

66. INDIAN DIASPORA: ANALYSIS OF ITS ADVANTAGE TO THE HOME COUNTRY AND TO THE WORLD

N. SHRADHA VARMA, Assistant Professor, Department of Economics, Maitreyi College, Delhi University, Email id: shradhavarma90@gmail.com

ABSTRACT

Migration has been a common phenomenon since a long time. Movement of people across borders and thus, movement of ideas, new skills and technical know-how result in the benefits not only for the receiving countries but also for the sending countries. In this regard, it is very important to consider the role of Diaspora communities for the receiving countries and our study focuses on the role of Indian Diaspora communities residing in other foreign lands and will analyze their roles in enhancing the working of different sectors of the economy in which they live. The study further illuminates the contribution of the Indian Diaspora to their native land i.e., India. There is no denial to the fact that Indian Diaspora has been contributing towards the development of the Indian economy in being the major source of Foreign Direct Investment, in transferring technology and technical know-how, substantial flow of knowledge, contributing towards tourism, charity activities, in establishing NGOs to work towards the betterment of the society and fighting social evils existing. The other side of this phenomenon is the contribution of Indian Diaspora to the receiving countries, basically, to those countries in which they live. These communities bring in their skills for the utilization of the available

resources, put on their knowledge and add onto the set of technical know-how, providing new demand to the consumer market, providing to the employment opportunities and also adding to the production level of the economy. So this paper reveals the positive aspect of the existing of Indian Diaspora for foreign countries, relating their advantages to Indian Territory also.

KEYWORDS

Migration, Diaspora, economy, development.

INTRODUCTION

Diaspora refers to individuals who have spread out from one country to the rest of the world (e.g. the Indian Diaspora refers to Indian-origin who living outside of India). It has to be noted that the movement of people across borders led to significant changes not only in the sending country but majorly in receiving country. The impact of such a spread of people could be on social, political and administrative aspects which can lead that country onto an altogether different path of growth and development. Diaspora can help a country in increasing trade with countries, investment, by their knowledge, innovation, professionalism and management techniques. It is also imperative to know that Diaspora communities always end up promoting exchange

of ideas, views, culture and political stand across territories so existence of such groups help both economies to evolve with their contributions. There is growing awareness now that there is a concept named as "Diaspora Capital" to go alongside financial, human and social capital. Almost every country is coming to a realization that there is a resource that needs to be researched, cultured, solicited and stewarded. Undoubtedly, these communities have, many a times, as a key piece of economic recovery for both economies (sending and receiving). It is crucial that these communities should be assured of complete support from their origin country and also from the residing country then only such set of people can put out their best in the form of their abilities and skills for the betterment of every society. It would not be surprising if Diaspora communities are considered as national asset but what is new is that now there is increasing number of countries realizing the potential of such an overseas population in creative and innovative ways. Thus, now there are constant and active efforts being made to identify and connect with these individuals and link them to national economic development projects in one or the other form. With the idea of tapping these communities and at the same time, noticing their potential, there is actually a two-way flow of skills, capital and technology which can benefit both the countries.

A BRIEF ABOUT INDIAN DIASPORA

Diaspora is basically a word used, in a general sense, for communities of migrants living or settled permanently abroad, aware of their origins and identity and maintaining various degree of contact with their native land. Indian Diaspora refers to the set of people having their origin in India but settled abroad for any reason. Even though these people have their residence

in other country but their existence and importance can be observed in many forms. Their contribution to the economy where they live as well as to the Indian economy matters. This Diaspora is seen as relevant mainly for its economic remittances but it is also fundamental for more than that which is for its social remittances in the form of ideas, values, beliefs and practices. Indian Diaspora, being one of the largest in the world, is an indispensable soft power tool which plays a critical role in the development story of India in many ways.

Apart from being highest remitter of foreign currency into mainland, Indian Diaspora has contributed immensely in various spheres, thus benefitting both the country of origin and the destination. Indian Diaspora has placed itself at a significant position not only with the Indian policymakers but also exhibited its potential on international platform thus it deserves a sincere attention for its upliftment.

