



CARIM INDIA – DEVELOPING A KNOWLEDGE BASE FOR POLICYMAKING ON INDIA-EU MIGRATION

Co-financed by the European Union

India-EU Mobility: Building Bonds through Remittances and Philanthropy

Puja Guha

CARIM-India Research Report 2013/22



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CARIM-India
Developing a knowledge base for policymaking on India-EU migration

Research Report
Thematic Report
CARIM-India RR2013/22

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Building Bonds through Remittances and Philanthropy

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Puja Guha, *India-EU Mobility: Building Bonds through Remittances and Philanthropy*, CARIM-India RR 2013/22, Robert Schuman Centre for Advanced Studies, San Domenico di Fiesole (FI): European University Institute, 2013.

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CARIM-India – Developing a knowledge base for policymaking on India-EU migration

This project is co-financed by the European Union and carried out by the EUI in partnership with the Indian Council of Overseas Employment, (ICOE), the Indian Institute of Management Bangalore Association, (IIMB), and Maastricht University (Faculty of Law).

The proposed action is aimed at consolidating a constructive dialogue between the EU and India on migration covering all migration-related aspects. The objectives of the proposed action are aimed at:

- Assembling high-level Indian-EU expertise in major disciplines that deal with migration (demography, economics, law, sociology and politics) with a view to building up migration studies in India. This is an inherently international exercise in which experts will use standardised concepts and instruments that allow for aggregation and comparison. These experts will belong to all major disciplines that deal with migration, ranging from demography to law and from economics to sociology and political science.
- Providing the Government of India as well as the European Union, its Member States, the academia and civil society, with:
 1. Reliable, updated and comparative information on migration
 2. In-depth analyses on India-EU highly-skilled and circular migration, but also on low-skilled and irregular migration.
- Making research serve action by connecting experts with both policy-makers and the wider public through respectively policy-oriented research, training courses, and outreach programmes.

These three objectives will be pursued with a view to developing a knowledge base addressed to policy-makers and migration stakeholders in both the EU and India.

Results of the above activities are made available for public consultation through the website of the project: <http://www.india-eu-migration.eu/>

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Abstract

International migration has evolved to be an important component of both economic and social structure of the Indian economy. The economic returns of migration, primarily international remittances have a significant effect on the households' social and economic well-being. Another form of monetary transfer, the philanthropic donations also significantly contribute towards the regional development in the country. While both these flows are important returns of migration, our existing policies tend to have a dichotomized approach in understanding and facilitating these flows. This study thus broadens the definition of migrants' private transfers by using the term 'Private Givings' which captures different forms of resources transferred by the migrants, primarily, – *remittances* which are the usual family level household transfers, made specifically for the consumption purposes of the families and *philanthropic donations* made by the migrants to the local economy and the society as a large. By bringing in different forms of migrants transfers in the same frame, the paper then focuses on the Indian Diasporas in the EU. It tries to map the migration background of the immigrants in the EU, in terms of their destination of migration, duration of migration and occupational profile, with the resources that they send back, i.e., the nature of private givings generated by these emigrants, and eventually map these private givings with the regional development.

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1. Introduction

International migration has increasingly become an important component of both economic and social structure of the Indian economy. As per the recent report from the World Bank, stock of Indian emigrants out of total population is around 1%¹. What is more important is that these migrants generate reverse financial flows towards their home regions, in the form of remittances and other types of monetary transfers. According to the recent World Bank report international remittance flows to India in the year 2012 has been around USD 72 billion, which is around 20 per cent of the total foreign currency reserves of the country. When compared to the other forms of capital flows, like the foreign direct investments (FDI) and foreign aid (ODA), FDI was around USD 42 billion and ODA about USD 2.1 billion. This further highlights the importance of international remittances flows as a major component of the foreign currency transfers to India.

Remittances being household level transfers have a significant effect on the households' social and economic well-being. Given their quantum, they also have a strong macroeconomic impact through exchange rate adjustments. In the current economic scenario where India is witnessing a rapid depreciation of rupee vis-à-vis dollar, NRIs are urged to send back more money to address to the problem of capital flight and check the slide in the rupee². Given the significance of these international transfers, it is important to measure the amount of inward international remittances in India adequately and extensively. Adequacy implies appropriately defining what constitutes remittances and in what form these are transferred. Extensively means that it should not just be measured at the national level, but also at the local and regional level.

Another form of monetary transfer made by the migrants, which has contributed significantly to the development, specifically at the regional level is philanthropic donation. According to the RBI estimates, personal gifts and donations by the Non-Resident Indians (NRIs) through the official channels, during the period of 1997 till 2009 has been around 5% of the total migrant's flows from abroad. This captures only a part of the total philanthropic donations, which are channeled through charitable organization or other financial institutions. A major portion of such donations are either made personally by the migrants when they visit their home or through their family members residing in their home region (Guha, 2011, p. 15). Kapur, Mehta, & Dutt (2004) found that the informal family or personal networks were the most important channels of diaspora philanthropy in India.

Both the forms of transfer, international remittances and philanthropy, are private in nature, i.e., these transfers are mostly between individuals and/or private organizations, and often do not include any governmental entities. Due to this reason the policy making on migrants resource transfer has been more biased towards the capital flows from the Diaspora, in the form of investments, either as FDI or portfolio investment. The government's initiatives have primarily been to increase the Diaspora involvement in the domestic sector through investment, thus causing the policies on private transfer to take a back seat.

Another limitation of the research on migrants' private transfers is the lack of data. Since these transfers are often made at a personal level, the official statistics do not adequately measure them. Also, the research on the migrants' private transfers as often adopted a dichotomized approach in examining the impact of each of these transfers. This is primarily because of the difference in the nature and motivation behind these transfers. While the economic studies have focused primarily on the household remittance transfers, examining their micro and macro impact on the economy as a whole, the other social science disciplines have focused on the philanthropic flows, gauging their impact on the society as a whole.

¹ Migration and Remittances Factbook, 2011, World Bank.

² 'More NRI deposits can check Re slide' 13 May 2012, MSN News (<http://news.in.msn.com/business/article.aspx?cp-documentid=250032805>)

This research makes an attempt to highlight the importance of these migrants' private transfers in the policy making arena. The paper uses the broader term 'Private Givings' to capture such private resource transfers made by the migrants and broadly defines it as the altruistic economic transfers by the migrants to their home regions, primarily categorized in two forms – *remittances* which are the usual family level household transfers, made specifically for the consumption purposes of the families and *philanthropic donations* made by the migrants to the local economy and the society as a large. In the very essence, the private givings' of the migrants are different from any other form of international capital transfers. They are mostly altruistically driven and have a greater personal and emotional involvement.

The primary objective of the paper is to analyse the nature of these private givings of the Indian Diaspora as a tool to strengthen their bonds with their home region. The paper adopts the paradigm of the migration-development debate and develops a framework to explain the debate by understanding 'who are the migrants', 'what are they sending back' and 'how are these being utilized in the local economy'. The basic argument of the paper is that the migration background of the immigrants, in terms of their destination, duration and occupation, has an impact on the nature of private givings, i.e., remittances or philanthropy, which in turn can be mapped to the development of the region. The paper focuses on the Indian Diasporas in the EU and tries to map the migration background of Indians, in terms of their destination of migration, duration of migration and occupational profile, with the resources that they send back, and eventually map these private givings with the regional development.

