

Brain circulation to the UK? Knowledge and investment flows from highly skilled British expatriates in Vancouver.

Abstract

Purpose

The paper addresses two research questions: first, to what extent do highly skilled migrants intend to make personal business and financial investments in their home countries, and second, what factors influence them to invest in their home countries?

Design/methodology/approach

The results are based on face-to-face and telephone interviews which took place between September, 2008 and March, 2009 with 64 highly skilled British migrants working in Vancouver, Canada. Respondents were asked a combination of open- and closed-ended questions.

Findings

The results of this study find that the vast majority of respondents are not investing in or intending to return to their home country, which indicates that they contributing to brain circulation in a limited extent.

Practical implications

The paper argues that governments and organisations in the home country can play an important role in facilitating brain circulation in Europe.

Originality/value

Much of the academic literature suggests that the brain drain has now transformed into brain gain. The findings of this study do not support this shift because most of the sample of British expatriates in Vancouver are not intending to invest in or return to Europe. This is significant because highly skilled migrants could be better utilised as resources by European governments and organisations.

Introduction

In the last few decades there has been a growing demand for highly skilled migrants which has led to a steady rise in their movement across the world, despite some national opposition (Gurría, 2011; The Economist, 2011). These professionals are recognised as significant economic agents for countries, cities, regions and organisations, and they have been an important part of the 'war for talent' with governments and organisations seeking to attract and retain them (Chambers *et al.*, 1998; Ewers, 2007). Given the integrated, complex and geographically extensive nature of the current global economy, it is becoming

increasingly difficult to source talent from local labour markets and as a result recruiters are hiring highly skilled professionals from further afield, including from the global labour market. Many governments and organisations recognise that foreign talent is finite and that demand far outstrips supply and as a result they are competing with each other to attract talent and need to offer desirable incentives (Ong, 2007).

Much of the debate surrounding foreign talent focuses on their impact on regional economies and how they can be attracted and retained (Straubhaar, 2000). Here, the focus is on how countries and organisations can gain maximum return from their skills. However, increasingly governments and organisations appear to hold less ownership over highly skilled workers as many of the latter move not only from company to company, but also from country to country (Tung, 2008). Much less has been said about how these boundaryless careers fit in with individual career developments. In addition, within many sectors such as investment banking, law, accountancy and management consulting, highly skilled professionals are expected to work in international offices as an important part of their career development (Beaverstock, 2002).

The theoretical literature on highly skilled migration suggest that there have been four important typologies of migration. First, highly skilled professionals moving from developed countries to other developed countries in the 1960s. The Royal Society (1963), for example, expressed deep concern that many of Britain's best scientists were moving to the US for better career opportunities (Portes, 1976). Second, highly skilled migrants in developing countries moving to developed countries in order to invest in their human capital or to seek better job opportunities (Lowell and Findlay, 2002). In the process, these actors have contributed to a 'brain drain' in their home country. Third, employees working within large- and medium-sized global organisations who are seconded to other countries as 'internal company transferees' (Beaverstock, 2002). Fourth, highly skilled migrants returning to their home countries, either because of structural factors such as visa restrictions and unemployment trends, or because of individual factors such as joining family and friends, investment and job opportunities, or for retirement (Iredale *et al.*, 2003).

Much of the discourse surrounding highly skilled migration has focused on the perspective of governments and organisations and has tended to overlook the agency of individuals (Zhang, 2003; Ewers, 2007). This is an important oversight because highly skilled migrants have their own sets of reasons for moving and are often moving independently of company structures (Al Ariss and Ozbilgin, 2010). This is a key rationale for why this paper analyses the individual experiences of a small but important group of highly skilled British migrants working in a range of economic sectors in Vancouver, Canada. The paper focuses on whether this group of professionals intend to invest in the UK in the future and if so, why. This is important because such investments have potentially significant business and financial implications in terms of the economic development of Europe. Understanding if

and why this group of highly skilled migrants intend to invest in the UK will shed significant light on their propensity to contribute to brain circulation in Europe.

