

# An Analysis of the Economic and Cultural Impact of the Indian Diaspora

Chetan Kumar

Research Scholar, Department of Political Science, Patna University, Patna

**Abstract:** India has a long history of migration throughout the globe. An estimated 18 million Indians reside overseas, making up one of the largest diasporas in the world. Countries like The United States of America, the UAE, Malaysia, Myanmar, the United Kingdom, Sri Lanka, South Africa, Saudi Arabia, Canada, etc. host the Indian diaspora. Indian diaspora significantly contributes to the country's increased global connectivity. With the movement of people across borders culture, ideas, and tradition also flows. Further, the Indian diaspora economically influences the nation. The Indian diaspora impacts the native nation in varied ways, but its economic and cultural impacts are more significant. Therefore, in addition to being important economically, it is also fundamental for its cultural remittances which reflect the country's soft power tool. The research paper seeks to analyse the economic and cultural benefits of the Indian diaspora for India. The research study also examines the concept of the Indian diaspora and illuminates the reasons leading to the Indian diaspora.

**Keywords:** Cultural, Diaspora, Economy, India, Migration, Remittances

## 1. Introduction

The phenomenon of migration has been prevalent for centuries. To understand human history the history of migration is essential. Migration can be referred as an act of an individual, family, or group of people moving to a new place permanently or partially. It can be voluntary or involuntary, internal or international, permanent or temporary, regular or irregular. The modern period saw an enormous increase in international migration. Due to the rise in international migration, the modern age is recognized as the "Age of Migration." According to the IOM

(International Organisation of Migration) International migration is the "movement of persons who leave their country of origin, or the country of habitual residence, to establish themselves either permanently or temporarily in another country." Transnational migration benefits both sending and receiving nations as it leads to the transfer of not only human beings but also ideas, new talents, and technological know-how. Varied factors encourage migration including economic (better job opportunities), political (internal conflicts, war, change in national boundaries), and social (genocide, human trafficking, human rights violation, religion Ostracization) factors. Individuals carry a plethora of additional social, economic, and cultural changes when they move from their native place to another place.

The notion of Diaspora is closely related to the idea of international migration. The concept of Diaspora has gained more traction in the globalized world however it has been in practice since the advent of humankind on the earth. The terms migration, emigration, and diaspora are interrelated and often used interchangeably. IOM World Migration Report defines Diaspora as "migrants or descendants of migrants whose identity and sense of belonging have been shaped by their migration experience and background" (IOM Glossary on Migration 2019).

Diasporas are often referred to as emigrant or transnational groups. It is also used as another word for scatter to describe

the scattering of people from their native place to another location. Countries like India, Mexico, Russia, China, Bangladesh, Syria, Pakistan, Philippines, Ukraine, Africa, etc. are listed under the world's largest diaspora. Diaspora is characterized by migration (forced or voluntary), memory of ancestral home, connection to a native country, strong group consciousness, and a sense of kinship with the receiving country. It is significant from the cultural, political, economic, and social point of view. Diasporas lead to cultural exchange, economic growth, change in political processes, increase in social networking, innovation & professionalism, a sense of belongingness, and interconnectedness.

### 1.1 Conceptual Framework

Diaspora implies individuals scattered around the world outside their native place. They permanently settled in other countries yet feel connected to their home country. The 'Diaspora' terminology has been derived from the Greek word 'Diaspeiro'. 'Diaspeiro' is composed of two terms 'dia' and 'speiro' which stand for over and to sow respectively meaning 'to sow over'. According to Greeks, the term means migration and colonization. In Hebrew language, the term means 'Galut'. Hebrews used this terminology to refer to people who have settled away from their ancestral homelands. Originally, it referred to the setting of Jewish colonies outside of Palestine following the fall of Babylon. Until the 1960s, the term was used to describe the historical Jewish diaspora. The concept of diaspora began to be used in a more general form in the late 1960s particularly to represent the African dispersal. The idea of the diaspora attracted a lot of attention during World War II (1938–1945), which led to a rise in migration. In the late 1980s and early 1990s, the study of diaspora started to gain popularity. According to Walker Connor, diaspora is the "segment of a people living outside the homeland".

Safran defines diaspora as the individuals or their ancestors dispersed from an original "center" to peripheral, or foreign regions. They feel somewhat isolated and estranged from their previous homeland because they think their host community will never accept them, nonetheless, they hold