The Indian migrants in the EU nations are quite diverse in nature. While country like Italy, with its expanding informal sector has been an attractive destination for the unskilled Indian migrants, UK on the contrary has a big community of educated and highly skilled migrants from India (Guha, 2012, p. 6). France, on the other hand, has both unskilled and highly skilled Indian migrants, former being the older generation migrants and the latter are the second generation or the recent migrants from India to France (Moliner, 2012). The diversity in the demographic and occupational profiles of the migrants, imparts diversity in the resources being transferred by them. For example the UK, which has been one of the top destination for the Indian migrants and receives the largest number of Indian immigrants as compared to the other EU destinations, the Indian migrants have not only created a strong remittance channels back home, but they have also made significant philanthropic contributions back to their local regions. The Indian State of Gujarat is probably the best example which highlights this diversity in migrants' resource transfers.

The paper gives evidence from a recent survey on migration and remittances undertaken in the Central districts of the Indian State of Gujarat³. From the survey it was found that in the Central Gujarat region, which accounts for the maximum number of international migration from the State and mostly to the UK⁴, has around 30% of the migrants sending resources back home, out of which two third in the form of family remittances, while the remaining one third were philanthropic donations. However, when looked in terms of volumes, philanthropic donations turned out to be double the amount of remittances received by the households in the last one year period. The migrants who were sending remittances were found to be the recent or the first generation migrants and often with a temporary period of stay, while the migrants who had strong philanthropic bonds were largely the permanent migrants, settled in the country of destination. This highlights the fact that the nature of migration affects the nature and form of the resources sent back home.

Also, the nature of the resources sent back home has direct implications on the development of the receiving country. From the same survey of the Central Gujarat region it was found that tracking the

³Gujarat International Migration Survey, funded by MOIA and Gujarat State Government, conducted by GIDR Ahmedabad.

⁴ The survey on Anand and Kheda regions of Central Gujarat is a part of the Gujarat International Migration survey, conducted under Provincial Globalisation Programme, jointly coordinated by NIAS, Bangalore, UvA, Netherlands and GIDR, Ahmedabad.

socio-economic effects of family level remittances are quite difficult as they primarily get absorbed in the day-to-day spending of the households. Nevertheless, they have a significant impact on the socio-economic well-being of the recipient households. On the other hand, philanthropic donations have a much directed and focused impact on the societal development, especially at the local level. Often the philanthropic donations made by the migrants have a specific purpose and are directed towards specific sectors of the development like the health sector, education sector or religious activities. Thus it can be suggested that while family level remittances has an indirect impact on the local economy through increasing the economic welfare of the recipient households, philanthropic donations, since are made for specific purposes, have a direct impact on the local economy through channelling money in the local development activities.

This paper thus makes an attempt to analyse the migration – development nexus through the lens of private givings’ by the migrants to their region of origin. It provides a theoretical background to explain the role of migration characteristics in determining the nature of private givings, and hence their effects on the local economy. The paper then provides empirical evidence, primarily using the data gathered from the survey in the Central Gujarat region, to support the theoretical background.

The paper begins by citing the limitations of the study, which helps in laying out the context of the study. Section 3 gives an overview of the differences between the forms of private givings’ in terms of the motivations behind each of these flows. Section 4 explains the theoretical background of the paper. The paper develops a framework to analyse the migration-development nexus, which helps in linking the migration background of the immigrants with the type of private givings that they make and the purpose of utilization of the same, which in turn has a direct impact on the regional economy. With the theoretical framework in the background, Section 5 analyses the private givings by the Indian migrants in the EU nations, in the context of the migration pattern of Indian immigrants into EU. While Section 5 provides a generalised case of Indian migrants in the EU, Section 6 presents an elaborate case study of the Gujarati Migrants in the UK, and explains the process by which the Gujarati Diaspora in the UK has been building bonds with their home region through different forms of ‘private givings’. The rationale for selecting Gujarat as the case of reference is primarily motivated by two factors. Firstly, Gujarat has a long history of migration which has resulted in diversity in the characteristics of migration as well as the nature of the private givings by the migrants. This is further explained in the section. Secondly, there has been a recent household survey on International Migration and Remittances in Gujarat, specifically the Central Gujarat region. One of the objectives of the survey was to track the private giving patterns of the international migrants in the Central Gujarat region. The findings from this survey are used to enunciate the proposed theoretical background of the paper. Based on the theoretical and empirical evidences, Section 7 presents a discussion on the gaps in the existing policy framework and provides recommendations based on the current study.

2. Limitations of the Research

While the paper aims to link the migration background of the immigrants to the nature and form of private givings, one impediment that is constantly faced is the unavailability of data on the private givings. Disaggregated data on different forms of private givings, i.e. remittances and philanthropy is quite scarce, and even when they are available, there are issues with the quality of the data. Moreover, regional disaggregation of data is completely absent. Thus, to overcome this problem, the paper presents a case study of Central Gujarat, for which a survey was undertaken in order to examine the migration and private giving patterns of Gujarati migrants in the UK. It is understood that the data and findings cannot be generalized, nevertheless, it provides an illustration to support the theoretical background of the paper.

The second limitation of the paper is the definition of ‘private givings’. While ideally private givings should include all forms of transfer, i.e. not only the financial transfers, but also other forms of social transfers like knowledge and culture, the latter can be only be described in qualitative

terms. Given the difficulty in quantifying them in the context of the current research, private givings are restricted only to remittances and philanthropic transfers and do not include the other forms of 'social remittances'.

3. Migrants' Private Givings– The Motivations

The motivation to send money back home is often dichotomised into economic motives and social objectives. While the household remittances are often characterised as economic flows which mainly addresses the financial needs of the family, philanthropic donations are social investments targeted mostly towards the development of the region. Given the differences in the nature and the purpose of each of these flows, the motivations behind each of these flows are also different.

Till recently the literature on remittances viewed altruism as the primary motive to remit (Johnson and Whitelaw 1974; Stark & Bloom 1985). However the newer literature argues that although remittances do centre around the family, the motivation is not just altruistic, but also, to a great extent, self-interest. Lucas and Stark (1985) differentiate between purely altruistic remittances and remittances driven by self-interest, and find that motivation lies somewhere in between. They call this impulse 'tempered altruism' or 'enlightened self interest'. They view migration as a 'Pareto superior' strategy, where both the migrant member and the family are better off after migration, through the redistribution of the gains of migration, i.e., remittances. Self-seeking motives to remit include an aspiration to inheritance, a desire to explore investment channels through trustworthy family members, and a wish to ultimately return home with dignity.

Remittances also often represent an implicit family loan agreement. The family and migrant can be viewed as an informal financial market where these monetary flows are nothing but repayment of the loan that the family member had taken to finance migration. Poirine (1997) classifies the informal financial agreement between the migrant and the family into three stages: in the first stage, emigrants repay the loan taken by them to secure a better education through their remittances. In the second stage, the emigrants make implicit loan payments to their children to finance their education back home. And in the third stage, the next-generation emigrants repay the loan to former emigrant-lenders who are usually retired, and back in the home village. Thus, three 'waves' of loans, repayments, and savings sent by emigrants to family relatives back home make up the remittance flow over time.

