers 24hrs. It is good to be close to the market. Bear in mind the largest amount of outsourcing work in the world is done in the U.S. I see no reason to want my company's headquarters somewhere else (sic).*

The technology entrepreneurs in the United States chose suburban locations for their companies' headquarters, which contrasted to the traditional "Little India(s)" in many U.S. cities. From the point of view of Rogers (1992:244-47 cited in Zhou & Tseng 2001:136) these transnational business enclaves in the suburbs of U.S. cities were products of internationalization of the urban economy, middle class characteristics, and status which had assisted in entrepreneurs' adaptability to American urban conditions,

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<sup>25</sup> Software Technology Parks of India (STPI) is an autonomous organization under Ministry of Communications and Information Technology, Government of India. For more on STPI, see Appendix no.6.

and transnational business connections to the homelands. Li (1998 cited in Zhou & Tseng 2001:136) calls this kind of settlement among middle class Asian communities an “ethnoburb”,<sup>26</sup> which represented some of the features of ethnic enclaves but also those of a suburb without the minority-majority<sup>27</sup>. Ethnoburbs, therefore, are unique places because they capture the essential spatial distinction and dynamism true of transnational centers and are at the same time concentrated physical locations of human and financial resources. These served as anchor points for transnational businesses of technology entrepreneurs in the United States.

As a result, high-end transnational technology businesses in the United States, like their counterparts in India, survived on local and sometimes lower-end business connections and networks, which provided the crucial conditions for transnational practices. Research by Zhou & Tseng (2001) highlights in a similar manner how trans-Pacific business activities of Chinese-American professional services in Los Angeles were heavily dependent upon the territorial division of labor and the local community networks in immigrant sending and receiving countries.

Thus, both in India and the United States, local pre-existing networks and opportunities, policy directives, and locally-available social, financial, and human resources mattered in grounding the transnational entrepreneurship of the respondents. This phenomenon confirms Ley’s (2004) observation that transnational actors/migrants are not always in the air—they must necessarily touch down *somewhere*. In this research,

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<sup>26</sup> Wei Li (1998 cited in Zhou 2009:81) a Chinese geographer first proposed the notion of “enthoburb”, which refers to the hybridity of inner-city enclaves and middle class suburbs, that is, suburban ethnic clusters of people and businesses. Thus, ethnoburbs are affected by combination of global and local forces, which includes the dynamics of community and networks, as well as movement of people and capital.

<sup>27</sup> Majority-minority is a term used to describe a jurisdiction or a U.S. state whose racial composition is less than 50% white. “White” in this context almost always refers to “non-Hispanic whites”.

the findings on the trans-local nature of entrepreneurship among Indian respondents deviates from Ong's (1999) and Ong & Nonini's (1997) notion of the "ungroundedness" or "deterritorialized" aspects of flexible accumulation of wealth and resources by the hyper mobile transnational entrepreneurs. None of the Indian entrepreneurs occupied virtual undifferentiated spaces, nor did any transnational respondent espouse the life world of an "astronaut family." This is regarded as one of the outcomes of the hypermobility of this capitalist class, where the heads of immigrant households situate their spouses and children in the United States or other western nations, joining them for a couple of weeks after long stays at their business bases in East Asian countries (Ong 1999). Yet they appeared to live with another version of the global-local dichotomy, the dualism of a cosmopolitan-local life (Hannerz 1990), which I discuss in Chapter 6.

*Summary and Conclusion:*

In this chapter I have focused on the importance of network configuration and the relational and normative content of strong and weak ties, the capital derived from such connections, and how this affected the business performance of transnational entrepreneurs located in India. I examined 15 transnational entrepreneurs in the technology domain (12 returnees and 3 nonmigrant) and 6 nonmigrant transnational businesspeople in the material sector situated in India. The two domains of the transnational enterprise reflected the generational divide among respondents in India, with younger interviewees having a dominating presence in the service-oriented technology sector, and relatively older transnational entrepreneurs engaged in land-based or handcrafted tangible goods. As compared to the immigrant transnational entrepreneurs in the United States, the gender ratio among the respondents was less skewed in India.

Five women (24% of 21) transnational entrepreneurs were found within both sectors of entrepreneurship. Although the very small number of women respondents in the study does not allow for any conclusion, the higher proportion of transnational women in the Indian context could be indicative of changes in traditional gender relations.

Returnees (12) comprised 80 percent (out of 15) of the technology entrepreneurs in India. My research found that the dynamism in transnational networks of college peers—especially among the ex-students of IIT(s)—that was initially responsible for migration to the United States also facilitated the return of technology entrepreneurs from the United States to India. The alumni networks acted as bridgeheads for returning to India, where the business atmosphere had been significantly transformed since economic reform policies were implemented in the 1990s.

In addition, my research revealed the predominance of intense transnational networking among returnee entrepreneurs prior to their actual return to India. This networking was aimed at leveraging, utilizing, and sharing business information, contacts, and trust with the co-founders of their jointly formed companies registered in India—or with college peers, friends, and family members in the network. Being embedded in transnational networks, e.g. in the Pan IIT network, exemplified largely by *trust-based strong* ties gave the returnee entrepreneurs—particularly the ex-students of IIT(s)—a competitive advantage over other technology entrepreneurs who lacked affiliation with this cohesive and exclusive sub-group. Such an internal network of peers from IIT(s) was formed on long-standing identity, which acted as a critical meso-level organization that created new ways of functioning for its members as well as developing a new entrepreneurial context.

The returnee entrepreneurs without strong college peer networks compensated for this lack by their active participation in diverse inclusive transnational networks both in India and the United States. Examples are local chapters of TiE, NASSCOM, and the like. The technology entrepreneurs in both countries had notably similar patterns in network structures that used *social collectivity* or *intermediary* organizations as platforms of common *intellectual capital*. This was derived from the confluence of strong and weak ties to improve business performance through access to markets beyond those of the home or host country. Membership in these association networks also brought the technology entrepreneurs a certain prestige and reputation, particularly those in which membership was restricted, such as the Pan IIT networks (Nahapiet & Ghoshal 1998:243).

Further, in this chapter I attempted to understand the way transnational network ties were conceptualized and why they were important to entrepreneurs in India. My inquiry found dyad or triad “team entrepreneurship” formed by *trust-based strong* ties with college peers or family members with whom the technology entrepreneurs had on-going personal relationships (Granovetter 1992), or a social context, like class or educational institution (Bourdieu 1986). For instance, the intra-team trust and reciprocity between two co-founders of a technical firm gave the team access to resources and information that was crucial for their high performance. These resources would have been difficult to transfer via usual market ties (Uzzi 1996). But, to avoid redundancy of information and the blinding aspects of strong ties, the technology respondents likewise made efforts to expand their network configurations by exploiting weak ties or structural holes.

In a slightly different manner, nonmigrant transnational entrepreneurs relied heavily on the cultural capital of their upper class backgrounds in Indian society. Examples include English proficiency, familiarity and knowledge of western cultural tastes, and other cosmopolitan lifestyle choices. These traits helped develop a foothold in American markets through memberships in numerous international trade-based organizations. Lacking the migrant experience of technology entrepreneurs and the social capital derived from sustained peer group solidarity, the nonmigrant transnational businesspeople suffered from resource scarcity. Therefore, in order to secure transnational business opportunities and resources, and to test novel marketing and product ideas, they relied heavily on *occupation-based weak* ties in external trade or interest-based global networks that extended beyond their boundaries.

While there were parallels at a broader level of network structures for both these groups, entrepreneurs in India engaged in transnational businesses in dissimilar domains. The discrepancy in resource content, i.e. the human and social capital within the two categories of transnational respondents, inspired the entrepreneurs to differently engage in activities of transnational networking. The returnees were mainly involved in professional and business associations and college networks, while the nonmigrant participated aggressively in international trade organizations and maintained strong ties with members of immediate family in the United States.

Finally, my research points to the unique spatial setting or the groundedness of place in economic transnational activities of the entrepreneurs in both sectors. For the economic transnational practices to happen, it was necessary to have the support of powerful local networks and resources to complement the transnational connections. This

included the availability of the kinds of human, physical, and financial resources that are necessary for transnational enterprises. This resulted in lower rentals, accessibility to bank credit, minimal bureaucratic snags, uninterrupted power and water supply in STPI parks, and the like. Therefore, although Indian transnational entrepreneurs were agents of global capitalism, they were also bounded by territorial material specificities, which made them distinctive and their actions differentiated the sameness of global space (Ley 2004; Levitt & Jaworsky 2007). Similarly, their economic transnational practices and citizenship participation, contrary to the theories of hyper-mobility, can be seen as expressions of local belonging and settlement, which I discuss in Chapter - 6.

## Chapter – 6

### **Life between Two Worlds—Re-articulating Identity as Transnational Entrepreneurs**

Recent scholarship on globalization and international migration has identified the emergence of forms of citizenship that are no longer bound by the borders of a single nation state. New definitions of cross-border citizenship defy the traditional notion of citizenship,<sup>1</sup> which is membership in a particular geographic and political community. This conventional definition of citizenship consists of four dimensions: rights, legal status, political and other forms of participation in society, and a sense of belonging. Immigration and associated political and economic transnational activities challenges—even as it reaffirms—conceptions of national identity, state control, and sovereignty that have been linked to the time-honored understandings of citizenship (Bloemraad et al. 2008:154).

In the context of globalization, some emigrating nations<sup>2</sup>—and migrants—have called for changes in the legal articulation of citizenship (Itzigsohn 2007; Faist 2008) and many states have legitimized and promoted dual or multiple citizenship/membership<sup>3</sup> (Baubock

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<sup>1</sup> According to Kymlicka and Norman (1994:354) the traditional understanding of citizenship is a postwar conception of citizenship—as-rights, which was put forward by T. H. Marshall in his book “Citizenship and Social Class” written in 1949.

<sup>2</sup> Emigrating nations (and also host countries such as USA, Germany, France etc.), have come to view continued engagement by their emigrants as an avenue for financial and social remittances, and investment in the country of origin. Change in the traditional definition of citizenship is seen as a means to expand their political, social, and economic borders to the diaspora.

<sup>3</sup> According to Faist (2000:202-03), “Citizenship in a state is an institutional form of solidarity. It constitutes an expression of full and formal membership. State and citizens can claim a set of mutually enforceable rights and duties. Citizenship also connotes the public representation of ties between members and corresponding nation-states. It is based on the perception of common belonging to a state—or a nation or both—and it confers the identity ‘citizen’.” Membership in nation-state politics is less often tied to formal citizenship, but to rights arising from settlement and socialization. Formal membership in the nation state does not have the same scope or range of meaning as with granting of citizens’ rights. Membership is the recognition of social ties and economic contributions of long time resident aliens. The ties between the

2007; Faist & Kivisto 2007). Dual or multiple citizenship extends the ability of people to participate in and belong to more than one territorially-based political units, which facilitates regular flows of social and cultural practices. These practices include buying and selling pre-packaged Indian dinners at Indian grocery stores or encouraging migrants to engage in cross-border civic organizations and actions—which resulted in the high level of aid in response to the 2001 Gujarat earthquake (Gandhi 2002: 360). As a result, commonplace transnational activities by migrants promote emotional ties and actions across national boundaries, leading to more cultural autonomy.

In this chapter, I examine how—in the context of a more accommodating notion of citizenship—recent changes in Indian citizenship laws and policies<sup>4</sup>, a major legislative provision, have influenced the self-perception and day-to-day lives of immigrant transnational entrepreneurs, many of whom were returnees in India. To evaluate the gains from multi-state membership of immigrant and returnee entrepreneurs and the impacts on identity, I contrast the experiences of immigrant and returnee entrepreneurs with their nonmigrant counterparts in India, who could not avail this legislative provision.

To that end, I study the ways immigrant and returnee entrepreneurs employ their dual membership of the United States and India as a social practice—that is, by engaging in

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members and the state are not as thick as that between citizens and the state, but not as thin as between aliens and the state (Faist 2000:207). On citizenship and immigration debate see Bloemraad et al. (2008) and Leitner & Ehrkamp (2006) and on citizenship theories see Kymlicka and Norman (1994).

<sup>4</sup> The constitution of India does not allow dual citizenship, i.e. holding Indian citizenship and citizenship of a foreign country simultaneously. The Government of India decided to grant Overseas Citizenship of India (OCI) which most people mistakenly refer to as ‘dual citizenship.’ Although it does not grant full citizenship rights, people who migrated from India and acquired citizenship of a foreign country other than Pakistan and Bangladesh, are eligible for OCI as long as their home country allows it under their local laws. Possession of an Indian Origin (PIO) card allows visa-free travel to India and gives several benefits to the card holder. The PIO card is valid for 15 years from the date of issue and must be accompanied by a valid foreign passport. A PIO card holder has to report to police authorities if staying for more than 180 days in India. There is no restriction of stay in India for an OCI card holder (Ministry of Home Affairs; Government of India).

civic and personal actions across national boundaries—in formulating their unique identity. In particular, I examine the transnational expressions of national loyalties and patterns of sociability associated with or generated by the transnational business actions that have brought new meaning to their lives, and thereby altered their self-perception.

I asked interviewees the following questions: What is your present citizenship? Why did you want to become a U.S. citizen? Do you possess the OCI or PIO card of India? How does the OCI/PIO card or U.S. citizenship help your business? How have your social activities and personal preferences—e.g., relaxation and fun activities with friends and family members, choice of music, food, and clothes—given meaning to your life? What percentage of your friends are Indians? Does having an identity (American or Indian) come up in your conversation? Do you discuss Indian versus American values with family members or friends? Give me examples.

My inquiry on identity was towards the end of the interview after the interviewee had shared his or her achievements and success as a transnational businessperson. Surprisingly, the questions on identity on many occasions changed the tone of the dialogue as it brought an aspect of subjectivity to the interview that evoked both excitement and emotional responses from the respondents. It moved our conversation to a personal level, where interviewees reflected about their life and lifestyle and were generally happy to be alive to witness and participate in a rapidly changing world. From the time taken to answer these few questions it was obvious that respondents, although comfortable and communicative in sharing their thoughts and feelings, had not taken time in the past for soul searching of this nature. Some respondents even stated by articulating their feelings during the interview it had made them feel gratified.