Brain circulation

The terms 'brain circulation' and 'return migration' have tended to be used interchangeably within the skilled migration literature (see Harvey, 2008). However, arguably they describe different processes. Brain circulation, for example, describes skilled migrants who move between their host, home and other countries for business, work and investment purposes. In contrast, return migration describes people who initially emigrate to a host country and at a later date return to their home country. The above distinction is important because it is possible for a skilled migrant to contribute to brain circulation without returning permanently to his or her home country. Equally, a skilled migrant might decide to return permanently to his or her home country for non-business, work and investment purposes. Hence, it is critical to make a conceptual distinction between these terms because they describe subtly different processes.

The theoretical literature on brain circulation and return migration in the home country has tended to be divided into two camps: those who have argued that such countries have suffered a brain drain and those who have argued that this loss of talent has been exaggerated (cf. Kapur and McHale, 2005; Kuhn and McAusland, 2006; Saxenian, 2006; Tung, 2008; Agrawal *et al.*, 2011). Kapur and McHale (2005), for instance, argue that the mobility of elite graduates from the top Indian universities to the US is far higher than overall emigration rates of Indian graduates. This suggests that within the skilled migrant group, the very top professionals are more likely to leave. On the other hand, Kuhn and McAusland (2006) argue that skilled migrants moving abroad is not necessarily a negative phenomenon because it increases global levels of innovation and also facilitates some flows of resources back to the sending country.

In the last five years the brain drain debate has developed further to suggest that both sending and receiving countries are benefiting from the mobility of highly skilled migrants. Saxenian (2006), for example, has suggested that the loss of highly skilled migrants has in some respects been a positive trend in the IT and engineering sector for many individuals and developing countries because they have been exposed to educational, professional and cultural opportunities abroad which they would not otherwise have experienced if they had stayed in their home country. She argues that this has important long-term implications in terms of economic development in the sending country since it not only fosters flows of remittances from Silicon Valley to China, Taiwan, India and Israel, but also human, social and cultural capital in the form of tacit and codified knowledge through social networks. Saxenian (2006) also makes the compelling argument that highly skilled migrants do not need to necessarily return to their home country permanently in order to contribute to its economic development. A small number of her foreign-born respondents in Silicon Valley, for example, have started-up companies and made substantial investments in their home

country having spent several years in the US for education and work purposes. These are not necessarily migrants returning to their home country permanently, but entrepreneurs taking risks and shuttling backwards and forwards between the host and home country.

Although there has been some academic analysis on the importance of brain circulation (Vertovec 2002; Iredale et al. 2003; Saxenian 2006; Larner 2007), our understanding of how extensively highly skilled migrants are travelling between sending and receiving countries for business and work purposes as well as their investment patterns remains limited. In addition, it appears that the numbers of people who are travelling to their home countries for business purposes is low. Saxenian (2006), for example, found that only five percent of her sample travel highly frequently (at least five times a year) to their home country for business purposes. Furthermore, the majority of her respondents (60%) are not travelling to their home countries more than once a year for business purposes. Iredale *et al.* (2003) find that many countries such as China, Bangladesh and Vietnam are experiencing a brain drain, whereas only certain countries such as Taiwan are benefiting significantly from brain circulation. In summary, it is not clear to what extent one can theorise more generally that brain drain is being superseded by brain circulation.

An important question is whether Saxenian's (2006) research is a stand-alone case, or representative of other regional economies and migrant groups. Harvey (2008, 2009), for instance, found that most British- and Indian-born scientists working in Boston's pharmaceutical and biotechnology sector did not seriously intend to return to or invest in their home country. Similarly, Agrawal *et al.* (2011) found that returnees were quite rare in their sample of Indian innovators in the US. They also "[...] find it unlikely that a poor country with a reasonably functioning economy and working hard to absorb the massive stock of available technology is actually better off if a large fraction of its scarce talent resides abroad" (Agrawal *et al.*, 2011, pp. 54), although they acknowledge in line with Saxenian (2006) that a small number of returning entrepreneurs can have a disproportionate effect on the economies of returning countries as 'institution builders'. This perspective suggests that repatriation is driven by organisational needs, employment opportunities, professional development and salary (Suutari and Brewster, 2000; Tharenou and Caulfield, 2010).