Philanthropic donations, on the other hand, have a stronger social and emotional component. Migrants use the philanthropic channel to increase closeness and strengthen the bond with their home region. Migrants are connected by the ties of co-responsibility across the boundaries (Werbner 2002). The 'sense of identity' appears to be an important motivating force behind diaspora philanthropy (Johnson 2007). As is put by Werbner (2002: 128):

To prove their identification with their homeland and other diasporic causes, members of diaspora communities must constantly confront their local invisibility through public acts of mobilisation and hospitality, and through demonstrations of generosity which reach out beyond their present communities. They must be seen to contribute real material or cultural goods across national boundaries through their political lobbying, fund-raising or works of poetry, art and music.

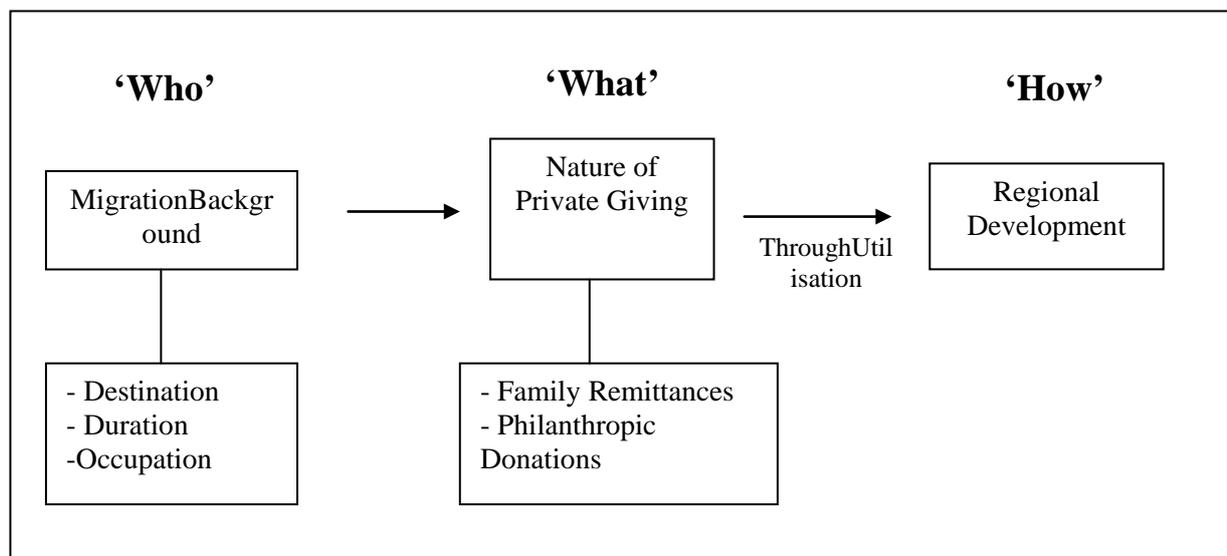
Another way of understanding the motivations behind philanthropy is as Wise and Veluyatham describe the presence of a 'moral community', which creates a moral economy of social belonging, whereby members of a community are indebted to that community in a reciprocal gift-exchange relationship (Velayutham and Wise 2005).

Thus, we can differentiate between remittances and philanthropy by stating that while remittances are unrequited capital transfers between the two entities, which falls somewhere between 'absolute altruism' and 'self interest', philanthropic donations are 'pure gifts' from the migrants to their region of origin, with an underlying motivation of identity creation and 'self esteem'. While altruism appears

to be a common thread linking both these type of flows, the nature and the purpose of these flows depends a great deal on the nature of the migrants i.e. the duration for which the migrant has been abroad, occupation of the migrants etc.

4. Private Givings – the ‘Who’, ‘What’ and ‘How’

In the context of the migration – development nexus, migrants’ resources transfers are not only seen as the economic returns to international migration, but also an important source for finance for development. Thus it can be suggested that the nature of private givings of the migrants constitute the bridge which connects migration to development. However, the very nature of the private giving, i.e. whether the migrant sends back remittances or makes a philanthropic donations, depends largely on the background of the migration, which is characterized by the migration destination, the duration for which the migrant has been staying abroad and the occupation or the skill-level of the migrant. The nature or the form of private givings, in turn, has an effect on the development of the local economy - remittances will have a direct impact on the welfare of the recipient family and have an indirect impact on the overall societal development, whereas, philanthropic donations have a direct impact on the society, and an indirect impact on the families residing in the region. Thus the paper proposes and develops a framework which uses three factors to explain the migration-development nexus, with private givings – the ‘Who’, ‘What’ and ‘How’.



The first factor is ‘*Who are the migrants?*’, i.e. the migration background of the immigrants, the destination of migration, the duration of migration, and the occupational status of the migrant. It is often observed that the destination of migration and duration for which the migrant has been staying abroad has an impact on the nature of private givings.

The second factor is ‘*What is the nature of private giving?*’, i.e., whether the migrant sends back remittances, or makes philanthropic donations or both. This also involves the channel through which the transfers are made. For example, household remittances are individual level transfers and are mostly transferred through financial channels like the bank, money transfer organisations (MTOs) etc. Philanthropic channels however vary from individual donations for a specific purposes to collective donations made through migrants’ association or charitable organisation.

The third factors is ‘*How are these transfers utilized in the local economy?*’. The utilization pattern of the private givings in the local economy determines the extent and channel of impact on the regional development. Based on the form of the private givings, the utilisation of the same can range from pure household day-to-day consumption to investment in the public and social infrastructure.

The next few sub-sections explain each of these factors in detail. The paper uses this framework as the basis for analyzing the empirical data in the later sections.

4.1 Migration Background

The private givings from the migrants to their country of origin depend, to a large extent, on the pattern of migration and the background of the migrants. It is often observed that the recent migrants have a high propensity of sending family remittances. This is particularly true for the case of low-skilled temporary workers like the migrants from the Indian State of Kerala to the Gulf nations. Remittances sent by the ‘Keralite’ migrants in the Gulf amount to around 80% of the total State Domestic Product. The main objective of such temporary migrants is to build an economic safety net for their family and aid in their survival upon their return (Zachariah, Mathew, & Rajan, 2001).

However, the motivations for the migrants who have been staying abroad for a longer period of time or the so-called permanent migrants are quite different. The permanent migrants often relocate with their immediate family, hence leaving very little scope for household remittances. Nevertheless, in order to maintain the kinship networks with their homeland they often indulge in social philanthropy. Thus even though the migrants may no longer have a physical link with their home region, it is not only the care and concern for their kin, but also to gain recognition in their home village, which act as a motivation for such donations (Dekkers and Rutten, 2011).

4.2 Remittances or Philanthropy?

Given the nature of migration and the type of private flows, one can map the channels of transfers as follows:

	Remittances	Philanthropy
Recent Migrants	<p>Significant</p> <p>Channels: Through official financial channels, banks, MTOS, etc.</p>	<p>Insignificant</p>
Older Generation Migrants	<p>Insignificant</p>	<p>Significant</p> <p>Channels: Personal donations and through family members</p>

For family level remittances, the migrants mostly use the official money transfer channels like the banks, money transfer organisations (MTOs), etc.⁵ For philanthropic transfers, donations are either made through the organised migrants’ network like the kinship networks, religious trusts and home town associations, or donating individually and through family members. It is often found that a majority of the philanthropic donations are made through family members, rather than through organised networks. This contradicts the belief that most of the charitable donations are made through formal organisation and highlights the fact that kinship networks play an important role in transmitting the flows. This also raises question on the official statistics on charitable donations, which only

⁵ Here the author only considers the official channels of remittance transfers and consciously leave out the unofficial channels, as no data is available for unofficial channels. Nevertheless, with the improvement in the official channels and reduction in costs transfers through official channels have increased considerably over the past few years.

measures donations made through registered organisation. Thus the official statistics on philanthropic donations captures just a part of the total donations made by the migrants.