ADVANTAGES OF INDIAN DIASPORA FOR INDIAN ECONOMY

Indian Diaspora is one of those communities existing in the world territory which plays a very significant thus appreciable role in the development of Indian nation. Their contribution to the Indian economy in all forms is recognizable and is a matter of pride for all Indians. This community living in other nations keeps on adding to the growth potential of this country in many aspects. In this regard, the first aspect to consider is their huge role in promoting investment in India in both forms: Foreign Direct Investment (FDI) and Foreign Portfolio Investment (FPI). Such a group of people actually add on to the investment stock of the country by doing direct investment in the expansion of many established business enterprises, in substantiating capital stock of the new business ventures and helping the

startups emerging in India in many ways, sometimes, by promoting their new and innovative ideas or also by funding the new initiatives. These people also contribute to the research and development department of the business world by pushing in new ideas, new techniques, new views, new skills towards Indian Territory and supporting the framework for the new innovations already set within Indian domain. In short, this Diaspora creates many business opportunities and spur entrepreneurship among the aspiring fellow individuals in India and also helps in transferring new set of knowledge and skill education. In a country like India, the direct investment by the Diaspora plays a pivotal role in creating the trust among foreign investors. When it comes to bringing in FDI, Diasporas are often more useful than the institutional network and diplomacy which has worked in the Indian case too. Along with the monetary or tangible benefits, they also bring in intangible advantages in the form of advanced technology and global best practices along with them, the second aspect of the benefits from Diaspora is the remittances send by them to the home country that is India, which is the one of the main sources of privilege that the origin country has from the Indian people living abroad. Actually, remittances have many positive impacts on the receiving country as these help in reducing the recipient household poverty, with spillover effects to other households, also increase investment in education and health, along with other productive activities. In India, remittances contribute significantly to the GDP. In addition to monetary contributions, India Diaspora also has the updated set of knowledge and latest technical expertise to offer as inputs to the development strategies that are being designed by India for its betterment. This community of people

also acts as an organic link between native Indians and the world which further helps in promoting trade of goods and services, also contribute in establishing long term business and transnational entrepreneurial relations and thus illuminating the potential of India's manufacturing and service sector along with, focusing on the credentials of India's young population capable of decision making, policy framing and initiating reforms on domestic grounds, also in foreign lands, if provided with appropriate opportunities. Engagement and involvement of this community spread across many foreign nations help the home country i.e., India to get positive exposure and develops a reputation on the basis of trust at the international level, which can actually help the national image of this country in an advantageous way. Indian Diaspora is actually an invaluable source of "soft power". This was a term coined by Joseph Nye and through this term, he refers to the ability to get what one wants through attraction rather than coercion. This phenomenon is applicable in Indian scenario as this country's culture, ideology, political ideas, policies has always been accommodating on international grounds. Indian Diaspora also creates a chance of greater economic and social integration between Indian and other countries with their entry into the administration and diplomacy of the countries in which they reside. Apart from contributing to establishing economic and political links between India and other nations, Indian Diaspora can partner in the progress of the home country in many other forms like providing adequate funding for developing infrastructure in their native regions through either direct investment or any indirect route, establishing base for global consulting services, proving reliable and plausible ideas for management in Indian industries, and introducing

orientation of high technology to the existing companies. Actually, best business practices employed by Diaspora in Indian establishments help in bringing the technology gap that generally exists between the western countries and India. Their contribution in the form of Portfolio investment is also appreciable component and considerable too which can further boost up the credibility of Indian companies. In the field of education and skill formation, India Diaspora has entered into collaborations and opened up many Centre(s) of Excellence in premier institutes like IITs, NITs helping in the creation of knowledge, fueling innovative ideas, skill enhancement and thus adding on to the stock of human resource capital. Also, India benefits tremendously from the people of Indian Diaspora community in luring large multinational companies. Over the period of time, globalization and liberalization policies have shown up the expected results in the form of opening up of Indian economy for international investors and entrepreneurs, so as for Indian Diaspora communities living abroad. Such policies can initiate these investors to invest in Indian market by setting up MNCs, manufacturing activities, real estate services etc., in many other forms. Actually, in this regard, they have introduced new processes in the economic sphere as well as in the public policy domain of India. In addition to many significant economic and political contributions, India Diaspora has also been involved in the philanthropic engagements to advance equity in the Indian society and thus helping the people of India to challenge many existing social and cultural barriers. Involvement of this group with the native people of the Indian Territory can help in enhancing the cultural exchanges for example: spread of Yoga, Ayurveda, developing taste for Indian cuisines, traditions, rituals, religious acts etc. and such

