

# Executive Summary

- People of Indian origin began to migrate overseas in significant numbers only in the 19<sup>th</sup> century driven by the economic compulsions generated by colonialism. 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 the 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. It was succeeded in the second half of the 20<sup>th</sup> century, by a 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 the Indian Diaspora numbers over 20 million, reflecting the full multiplicity and variety of the rich social, ethnic, religious and cultural tapestry of the land of its origin. These broad strokes therefore do not do adequate justice to the tremendous complexity of the phenomenon of Indian overseas migration, which is, therefore, sought to be addressed in detail in the Report itself.
- Since India achieved Independence, overseas Indians have been returning to seek their roots and explore new avenues and sectors for mutually beneficial interaction, from investment, to transfer of skills and technology, to outright philanthropy and charitable works. This trend has become more marked in the last decade as the Indian economy has opened up, giving rise to a new range of opportunities for emerging generations.
- Despite this, the Indian public is relatively unacquainted either with the kaleidoscopic traits of its Diaspora, or with its contribution to Indian welfare. Barring some high profile names in the Information Technology and entertainment sectors abroad, the Diaspora has been largely out of public sight and awareness.
- This Committee found strong evidence of deep and abiding ties with, and commitment to, India's welfare in the Diaspora. The Committee is convinced that the reserves of goodwill amongst its Diaspora are deeply entrenched and waiting to be tapped if the right policy framework and initiatives are taken by India.
- It is our earnest wish that our Report addresses some of the following objectives – acquaint the Indian public with the depth, variety and achievements of the Indian Diaspora, sensitise it to their problems and their expectations from their mother country, propose a new policy framework for creating a more conducive environment in India to leverage these invaluable human resources - and thus forge stronger ties between the two.
- The preparation of this Report has also given us a chance to introspect on the reasons these highly talented people left our shores in the first place. One thing became clear during our travels and

investigations – the majority had left because of economic reasons or in search of better employment prospects and not because of political, social or ethnic factors. They would also rather have stayed back in India if the opportunities for utilisation of their talent had been available in their motherland. Finally, their genuine efforts to make a ‘payback’ to their mother country, as they described it to the Committee, are still being stalled because of an unresponsive policy and implementation environment.

- This Committee therefore concluded that an overhaul of bureaucratic procedures and deep administrative and economic reforms are required to remove unnecessary obstacles standing in the way of optimal utilisation of these resources. Wherever appropriate this Committee has interwoven these imperatives into the structure of the recommendations it has made.
- The structure of our Report is as follows:
  1. We first undertook a geographical survey of the Diaspora, tracing individual histories and timelines, identifying its main characteristics and listing its demands and expectations from India.
  2. Next, we undertook a sectoral survey of the main areas where the Diaspora has either sought or has potential to make a contribution, identified mutually beneficial objectives and outlined the nature of the policy changes that are required to realise these.
  3. The final section contains our major conclusions and recommendations.

## **Regional and Country Profiles**

- The current area-wise profiles of the Indian Diaspora, depend on the historical circumstances of emigration to a particular destination as well as the prevailing political, cultural, economic and social norms in the receiving country. The expectations that they have from their mother country also vary according to their position and status in the host country.

## **Neighbours: The Maldives, Afghanistan and Central Asia**

- There are an estimated 9,000 NRIs in the Maldives, out of the island population of 269,000, according to the Census taken in 2000. The Indian Diaspora in the Maldives comprises of doctors, teachers, engineers, accountants, managers and other highly qualified professionals, several of whom are employed in projects funded and assisted by India. Indian skilled and unskilled personnel have also sought employment in the booming economy. There is only one Maldivian citizen of Indian origin in this country.
- Migration to Afghanistan has taken place over the last several centuries, mainly from undivided Punjab. The emigrants were mostly retailers and traders. After the Mujahideen takeover in Afghanistan in 1992, large-scale emigration from Afghanistan to neighbouring countries, mainly to India, has taken place, reducing the size of the community from an estimated 45,000 in 1990

to 1000 in 1996. During the Taliban regime, there were widespread reports of harsh discrimination against minorities. Afghan Hindus and Sikhs have continued to flee Afghanistan to the neighbouring territory of Pakistan, with a view to eventually reach India. Our High Commission in Islamabad is in charge of processing their visa applications. Government of India has extended assistance to Afghan refugees in India.

- The Indian community numbers 2732 out of a population of 55.5 million in Central Asia (Kazakhstan, Uzbekistan, Turkmenistan, Tajikistan and Kyrgyzstan). It consists mainly of NRI students, entrepreneurs, traders, managers, representatives/employees of Indian or of multinational corporations, banks and hotels, and workers. The Indian Community is well regarded, having a higher per capita income than the national averages and having adapted itself to local conditions. In Kazakhstan the success of Ispat International in turning a Soviet-era steel plant around, has positively impacted the image of the Indian community. Besides Ispat Karmet, which is an NRI company, the following Indian companies have representation in Kazakhstan - Ajant Pharma, Dr. Reddy's labs, Ranbaxy, Core, Lupin, IPCA, and USV. The Indian Cultural Centre in Almaty is active in propagating Indian culture. There are many NRIs employed by Indian companies and multinationals in Uzbekistan also. The Committee felt that the Indian community in Central Asia is bound to increase in view of the close economic and bilateral relations between the Central Asian countries and India, and it would be necessary to bring the region within the Committee's ambit of implementation of measures to promote linkages between India and its Diaspora.

## **The Gulf Region**

- The economic boom combined with acute labour shortages has created a huge and continuing demand since the 1970s for short-term immigrant labour in the countries of the Gulf and West Asia/ North Africa. Estimated at more than 3 million, with more than half from Kerala, 70% of the Indian population in the region consists of semi-skilled and unskilled workers, 20-30% consists of Indian professionals and white-collar workers (doctors, engineers, architects, chartered accountants and bankers), and a small fraction is composed of domestic help. Remittances to India from the Gulf, long recognised as a significant contribution to India's balance of payments, are mostly made by Indian workers in the first category. Following Operation Desert Storm the number of Indians in Iraq has been reduced to a handful. The Indian community in Libya has also declined, mainly due to an economic slowdown, from almost 40,000 in the mid-1980s to about 12,000.
- Most of the countries in the region do not permit their Indian workers to obtain local citizenship regardless of their employment category. The high turnover has ensured that the Indian population in the Gulf has retained active familial and economic links with India. The establishment of Indian schools in several Gulf countries to give their children quality education at par with Indian standards is another distinctive feature of the Diaspora in this region.

- The conditions of employment and emoluments vary greatly between the various categories of employees. While professionals are allowed to bring their families with them (even here there are many restrictions), labourers are not. The latter category is prone to exploitation both in the Gulf countries and at home. In the former, their problems range from recruiting agents, the poor barrack-like accommodation allotted, long working hours beyond the legal 8-hour workday, deduction of various fees from their salaries, withholding of salaries and return passages and poor or nonexistent medical facilities - to the apparently mandatory retention of passports by their employers on arrival in all the Gulf countries. This leaves them at the mercy of their employers, reinforced by laws requiring local official sanction for a change of job, or for an exit permit to return to India. Some become dupes of drug smugglers, leading to their execution under local laws. Cases of Indian women recruited as housemaids, being ill-treated have been reported. On their return to India, illiterate workers are often harassed and exploited by the customs authorities at Indian airports. White-collar workers naturally have a different set of requirements, centring on higher education for their children in India and investment incentives.
- The Indian population in the Gulf is an important contributor to India's economy. Their welfare should also be a priority for us. During the Committee's visit to the Gulf countries, representatives of the overseas Indian labourers had brought to its attention the following expectations from Government of India to safeguard their interests –
  1. Institution of effective measures by the Ministry of Labour to prevent malpractices by recruiting agents in India;
  2. Negotiation of a 'Standard Labour Export Agreement' with all the Gulf countries prescribing such things as a minimum wage, free housing, medical care, limits on daily working hours, overtime allowance rates, return air tickets and compensation for on- the-job death or injury;
  3. Setting up of agencies by the State governments to advise prospective Indian workers about their rights and obligations;
  4. Revival of the earlier practice of requiring our Missions in the Gulf countries to verify the genuineness of overseas job offers and the reliability of the parties offering them;
  5. Support in eliminating the practice of employers taking in their charge the passports of their employees immediately on their arrival;
  6. Frequent visits by the consular officers in our Missions in the Gulf countries to the labour camps;
  7. Holding of regular consultations by the welfare/ consular officers dealing with the community in our Missions with their counterparts, in the respective Labour Ministry of the host country;