4.3 The Purpose of the Private Givings

The purpose for which transfers are made has a direct impact on the development of the region. Whether the transfer is made towards the family consumption or as a philanthropic donation, both lead to transmission of money into the economy. Nevertheless the degree of impact does depend on the utilisation of this money. Family level remittances have a direct impact on the economic well-being of the recipient families, by pulling them out of the poverty trap and increasing their overall welfare. The economic impact of family level remittances is, however indirect, as it operates through the demand channel of the economy and increase production efficiency of the economy.

Philanthropic donations, on the other hand, have a direct impact on the socio-economic well-being of the region. Often the donations made individually by the migrants are sector specific like education, health and religion, for e.g. donations made towards building or maintaining a school, building hospitals, building religious institutions. Donations made through organisations or associations have specific purposes for e.g. all the donations made to a specific religious trust may not lead to building of religious institutions, rather the purpose may be building educational and health institutions under that trust. Thus it is the channel and the purpose of the private givings which determine the path of development in the region.

5. India-EU: Building Bonds through Private Givings

5.1 Characterizing Migration Background

Though the Indian migration to the European continent dates back to several centuries, the process was formalized during the colonial and post-colonial period. The Parsi community of Gujarat and the Bengali community arrived in Britain in the 18th and 19th centuries as qualified lawyers, doctors, professionals to settle down in the UK. The Parsis dominated the Indian community in the UK as the earliest settlers. Due to the colonial regime UK continued to be the preferred destination for Indian immigrants during the post colonial regime. The first wave of Indian migration into the UK from post Indian independence took place in the 50s and 60s, when a large numbers of workers, mainly of Punjabi origin, went to the UK in the aftermath of the post-World War-II reconstruction efforts in the industrial sectors. The second major wave was in the 60s and 70s when PIOs, mainly of Gujarati origin, were forced to leave erstwhile British colonies in East Africa and they eventually got settled down in the UK.

Migration to the Western European countries is fairly a new phenomenon. With the EU rising as a global knowledge based economy, it opened up new opportunities for the skilled workers from India, especially in the IT sector. Over the period of time EU has become India's largest trading partner and source of foreign direct investment, a major contributor of development assistance and technology, and also a home to a significant section of the Indian Diaspora. The distribution of Indian Diaspora across different European countries is given in Table 1.

Table 1. Indian Diaspora in the EU

Sl. No.	Country	Overseas Indians	NRI (Approximate)	PIO (Approximate)
1	Austria	23000	12000	11000
2	Belgium	18000	7000	11000
3	Bulgaria	270	270	0
4	Denmark	7381	4889	2492
5	Finland	4200	3500	700
6	France	65000	10000	55000
7	Germany	70500	42500	28000
8	Greece	12013	12000	13
9	Ireland	19365	18018	1347
10	Italy	99127	97719	1408
11	Netherlands	215000	20000	195000
12	Norway	9747	3865	5882
13	Poland	2000	1800	200
14	Portugal	80000	11272	68728
15	Slovak Republic	245	200	45
16	Spain	30000	15000	15000
17	Sweden	18000	4000	14000
18	Switzerland	12354	10785	1569
19	UK	1500000	1500000*	0

Source: Ministry of Overseas Indian Affairs, 2012

Notes: NRI is the Non-Resident Indians, i.e. who have been staying in the host country for at least 6 months or more. PIO s are the Person of Indian origin, who are residents of the host country.

5.1.1 Preferred EU Destination for Indian Migrants

Among the EU nations, UK is the most preferred destination for Indian migrants, housing more than two-third of the Indian Diaspora community in Europe. While the UK remains the traditional destination, there has been a gradual increase in the flow of migrants to a few other EU countries like Germany, Spain and Italy (Table 2). While migration to the UK happens mostly in the skilled sectors, migration to Spain and Italy have mostly been in the low-skilled agriculture and manufacturing sectors.

Table 2. Inflow of Population with Indian Citizenship in the EU-15 Countries (in thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Austria	663	828	1,271	836	1,405	1,428	1,187	1,255	707	912	946	990
Belgium	-	561	662	852	959	1101	1213	1339	1516	1640	2058	1787
Germany	4,715	5,077	6544	8,949	9,433	9,227	9,125	8,364	9,500	9,880	11,403	12009
Denmark	299	334	368	384	343	529	613	710	798	1,456	1,065	828
Spain	240	289	648	835	887	2,640	3,709	4,929	4,212	5,569	6,556	5,956
France	912	1041	1004	1142	1261	1221	1155	1104	1235	1375	1499	1458
Finland	92	112	158	186	188	195	315	381	504	534	623	612
Ireland	-	-	-	-	-	-	-	-	-	-	2,170	1,078
Italy	2586	5417	7011	4820	7155		5735	4152	4774	10973	14975	-
Netherlands	882	726	661	684	614	638	564	1,217	2,011	2,526	3,454	3,069
Sweden	309	322	369	428	556	752	834	1,077	1,024	1,146	1,548	1,795
United Kingdom	6,172	10,346	17,150	16,001	20,956	31,257	48,367	46,621	56,850	55000	48000	64000

Source: Eurostat database on 'Immigration by citizenship [migr_imm1ctz]' and OECD.Stat data on International Migration

India has been the highest migrant sending nation to the UK. However, in the recent years, with the accession of the Eastern European nations in the enlarged EU, Poland is appearing to fast overtake India (Table 3).

Table 3. Top Ten Migrant Sending Countries, Based on the National Insurance Number in United Kingdom, 2002-2007 (in thousands)

2002-03		2003-04		2004-05		2005-06		2006-07	
India	25	India	31.3	Poland	62.6	Poland	171.4	Poland	222.8
Australia	18.9	SA	18.4	India	32.7	India	46	India	49.3
SA	18.6	Australia	17.1	Pakistan	20.3	Lithuania	30.5	Slovakia	28.8
Pakistan	16.8	Pakistan	16.8	SA	19.3	Slovakia	26.4	Pakistan	25.3
France	13.8	Portugal	14	Australia	16.6	SA	24	Australia	24.4
Philippines	11.8	China	13.3	Lithuania	15.6	Australia	23.8	Lithuania	24.1
Spain	11.7	France	13.1	France	13.3	Pakistan	22.3	France	20.2
Zimbabwe	10.3	Spain	11.9	China	12.6	France	17.2	SA	16.9
Iraq	10.1	Poland	11.2	Portugal	12.2	Latvia	14.2	Germany	15.2
Portugal	9.8	Philippines	10.7	Slovakia	10.5	Germany	13.3	China	13.2

Source: Extracted from Kaczmarezyk & Okólski, 2007

Note: The sudden spike in Poland's figures for 2004 and 2005 can be attributed to existing Poles legally registering themselves in the UK following Poland's becoming an EU member state. Hence these are not all new migrants, but mostly represent Poles already living and working in the UK.

