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FROM BRAIN DRAIN TO BRAIN RETENTION: DESIGNING A SUSTAINABLE LABOUR MODEL FOR INDIA

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ABSTRACT

India, as a diverse nation with a vast population and an average literacy rate of approximately 80 percent, has historically functioned as a major exporter of labour. Despite possessing significant future potential, India continues to remain a developing economy, partly due to the persistent outflow of human capital to foreign labour markets. This migration deprives the nation of two critical assets: first, the potential for domestic technological development and innovation, which directly contributes to national progress; and second, the skilled and unskilled workforce—including lawyers, doctors, engineers, entrepreneurs, and foundational labourers—whose services are essential to economic growth and nation-building.

This paper examines the legal and policy frameworks governing labour mobility and explores how India can transition from a labour-exporting nation to one that promotes labour retention, brain gain, and structured brain circulation. It analyses the role of legislative reforms, labour laws, and institutional mechanisms in creating a sustainable domestic employment ecosystem capable of retaining talent while simultaneously attracting global human capital.

KEYWORDS: labor exporter, Human Capital, Migration, Technology, Skilled and Unskilled, brain gain, brain circulation

I. INTRODUCTION:

There is a special fruit which has many tastes – sweetness, bitterness, coolness and sourness and each taste reveals itself with every bite. Similar to the fruit every worker carries within themselves diverse skills, knowledge and abilities shaped by the society in which they grow. The true glory of the fruit belongs to the land that nurtures it, but when a bird carries its seeds elsewhere believing the soil to be better, the new land enjoys the harvest while the original land loses not only the fruit, but the value of the labour that created it. In the same way, when workers migrate in search of opportunity, the receiving countries benefit from their productivity, while the country of origin loses

significant human capital and developmental potential.

II. RESEARCH OBJECTIVE:

The objective of this research paper is to understand the structure of India's labour export model and to examine whether India possesses the scope and potential capacity to shift from being primarily an exporter of labour to becoming an importer of talent—that is, from creating migrants to creating a holistic environment that retains and invites employees to our country. The purpose of this study is not to prevent individuals from migrating abroad for employment, but rather to analyse how India can develop the necessary economic, legal, and institutional resources that enable workers

to choose to remain in their home country and contribute to national growth.

III. RESEARCH METHODOLOGY:

This research adopts a doctrinal and analytical approach. It relies primarily on secondary sources, including constitutional provisions, labour legislations such as the Emigration Act, 1983 and the Code on Social Security, 2020, international instruments like Article 13 of the Universal Declaration of Human Rights, government reports, policy documents, and scholarly writings on migration and labour mobility.

The study critically examines India's legal framework governing labour export and evaluates its orientation toward migration management rather than labour retention. A limited comparative and policy-based analysis is undertaken to identify gaps and propose reforms aimed at promoting labour retention, brain gain, and structured brain circulation.

IV. THE INDIAN DIASPORA AND THE LEGACY OF LABOUR EXPORT:

India's engagement with global labour markets has historical roots in trade and colonial economic structures. Early outward movements were largely commercial, with Indian traders establishing networks across East Africa, Southeast Asia, and Central Asia even before colonial rule. These migrations were voluntary and driven by trade relations. However, the abolition of slavery in the British Empire in 1833 created severe labour shortages in colonial economies, leading to the institutionalisation of the indentured labour system. Under this system, large numbers of Indian workers were transported to plantations and construction projects across the Caribbean, Africa, and Southeast Asia, creating permanent diaspora communities and embedding India's role as a major supplier of manual labour within imperial economic structures.¹

Following independence, migration patterns were influenced by political disruptions and global labour demand. The Partition of 1947

caused large-scale population displacement within South Asia, while labour shortages in industrialised countries, particularly the United Kingdom, encouraged migration under Commonwealth arrangements. The oil-driven construction boom in West Asia during the 1970s further increased demand for Indian workers in sectors such as infrastructure and domestic service, contributing to the growth of a large Gulf diaspora. At the same time, the growth of higher education and professional training in India facilitated the migration of engineers, doctors, and information technology professionals to developed economies, especially after changes in immigration policies in countries such as the United States.²