8. Assistance for resettlement through training and/or alternative employment; assistance in obtaining the return fare to India from the employers; and
  9. An end to the harassment of Gulf returnees by the Customs and Immigration authorities at their port of entry into India.
- During its survey of the other Diasporas, the Committee noted that the Protector of Emigrants in the Ministry of Labour was charged with the functions of protecting the interests of India's overseas blue-collar workers. During its examination of State-level initiatives, the Committee noted that Kerala had taken commendable initiatives to safeguard the interests of its overseas blue-collar workers. In addition the Conference of Welfare Officers of Indian Missions/ Posts in the Gulf countries held in New Delhi in October 2001, had come up with useful recommendations including supervision of contracts and improvement of recruitment procedures; expansion of the provision for setting up welfare funds by our Missions abroad as well as for provision of legal assistance; arrangements for accident insurance cover; provision of a death allowance and assistance for skills upgradation to ensure better remuneration of Indian workers abroad. The Committee noted that several additional measures were being considered by the Government of India, including the establishment of a Central Manpower Export Promotion Council; an Overseas Workers Welfare Fund to help stranded and disabled workers, and special insurance for Indian workers abroad through the New India Assurance Company to cover premature repatriation due to harassment, unemployment benefits, rehabilitation packages and medical benefits.
  - The Committee was of the view that these measures should be implemented at the earliest possible. In brief these were – setting up of a welfare fund for repatriated workers and workers in distress; negotiation of a Standard Labour Export Agreement with the host countries; tightening supervision of both the employment contracts and conditions of our overseas workers by our Missions; launching the insurance schemes expeditiously; establishing mechanisms for the provision of legal assistance locally, and instituting training programmes for human resource development and skills upgradation.
  - The Committee recommended that the Member-Secretary of the proposed central organisation, who will deal with these matters, should elaborate further on legislative and administrative measures to be taken to ensure that these concerns are fully and satisfactorily addressed. This would be in addition to his/ her functions as the central nodal point in addressing the specific problems related to overseas blue-collar workers and liaising with the concerned Government departments at the Central and State level, our Missions abroad and the workers themselves.
  - This would go a long way in giving due recognition to the contributions of the overseas workers to the national economy.

## **Africa: Mauritius and Reunion Island**

- Substantive Indian migration to Mauritius and Reunion began after the abolition of slavery. While PIOs at over 220,000, constitute around 30% of Reunion's population, Mauritius is the only country where PIOs at over 700,000 constitute a majority –almost 70% of the population, which has enabled them to achieve political pre-eminence. After 1920, PIOs in Reunion were granted French citizenship and full civic and political rights and thus the Indian community there also occupies a prominent position in civic and political life. Both communities coexist harmoniously with other ethnic groups. Mauritius' current importance to India stems from its geographical proximity and strategic location. Mauritius ranks amongst our largest foreign investors following the conclusion of a Bilateral Agreement on the Avoidance of Double Taxation that has enabled foreign investors to establish offshore companies on the island. Mauritians of Indian origin, who originated primarily from the Bhojpur district of Bihar, harbour a commitment to maintain their linguistic and cultural heritage. The Indian community in both islands is active in promoting Indian culture and Indian festivals. It is important for India to maintain the excellent relations it enjoys with Mauritius and take further steps to cement its ties with Mauritians of Indian origin as also with PIOs in Reunion.

## **South Africa**

- The Indian Diaspora in South Africa numbers around a million. Indians started arriving in South Africa in 1653, when Dutch merchants sold Indians as slaves in the then Dutch Cape Colony. The pattern of emigration in the 19<sup>th</sup> century was similar to that in other parts of Africa and indeed the world, following the banning of slavery throughout the British Empire in 1833-1834. The indentured labourers on the plantations were mainly from Bihar, Eastern UP, Tamil Nadu and Andhra Pradesh, to be followed later by Gujarati traders who went as 'free passengers'. Indian labour was also deployed in the railways, dockyards, coal-mines and municipal services and as domestic help. The conditions under which they worked were akin to slavery but their hard labour transformed the economy. As a section of the Indian community attained increasing prosperity and became the principal rivals of the whites in trade and commerce, the colonial administration enacted discriminatory laws to curtail their progress and inflict petty humiliations on them. Mohandas Karamchand Gandhi's arrival in 1893 heralded the beginning of a long struggle for equality and dignity by the Indian community and led to the establishment of the Natal Indian Congress (NIC) in 1894, and the forerunner of the Transvaal Indian Congress (TIC). A mass movement of labourers, traders and industrial workers followed him in his fight against racial discrimination. Gandhiji's legacy of struggle against injustice and racial discrimination inspired succeeding generations in South Africa. Second generation members of the Natal and Transvaal Indian Congresses (NIC & TIC) launched a prolonged multiracial joint struggle of all the oppressed people of South Africa, culminating in the 'Three Doctors Pact' in 1947 between the Presidents of the ANC, the TIC and the NIC, courting brutal reprisals by the authorities.

- Later, the apartheid regime switched to other tactics and crafted a policy of differential treatment of the three racial groups. Under the new policy, more opportunities for economic prosperity opened up for the Indian community and the gulf between it and the indigenous African community widened. Some members of the Indian community were co-opted by the system following the establishment in the 1980s of the Tricameral Parliament with separate chambers for Whites, Coloureds and Indians. Though the NIC and the TIC were completely opposed to such collaboration, and vigorously participated in the anti-apartheid struggle as part of the UDF (United Democratic Front) there was increasing alienation between the Indian and African communities. The long history of Indian philanthropy, both by individuals and by Indian organisations, in South Africa, was forgotten. It is generally believed that most of the PIOs voted for white dominated parties in the first non-racial elections in 1994 and also in the next general elections of 1999. Indian South Africans are once more faced with a difficult situation. The challenge is to remove the misperceptions about the community and join the mainstream in nation-building.

### **Other Countries of Africa**

- Limited Indian emigration to other parts of Africa, took place mainly after the conclusion of agreements between the British Government and the metropolitan countries for recruiting Indian indentured labour. Barring East and South Africa, Mozambique, Madagascar, Mauritius and Reunion, the Indian presence in countries like Angola, Senegal, Ghana, Gambia, Namibia, Djibouti, Ethiopia, Eritrea, Sudan etc. is comparatively limited or negligible.
- Indian emigration to what was once the East African Community (Kenya, Uganda and Tanzania), as well as the then Northern and Southern Rhodesia (Zambia/ Zimbabwe) was necessitated in the 19<sup>th</sup> century by the British colonial empire's extension to Africa. From the 1970s-80s onwards, Indian professionals also began heading towards the more prosperous countries like Botswana and Nigeria. Indian labour was recruited originally to lay railway lines to facilitate economic exploitation of the vast resources of the interior, during the course of which several thousands of them died. A large number of 'free' emigrants - Gujarati Hindus and Muslims - followed. Over the years the Indian community attained relative prosperity and became politically active in their quest for equality, first in Kenya, and then in Uganda and Tanganyika. In 1914 the East African Indian National Congress was established in Mombasa with branches in the other two countries. It encouraged joint action with the indigenous African community against the colonial powers. Formation of trade unions and establishment of their own press critical of the inequality meted out to non-whites soon attracted the ire of the British authorities, which made vigorous and unfortunately partially successful attempts to create dissension between the two non-white communities. Following independence in the early 1960s, the Indian community in the region faced a fresh round of hardship as the new African governments launched Africanisation or affirmative action programmes. Several Kenyan Indians opted for British or Indian citizenship, while in 1972 President Idi Amin expelled all Ugandan citizens of Asian origin. From a total of

360,000 in the early 1960s, the Indian Diaspora in East Africa today numbers 200,000 only – with 100,000 in Kenya, around 90,000 in Tanganyika, and 7,500 in Uganda.

- The position of Indians in both Zambia and Zimbabwe, which adopted a more moderate policy following their independence towards the Indian community, is relatively better. In Madagascar, its economic position has started to improve in the last few decades. The Indian connection with Mozambique, which dates back to at least the late 15<sup>th</sup> century, was reinforced by emigration from Goa under Portuguese rule. Indian nationals were however subjected to considerable persecution following the Government of India's liberation of Goa, Daman and Diu from Portuguese rule in 1961, which came to an end only after the fall of the Portuguese dictatorship.