5.1.2 Occupation of Indian Migrants in the Selected EU Countries

The skill level and employment sector of the Indian migrants in selected European destinations vary significantly (Table 4). In both Italy and Spain Indian migrants are mostly low-skilled, followed by semi-skilled and a very few highly-skilled migrants. Indian migrants to UK, however, are mostly highly-skilled, closely followed by low-skilled and finally the semi-skilled migrants.

Table 4. Immigrants India to Selected EU Countries - by Education

	Italy	Spain	UK
ISCED0/1/2	7,663	2,260	88,763
ISCED 3/4	2,874	1,100	36,570
ISCED 5/6	1,490	760	91,882

Source: OECDSTAT database on 'Immigration by Education'. The sources for this database are mainly census data, from the 2000 round of censuses.

Notes: The International Standard Classification of Education (ISCED; cf. UNESCO 1997) used as a baseline. Groups are aggregated as follows: Primary level: ISCED 0/1/2, Secondary level: ISCED 3/4, Tertiary level: ISCED 5A/5B/6.

As for the sector of employment (Table 5), in Italy, Indian migrants are mostly concentrated in the manufacturing and agricultural sector, whereas in Spain Indian migrants are distributed across all the sectors, with some concentration in the service sector. Indian migrants in the UK are concentrated in the services sector, followed by the social sector and manufacturing.

Table 5. Immigrants from India to Selected EU Countries by Sector of Employment

Sector of Employment	Italy	Spain	UK
Agriculture	3169	160	644
Manufacturing	5541	460	46324
Construction	656	220	7366
Other Services*	855	680	49018
Social Sector**	1210	200	42636

Source: OECDSTAT database on 'Immigration by Sector'. The sources for this database are mainly census data, from the 2000 round of censuses.

Notes: Sectors of activity are recorded according to the International Standard Industrial Classification Rev. 3 (ISIC, cf. UN, 1989), at the division level (two-digit level, 60 sectors).

*'Other Services' combines Hospitality, Financial Services, Real Estate

**'Social Sector' combines Health and Education sectors

5.2 The Nature of Private Givings and their Utilisation

The data on private giving, both remittances and philanthropic donations have been limited and scarce. Even though there exists limited data on destination-wise remittance transfers, similar data is not available for philanthropy. In one of the recent surveys by the Reserve Bank of India (RBI) on international remittance transfers based on a sample survey of Bank branches across India throw some light on the destination-wise remittance flows (Table 6).

Table 6. Migration Destination-wise Remittances Transfers to India

	Gulf Countries	North America	South America	Europe	Africa	East Asia	Others
2006-07	9012	10022	1264	5239	690	1749	2859
2007-08	12670	14242	1800	7357	971	2488	3979
2008-09	14430	13790	1891	9163	1503	1952	4174
2008-09 (Apr-Sept)	8428	8174	1127	5359	888	1154	2384

Source: RBI, 2010

From the table we observe that remittances receipts have been highest from the Gulf countries, followed by the USA. Europe ranks the third. Given the fact that the Gulf countries, USA and the EU countries, specifically the UK hosts the majority of the Indian migrants, the difference in the amount of remittances transferred by the migrants residing in these countries can be explained by comparing the history of migration and the duration of stay of the migrants in the EU vis-à-vis the other countries. As mentioned in the previous section, Indian migration to EU, particularly UK has a much longer history as compared to the Gulf or US migration. Thus the latter, particularly the Gulf country hosts the recent migrants, who are usually temporary in nature, and hence send back higher amount of remittances. Europe, particularly the UK, on the other hand, has much older generation migrants, who may no longer have family ties attached to their place of origin. Thus they do not have strong remittance channel, however, they have a strong philanthropy channel to maintain the link with their home region. This is elaborated further in the next section with evidence from the case study on the Gujarati migrants in the UK.

6. Case Study: Private Givings to Central Gujarat from the Indians in the UK

This case study is based on a recent household survey⁶ in the Indian State of Gujarat on migration and resource transfers in the Central Gujarat region, specifically in the Anand and Kheda Districts. The survey covered 17 rural villages and 3 urban towns with 416 migrant households with 689 migrant members in all. The choice of Central Gujarat as a case for studying migrants' private givings and their impact are motivated by the following factors:

- Central Gujarat is one of the highest migrant sending regions within Gujarat. As is observed from Table 7, the proportion of migrant population from the Central Gujarat region is not only higher than the State average, but also the country average.

⁶ The household survey was conducted by the Provincial Globalisation Programme, which is a collaborative project between the University of Amsterdam and National Institute of Advanced Studies (NIAS), Bangalore. The survey was carried out in association with Gujarat Institute of Development Research (GIDR), Ahmedabad. For more information and findings from the survey please see www.provglo.org.

Table 7. Migration Characteristics and Remittances in Central Gujarat

Region	Total Population		Number of Migrant Workers/HH#				Remittances	
	Census Population	NSS Sample Population	Sample No. of migrant workers	Proportion of migrant workers in total population* (%)	Sample No. of Migrant HH	Proportion of Migrant HH in the population* (%)	Sample No. of migrant workers sending remittances	Proportion of migrant workers sending remittances* (%)
Gujarat	50671017	5157	313	3.5	194	0.8	143	0.34
Central Gujarat (Anand District)	1856872	199	31	5.33	21	1.3	16	0.15
All India			5167	3.8	3958	1.1	3323	0.98

*Proportions are computed based on survey statistics. The proportions are based on State/District population

Total number of migrant workers and migrant households - The difference arises because there can be more than 1 migrant member in a particular household

** The data is for the international out migrants and international remittances

Source: Calculated from NSS 64th Round Survey data

- Central Gujarat has a long history of international migration, dating back to around 100 years, which started as migration to the East Africa during the British Colonial period, then to Britain during the 1960s due to fear that immigration restrictions would soon be implemented by the British government, and finally to USA and Canada in the early 1970s (Dekkers and Rutten, 2011). Given their long history of migration, Gujaratis are the largest group among the Indian migrants settled abroad (Jain 1993: 36). Among the Gujaratis, Patel or the Patidar community constitutes the largest group. The Patel community is economically mobile. Though the Patels have been settled abroad for the last few generations, they continue to maintain ties with their families and villages back in India (Pocock 1972: 71; Wenger et al. 2003: 6). Table 7, gives the proportion of migrants sending remittances back home in the Central Gujarat region. From the table we observe that the proportion is much higher than the State and National average, which indicates that the migrants from this region maintain their ties through significant amount of inward international remittance flows.
- Finally, in the recent times, Central Gujarat has been witnessing changes in the nature of migration the migration pattern. While Patels have historically been the dominant migrants, the economic returns created by the Patels have paved way for migrants from other communities and religion. This has resulted in the emergence of a new trend of migration from Central Gujarat, that of temporary migration. Thus a study on the Central Gujarat region allows us to examine both permanent and temporary migration from the region, and accordingly resources sent by both the groups of migrants.

Table 8 gives the current place of residence of all the migrants surveyed.⁷ It can be observed that a UK is the top most receiving country of the Gujarati migrants from this region, followed by USA and Australia. While UK and USA have historically been the preferred destinations for migrants from Gujarat, along with few African countries, the Gulf countries, like Saudi Arabia and UAE are newer entrants in the destination list. Gujarati migrants to UK, USA and African countries have mostly been the permanent migrants. Migration to the Gulf countries, however, is temporary in nature. Thus it indicates the possible growing trend of temporary migration among the Gujaratis to the Gulf countries.