The reason for highly skilled migration is arguably markedly different in other regional settings. DeVoretz and Ma (2002), for example, found that many migrants from Hong Kong would move to Canada for education and work training purposes and then return to their home country for better work opportunities and higher salaries. Ley's (2010) work on 'millionaire migrants' from Hong Kong found that they moved to Canada for lifestyle purposes and then returned to Hong Kong for work purposes. Harvey (2011a) also found that highly skilled British professionals tended to move to Canada for lifestyle purposes and frequently found themselves taking jobs with lower salaries or retraining in order to practice in their area of expertise. But, for those who were seriously considering returning to the

UK, family and friendship as well as lifestyle purposes were more significant than the job, career opportunities and new work challenges. This raises the important question of what the primary purpose of highly skilled migration is from the perspective of the individual.

The evidence from the above literature suggests that many highly skilled migrants are moving to certain countries for lifestyle purposes. Further research is needed to explore whether lifestyle is a key determinant of highly skilled migration to regions such as Europe. The significance of lifestyle in relation to other factors resonates with Schein's (1990; 1996) concept of 'career anchors' where he argued that people make career choices on the basis of their strong self-concept which acts as a stabilising force that they are not willing to relinquish when making career decisions. Although, lifestyle was not one of his original categories, Schein (1996) subsequently recognised the importance of issues such as work-life balance and family concerns in shaping individual decisions (see also Zhu *et al.*, 2006). He argued that the category of lifestyle had experienced more change than any other anchor. Suutari and Taka (2004: 842) also found that nearly half of their sample of Finnish expatriate managers named the lifestyle career anchor as either one of the most important or the most important anchor. This suggests that lifestyle is potentially a significant factor in influencing the career choices of many expatriates.

The migration literature suggests that those who move for professional purposes tend to be younger because they invest in their human capital with the anticipation of recouping this investment at a later date, while older migrants tend to move to be closer to family members and/or for lifestyle and retirement purposes (van Dalen and Henkens, 2007). In other words, the stage of a highly skilled migrant's lifecourse will dictate the relative importance he or she places on work, lifestyle and social network factors as a determinant of his or her migration. This is significant in the context of this special issue because career development is only one important determinant of skilled migration. In addition, people who are at a later stage in their lifecourse and/or who are moving for lifestyle purposes may vary significantly from those who are younger and moving for professional purposes in terms of their propensity towards making financial investments in their home country. The Kaleidoscope Career Model, for example, argues that individuals will change the priorities of work and home as they enter different stages of their lives (Mainiero and Sullivan, 2006; Sullivan *et al.*, 2007). The same may be said for highly skilled migrants because they will arguably hold stronger and weaker inclinations to invest in their home countries at particular stages of their lives. Understanding when these stages are and how they impact upon investment decisions would represent a critical step towards increasing the financial engagement of highly skilled migrants in their home countries.

A central question concerning highly skilled migrants is who drives their migration. Much of the theoretical literature has suggested that their movement is predicated on decisions made within multinational corporations since these professionals are either transferred within the same company, or are recruited from abroad (Hall, 1976; Schein, 1978).

However, recently scholars have emphasised the role of self-initiated expatriates and how many highly skilled migrants are not necessarily moving to countries on secondments or as internal company transferees, but rather through their own initiative (Saxenian, 2006; Al Ariss and Ozbilgin, 2010; Tharenou and Caulfield, 2010; Harvey, 2011a, 2011b). These professionals are not just moving to other countries because of attractive pull factors in the host country such as exciting job opportunities or lifestyle purposes, but also because of push factors in their home country such as political, economic and social circumstances, which are causing them to leave.

Frequently the intent to leave a country precedes the search for a new job and skilled migrants will move either because they are forced to through push factors, or because they experience a 'shock' such as a family illness, which forces them to reconsider moving country (Griffeth *et al.*, 2000; Tharenou and Caulfield, 2010). This is important in the context of Europe because push factors such as the 2010 sovereign debt crisis will arguably force many skilled professionals *from* European countries which have been particularly affected by central government debt such as Greece, Italy, Spain, Portugal and the UK to move to other countries less affected by the global economic crisis. In contrast, the 2011 'Arab Spring' protests and demonstrations will arguably force many migrants to flee their home countries and move *to* Europe.