By exploring the “ways of belonging” of respondents who are embedded in various social field(s) as opposed to merely “ways of being,”<sup>5</sup> here I present cases of how personal identity is reconstructed by the respondents, who are anchored but pivot between a new world and a transnational incorporation (Levitt & Glick Schiller 2004). The multi-local life-world of these respondents offered a complex set of conditions that shaped the negotiations, reproduction, and construction for both personal and collective identities, as noted by Vertovec (2001).

The responses of the interviewees covered a wide range of emotions—love for the home and the host countries, personal ambition, optimism, altruism, ideology, spirituality, collective responsibility, love of adventure, and risk taking ability—which I have grouped together under two major viewpoints: nationalism/nation-building and patterns of sociability. Further, wherever relevant I have drawn contrasts with experiences of identity construction by settled migrant Indian population in the United States and with those living in the diaspora. The comparison throws into sharp relief what is different and similar about the identity of transnational entrepreneurs whom I have considered here. I end the analysis by describing how Indian entrepreneurs, particularly immigrants and returnees, come to terms with the feelings and loyalties closely associated with their life experiences in the transnational space between the United States and India.

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<sup>5</sup> According to Glick Schiller & Levitt (2003; 2004:1010) there is a difference between “ways of being” in a social field and “ways of belonging.” “Ways of being” are the actual social relations and practices that individuals engage in rather than the identities associated with their actions. In contrast, “ways of belonging” refers to practices that indicate or enact identities which demonstrate a conscious connection to a particular group. Ways of belonging combine action and an awareness of the kind of identity that action signifies.

All forty-two transnational entrepreneurs described themselves as being “Indian” from South Asia as the most influential and powerful base for expressing their identity, which they did not find problematic to incorporate with their American citizenship and transnational way of life. Without exception every one of the respondents expressed nurturing an innate sense of common identity born out of recent memories of India’s significant anti-colonial struggles, which had infused in them a sense of nationalism and a common heritage. To cite Shukla (2001:553) “the realities, memories and rebuttals to British colonialism has created a language in which to understand the development of nationalism in India and abroad.” Moreover, familiar life experiences of belonging to a poor country with limited economic opportunities, and achieving success professionally in the United States and thereby becoming resourceful, encouraged a shared political and economic transnational interest. In addition, the cosmopolitan cultural traditions—a very specific kind of colonial and postcolonial modernity, an ethic of cultural tolerance and of the survival of various cultures—assisted in building solidarity among the entrepreneurs. Nearly every respondent had the ability “to cite and quote and relocate, repeat and revise cultural styles, traditions and identities” with remarkable ease (Bhabha 1994:187-88).

Therefore, notwithstanding their diverse ethnic and regional origins, the interviewees deeply valued their well-defined Indian identity and treasured a sense of belonging to one nation state, which manifested in their ideas and deeds despite their territorial locations. Accordingly, the nation—India—remained the basic building block for constructing subjectivity for the immigrant, returnee, and nonmigrant transnational Indian entrepreneurs.

***“To give something back to India... an act of social entrepreneurship”***

The migratory experience of leaving India as young adults for higher education or job assignments in the United States for extended periods compelled the immigrant transnational respondents to recognize India’s strengths and weaknesses in a different perspective and more objectively than they had before migrating to the United States. They were quick to point out that the change in their psychological universe was due to having studied, worked, and lived in the United States, which had made them acutely aware of global standards and expectations to which they had not given much thought before migration. The immigrant and returnee transnational entrepreneurs recognized that India had to change in many ways to compete for earning a rightful place in the global economy, a sentiment captured by Partho nostalgically one evening in India.

*Once you have lived in the U.S. for a while and not as a visitor and traveled to other advanced countries in the West, Japan, and emerging economies like China, Singapore like it or not, you see India from a different lens and hold the country to a different standard. The first time I visited India after completing my graduate studies, the open dust bin three houses away from my house used to make me angry and upset. Hey! this was the house in which I had lived all my life before leaving for the States (laughs and sips chai). I continue to feel uncomfortable and upset in the streets of Kolkata, where traffic rules are routinely flouted . . . but India gave me the first breaks in life, my school and undergraduate college education. India is always in my thoughts. I feel an urgency to “give back” to this country (sic).*

This core sentiment “to give something back” to help transform India as a global competitor—whether it was in the attitude and work ethics of technology workers providing business/knowledge process outsourcing support to developed countries, or infrastructure development, or creating globally competitive jobs in the IT sector—was the primary motivation for many immigrant transnational entrepreneurs to launch their technology companies. Besides making sound business sense, tapping into India’s vast,

inexpensive, skilled, and English-speaking labor pool, these entrepreneurs expressed a sense of pride at having arrived at a place in their lives where they were able to give economic opportunities to their brethren. Expressing this desire for nation-building, here is a response from a pioneer twice migrant Indian entrepreneur, who founded his global info-tech outsourcing firm in the United States in 1980.

*Q. Why did you choose to do business with India?*

*I have always felt a strong bond with India. I have always felt drawn to the country whenever I lived outside. I felt when we were uprooted from Kenya people went all over the world, and I felt even though we had several very challenging experiences, India received us well. India always received us with open arms and I have always felt to give something back to India. There was sense of obligation, to India. I had to do something for the country. Secondly, I saw even then that this might be the field in future, and therefore took measured steps in getting there. I always thought the education system in India will have and impact in these fields over time. And that it would be a way for Indians to find ways uplift or advance themselves economically. So, that was the feeling when we started the company. We are fortunate that we were able to overcome the significant hurdles to establish this organization. We have had to reinvent the company several times (sic).*

For these immigrant transnational entrepreneurs, the inspiration for investment in India was due to being embedded in a web of social expectations and obligations tied to their place of origin. Their business investments therefore fulfilled one of their main objectives of bringing about local economic development with a difference<sup>6</sup>. In their role as transnational entrepreneurs and as development agents since the 1980s, socio-economic development of this sort has not only been via financial remittances and human capital, but also through social remittances and knowledge flows (Maimbo and Ratha

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<sup>6</sup> Since 1990, the idea of co-development has become increasingly popular, best described as public policy approaches of immigration countries to the migration-development nexus. This recent shift in the focus towards development is circulated by several nation-states like France, the Netherlands, the U.K. and international organization like the World Bank. In this view international migration is suppose to fuel development in the Global South—not only via financial remittances and human capital but by social remittances and more generally knowledge flows (Faist 2007:26).

2005). The underlying belief of these business actions is that more circulation of labor fosters more development by way of remittances and knowledge networks (Faist 2008:26). In a similar study Landolt et al. (1999) found that transnational business initiatives by elite immigrant Salvadorians in Los Angeles and Washington D.C had cumulative transformatory effects on local enterprises in El Salvador because each exchange and interaction sharpened the business acumen of the nonmigrants, and provided for a steady income in lieu of remittances (Landolt et al. 1999:313).

Levitt's (1997) research on immigrants from Miraflores, a village in the Dominican Republic, to Boston's Jamaica Plain neighborhood shows a similar pattern of emotional bonding with the homeland through developmental projects<sup>7</sup>. Regardless of the size or scope of the transnational activities, the immigrant ethnic groups who engage in cross-border development are driven by a passionate motive to be agents of change to improve the standards of living for the people in the home country.

In order to keep transnational links alive and identify with the people of India, for Sudip Choudhury it was, "never about making money . . . I have so much joy from the fact that my organization has taken roots truly in social aspects. I consider that to be greatest success in life." Mr. Choudhury, an eternal optimist and now 63 years old had migrated to the United States as a graduate student in economics in 1972. He had waited

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<sup>7</sup> Similar examples of transnational development engagements are seen Los Angeles. Hundreds of home town associations, many organized under umbrella organizations, are actively involved in supporting or promoting development initiatives in the home towns and cities of migrants in Mexico and countries of Central America (Gaurnizo 2003:678).

patiently for an opportune moment to fulfill his dream of starting a global “knowledge process outsourcing solutions” firm in 1988<sup>8</sup>.

The firm gave him the platform for experiments in social engineering to bring a transformation in the work ethics and attitudes of Indian workers. The son of a well-established business family in India, he had come to the United States to become a professional and, to his surprise, had worked long enough in the “most capitalistic country to realize my communistic leanings,” which he had acquired as a young adult in communist West Bengal, India.

*Q. How have your transnational business activities given a meaning to your life?*

*Do you really want to know? (Laughs loudly... yet serious) Very soon after graduating with a PhD in Economics, I had a job and within the next two to three years I had everything going for me. So, my thoughts of making an impact on India came back. Thankfully, this was the time when the IT revolution was taking off in India. So with the coming of Information Technology age, I felt I got the opportunity what I had long since wanted to do, that is to integrate work with other aspects of life—a holistic approach to living. In order to make the broadest impact I settled on doing what one would consider low tech work, which in my mind always was to do in a scientific way. It allowed me to create plenty of jobs in those segments of the population which was unemployable in India at that time. These are people with bachelors’ degree in mathematics, geography, English etc. I felt I could get into the lower end of business and give jobs to the maximum number of people. Our goal was to make a difference in the Indian society, where unemployment was endemic then—one of them was hard work, the other was integrity or truthfulness and the third was to break the hierarchical structure of control and command. So my business was to create a social context in which we can achieve these social changes at a human level. My organization is a social experiment which uses business as a contract (sic).*

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<sup>8</sup> Quite a few U.S. transnational entrepreneurs above the age of 50 years mentioned they had endured the long wait period before starting their transnational businesses with India. This was because the Indian government’s policies before the 1980s were left-leaning and more re-distributive. The years from 1947 – 1990 are popularly known as the “License Raj” in India. License Raj refers to the elaborate licenses, regulations, and the accompanying bureaucratic permissions that were required to set up business in India. The License Raj was a result of India’s decision to have a state controlled (planned) economy, where licenses were given to a select few, which often led to political corruption and nepotism.

His preferential option of initiating a transnational business over local strategies of economic and social incorporation was a means to articulate a personal ideology, which he had cherished from experiences in India and his life in the United States. Mr. Sudip Choudhury's behavior fits Appiah's (1998) description of a cosmopolitan patriot, and what Glick-Schiller and Fouron (2001) call long distance nationalism<sup>9</sup>, defined as "as a set of ideas about belonging that link together people living in various geographical locations and motivate or justify their taking action in relation to an ancestral territory and its government" (in Levitt & Glick Schiller: 2004:1020-21). In Mr. Choudhury's words,

*I wanted my workers to excel in everything they did. I instilled this sense of excellence in my Indian workers. I can say with pride that one of our accomplishment is that we produce data which is 20 times more accurate than anywhere in the world. So, we completely changed the expectations of the market in the field in which we were working and elevated it to a different level and that came from India and Indian people (sic).*

Similar to Mr. Choudhury in 1988, many other Indian immigrant and returnee transnational entrepreneurs were able to express their lifestyle and point of view because of transformation in the macro economic environment ushered by changes in India's citizenship laws towards acquiring membership in the Indian state by people of Indian

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<sup>9</sup> Waldinger & Fitzgerald (2004:1178) define it much more subjectively as "extending *beyond* loyalties that connect to any specific place of origin or ethnic or national group" (emphasis in original). The authors make a strong claim against the notion that long-distance nationalism inherently tends to be "particularistic," which I found to be true among Indian transnational respondents. The respondents' long distance nationalism was not targeted towards a particular group or place in India because their nationalistic actions took into consideration capital accumulation. The examples mentioned in the text—home town associations in Los Angeles, Levitt's (1997) research on Dominican Republicans, and Landolt's (1999) study of Salvadorians—are slightly different because the development initiatives were targeted towards a particular place and people in those countries.

origin in the diaspora<sup>10</sup>. The expansion of the legal status of Indian citizenship went hand in hand with changes in the policies of NRI (Non-resident Indians) investments, which presented opportunities to express ways of belonging for cultural production of nationalism, along with transnational economic engagement. These policy amendments were momentous for immigrant and returnee entrepreneurs.

Much is documented in a similar vein by scholars of transnationalism—Levitt & Glick-Schiller (2004); Vertovec (1999, 2001); Portes et al (1999); and others—who emphasize that immigrants build cross-border lives that go beyond the territorial constraints of one nation state. These authors mention that dual or multiple memberships in states widens immigrants’ social, economic, and political affinities to more than one sovereignty or territory, thereby creating fertile ground for non-unitary political identity and multinational affiliations. India, like Ireland, the Philippines, Turkey, and Barbados, developed global and national policies to encourage lasting links with permanent Indian settlers abroad (NRIs) to ensure their continued loyalty and membership rather than their return (Levitt & Glick-Schiller 2004). The extension of the Indian state membership brought a change in self-perception among expatriate Indians justifying their longing for the home country. For Shiv, a second generation Indian and a transnational entrepreneur in an Indian ethnic food business located in Devon Street, Chicago, it was a chance to express his emotional commitment to “Indianness” through transnational economic

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<sup>10</sup> As stated in footnote no. 4 the constitution of India does not allow dual citizenship. The furthest that Government of India could go was to grant the OCI to foreign passport holders. With this legislation the Indian state wants to encourage some form of long-distance political and economic nationalism, yet wants to control and manage what immigrants can and cannot do. It fulfills this objective by offering partial and changing packages of tax benefits and services but never granting the legal rights of citizenship or nationality or the franchise. Levitt & Glick-Schiller (2004:1023-24) define these nation-states—India, Barbados, Ireland, the Philippines, Haiti, and Turkey—as “strategically selective states” that do the balancing act of providing just the right level of incentives to reinforce long distance membership while not being overly attentive to migrants needs lest they make their nonmigrant resentful. For more discussion on variations in the global national policies of sending nation-states see Levitt & Dehesa (2003).

engagements, and in turn his Indian identity. In the quote below he describes how obtaining the OCI card narrowed the psychological distance between India and the United States, making him feel secure and at ease in both countries.