## **Israel**

- There are 45,000 PIOs out of a population of 6.3 million. After living in India for over a thousand years, around 30,000 Indian Jews have migrated to Israel since the 1940's. Many of the migrants from India had to struggle in the small “development towns” and agricultural settlements on arrival. Today, Israelis of Indian origin have reached a respectable socio-economic level. Though the younger generation born in Israel are losing their Indian identity there is considerable interest in maintaining cultural links with India as they are aware that their ancestors never faced discrimination in India, unlike Jewish communities in other parts of the world.

## **The United Kingdom**

- While the 19<sup>th</sup> century witnessed a significant migration of Indians - mostly as indentured labour - to British, French, Dutch and Portuguese colonies - Indian emigration to the United Kingdom and West Europe is largely a phenomenon of the 20<sup>th</sup> Century, during which a significant proportion of these Indian communities migrated to the metropolitan centres around the time that the former colonies achieved independence. Thus, Surinamese Indians emigrated to the Netherlands; Indians from Madagascar, Mauritius and Indo-China went to France; and from Mozambique and Angola they went to Portugal. By far the largest numbers however headed towards the United Kingdom from East Africa and India. Today two-thirds of the Indian community in the 15-member European Union (EU), the largest economic entity in the world, is in the UK. Within Britain, PIOs constitute the single largest ethnic minority. From humble origins in the industrial and retail sectors, the Indian community has risen to become one of the highest earning and best-educated groups in the UK. Indians have achieved eminence in business, information technology, the health sector, the media and entertainment industries. There are several eminent British industrialists of Indian origin, including Lakshmi Mittal, the Hinduja brothers and Swaraj Paul. The Indian community in Britain has made its presence felt in the political arena as well. It has 4 elected Members of Parliament and 11 members in the House of Lords, with Lord Dholakia taking over as the Chairman of the Liberal Democrat Party, the first time an Indian has occupied the top post in a mainstream political party. A number of persons from the Indian community occupy important positions in



the mainstream British media, including the BBC, The Daily Telegraph, The Financial Times, etc. The contribution of PIOs in media, literature and cinema is increasingly recognised in mainstream British society. The Indian community runs a number of ethnic TV channels, radio stations, newspapers and magazines.

- The Indian community has formed a number of social, cultural and political organisations. Almost all wealthy PIOs have individual trusts or charities for projects pertaining to health, education or other infrastructure in their home states and villages in India. In times of national crises, natural calamities in India, the community organisations raise generous contributions for relief and rehabilitation of the victims.
- Today the Indian community in the UK occupies a unique position, enriching British culture, society and politics and contributing to making the UK a genuinely multi-cultural society. Indians are considered a disciplined and model community with the lowest crime rates among all emigrant groups, in marked contrast to the Pakistani community. Besides the awareness of the success of the Indian Diaspora in other parts of the world, the PIOs' success in the political and economic fields in the UK, their high and commendable levels of educational attainment, and their distinct profile as compared to other less successful and less industrious ethnic communities have guaranteed that old stereotypes about India have faded to be replaced by a new image of India as a dynamic nation. The PIOs have strong affinity and links with India and community leaders have displayed considerable interest in promoting bilateral relations and investment and supporting philanthropic projects in India. They have lent significant support to efforts to form pro-India lobby groups in the three major political parties. Two out of the three major political parties in Britain - the Labour party and the Liberal Democrat Party - have now formed Friends of India parliamentary groups. The Indian community is a strong asset and India would need to create new opportunities, structures and avenues to keep it actively engaged with the country of its origin.

## Europe

- Indian emigration to Europe has been limited because of strict immigration policies. Some West European countries relaxed their immigration laws for Asians in view of the labour shortages created by the economic boom in the 50s and 60s. Following a surge in immigration from India and other Asian countries however, restrictions were re-imposed. Recently the desire in the European Union (EU) to overtake the United States as the most competitive and knowledge based economy in the world has opened up new opportunities for India's skilled human resources and especially its IT experts. Demographic factors, i.e., the aging population of West Europe, have also increased their dependence on young workers from developing countries. Computer experts and other professionals such as engineers, nurses, business managers, teachers, scientists etc, are therefore permitted to immigrate in restricted numbers. There has been a growing interest in EU member States in attracting Indian IT experts, who have already made a mark in the US.

The profile of the Indian Diaspora in West Europe/ the EU is thus likely to change in coming years owing to upward mobility among the existing Indian communities and continued immigration of highly qualified Indian professionals.

- The size of the Indian community in the countries of East/Central Europe is very limited, comprising mainly of students, businessmen and professionals. Since 1990, however, the number of Indian students in the higher educational institutions of these countries has declined.

## **North America: The United States**

- At 1.7 million and 0.6% of the total US population of 280 million, the Indian community enjoys the distinction of being one of the highest earning, best educated and fastest growing ethnic groups, and that too in the most powerful country in the world. Their high levels of literacy, economic success, knowledge of English and experience with democracy in their home country has eased their transition in the land of their adoption. Indian Americans are found in the following high profile occupations and sectors - medicine, engineering, law, information technology, international finance, management, higher education, mainstream and ethnic journalism, writing, films and music. They also work in real estate, retailing and agriculture and as taxi operators, factory workers and newsstand workers. The Indo-American community in the US reflects the diversity of India. Remarkably, first generation Indian Americans have been able to transmit some of their attachment to their culture and traditions to the second generation. The heightened awareness in the mainstream communities of the uniqueness of Indian culture has reinforced the community's pride in it.
- A section of financially powerful and politically well-connected Indo-Americans has emerged during the last decade. They have effectively mobilised on issues ranging from the nuclear tests in 1998 to Kargil, played a crucial role in generating a favourable climate of opinion in Congress and defeating anti-India legislation there, and lobbied effectively on other issues of concern to the Indian community. They have also demonstrated willingness to contribute financially to Indian causes, such as relief for the Orissa cyclone and the Latur and Gujarat earthquakes, higher technical education and innumerable charitable causes. They would also be keen to invest if the issue of corruption and related procedural obstacles are sorted out. Indian Americans also have umbilical ties to the Indian Information Technology sector. Several Indian IT graduates have emerged as important entrepreneurs in Silicon Valley. Overnight Indians have risen to the top in one of the fastest paced sectors in the US, whose contribution to increased American productivity fuelled the 90s US economic miracle. This fact did not go unnoticed in the US and other developed countries, where the doors to hi-tech Indian immigration have since opened. The success and achievements of Indian Americans have also attracted the attention of major multinationals to India's potential in the IT sector. Thus India is today one of the few, if not the only, developing country which has attracted investment not in one, but *scores* of R & D centres wholly funded and established by reputed MNCs like GE, CISCO, Sun Microsystems, Microsoft, IBM, Hughes Software,

Intel, Oracle, Lucent Technologies, Microsoft Sun Microsystems and Texas Instruments, to name a few.

- For the first time, India has a constituency in the US with real influence and status. The Indian community in the United States constitutes an invaluable asset in strengthening India's relationship with the world's only superpower. Their receptiveness to Indian concerns will depend greatly on the quality of their interaction with the country of their origin and the sensitivity to their concerns displayed in India. It is essential for India to create the necessary structures to facilitate this interaction.

## **Canada**

- At 2.8% of a population of 30 million, Indo-Canadians have also come to be highly regarded in the fields of medicine, academia, management and engineering. They have made noteworthy achievements in public life, with a Canadian of Indian origin - Ujjal Dosanjh - being elected as Premier of British Columbia. The average annual income of immigrants from India is nearly 20% higher than the national average, and they are also in general better educated. Indo-Canadians are organised on the basis of linguistic, regional, religious and other characteristics. The growing political prominence of Indo-Canadians is reflected in the increasing attention devoted to their concerns by Canadian politicians. The community wants India to be strong and play a role in the world commensurate with its importance. Its leaders keep abreast of Indian developments and maintain close personal ties with politicians in India.