Over time, these diverse migration patterns produced one of the world's largest and most geographically dispersed diasporas, spanning both low-skilled labour markets and highly specialised professional sectors. Remittances and diaspora investments became important components of India's economic development, while transnational professional networks contributed to the growth of industries such as information technology and global services. Yet, despite this extensive engagement with international labour systems, India's labour regulation framework has remained largely oriented toward domestic, territorially bound employment relationships. This historical orientation reflects an implicit assumption that India's primary function in global labour markets is to supply workers rather than to generate and regulate employment across borders – an assumption that is increasingly challenged by contemporary economic transformations.³

The globalisation scheme under the economic policy of 1991 created the base for international trading of goods and services. This opened the gateway for companies around the globe to acquire labour and knowledge from transnational markets at prices comparatively lower than their own domestic markets. Looking at these globalised opportunities, labourers and workers move abroad to capitalise on these

advantages and improve their standard of living.⁴

The migration of Indian employees and labourers to abroad has its own effects both positive and negative.

One of the most significant **advantages of labour export is the inflow of remittances**, which currently amounts to approximately 137.67 billion US dollars annually, making it the largest remittance inflow received by any country.⁵ These transfers play a crucial role in sustaining household consumption, financing healthcare and education, and stabilising family incomes, particularly in rural and economically vulnerable regions. A substantial portion of remittance income is used for basic necessities, medical expenses, and children's schooling, thereby contributing indirectly to human capital development and poverty reduction. In addition, remittances help households repay debts incurred for migration and livelihood needs, reducing long-term financial vulnerability and dependence on informal credit systems.

The **cons of labour export are that it causes a huge and vast brain drain**, and for a developing country like India, assets such as human capital are critical to achieving the status of a successful nation. Jean-Jacques Rousseau has rightly said that the nature of the State is determined by the people governed by the State. If India loses its high-value asset—its people—then India loses its personal identity as well. The labourers limited by economic opportunities in their own country have no choice but are forced to take jobs abroad that serve their interest and improve their standard of living. Remittances are important, but there is uncertainty on continued remittances from skilled persons

It is not just a failure of domestic forces but a structural interaction of push and pull factors which affect the labor export model of India.

The push factors include:

- Limited domestic job creation relative to

workforce growth

- Wage disparities between India and developed labour markets
 - Underemployment and mismatch between education and available jobs
 - Inadequate research infrastructure and innovation ecosystems
 - Slow career progression and limited global exposure
 - Regulatory inefficiencies and administrative delays
 - Lack of structured reintegration pathways for return migrants
 - Perceived instability in long-term income security
- The pull factors include
- Higher salary levels and stronger currency value
 - Advanced technological infrastructure and research facilities
 - Clear labour contracts and enforceable worker protections
 - Social security benefits and healthcare coverage
 - Streamlined visa pathways and skilled migration programs
 - International work exposure and professional mobility
 - Better quality of life indicators and living standards

• Opportunities for permanent residency or long-term settlement let's approach this issue factually to understand the whole angle of brain drain problem.

A. Scale and Demographic Nature of Indian Migration

The migration data indicates that more than 18 million Indian-born individuals currently reside outside the country⁶, with a clear concentration in economically developed regions such as West Asia, North America, and Western Europe.

A substantial proportion of this migrant population falls within the economically productive age group, reflecting employment-driven mobility rather than lifestyle migration. The gender composition further demonstrates that migration is largely labour-oriented, with male migrants forming a dominant share of the total overseas population⁷, which corresponds with participation in construction, manufacturing, transport, and technical service sectors. It is a structural problem and not just an isolated problem

B. Outflow of Skilled Human Capital

The distribution of Indian migrants across advanced economies⁸ highlights a persistent outflow of technically trained and professionally skilled individuals. Countries hosting high numbers of Indian migrants also host major technology, healthcare, and research sectors, indicating that Indian human capital is being absorbed into foreign labour markets that offer higher wages, better infrastructure, and long-term career stability. This results in a continuous transfer of educational investment from the domestic economy to foreign production systems, where the benefits of training and experience accumulate outside India's institutional framework. This leads to great loss of skilled and semi-skilled workforce

