

Gaining from Greater Engagement with Indian Diaspora

Since 19th century people of Indian origin began to migrate overseas due to various reasons and motivation. In a uniquely diverse pattern that has not been replicated by any other Diaspora , except perhaps the Chinese, Indians spread initially to the countries of Africa, Southeast Asia, Fiji and Caribbean. This wave was mainly in response to the enormous demand for cheap labour that arose immediately after the British abolished slavery in 1833-1834. The second half of 20th century witnessed steady outflow of some of India's best professionals to the developed countries of the West and of India's skilled and semi skilled labour in the wake of the oil boom in West Asia and the Gulf in the 1970s.

Today , with over 25 million people of Indian origin living outside India, a powerful new global community has emerged. The Indian Diaspora reflects the full multiplicity and variety of rich social, ethnic, religious and cultural tapestry of the land of its origin.

There are first generation migrants and their children and grandchildren who live in developed countries such as the United Kingdom, the United States and Canada. In the last forty years, a very large number of unskilled and skilled workers have found job opportunities in the Middle East and live and work for long years in those countries. Recent years have witnessed another wave of migration to countries such as Australia, New Zealand and Hong Kong, China, among others.

While the Indian Diaspora is only 2 percent of India's population, their total wealth is estimated at USD 1 trillion which is nearly 50 percent of India's GDP. Of the USD 1 trillion, one-half is estimated to be financial assets. The income of the Indian Diaspora is estimated at USD 400 billion a year.

Pravasi Bharatiya Divas (PBD) is celebrated on 9th January every year to mark the contribution of Overseas Indian community in the development of India. January 9 was chosen as the day to celebrate this occasion since it was on this day in 1915 that Mahatma Gandhi, the greatest Pravasi, returned to India from South Africa, led India's freedom struggle and changed the lives of Indians forever.

The overseas Indian community thus constitutes a diverse, heterogeneous and eclectic global community representing different regions, languages, cultures and faiths. The common thread that binds them together is the idea of India and its intrinsic values. Overseas Indians comprise People of Indian Origin and Non Resident Indians and today are amongst the best educated and successful communities in the world. In every part of the world the overseas Indian community is recognised and respected for its hard work, discipline, non-interference and for successfully integrating with the local community. Overseas Indians have made significant contributions to the economy of the country of residence and have added in considerable measure to knowledge and innovation.

Overseas Indians share a strong bond with their country of origin. This is reflected in their language, cultures and traditions that have been maintained, often over centuries, and continue to be vibrant and unique. It is now being witnessed in the growing popularity of Indian films, dance, music, arts and culture on foreign shores, the strong surge in remittances back home, the return of many to live and work in India and in their increasing engagement with India's development. The relationship between India and its overseas community is growing, new partnerships evolving and newer multi-faceted dimensions being explored.

The emergence of significant Diasporas has in recent years brought into sharp focus two key facts. First, there is a large expatriate population of skilled people from emerging economies in the developed world. Second, overseas communities can constitute a significant resource for the development of the countries of origin. The movement of the high skilled and low skilled workers from less to more developed economies and back opens several new opportunities for development. To view the Diaspora only through the looking glass of remittances and financial flows is to take a myopic view. Not all expatriates need to be investors and their development impact measured only in terms of financial contributions to the home country.

An overseas community can and does serve as an important 'bridge' to access knowledge, expertise, resources and markets for the development of the country of origin. India is now beginning to recognise the need to pursue and promote the dynamic of the Diaspora and development. At the heart of the policy there is increasing emphasis to engage with the Diaspora in a sustainable and mutually rewarding manner across the economic, social and cultural space. The policy makers are trying to create conditions, partnerships and institutions that will best enable India to connect with its Diaspora comprehensively. Policies are streamlined from time to time to ensure that the bonds with the Indian Diaspora are sustained and strengthened in a mutually complimentary manner.

Recognising the immense contribution the Indian Diaspora can make to their home country, India is now focusing attention on the successful Indian-origin entrepreneurs and high networth individuals. Many of them are at the top of the pyramid. In the Silicon Valley alone, four out of 10 start-ups are promoted by NRIs and PIOs and seven percent of the valley's hi-tech firms are led by Indian CEOs. Further, there are over 40,000 Indian origin doctors in the US and over 15,000 Indian origin doctors in the UK. The number of engineers, chartered accountants and lawyers of Indian origin in the developed countries runs into several thousands. They represent the best of India that was chiselled and honed in the universities and institutions of those countries.

Another important feature of India's development is characterized by the remittances of the Indian Diaspora. Remittances are the most tangible and least controversial link between migration and development. India has topped the global chart of remittances with a whopping \$ 71 billion in remittances in 2013, just short of three times the FDI it received in 2012, according to a revised World Bank forecast. Top global recipients of officially recorded remittances for 2013 are India (with an estimated \$71 billion), China (\$60 billion), the Philippines (\$26 billion), Mexico (\$22 billion), Nigeria (\$21

billion), and Egypt (\$20 billion).

According to World Bank estimates, India and China alone will represent nearly a third of total remittances to the developing world this year. Remittance volumes to developing countries, as a whole, are projected to continue growing strongly over the medium term, averaging an annual growth rate of nine per cent to reach \$540 billion in 2016. With weak rupee India is witnessing a steady rise in overseas remittances. Policymakers can do much more to maximise the positive impact of remittances by making them less costly and more productive for both the individual and the recipient country,

As a new India seeks to become a global player of significance, the time has come for a strong and sustained engagement between India and overseas Indians. The time has also come for overseas Indians to benefit from the exciting opportunities that India provides. Needless to say it is a win win situation and India must act now to make the Indian Diaspora an important partner in India's growth story.