## **The Caribbean: Trinidad and Tobago, Guyana, Suriname, Central and South America**

- The Indian Diaspora in the Caribbean and Latin American countries numbers over 1.1 million, the former accounting for around 1 million. The main island countries of settlement in the Caribbean were the former British colonies of Trinidad & Tobago, Guyana and the Dutch colony of Suriname, where today they constitute over 40%, 51% and 35% of the total populations respectively. France also recruited or smuggled Indian labour to the French West Indies in the colonial period. The few PIOs in the rest of Central and Latin America have acculturated and inter-married, retaining only symbolic attachments to their Indian origin. Most of the migrants in the Caribbean however have retained significant elements of their cultural heritage, having resisted attempts at conversion to Christianity at considerable economic and social cost to themselves. Originally inducted as indentured labourers, after more than a century of hard toil and struggle in a hostile and discriminatory environment, they have attained both economic status and political eminence. However their social exclusivity and aloofness has set them apart from the indigenous populations, except in Jamaica where inter-racial marriages have taken place. They have built a large number of temples and mosques and set up their own cultural and religious associations. A large number of Surinamese Indians and other PIOs in the Caribbean

have emigrated to Canada, the US and the Netherlands where they have better opportunities. Basdeo Panday, currently Prime Minister for a second term in Trinidad & Tobago, Cheddi Jagan, the first Indo-Guyanese President, Bharrat Jagdeo who succeeded him, and J. Lachmon in Suriname are some of the prominent political personalities in the region. Other distinguished personalities are Sir V. S. Naipaul and Sridath Ramphal.

## **Southeast Asia**

- The most unique feature of India's cultural interaction with Southeast Asia, which precedes the dawn of the Christian era, is that it has been entirely peaceful. Its imprint is visible even today in the language and literature, religion and philosophy, art and architecture, of the whole of Indo-China, Myanmar and South-East Asia. Large scale Indian emigration however took place only in the 19<sup>th</sup> and 20<sup>th</sup> centuries as a result of colonialism through the indenture or *Kangani* system, and also by 'free' emigration of traders, clerks, bureaucrats and professionals. Thousands of Indians were mobilised to fight in the Indian National Army (INA) in Malaya and to contribute to the cause of Indian independence.
- After Independence Indians continued to migrate to Thailand, Malaysia, Singapore, Brunei and Indonesia in search of employment, with the pace picking up from the 1970s onwards. The Indian community numbers 7600 in Brunei, 55,000 in Indonesia, 1.67 million in Malaysia, possibly 2.9 million in Myanmar, 38,500 in the Philippines, 307,000 in Singapore, 85,000 in Thailand and a very small number in Cambodia, Laos and Vietnam. While the opportunities in these booming economies were diverse and ranged from blue collar jobs in the construction and hospitality industries to employment with Indian companies, international (mainly UN) organisations, multinationals, banks, consultancy and financial institutions and recently the Information Technology sector, those in the countries of Indo-China and Myanmar declined because of the strife in the region, while the economic instability has had an impact on their presence in Indonesia. The Indian community consists mainly of expatriates in the countries of Indo-China. It is fairly impoverished in Myanmar, the more prosperous elements having left following the waves of nationalisation and other measures which hurt their livelihood. In Malaysia they have not yet overcome the legacy of plantation times while in Singapore they are represented at the highest levels of the civil services, judiciary, business and politics. A common feature however is that though the community has on the whole integrated well with the local population, it is culturally very active, has preserved its traditions and maintained its links with India.

## **The Asia-Pacific Region**

- The Asia-Pacific region for the purposes of this report comprises Australia, Fiji, Hong Kong (SAR), the Republic of Korea, Japan, New Zealand, and Taiwan (Fiji has been treated separately). One common feature of this region is that the Indian community has mostly adapted itself well to local conditions and is regarded as a law abiding, educated and responsible community. The

Indian community (PIOs and NRIs) is present in significant numbers only in the first three entities, with 190,000 in Australia, 55,000 in New Zealand, and over 50,000 in Hong Kong. There are only 1000 PIOs in Japan, under 3000 in South Korea and barely 2000 in Taiwan. Substantial numbers of Indo-Fijians fled to Australia and New Zealand after the political instability unleashed in Fiji following the coup in 1987. PIOs also migrated from other regions including Africa. The relaxation of the restrictive immigration policy by Australian authorities in 1966 led to a rise in migration to Australia and a change in its nature. (From camel handlers and agricultural workers in the 19<sup>th</sup> century, PIOs comprised of Anglo-Indians in the 20<sup>th</sup> century and increasingly professionals - computer and software experts, engineers, doctors, accountants - after the “White Australia Policy” came to an end). Of 30,000 Indian citizens, about 10,000 are students in Australian Universities. Other areas where PIOs are found are in the restaurant business, small and medium scale business, trading, and taxi driving. There are PIO/NRI associations of Indians in almost all the major cities of Australia. New Zealand also witnessed a rise in immigration after changes in its Immigration Act in 1958. Indian immigrants are found in the domestic retail trade and in the medical, hospitality, engineering and information technology sectors. The members of the Indian community continue to have strong links with India through family ties and frequent visits.

- India’s links with Hong Kong are over 150 years old. The Indian community comprises of diverse strata – ranging from wealthy businessmen who interact with the top levels of the Hong Kong government, to those in menial jobs. While concentrated in the enormous foreign trade sector, some Indians have set up manufacturing units in Shenzhen in China and increasingly, a large number of highly educated professionals are seeking employment in the banking, finance and Information Technology sectors. The links of the Indian community in Hong Kong with India are basically cultural and not adequately commercial. The status of Indians in the post handover period has been settled and fears about statelessness put to rest. Indians have contributed to the development of Hong Kong. The Indian community in the Republic of Korea is tiny and comprises mainly of Sindhi business families, whose business relations with India are minimal. They have, however, strong family and cultural ties with India. The tiny Indian community in Taiwan is quite wealthy, comprising of Sindhi businessmen, diamond merchants, scientists on contract, software engineers and professionals. The Indian community in Japan is mostly engaged in foreign trade. The non-trading community consists of students, engineers, scholars and Yoga practitioners. The number of Indian engineers, particularly computer software engineers, has increased from 120 in 1993 to over 800 in 2000. The emergence of India as an information technology power capable of supplying quality human resources has resulted in a change in the profile of the Indian community in Japan.

## **The Fiji Archipelago**

- The history of the still 340,000 strong Indian community in Fiji has been quite tragic. From the days of indentured labour, to the post independence phase when jealousy of their economic

status and political activism prompted several anti-Indian coups, the Indian community has been at the receiving end. Indians came in two phases, first as indentured labour, and then as 'free immigrants' representing a wide spectrum of professions. As their economic status improved relative to that of the indigenous population, resentment of this 'alien' community increased and was opportunistically stoked by the British colonial authorities. The Fijians openly voiced their alarm at the growing number of the PIOs, provoking demands for their forced repatriation. These reached a feverish pitch after it was learnt that the PIO population had overtaken that of the native Fijians. When independence was granted in 1970, the departing British introduced the principle of weighted representation in the Constitution gifted to Fiji, thus ensuring that elected Indian members would not be able to form a government on their own strength. Though the PIOs successfully overcame this legacy by forming a multiracial government under the leadership of Bavadra, a non-racist Fijian, two military coups in May and November of 1987 heralded a period of instability that continues to date, with the present government dishonouring commitments made to include the constitutionally elected Mahendra Pal Chaudhury in the Cabinet. The future of the Indian Diaspora in Fiji is rather bleak. Many Indo-Fijians are planning to migrate again to any developed country that accepts them.

## Other Diasporas

- The Committee studied in depth the Jewish, Polish, Lebanese, Italian, Filipino, Japanese, Korean, Chinese and the Irish Diasporas in order to derive lessons for India. It found that:
  1. Many countries, such as Italy, Poland, Israel and Lebanon have granted the right of dual nationality to members of their Diaspora.
  2. Many countries with successful Diasporas have created viable structures for handling issues related to their Diaspora. The Greek, Italian and Polish Governments had created well-staffed departments within their respective Ministries of Foreign Affairs, which are apart from the several semi and non-governmental initiatives both at home and abroad complementing official efforts to cultivate their Diasporas. Poland's Parliament has committees dealing with Diaspora issues. Its Ministries of Culture and Education are also involved in servicing the Diaspora's educational and cultural needs. Japan has created a "Council on the Movement of People Across Borders" to advise the Prime Minister and the Minister of Foreign Affairs as well as a cell in its foreign affairs ministry on the Japanese Diaspora. Italy has devised supplementary mechanisms to strengthen links with its Diaspora and is considering enabling legislation to give it representation in the Italian Parliament. South Korea has created a 15-member ministerial "Committee of Korean Residents Abroad", headed by the South Korean Prime Minister, as well as parallel autonomous organisations. The Committee has drawn on this survey for its conclusions on the Organisational Structure for the proposed central agency dealing with the Diaspora.