exchanges can help India not only in social horizon but can also boost the economy. Thus, with the right incentives and policy framework, the talent of the Indian Diaspora can be utilized in the nation building process and in the development efforts in a systematic way and also it is to be noted that Indian Diaspora plays an important role in influencing foreign and domestic policies for the improvement of the Indian society.

ADVANTAGES OF INDIAN DIASPORA FOR OTHER ECONOMIES

Undoubtedly, Indian Diaspora has been consistent in its action in ensuring the goodness of its host and adopting countries in many forms whether it being building the trust between the people of the two nations with which it is involved or expanding the networks of market between these countries, thereby directly impacting the trade of goods and services. Their contribution to the economic and non-economic parameters of the receiving country is understandable and even commendable. This community helps majorly in the exploitation of the new innovations and technology in the residing country for the betterment of that country and also works in the direction of adding to the existing set of research and knowledge. The existence of such a community in a foreign country acts as an extra yet internal support for the implementation of the policies and reforms of that country. The very existing of the skills, knowledge and intellectual abilities of the people of Diaspora enhance the working and management of production and manufacturing activities of the receiving country. These communities bring in new ways and views in performing complex tasks related to operational or assembling activities. These Diasporas are a great source of transfer of technical knowledge and skills in the form of 'brain gain'.

They can contribute these not only through permanent repatriation but also through short-term return. The Diaspora population also adds onto the revenue of the residing country in many forms like tax revenues, non-tax revenues, and revenue due to consumption expenditure adding on to the public expenditure, addition to the output level and also to the demand of the market. In short, these people create economic benefits to the economy in which they live not only by creating demand but also by adding to the total demand. The people of Indian Diaspora community also contribute towards many industry collaborations, joint ventures and also in establishing many subsidiaries of the business houses. The Indian Diaspora resource, both financial and non-financial, can leverage family, community and national development efforts in the receiving countries. Apart from advantages to the economic parameters, in most of the cases, these communities also help in promoting the culture and ideology of that country in which they reside by following their historically or traditionally laid spiritual and religious activities. The political role played by people of Indian Diaspora contributes significantly to the political arena of the adopting country. Basically, this community fills important mainstream roles and responsibilities in their adopted countries, helping shape the destiny of these countries for example: The President of Singapore, Governor-General of New Zealand and prime ministers of Mauritius and Trinidad and Tobago are all of Indian descent. Indian Diaspora has increasingly become prominent with getting highly established and recognizable positions in the big and magnetic business enterprises of their residing nations like UK, USA which further helps in building their economic linkages with India. Hence, the influential Indian Diaspora affects not just the popular

attitude of their residing society, but also the government policies and reforms in those countries.

ANALYSIS OF THE BENEFITS EVALUATED

It is observed that quite often the factors which influenced the Diaspora to migrate from their homelands may influence the extent of their involvement and contribution to the development of their countries of origin and hence, this is seen as the main reason that Indian Diaspora has helped India a lot over many years in terms of trade and investment, innovation, human capital formation, technological advancement, professional network creation besides remittances when it comes to its economic benefits to India. There is no doubt about the fact that any Diaspora forms the backbone of the various professional networks between the home country and host country and this is what Indian communities residing abroad have done to enhance the relations of India and other countries in many domains. Apart from directly helping Indian economy by transferring funds in the form of remittances and also in the form of direct or portfolio investment, the contribution of such communities is also appreciated in other non-monetary fields like philanthropically influenced activities in both countries, establishing or reestablishing political linkages, in most of the cases, with other economies, knowledge transferring, exchange of ideas and cultural views, acceptance of attitude and aptitude of different groups of people and thus mingling with them, skill creations, encouragement to small and medium scale entrepreneurship in India through either funds or ideas, introducing native fellows to new innovations/technology, helping in enhancing the employability of Indians working in foreign countries as well as in home country, encouraging more of economic relations between India and other countries in which they reside. Over the period, Diaspora organizations (and sometimes even