⁷ Ibid, n. 6.

Table 8. Present Place of Residence/present destination) of Migrants Surveyed

Country	% of the Total Surveyed
United Kingdom	37
USA	32.1
Australia	12.8
Canada	6.7
Saudi Arabia	2.5
South Africa	1.5
Kenya	0.6
UAE	0.4
Qatar (Doha)	0.3
Bangladesh	0.1
China	0.1
France	0.1
Indonesia	0.1
Iran	0.1
Malaysia	0.1
Netherlands	0.1
New Zealand	0.1
Oman (Muscat)	0.1
Singapore	0.1
Sri Lanka	0.1
West Indies	0.1
Others	3

Source: Author's calculation from Survey of International Migration and Remittances in Central Gujarat Region (2012)

Apart from the UK, there are Gujarati migrants to the other EU countries like France and Netherlands, but the numbers are not significant. Thus the author focuses on the migration and private givings of the Gujaratis in the UK, which is the traditional destination for the Gujarati migrants and compare them with the migrants in other recent emerging destinations like the Middle East and Australia.

Table 9. Destination-wise Economic Activity of the Migrants (%)

	Govt. Employment	Semi-Govt	Private Sector	Self Employment	Unpaid Family Work	Labour in Non-Agri Sector	Students	Pensioners
UK	0.4	1.3	45.6	4.4	15.4	0.9	29.4	2.6
Australia	0	1.4	48.6	5.6	9.7	0	34.7	0
Middle East	0	0	75	6.3	6.3	12.5	0	0

Source: Author's calculation from Survey of International Migration and Remittances in Central Gujarat Region (2012)

Table 9 gives the destination-wise economic activities of the migrants for the important destinations. The economic activities of the existing migrants throw some light on the duration and nature of permanency of the migrants. For both UK and Australia appear to have private sector employment and self-employment appear to be important sectors. For the UK this can possibly be explained by the fact that most of the older generation Gujarati migrants have established themselves as entrepreneurs by opening up small and big businesses in the destination countries. The newer generation of migrants, therefore, is often absorbed in these business establishments through their networks. UK is also a preferred destination for education migration, which is true for Australia as well. Middle Eastern countries, represented by Middle East received Gujarati migrants as labourers in the non-agricultural sectors like construction, industry etc.

Another point worth highlighting is the high proportion of unpaid family work and significant number of pensioners in the UK. Unpaid family work is mostly associated with marriage migration, when the migrant moves along with his/her immediate family members. Hence the proportion of unpaid family work is higher in the case of the older destination UK, while it is low for Australia and very small for Middle East. This can be explained by the fact that former countries have been the historical destinations of migration and thus have permanent settlement, whereas the Gulf countries mostly have temporary migrants, where the migrant members move alone, leaving behind their immediate family back home and thus not many marriage migrations. The significant number of pensioners in the UK reiterates the significant presence of migrants with longer duration of stay in the UK. The same is nil for Australia and Middle East.

Table 10. Destination of Migration and Duration of Stay

Destination/Duration	1-5 years	5-10 years	10-15 years	15-20 years	>20 years
UK	127	23	18	10	15
Australia	51	12	4	3	3
Middle East	17	2	1	0	0

Source: Author's calculation from Survey of International Migration and Remittances in Central Gujarat Region (2012)

Examining the destination-wise duration of stay of the migrants (Table 10), UK has a significantly higher proportion of migrants who have been staying in the country for more than 10 years, as compared to Australia and Middle East. However, UK also has a significant proportion of recent migrants as well, indicating the fact that even though Australia and Middle Easter countries are emerging as newer migration destinations, UK continues to be the most preferred destination for the Gujarati migrants. It also indicates the diversity in the Gujarati emigrants in the UK in terms of both the recent migrants and the older generation of migrants.

6.1 Private Giving in the Form of Remittances

Given the destination and nature of migrants (duration of migration) in each of these destinations, we now map the resources transferred by these migrants. The distribution of migrants sending remittances reveals an interesting picture. Table 11 lists the major destinations for the Gujarati migrants and percentage of migrants who have sent remittances back home at least once in the last one year and the average amount of remittances from each of these destinations.

Table 11. Destination-wise Percentage of Migrants Sending Remittances

Destination Countries	Percentage of Migrants Sending Remittances	Average Remittances Per Migrant (Rs.)
UK	19%	23373
Australia	30%	53523
Middle East	82%	12000

Source: Author's calculation from Survey of International Migration and Remittances in Central Gujarat Region (2012)

Ranking the destinations based on the percentage of migrants sending remittances is quite opposite to the ranking based on the number of migrants. While UK tops the list with the maximum number of resident migrants, in terms of remittance transfers it ranks at the bottom. On the other hand, the Middle Eastern countries, while a new entrant in the list of preferred destination and having much lesser number of migrants, has the largest proportion of them sending remittances.

This is quite ironical, as it suggests that migrants in the countries where they have a longer history of migration tend to send lesser amount of remittances back home, compared to the newer generation of migrants. Comparing the average amount of remittances received per migrants from different destination countries indicates somewhat similar results. Average remittances received from Middle East and Australia is much higher compared to remittances received from the UK. Thus we can say that remittances received by the migrants are mostly from the recent migrants residing and mostly from the migrants to the newer destination countries.

Like destination, the duration of migration also has an impact on the amount and frequency of remittances transferred. From Table 12 it is observed that there is a decrease in the frequency of sending remittances with an increase in the duration of migration. Also, the recent migrants send the maximum amount of remittances as compared to the older migrants. This is intuitive as the recent migrants would try to send back as much money they can in the initial few years of migration, and these transfers go on decreasing as the migrant continues to stay abroad.

Table 12. Duration of Migration and Pattern of Remittances Receipts

		1-5 years	5-10 years	10-15 years	15-20 years	20-30 years	>30 years
Frequency of Sending Remittances	1	31	13	7	3	2	2
	2	26	6	4	1	2	2
	3	14	1	1	.	1	.
	4	4	1	1	.	.	.
	Total Number of Households Receiving Remittances	75	21	13	4	5	4
Amount of Remittances Received by the Households (Rs.)	Average Amount of Remittances	1,46,720	1,11,905	1,32,308	52,500	1,08,000	82,500
	Total Amount of Remittances	1,10,04,000	23,50,001	17,20,000	2,10,000	5,40,000	3,30,000

Source: Author's calculation from Survey of International Migration and Remittances in Central Gujarat Region (2012)

The channels or mode of sending remittances (Table 13) is mostly official, i.e. banks and money transfer organization. However, sending money through friends or relatives is also quite significant.

Table 13. Mode of Sending Remittances

Mode of Transfer	Number of Times Used (%)
Money Transfer Organization (MTO)	45.3
Banking Services	56.9
Friend/relative	27.7
Brought personally	6.6

Source: Author's calculation from Survey of International Migration and Remittances in Central Gujarat Region (2012)

The next important thing is to examine the utilization pattern of the household remittances. Table 14 gives the utilization of household remittances for the migrant household surveyed. Quite ironically, the remittances are not really used for day-today consumption of the household. Rather, it is observed that about a quarter of remittances received are saved in bank deposits or other savings schemes. Also, an equal proportion is utilized in the real estate sector, building or purchasing houses. A very small proportion goes towards any education and health expenditure or any social investment. Most of the remittances go towards the sustenance of the household, thus improving the overall welfare of the recipient household.