3. The Committee also found that many Diasporas had contributed immeasurably to post-war reconstruction efforts of the mother country such as the Jewish, Italian and Lebanese Diasporas. While commending the Jewish Diaspora's support for Israel, the Committee felt that its historical experience was *suis generis* and Israel's present requirements were also very different from India's. A telling example is that besides Israel's interest in strengthening links with its Diaspora, which it shares with all the other countries, one of Israel's foremost priorities is the large-scale return and therefore 'immigration' of its two-thousand year old Diaspora, Israel being the only country to be entirely re-populated by its Diaspora rather than the other way around! Poland is perhaps the only other country to have a legislative provision, the Repatriation Law, guaranteeing the rights of people of Polish descent to resettle in Poland, while Greece, Japan and the Philippines have administrative provisions for facilitating return and re-integration of members of their Diaspora. However, the Committee felt that the contribution of the Diaspora to Israel in the economic, political and cultural spheres contained important lessons for India. The activities of Jewish lobbies outside Israel, particularly in the US Congress, their extensive fund-raising abilities, large-scale funding for the scientific and technological development of Israel, their global networks which link Jewish associations and organisations worldwide as well as with the State of Israel, could serve as an example. The scheme of Israel Bonds, issued by the Government of Israel, to strengthen the national economy and infrastructure, could be adopted in the Indian context.
- While the remittances sent home by the Lebanese Diaspora have played an important role in Lebanon's economy, the Philippines, which has a large emigrant blue-collar population, has passed legislation, created new institutions, boosted the strength of its overseas Missions and tightened its laws aimed at providing security to its overseas workers, which are very relevant for India. Thus the Philippines Government has taken the following measures to protect its overseas workers – established the Philippine Overseas Employment Administration (POEA) in 1982, with the Minister for Labour & Employment as its Chairman; passed the 1995 Migrant Workers and Overseas Filipino Act (MIWOFA) under which the Government has to ensure that host countries protect migrant workers' rights and adhere to the provisions of multilateral conventions and bilateral agreements, the law also prescribing life imprisonment for those who recruit workers below the age of 18; created an Office of the Legal Assistant for Migrant Workers Affairs headed by a Secretary-level officer for the provision of legal assistance to overseas Filipino workers; set up within the premises of its Missions - Migrant Workers and Overseas Filipinos Resource Centres – which provide counselling, welfare assistance, information programmes, registration, and gender sensitive programmes; adopted rules that assistance rendered by Government agencies to migrant workers is free of cost, and exempted Filipino migrant workers from the payment of travel tax and airport fees on showing their Overseas Employment Certificates issued by the POEA.

- The Committee noted the similarity in the problems faced by Indian and Filipino blue-collar overseas workers and felt that India could benefit considerably from the Filipino experience in providing aid and protection to overseas workers.
- The Committee considered that another relevant example was that of the Chinese Diaspora, which still contributes 70% of all inward foreign direct investment into China, and attracts comparison because of the enormous contribution it has made to China's economic development. As analysed in detail in the relevant Section, this is due both to supply side and demand side factors. On the supply side, the availability of surplus funds with the overseas Chinese in Asia, and the desire to relocate manufacturing facilities to ever cheaper sites - had combined with the unprecedented incentives and facilities extended to all overseas investors by the Chinese authorities after they launched their economic reforms in 1978. These included massive investments in physical and social infrastructure, special tax incentives, and assurances for fast track clearances of investment proposals.
- The Committee concluded that while ethnicity was a factor in China's success in attracting investments from its overseas Chinese, economic imperatives including the booming Chinese economy, and sound government policies including flexible labour laws and efficient administrative procedures were the major factors responsible for this phenomenon. The Committee noted that these incentives applied to all investors and there were no special incentives for the overseas Chinese. The Committee therefore strongly recommended to the Government of India - that if India wished to increase FDI inflows both from its Diaspora and other investors, it needed to invest heavily in infrastructure, both social and physical, create a conducive operating environment for conducting business through administrative reforms, and implement the so-called second-generation reforms to increase the dynamism of the Indian economy.

## **Interim Reports Submitted to the Government**

### **Persons Of Indian Origin (PIO) Card Scheme**

- The genesis of the PIO Card Scheme lay in the long-standing demand for dual citizenship raised by PIOs. The Scheme was launched in March 1999 for all PIOs up to the fourth generation, except for citizens of Pakistan, Bangladesh and other countries specified by the Government. It introduced a visa free regime for 20 years at a US\$1000 fee and conferred on the holder several economic, educational, financial and cultural benefits at par with NRIs. In addition, in April 2001, the High Level Committee on the Indian Diaspora submitted interim recommendations to the Government, which included - (i) charging a lower fee but for a decreased validity of 10 years in parallel with the earlier Scheme; (ii) lowering the fees for PIOs aged below 18 years; (iii) introduction of a two-tier fee structure for applicants from high income and middle/low income countries; (iv) issuing of PIO Cards to subscribers of special India Development Bonds and eminent PIOs and (v) facilitate re-acquisition of Indian citizenship by senior citizens who are PIO card holders, who intend spending the remainder of their lives in India. The Committee also



recommended several facilities to be made available for PIO cardholders that would make possession of the card more attractive, such as separate counters at Indian international airports, and elimination of proof of residence requirements for issue of driving licences in India and opening of bank accounts.

### **Interim recommendations of the High Level Committee on the ‘Pravasi Bharatiya Divas’ and the ‘Pravasi Bharatiya Samman Awards’**

- The Committee has documented in detail the pre-eminent role the Indian Diaspora has played in our relations with several countries, its increasingly important role in mobilising political support on issues of vital concern to India in countries like the United States and the United Kingdom, its increasing economic interaction with India, as well as the goodwill demonstrated by it towards India in times of national crisis. Accordingly, on August 21, 2001, in recognition and appreciation of the constructive economic, political and philanthropic role played by the Indian Diaspora and its achievements - the High Level Committee on the Indian Diaspora (‘HLC’) made two interim recommendations to the Government of India (i) on observing an annual ‘Pravasi Bharatiya Divas’ in India and abroad on the 9<sup>th</sup> of January every year, a symbolic date as Mahatma Gandhi returned on this day from his stay in South Africa, and (ii) for the institution of ‘Pravasi Bharatiya Samman Awards’ for eminent PIOs/NRIs. The Committee further recommended that these awards be presented to NRIs and PIOs on the ‘Pravasi Bharatiya Divas’ with the involvement at the highest levels of Government and State in the ceremony. Several high-profile events such as business and academic seminars should be organised simultaneously.

## **Major issues pertaining to the Indian Diaspora**

### **Culture**

- Deep commitment to their cultural identity has manifested itself in every component of the Indian Diaspora. The members of the Diaspora are, together with Indians, equally the inheritors of the traditions of the world’s oldest continuous civilization. Members of the Indian Diaspora have done remarkably well and seldom sought conflict with their fellow citizens - in every major region of the globe, whether they are descendants of indentured labourers or of highly qualified professionals. The members of the Indian Diaspora are naturally keen to pass on their value systems, which have been an essential part of their success - to coming generations, and they would welcome the mother country’s support in this endeavour. India should also initiate constructive measures to ensure that the Diaspora’s pride and faith in its heritage is strengthened, which would inter-alia revitalise its interest in India’s development.
- The Committee made several recommendations to this effect, as follows:
  1. The Indian Council for Cultural Relations (ICCR) should deepen linkages with the Diaspora;

2. The scope and activities of the Cultural Centres in countries with a substantial Indian presence should be expanded;
3. A large number of religious institutions, other institutions like the *Bharatiya Vidya Bhavan*, *the Rama Krishna Mission*, *the Chinmaya Mission*, and institutions of the performing arts run by PIOs/NRIs - which organise programmes on Indian culture and languages - should be provided assistance in the form of advanced training and in procuring teachings aids, music and costumes, for which ICCR should evolve a mechanism;
4. Successful models for promoting cultural interaction, such as the British Council and the *Alliance Francaise* models, should be appropriately adapted and emulated;
5. Initiatives for establishing sister city relationships by NRIs or PIOs should be supported;
6. University scholarships for Diaspora students should be instituted, seats/ credit courses in recognised colleges/Universities created, and Chairs for the dissemination of Indian perspectives in the humanities and social sciences should be instituted;
7. The Birthright Israel programme which assists the younger generation of the Jewish Diaspora to visit Israel and learn about their cultural roots should be emulated;
8. Interaction with the French and Dutch-speaking members of the Indian Diaspora should be intensified;
9. In addition to the recommendations made on the *Bharatiya Samman Awards*, the achievements of eminent cultural, literary and sports personalities of the Diaspora should be recognised by organisations like the Jnanpeeth, the Sahitya Akademi, and the Lalit Kala Akademi and by the conferment of awards like the Arjuna Awards;
10. Specially tailored, high quality courses on Indian culture and languages should be launched through distance learning programmes and other means; and finally
11. The practice of Festivals of India should be revived.