*Q. Why did you want an OCI card?*

*First, OCI gives me the ease of traveling to India at a moment's notice. I could do that with five or 10 years Indian VISA, but OCI has made my travels hassle-free at any port of entry in India. After 9/11 everyone is a suspect. Life is not easy as it used to be with a U.S. passport. It made perfect business sense as my manufacturing unit and primary vendors are located in India. Second, without a time constraint I have the liberty to learn and get acquainted with the top of the line products in Indian food for exports to the U.S. market. I can personally communicate with my food vendors and suppliers a lot more now. I usually spend four to six months a year in Bombay. It gives me a sense of security in India. Previously there was a rush to get a Green card by Indians in the United States, now it is the other way round... (sic).*

Indian entrepreneurs in the United States involved in the Indian ethnic transnational businesses (e.g. Indian spices, food grains like Basmati Rice, produce, packaged Indian food, fashion and designer jewelry, clothing, and services like travel, tourism, and entertainment) and those in technology or IT businesses consider the provisions of OCI to be the Indian government's appeal to immigrants to maintain a "love for their homeland". Especially for immigrant Indian transnational entrepreneurs in ethnic businesses, it offers them an avenue to fulfill the ever-growing desire of the local ethnic community to reproduce their cultural practices and customs to maintain their regional and national identities in the United States. While in the United States, their business establishments—like the shops on Devon Street, Chicago or on Orchard Lake Road, Farmington Hills,

Michigan—create a niche for consumption of Indian ethnic goods and services by the general American public<sup>11</sup>.

Further, membership of U.S transnational entrepreneurs in two or more countries has created new networks and enlarged the existing universe of the social field(s) for nonmigrant producers in India to participate in the cultural production of nationalism among the resident Indian community in the United States. The cheap and easy accessibility of all sorts of information communication technology has released the nonmigrant entrepreneurs from being territorially constrained, enabling them to have an ongoing dialogue with customers in the United States and India on a regular basis. The multi-state membership therefore allowed for participation in the reproduction of the Indian social and cultural life for all the constituents in the social field (Levitt & Glick-Schiller 2004; Guarnizo 2003; Vertovec 2001).

Another definitive way of expressing bi-cultural U.S-Indian identity—best described by the metaphor of a “salad bowl”—for some entrepreneurs has been to take their business to India, for no apparent financial gain. The self-conscious act of forging business ties with India was for nurturing their personal identification and the satisfaction of doing something for the home country. Here is an example of such altruistic and yet nationalistic actions by an immigrant entrepreneur:

*Q. It appears your transnational business is profitable without trading with India. Why did you start a business relationship with India?*

*We are a little bit different from the rest of the transnationals, maybe. We do not purchase anything from India. We sell in India. We export to India. We sell to China. Some of the products we make are little bit different in technology. We*

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<sup>11</sup> For instance, “Corona beer, which has Mexican origins and is considered in Mexico to be “humble and even low rent beer” has become very popular among foreign beers in the United States (Guarnizo 2003:682). Similarly, Chai, which means “tea” in Hindi is a popular beverage in Starbucks coffee shops in the United States.

*export to 30 different countries—to countries in South America, Australia, New Zealand, India and China. India is my own country. It's my home country. So, we decided if we have to do business, India has to be a part of it. We have the technology of this product which is not available in India, so now we can sell to India. Our 90% suppliers are in the U.S. and one is in the U.K. It was for emotional reasons we entered the Indian market. I and my partner feel a tremendous love for the homeland. We got burnt initially doing business in India, people did not pay us. So, we even thought of deleting India from our list. We did not need the business in India for our survival or to make profits. We were doing business with Germany, Brazil, Argentina etc. But, in our hearts we cannot detach ourselves from India. To make peace with ourselves emotionally we had to do business with India. Now we are Ok. We have a good team in India and a reliable Indian distributor (sic).*

Similarly, investing in India's stock market was a common strategy by which interviewees identified with the tradition, interest, and economic growth of India, in spite of registering their individual company and having made considerable infrastructural investment for their cross-border businesses in the United States. It was a different route taken to assert collective re-affirmation of their Indian nationalism. When asked about investments in India as opposed to investing in other emerging markets like Mexico, China, Russia, Brazil, or countries in Eastern Europe, this is what Onkar Gupta had to say:

*India gives a higher rate of interest to investments made by NRIs. I have invested my money in Indian's security market. I do believe at the end of the day, the equity market system with all its flaws, will boost start the economy from where it is. I think Indians are fundamentally entrepreneurs and I think this way you can encourage people and get the system moving. I am not interested in my personal returns from the investment I make in India. I am keen in getting the philosophy and the principles right for the Indian market so that people understand, if we have a system it should work (sic).*

Therefore the nationalistic practices by transnational Indian entrepreneurs in the United States are manifold and emphasize the context-dependent nature of assimilation into American society, while self consciously cultivating transnational business ties with

India, inspired by the spirit of long distance nationalism. Consequently, my findings among immigrant entrepreneurs certainly do not imply identification with national politics and locales of the home country to be disappearing, contradicting the post-national position which emphasizes that “globalization limits the sovereignty of states” (Carnoy & Castells 2001:12), nor the sense of belonging to both host and home country should be regarded solely a derivative of economic conditions, that has a tendency of global homogeneity of coca-culture (Sklair 2001 cited in Ley 2004:153). In fact, similar patterns of forming bi-cultural identity where state policies matter have been reiterated by studies on diverse ethnic migrant communities in the United States, for example Gold (2004), Leitner & Ehrkamp (2006), Guarnizo (2003; 1998); Portes, Haller & Guarnizo (2002), and others. In sum economic transnationalism implied a new definition of spatiality of everyday life for the immigrant respondents, where at times territorial meanings, identification and attachment also prove to be a powerful incentive for returning to the home country to fulfill nationalistic and other dreams, as highlighted in the next section on returnee transnational entrepreneurs in India.

***“Enormous opportunities had opened up in India . . . I wanted to be part of that action”***

In my interviews with the twelve returnee entrepreneurs, which comprised 57 percent of respondents engaged in transnational business in India, all stated nationalistic affiliation was one of the decisive factors for their return to India from the United States. Interestingly for the returnees it was the “timing” which provided him or her with a break for demonstrating their loyalty to India. The act of returning to India was professed by many as a show of national allegiance while being a naturalized U.S. citizen. The success

of Indian professionals in their individual careers in the Silicon Valley community (and other places)<sup>12</sup> along with the substantial wealth that some of them had accumulated, coincided with India undergoing a dreadful financial crisis in the early 1990s and the subsequent rejuvenation of the reform process. This created the supply and demand for establishing a long-term and rewarding relationship by the returnees of getting the home and host countries together<sup>13</sup>.

Abhinav Kelkar, while discussing his multiple reasons for re-locating to India at the peak of his professional success with young children and wife—who too had to forego her professional success in the United States—explained his longing for the homeland in Hindi, “*Janmabhoomi*” (which connotes birthplace). For him the physical ties to India, as the place of his birth, often competed for the emotional space of living his entire productive life in the United States. Contemplating on his conduct as a catalyst for transforming India into a global competitor in the technology space—regardless of the knowledge flow, social remittances, and creating high salaried employment for many in the booming IT sector at Bangalore—he believes his greatest contribution has been in motivating his peers in senior positions of U.S. corporations to emulate him as returnees in India.

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<sup>12</sup> Silicon Valley leads in the United States in immigrant entrepreneurship in the technology sector, with 52 percent of its technology and engineering firms having immigrant as a key founder. Silicon Valley is followed by New York City and Chicago. Immigrants from India, China, and Taiwan have a strong presence within engineering and technology entrepreneurs (Wadhwa, et al. 2007).

<sup>13</sup> I elaborated more on this aspect in Chapter Five. It is estimated that around 50 million Chinese and 20 plus million Indian live outside their home countries. Traditionally India has been unwilling to accept money, energy, and good will from members of the diaspora for their country of origin and there has been a tendency to maintain a distance from the Indian diaspora. Thankfully this attitude has changed in the last few years. In contrast the Chinese diaspora has played a significant role in linking the country’s internal markets to the global markets. India is more of a protectionist in behavior and lobbies to keep foreign investments out compared to China. However India has always been more open to ideas than China (Khanna 2007).

*The increase in return migrants to India from the United States has happened because transnational executives like myself have been instrumental in relocating many more Asian Indian transnationals back in India at senior levels in global tech companies or to start their own enterprise. India is really moving up the value chain as far software development is concerned. It's an opportunity of us to leave a mark in an industry that is taking off. . . And companies like mine are making it happen. It's not about being able to sell to foreign clients but also the value we can bring from India. I firmly believe the relocation of human capital and technical skills has contributed in sustaining the 9% economic growth of India in the past decade. Personally, I am at a stage when I want to apply the resources which I have been able to accumulate to help and assist the underprivileged. I am working on these projects. Aaah! I will not head another start up! (sic).*

Mr. Kelkar's endeavor to convince others like himself to return appears to have paid off.

A similar trend was noticed in recent research by Wadhwa (2007:2), which shows a shift of research and innovation from the United States to India and China over the past seven years aided by an increasing number of returnees to these countries from the United States. In both countries, the study reported observing a growing number of expatriates returning home and bringing extensive knowledge and experience with them<sup>14</sup>.

The presence of a larger proportion of younger (below 50 years of age) technical returnees as transnational businesspersons in India, as stated in Chapter Three also means these entrepreneurs are likely to think creatively or out of the box. To a great extent, returnees attributed their ingenious outlook to their exposure to American culture and day-to-day life as immigrants in the United States for more than a decade. An example of such abstraction is Goutam Kohli's vision to replicate the Silicon Valley in India, where excellence in technological innovation would symbiotically thrive in close proximity to centers of higher education. In the same vein, an illustration of Khanna's (2007) definition of entrepreneurship of "doing things in a different way, ahead of social norms

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<sup>14</sup> Wadhwa (2007) mentions from interviews with executives of multinationals and local firms in India and China that the present trend with gaining momentum is for jobs in research and design to go offshore.

and customs, and establishing the rules and laws . . . and not just in the mainstream business sector but in society at large and even in politics and civil society,” is Sanjay Mathur, who wanted to “get out of the rat race in United States after fourteen years to work on projects in India to help create opportunities for children via education. I wanted to return to my roots in India.”

Since Mathur’s return in 1998 he has concentrated his energy and resources in developing learning platforms, where learning happens at the learners’ own pace, language, and social environment, and as their schedule allows them. In a country where more than one third of the adult population (above the age of 15 years) is illiterate<sup>15</sup>, it made sense for him to be in the “learning space” for building a new future for India.

*Q. Tell me more about your decision to return to India, when you had everything going for you in the United States? What does your present transnational enterprise mean to you?*

*Mathur: For the first year I did nothing . . . I even contemplated going back to the United States. My company would have taken me back I suppose, but not my girlfriend (laughs) . . . When I was growing up we lived in many remote rural districts, because my father was an IAS [Indian Administrative Service] officer and I was the Sahib’s [Hindi word for a high ranking official in Indian government] son. I had all the privileges of having an elite education and the social rewards that kind of education bestows on you . . . but during my school years I played with the children whose parents worked for my family as servants. The children of our house help did not receive any form of education. That reality of disparity which is easily visible everywhere in India has stayed with me. It is ‘pay back’ time for me. I realized it was now or never . . .(sic).*

The common trait in all the interviews with the returnees regarding their identity was the intimate association of their formative years’ experiences in post colonial India, and the notion of nation-building which was an all-encompassing credo during 1970s and

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<sup>15</sup> Almost one fourth of India’s male population and more than half of its female population is illiterate (World Fact Book 2008 & Census 2001)

1980s in India's history<sup>16</sup>. The influence and the significance of nation building was made clear to me in a discussion on this issue with another returnee in the following manner:

*My father like many others of his generation was born in colonial India and then witnessed the transition to independent India. They made their life to set up the various institutions in India, like judiciary, the bureaucracy, the army etc. Coming into your own in a profession was not clearly the done thing . . . When India got its freedom and transformed into a pluralistic and an electoral society, people from all walks of life came together, particularly in Delhi who wanted to change things . . . so in my home we had regular meetings/discussions of people who were either senior or junior academics of military and bureaucracy. It was an eclectic mix of intellectual people who were serious about conceptual framework of large scale issues on how to build India and her institutions. That was the environment in which I was growing up . . . I guess, it has rubbed off on me (sic).*

Although the Indian transnational entrepreneurs (returnees, immigrants, and nonmigrant) have had the tremendous advantage of time and space compressing communication technologies—pre-requisites for a dense and large scale social field to emerge—conversations with the returnees particularly pointed to the unique social and political forces in local Indian contexts, along with their migratory experience in the United States, to have generated the intense sense of loyalty for their home country. By local context the returnees meant having attended school and undergraduate college in socialistic leaning secular India in the 1970s and 1980s, which played a critical role in mediating their decisions for return, direction, and scope of economic transnational activities. In comparison, the senior transnational entrepreneurs who migrated to the United States in the 1970s or early 1980s often voiced their perception of being

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<sup>16</sup> Shukla (2001:561) states in the Indian case after independence in 1947, the nation and the state were firmly linked, as each of these two categories became variously engaged in the project of building a new India. An intense anti-colonial nationalist sentiment lay behind the formation of the institutional apparatus for the state and the forms of compliance produced among largely Hindu but also Muslim and Christian populations. In fact the fluidity between the concept of the nation and the possibilities for the Indian state is a unique feature of the 'Indianess' created in the diaspora.

“unwanted” and their business initiatives to be “unwelcomed” by the Indian Government before the reform in Indian policies in 1990s. The attitude of neglect and “abandonment” by the Indian government for the U.S migrants in the past years appears to have left an indelible mark on senior transnational entrepreneurs, who prefer to fulfill their nationalistic attachments for India from afar.

In the light of the differential experiences of India’s state policies among the two generational cohorts of immigrant and returnee transnational entrepreneurs, the value and expressions of nationalism are dissimilar and add to the internal heterogeneity of this aspect in the transnational social field. These findings run parallel to Gold’s research with Israeli immigrants in Los Angeles, London, and Paris, where he has found a divergence between Israeli and Diaspora Jews in their national allegiance because of Israel’s hostile attitude toward Jewish people in the diaspora in spite of both these groups’ mutual support to the state of Israel (2004).

The merit of local context was further emphasized, when a few of the returnee respondents spoke passionately about the numerous public recognitions of their transnational entrepreneurship by Indian organizations like NASSCOM<sup>17</sup>, their peers, teachers, and alma mater. These sentiments of public acknowledgment held enormous importance for their self-esteem and image. Explaining her reasons for returning to India in 1999, Rukmini Mehta, a woman transnational entrepreneur in the life-science domain living in Chennai, India stated, “It gives me peace of mind to be in India. I enjoy being able to give back to my alma mater, that is IIT. I am recognized and applauded for my

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<sup>17</sup> The National Association of Software and Services Companies. NASSCOM was set up in 1988 to facilitate business and trade in software and services and to encourage advancement of research in software technology. It is a not-for-profit organization, registered under the Indian Societies Act, 1960. For more details, see Appendix no 6.

work in India and by my teachers. My husband and I wanted to give our most productive years to India.” The economic capital derived from engagement in transnational enterprise is thus converted into substantial cultural and social capital in India and is given much higher worth as compared to the United States by the returnees.

