Indian Students Going Abroad: Brain Drain or Opportunity?

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***Abstract*—India now sends over 13 lakh students abroad each year for higher education, while receiving fewer than 50,000 international students in return. This article examines whether that outflow is a structural loss or a latent asset. Drawing on data from the Bureau of Immigration, NITI Aayog, the Ministry of External Affairs, and the Reserve Bank of India, it argues that both things are true at once and that the outcome depends almost entirely on domestic policy choices in the years ahead.**

I. INTRODUCTION

Each year, hundreds of thousands of young Indians fly to the United States, Canada, the United Kingdom, Australia and Germany to pursue education and study. The growth rate has been rapid, and is no longer a concern of international offices. It is a structural aspect of Indian higher education and it is an indicator of some specific aspect & the lack of what they require in most domestic institutions.

This article is not about whether or not students are "right" to leave. Most of the reasons that they cite for the need for more research funding, more autonomous universities, higher salaries for graduates, more recognition by their employers of foreign degrees and qualifications are rooted in reality. The real issue is what India wins and losses at the pattern and what will it take to alter the ratio.

II. THE SCALE OF THE OUTFLOW

According to the data released by the Bureau of Immigration India sent 760,073 students abroad to pursue higher studies in 2024. This was compared with 2.6 lakh in 2020, three years ago, when the pandemic had hit. The peak came in 2023 at 908,000. As of 2025 there were 626,000, a 31% decline from the peak of 2023, due primarily to new restrictions on student and dependent visas from Canada, the US and the UK.The drop in specific destination numbers is dramatic. The number of new study permits granted to Indian students fell sharply from 1,49,875 between January and August 2023 to 9,955 in the same period in 2025. The issuance of F-1 visas for Indian students to the USA has declined by 44% in the first half of 2025 than in the same period of 2024. The number of Indians applying for student visas in the UK has experienced a decline in recent years, with a 26% decrease from 2023 to 2024. All the three countries where most Indian outbound students went to in the past are contracting at the same time. That reduced the overall enrollment, but the total number of enrolled students is still large. According to External Affairs, there are approximately 1.2 million Indian students studying abroad in higher education institutions in 2025. The difference in the figures is due to the fact that the Bureau of Immigration and MEA employ two different ways of counting: departures and total enrolment. They're both giving direction stories.

The financial size is also a factor. The value of outward remittances through RBI's Liberalized Remittance Scheme for studying abroad have increased from USD 0.16 billion in 2013-14 to USD 3.4 billion in 2023-24. That is ten times the amount in 10 years! As far as India's campuses go, for every dollar invested in internationalizing, families are spending many times that amount sending students abroad.

$3.4 billion RBI outward remittance for studies abroad, 2023-24 (up from $0.16B in 2013-14)		0.65% of GDP India's R&D spend vs 2.7% China, 3.5% US
13.36 lakh Indian students enrolled abroad,	28 to 1 Outbound vs inbound	$129.1 billion Remittances India received in 2024

2024 (MEA)	student ratio, 2021-22	highest globally

III. WHY STUDENTS LEAVE

Students are not indifferent to India and do not leave. They leave due to missing things at home.

The infrastructure for research is the most tangible. India spends 0.65% of GDP on R&D, compared to 2.7% in China and 3.5% in the US. According to the data from Institute of International Education, there are almost 1.6 lakh Indian students pursuing doctoral programmed in the US alone. This is not a coincidence. The number of funded PhD positions with stipend, well-equipped labs and active supervisors with research programmes are few in non-IIT Indian universities.The ranking gap in turn feeds into the research gap. Less than 20 universities in India are featured in the list of QS top 500 Universities. Tier-2 and Tier-3 cities generally have affiliated colleges which cannot design their own curriculum, cannot recruit faculty on its own and do not have many industry collaborations. The foreign recognition of these institutions' degrees has waned to a certain extent, and in the Indian private sector, this is even more the case.

Third driver is salary expectations. The purchasing power parity level difference is not the only reason that makes engineering graduates at a medium tier US university earn 5-8 times more starting salaries than their Indian counterparts. Just as families have accumulated assets over decades of hard work, families may invest in a foreign degree, and for many, it is a successful gamble.In some areas, the pattern has become entrenched in the norms. Chandigarh had the highest per capita student visa issuances followed by Punjab, Delhi and Andhra Pradesh respectively in India. A foreign degree is not uncommon, in many communities across these states it's expected. Norms of this sort take a while to change even in the event of changes in underlying conditions.

IV. WHAT INDIA LOSES

The current trend of internationalization in Indian higher education is largely skewed towards promoting international exposure through outbound student mobility. This has contributed significantly to brain drain.

NITI Aayog, Internationalization of Higher Education in India, 2025

Internationalization has become a new trend in Indian higher education which emphasizes on international exposure through outbound student mobility. This has helped as much as possible towards brain drain.

The vision of NITI Aayog for the Internationalization of Higher Education in India, 2025, is available. The vision of NITI Aayog on Internationalization of Higher Education in India, 2025 is available. The report by NITI Aayog, in December 2025, jointly prepared by IIT Madras and Association of Indian Universities, is forthright in its presentation of the cost. In 2021-22 India had 46,878 foreign nationals studying in India and 11.59 lakh Indians studying abroad. The out-bound number was increased to 13.36 lakh in the year 2024. In India, 28 students left for every foreign student arriving in India. According to UNESCO data, about two out of three Indian students studying abroad end up staying in other nations. The losses are in areas where India is already lacking: in researchers, doctors, engineers and technologists. In India, approximately 24,000 PhDs are awarded per year. In the USA alone, there are 1.6 lakh students with Indian doctoral degrees. The inference is that much of the research pipeline in India goes out and remains abroad.