Governments have started to recognise and attempt to harness the resource of highly skilled migrants. China, India and Singapore, for example, have established offices in Silicon Valley to entice their foreign-born scientists, engineers and entrepreneurs back (Ong, 2007). Outside of this high technology cluster, governments are changing their attitude towards the brain drain as they realise that they can take steps to attract their foreign-born population to invest in and return to their country. There also appears to be a shift in the direction of highly skilled migration with DeVortez and Ma (2002), for instance, arguing that while Hong Kong and India historically experienced a brain drain to Canada, now it is Canada that is experiencing a brain drain as highly skilled migrants are returning to their home countries.

Despite a recent rise in literature on brain circulation to developing countries (Meyer 2001; Hardwick 2003; Dzvimbó 2003; Saxenian 2006), there has been relatively little coverage of brain circulation to developed countries. Larner (2007) argues that the New Zealand government has made strong attempts to forge links with its highly skilled expatriates who might help to contribute to the economic development of the country. Harvey (2008) finds that brain circulation among British scientists in Boston has been limited, despite the potential opportunities to invest in the UK. Further research is needed on the extent to which highly skilled migrants from developed countries are investing in their home countries and acting as intermediaries between businesses in sending and receiving countries. This is important because these workers make a significant contribution to regional economies and yet, unlike highly skilled migrants from developing countries, very little research has been

conducted. Therefore, an investigation of the role of highly skilled migrants investing in Europe is timely and as a result this paper seeks to address the following two key research questions:

1. To what extent do highly skilled migrants intend to make personal business and financial investments in their home countries?
2. What factors influence highly skilled migrants to invest in their home countries?

Methods

This paper is part of a wider project on the migration, integration and investment experiences of a group of 64 highly skilled British expatriates in Vancouver, Canada. The paper analyses the professional ties and financial investments of this group with the UK. The term 'highly skilled migrant' is not well-defined in the theoretical literature and in the context of British expatriates in this paper I am referring to individuals born in the UK, holding a bachelor's degree or equivalent training and at least three years of paid or unpaid employment since their degree or training. This group worked in a range of high-end positions across multiple economic sectors (see Table 1). Therefore, their decision of whether to invest in and/or return to the UK has important implications in terms of the theoretical literature on the brain drain, brain circulation, repatriation and return migration. The results are based on face-to-face (69%) and telephone (31%) interviews conducted between September, 2008 and March, 2009, which lasted for an average of 45 minutes.

Given the time restraints of interviewing elite professionals, I decided that structured interviews would be the most efficient way of obtaining data relevant to the study in a short time period (Harvey, 2010, 2011c). Respondents were asked open- and closed-ended questions in order to obtain both qualitative and quantitative data. Gaining access to respondents was facilitated through a number of avenues, including making requests at local sports and social clubs, on British expatriate websites, through contacting relocation companies and the British Consulate, as well as through snowballing contacts at the end of interviews. In the vast majority of cases respondents were forthcoming in helping me to gain access to further contacts and all of them agreed to be contacted for follow-up questions, which I did only for points of clarification.

The majority of respondents were male (83%), reflecting the highly gendered nature of this sample and which has been a trend in other groups of skilled migrants (Kofman, 2000; Harris, 2004; Raghuram, 2004). Although gender issues were not a focus of this research, I was conscious in the design, fieldwork and analysis stage of the project of the relative absence of female respondents as well as the potential importance of the differing experiences of men and women. I use pseudonyms and avoid naming companies to protect the identities of individuals and their employers.