For the returnee entrepreneurs, daily experiences in India of transnational business undertakings, as well as partaking in of all the changes in the Indian society, are essential components in constructing their sense of belonging. However, the recent experience of living in the United States is never far from their thoughts, as is suggested in the following interview excerpt at Mumbai:

*I am an U.S. citizen and have the OCI card from India. I keep in touch with the U.S. on a daily basis because of the kind of work we do. I consider the U.S. to be my home too. I hate to say this but I am constantly comparing India to the U.S. I think I have the best of both worlds. The U.S. is in my sub-conscious. For me it really does not matter where I stay, or to which country I officially belong (sic).*

Consequently, for the immigrant and returnee transnational entrepreneurs, the American and the Indian experiences are not perceived as binary opposites, nor are they thought of as sequential or linear, but as the “simultaneity of connections” (Levitt: 2004).

On the other hand, a different and distinct point of view was stated by nonmigrant transnational entrepreneurs about the meanings they had ascribed to their businesses with the United States. Their self description as an “Indian” was firmly rooted to the geographical boundaries of India as a country, but they perceived their Indian uniqueness as a key element of the global society. All of the nine nonmigrant interviewees, who comprised almost 43 percent of the transnational respondents in India, considered their business ventures with the United States and other countries to be an outcome of changes in their individual intellectual progression as Indian policies (especially dealing with

export and import policies) and the business atmosphere gradually changed from 1980s and onwards. When asked to explain how exactly the transformed business climate in India had influenced Gauri Rao's thoughts about her transnational enterprise—often referred to as “export business” in India—in handmade textile and craft objects, she had this to say:

*Gauri: From '98 onwards, India hit a stride . . . what ever you touched turned into gold. It was not me; it was the nature of the environment. The environment became conducive if you did it the right way. In a short time I have been able to employ from 50 to 1000 - odd people. Whereas previously I could not afford to employ so many people. There was no capital investment in both businesses, so something must have changed. It is India's time in the Sun, you know! If you did things right the environment would carry you.*

*Me: What does it mean for you to be able to employ more than 1000 workers for your export business?*

*Gauri: India has lots of poor people. You and I have been exceptionally lucky . . . I look around and feel absolutely thrilled that I have been able to create 1050 jobs for the people of India in such a short time. And, pay a fair and comparable salary every month. Some of my employees are first time white collar workers in their families. We have been able to put profits into an employee welfare fund. I feel all of us have a collective responsibility to wipe the scourge of poverty from India.*

*Me: How have your ideas changed about your business practices from before considering your present enterprise is your second venture?*

*Gauri: I travel a lot more now and to more countries in Europe, South East Asia, and to the U.S. in this line of work. Now, when it comes to intellectual choices or what I want to do with my business or life I think globally. I think very differently now because opportunities have opened up in India. I aspire to be in the global markets with my very own exclusive brand name. I will get there before I hang up my boots . . .(sic).*

Devoid of the migratory experience of the immigrant and returnee entrepreneurs, the nonmigrant transnational businesspersons did not use the term “give back” or “pay back” in their conversations to describe their spirit of nationalism. Neither did any of them mention possessing dual or multiple memberships of other nations. Verifying this propensity among nonmigrants entrepreneurs, Bloemraad, et al (2008:167) and Conway

et al (2008:374), state that countries apply different rules about dual citizenship. Often countries more used to emigration than immigration change citizenship/membership rules so that countries can target their own emigrants abroad, but don't extend dual citizenship/membership for those who live within their own borders, as in the case of Poland (Faist 2007, Gorny et al. 2007 in Bloemraad et al. 2008) or in India. Additionally both of these authors mention the imbalance of empirical research centered on the United States as the primary country of reception. Research on dual citizenship/membership is still an emerging field in Canada and Europe, because it is assumed that immigrants in the United States are more likely to lead transnational lives.

Contrasting slightly from the previous two groups of respondents, expressions of nationalism were unquestionably assumed as a natural conclusion of nonmigrant entrepreneurs' transnational enterprises. In interviews with them, especially those who had created more than hundreds of jobs in rural and urban India, it became evident how neo-liberalism and socialistic ideas of nation-building had intertwined and produced unexpected configurations, exclusive of the migratory experience of returnees and immigrant entrepreneurs. The forms of professional personhood espoused by the nonmigrant transnational entrepreneurs were to engage in neo-liberal rationalities<sup>18</sup> and private practices of self-actualization<sup>19</sup> along with a strong sense of caring mainly for the socially disadvantaged communities, thus contributing towards developing the nation.

Although appreciative of the efforts of their returnee and immigrant counterparts, these businesspeople liked to emphasize how their business efforts were more

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<sup>18</sup> By neo-liberal rationalities I mean choosing to start private businesses as opposed to working for the state or national government.

<sup>19</sup> Practices of self-actualization would include, for instance, making a decision to travel abroad for training, or revamping the office to encourage eco-friendly practices among employees.

redistributive in character and linked small towns and villages of rural India to the global markets. Interactions with a nonmigrant entrepreneur in agro-product transnational business underscored this new understanding of what it means to be patriotic while performing everyday transnational business practices:

*In our industry because we are working with the farmers directly we have much greater moral authority as compared to other standard industries. The very fact that I am working in rural India and with farmers mean I can take a few principled positions. In my three factories, I employ directly 300 people, and we have another 400 people on contract. I have no idea how many IT firms are in rural areas . . .*

*Now I have the cash, which I have earned by being a successful entrepreneur to do a crash course to improve my entrepreneurial skills at Wharton School of Business, or at Harvard. I can fulfill my dream in one lifetime . . . is how India has changed in the past two decades and changed the meaning of our lives as Indians. Contemporary India does not demand that one sacrifice one's future for the nation. Now patriotism is about fulfilling one's potential through responsible choices, while promoting national development (sic).*

Examining the formation of personhood, particularly among the returnee and the nonmigrant ideas of independent self-development and nationalism as being incorporated into a single subject position did not cause personal turmoil. The personal dreams of traveling abroad for higher education, or working as professionals in the United States, or even just getting an opportunity to train in a elite business school in the United States were rooted in the context of moving India forward in the world stage and toward progress. One nonmigrant entrepreneur even said, “all young people should go abroad for training before starting their business.” For contemporary Indians, foreign education or being located overseas and nationalist practices were not seen as contradictions.

Notwithstanding the internal differences between the three groups of businesspeople because of their age cohorts, migratory experiences in the United States, or territorial

locations, the common nationalistic aspiration among these transnational entrepreneurs was to raise the overall quality of life of their society and fellow nationals, primarily through job creation. The returnee and nonmigrant entrepreneurs' norms and values of serving the country was central in their business undertakings, which challenges the assumption that nationalism and national territories is often overshadowed by transnational business activities (Ong 1999; Ong & Nonini 1997).

***“We would like to introduce our children to Indian culture and heritage ...”***

In this section I discuss several social expressions of the day-to-day life of the transnational respondents, and how their class position<sup>20</sup>, travel, and communication technology contribute to living in multiple worlds. These have overturned the older ways of thinking of home and abroad. In my interviews with respondents, discussions on patterns of sociability in their transnational life were centered on their family and children. This was a departure from conversing about their feelings related to nationalistic aspirations, which was expressed exclusively in individualistic terms. To maintain the authenticity of the data, I have chosen to retain the informants' focus on family and children.

The predominance of “consummatory social capital” played a key role in the formation of Indianness to varying extents among all three groups of transnational entrepreneurial families. The immigrant and returnee transnational Indian families felt an especially pressing need to retain what Portes (1998:7-8) calls consummatory social capital, that is social capital deriving from “being thrown together in a common situation, workers [members of transnational immigrant and returnee families] learn to identify

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<sup>20</sup> In the United States and in India the respondents belonged to upper economic class and therefore had easier access to the materiality of American and Indian culture and artifacts.

with each other and support each other's initiatives.” For this reason, irrespective of their current territorial locations, transnational business families felt a sense of bounded solidarity, and thereby attached meanings to various aspects of life that cannot be universalized to those who are not active participants in the transnational social field(s). The life style of these families created spaces of identity formation, which may be rooted in local context (United States or India), but are nonetheless shaped by transnational relationships, networks, and institutions spanning the social world that stretches between India and the United States.

For the immigrant, returnee, and nonmigrant families the sustained—rather than occasional—contacts and relationships with relatives and friends who had moved to India/United States, and the powerful narrative to those who had returned to India/United States, played an important part in negotiating their Indianness while being open to American and World cultures. These families also worked out their transnational relationships simultaneously with Indian communities located in the other diasporic locations, like the U.K., Canada, and countries of East Asia. My conversation with Shabnam—a nonmigrant entrepreneur in India—makes visible the intensity and the scope of circular flows of information, symbols, and persons as a result of being rooted in a social field with various members of her family in India and the United States.

*There is a lot of familiarity with the U.S. all the time. I have lots of family members and friends who are residents or citizens of the U.S. and live there. There is constant traffic of people and ideas in my household and in my workplace between the two countries. Then, there is the media which bombards us with information about the U.S. Finally, many buyers come from the U.S. regularly to our retail center here. My daughter lives in the U.S., who is a young mother. I speak with her at least once, sometimes two or three times in a day. I watch and talk with my grand child using video cam every other day. For the past 18 years my nephew has been living in New York. He works for the Citibank. The U.S. seems much closer in our minds and thoughts than the*

*physical distance between the two countries . . . my sister and I visit the U.S. regularly on work and holidays (sic).*

These transnational connections, employing various and numerous telecommunications channels like the telephone, faxes, Internet, and Satellite TV, have had an effect on Shabnam's family in India and those living in the United States as never before with regard to practices of constructing, maintaining, and negotiating individual and collective identities. For example, the traditional child care practices that were communicated daily to Shabnam's daughter in the United States were accommodated with the instruction she received from her American doctors, or the arrangements for an Indian wedding celebration for a bi-racial cousin in the United States were done adhering to the American rules for fire hazards<sup>21</sup>.

Although transnational experiences are certainly heightened by frequent and extensive travel by transnational entrepreneurs themselves, it is not lost on those who do not travel as much and live at home—like as teenage children or elderly parents. They too cultivate a transnational perspective from being at home (in the United States or in India) by assessing their everyday experiences, the past and the future, with a double consciousness acquired from transnational relationships and a fluid conception of self (Globert 2001: 717)<sup>22</sup>. A vision of such cross-border cultural flows was described by a returnee entrepreneur, who wants his sons to attend U.S universities. He wanted the U.S. experience to become a part of his childrens' lives in the same way as it is a part of his life, yet he did not want to let go of his local culture, language, and the places he loves:

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<sup>21</sup> Fire plays a central role in Hindu weddings. The groom and the bride exchange marriage vows in front of open fire with the priest chanting the Vedic hymns.

<sup>22</sup> Golbert's (2001) ethnographic research on Ukrainian Jewish youth living at home in the Ukraine establishes how these youth were able to locate their everyday experiences and relationships within transnational space, thereby transnationalizing the local and localizing the transnational.

*My acquiring an American citizenship was a pragmatic strategy to facilitate flexibility in transnational livelihood options for our family. I want both my sons to have U.S. graduate educations. It will be hard for me to settle for anything less. I don't want my kids to grow up thinking only as Indians . . . I tell my kids not to be bogged down with the monster called "security", which was so much a part of my growing up. I suppose that tells you something about my identity as well (sic).*

In order to fulfill this dream the returnee had both his sons and a nephew—a local—engage in the process of imagining themselves in a different location in the next two to three years, besides orienting them to the academic and cultural demands of campus life in an U.S. university. The life of this returnee and his children, like other transnational families in the United States and India are located daily in two or more nations, which includes multiple sites and communities that serve as sources of personal meaning, defined by Hannerz (1996) as “habitats of meaning” that are not territorially limited. To cite Hannerz (1996:110), “[H]ome is not necessarily a place where cosmopolitanism is in exile. It is natural that in the contemporary world many local settings are increasingly characterized by cultural diversity. Those of cosmopolitan inclinations may make selective use of their expansive orientation toward the wider world . . .” The idea of multi-locality is exemplified in this case of transnational returnee entrepreneur and his sons.

The sense of multi-locality experienced by the transnational entrepreneurs and their families can be contrasted with those of migrants and diasporic members who also construct “multi stranded social relations . . . that link together societies of origin and settlement” (Basch et al. 1994:7). The difference lies in little to no interest in transporting non-work cultures between the host and home country by the transnational respondents because of the total absence of a “myth of return” in their lives (Jones-Correa 1998), a

challenging situation that diasporic members and migrants often have to deal with. Kurien (2004) and Bhalla (2006) assert that settled Indian migrants in the United States and diasporic members actively engage in transplanting cultural and religious practices between the host and home country to maintain distinct cultural boundaries from mainstream American culture. Second, because of the residential dispersion of the transnational entrepreneurs who possessed middle and upper class resources like an American college degree, a majority of interviewees could avoid being encapsulated in the regional ethnic Indian communities reconstructed by Indian migrants in American society. So the majority of transnational respondents in this study who had high human and cultural capital could escape from the complex, all encompassing ethnic bonds of the settled Indian population that incorporates migrants and also demands loyalty for the price of security (Kennedy 2004:162).

To ensure continuing engagement and connections in the transnational space with family members and friends in India and elsewhere, but more importantly to provide their children the freedom of living in either of the two countries (India or United States) and the social and cultural advantage of “transnational belonging”,<sup>23</sup> close to 70 percent of Indian immigrant and returnee transnational interviewees chose to become naturalized U.S. citizens, refer figure 5-1.

