



Role of Indian Americans in India's development: A study

S Jyoshna Rao

Lecturer in Political Science, Government Science College Chhatrapur Ganjam, Odisha, India

Abstract

Indian diaspora is the most versatile diaspora scattered across the globe over more than in 110 countries making their presence felt and India could not afford to lose its benefits of engaging with its diaspora. Basically known for their remarkable skills, hard work, good academic records and technical knowledge, Indian immigrants have created a niche in US holding now powerful key positions in White House. Recent interviews and data shows Indian Americans caucus did a remarkable job in mobilizing issues ranging from nuclear tests in 1998 to Kargil incursion of Pakistan generating favorable opinion in Congress and their contributions in political, economic field in India made them much favored by our Prime Minister Narendra Modi who wants to build India into a progressive nation by extending friendship with pravasi bharatis whose vision and efforts can transform India into a well advanced and developed nation. Here I would like to throw light how Indian Americans have contributed in various fields of development and India in its part is doing structural change in curbing corruption, red tappism like demonetization, linking aadhaar and creating a transparent environment. Indian diaspora played a great role in bringing a favorable change in bilateral ties of Indo-US. Indian Americans were the real motivators in changing US attitude towards Pakistan which supports terrorisms and always been a part of all terrorists attacks in India.

Keywords: remittances, philanthropy, brain circulation foreign direct investment development

Introduction

Indians in the United States have emerged as most popular and fastest growing elements of the Indian Diaspora worldwide. They are the distinct community known for their successful achievements and prominent status. They are the third largest growing populous, versatile community in the United States which is next to the Chinese and Filipino Americans respectively. Indian Americans are the most affluent and powerful community glorifying the large numbers of expertise professionals like doctors, dentists, scientists, engineers, researchers, entrepreneurs, and computer and software specialists. With powerful appealing ideas, high position and good educational background they benignant to their home country.

Indian Americans way of life in US and their fast growing reputations in diverse fields

The word "diaspora" is a much used term in International Politics these days. The dynamic changes in the world political and economic order induced by globalisation have generated large-scale movement of peoples across the globe. Initially the word had a specific and restricted meaning referring principally to the dispersed and exiled Jews. However, with the passage of time, the conventional meaning of diaspora has undergone changes significantly. The diaspora which was once regarded as the people and problem of the host country now they have been regarded as a valuable asset for home country not only for economic reasons but also for cultural and political reasons. The Indian diaspora is estimated to be over 25 million which is the second largest in the world spreading across more than 110 countries. The Indian diaspora has not only increased in numbers but has been gaining universal recognition for the unique contributions to its host countries, be it skilled and

semi-skilled work force in the Gulf region or technocrats and educated professionals of Indian origin in Western countries etc. Members of the Indian diaspora do play a significant role in mobilizing political support for in their country of residence on issues of vital interests and concerns to India The Indian Americans in the United States is highly organized and is well represented by a countless number of well-funded and professionally managed groups. Indian-Americans are seen as the well-educated, technologically savvy, and wealthy minority which has a growing political influence but also a emerging group that could attain a bargaining power comparable to that of the American Jewish community. Today the government of India has changed its view of diaspora by setting aside the anachronistic Nehruvian presumptions and self-imposed restrictions on diaspora regarding their allegiance and brain drain syndrome. The long awaited statement, "India would grant dual citizenship to certain groups of Persons of Indian Origin" made by the than Indian Prime Minister, Mr Atal Behari Vajpayee has started connecting Indian diaspora with home. The Government of India's High Level Committee Report on Indian diaspora states:

"A section of financially powerful and politically well Connected Indo-Americans has emerged during the last decade. They have effectively mobilized on issues ranging from the nuclear tests in 1998 to Kargil, played a crucial role in generating a favorable 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."

The 1990's software boom and rising economy in the US attracted Indians by the boatload. The US immigration Act of 1990, effective from 1995, facilitated this process further by introducing the H-1B temporary worker program, allowing US businesses to hire foreigners with a minimum of a bachelor's degree in "specialty occupations", including doctors, scientists, engineers and IT specialists. Indian diaspora in the US is highly skilled. The US Census Bureau estimates that 75% of all ethnic Indian's working in the US hold at least a bachelor's degree and 69% work in management and professional occupations. The Indian immigrants have largely been channeled through foreign temporary worker, family-based preference and student admission program. They represent the majority of beneficiaries of the H-1B program, and make up the second-largest group of international students at U.S. colleges and universities.