individuals) are seen to be getting increasingly vocal and influential in their countries of origin and of settlement. They increasingly seek to influence government, media, corporate sector and other prominent groups and are therefore speaking up on a range of issues affecting their homeland and their communities living abroad. In this regard, many international organizations for instance, CUSO which offer volunteer opportunities in other countries recently started targeting Diaspora individuals to volunteer in their countries-of-origin. They've found that Diaspora volunteers can start making real contributions faster than their peers without in-country background or experience. This kind of activeness of such groups helps all the economies of the world to merge into one nation and also act as one.

The analysis of the multidimensional benefits reaped from the very existence of Indian Diaspora group in other countries can result in many interesting characteristics about this community in the form of their contributions towards the development of their home country but most importantly, it highlights the relevance of such communities for the upliftment of the economical and political image of India in the countries where they reside. A politically and economically influential Diaspora can be leveraged upon to further economic interests of the nation which can further influence the policy decisions in the host nation for the economic interests of the homeland and this has been replicated in the case of Indian Diaspora. It cannot be denied that the positive impacts of having a well versed and influenced and also knowledgeable Indian Diaspora helped its home country to improve on its benefits from such a community and also helps the receiving country in reaping the advantages with the physical presence of such cultured, civilized and skilled community in its territory. It has also

been felt that India does have a strong role to play in improving the quality of life of communities living abroad in the form of their social and economic security because apart from the well-off sections, there is huge number of laborers performing unskilled work abroad, especially in Gulf. India should also take commensurate steps to ensure dignified work and living conditions. The social security schemes announced by the Indian government are in the right direction to protect their future like Pravasi Kaushal Vikas Yojana, PravasiBharatiya Bima Yojana (PBBY) etc. In India, where the foreign remittances contribute significantly to the total income of the nation, the government should have a proper Diaspora engagement policy. There is also a need to focus on facilitating the development of Diaspora centric public-private partnerships. The strategy must be to look after the feelings of identity and affection to cultivate their social network as a powerful source of economic progress.

CONCLUSION

There is no denial to the fact that Diaspora group always work for its native country along with its contributions for the residing country. What is required is to develop the key to success which is in the form of developing globally distributed networks of trusted contacts with these people from Diaspora communities. Interestingly, these links are much enhanced with the help of interest from all dimensions including policymakers, interest groups, international organizations etc. Diaspora members can help a country build itself as the soft power and by implementing a comprehensive Diaspora strategy this can be harnessed and converted into 'hard impacts'. So, recognizing and working for the upliftment of Diaspora community has to be considered as important and substantial and should

be made a priority. The objective should be to 'engage Diaspora communities by focusing on creative mechanisms through which they can contribute to political, economic and social growth in their homelands through Diaspora philanthropy, Diaspora Volunteer Corps, Diaspora Direct Investment, Diaspora Capital Markets, Diaspora Tourism, and nostalgic trade and Diaspora advocacy and diplomacy'. There is thus a further need to raise global awareness about the importance and value of Diaspora engagement and also to provide capacity building for Diaspora groups and organizations. There has to be a continuous research to enhance the understanding the nexus between Diaspora and development as Diaspora helps a country politically, socially and most importantly economically. India is increasingly becoming an attractive nation for the foreign countries which is resulting in more favorable environment for the Diaspora by their residing countries. Off late, the positive impacts of the Diaspora are making the government of India to move more closely to them and reap more benefits with their cooperation.

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