Table 14. Household Utilisation of Remittances

Purpose	% of Total Remittance Receipts
Bank Deposit/Saving	24.86
Build/Purchase House	24.20
Repay Debt	12.07
Day To Day	8.51
Business	6.53
Purchase of Gold	6.20
Cash in Hand	6.04
Repair House	3.75
Education	2.98
Purchase Land	1.35
Health Expenses	1.25
Donation by the Household	0.61
Purchase Car	0.44
Others	1.21

Source: Author's calculation from Survey of International Migration and Remittances in Central Gujarat Region (2012)

To summarize, private givings in the form of remittances are more pronounced in the case of recent migrants. This is apparent because the recent migrants who often consider their migration to be temporary try to send back maximum remittances back home in the initial few years. This gradually declines when the migrant stays abroad for a longer period of time. In the case of Gujarati migrants, remittances from the new destination countries like Middle East and Australia tops the list, whereas in the UK, even though houses the largest number of Gujarati migrants, ranks the lowest in the remittance sending list.

The channels of remittances transfers while are mostly official, but there seems to be a growing trend in hand-to-hand cash transfers, whether through friends or relatives, or brought into the country personally. The utilization of remittances by the family members of the Gujarati migrants are not really for day-to-day consumption, which forms a very small proportion of the total remittances sent, but most of the money is either saved in a savings bank deposit or are used to purchase a house or any other real estate investment. Thus there is a potential of appropriately channeling this money into more productive investments, which could add to the development of the region.

6.2 Private Giving in the Form of Philanthropy

Philanthropic donations are different from remittances, both in terms of nature and purpose. For the migrants surveyed only 10% contributed towards philanthropic donations, but the average amount of such donations made during the period of last 10 years were around Rs. 2,00,000, which contributed significantly towards the volume of money received as charity.

It is often believed that migrants in the high-income destination and having a longer duration of stay would contribute more towards philanthropy. However, the destination-wise philanthropic pattern (Table 15) shows some interesting counter-intuitive trend. The proportion of migrants making philanthropic donations is actually higher for the Middle Eastern country residents, followed by Australia and UK. The average amount of remittances is however lower for the Middle Eastern immigrants than compared to UK and Australia. This could possibly be explained by the fact that while the older generation migrants have been contributing towards the social philanthropy over several generations, the recent migrants have also begun towards contributing to the society.

Table 15. Destination of Migration and Amount of Philanthropy

	Place of Migration		
	UK	Australia	Middle East
% of Migrants making Donations	9%	11%	23%
Average Amount of remittances	1,56,316	1,66,000	28,200
Total Donations	29,70,000	13,28,000	1,41,000

Source: Author's calculation from Survey of International Migration and Remittances in Central Gujarat Region (2012)

This is also evident from duration-wise philanthropy made by the migrants. From Table 16 we observe that the amount of philanthropic donations made are highest for the migrants with a duration of migration between 5-10 years and for greater than 15 years.

Table 16. Duration of Migration and Amount of Philanthropy

	Duration				
	1-5 years	5-10 years	10-15 years	15-20 years	>20 years
Average Amount of Donations(Rs.)	1,20,833	5,40,083	63,125	1,28,333	3,25,167

Source: Author's calculation from Survey of International Migration and Remittances in Central Gujarat Region (2012)

As for the utilization of philanthropic donations, unlike remittances philanthropic donations are social transfers and have a direct impact on the sectors where the money is channeled. Table 17 gives the purpose of the donations made by the migrants.

Table 17. Purpose of Philanthropic Donations

Purpose of Donation	%
Towards religious trusts/organisations	48.5
Building School/College etc.	12.1
To NGOs	10.6
Helping poor	7.6
Building hospital	6.1
Others	7.6

Source: Author's calculation from Survey of International Migration and Remittances in Central Gujarat Region (2012)

An interesting thing to note here is that most of the donations are directed towards religious organizations. Central Gujarat has some prominent religious trusts, which has several international branches, like the Swaminarayan Trust, etc. A significant proportion of such migrants' private donation goes towards building education infrastructure in their region. The purpose can range from setting up a new educational institution or repairing an old school to providing basic amenities in the institution. Other significant contributions are made towards the health sector and helping the destitute in the region, by providing them food, shelter and basic amenities in the village.

While donations made to religious trusts or NGOs are usually well documented and accounted in the government records as charities made by the migrants, there are private donations which are made purely at a personal level and are often not accounted in the government records. Thus there is a possibility that the official statistics on migrants' donations may not be capturing the complete picture. The importance of this is further highlighted by Table 18 which gives the channel through which the philanthropic donations were made.

Table 18. Important Channels of Philanthropic Donations

Channels of Donations	%
Directly to religious institution	45.5
Through family members	28.8
Directly to the charitable organization, NGOs or Trusts	10.6
Through village Panchayat/municipal corporation	1.5
NRI associations	1.5
Others	6

Source: Author's calculation from Survey of International Migration and Remittances in Central Gujarat Region (2012)

The donations made to the religious trusts and NGOs are made through the respective institutions and are thus recognized under in the Foreign Exchange Management Act of India. However, a significant proportion, close to 30% of the total donations, was made through family members. This is an interesting trend which is fast picking up pace. Instead of chanelising the donations through some official organization, migrants prefer to donate them either personally when they are visiting the country, or through their family members who are residing in the region. These are private donations, often made for a specific purpose. Thus, these are neither a part of the household remittances nor are accounted as charity in the official documents. While one may argue about the importance of such flows, the increasing volume of money which are donated personally or through family members does have a significant impact on the social and infrastructural development of the region.

6.3 Discussion

The migration background which includes the destination i.e. whether newer or traditional, and the duration i.e. older generational or recent migration, to a large extent decides the nature of the private givings. While remittances are mostly transferred by the recent migrants in the newer destinations, philanthropy is primarily made by either the recent migrants or the older generation permanent migrants. This is due to the fact that while for the temporary migrants, family is the centre of decision making and maintaining family ties are more important, for the permanent members maintaining the link with their region of origin gives them a sense of security. In terms of destination, we find that while the Gujarati migrants in the UK have been building bonds with their home country counterparts through both remittances and philanthropy, the remittance channel seems to be little weak when compared with the Gujaratis in other newer destinations. This indicates that given the fact that they have a long history of migration the Gujaratis in UK may no longer have the family ties back home, but they continue to maintain their bonds with their home region through philanthropy. Hence even though the proportion of migrants in the UK making philanthropic donations is small, the total amount of donations made by the Gujaratis in UK is the highest.

The relative importance of both of these flows is further highlighted by looking at the volume of these flows received, and the purpose of their utilization in the respective regions. Table 19 gives a comparison of the different forms of private givings received in the region.

Table 19. Comparing the Different Forms of Private Givings

Form of Private Givings	Number of Migrants Sending Back Resources (%)	Average Amount Per Migrant (Rs.)
Remittances	20%	1,27,116
Philanthropic Donations	10%	2,04,338

Source: Author's calculation from Survey of International Migration and Remittances in Central Gujarat Region (2012)

From the table we observe that while remittances are sent by a larger proportion to the migrants (20%) as compared to proportions of migrants making philanthropic donations (10%), the average volume of philanthropic donations far exceeds that of household remittances. Thus, while the number of migrants sending remittances is twice than those making philanthropic donations, average donations received is almost twice than that received as household remittances!