Indian Americans contributions as remittances:

By remitting large sums of money, by investment, by getting involved in trade or philanthropic projects, by transferring knowledge, by raising the country's income, by spending as tourists, or by bringing social change in the country or its bureaucracy.

The government of India, recently under the directions of the Prime Minister established a "High Level Committee" under the Chairmanship of Dr. L. M. Singhvi. The purpose was to study the difficulties, hopes and expectations of Indian Diasporas. Anjali Sahay (2009) discusses that since 1991, remittances to India is growing on a rapid scale making it to one of the largest recipients of remittances to talking about US \$ 27 billion by 2007. Remittances to India by NRI's have played an extremely important role in India's economic development at the microeconomic level. It helped India in solving its balance of payment crisis, carrying developmental work and servicing international debt. By studying its economy remittances accounts for a very small percent of India's GDP as compared to some other economic and fiscal indicators. In 2006, remittances represented 3.08 percent of its GDP. If we look at remittances in a relative perspective, its importance is understood with its relation to India's GDP and its expenditure on sectors like education and healthcare.

India and China which are the two countries with the largest global migrations, on a comparative study, it is observed that there is a substantial differences in remittance figures. In between 1992 and 2001, remittances to China was about one-eighth to those of India, and foreign direct investment (FDI) from Overseas Chinese Communities which were ten to twenty times more FDI from the Indian Diaspora. More skilled people and professionals, with sharp increase in the average earning of the migrants as the primary cause of increased remittances. There are various factors responsible for this increased remittance like the growth of informal channels of money transfer which proves less attractive by the exchange rate devaluations, by opening the capital account by reducing the in duty on the import of gold. These factors helped remittances flow through the official routes. The Indian Americans see the Indian economy as a emerging booming market with great potential which is the important factor in the increase in remittances they receive which contribute to the country's tax revenue and enable India to focus on developmental activities.

Foreign direct investment by Indian Americans

There are some regulations for Non-resident Indians (NRI's) and Persons of Indian Origin (PIO's). NRI's require prior approval of the RBI to invest in shares and debentures through the stock exchanges, they are granted for four years. NRI's and PIO'S are limited to 5 percent per individual and 10 percent of the paid-up value of the company for all NRI and PIO investments. They can set up business operations in India through joint ventures. In 1991 and 2003 only 4.2 percent of the total FDI as registered as diasporic FDI.

Real estate by Indian Americans

Indian Americans are like just any typical migrants who wants to do business in real estate. NRI and PIO's are basically banned from investing in companies that are engaged in the real estate with a motivate to earn profit or earning income from it. But they can buy real estate as natural persons. In 2005, with minimum capitalization of USD 10 million, the Indian real estate market was opened for the large scale foreign investment. They have also allowed USD 5 million for joint ventures with Indian partners.

Trading by Indian Americans:

The significance of foreign trade has potential for development and it generate revenue for the countries involved. Taxes on trade on trade in India is more than 15 percent of total revenue in 2007. Indian Diaspora in the US is not a merchant diaspora. It got entrepreneurs, which are more in the technology sector or hotel industry than in trade. It is believed to be low as Indian-Americans trading goods with Indian and affecting Indian exports.

Indian Americans helping in transferring skills, technology and circulating knowledge:

Indian Americans play a vital role in transferring some of their knowledge to their home country. They share their experiences with former college friends in India, they even act as mentors to young researchers, they attend various seminars, research conferences in their home country. They facilitate by inviting researchers to their country of residence for gaining sound knowledge. They attend seminars give lectures on the cutting-edge skills and knowledge. They bring innovation and technological knowledge by their expertise skills which accelerate the economic pace. The amount of increased knowledge by Indian diaspora in this sector lead to productive activities.

Increase in consumer goods by accelerated by Indian Americans

Indian Americans sizeable community prefers and consumes products from its home country which serves as link to maintain their culture and identity in foreign land. The increase in exports will enhances our economic growth. The Indian High-Level committee on the Indian Diaspora has reported that it found that Indian Diaspora has a consumption which creates demands for authentic goods.

Introduction of tax on Indian Americans

Indian Americans economist Jagadish Bhagawati proposed taxing on migrants as they were earning and India can be helped by its migrants income whose educational expenses India bore. This tax is offer referred as 'Bhagawati tax' Indian government does not include tax on its citizens who reside abroad. But if it ever laid such type of abroad tax it

can be helpful for its developmental activities. Some countries levy such taxes on its citizens like Libya, Switzerland and Eritrea. But in India there is no such mechanism or tax management to do it and it will be burden with high administrative costs and difficulties on enforcing. Basically it will discourage remittances and investments to India.