## Education

- The education sector can play a vital role in strengthening linkages between NRIs/PIOs and India. After considering the report of the Expert Group on “*the Role of Education in strengthening linkages between the Diaspora and India*”, constituted by the Ministry of Human Resource Development at the request of the High Level Committee, the Committee concluded that India has to adopt a multi-pronged strategy in meeting the aspirations of different sections of the Diaspora and its own policy objectives in this crucial sector. Thus, to meet the demand for quality school education in India which emanates mainly from the Diaspora in the Gulf countries, the Committee recommended:

1. Building of new residential schools on a financially viable basis;
  2. Expansion of existing facilities including residential facilities;
  3. Introduction of innovative curricula which is relevant to their needs as well as to those of the Indian students enrolled in these schools;
  4. Provision of seats in Navodaya schools and good private schools in India for the less privileged sections who can neither afford to take their children abroad nor have the financial resources to send them to residential schools in India;
  5. Setting up institutions like the United World College, and launching of student exchange programmes during vacations;
  6. Similarly, there is great demand for admission to India's prestigious technical and medical institutions at the University level from the Gulf region, some of the countries in the Caribbean, Fiji, Africa and South East Asia. The Committee recommended increasing the number of seats in existing colleges and universities;
  7. Launching of offshore campuses of Indian universities like IITs, IIMs and medical colleges in collaboration with governments in host countries;
  8. Launching courses through distance learning;
  9. Devising innovative mechanisms to interact with senior Indian academics in the Universities of advanced countries, who are extremely keen to contribute to the development of education in India;
  10. Setting up of new Universities and professional institutions offering courses of international standards in Management, Information Technology, Media, Agricultural Research, Medicine, Food processing, and other areas in demand, to which Indian students would also be eligible for admission.
  11. A data bank on Indian academics of repute should be maintained and the Committee strongly recommends that renewed efforts to cultivate this section of the Indian Diaspora be made.
- This would stem the outflow of foreign exchange on account of the exodus of talented Indian students to foreign institutions that are being aggressively promoted in India.

## Media

- The ethnic Indian media in foreign countries, which includes the English language media, reflects the diversity of regions, languages and opinion of India. The ethnic media also gives expression to the community's empathy with India on a wide variety of issues. The ethnic Indian media evolved gradually, from radio, to print, and then to ethnically owned radio and TV channels. There is greater coverage of political, international and Indian issues in countries allowing freedom

of expression, while in others, the focus has remained inevitably on entertainment and community issues. A very important section of the Diaspora has been extremely successful in mainstream foreign media.

- The ethnic media abroad can become a very important vehicle for communication between the Indian public and the Diaspora. Frequently the mainstream media in many countries does not do justice to various Indian points of view on international and Indian events. The ethnic media's contacts with the free and vibrant press of India enriches their perspectives and acquaints their readers with a different point of view on major international developments. Lack of effective communication, especially with the ethnic Indian press abroad, was in the past one of the reasons for misguided elements in some countries to support subversive movements in India.
- The ethnic media however suffers from certain drawbacks, which include the need to attain optimum mass, secure finances, and compete in quality with the mainstream media, which is increasingly attracting the younger generation in countries permitting freedom of expression. Its role in the host countries and in strengthening relations between India and the Diaspora may therefore diminish unless steps are taken to improve quality and make it relevant. The Committee made some recommendations to strengthen links between Indian organisations and the ethnic media as well as prominent Indians in the foreign media. These included creating a data bank on the ethnic media and a facilitation mechanism for interaction with the Indian ethnic media in both the future organisational set up that the Committee is recommending in this Report and in the External Publicity Division of the Ministry of External Affairs. The Committee also recommended that links with associations like the US-based South Asian Association of Journalists and the UK Association of Indian Journalists should be developed.

## **Economic Development (Investment, International Trade, Industrial Development And Tourism)**

- The economic and political influence exercised by our Diaspora and their existing and growing contribution to India's economic development has been described in detail in the country/region chapters. The Committee strongly recommended that the expertise in the management, financial, corporate, trade and banking sectors available in our Diaspora, should be tapped for the economic rejuvenation of India. This should be done on a mutually beneficial basis and accordingly structural economic reforms, popularly termed as the second-generation reforms in India, for improving the operating environment for conducting business, need to be implemented at the earliest possible. Such policies have yielded enormous dividends in China.
- The Committee noted that the Diaspora's presence in their countries of settlement has catalysed demand for Indian goods and services, ranging from food to fashion to the Indian entertainment industry. Members of India's Diaspora, who are employed amongst the top consultancies and multi-national firms, can facilitate access to the top management, support our trade and FDI

initiatives, and help in increasing our share of products outsourced by large multinational corporations. Indian professionals, traders and businessmen can provide useful insights for market penetration strategies and use their networks for the entry of new products and services from India.

- The Committee found that the share of foreign direct investment (FDI) made by our Diaspora in the total cumulative FDI approved since 1991 was 3.78%, while it was 9.15% of the actual inflows. The Committee was informed that India could attract more FDI if procedural delays and red tape were reduced. Specific measures needed to be taken to eliminate unnecessary formalities, harmonise policies at the central and state levels and ensure transparency in our rules and procedures governing FDI. The Committee recommended expediting the setting up of a dedicated and empowered one-window channel for processing various FDI-related clearances as a solution. The Committee also felt that extending fiscal incentives, such as reducing corporate tax rates to levels at or below competitive international levels would be extremely useful in attracting investment.
- The Committee learnt that the Resurgent India Bonds (RIB) floated in 1998 and the India Millennium Deposits (IMD) floated in 2000 resulted in the mobilisation of about US \$ 4.2 billion and US \$ 5.51 billion respectively. After examining the methods of attracting Diaspora investments adopted by other countries, the Committee recommended that issue of special infrastructure bonds for NRIs/PIOs incorporating the attractive features of the Israel Bonds should be considered.
- The Committee was told that there are huge delays in receiving remittances from abroad in rural and remote areas. The Committee recommended that this problem should be expeditiously addressed and suggested that the system of Rupee drawing arrangements made with exchange centres in the Gulf region through which NRIs can remit an equivalent amount in rupees to their relatives in India, should be replicated in other countries.
- The Committee was informed of many instances of fraud committed on NRI bank deposits in India and recommended that banks should enforce strict vigilance while granting loans against NRI deposits, and adopt effective measures to deal with fraud. Attempts to revamp our legal system so that fraud cases are tried speedily is also a pressing need. The instructions of the Reserve Bank of India in this regard, should be strictly adhered to by all bank branches.
- The Committee noted that NRIs also have grievances regarding delays and procedural lapses in their investments in shares and debentures. The Committee noted that a procedure for redressal is already in place and should be given wide publicity through web sites and through our Missions and Posts. The Committee recommended that there should be one single, fully empowered agency to deal with all complaints relating to this issue.
- The Committee felt that the Diaspora could make a significant contribution to the growth of tourism in India. The Committee recommended that suitable schemes should be devised to attract

members of our Diaspora like the people of Gujarati origin in the US, who dominate the motels and the budget hotels business, into establishing similar facilities in India. To motivate PIO travel agents to promote tourism to India, an annual convention of PIO tour operators and travel agents could be organised in India and dovetailed into the larger programme of Diaspora-related events organised around the *Pravasi Bharatiya Divas*.

- The Committee also recommended to the Government to consider issuing an India Credit Card for the Diaspora. A token sum for each transaction made through the card could be credited to the account of selected national projects, thus creating a sense of identification with nation-building efforts in the Diaspora.