Consequently, for returnees and immigrant transnational parents in their late 30s and 40s in India and in the United States respectively, identity construction mostly revolved around social and communal activities that would enhance raising their children to be “global” or “world” citizens, of which “being an Indian” was an essential part. In the

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<sup>23</sup> Simultaneity or living lives that incorporate daily activities, routine, and institutions located in the United States and transnationally (Levitt & Glick Schiller 2004:1003).

process of doing so they often reflected on how their own identity had been transformed as a result of personal exposure to American life and transnational experiences. The transnational entrepreneurs were eager to pass on their “global” or “international” traits to their children. Abhinav Kelkar, who had lived for 18 years in the United States before returning to India, refers to his sense of global inclusiveness in the following exchange:

*Q. How do you relax when you are not working?*

*Kelkar: I try to relax while working actually. I spend a good deal of time at various airports of the world. I use that time making calls to my wife and family. When I am in India, I like to spend time with my children and wife in the evenings. On weekends we hang out with friends or visit our parents. I relax when we take family holidays.*

*Q. Tell me about your everyday activities with your family*

*Kelkar: My children mean everything to me. I don't get to be with them as much as I would like to. . . Activities . . . ummm? We have our dinners together when I am not traveling and there's a lot of conversation around the dinner table. I help my kids with their studies. We do a lot of fun things together when we travel on holidays. Last year we visited Indonesia. We all liked Bali.*

*Q. You have told me that you are a U.S. citizen. What does it mean to you?*

*Kelkar: It provides tremendous access to anywhere in the world and the flexibility to live in India and U.S. without time restrictions.*

*Q. I suppose you have an OCI card?*

*Kelkar: Yes.*

*Q. How do you perceive yourself?*

*Kelkar: I see myself as more of a global citizen with an Indian origin! Phenotypically, I look from South Asia, you cannot take that away. I definitely want my children to have a more of a global orientation than myself, but also to be informed about what it means to be an “Indian”. . . I want them to know about the their ancestry, heritage, local practices etc. See, my parents never left the town in which they were born. My generation moved around India and in a few countries, but the future generation of Indians have the right credentials to move around anywhere in the world. They will have all the tools and where-with-all to live in any country of their choice. My daughter is learning Chinese now, besides having a fairly good grasp of English and Spanish . . . I have always wanted my children to be exposed to different cultures . . . they were born and brought up in the U.S. but now have a chance to experience life in India, China and Europe (sic)<sup>24</sup>.*

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<sup>24</sup> On questions about family life, the male respondents were not as engaging as their female counterparts. As these questions were asked towards the very end of the interview I noted some degree of restlessness among male respondents, whereas all female informants were more forthcoming on this topic.

In a similar manner, Rajiv Bhatia, an immigrant transnational entrepreneur in the United States, accepts the fact that his children will eventually become monolinguals like the rest of their American peers, but tries hard to retain their proficiency in languages other than English by conversing with his children exclusively in Hindi or in halting Spanish. All the interviewees were multi-lingual, in fact many of them had a good knowledge of three or four languages<sup>25</sup>. Quite a few of the transnational entrepreneurs were sensitive about the language issue. They considered multilingualism to be a scarce resource, believing that speaking multiple languages allowed for the possibility of looking at things from different perspectives, instead of becoming bound to symbols and perceptions embedded in a single tongue. It was regarded as an effective asset to gain access to foreign markets, as well as to gain competence in cultures which were initially alien. To quote Mr. Bhatia:

*It is to our advantage if we know more than one foreign language spoken by business communities in the world. That way, we can take advantage of the best of many worlds and try and mix our strengths. For instance in hiring people for our Philippines office we sent Indian recruiters who spoke Spanish and for tactful presentation of our accomplishment in the right light in South American countries. This way people can appreciate our performance. We have realized that growth markets for our kind of business are outside this country [U.S.]. We can get some big markets here but year-to-year growth is outside the U.S. Another thing has been the changing expectations of the type of performance from Indians in the tech. space (sic).*

This mindset to “achieve competence” or to “engage the other” of many cultures as Hannerz (1996) defines the process of cosmopolitanism<sup>26</sup>, was deeply ingrained in the

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<sup>25</sup> Most of respondents were proficient in English, Hindi, and the regional language spoken by their parents or by the parents of their spouse. Some of them had a working knowledge of Spanish/Chinese—mainly acquired because of occupational necessity—when they lived in the United States. Nonmigrant entrepreneurs knew no foreign language except English.

<sup>26</sup> Hannerz (1996:103) describes the process of cosmopolitanism as “entail[ing] involvement with plurality of contrasting cultures to some degree on their own terms.” Therefore, “genuine cosmopolitanism is first of

preferred lifestyle of these transnational entrepreneurs, which is reflected in their selection of cultural reproductions. It was incredibly important for Neel Mukherjee to have the thread ceremony<sup>27</sup> for his sons in India. The particular aspects of the place as sacred /holy land held meaning for him and his family. This is how he explained it to me:

*I visited India to perform the “upanayanam” for my two sons. These are pizza-eating American kids, but they do know the “gayatri mantra”<sup>28</sup>. I thought they should be exposed to India’s spiritual traditions in the true environment. You can never really transport the distinctive cultural experience to the U.S. . . . I wanted my sons to feel and inherit these traditions as they were passed on to me by my father. I believe, the liberal Hindu way of life will help my children to know what is right from wrong. The ceremony was arranged by my brother and parents. It was great occasion for a family reunion (sic).*

While all transnational respondents except for one expressed themselves to be secular and not belonging to any religious organization, they felt by observing a few of the major Hindu rituals and celebrating religious festivals of Diwali, Holi for example, would give their children access to a community and provide them an opportunity for cultivating an Indian (often analogous to Hindu) identity. Gold’s (2002:215) research on Israeli transnationals in the diaspora points to a comparable finding where he states, “ethnicity alone provides few opportunities for collective celebration, building social ties and passing on an identity to their children . . . [the Israeli émigrés] treat such religious quests as the only viable means of maintaining Jewish life in the diaspora—rather than as a religious quest *per se*.”

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all an orientation, a willingness to engage with the Other. It entails an intellectual and esthetic openness toward divergent cultural experiences, a search for contrasts rather than uniformity.”

<sup>27</sup> The sacred thread ceremonies also known as Upanayana, is performed mostly by the Brahmins for adolescent boys. It is a Hindu rite-of-passage ritual.

<sup>28</sup> Gayatri mantra is a religious syllable or poem of the Hindu religion.

Additionally, many of the respondents mentioned that religious occasions or festivals of a public nature presented them with platforms where common cultural experiences between immigrant, returnee, and nonmigrant children and adolescents were cultivated, as in the case of taking classes on Hindu scriptures and in memorizing Sanskrit “shlokas”<sup>29</sup>. Thus, by participating in the transnational space, the entrepreneurs and their families found others who interacted with them in “terms of specialized, but collectively held understanding” (Hannerz 1996:107).

However, according to Levitt’s (2008:770) definition of “rule-makers”, all the transnational entrepreneurs in this research were “rule-makers”—members of the Hindu majority in India<sup>30</sup>—as opposed to “rule-takers” or the minority. This gave them the leverage and the choice of what to include in their “mental file cabinets” and create transnational subject positions for themselves and their children. To cite Levitt “[the transnational respondents were] not worried, for example, that having a Christmas tree in their homes will undermine their children’s religious identities. In fact, they see it as a way of demonstrating they are American (2008:770)”.

A similar deliberate orientation and openness towards incorporating a plurality of divergent cultures on their own terms was evident when I asked the respondents about their food, dress, and music preferences. A quest for experimentation with contrasting cultural experiences appeared to be the dominant pattern in just about all of the responses—cutting across age, gender, territorial location, and their diverse business enterprises. Here are some responses on the next page:

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<sup>29</sup> Shloka is a Hindu prayer or hymn to be sung or chanted in liturgy. The respondents’ children learned these Hindu shlokas using web-based training sessions as opposed to instructor-led training in a particular territorial location.

<sup>30</sup> Being members of the Hindu majority in India gives them the power of defining Indianness.

Table No: 6-1: *Choice of Food/Music/Dress (sic):*

- 
- *We eat all kinds of food—Italian, Mexican, Thai, and Indian.*
  - *I eat everything. My favorite food is Thai. My favorite music is Western Classical*
  - *I eat everything. Of course keeping the culture in mind, when I am out with Muslim friends, I avoid eating pork. Similarly, when I am dining with Hindu friends I avoid beef.*
  - *I eat all kinds of food—Indian, Thai, steak. Then I got afflicted with a heart disease. I eat South Beach diet now. I hear western music, particularly pop.*
  - *My favorite music is rock.*
  - *Both my children are bi-cultural. And like any Indian American kids being raised in the U.S. They eat pizza, bugger and chapatti<sup>31</sup> with relish.*
  - *There is no formal dining in our house and everyone is left to do whatever they want. I eat at home around three to four times a week. I hear all sorts of music, particularly hip-hop. I date everybody across race and ethnicity. My last girl friend was a white American.*
  - *We eat 75 percent of time Indian food. I love steaks. I love sushi. We watch a lot of American T.V. I watch Jay Leno show every night.*
  - *I purchase my business casual in the U.S. and wear them in India, U.S. or elsewhere in Europe for client meetings.*
  - *I wear anything that is comfortable.*
- 

The transnational interviewees' symbolic connection of with Indian food and dress as powerful sites for the construction of Indianness has undergone a major transformation, contrasting with the experiences of first generation settled immigrant parents. The settled immigrant parents prescribed selective assimilation for their children, hoping by retaining cultural differences in private and selectively presenting them in public would enhance the mobility of their children despite a minority status in the United States. The transnational entrepreneurs—except for the nonmigrant—who too were first generation immigrants to the United States, made efforts to integrate into multicultural American society by cultivating salient ethnic identities. The transnational parents did not want their children to be part of the “post-ethnic” America in which group differences are

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<sup>31</sup> Indian bread

voluntary and secondary (Hollinger 1995 cited in Dhingra 2007:4). In other words, the responses from the respondents indicate that they did not feel the pressure of “going native” or “becoming a practicing Hindu”—a necessary aspect to counter-assimilative forces or finding a place in multiculturalist American society, as found in research on Indian immigrant community in the United States by Kurien (2004)<sup>32</sup> and others. The thick web of transnational networks and institutions in which these families were embedded created a multi-layered social framework for a distinctive kind of transnational meaning and culture to thrive, which I argue was made possible by the majority American culture’s selective tolerance of ethnic differences in the last two to three decades.

***“I have become a potpourri of cultures . . .”***

After having mapped the various meanings and emotional attachments of the transnational entrepreneurs who associate their civic and personal engagement with their roles as transnational businesspersons, I asked them to share their self perception or how they defined themselves ultimately given the fluidity of their multi-local lives. The self-descriptive responses were related to their present citizenship status and to their possession of current passport(s). Here are a few illustrations:

**Table No. 6-2: *Self-definition based on Citizenship (sic):***

- 
- *I am a proud American.*
  - *I am an American of Indian origin.*
  - *I am an American citizen but choose to live in India.*
  - *I am an Indian.*
  - *I think myself to be global-Indian.*

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<sup>32</sup> Kurien’s (2004) study states that “Hinduness” among Hindu Indian Americans is the major reason for construction of their identity in a multicultural American society and the recent rise of ethnic nationalism.

- *I did not choose to become a naturalized U.S. citizen, so that makes me an Indian-American.*
  - *I am a Canadian-American from Assam<sup>33</sup>.*
  - *I had a British passport. Now I am American.*
- 

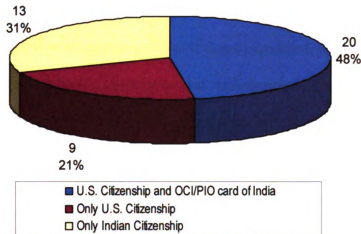
For the respondents, the scope, power, and possibilities that citizenship status of a particular state could offer in realizing their aspirations for a transnational life was of phenomenal significance. Partho Ganguli defines this as “living life in my terms, and the power to make choices.” It also meant enabling macro political and legal structures, which have been put in place to make optimum use of entrepreneurs’ potentials for cross border business activities. The following pie-chart is indicative of the significance of U.S. citizenship and membership of the India state in the lives of 42 transnational respondents, where 69% percent of immigrant and returnee transnational entrepreneurs were naturalized citizens of the United States and 31 percent are Indian citizens<sup>34</sup>.

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<sup>33</sup> Name of a state in the eastern part of India.

<sup>34</sup> The propensity to become naturalize U.S. citizens by the respondents of this study is reflective of the naturalization trends among different nationalities in the United States in the past couple of years. Indians are the second most important source of new U.S. citizens after Mexicans. 46, 871 Indians became naturalized U.S. citizens in 2007, which was a 7.1% increase from 2006. Indians were followed by Filipinos and Chinese in third and fourth places in 2007 (Yearbook of Immigration Statistics 2007). One of the reasons for the continuous upsurge among Indians to embrace U.S. citizenship is the change in stance by the Indian government toward their expatriates and the introduction of dual membership of the Indian state which removes the disincentive for Indians to become U.S. citizens (Portes & Rumbaut 2006: 140-143).

**Figure No. 6-1: Distribution of Citizenship and OCI/PIO card of India among the Respondents**



My notion is that the contemporary immigrant and returnee transnational Indian entrepreneurs, above all, drew upon their U.S. citizenship<sup>35</sup>—which can also be described as transnational citizenship—by claiming economic and cultural membership in American and Indian communities as explained earlier. It facilitated embracing a distinctive cosmopolitan lifestyle, defined by Hannerz as “largely a matter of assimilating items of some distant provenance into a fundamentally local culture” (1996:103), which shaped their self perception. Describing the same phenomenon as “dynamic transnational syncretism,” Faist (2000) mentions how the immense ease of using communication technology encourages the transportation of “social” and “symbolic”<sup>36</sup> ties by immigrants

<sup>35</sup> Fox (2005:188-195) makes a distinction between “transnational” citizenship and “global” citizenship. Transnational citizenship is membership in political communities that are not limited to nation-states. These are cross-border communities that are not global in scope. It can also be referred to as bi-local or bi-national, relationships that are quite bounded in terms of specific political communities (not necessarily nation-states). Cosmopolitan citizenship does not necessarily have a cross-border dimension, in terms of either community membership or rights.

<sup>36</sup> Faist (2000:191-194) describes ties as transnational links. These transnational links can be of an informal nature and institutionalized nature. As example of informal tie would be intra-household or family

into host countries. This increases the potential of old cultural patterns to synthesize with the new ones of the host country giving rise to “syncretist” practices and hyphenated collective identities. In this way, migrants (re)negotiate relations between old and new realities.