Philanthropy and giving of Indian Americans

Indian Americans are aware of the debt they owe to their motherland and its value systems which helped them rise fast in American society. They have gained the high quality of education in India virtually with no cost. These Indians are prominently contributing towards charitable causes in India, strongly motivated by a desire to give back something to India. They are emotionally attached to India and they want to build the image of India. Several donations to educational projects such as IIT's made by Silicon Valley Indians and its IIT alumni associations are very active in motivating the charitable causes. A professor of climate dynamics at George Mason, University of Virginia, Jagdish Shukla who said during the First Pravasi Bharatiya Divas meeting organized in New Delhi in January 2003 that he wanted to build a school in his village.

R. Gopa Kumar (2003) discusses how intellectuals organize various seminars on topics related current issues of India and they draw substantial interest. Indian Americans created a hassle free environment to encourage their philanthropic activities. To process the charitable donations, facilitate FDI, investment in trade and commerce, voluntary work, transfer of technology and know-how they wanted to create a nodal point. Several Indian Americans have a keen interest in participating and making a solid contribution to India's economic development. Kanwal Rekhi have founded The Indus Entrepreneurs or TiE, a non-profit professional network to facilitate entrepreneurship. Rekhi donated \$ 2 million to IIT- Bombay. K.B. Chandrasekhar have contributed to a centre at the Madras Institute of Technology. B.V. Jagdeesh who is a fellow co-founder have donated \$ 1 million towards schools. The culture of donating and being charitable is not very strong in India. Indian Americans community were exposed to the culture of giving in the US. They donate to establish as status symbol. They make charities but also disseminate information on social causes and calamities in India. The non-migrant co-workers and friends often contribute to philanthropic organizations for the development of their home country. The involvement of diaspora actors for charitable works can lead to greater contributions by their social and professional networks.

Creation of image of India by Indian diaspora

Indian Americans have the capability to create a positive image of India in US. As they are highly skilled migrants who earn respect for their country. This image of India is created by the diligent, hard work by the Overseas Indians to evade the general perception of India as poverty-stricken, snake-charming nation. Today it is known for technology, education, talent and world's largest democracy. The massive outsourcing boom that has taken place since the 1990's is also the emerging reason. By increasing the reputation of the source country, migrants can trigger trade and investments.

Political Advocacy and Lobbying by Indian Americans in US Congress

Indian Americans ability to mobilize and manipulate the political decisions in favour of India is visible these days. The political decisions play a vital role in accelerate the development pace in India. The ethnic interest groups in US have a significant impact on policy decisions by placing issues on policy agenda, providing information and analysis of policy. If Indian Americans advocacy groups could change some of those regimes, they can accelerate the economic development of India more than the remittances sent to India and direct investment. Political lobbying do have a greater role to play in development context. The social and professional standing of Indians Americans and their awareness of political influence led to the establishment of the Congressional Caucus on India and Indian Americans in 1993 and the US Senate's Friends of India in 2004. In 2008-09, there were 152 members of Indian Americans out of that 107 belonged to the Democratic Party and 45 to the Republican Party. In Senate's informal groups, Friends of India accounts for more than a third of all the Senators. The Specialized professional associations like the Asian Americans Hotel Owners Association and the Indus-Entrepreneur and other organizations like Global Organization of People of Indian Origin are active in community advocacy. In 1980 National Federation of Indian-American Association (NFIA) established to fore-front the activities of US-India relations by organizing Congressional lunches, White House briefing, lobbying for better US-India relationship.

Indian Americans emerged as affluent, political powerhouse in US politics and they are interested in India. It is their lobbying efforts by the Indian Americans in the US helped in signing the US-India Nuclear Agreement in 2007. Nuclear Energy can solve the power deficiency in India which directly connected to poverty and unemployment. The increase in the power supply will improve living conditions in rural areas. With the more stable energy the production capacities of small and middle-sized enterprises will increase their production and supply with increase in power supply. The US signing the Nuclear Agreement displayed trust in India's democracy and with an intention to make a long term friendship with India. India has reached a more mature, more advanced and developed position. Lobbying by the Indian Americans community have a strong development and growth effects in India. It is the sincere efforts of Indian Americans who with their economic impact helped in the removal of US sanctions on India after its nuclear tests in 1998. The Indian Caucus established India's point and lobbying helped India by explaining US about India's point of view and led to the removal of the sanctions. A strong Indian American lobby and with corporate ranks in US companies having a powerful position and acting against these "anti-outsourcing bills" which introduced in Missouri, Kansas, New Jersey, and Colorado to 'protect American jobs'