## Health

- Healthcare services in India are slowly coming of age. A leading financial daily has already labelled healthcare as the single fastest growing private consumption category in India. India has several core advantages in healthcare - a network of free public sector hospitals in India, staffed by some of the world's best doctors trained in world class institutions like AIIMS, AFMC etc, who have probably the most varied clinical exposure in the world, and a flourishing pharmaceutical industry. More recently, a new era of corporate and speciality state of the art hospitals has been ushered in with the launching of the Apollo Hospitals under Dr. Pratap C. Reddy and Escorts Hospital under Dr. Naresh Trehan, besides a number of other speciality hospitals and clinics established by NRIs/PIOs in various parts of the country. While these do not reflect purely philanthropic aspirations, they demonstrate the enormous potential for developing a self-sustaining and financially viable healthcare sector in India. Its multiplier effects, its potential for both saving and generating foreign exchange as more foreigners turn to India as an option for complicated and expensive surgeries – cannot be underestimated. This would also take some of the pressure off government hospitals, which are struggling to cope with the vast demand, and generate employment and expertise.
- The Indian Diaspora has earned a name for itself all over the world in the field of medicine. The High Level Committee noted that the Indian Diaspora is already actively involved in the development of healthcare in India, and that there is enormous potential for increasing this cooperation. The Committee strongly felt that with the right policies and government support, the Indian healthcare sector was poised for a major breakthrough and that the full cooperation of our talented Diaspora should be sought in developing the Indian healthcare sector, eventually to meet world standards. The Committee urged that the recommendations, based on a Report of the Ministry of Health and Family Welfare on the role of NRIs/ PIOs in Healthcare prepared for the Committee, which are summarised below, are followed up expeditiously.
  1. The Government should create an investor-friendly environment, act as a facilitator for investments and remove procedural delays inhibiting FDI in the health sector. Accordingly “Hospitals”, which are currently treated as “industry”, should be accorded the status of

“infrastructure” (in economic terminology, medical care is already considered *social* infrastructure). Specific measures to attract NRI/PIO investment in the healthcare sector include (i) a one-window clearance system; (ii) preferential tax rates (iii) land allotment at moderate rates (iv) charging of lower tariff rates for water and electricity; (v) concessional funding by financial institutions; (vi) reduction and simplification of existing import duties on medical equipment; and (vii) joint consultations and collaboration between various stakeholders - NRIs/PIOs, the private sector and the Government in framing of health sector policies.

2. The Indian corporate sector should also be encouraged to collaborate with NRIs/PIOs in the domestic manufacture of high-tech medical equipment and in the setting up of super speciality hospitals, including in the Export Processing Zones and backward areas, where tax benefits are either available or can be extended. NRIs/PIOs should be associated in the active promotion of ayurveda, traditional and herbal medicines and herbal cosmetics and Yoga abroad. Recognition should be sought for ayurvedic and traditional practices and medicines abroad.
3. The voluntary work of the NRI/PIO medical and paramedical professionals and volunteers should be facilitated.
4. To utilise the expertise of NRI/PIO doctors by developing an institutional mechanism for interaction with scientific organizations in India, an International Advisory Committee with NRI/PIO members and their Indian counterparts should be formed and the Government of India should extend its full support to projects recommended by the International Advisory Committee.

## Science and Technology

- The Committee felt it was not surprising that Scientists & Technologists of Indian Origin (STIOs) have earned a name for themselves *inter-alia* in the cutting edge fields of Science and Technology (S & T). Some of the best of our scientific and engineering talent has emigrated from India to the United States since the 1960s. With the setting up of the research and development (R & D) headquarters of major multinationals in other countries (for example Nortel in Canada), Indian scientists and engineers are now emigrating to other destinations that offer comparable opportunities. The trend accelerated significantly in the wake of America’s IT-led economic boom in the 90s, to which Indian IT professionals have made a visible, high profile and widely recognised contribution.
- STIOs have set up several alumni-based and professional networks at the cutting edge of technologies in various advanced countries. There is thus an institutional basis for interaction with this section of the Indian Diaspora. They are also keen to contribute to their country of origin. STIOs are already helping by promoting links between Indian and foreign R & D laboratories

by encouraging sub-contracting of research assignments and recruiting Indian research talent; sponsoring Indian scientists for academic and research positions in prestigious academic-cum-research institutions in cutting-edge fields abroad; making generous endowments for their alma maters, especially the IITs, for upgrading their infrastructure and human resource development.

- The Committee felt that it was therefore important to evolve a mechanism to deepen linkages in this field with the Indian Diaspora. Based on a report by the 'Expert Group on the Role of NRIs and PIOs in S&T' prepared at the initiative of the High Level Committee, several recommendations have been made to create new avenues to network with STIOs to deepen India's excellence in Science and Technology as well as demonstrate India's appreciation for our Diaspora's invaluable contribution in this field, as follows –
  - Instituting National Recognition Systems for STIOs who have rendered beneficial services to India;
  - sponsoring schemes for visits of distinguished STIOs to India;
  - setting up joint ventures in India based on technologies sourced from STIOs and introduction of 100 such technologies into India;
  - establishing Green Corridors for joint ventures in selected high tech areas;
  - promoting schemes for Indian S&T professionals' visits to and attachment with foreign laboratories for research facilitated by STIOs;
  - provision in Indian Scientific Agencies' Extramural Research Schemes funds for participation of STIOs as Visiting Scholars/ Research Consultants in Indian research & technology development projects; and
  - setting up of Advisory Panels by Indian Scientific Agencies involving eminent STIOs for sourcing venture capital and new technologies into India;

## **Philanthropy**

- In the chapter on Philanthropy, the Committee observed that PIOs/NRIs were eager to donate generously for worthy development causes in India. It further noted that the active encouragement of such donations by Chinese authorities at all levels had cleared the way for the flood of later investments by the Chinese Diaspora. Conversely, the adverse experiences of many members of the Indian Diaspora in trying to send donations to India, instances of which were brought to the Committee's attention, had led to their diverting subsequent investments to other destinations. The Committee found that a plethora of rules and regulations, indifference and even hostility of the government machinery frustrated the efforts of genuine PIO/NRI philanthropists. Hence the Committee made several recommendations to deal with the problem as follows:



- a) Highest priority to be accorded to the creation of a single point for contact with the Diaspora in the office to handle Philanthropy/NGOs under the concerned Member of the proposed central organisation dealing with the Diaspora.
- b) Creation of a foundation to receive charitable and philanthropic donations in the proposed organisation, which should be allowed to generate funds through sponsorships from private individuals and corporations.
- c) The early simplification of the Foreign Contribution (Regulation) Act (FCRA), 1976, to enable India to receive more remittances from PIOs for philanthropic activities. Donations from PIOs/NRIs should be placed either under an automatic route or under a Fast Track Mechanism, on the condition that these should be only for secular and developmental purposes and should be for PIO cardholders only.
- d) At the State level, empowerment of the offices to be created for dealing with the Diaspora - to resolve harassment cases, to process efficiently PIO/NRI applications for donations and assist/ support the implementation of such projects.
- e) The central organisation should have the facility to receive complaints regarding corruption. It may have representation from or a direct link with the Central Vigilance Commission.
- f) The list of educational and health institutions eligible for automatic registration without enquiry should be expanded and updated in order to provide an additional stimulus to the health and educational services sector in India.
- g) Exemption of customs duty on all donated materials, especially for national emergencies.
- h) Raising of income tax exemptions on donations by overseas Indians from their incomes in India for developmental/ secular/ educational/ medical purposes - to 100%.
- i) The provision that foreign contributions can be received in only one designated bank account and cannot be transferred to other parts of the country, should be liberalised. Registered NGOs should have the facility to transfer their funds for their activities anywhere in the country with only a reporting requirement to the RBI/ Ministry of Home Affairs.
- j) Programmes to encourage idealistic PIO/NRI students who wish to come to India for voluntary work, should be institutionalized.
- k) To enable donation of services, such as those of skilled doctors, scientists, teachers, architects, lawyers and engineers, a special fast track mechanism for recognition of degrees and qualifications should be instituted through the concerned bodies.

## Consular and Other Issues

- The High Level Committee noted that the Indian Diaspora all over the world had substantially similar problems about their experiences in India, ranging from the ill-treatment, harassment

and the demands for illegal gratification it encounters at the hands of consular, customs and immigration officials, the poor facilities at airports highlighted by the tragic death of a child in an ill-maintained escalator at the Indira Gandhi International Airport – warranting a determined effort aimed at their complete eradication. During their stay, visitors face a number of problems during their interactions with other government agencies and public sector banks, including fraudulent encashment of fixed deposits in Indian banks using forged Powers of Attorney, demands for illegal gratification in offices issuing driving licences, etc.

- The Committee accordingly made several concrete recommendations to the Government for urgent implementation to introduce transparency and efficiency in the handling of PIOs/NRIs. These included - the creation of separate immigration and customs counters for NRIs and PIOs; special in-service orientation courses and training of officials manning the immigration and customs counters at the international airports; installation of closed circuit televisions to maintain surveillance at immigration, customs and security check-points and monitored by an independent agency (this acts as a very effective deterrent and also provides the means for verification of the culpability or otherwise of any accused official), and many other useful recommendations aimed at removing the possibilities of harassment. Several measures to effectively prevent bank fraud, property fraud and marriage fraud were recommended. The Committee also recommended that the requirements of furnishing of Tax Clearance Certificate at the time of departure from India, in case the period of stay in India exceeded 120 days, and for registration with the police authorities if the duration of the visit exceeds 180 days - should be publicised by our Missions, and the period of stay in the former case should be increased to 180 days.