C. Regional Labour Market Pressures

The migrant stock data further reflects a decline in the domestic availability of working-age populations in certain labour-exporting states, particularly those with historically high emigration rates. This demographic redistribution creates localised labour shortages, increases dependency ratios, and weakens the capacity of regional industries to expand production. In sectors requiring skilled or semi-skilled labour, this results in rising recruitment costs and reduced productivity, thereby constraining industrial competitiveness and domestic value creation. It creates an immense pressure domestic labour market

D. Limited Inbound Migration to India

In contrast to the scale of outward migration, the number of foreign-born individuals residing and working in India remains relatively small when measured against national population size.⁹ This imbalance demonstrates that India continues to function predominantly as a labour-sending economy rather than a labour-receiving destination. The absence of significant inbound skilled migration limits the replenishment of human capital and reinforces the net outflow effect associated with brain drain.

E. Developmental Impact of Human Capital Outflows

From a development perspective, sustained human capital outflows reduce the effectiveness of public investment in education, training, and skill development programs. While remittances provide income support to families, they do not compensate for the loss of innovation capacity, entrepreneurial activity, and institutional expertise that accompanies skilled migration. Over time, this weakens domestic productivity growth and delays the transition toward high-value industries that depend on knowledge-intensive labour.

F. Potential Economic Contribution of Returning Migrant Workers

Using labour productivity as a general indicator, the potential domestic economic contribution of migrant workers can be understood through their capacity to participate in national production. Workers currently residing abroad represent a significant pool of unrealised economic potential for the domestic economy. Even partial reintegration of this workforce into domestic employment could generate meaningful productive gains. If a portion of overseas workers were absorbed into domestic industries and services, their labour would contribute directly to national output while also stimulating related sectors such as housing, transport, services, and consumer markets. These broader linkages demonstrate that

reintegrating migrant workers could generate sustained economic activity beyond the immediate value of remittance inflows.

G. Economic Benefits of Domestic Workforce Reintegration

If domestic employment opportunities were able to absorb a greater share of the overseas workforce, the resulting increase in productive participation could strengthen domestic economic systems. Returning workers would contribute to overall output, expand the tax base, and support growth across multiple sectors. Unlike remittance inflows, which mainly support household consumption, employment within the domestic economy generates wider developmental effects. Workers participate in industrial activity, enterprise creation, and the circulation of skills and knowledge within domestic institutions. Over time, such participation strengthens production networks and contributes to long-term economic resilience.

H. Innovation and Productivity Loss from Skilled Migration

A particularly significant concern arises in the context of skilled migration. When highly trained professionals build their careers abroad, the domestic economy loses not only their direct labour contribution but also the broader benefits associated with specialised knowledge, research capacity, and innovation. Skilled professionals represent the outcome of substantial educational investment and training. When these individuals work in foreign labour markets, the economic returns on that investment are realised outside the domestic economy. Although remittances from skilled migrants may support households, they cannot fully compensate for the loss of innovation capacity, institutional expertise, and long-term productivity growth that would otherwise benefit the country.

I. Structural Dependence on Labour Export

Taken together, these considerations indicate

that heavy reliance on labour export, while capable of providing financial support through remittances, may also constrain domestic development by diverting human capital away from national labour markets. In contrast, even partial domestic absorption of migrant workers could stimulate economic activity while strengthening employment generation and industrial growth. Continued dependence on labour export therefore reflects broader structural limitations in domestic job creation. Addressing these limitations through regulatory reform, institutional development, and long-term economic policy is essential if India is to transition from a labour-supplying economy toward one capable of generating employment and retaining human capital.

V. LEGAL FRAMEWORK AND GAPS IN LABOUR LAW:

A. Constitutional Framework for Internal Mobility

Article 19(1)(d) and Article 19(1)(e) of the Constitution guarantee every citizen the right to move freely throughout the territory of India and to reside and settle in any part of the country. These freedoms are fundamental but territorially limited; they apply only within the internal boundaries of India and do not extend to migration abroad. The constitutional framework therefore secures internal labour mobility and prevents artificial barriers between states, subject to reasonable restrictions in the interest of the general public. However, since these rights operate only domestically, they neither restrict nor regulate international migration. In the context of brain drain and labour export, this means that while the Constitution facilitates free movement and workforce distribution within India, the phenomenon of outward migration falls outside its direct control and must be addressed through statutory measures and policy reforms rather than constitutional limitations.¹⁰