Table 1: Background information of respondents

	% (n)
Age	
≤25	6 (4)
26-35	20 (13)
36-45	27 (17)
46-55	20 (13)
56+	27 (17)
University Qualification	
Bachelor's	41 (26)
Master's	30 (19)
Doctorate or equivalent	17 (11)
Other	9 (6)
None	3 (2)
Visa Status	
Canadian citizen	53 (34)
Permanent resident	20 (13)
Work visa or landed immigrant	27 (17)
Gender	
Male	83 (53)
Female	17 (11)
Economic sector	
Creative	22 (14)
University	15 (10)
Other	15 (10)
Engineering	11 (7)
Accountancy	10 (6)
IT	10 (6)
Consultancy	8 (5)
Government	3 (2)
Law	3 (2)
Banking	3 (2)
Job title	
CEO, Founder Director or	25 (16)
Senior Manager	26 (17)
Manager	19 (12)
Early career	22 (14)
Other	8 (5)

Professional ties with the UK

This section analyses how frequently British respondents exchanged job and business information with people in the UK, whether they had any business or financial ties there, and whether they would consider returning and how likely they would return to the UK. In terms of exchanging job and business information, respondents exchanged little UK job (mean 0-10 score: 2.3) and business (mean 0-10 score: 2.1) information with people in the

UK and slightly more Canadian job (mean 0-10 score: 3.7) and business (mean 0-10 score: 4.4) information with people in the UK (see Table 2). Typically, some respondents would speak to people in the UK about job and business opportunities in Canada, but seldom the other way around and this pattern became even more apparent amongst older respondents and those who had lived in Canada for longer time periods. The average respondent who discussed job opportunities in the UK with professionals in the UK for at least ten times a year, for example, was 36 years old and had been living in Canada for six years, while the average respondent who discussed jobs opportunities in Canada with professionals in the UK for at least ten times a year was 49 years old and had been living in Canada for 16 years. These results show two important findings. First, that there is a greater flow of business and job information from the UK to Canada than vice-versa. Second, that older expatriates are contributing to business and job flows from the UK to Canada, whereas younger expatriates are contributing to business and job flows from Canada to the UK.¹ These results are similar to results of British scientists in Boston who also exchanged little job and business information with people from the UK. In contrast, Indian scientists in Boston tended to exchange job and business information more frequently with people in their home country, suggesting that there may be differences between expatriates from developed and developing countries in terms of the frequency that they exchange professional information with people in their home country (see Harvey, 2008).

Arguably poorer countries benefit more from brain circulation than wealthier countries since migrants from the former feel a greater obligation to give something back. In contrast, migrants from wealthier countries arguably do not feel that they are draining their country of human capital and thus have less desire to give something back. Simon Beck, a project manager of an engineering company, for example, said: "I'd rather put it somewhere nice like this", which suggests that he considers his investment in the UK as more discretionary than essential to the country. Another explanation for this variation may be differences in culture between migrants from developed and developing countries in terms of making financial investments in their home countries. There may also be distinct variation in the attitudes of governments and companies towards encouraging investment from their expatriates. All of these factors will arguably determine whether there is a particular culture of brain circulation among particular migrant groups towards their home countries. The results from this study suggest that brain circulation from British expatriates to Europe is limited, but there may be distinct differences in the degree to which migrants from various countries within Europe are contributing to brain circulation. An important area for future research is establishing whether there is a relationship between the contributions that migrants make towards knowledge generation and business development in the home country and the contributions they make in terms of financial investments in the home country. Both are significant, but arguably different facets of brain circulation.

¹ Given that 83% of respondents were male, it was difficult to determine credibly whether there was a correlation between gender and propensity to invest in the home country.

British expatriates in Vancouver tended to hold less business and financial ties with the UK than other highly skilled expatriates did with their home countries. Only 11% of British expatriates in Vancouver had helped arrange business contracts in the UK, for example, compared to 48% of British scientists in Boston, 31% of Indian scientists in Boston, 34% of Chinese engineers in Silicon Valley and 46% of Indian engineers in Silicon Valley (see Table 3). In addition, only a small proportion of British expatriates around Vancouver (11%) had served as an advisor or consultant in the UK. All members of this group were male, which suggests a gendered pattern among this elite group of professionals. Although 17% of respondents said that they had invested their own money in the UK, which is a comparable figure to other highly skilled migrant groups (see Table 3), the types of investments tended to be minimal. Julia Smith, a government advisor, for example, said that she still had a pension in the UK which she contributed towards. The mean age of this group was only 38, which may partially explain why investments were relatively small because they were at the early stages of their careers and often had young families. Similarly, Liam Morris, a design engineer, said that he was still paying a mortgage in the UK despite moving to Canada in 2006. These results again suggest that there are limited signs of brain circulation from Canada to the UK amongst this group of highly skilled British expatriates.