## Dual Citizenship

- There has been a persistent demand from the Indian community, especially in North America and some other advanced countries, for the grant of dual citizenship. Under the existing Indian legislation, namely, the Citizenship Act of 1955 and a number of judicial decisions - Indian citizenship is automatically forfeited when an Indian citizen acquires the passport of a foreign country. PIOs however hold that they are often forced to acquire foreign passports for functional reasons and this does not imply renunciation of their loyalty to India. The Indian community strongly feels that the grant of dual citizenship will create considerable goodwill among PIOs and facilitate investments, trade, tourism, and voluntary work and philanthropic contributions in India.
- After having exhaustively studied the various representations and judicial and legal opinion, and having examined in great depth the security considerations involved, the Committee concluded that the grant of dual citizenship to certain members of the Indian Diaspora *with appropriate safeguards* would facilitate the contribution of the Diaspora to India's social, economic and technological transformation and national development.

- The Committee recommended that dual citizenship should be permitted for members of the Indian Diaspora ***who satisfy the conditions and criteria laid down in the legislation to be enacted to amend the relevant sections of the Citizenship Act, 1955***. The Committee made detailed recommendations in this regard, being deeply conscious of the heightened security concerns following the series of terrorist attacks, especially the attack on India's Parliament on December 13, 2001. The Committee therefore did *not* recommend automatic conferment of dual citizenship, which would have to be acquired by following the procedure laid down in the Parliamentary legislation and the rules framed under it. The Committee was also of the view that electoral rights and the right to contest elections to elective bodies in India, particularly if those rights have to be exercised outside India – need not be extended to those who acquire dual citizenship, who may also not be inducted into civil services or the defence or paramilitary forces except by a special order of the Central Government. Additional safeguards were recommended by the Committee. Wherever necessary, suitable amendments could also be made in other legislation wherever greater disclosure was considered necessary to safeguard India's security concerns. The Committee however recommended that transparency in the rules and their enforcement had to be ensured.

## **Pravasi Bharatiya Bhavan**

- The Committee recommended establishing a “*Pravasi Bharatiya Bhavan*” to provide a venue for commemorating the history and achievements of the Indian Diaspora and to act as a focal point for various activities promoting stronger links between India and the Diaspora. The Bhavan would have a permanent exhibition and a well-stocked library on the Diaspora. The future organisation that may be created by the Government of India to deal with matters relating to the Indian Diaspora could ideally be located in the Bhavan, which could be built at a prestigious site in Delhi. The Committee felt that a proposal of this kind would attract willing financial and other contributions from the Diaspora.

## **Organisational Structure**

- The Committee found that our Diaspora wishes to engage its country of origin, India, in a number of diverse areas and activities that range from trade, investment, education, health, science and technology to culture and philanthropy. However these attempts have often resulted in frustration, generating the single most important and widespread request from the Diaspora, i.e. – for a mechanism for liaison and effective intervention with official authorities such as the police, Central and State Governments, local district administrations, PWDs, SEBs, investment promotion bureaus, education and welfare departments, schools, banks, and other specialised bodies dealing with matters concerning the Diaspora.
- While recognizing the enormous reservoir of skills, talent, technology, idealism and funds available with the Indian Diaspora, and the need for major structural and administrative reforms to optimally

leverage these invaluable assets, the Committee strongly felt that the most important means to this end is to institute a single-window contact mechanism for the NRI/PIOs in the form of an autonomous, dedicated, empowered central office to address their needs, and at the same time ensure their engagement with India.

- The Committee studied in detail various models including those of the ICCR and other Commissions, as well as the governmental organisations created by some other countries with sizeable Diasporas, such as Poland, Japan, Philippines, Lebanon, Italy, Greece, China, Israel and Ireland. In doing so, the Committee noted that all the countries with successful Diasporas have well-funded, well-staffed organisations. The Committee also reviewed past attempts at creating offices in the Government of India for handling NRI/PIO affairs. Based on this review, the Committee felt that a fresh attempt had to be made to create an empowered, flexible and dedicated setup capable of handling the multiple issues generated by the Diaspora's interactions with India. The Committee felt that the obvious choice for a model is the Planning Commission of India. The Committee therefore recommended:

- 1) The setting up of an **autonomous and empowered** body structured along the lines of the Planning Commission, headed by the Prime Minister as Chairperson *ex-officio*. There would be a full-time Deputy Chairperson with the rank of a Cabinet Minister. The organisation would have 5 full time members including the Deputy Chairperson, dealing with science and technology, socio-cultural matters, education, media, trade, investment and all economic issues, health care, philanthropy and NGOs, including a Member-Secretary in charge of coordination and of the mechanism for redressal/dispute resolution. The members of the Diaspora would be eligible to become a member of the organisation provided he/she resided in India for a substantial part of each year of his/her tenure. There would also be a Governing Body and an Advisory Council and the members of the Diaspora would also be eligible to become members of those bodies.
- 2) The setting up of a small Sub-Committee composed of up to 11 MPs under the Standing Committee of External Affairs – to enable interaction of the proposed organisation with the Parliament.
- 3) The proposed organisation should be allowed to form a foundation to receive charitable and philanthropic donations. It should be also allowed to generate funds through sponsorships from private individuals and corporations.
- 4) The organisation should also possess a redressal/dispute resolution mechanism under the charge of the Member-Secretary. The Member-Secretary could also discharge the functions of a central nodal point in addressing the specific problems related to overseas blue-collar workers and liaising with the concerned Government departments at the Central and State level, our Missions abroad and the workers themselves.

- The Committee also made recommendations on the organisations needed to be created at the State level, as well as the support structures required abroad to interact effectively with the central organisation.
- At the same time, the Committee noted that local problems are best dealt with in that country using tried and tested routes. Appointment of an Ambassador in any one country harbouring the Diaspora confines India's links to that country alone and also tends to undermine the effectiveness and authority of the Indian Ambassador or High Commissioner in that country. The Committee recommended the appointment of a Minister level Officer in Indian Missions in countries with a sizable Diaspora. The Committee recommended that advisory councils could be constituted comprising of eminent NRIs/PIOs in the respective countries to advise the Mission on Diaspora-related matters.
- The Committee also examined in depth the present mechanisms extant in the various States. While appreciating the efforts of many State Governments to address the issues, it, however, observed that a lot remained to be done. The Committee felt that State governments needed to work in close cooperation with the Central organisation and accordingly recommended to them to set up dedicated organisations to liaise with the central setup and to effectively handle local problems encountered by NRIs/PIOs.

## Conclusions and Recommendations

- The summaries of the sectoral chapters have included a synopsis of the Committee's recommendations. It is clear that deep administrative and structural reforms including those relating to implementation need to be made, cutting across different sectors and the concerned government agencies respectively. The areas in which structural reforms are urgently required bear repetition here. These are – in economic policies and procedures, including implementing second-generation economic reforms, in the policies relating to NRI/PIO charitable donations, in the mechanisms in place at international entry points, particularly in the immigration and customs departments, in the support structures at Central and State government levels for the lower income groups emigrating in search of blue collar employment to the Gulf and other destinations, and a general toning up of administration. In the Chapter on the Gulf, this Committee has attempted to highlight the hopes and expectations of our workers there from the Government to alleviate their condition. Policy initiatives include granting of dual citizenship *with appropriate safeguards* to certain members of the Indian Diaspora. Detailed suggestions have been made both in the main sections as well as in the final Conclusions and Recommendations.
- In other areas such as increasing interaction with the Diaspora at the political levels, and also in culture, education, media, science and technology, health – fresh initiatives backed up by adequate funding mechanisms are required at many levels. The recommendations made in these areas in the main body of the Report have been listed in the relevant sections of the Executive Summary.

- In order to ensure the effective implementation of the entire agenda of reforms and initiatives, this Committee recommends the setting up of a central organisation on the Indian Diaspora, whose structure has already been delineated and whose functions and agenda are cut out.
- It is the considered view of the Committee that early implementation of its recommendations would result in opening up of a new Chapter in India's relationship with its Diaspora.

19 December 2001.