B. Article 21 and the Right to Travel Abroad

The Constitution, through Article 21, provides

that deprivation of life or personal liberty is permissible only in accordance with procedure established by law. Over time, the expression “personal liberty” has been interpreted in the widest sense to include dignity, livelihood, privacy, autonomy, and even the right to travel abroad. Unlike Articles 19(1)(d) and (e), which are confined to internal movement within the territory of India and apply only to citizens, Article 21 protects both citizens and non-citizens and extends to situations involving international travel as well. In the context of brain drain and labour mobility, Article 21 becomes significant because the right to travel abroad forms part of personal liberty, meaning that migration for employment cannot be arbitrarily restricted by the State. However, while the Constitution protects the freedom to leave the country, it does not impose a corresponding obligation on the State to create domestic employment opportunities. Therefore, the issue of labour retention and brain circulation must be addressed through economic policy and labour law reform rather than constitutional limitation on mobility.¹¹

C. International Human Rights Perspective on Migration

Right to travel abroad is under art 21 is a clear creation from the inspiration of Art 13 UDHR Article 13 of the Universal Declaration of Human Rights recognises freedom of movement as a fundamental human right. It guarantees every person the right to move freely within their country, to choose their residence, to leave any country, and to return to their own country. Though not legally binding, the UDHR has strong normative value and has shaped subsequent binding international human rights instruments. In the context of labour migration and brain drain, Article 13 frames migration as an exercise of individual autonomy and dignity. A worker's decision to migrate for better employment, safety, or professional growth falls within the protected sphere of freedom of movement. Equally significant is the right to return, which forms the legal foundation for brain circulation, ensuring that migrants can reintegrate into their

home country without restriction. However, Article 13 protects voluntary mobility; it does not compel States to encourage labour export as a development model. Governments remain free to strengthen domestic employment opportunities, improve working conditions, and create incentives for retention and return. Thus, international law supports a rights-based approach where migration remains a choice, not an economic necessity.¹²

D. Statutory Regulation of Overseas Employment

The act which talks about of workers in india is emigration act, 1983

The primary objective of the Emigration Act, 1983 is to regulate and safeguard Indian citizens seeking contractual employment abroad. Enacted to prevent exploitation of migrant workers, it empowers the Ministry of External Affairs and the Protector General of Emigrants to supervise recruitment agencies, verify employment contracts, and ensure minimum welfare protections. Its focus is protective regulation of overseas employment rather than labour retention within India. However, the structure of the Act reflects an implicit acceptance that outward migration is a continuing feature of India's labour economy. Instead of addressing domestic unemployment or creating incentives for workers to remain in the country, the legislation organises and facilitates overseas mobility in a regulated manner. Migration is treated as an administrative and welfare concern, not as a structural consequence of limited domestic economic opportunities. The ECR-ECNR classification further illustrates this orientation. While vulnerable workers are monitored to prevent exploitation, highly skilled professionals face minimal regulatory barriers to migration. The Act contains no mechanisms for reintegration of return migrants, recognition of foreign-acquired skills, or structured brain circulation. Thus, although the statute effectively manages labour export, it exposes a broader legal gap—India has a framework to regulate

outward migration, but lacks a parallel statutory vision aimed at labour retention, domestic employment competitiveness, and global talent attraction.¹³

VI. POLICY RECOMMENDATIONS:

A. Structural Causes of Labour Migration

A significant portion of Indian labour migration is not driven by choice but by constrained domestic employment opportunities, wage stagnation, and limited social mobility. While remittances provide short-term financial relief to households, long-term national development requires productive employment within domestic markets. Sustainable economic growth is best achieved when skilled and semi-skilled workers contribute directly to domestic production, innovation, and consumption cycles, thereby generating multiplier effects across sectors.