What’s more, the predominance of dual national membership among transnational entrepreneurs supports Faist’s observation that “transnational cultural syncretism” is not “located on a magic carpet of a deterritorialized space of flow. It only makes sense [to immigrants and returnees] when tied to specific spaces in different nations. It is not a notion above nation-states but a combination of both the inside and the between” (2000:218). Therefore, the legal provision of U.S. citizenship and membership in the Indian state via OCI/PIO cards facilitated transnational economic activities and played a central role in the production of cosmopolitan Indian American<sup>37</sup> identity among the transnational immigrants and returnee entrepreneurs.

The case was slightly different with the nonmigrant entrepreneurs, who had a different self-perception because they could not avail themselves of dual state memberships. Consequently, this group of entrepreneurs interpreted the pro-business Indian policies—especially from the 1990s—to have empowered them to articulate their potential as transnational entrepreneurs. Their concerns were to be dealt with exclusively through national policies. They perceived themselves to be culturally grounded within

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ties. An example of an institutionalized tie would be political parties entertaining branches in various countries of emigration and immigration. Resources inherent to social and symbolic ties make them different. Symbolic ties do not depend on face-to-face contact and are therefore easier to transfer between nations. Social ties depend primarily on local assets such as language or a distinct cultural ideological outlook and therefore are more resilient to transfer unless forced into motion by macro structural forces such as international labor recruitment.

<sup>37</sup> I have chosen this term to denote multiple identities of immigrant and returnee Indian transnational entrepreneurs. This is not the same as hyphenated identity, e.g. Indian-American or Mexican-American, nor do they represent hybrid culture.

Indian society. Risks and solutions for their transnational business activities were conceived within national borders by exercising their national rights and duties, which was appropriate for all citizens of India. They described themselves to be Indians, but zealously cultivated a global perspective. Many declared themselves to be “global Indians.” Their path to cosmopolitan citizenship<sup>38</sup> was different from the transnational citizenship of immigrants and returnee entrepreneurs had taken more of an indigenous route.

*Summary and Conclusions:*

In this chapter, I elucidated how the enabling macro legal environment of U.S. citizenship, along with membership in the Indian state, presented opportunities for the transnational respondents to express their sentiments of nationalism. Access to both mainstream American culture and their Indian cultural heritage—which I categorized as “patterns of socialibility”—provided the freedom to make personal choices and shape their identities.

As a result, the selfhood of the interviewees is contextual, where nations continue to be extremely important but social life is not confined by national boundaries (Gold 2004:331; Levitt & Glick Schiller 2004)<sup>39</sup>. Multiple factors generate their evolved identity: formal education, citizenship, class, age, skills in employing and manipulating cultural artifacts, membership in various networks, gender, political status as immigrants (or as returnees or nonmigrant), and direct and concrete knowledge of different

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<sup>38</sup> Bloemraad et al. (2008:168) states the cosmopolitan citizenship links status to persons rather than to territory, raising questions about how to secure rights that are overwhelmingly guaranteed by states, as in the case of dual citizenship or in multi-state membership.

<sup>39</sup> To cite Bloemraad (2008:154) “Nation-states continue to hold substantial power over the formal rules and rights of citizenship and to shape the institutions that provide differentiated access to participation and belonging, with important consequences for immigrants’ incorporation and equality.”

cultures—such as an awareness of work ethnics in American and Indian work culture. Particularly for the immigrant and returnee transnational entrepreneurs, it can be also be understood as a process of what Morawska (2003) calls economic “transnationalism *cum* assimilation”.

The transnational entrepreneurs of this study participated equally in American and Indian cultural, political, economic, and other social organizations—reflecting their overlapping attachments. Thus, my findings contradict the assertions by critics of dual citizenship or multi-state membership that loyalties are necessarily tied to a single citizenship (Miller 2000; Renshon 2001). The transnational entrepreneurs in my research were involved in local issues and concerns, and concurrently in a dynamic process of networking that extended across multiple nations. This is in keeping with the findings of extensive research by the Oxford Transnational communities program (Levitt 2004:105-06), as well as the Leitner & Ehrkamp (2006) study on migrant and refugee communities in the United States and Germany. The identities of interviewees were reflective of the experience gathered in the multiple habitats that formed their cultural repository, which influenced the re-articulation of their identity (Vertovec (2001:578). The multiple contexts created what some have referred to as “transnational social field” (Levitt & Glick Schiller 2004), “transnational social space” (Pries 1999), or “translocality” (Appadurai 1995)—in which the transnational entrepreneurs could feel a sense of connection to their actions.

Finally, their identity as transnationals cultivated a unique cosmopolitan culture, which above all provided them with mediating possibilities. The cosmopolitan culture served as a bridgehead for entry into other territorial cultures, providing opportunities to

connect with the meanings of others' lives and to gradually incorporate this experience into their own personal perspective (Hannerz 1996:107). This form of making sense of identity by transnational entrepreneurs offers additional ways of thinking about immigrant adaptation and considering stratification. In place of dominant theories of adaptation, like segmented assimilation (Portes and Zhou 1993), reactive ethnicity (Portes and Rumbaut 2001), and pan-ethnicity (Espiritu 1992)—which allow for migrants to have multiple identities—I believe that transnational migrants separate both what their identities mean and where they are performed. The formation of identity by transnational entrepreneurs was not based on preference or aversion to one category over another, but on constant conversation between two or more cultures.

## **Chapter – 7**

### **Conclusions**

The chapters of this dissertation have explored the different forms of capital—cultural, social, and human—and the networks that Indian immigrant, returnee, and nonmigrant entrepreneurs in the United States and in India used to achieve their goal of transnational entrepreneurship.

My research highlighted how, for highly-skilled<sup>1</sup> Indian transnational entrepreneurs, cultural capital from their class backgrounds and their education and employment in both countries contributed to the configuration of networks that functioned as a source of social capital. As individuals or as members of a social unit, the Indian entrepreneurs mobilized the actual and potential resources in network relationships for advancing their cross-border business activities. I found that transnational entrepreneurship was perceived as an attractive and viable opportunity for career growth by resource-rich and accomplished Indian immigrants in the United States and nonmigrant in India—no less than it has been for less-skilled and unskilled migrant entrepreneurs in the United States. It also confirmed that different types of transnational networking affect business performance and survival, a topic that has received scant attention because ethnicity has been considered the main actor in the networking-performance relationship. These findings in my research therefore fill important gaps in the existing literature of economic transnational practices.

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<sup>1</sup> The accepted marker of “skill” is either educational level or occupation. The economist opts for education, while sociologist and demographers prefer occupation (Borjas 2003; Bouvier and Simcox 1994 cited in Batalova and Lowell 2006:86).

My research established that what really matters are the relational (norms and ties) and structural (size, diversity, density, and connectivity) aspects of social networks to which transnational entrepreneurs have access, along with investment policies and market opportunities in the host and home country. Country-specific factors account for the differences in the scope and level of economic transnational activities. One example is the Indian government's development of Software Technology Parks in 1991, intended to ensure infrastructure and administrative support for software exports from India. This government program was aimed at encouraging Indian entrepreneurs to return from the United States and other advanced countries, and ensuring their prosperity after their return to India. Guellec & Cervantes (2002), state that the Korean government developed strong initiatives to foster a research and development environment and infrastructure to lure Korean migrants back from abroad.

Further, empirical studies by Gold & Kibria (1993); Gold (1994); Kyle (1994); and Landolt et al. (1999) have found that less-skilled immigrants groups who arrive in the United States without the resources—education, language skills, and/or professional skills—necessary for economic assimilation into the mainstream American society activate their extensive web of social networks. This provides them with alternative, and more liberating ways, of earning an income. Within immigration literature this has popularly been referred to as a process that is occurring from “below”, resisting macro economic forces of globalization (Potes 2000:257-259; Smith and Guarnizo 1998). In contrast, the results of my study highlighted that their option for transnational business was associated with two aspects of economic globalization: (a) the ease and increase in the international flow of financial capital and (b) the intensity of interconnectedness of

labor migration and markets (Fong & Luk 2007:8). The entrepreneurial actions for the respondents of this study were a means by which to further consolidate their economic resources. This was not a consequence of poverty or the recency of their arrival to the United States, as in Potes et al.'s (2002) research on Colombian, Dominican, and Salvadorian migrants in the United States.

As a result of the inclination for studies of the less-skilled immigrants groups, partly caused by geographical proximity between the country of origin (Latin American and Caribbean countries) and destination (United States), the existing literature on economic transnationalism in the United States suffers from a relative lack of ethnographic research on skilled migrant entrepreneurs. Exceptions are Gold's (2002) research on Israeli transnationals, Saxenian's (2006) and Biradavolu's (2008) studies on Indian technology transnational entrepreneurs, and Zhou & Tseng's (2002) and David Ip's (2007) study on Chinese immigrant transnational entrepreneurs in the United States and Australia respectively. Meaningful insights into the significance of networks among resource and capital rich transnational entrepreneurs are needed, and recognition that the types of networks that economic transnationals utilize are likely to differ between socioeconomic classes.

My research on skilled and mobile Indian transnational entrepreneurs is a contribution in filling this lacuna. It develops an all-inclusive image of economic transnational practices engaged in by a variety of actors in both sending and receiving countries. The findings of this research can be regarded as "transnationalism from above" initiated by accomplished Indian transnational actors by their daily activities and in social relationships (resembling happenings of the low-skilled transnational migrants in

numerous ways). These transnational relationships are not shaped by multi-national corporations, media, or by international public institutions and their policies that transcend state borders (Mahler 1998:67).

Further, the findings of my research respond to the limitations of macro-biases in the neo-classical and the world system theory<sup>2</sup> in understanding operations of global businesses and the mobility of highly-skilled and resourceful entrepreneurs, by adopting an “agent-centered” study of transnational networks. The network perspective allows for considering both the enabling and constraining impact of societal structures, as well as the agency of the transnational actor as the principal initiator—as member of a variety of networks—of global flows of capital, commodities, knowledge, and information. Thus, by assessing a confluence of multiple factors and relationships, as opposed to focusing on a single level analysis (for instance, the efforts to liberalize citizenship conditions by the Indian government and how it affected the agency for transnational entrepreneurship), the network-based approach provides for macro, meso and micro level analysis of the stratification within and across fundamental social categories of transnational entrepreneurs (Gold 2005:258). For example, class, age, religious and ethnic affiliations, levels of education, tiers of educational institutions, rural/urban locations within India, and legal status played a major role in terms of rewards, achievements, success, responsibilities, and division of labor among transnational entrepreneurs.

The conclusions of this research also made clear how immigrants, returnee, and nonmigrants conceptualized their transnational experience. The respondents of the study

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<sup>2</sup> The neo-classical view takes wage differentials as the prime determining cause for migration, whereas World System theory argues that migration is caused by the consequences of market creation and the structure of the global economy (Gold 2005:258).

moved their understanding of the process beyond the assimilationist agenda of the host societies to include those who do not actually migrate but are connected to migrants through the networks of social relations that are maintained across national borders. Perceiving migration to the United States to be a temporary move, the transnational entrepreneurs challenged the zero-sum assumption underlying the “brain gain/drain” debate, which understates the back and forth movement of ideas, finance/remittances, skill sets, information, and goods. This back and forth movement between the home and host country by transnational entrepreneurs and the complex interconnectivity they maintained to their region and localities of origin both in the United States and India drew attention to how transnational processes are mediated by local conditions, expressions, and institutions. My research established the unique spatial setting or the groundedness of “place” in the economic transnational activities of Indian entrepreneurs. Dismissed is the perception of contemporary transnational practices as beyond the purview of nations. Ong & Nonini (1997:10) and Ong (1999) characterize this as “boundless”—a liberatory process to be enjoyed by mobile and networked population, in pursuit of flexible accumulation of wealth and resources.

My study has brought awareness to the place-making projects of forces such as capitalism from the perspective of those who make globalism and transnationalism happen, rather than from the perspective of those who are made by the process. I consider my empirical findings among Indian transnational entrepreneurs—who underscored that local resources and their individual mooring to a particular place in the home and host countries were required for economic transnational practices—to be a major contribution of this research. While similar conclusions were reached from research studies on various

transnational sub-populations in the United States and Canada (Fong & Luk 2007; Zhou & Tseng 2002; Gold 2002; Guarnizo & Smith 1998), this element of Indian transnational entrepreneurship is important, as each ethnic group possesses characteristics that make them unique.

### **A Review of Chapter Findings:**

The analysis of data in the chapter titled “When Imagination becomes Reality” clearly demonstrates the benefits of cultural capital in transnational ventures. The respondents of the study were members of privileged economic and social classes in India in the 1960s, 1970s, and 1980s. They had attended English medium schools, and later attended either prestigious or better institutions of higher education as undergraduates in India. Their middle and upper social class backgrounds cultivated a mental disposition or *habitus* that assigned a high valuation for U.S. graduate education, mainly in engineering, management, and sciences, as well as necessary social skills and sensibilities from western and Indian cultures. The high regard for western technical education among the transnational respondents was further reinforced by the all-pervading culture of global articulations of higher education in the universities and colleges in India, which proved to be a powerful source of motivation for the entrepreneurs to migrate to the United States

For the majority of the respondents, simply possessing the right educational qualifications and skill sets (human capital) was not enough for initial migration or for deciding on the appropriate American university for graduate studies. Additional social capital in friendship and family ties was therefore garnered from established migration channels. These included undergraduate college peers from India as well as family members and close friends in the United States. Thus, the cultural and social context of

pre-migration played an important role in the specific opportunities and constraints that were available to dissimilar groups of entrepreneurs for transnational activities in the United States. For instance, in the case of entrepreneurs in the material goods sector, the financial credit and business support was extended to intra-ethnic entrepreneurs. In another example, in the technology domain, industry leaders provided legitimacy to the innovative business enterprises of younger entrepreneurs. This fit between the particular resource characteristic of each entrepreneur group and the social capital that was available in transnational networks in the United States and in India was guided by a sense of common meaning that had been developed through a shared history of interactions. This shared history played a significant role in immigrant entrepreneurs' decision to engage in transnational business (Gaumnitz & Smith 1998:13). Extensive micro-level evidence of the socio-economic circumstances of the entrepreneurs in India—and how that shaped the formation of pre-migratory network structures—is a major contribution of this study. These findings move beyond the limited endeavor of analyzing from only one location how transnational networks operate, as in many studies on transnational and migratory networks: e.g. Menjivar (1997); Bagchi (2001); Harvey (2008); Poros (2001).