A small (8%) but significant number of British expatriates travelled highly frequently (at least fifteen times in the last three years) to the UK for business purposes. The average age of this group was 47 and 80% of them were male. James Mason, CEO of a major transport company, had travelled to the UK about twenty times in the last three years, mainly because he was a shareholder and needed to attend regular meetings in the UK. Others like Chris Thompson, manager of a videogame company, travelled frequently to the UK to report back to his senior managers as well as to act as the spokesperson for the company. The frequency that this small group of highly skilled migrants travel to the UK is less than British scientists in Boston travelling to the UK, but higher than other highly skilled migrant groups (see Table 3). This stream of business travel is significant because it suggests that some respondents are contributing to brain circulation through knowledge flows rather than through flows of capital investment.

Only a small group of British expatriates in Vancouver held business and professional ties with the UK and their contact with professionals in their home country was overall slightly less than other groups. This indicates that highly skilled migrants from developed countries were not contributing to the same levels of brain circulation as other migrant groups from developing countries and there were two explanations for this difference: first, there is variation in the desire amongst migrants from both types of countries to contribute to the economic development of their home country, which over time reflects a particular pattern of brain circulation amongst migrants from developed and developing countries. This pattern is also predicated on the attitudes and policies of governments and organisations towards attracting these professionals to return to and invest in their countries. Second, there are differences in the perception of business opportunities in developed and

developing countries. Many of the brain circulation success stories have come from countries such as China and India that have demonstrated rapid economic growth or potential for growth (Saxenian, 2006). In addition, other success stories have come from a small number of other countries such as New Zealand where the national government has been actively encouraging brain circulation (Larner, 2007). The flow of knowledge into Europe via highly skilled British migrants appears more limited, although further empirical research is needed to investigate the extent of brain circulation into Europe from other highly skilled migrant groups. What is clear, however, is that European governments and organisations have a significant resource in the form of highly skilled expatriates who have arguably yet to be fully utilised.

Table 2: Exchanging job and business information

Type of information	British expatriates in Vancouver	British scientists in Boston	Indian scientists in Boston
Job opportunities in home country (0-10 scale)	2.3	1	4
Job opportunities in host country (0-10 scale)	3.7	n/a	n/a
Business opportunities in home country (0-10 scale)	2.1	3	9
Business opportunities in host country (0-10 scale)	4.4	n/a	n/a

Source: Author's fieldwork and Harvey (2008: 298)

A final important determining factor of brain circulation is the intentions of migrants to return to their home countries. In many cases, British expatriates had no intentions of returning to the UK. For example, 56% of respondents said that they would consider permanently returning to the UK to live. Even within this group the average respondent said that the likelihood of them returning on a scale of 0-10 was 3.3. Charles Gibson, Director of a Theatre Company, for example, said: "We are very content. I love England but there is no longer a draw to go back." Brian Sugar, an architect, said that he did not intend to return but at the same time would not be surprised if he did: "Never say never, not a plan. It wouldn't surprise me if it happened, but certainly not something I foresee." Added to which, 53% of respondents held Canadian citizenship (either solely Canadian or dual

British and Canadian citizenship) and 20% of respondents were permanent residents (see Table 1). This suggests that with many British expatriates seeing their long-term futures being in Canada, they are less likely to want to invest in the UK or other countries outside of Canada than those who have a greater propensity to return to live in Europe. Peter Simon, a senior manager of an accountancy firm and a permanent resident, for example, said that he had not invested in the UK, but had taken all of his money out of the country. In contrast, a number of Saxenian's (2006) sample invested in their home countries. In part, the reason for these investments was because highly skilled migrants had a strategic advantage over other professionals because of their know-how of business and cultural practices in their host and home countries. In addition, many of these engineers and scientists, unlike my British expatriate sample in Vancouver, held a strong desire to give something back to their home countries. This latter point is of critical importance because, as discussed above, there is the possible implication that skilled migrants from developed countries such as the British hold less of a desire to invest in their home country than their counterparts from developing countries. Additional research is needed to confirm this trend, but if other countries in Europe are experiencing the same phenomenon of not benefiting from investments from their expatriates abroad, then arguably the onus will be on European governments and particularly organisations to persuade highly skilled expatriates to invest in and/or return to their home countries.