Policy efforts must therefore prioritize large-scale employment generation via industrial expansion, infrastructure development, industrial village and service-sector deepening. Strengthening vocational training, aligning education with industry demand, and encouraging regional development hubs can reduce excessive concentration of opportunity in metropolitan areas. When stable and dignified employment is available locally, migration becomes a choice rather than an economic compulsion, this makes our skilled and semi-skilled workers stay within our borders and add to the stock of human capital

India's heavy reliance on foreign labour markets exposes its workforce to policy uncertainty beyond domestic control. The recent fluctuations in skilled work visa regimes, particularly in technology-dependent economies, demonstrate how abruptly migration pathways can be restricted due to political shifts, economic downturns, or domestic employment pressures within host countries. Changes in employer sponsorship rules, rising salary thresholds, extended processing delays, and tighter compliance

requirements have created insecurity even for highly qualified professionals.

B. Risks and Instability in Foreign Labour Markets

The USA H1B visa issue where \$100,000 (₹90,13,050) fee which was reportedly proposed by the US administration clearly emphasises that foreign labour markets are uncertain and foreign countries always place the interest of their natural citizens over the other workers. So, it is preferable or advantageous for the labourers of India to stay and work in their nation as it will benefit them in the long run

Such volatility affects not only new migrants but also long-settled workers whose residence and employment remain dependent on continued employer sponsorship. Layoffs, sectoral downturns, or corporate restructuring can instantly convert legal employment into forced return migration. This instability undermines professional continuity, financial planning, and family security, revealing the structural vulnerability of relying on foreign labour absorption for domestic employment pressure management.

C. Strategic Management of Skilled Migration

Just as too much reliance on another person can destroy an individual's confidence similarly from a national perspective, excessive dependence on external labour markets also weakens domestic innovation capacity. When skilled professionals consistently exit the domestic economy, knowledge spillovers, entrepreneurial ventures, and institutional capacity remain underdeveloped. Therefore, migration policy must be integrated with industrial and technological self-reliance strategies, ensuring that skilled labour finds long-term professional growth opportunities within national borders rather than being structurally dependent on foreign visa regimes.

Globally, nations no longer treat skilled migration as a passive outcome of education systems but as an actively managed economic

strategy. Countries align immigration, education, innovation, and industrial development policies to attract and retain highly skilled workers, students, and entrepreneurs. Structured mechanisms such as points-based immigration systems, post-study work pathways, startup visas, and research fellowships are used to convert education and training into long-term domestic economic participation. Many countries also focus on converting international students into permanent contributors by providing post-graduation employment opportunities, affordable education, family reunification options, and access to research funding. Entrepreneurial migration programs further integrate talent inflows with domestic job creation by offering regulatory support, capital access, and residency stability for business founders. These strategies ensure that migration contributes directly to domestic enterprise development rather than functioning solely as labour supplementation.¹⁴

D. Institutional Gaps in Talent Retention

India's engagement with its diaspora largely remains symbolic and short-term, centered on conferences, visiting appointments, and temporary research collaboration. While such initiatives promote academic exchange, they fail to create structural incentives for permanent return, business establishment, or long-term institutional integration. Without competitive research infrastructure, startup ecosystems, professional mobility pathways, and settlement support, returning professionals face significant career risks.

India must create educational institutions and universities at par with global standards, because when we think from a practical point of view, the desire to migrate to foreign countries often begins with the attraction of acclaimed universities in those countries. Universities such as Harvard, Yale, and Oxford induce students to pursue their studies there and later become accustomed to that environment, eventually choosing to remain in that country as

employees. If India creates more globally recognised and prestigious, Ivy League-level institutions, students would pursue their studies in their home nation and continue to work there itself. A coordinated national framework linking higher education reform, innovation funding, urban development, taxation policy, and migration incentives is essential. Dedicated returnee entrepreneurship zones, research clusters, and professional reintegration programs can convert migration from permanent exit into circular and productive mobility. Only through such systemic reforms can India transition from being a supplier of global labour to becoming a destination for global talent.

E. Reforming Migration Governance for Development

The current emigration regulatory framework focuses primarily on protecting migrant workers from exploitation through recruitment regulation, insurance mandates, and employer certification. While worker protection remains essential, migration governance must also incorporate long-term development objectives. Regulating departure without strengthening domestic absorption capacity risks normalizing labour export as a structural economic strategy.

Development-oriented migration management requires integrating labour policy with skill formation, regional development planning, and industrial targeting. Emigration data should guide domestic job creation initiatives, identifying sectors where skilled workers are consistently exiting and addressing structural deficiencies in wages, research infrastructure, or business ecosystems. Reintegration mechanisms for returning migrants should include recognition of foreign qualifications, credit access for enterprise creation, and targeted employment placement services.