The economic estimates are sizable. A conservative estimate of the Indian brain drain costs is $160 billion annually, including the loss of income tax, pension contributions and the opportunity costs of education funded at a subsidy rate. In 2024, India paid $14.3 billion in royalties on IP rights and received $1.5 billion. One reason for that asymmetry is that talent was nurtured for decades overseas instead of developing patents and products here.

One of the most critical areas is health care. One of the most entrenched disparities in public health delivery in India is the lack of doctors in rural areas, at the same time training and exporting doctors on a large scale. Regrettably, based on available data, two out of three Indians who have emigrated are well educated. The out-flow is not random. It comes from the exact pool that is most needed by the country.

V. WHAT INDIA GAINS

The diaspora is not a cost. The same outflow that takes away the talent, compounds one, and the asset is enormous.

In 2024, India's remittance inflows reached $129.1 billion, marking the highest level in the world. That money doesn't go into government budgets or corporate balance sheets. It pays school fees, housing, medical costs and small business investments to families in Bihar, Kerala, Uttar Pradesh, Rajasthan and Andhra Pradesh that no domestic programme gets to this scale and speed.

Remittances, remembrance and networks are also sent by the diaspora. Indian Americans occupy high-level executive positions in leading technology firms, research labs, financial institutions and hospitals in America, the United Kingdom and Canada. They invest in Indian start-ups, introduce international networks through board membership, advisory positions and bilateral policy (including trade agreements, technology transfer, visas) in a manner that is in the national interest. This is real soft power and can't be duplicated in any other way.

The structural analogy of interest is the three countries that are South Korea, Taiwan and China, all of which experienced periods of brain drain in the past, only to experience reverse flows. They did that by increasing funding for domestic research, establishing attractive pay scales, easing the administrative hassles for former researchers, and establishing institutions that were credible enough to make it rational to return. India is nearer to that tipping point than ever before. In 2024, Indian startups have raised $12 billion. MNCs like Google, Microsoft, Amazon and others have established major R&D centres in Bengaluru, Hyderabad and Pune. The researcher who had to go out to San Jose in 2010 for world class work can now have similar intellectual challenges here in Karnataka.

VI. TURNING THE TIDE

The NITI Aayog report calls for an international program, a Vishwa Bandhu Fellowship, to engage diaspora researchers and faculty through flexible engagement arrangements, competitive financial support and hassle-free onboarding processes. The concept is not to force return, but to ensure that the engagement is easy to make in the short- and medium-term, such that knowledge can return even if people don't relocate permanently. The Union Budget for 2025 also included an increase in the allocation for science and technology to Rs. The average of Rs. 10,000 earlier was raised to 20,000 crores. 6,000-8,000 crore. That's a positive change that's good. Still far short of the U.S. or China, but it is an indicator of a new direction in political will.The report also calls for active engagement in international academic partnerships by all NIRF top-100 universities and Institutes of National Importance, instead of a mere MoU, based on joint supervision, sharing of grants, and two-way student exchange.

The government has signed visa agreements with a number of countries, such as the Mutual Recognition of Qualification agreements and Migration and Mobility Partnership Agreements. These facilitate Indian student movement to other countries and provide some bilateral form to flows of movement. They don't solve domestic shortcomings, but they minimize clashes at the edges.

VII. WHAT INSTITUTIONS MUST DO

Policy changes at the national level matter, but most of what determines whether Indian higher education is competitive enough to retain and attract talent happens inside individual institutions.

NEP 2020 has the right instincts. Multidisciplinary curricula, mandatory internships, research credits for undergraduates, and increased institutional autonomy are all moves in the right direction. The gap is between what the policy says and what colleges are actually implementing. Faculty who treats internship requirements as paperwork rather than genuine industry engagement, or who run research projects to satisfy accreditation criteria rather than to produce publishable work, are not building the kind of institution that competes with foreign universities for student ambition.PhD stipends at most Indian universities are not competitive with what an Indian student can earn in a foreign doctoral program. A serious effort to retain research talent requires making the domestic option financially viable. Industry-linked research projects and visiting faculty positions can make return attractive for diaspora professionals who want to contribute without permanently relocating. Several IITs have demonstrated this model works. The question is whether affiliated colleges and state

universities can adapt versions of it. Faculty also have a specific role in how students understand the decision to go abroad. Students frequently treat emigration as a one-way door because nobody has shown them the diaspora as a two-way system. Alumni networks of Indian-origin professionals abroad are an underused resource. Guest lectures, joint project supervisions, mentorship programs connecting final-year students with working diaspora professionals these are cheap to run and they reframe the narrative from departure to connection.

VIII. CONCLUSION

The question brain drains or opportunity does not have a clean answer because both things are happening at once and will continue to happen simultaneously for the foreseeable future.

India is losing people it needs, in sectors where it is already short, partly because it has not yet built institutions good enough to keep them. That cost is real, the structural causes are documented, and it has compounded for long enough that the effects are visible in R&D output, healthcare coverage, and intellectual property earnings.

At the same time, the millions of Indians abroad are building skills, capital, and networks in environments India's institutions have not yet matched. The question is whether those assets flow back. The countries that converted brain drain into brain gain did it by making return rational better institutions, real research funding, competitive careers, lower bureaucratic friction. India is doing some of those things. It is not doing all of them fast enough.

The demographic dividend does not manage itself. India has a larger young population than any country in history. Whether that becomes a brain gain or a prolonged drain depends on decisions being made now: in budget allocations, in accreditation standards, in PhD stipends, in how seriously internship mandates are enforced, and in how faculty in colleges across Karnataka and the rest of India treat the gap between what students need and what the system currently provides.

The students who leave are not the problem. They might be the signal.

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