Outsourcing and having their Start Ups

Many Indians Americans like engineers and entrepreneurs returned India to own their start up companies. According to a study conducted in University of California at Berkeley, over half of Indian- born IT professionals would consider to pen their own company as they company in india as they have gained a huge knowledge working in us and also

acquired a lot of finance. They consider India as high quality and low cost country compared to US which is technologically advanced. But whatever knowledge and experience they gain in US they want to share in India. Our twin cities of India, both Bangalore and Hyderabad acts as start up in IT projects. As outsourcing of work by many multinational companies based in Us are shifting their cutting edge product to many cities in India as various products are designed by high-tech engineers

Engaging in Tourism

Indian government efforts in making India as most favored tourist destinations is drawing many migrants to come and pay a visit to their home country. Tourism is a major source of income and its shaping into a brand new industry. Indian Americans who constantly pay visit to India contribute to its economic growth. In 2008 the foreign exchange earning from tourism were USD 11.75 billion in India. This concept of attracting diaspora for tours and travel is called 'ethnic tourism'. The government of India hoping to reap its economic benefits by increasing ethnic tourism in India. The Indian government want to take the help of potential ethnic Indians like the ethnic Gujarati hotel owners in the US in facilitating tourism to India. Ethnic tourism contributes to GDP of India but efforts needed to develop to study how certain communities will be affected by tourisms.

Indian Americans dealing with Bureaucracy

The governance of India will be improved when diaspora actors interact and give their valuable suggestion. They came from different standards of governance of their residence, Indian Americans does want to feel inclines to deal with corruption and red tappism. They may inspire the Indian government to sensitize towards certain development ideas, through to tell the government what is right and what the government should do is not appreciate. The return of a Chicago-based entrepreneur, Sam Pitroda who acted as advisor to the then Prime Minister, Rajiv Gandhi and he suggested reforms in the Indian Telecommunication sector. Till 2005 to 2008 he headed the Indian National Knowledge Commission. In 2009, the Prime Minister established a Global Advisory Council of Overseas Indians where they can share their experience and knowledge for the socio-economic development of India in that platform.

The expert knowledge of Indian diaspora on administration and its process can be used to solving the local, state, and central government problems. In 2008 and 2010 Pravasi Bharatiya Divas, Delhi Chief Minister Shelia Dixit requested the Overseas Indian Community to clean Yamuna, which is becoming highly polluted river, they can help providing their sound technical expertise and advice

Promoting social change by Indian Americans

Social remittances is a new phenomenon coined by Levitt to explain about the forms of cultural diffusion. It is described as a set of ideas, behaviors, identities and social capital that flows from host to home countries. It speaks about the social change through ideas and influences from diasporic actors and returnees, through transnational political activism, migrants seeks to establish beneficial institutional practices, civil rights and other values which they learned from the country of residence in home country's national and local politics. The term 'social remittances' connotes about the way change happens in society. It is a complex issue, not

easily understood like simple money transfer as it speaks of interactions. Indian America Charity Organizations, such as Indian American Foundation or the Association for India's Development are involved in programmes on family planning and health etc by bringing a positive change to the country of origin.

NRI Bank Deposits and their Investment

The Indian Government introduced NRI deposits in February 1970. A foreign currency denominated deposit facility like Foreign Currency Nonresident Account (FCNRA), was initiated in November 1975. Later FCNRA accounts became an attractive source of funding for the banks as RBI assumes the exchange rate risk. Indians Americans take calculative decisions where they get profit and they see potential.

Government of India efforts to create new ministry for diaspora

Of late, India has recognized the importance of its diaspora. It has established a ministry specifically for Indians abroad: the Ministry of Overseas Indian Affairs (MOIA) especially its functional division called Diaspora Services Division which is now kept under a cabinet minister. In year 2004 these institutional mechanism were created to deal with matters related to overseas Indians, comprising Persons of Indian Origin (PIOs), Overseas Citizens of India (OCI), Non-Resident Indians (NRIs) and overseas Indians who are not PIOs, OCIs or NRIs. Many members of the Indian diaspora have deep, positive and multifaceted forms of engagement with India.

Alam (2012) Indian immigrants have average education and professional backgrounds. It is relatively easier for the Asian Indians to find employment and improve their economic profile in the US. The diaspora, especially in the United States is highly organised with many regional and pan Indian cultural, professional, religious and charity organizations. In recent years, Indian have demonstrated their increasing political influence with the election of Louisiana Governor Bobby Jindal, South Carolina Governor Nikki Harley, New York Attorney General Preet Bharara and the formation of the India Caucus in both the Congress and the Senate. The government of India has taken many initiatives and programs to encourage and amplify the diasporic contributions.