Additionally, migration policy should facilitate productive circular migration rather than permanent loss of human capital. Professionals who acquire foreign experience can strengthen domestic industries if supported through

institutional partnerships, startup incubation, and public-private research collaboration. In this way, migration becomes a channel for technology transfer and capacity building rather than a one-way extraction of skills. We must take China as our role model. Over the past three decades, China sent a very large number of students abroad for higher education, which initially raised serious concerns about brain drain as many graduates did not return. However, in the last decade, a clear reverse trend has emerged, with increasing numbers of Chinese students returning after studying and working overseas due to strong domestic economic growth and better career opportunities at home. These returnees, often referred to as *Haigui* or “sea turtles,” play a significant role in national development by transferring knowledge, building international business networks, and acting as a bridge between global markets and local industries. This return migration has contributed to the growth of major cities like Shanghai by strengthening innovation, corporate linkages, and global integration.¹⁵

F. International Cooperation and Brain Circulation

Without such integration, labour export risks becoming a substitute for domestic employment generation rather than a complement to national development. A development-centered migration strategy would align workforce mobility with long-term economic transformation goals, ensuring that human capital accumulation benefits domestic productivity as well as household incomes.

One promising avenue for operationalising brain circulation is the development of a bilateral labour mobility framework modelled on the longstanding India–United Arab Emirates Memorandum of Understanding on manpower cooperation, which institutionalises collaborative administration of contractual employment for Indian workers in the UAE and strengthens protections through joint mechanisms for contract authentication,

recruitment oversight, and grievance redressal¹⁶. This agreement, initially formalised in the early 2000s and periodically updated, has facilitated regulated labour export by ensuring employment standards and inter-governmental coordination for both unskilled and skilled categories. Building on this foundation and recent deepening of India–UAE ties – including expanded student and professional mobility arrangements agreed during the 19 January 2026 state visit that seek to streamline visas, recognise academic credentials, and enhance institutional linkages between universities of both countries – a reimaged MoU could incorporate provisions for structured return pathways, recognition of foreign-acquired skills, incentives for returning professionals to contribute domestically, and joint capacity-building initiatives. Such a comprehensive mobility pact would move beyond managing outward labour flows to actively fostering two-way human capital exchange, enabling Indian workers abroad to reintegrate into India’s economy and encouraging foreign talent to participate in India’s growth. By embedding clauses that facilitate circular migration, institutionalise knowledge transfer programs, and link labour mobility to domestic innovation ecosystems, future bilateral frameworks could transform labour export from a unidirectional drain into a dynamic model of brain circulation that benefits both nations’ economies.¹⁷

G. Role of Government in Employment Creation

Finally, there is no use in blaming the fruit for its taste because it is the soil in which the fruit grows that determines its taste; similarly, we cannot blame or impose all conditions on the employee side alone, as the pivotal reason for their departure is nothing but the lack of economic opportunities. It lies in the hands of the government to frame policies, schemes, incentives, or opportunities that encourage workers to remain within the country. The first and foremost responsibility of the government or administration is to raise the overall level of

the economy, which in turn enhances the paying capacity of employers. The next is the creation of job opportunities; this task is more complex given the vast population and limited employment avenues. One effective solution is the creation of new job ventures aligned with emerging trends, or the fostering of entrepreneurial growth through initiatives such as Make in India, which offers long-term benefits. In all cases, strict adherence to emerging technologies is essential, as technological advancement determines future growth pathways. The introduction of new technology consistently creates opportunities for new ventures. For instance, the COVID-19 pandemic accelerated digital learning technologies, opening new employment avenues for a wide range of workers and labourers. Similarly, the AI technology boom in 2023 created new employment prospects across multiple sectors. Therefore, the government must remain continuously adaptive to technological change, as such responsiveness is crucial to advancing domestic employment and reversing brain drain.