Table 3: Business and financial ties with home countries

	British expatriates in Vancouver	British scientists in Boston	Indian scientists in Boston	Chinese engineers in Silicon Valley	Indian engineers in Silicon Valley
Helped arrange business contracts in home country (%)	11	48	31	34	46
Travelled to home country for business purposes \geq 15 times in the last three years (%)	8	13	1	5	4
Served as an advisor or consultant in home country (%)	13	15	11	15	34
Invested own money in the UK (%)	17	24	18	10	23

Source: Author's fieldwork, Harvey (2008: 303) and Saxenian (2002: 26, 28, 30)

Conclusions

This paper has focused on a small but important group of highly skilled British migrants in Vancouver. Two key research questions were posed: first, to what extent do highly skilled migrants intend to make personal business and financial investments in their home countries, and second, what factors influence them to invest in their home countries. The results from this study find that highly skilled British expatriates are contributing more towards a brain drain than brain circulation. British expatriates exchanged very little professional information with people in the UK and only a small proportion of respondents had helped arrange business contracts or served as an advisor or consultant in the UK. Even those individuals who did participate in professional activities in the UK tended to participate in a limited way and not on the scale that Saxenian (2006) describes with Chinese and Indian entrepreneurs in the US, who are starting-up companies and investing in their home countries.

There were two significant asymmetrical trends amongst British expatriates. First, greater knowledge flows were being transferred from the UK to Canada than vice-versa. Second, older respondents were exchanging job and business information from the UK to Canada, while younger respondents were exchanging job and business information from Canada to

the UK. The implication is that not enough is being done at a government and organisational level in the UK in terms of implementing policies which may attract knowledge flows and investment from British expatriates. In particular, there is a need to engage with older and more experienced British expatriates who are not presently participating in brain circulation, as well as with younger expatriates who are the potential contributors to brain circulation in the future. There are important long-term lessons for all European countries, namely identifying and recognising potential highly skilled migrants and engaging with them early and subsequently creating structural channels and a culture in the home country that enables knowledge flows and investments in the future. European governments are critical for facilitating brain circulation, but there has been a concerning recent trend of these governments wanting to impose additional taxes on their expatriates. The UK government, for example, is considering taxing expatriates who work in Britain for more than ten days a year (Houlder, 2011), which indicates that the onus is likely to be on private organisations such as financial institutions and industry associations to engage with expatriates and encourage their investments in the future.

In short, brain circulation between Canada and the UK was limited. These results therefore question how widespread the process of brain circulation has become in Britain and Europe among highly skilled expatriates. This is important because much of the theoretical literature has focused on highly skilled migrants from developing countries moving to developed countries, where they either stay, contributing to a brain drain, or invest in and/or return to their home countries, contributing to brain circulation. On the basis of these results I would argue that it remains inconclusive how significant a role highly skilled migrants have played in the process of brain circulation in Europe. It is likely that national culture plays an important role in determining whether highly skilled migrants participate in brain circulation and this is arguably particularly apparent when comparing migrants from developed and developing countries because of differences in emotional ties with their home countries such as individualist versus collectivist cultures. Further research is needed to determine the extent to which such variations in national cultures affect levels of brain circulation.

Finally, an important conceptual distinction was made earlier in this paper between brain circulation and return migration. Following these lines, a further important area of future research would be to examine the interplay between these two processes. To what extent, for example, do levels of return migration affect brain circulation trends, or vice-versa? Are expatriates investing in their home country because they are considering returning at a later stage, or are there particular tax incentives for them as non-resident investors? Is there a correlation between expatriates contributing to knowledge generation and business development in their home country and their propensity to make financial investments in their home country? To date, this has been an uncharted area of research, but it is potentially significant in helping us to understand the mechanisms and interrelationships between knowledge and business flows, brain circulation and return migration in Europe.

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