With continuing migration of human capital to the United States on one hand, and reaping the benefit of its manpower on the other, the Indian diaspora plays a significant role in bridging India and the United States, impacting the bilateral relationship between them. The Indian "Silicon Valley experience" has initiated far-reaching transformations of the relationship between immigration, trade, and economic development. Earlier the main economic ties between immigrants and their home countries were remittances sent to families left behind, today more and more U.S. trained skilled immigrants eventually return home. The direct and indirect lobbying efforts of this group have resulted in political benefits for India, first during the Clinton years and Bush administration and now Obama's period.

Indian government efforts in tapping its diaspora for its progress

Engagement with overseas diaspora has become new major element of India's dynamic foreign policy under Prime Minister Narendra Modi. He has injected a new passion and he sees diaspora as asset to India's development and promoting national interests. Explaining Modi's popularity with the diaspora, Ronak Desai argues that Modi has effectively branded himself as a new kind of leader capable of eradicating byzantine bureaucracies, endemic corruption and abject poverty. The Modi government's enthusiasm for diaspora saw the transformation of the annual gathering of the Indian diaspora into a special affair when the 13th Pravasi Bharati Divas (PBD) was held in Modi's home state, Gujarat, in January 2015.

Since he has become the Prime Minister, Modi has offered a more comprehensive framework for reconnecting with the diaspora. Modi has affirmed that India is proud of the diaspora's achievements around the world. Relaxing the visa norms for the overseas communities, improving physical connectivity and the ease of doing business in India have been the policy consequences of Modi's more intensive outreach to the diaspora. The Prime Minister seems to have recognized the possibilities of going beyond borders, working towards building a "global nation".

Shri Modi addressed Indian diaspora across U.S. by calling them, "umbrella organisation". He stressed Indian diaspora the importance to remain connected with India and carry on various activities. He appealed diaspora who has gone to Mauritius and West Indies as laborers but still remained connected India with a couplet of the Ramayana. This love and adoration for India will remain forever and the feeling of generosity of Indian diaspora may be useful for development and progress of India.

Modi stressed that every year he meets 12-15 delegates who visit India with some project or another. Diaspora are engaged in doing some health camp, educational activity at different places in their tour to India. It is good to observe that American born children of Indian origin of 18-20 year old are spending their time in serving poor and villagers of India and they nearly stay in India for one year. He congratulated to all such youth who contributed their precious time in creating new bond with India. According to Zhiqun Zhu (2007), discussed that India should consider to establish some 20 special economic zones to attract more foreign direct investment and to promote export.

Research Methodology

This study is particularly based on descriptive method substantiated both qualitative and quantitative method of enquiry. This research is based on the secondary sources which include the official documents, government documents and annual reports, parliamentary debates, censuses reports of the High Level Committee on the Indian Diaspora (HLCID). This study pay attention to the highly skilled individuals. As these people plays the role of decision-makers situating in high position which are believed to be of particular significance to development – related activities in India. This research also followed the comparative method which helped in drawing parallel with India and China.

The qualitative method is based on the secondary sources which include the available books, original articles, journals, research papers, academic papers will be

incorporated to determine the exploring the role of Indian American in shaping and building new India and their spontaneous role in Indo-US relations. The study is an attempt at describing the concept of diaspora, how it helps in bringing two successful democracies together and making Indian Diaspora as accessible source in development in India.

Conclusions

Indian Americans with their affluence, hard work and dedications are creating a brand new India's image abroad and willing to extend their helping hand to build India and accelerating its development needs. By changing the age old concept of Brain-drain to knowledge circulation or brain circulation and by remitting the huge amount of USD to solve the balance of payment crises. By sending remittances they are making some villages rich and help in furnishes in providing help in building infrastructure like hospitals, schools, religious institutions. As a skilled migrants residing in US the are lobbying for suitable bills for India's welfare as they are in favorable position in IT, education and health. The Prime Minister Modi always call for help to Indian Diaspora to invest in India like Make in India concept and government is doing its best to attract its diaspora for its development. It has started its Make in India concept. By Aadhaar and GST like policies government is doing favorable changes. The Indian government on the other hand should create an environment for location, investment, choice of technology, production. Indian government should facilitate the Indian diaspora problems by adopting a liberal attitude and reducing corrupt practices, bureaucratic hurdles in their ways.

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