H. Social Security and Labour Retention

Recent labour legislations reflect a growing recognition by the State that workers today require broader protection and more inclusive opportunities. The Code on Social Security, 2020 is a clear illustration of this approach. While the legislation does not explicitly speak of labour retention, its underlying purpose is evident. By extending social security benefits to sections of workers who were earlier left outside the formal framework, the law attempts to address the everyday insecurities that often push workers to seek opportunities abroad. When issues such as social protection, income security, and welfare are strengthened within the domestic system, the incentive to migrate out of economic compulsion is reduced. In this sense, the Code indirectly supports the retention of labour by making employment within the country more stable and sustainable. The Code on Social Security, 2020 represents a significant shift in

India's labour law framework by expanding the conception of employment protection beyond the traditional organised sector. By statutorily recognising unorganised, gig, platform, and inter-state migrant workers as beneficiaries of social security, the Code attempts to address one of the core structural causes of labour migration—economic insecurity within the domestic labour market. Rather than viewing migration solely as a function of wage differentials, the Code acknowledges that the absence of health coverage, income stability, old-age protection, and employment injury safeguards often compels workers to seek opportunities abroad. Through the creation of national and state-level social security boards and the enabling of targeted welfare schemes, the legislation seeks to improve labour retention by making domestic employment more sustainable and dignified. Additionally, provisions aimed at strengthening employment information systems and labour market transparency reflect an effort to reduce structural unemployment by aligning workforce supply with emerging opportunities¹⁸. However, the scheme-based nature of social security under the Code also reveals its limitations, as the effectiveness of these protections depends on implementation capacity and fiscal prioritisation. Consequently, while the Code provides an important legal foundation for reversing distress-driven migration, it functions as a long-term structural intervention rather than an immediate solution to labour export or brain drain.

VII. REALIST POINT OF VIEW ASSESSMENT:

A dam is as good only when the water flowing through it is known; if not, even if the dam is built with the greatest of stones by the greatest of architects, the water will flow through without control. Similarly, it is best to have a realistic approach when considering policy implementation.

While the above policy recommendations offer a structured pathway toward reversing brain drain and retaining domestic talent, a realist

assessment demands acknowledgment of India's demographic constraints. Even under optimal policy conditions, the challenge of population pressure continues to limit the immediate absorptive capacity of the domestic labour market. Although India has achieved near-replacement fertility levels, the sheer size of its existing and incoming working-age population places sustained structural pressure on employment generation, wage levels, and institutional capacity.

Unlike China's coercive population control measures—which produced an aging population, a shrinking workforce, and long-term economic distortions—India has adopted a rights-based, voluntary approach to population stabilization. However, demographic stabilization does not translate instantly into labour-market equilibrium. The gap between the rate of labour force expansion and the rate of job creation remains significant, making it unrealistic to assume that policy interventions alone can fully prevent outward migration. In such conditions, migration often functions as an economic outlet rather than a policy failure.

Therefore, while reforms in education, labour regulation, innovation, and migration governance are essential, their effectiveness is inherently constrained by demographic realities. Until economic expansion, skill absorption, and employment creation consistently outpace population growth, India may find it difficult both to retain its domestic talent and to attract foreign human capital at scale. This realism underscores that brain drain cannot be addressed solely through regulatory or institutional reform but requires long-term alignment between demographic trends, economic capacity, and labour-market outcomes.

VIII. CONCLUSION:

The main objective of this paper is to analyse when India can reach a sustainable level at which it is no longer predominantly an exporter of labour and migrants or dependent on remittances. The end goal of this paper is not to

prevent migration or remittances—the aim is rather to promote brain circulation and eventual brain gain—but to understand how India can provide adequate employment opportunities for its vast workforce and labour population through effective legislation and structural reforms.

When workers and labourers are provided with sufficient and dignified opportunities within the home nation, the compulsion to migrate abroad for survival reduces. This, in turn, increases national productivity and strengthens domestic capacity. Such progress also positions India as a nation that invites global interest—not merely as a labour-sending country, but as a destination for learning, collaboration, and technological engagement.

The long-standing dependence on the American dream or the European dream must gradually be replaced by a new Indian dream. The Indian dream is simple: every man and woman born in this nation is guaranteed dignified work, fair labour conditions, and social security, rather than a life marked by uncertainty and external dependence.

In conclusion, retaining India's labour and workforce within the national economy ensures that the benefits of human capital accrue domestically and multiply over time, strengthening India's long-term economic, social, and institutional foundations.

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