This finding from the Central Gujarat data is important on two accounts. Firstly, often in the migration-development literature remittances have occupied a status of prime importance. So much that the household survey designed at the Central and State levels to capture the international

migration often capture only the international remittances transfers, leaving out any other form of transfers by the migrants. Hence, there has been a dearth of data on regional philanthropy. Secondly, while remittances are treated as economic returns of migration, necessary for explaining the migration-development nexus, philanthropy, has primarily occupied the social literature, examining the nature of kinship network and changes in the societal structure. However, the significant volume of such donations has a strong impact on the regional development, precisely because the donations are often targeted towards specific sectors of the economy, which are often the vital sectors like health, education etc. and have a direct impact on the social as well as economic structure of the region. This is evident from the case study of Central Gujarat. Thus to have a better understanding of the developmental impacts of the migrants' resources, the need is to bring in all forms of private givings when analyzing the migration-development nexus.

7. Rethinking the Policy Framework

Policies towards migrants' transfers primarily have focused towards increasing migrant participation through investments. Several policy initiatives have been taken and several industrial meets are organized in order to increase the Diaspora investments in the different sectors of the economy. One such policy initiative is the annual Pravasi Bharatiya Diwas (PBD), conducted by the Ministry of Overseas Indian Affairs (MOIA), which creates a platform for Overseas Indians to explore investment opportunities in India. On the lines of the PBD, many States, like Gujarat and Karnataka have also conducted similar NRI meets to facilitate potential investments in the State. Another such initiative is the setting up of the India Development Foundation for Overseas Indians (IDF-OI) in 2008 as a not-for-profit trust by the MOIA, to explore and facilitate incentives for philanthropic donations by Overseas Indians and direct them towards development sectors. Though IDF-OI is yet to be a successful initiative, States like Gujarat have set up their own foundation to harness the philanthropic support of the non-residential Gujaratis (NRGs). The Gujarat State Non-Resident Gujarati's Foundation (NRGF), established by the Gujarat State Government, aims to create a network of NRGs, not only to facilitate financial investments but also to promote social networking in terms NRI marriages, Gujarati culture and language support and donations mainly in the form of 'Vatan Seva', i.e. philanthropic donations by the NRGs for development projects.

While such policy directives have been successful to an extent, these have not been able to tap the entire potential of migrant transfers. As is evident from the case study, the migrants appear to be keener on building bonds through personalized channels, i.e. either through sending remittances to their immediate kin, or making philanthropic donations to their regions of origin, through the family channel. Thus the link between the migrant and their respective region of origin plays an important role in determining and motivating private transfer. Thus to understand the true potential of the migrants' transfer the policy should be made with the region in focus. There are certain gaps and limitations of the existing policies towards migrants' private givings.

Firstly, limited availability of data on migrants private giving is an existing gap. While some amount of aggregated data is available for remittances, the regional disaggregated data on different forms of private givings, especially data on philanthropic donations is impossible to find. Thus with no proper record of philanthropy in a particular region, the extent of such donations often gets underestimated.

Secondly, the policies for remittances have primarily targeted promotion of labour migration and encouraging more remittances through formal channels. The banking and financial institutions offer several savings schemes and incentives, to attract more NRI resources in the form of savings as well as investment capital. The primary objectives of these policies are to channelize these funds in productive investment opportunities within the country and to boost the financial health of the country. The Government gives tax concession for donations made through registered organizations and also promotes strategic philanthropy through public-private partnership. However, since Diasporic

philanthropy has a more directed approach, it is difficult to channelize these funds into other sectors, and thus policies regarding philanthropy have often taken a back seat. Thus policies regarding Diaspora philanthropy should be to promote Diasporic engagement. One such notable project is the 'Vatan-Seva' initiative constituted by the Non-Resident Gujarati's Foundation (NRGF). The initiative gives an opportunity to the NRGs to make donations for any development project of their choice. NRGF maintains a database with all such contributions and publishes the names of the contributors at regular intervals. While one can argue that giving a free hand to the migrants in deciding the purpose of donations can result in biased accumulation of funds in specific sectors or regions, nevertheless, such initiatives help in strengthening the diasporic networks and gives recognition to them, thus making Diaspora engagement successful.

Thirdly, the existing government policies on channeling philanthropic donations into the country are quite restrictive. The Foreign Contributions Regulation Act (FCRA) has been made more restrictive (2010-11 Amendment) such that a greater scrutiny is required for the types of activities that can be considered by an NGO or a charitable trust to avail the FCNR status. This could possibly be one of the reasons which have led to a decline in the amount of donations made through the NGOs. While the donations made through IDF-OI have been exempted from FCRA regulations, it is yet to take off. However, on the other hand, donations made to religious trusts have been increasing. It was found that in 2009-10, of the top 15 recipients of foreign donations, 10 were religious institutions, which accounted for around 20% of the total foreign donations received (Tandon, 2012). Another possible outcome of the restrictive FCRA is that there is an increase in the amount of donations made personally or through the family members directly, without using any official channel. This is evident from the case study of Gujarat. Such donations are often made by the migrants when they personally visit their home region or are made by their kin on the migrants' behalf. Thus often such donations do not get recorded in the official channels.

And finally, there often exists a dichotomy between the policies related to remittances and diasporic philanthropy. The policies related to both the flows are often made in isolation with each other, precisely because both these flows are viewed with different lenses. While the former is considered as an economic transfer, it is believed to have a direct impact on the economic conditions like per capita income, consumption etc. of the households and the region as a whole; the latter, on the other hand, is considered to have a strong social foundation, and is believed to have social influence.

Policy Recommendations: The Way Forward

- a) **Addressing the lack of data at the regional level:** The data on migration and remittances are mostly collected at the Central level, which is then allocated to the States using some approximation tool. However, given the diversity in the profile of migrants and pattern of private giving within different regions, it is essential to capture the data at the regional level, using surveys or local government records. This is also important for forming policies at the regional level.
- b) **Relooking at the policies on attracting remittances and channeling philanthropy:** The overall impact of migrant resource transfers on a particular region can be studied only when both the types of private givings are brought in the same frame. Thus the policies should aim at encouraging different types of migrants' engagements with the region, both at a household level as well as at the society level.
- c) **Policies should have the region as the centre of focus:** As Upadhya & Rutten (2012) suggest:

Given the great regional diversity in India, transnational social fields may be most fruitfully studied by viewing them as embedded in, and inflected by, the specific histories, social structures and political-economic formations of the 'sending regions'.

Such an approach would produce a much more coherent mapping of the transnational social field, which can link the places and the migrants with the nature of the private givings transferred by them. One such example that can be sited from the field survey is that of a village called Dharmaj, in the Anand district of Central Gujarat. A small village with around 2000 households has a huge proportion of permanent migrants, primarily settled in the UK and parts of USA. The local village administration has taken initiatives to create conducive environment to strengthen the ties with the distant migrants. The village administration has been involved with several NRIs to build basic public infrastructures like roads, sanitation etc. and even building schools and hospitals in the village. The migrants are also motivated to contribute because, firstly, there is an active role of the village administration in supervising and completing the project on time, and secondly, the donations by the migrants are acknowledged, thus giving the migrants visibility and strengthening their ties with their land of origin.

Thus while the Central Government designs policies to promote migrants' resources, the local government should structure incentives based on the nature and the profile of the migrants in their respective regions.

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