My effort was to show how senior and junior immigrant transnational entrepreneurs in two sectors (technology and material goods) with different resource content (cultural, social, and human capital) provided examples of their process of migration to the United States. Later, their individual experiences of labor market integration in the United States, access to financial credit, religious community affiliation, and post-migration cultural adaptation to the American society yielded further contributors to their transnational

network configuration. The findings also brought to light the usage of varied types of ties in different combinations: occupation-based weak ties, trust-based strong ties, bridging ties, ambiguous ties, organizational, familial and friendship ties. My investigation concludes that on the whole and irrespective of variation of resource content in the entrepreneurial categories, business people in both sectors located in the United States tended to use both strong and weak ties, and exploit structural holes in their networks as a source for business information and contacts.

It would be wrong to say that highly skilled entrepreneurs—who were professionals before their transition to entrepreneurs—preferred or relied exclusively on weak ties or on structural holes as has been generally asserted in earlier research (Granovetter 1973, 1995; Nan Lin 2001; Burt 1992; Wang & Salaaf 1998). These authors agree that weak ties—those ties which extend beyond the individual's immediate social circles—provided access to unique influences and increased the efficiency of information through minimizing redundancy. In the context of this research I found the boundaries of strong and weak ties for immigrant transnational entrepreneurs were blurred. What mattered more was the arrangement of the network, the position of the entrepreneur in the network, and the context in which social relationships were formed.

In the chapter titled “The Game Changers” I focused on two important aspects of entrepreneurial networks: the longitudinal development of network structure that enabled the return migration of technology entrepreneurs from the United States to India, and the role of inclusive global networks for entrepreneurs with uneven distribution of social and human capital.

Evidence illustrated that the expansion of structural and relational aspects of business networks by Indian immigrant entrepreneurs was done with a deep sense of conviction and commitment. There was an abiding awareness among senior and contemporary entrepreneurs—regardless of their territorial location—of the rewards and benefits of the social capital embedded within a wide range of network relationships, including collectives of college and university peers, work colleagues, friends, family members, business associates, and vendors. These networks would provide the latest business information, contacts, and knowledge that was critically needed to advance their cross-border enterprises.

Towards the same end, the migratory channels and peer solidarity among the alumni of undergraduate institutions in India provided the foundation for the creation and longitudinal expansion of networks. Over time these emerged as intermediary transnational organizations at the meso-level for Indian technology entrepreneurs in both countries to access common intellectual capital. Consider for example the Pan IIT networks, TiE (The Indus Entrepreneurs), and SIPA (Silicon Valley Indian Professional Association). Further, the findings emphasized that social capital facilitated the development of intellectual capital in such organizations by influencing the conditions necessary for the process of symbiotic exchange of knowledge and experiences by different actors. For instance, dyad or triad team entrepreneurships among returnee entrepreneurs were formed by strong trust-based ties with college peers or family members with whom the technology entrepreneurs shared an on-going personal relationship and a history of interaction (Granovetter 1992). Similarly, organizations such

as TiE or SIPA materialized from a common social context of Indian immigrants in the United States.

In addition, the findings brought attention to the effects of the changes to macro-economic policy during the 1990s in India. These included market-friendly policies, removal of licenses on imports of industrial equipments, and tax exemptions for five years in designated zones for export-oriented software firms. These had very significant impacts on individual network usage of meso-level intermediary collectives, particularly among IIT alumni returnee entrepreneurs for whom the Pan IIT network facilitated a smooth transition into successful entrepreneurship in India.

My analysis discovered that macro economic structural changes in India affected entrepreneurs differently depending on their personal endowment of social and human capital. For example the nonmigrant entrepreneurs in the material goods sector, who had relatively lower levels of human capital, had no access into the U.S. market by means of established transnational, ethnicized, or college peer networks of technology entrepreneurs. To take advantage of the economic reform policies of the 1990s and to become globally competitive, this group of entrepreneurs relied heavily on the cultural capital of membership in the privileged class in India, and on their membership in international trade-based organizations. Deprived of transnational peer group support and therefore resource scarce, these entrepreneurs counted heavily on weak ties in trade- or interest-based global networks. Therefore, weak ties were a means of entry into the U.S. market for entrepreneurs in the material goods sector in India. This finding affirms Nan Lin's (2001) argument that social relations with weak ties were decisive in helping

entrepreneurs dealing in material goods in India to secure information they did not already have.

In conclusion, network usage varied depending on individual characteristic of the entrepreneur, geographical location of the enterprise, and existing migratory channels. Usage also underscored that networks are flexible and subject to change over time. In general then I found how important it is to differentiate among the different social contexts and instances that lead to diverse patterns in transnational entrepreneurship, and consequently to a variety of network configurations and usage.

In the chapter “Life between Two Worlds - Re-articulating Identity as Transnational Entrepreneurs” I sought to deal with the issues of recent changes in Indian citizenship laws and policies that affected the self-perception and day-to-day lives of immigrant transnational entrepreneurs, many of whom were returnees to India. To further analyze the benefits of multi-state membership of immigrant and returnee entrepreneurs and its impact on their self-perception, I contrasted their experiences with the nonmigrant entrepreneurs in India who did not benefit from this legislative provision.

I analyzed the ways in which immigrant and returnees have employed their dual state membership of the United States and India as a social practice—that is, by engaging in civic and personal actions across national boundaries—in formulating their unique identity. In particular, I examined their transnational expressions of national loyalties and patterns of sociability associated with or generated by their transnational business actions that had brought a new meaning to their lives, and thereby had altered their self-perception. My inquiry revealed that the immigrant and

returnee respondents considered themselves assimilated into American society, while they deeply valued their distinct Indian identity.

The results indicated that for the immigrant and returnee businesspeople, their American and Indian experiences were not perceived as binary opposites, nor were they thought of as sequential or linear, but rather as the “simultaneity of connections” (Levitt 2004; Leitner & Ehrkamp 2006). For example, the association of comfort food and dress from all of the world, or celebration of Hindu (Diwali) along with non-Hindu (i.e. Thanksgiving and Christmas) festivals for entrepreneurs’ families functioned as powerful sites of cultural reproduction. Such representations were in sharp contrast to the efforts of the settled migrant Indian-American community, who have felt a clear need and desire to maintain distinct cultural boundaries from mainstream American culture. Bhalla’s (2006:123) research on letters to the editor of the expatriate Indian newspaper *India Abroad* illustrates the aversion the settled American-Indian population has felt towards American values, as well as their reasons for not assimilating—American society is described as a depraved society going astray and Indian values are considered right and moral.

Moreover, by moving away from the religious Hindu construction of Indian identity, as has been the practice of the settled Indian immigrants in the United States (Kurien 2004), the transnational entrepreneurs wove a very different identity for themselves and their families that complemented their multi-local and mobile lives. By participating in the transnational space, the entrepreneurs and their families found others—by way of global friendship and family networks—who interacted with them in “terms of specialized, but collectively held understanding” (Hannerz 1996:107).

This developed in them a cosmopolitan orientation and multiple “habitats of meaning” not territorially limited (ibid). The immigrant and returnee entrepreneurs in my study did not display an inclination to transport culture between home and host countries. This is in contrast to migrant and diasporic members who generally bring their culture when they move overseas, and afterward remain encapsulated in the kinship, family, village, or ethnic/national communities constructed in the host and other diasporic locations (Basch et al. 1997; Cohen 1997 cited in Gold 2002:2).

Overall, in my research I found no obvious differences in patterns of sociability and life style between the three categories of transnational entrepreneurs, despite age and business sector differences, in both countries in their construction of transnational identity. This could be because they all inhabited similar transnational cultural and social spaces, which could have been a reflection of their economic class.

However, the entrepreneurs differed in their expressions of loyalty to India. The expansion in the legal status of Indian citizenship, which was accompanied by more changes in the non-resident investment policies in India, evoked different nationalistic emotions from immigrant and nonmigrant entrepreneurs. For the non-resident and returnee entrepreneurs, the policy changes were seen to have opened up opportunities for transnational economic engagements and to justify their public display of longing for the home country. For the nonmigrant entrepreneur who had never felt a hiatus in expressing nationalistic affiliations, the changes were merely perceived as a chance to make their business efforts more redistributive by linking small rural towns and villages to the global markets. I found the rural-urban character of entrepreneurs’ transnational businesses—with technology enterprises creating employment in urban centers, and material good

businesses engaged in job creation in rural India—underlies their personal understanding of patriotic feelings and obligations to the development of India as a poor country, while being engaged in transnational business.

Hence, present citizenship status had come to represent rights and privileges of expressing nationalistic aspirations, as well as their identity as Indian American, Global Indian or as American with Indian origin. Nonetheless, all three categories of entrepreneurs shared the common desire to improve the overall quality of life of their fellow nationals, primarily through job creation.

The findings of changes in personal identity brought on by transnational life have important implications for the study of economic transnational activities among South Asian Indians in other diasporic locations. First, the research confirmed the outcome of other studies, for instance Lieitner & Ehrkamp's (2006) work on Turkish and Kurdish immigrants in Germany and among various African and Asian immigrant groups in the United States, and Gold's research (2002) among Israeli immigrants in several cities in the United States, Europe, and South Africa. Public expressions of nationalism were found to co-exist with acts of commitment and allegiance to American society, which included transnational actions directed towards progress in both countries. The findings therefore disagreed with the arguments that multiple allegiances and citizenship act as obstacles to the integration of immigrants into the host society, undermining the host country's national identity (Renshon 2001; Miller 2000). Second, the results established that, although multi-state membership of India and American citizenship challenged the conceptions of bounded national citizenship (Urry 1999:312-13), it did not automatically entail Soysal's (1994) notion of de-territorialization or post-national form of citizenship

and of identities. The re-articulation of identity by Indian transnational entrepreneurs was contextual to Indian and American experiences, highlighting the constraints and opportunities that contextuality of multi-state membership imposes (Gold 2004:331; Guarnizo and Smith 1998:11; Levitt & Glick Schiller 2004).

Finally, the findings of my study revealed the structures in the Indian society that lie beneath the social capital made available in the transnational networks for these Indian entrepreneurs. It sheds light empirically on the cultural context of class—beyond Bourdieu's (1986) French society and the West—that conditions transnational stratification.

#### **Limitations of the study and suggestions for future research:**

My study provides remarkable insights into the migratory and transnational practices of a subpopulation, but it does not allow for reasonable generalizations of transnational entrepreneurship initiated by skilled and accomplished immigrants and returnees between newly developing nations who now position themselves as both emigrant sending and immigrant receiving countries. These nations include China, India, Israel, and Taiwan (Wadhwa et al. 2009; Chacko 2007; Ramji 2006; Gold 2007; Saxenian 2008; 2006; 2005) as well as traditionally immigrant-receiving countries, like the United States, Australia, and Canada. An extensive and comparative analysis of large data sets that would include comparisons of patterns of immigration and return between sending and receiving countries—across class and supplemented with specific case studies—would provide opportunities for developing generalized theories that are not limited the transnational actions and practices at the lower end of the labor market. Such subjects for future research could capture the dramatic changes in international migration and transnational

activities for all the countries involved in the global circulation of labor and population, which would help explain the changes in the profiles, perceptions, and actions of contemporary transnational migrants.

The second major limitation of my study has been the lack of sufficient information on women transnational entrepreneurs. As do their male counterparts, they possess a high level of cultural, human and social capital just like male counterparts. Purkayastha (2005:194) argues that a focus on the “individual” as a category elides the complex ways in which women are helped or disadvantaged in their efforts to become or continue as transnational entrepreneurs. In this way, my focus on individuals limits the research. Such an examination would entail further research in analyzing the competing interests and power differences within transnational households. This was evident during the data collection phase of this study, when potential women respondents had to discontinue their entrepreneurship. So, future investigations might focus on struggles to balance the demands of entrepreneurial and family life by highly skilled women, a feature which is not unique to Asian Indian women alone. This would expose the variety of barriers that women—despite their skill levels—have to contend with to establish their transnational business. In addition, studies illustrating the differences and similarities in the use of different forms of capital and networks between the sexes to promote transnational entrepreneurship would greatly add value to the existing knowledge of immigrant transnational networks, particularly of those who possess a high volume of class-related cultural and human capital.

Also, more focused studies on women and gendered transnational entrepreneurship among the skilled immigrant population would narrow the gap in the existing literature,

where most studies on migrant and nonmigrant women's transnational activities have been on less or low-skilled and undocumented immigrants. This literature includes Hondagneu-Sotello's (2007; 1997) research on Latina immigrant domestic workers from diverse national origins in southern California who work as nanny/housekeeper/house cleaners and whose remittances support their families and children in their home countries. Additional studies are, Rhacel Salazar Parrenas (2001) work on Filipina domestic workers in Rome and Los Angeles, and Carla Freeman's (2000) work on Barbadian informatic workers who travel between New York and the Caribbean. Empirical studies on the transnational entrepreneurship of highly skilled women will help develop a more complete picture of transnational labor movement, employment, and business in a globalized world.

Future research could also be done on the ways in which employees of transnational entrepreneurs make sense of the scalar and spatial dimensions of the workplace by attributing meaning and qualities, such as dangerous or safe, ours or theirs, new or old, accessible or inaccessible, to the material and social elements in workplaces. Such a study would highlight the ongoing practical and discursive production of workers, as well as their agency as initiators, transformers, and refiners of transnational workplaces in urban and semi-urban settings. Work locations would be studied not merely as a setting or a backdrop, but an agentic force, with obvious and independent effects on social life.

*Appendix No. – 1: Invitation Letter to the Study Respondents.*

Date:

Dear .....,

I am Manashi Ray, a Ph.D. candidate at Michigan State University, writing to request your kind participation in my research as a respondent. (My advisor Prof. Steve Gold's letter and research clearance are attached.)

The respondents of my doctoral thesis entitled '*A Study of Transnational Asian Indians in a Borderless World*,' comprise the special category of outstanding entrepreneurs or business professionals such as you, who have succeeded in establishing enduring business ventures between India and the U.S.

For my research, I have described transnational Indians to be people living in the U.S., who earn their livelihood by engaging in professional business activities between the U.S. and India on a regular basis, and who often travel between these two countries. Although these Indians may no longer reside in their home country, they do remain intensely involved in the economic progress of India making it globally competitive. My doctoral research investigates the role and influence of:

- (a) **Human capital (educational credentials) and**
- (b) **Social capital (networks of family, friends, peers, professional organizations, etc)**

There is almost no in-depth research documenting the self-motivated actions of Indians, who have actually been producing the *global forces* for the past two decades that make globalization happen. In my research I would like to tell the story, and eventually publish a book, about these exceptional individuals, who have remained invisible in the literature on immigration and globalization.

