

DIASPORA CONTRIBUTION TO IT ENTREPRENEURSHIP IN SRI LANKA

(A Case of Highly Skilled IT Professionals and Academics)

Nadeeja Abeyasekera



University of Moratuwa, Sri Lanka.
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Department of Computer Science & Engineering

University of Moratuwa

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by



Nadeeja Abeyasekera
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Department of Computer Science & Engineering

University of Moratuwa

February 2012

Declaration

I declare that this is my own work and this thesis, does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any other University or institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

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Signature:

Date: 03/02/2012

Ms Nadeeja Abeyasekera

The above candidate has carried out research for the Masters thesis under my supervision.

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Signature of the supervisor

Date: 03/02/2012

Ms Vishaka Nannayakkara

Abstract

One in every ten Sri Lankan lives abroad. Modern ICT and transportation facilities have increased labour mobility and the creation of transnational communities. Diaspora members could be resourceful in two ways to their home country, through discussions and transactions. Discussions include email, instant messaging, websites, forums and social media through which Diaspora maintains close relationships with those living in their home country and others living abroad. Transactions include remittances, investments and commitments in terms of time and knowledge. The key feature of Diaspora is their retained affinity to their home country and high motivation to contribute to its development.


This research study is focused on Diaspora contribution to the Sri Lankan IT industry. Leaving aside the diverse composition of the Diaspora, its influence on events in the country and the many ways they contribute to the economy, the author delves into the background of 23 individuals who went overseas for higher studies and returned back to initiate businesses, often as 'first movers' in the field. An industry that started off with a few multinational companies providing IT infrastructure and services two decades back, saw the emergence of local firms around the 90s entering the application products, software services, off-shore development markets and later the IT BPO market. Behind these developments are Diaspora members who have done pioneering work, giving their knowledge and expertise and often acting as the catalysts in the industry. They use their global networks to launch new businesses for foreign markets and to find the finances to support new ventures.

In an era of globalization where skilled migration is inevitable this study looks into ways the country can benefit from its Diaspora. What attracts the Diaspora back home - especially the student population studying overseas? What can the government and the various supportive institutions do to encourage IT entrepreneurship? These are the questions answered in the pages that follow.

Keywords: Diaspora, Sri Lanka's Economic Development, Information and Communication Technology (ICT), IT Entrepreneurship, Innovation, Research and Development

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List of Abbreviations

ABCD	American-Born Confused Desi
API	Application Programming Interfaces
BOI	Board of Investments
CSR	Corporate Social Responsibility
EDB	Export Development Board
ERP	Enterprise Resource Planning
FAO	Finance & Accounting Outsourcing
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
ICT	Information and Communication Technology
ICTA	Information and Communication Technology Agency
IEEE	Institute of Electrical and Electronics Engineers
ILO	International Labour Organization
IT BPO	Business Process Out-sourcing
ITES	Information Technology Enabled Services
JV	Joint Venture
LAMP	Linux, Apache, MySQL and PHP
LEARN	Lanka Education and Research Network
LSF	Software Foundation
MIT	Millennium Technologies
MIT	Massachusetts Institute of Technology

MRP	Manufacturing Resource Planning
NSF	National Science Foundation
NUS	National University of Singapore
OUSL	Open University of Sri Lanka
PIM	Post Graduate Institute of Management
POS	Point of Sale
PR	Permanent Residence
R&D	Research and Development
SAaS	Software As a Service
SLA	Service Level Agreements
SLANA	Sri Lanka Anti Narcotics Agency
SLASSCOM	Sri Lanka Association of Software and Service Companies
SLBFE	Sri Lanka Bureau of Employment
SRI	Stanford Research Institute
TiE	The Indus Entrepreneurs
TWST	The Wall Street Transcript
UNDP	United Nations Development Programme
UoC	University of Colombo
UoM	University of Moratuwa
USAID	USA Agency for International Development
YATV	Young Asia TV