I would be delighted to interview you for approximately 30 minutes within the next two months at your convenience, either by telephone or in person at a time and date you suggest. You could contact me directly either by email at [Manashi.Ray@gmail.com](mailto:Manashi.Ray@gmail.com), or by phone at 517 - 355 - 8131 (home) or 517- 243 - 0925 (cell). I will follow up this communication to confirm your participation. I thank you in advance for your kind consideration.

I look forward to hearing from you.

With regards and best wishes,

Manashi Ray  
808 D Cherry Lane Apts.  
East Lansing; MI, 48823

***Appendix No. – 2: Letter of support from Academic Advisor***

June 18<sup>th</sup>, 2007

To whom it may concern,

This letter is to introduce Manashi Ray. Ms. Ray is a serious and well trained sociologist who is writing her PhD dissertation in sociology on Indian transnationals -- those persons who draw on their social, economic and cultural ties to both India and the US to earn their living.

This is an important area of research that will help both scholars and the public better understand how our global society and economy functions. Manashi would like to interview you to learn about your perspective on doing business in two societies. Your participation will provide her with valuable insights into the human experience of this process.

Thanks very much for your cooperation.

Yours Sincerely,

Steven J. Gold  
Professor, Graduate Program Director and Associate Chair  
Department of Sociology  
316 Berkey Hall  
Michigan State University  
East Lansing, MI 48824-1111  
USA  
517-353-6352 (office)  
517-432-2856 (fax)  
[gold@msu.edu](mailto:gold@msu.edu)  
<http://sociology.msu.edu/sgold.html>

## **List of Question for Personal or Telephonic Interview**

Note:

- (i) The 'Interview Questions' which are to be addressed to all respondents have been numbered.
- (ii) The Questions in italics are 'Probe' Questions. They are not numbered.
- (iii) The Questions with double stars before them are meant for a particular category of respondents, for example immigrant transnationals in the U.S, transnational entrepreneurs who were professionals earlier, women transnationals, and returnee transnationals These questions are not numbered.
- (iv) I have avoided using the term 'transnational' in my interview questions as it might not be a commonly understood term among the respondents. It has been replaced with 'global business' or 'business activities with the U.S or India'.
- (v) In most cases I had filled out the data on Page 5 before the interview session from information available on the web, or informally through contacts.

### **I. INFORMATION ON PLACE AND LEVEL OF EDUCATION**

#### **A: Common Questions for ALL Transnational Respondents in the U.S. and India**

1. What is the name(s) of the institutions from which you graduated with an undergraduate/ graduate degree?
2. What is the highest grade/form or educational degree you have completed?
3. How much importance / value did your family place on educational achievement?
4. How about discrimination during your educational experience? If any, could you please describe this discrimination?
5. How did your parents earn their livelihood?
6. Who paid for (financed) your education? Were there multiple sources?

*Was there a pressure to seek employment on completion of your undergraduate degree? (Probe Question)*

**A.1: Questions for Immigrant Transnational Respondents in the U.S.**

**\*\* Why did you migrate to the U.S.?**

*How did you make the decision to migrate? Was the migration decision made? Did you have the emotional and/or financial support of your immediate family? (Probe Question)*

**7. How has your U.S education influenced on your professional business activities with India? Please describe.**

**8. How has your U.S. work experience benefited your professional business activities with India? Could you please describe the benefits?**

*Or, What are the trade-offs of having a U.S education/U.S. work experience for conducting business activities with India?*

*Probe for advantages/disadvantages of the respondent's U.S. education on business activities with India. Ask about disadvantages if only advantages are mentioned by the respondent; similarly ask about advantages if only disadvantages are mentioned.*

*For instance (a) Do you think you would have engaged in professional business activities of this type if you had not studied in the U.S. for your undergraduate/graduate education? (Probe Question)*

**9. Why did you choose to pursue business activities with India?**

*Are you a U.S. citizen? (Probe Question)*

**A.2: Questions for Return Migrants from the U.S to India and Transnational Respondents in India**

**\*\* What was the primary reason for your return to India?**

**\*\* How long were you in the U.S. before relocating to India?**

*Are you a U.S. citizen? Why did you initially migrate (to the U.S.)? Is it a permanent or temporary relocation to India? (Probe Question).*

**10. How has your U.S education influenced your professional business activities with India/U.S.? Please describe.**

**11. How has your U.S. work experience benefited your professional business activities with India/U.S.? Could you please describe the benefits?**

*Probe for advantages/disadvantages of the respondent's U.S education on business activities with the U.S. Ask about disadvantages if only advantages are mentioned by the respondent, similarly ask about advantages if only disadvantages are mentioned.*

*For instance (a) Do you think you would have engaged in professional business activities of this type if you had not studied in the U.S. for your undergraduate/graduate education? (Probe Question)*

**12. Why did you choose to pursue business activities with the U.S./India?**

## **II. INFORMATION ON TERRITORIAL LOCATION (U.S. & INDIA)**

**13. Why did you / your company decide to have the headquarters of the company in - India/U.S - for business activities with India/U.S?**

**(E.g. U.S./Indian policies which favor economic transnational activities with India/U.S., advantage of infrastructural facilities, advantage of geographical time difference between India and the U.S. etc.)**

**14. On average, how many trips do you make to India/U.S. each year for business?**

**15. How does your OCI/PIO card of India and U.S. citizenship help in your global business?**

## **III. INFORMATION ON SOCIAL AND PROFESSIONAL NETWORKS**

**16. What is the nature, scope and history of your professional business specifically with India/ the U.S.? (This question is optional if the information is not available of the web.**

**17. Did you get help/assistance from anyone for your global business activities? Particularly, with India/ the U.S.?**

**- Yes/No**

**- If Yes. What kind of assistance?**

(E.g. monetary assistance/capital, information about business/job opportunities, paid/unpaid family labor, beneficial contacts for your transnational business activities, knowledge and skill up-gradation workshops/seminars, hardware/software, travel and emigration/naturalization documents etc.)

- From whom?

(E.g. Immediate and extended family, kin/ friends/ School/college/graduate school alumni associations/ Ethnic, Social/ Religious organizations/ Professional Associations/Organizations)

- When?

18. How did you receive the assistance/help for your business specifically with India/ the U.S.?

(E.g. through face to face interactions at social/professional, formal/informal gatherings, travel or visits by family/friends/colleagues, e-mail communications, telephone, or by using any kind of time compressing technological device like vonage etc. )

19. Of your total business activities world wide, what is the proportion of your Indian business?

20. Are there certain factors that have been especially important in your business success? If so, what are/were they?

21. How would you perceive yourself operating on a regular basis across two national boundaries?

*How does your present citizenship influence the construction of your identity? For a Asian Indian immigrant transnational in the U.S/ U.S. citizen residing in India/ Indian transnational in India (Probe Question)*

**\*\* Do you want to maintain a sense of home/homeland or motherland? If so, how**

22. How do you relax? With whom do you normally spend time to have fun/relax? What percentage of your friends Indians?

23. What are your preferences of food/clothes/ music/ entertainment/ travel?

24. Do you discuss Indian versus American values with family members or friends? Give me examples.

25. Does having an identity (American or Indian) come up in your conversation?

**\*\* Is there anything that you might like to say, which I may have overlooked?**  
(This question will depend on time and how forthcoming and relaxed the respondent was during the interview session and to women respondents to explore the gender aspect).

#### **IV. INFORMATION ON SOCIAL AND DEMOGRAPHIC BACKGROUND**

1. Name
2. Male                      Female
3. Age
4. Religion
5. Caste
6. Marital Status:
7. Mailing address: (a) Home:    (b) Office:
8. Occupation: (a) Self Employed/Entrepreneur  
(b) Salaried employment  
(c) Other
9. Name of the Company/Organization/ Institution:
10. Your Position/Title in the Company/Organization/Institution:
- 11 (i) *For salaried employee*: How long have you been working in this position?
- 11 (ii) *For Self Employed/ Entrepreneur*: How long have you been an entrepreneur or Self-employed?
12. Your Citizenship(s)/ VISA Status:
13. Year of Migration to US:                      VISA status on first time migration to US:
14. Number of children (Total):                      Boy(s)                      Girl(s)
15. Total number of family members living in the household:

## **CONSENT FORM**

Hello! My name is Manashi Ray. I am a PhD candidate at the Department of Sociology, Michigan State University. I am originally from Kolkata, India. At present I am collecting primary data for my dissertation from Transnational Asian Indians in United States and India on their economic transnational activities. By economic transnational activities, I mean commercial activities and businesses of all sorts between India and the U.S., transfer of skill-sets, technical know-how/expertise, capital and labor, spanning across these two nations.

Specifically, I am trying to understand the influence of level and place of higher education in the U.S. and India and its importance in the nature and scope of economic transnational activities between these two nations. It will be of great value to the research to have your responses and inputs to be included as part of my dissertation research. Anything that you mention in this interview will be strictly confidential. Your privacy will be protected to the maximum extent allowable by law. Your name will not be used in any transcript or any notes.

Participation in the study will involve a telephonic/face to face interview, which will take around 30 minutes or at the most 40 minutes only. I will be taking hand written notes of the interview. Because it would be impossible to write down all of your responses in a complete and accurate manner, I would like to tape record your responses. If you don't want the interview to be tape recorded, you can still participate in the study. You have the full freedom to refuse to answer any questions you feel uncomfortable with, or to stop the interview at any time you wish. If you have any question about the content

of this study, I would encourage you to raise them at any time during this interview. Your co-operation as a study participant is completely voluntary.

If you have any questions about the study, please contact the primary investigators: Manashi Ray by phone at 517-355-8131 and email id: [raymanas@msu.edu](mailto:raymanas@msu.edu) or Dr. Steven J. Gold by phone at 517- 353 – 6352 and email at [gold@msu.edu](mailto:gold@msu.edu) or by regular mail: 316, Berkey Hall, Michigan State University, East Lansing, Michigan 48824.

In case you have questions or concerns about your rights as a research participant, please feel free to contact Peter Vasilenko, PhD, Michigan State University's director of Human Research Protection Programs, by phone : (517) 355 - 2180, fax: (517) 432 - 4503, email: [irb@msu.edu](mailto:irb@msu.edu) or regular mail: 202 Olds Hall, East Lansing, MI 48824.

Do you consent to participate in this study? Yes ..... , No .....

Do you consent to be audio taped during this interview? Yes ..... , No.....

I remain grateful for your co-operation, patience and assistance in advancing my dissertation research. Thank you so very much in advance.

Signature \_\_\_\_\_; Date \_\_\_\_\_

### *Appendix No. – 5: Software Technology Parks of India*

The Software Technology Parks of India, commonly known as STPI was set up by the Department of Communication & Information Technology, Government of India in 1991 to ensure infrastructure and administrative support for software exports from India. It is similar to an export processing zone for software development and export. STPI maintains internal engineering resources to provide consulting, training and implementation services. It also gives export-oriented software firms in designated zones tax exemptions for five years (Source: Software Technology Parks of India).

The Indian government, particularly the Department of Electronic (DoE) played an important role in providing crucial data-communication infrastructure for software firms, such as core computer facilities, reliable power, and ready to use office space and communications facilities including 64 Kbps data lines and Internet access. The firms in the STPIs are allowed to import all equipment without duty or import licenses, and 100 percent foreign ownership is allowed in exchange for a sizable export (Saxenian 2000).

The establishment of STPIs is considered to be the main force in shifting to provide offshore services from India and for gradually moving away from ‘body shopping’ practices of providing inexpensive hourly labor for low value added programming services (coding and testing) at customer sites, primarily in the U.S. (Parthasarathy and Aoyama 2006: 1270-71; Saxenian 2000). The STPI firms have the permission to freely repatriate capital investment, royalties and dividends after paying the necessary taxes. It also provides for a single window clearance mechanism for applications from potential investors.

STPIs have a presence in many of the major cities of India, including the cities of Bangalore, Bhubaneswar, Chennai, Hyderabad, Guwahati, Noida, Mumbai, Kolkata, Kanpur, Lucknow, Dehradun, Patna, Ranchi, Gandhinagar etc.

To summarize, the economic policy reforms of the 1980s encouraged the export oriented software industry in India. But, during the decade of the 1980s it was based exclusively on body shopping on-site. This changed to off shore production with more reforms in the early 1990s, particularly with the removal of licenses on imports of industrial equipments and the establishments of STPIs in India (Saxenian 2000). For more information see Parthasarathy and Aoyama (2006).

### **National Association of Software and Service Companies (NASSCOM)**

The high profile software industry’s association NASSCOM, plays a significant role in shaping the policies for the software industry in India. No other older Indian industries or the computer hardware industry in India has a similar powerful industry association. NASSCOM contributes in shaping Department of Electronic (DoE) strategy of working with software companies to provide critical infrastructure, while avoiding being involved in more detailed regulations and interventions. As Saxenian (2000) mentions this was evident, for example, in the decision to organize STPIs as autonomous units with future

plans for them to be completely privatized. This way of functioning by the Department of Electronic is a departure from older generations of strategic government ministries which specified and directly regulated industry infrastructure.

NASSCOM was set up in 1988, at Mumbai to facilitate business and trade in software and services and to encourage advancement of research in software technology. It is a not-for-profit organization, registered under the Indian Societies Act, 1860. Currently, NASSCOM is headquartered in New Delhi, India with regional offices in the cities of Mumbai, Chennai, Hyderabad, Bangalore, Kolkata and Pune.

NASSCOM leaders regularly interact with politicians and policy makers, and the association is represented in many influential committees of the Government of India. The organization promotes and supports high profile conferences, studies, and also aggressively promotes the Indian software industry around the world through a web site, as well as by participating at international trade shows and foreign visits. Besides, the association acts as a data and information source for software and IT industries of India and advises its members of both established and emerging companies how to further their growth in the global and domestic market. The membership of NASSCOM has been steadily increasing from 38 members in 1988, who together contributed close to 65 percent of the revenue of the software industry to reach over 1300 members in 2008. These members currently account for over 95 percent of the revenues of the software industry in India (Source: NASSCOM; Saxenian 2000).

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