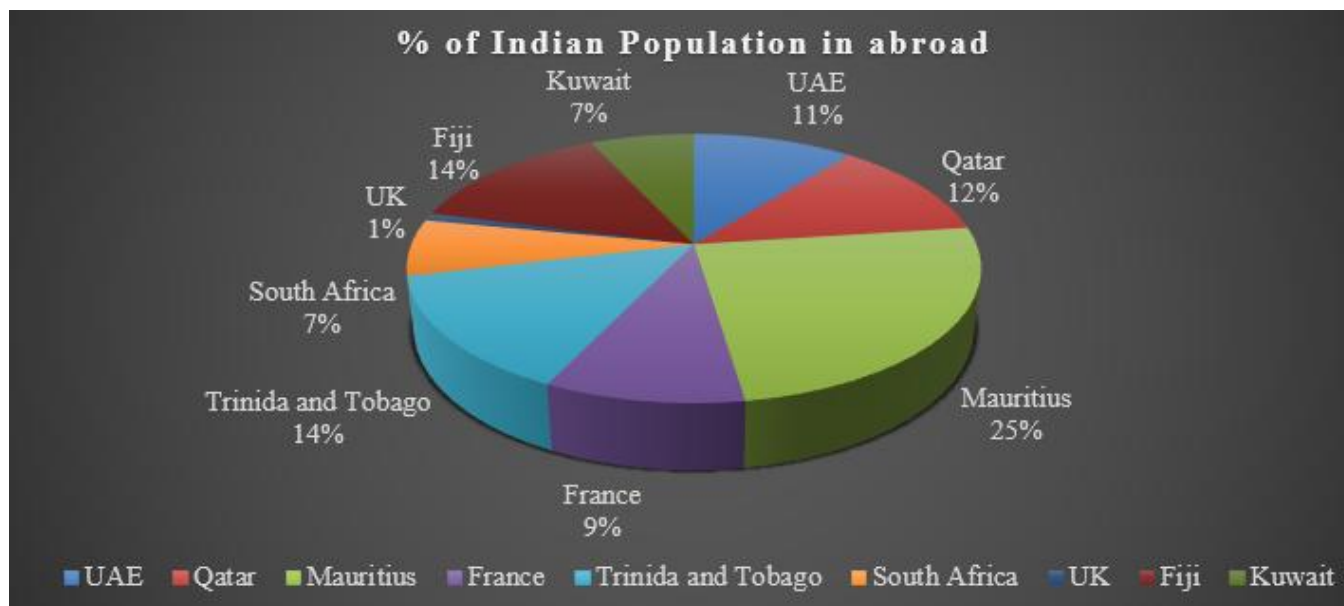
onto a communal memory, vision, or myth about it. Therefore, they regard their ancestral homeland as their true, ideal home and wish to return in case the conditions become normal. They believe they should, collectively, be committed to maintaining or restoring their original homeland. They still maintain personal ties to their ancestral homeland, and this bond plays a significant role in defining their ethno-communal awareness and solidarity.

For Stuart Hall diaspora stands for “scattering and dispersal of people who will never literally be able to return to the places from which they came; who have to make some difficult settlement with the new, often oppressive cultures with which they were forced into contact, and who have succeeded in remaking themselves and fashioning new kinds of cultural identity by, consciously or unconsciously, drawing on more than one cultural repertoire”. Cohen defines diaspora as “transnational bonds of co-responsibility even where historically exclusive territorial claims are not strongly articulated.”

## 1.2 Overview

**“Indian diaspora are the brand ambassadors of India. You all are 'Rashtradruts'. Your role as India's brand ambassador is diverse. You are a brand ambassador of Make in India, Yoga, Handicraft industry, and at the same time of India's millets.”** - Prime Minister Narendra Modi (17<sup>th</sup> Pravasi Bhartiya Divas)

India has the highest number of nationals residing abroad. In the Indian context, diaspora can be defined as communities of migrants who originally belonged to India but settled in a foreign country temporarily or permanently for various reasons. The regional social structures and shared cultural heritage of the migrants and emigrants have been the source of the Indian diaspora. Indian populations are scattered around the world because they decided to go to particular countries. Non-resident Indians (NRIs), and Overseas Citizens of India (OCI) can be categorised under Indian Diaspora.



**Figure 1:** Pie Chart depicting % of India's population abroad  
Source: NRIOL, Statics of Indians abroad

The history of the Indian Diaspora is divided into three phases: i) The first phase is the pre-colonial phase. This was the phase when Indian merchants established contacts with the Middle East, Northern Africa, Eastern Africa, South East, etc. Most traders moved to Southeast Asia like Malaya, Sumatra, Java, etc.; ii) the second phase is the colonial phase. India witnessed a massive diaspora in the 19<sup>th</sup> and 20<sup>th</sup> centuries. During the colonial period, Indian soldiers migrated to different British colonies to participate in numerous wars. Besides the Britishers recruited labour under the indenture program to various plantations in their different colonies; iii) the third stream of the Indian diaspora occurred in the post-colonial period. A series of emigration took place after India's independence in 1947. Indian laborers, and professionals migrated to other countries for job opportunities and better living standards. The introduction of LPG (Liberalisation, Privatisation, and Globalisation) in 1991 boosted emigration. People emigrated to countries like the USA, Australia, Canada, the United Kingdom, New Zealand, etc in search of better living conditions and career

opportunities. Besides oil blooms in Gulf countries attracted many skilled and semi-skilled workers from India. Altogether, the diverse communities of Indian origin or Indian nationals living abroad constitute the vast Indian diaspora.

The diaspora makes significant contributions to the home countries in the form of social remittances, technology transfers, information or knowledge exchanges, democratic values transmission, etc. It helps in the development of nation-building in countries. Indian Diaspora has gained widespread recognition in political discourse. Since 2003, every year India is celebrating Pravasi Bharatiya Divas to honour the diaspora's contribution to the country's development. From 2015 Pravasi Bharatiya Divas is celebrated once in two years. Recently it was celebrated in January 2024 on the theme “Diaspora: Reliable Partners for India's Progress in Amrit Kaal.”

The current study “An Analysis of the Economic and Cultural Impact of the Indian Diaspora” elaborately discusses the concept of Diaspora. The research article gives a clear understanding of the Indian diaspora. Further, the research article focuses on the economic and cultural implications of the Indian Diaspora on the country.

## 2. Literature Review

The journal article “**Diaspora Migration: Definitional Ambiguities and a Theoretical Paradigm**” authored by **J. Shuval** deals with the theoretical framework of diaspora migration. It mainly focuses on the distinction between diaspora migration and other forms of migration and the social and political functions of the diaspora.

“**Indian diaspora music and identity continuities and changes in the Indo - Caribbean music**” the Doctoral thesis of **A. K. Sahoo** delves into the cultural practices of the Indian diaspora and the socio - cultural legacy of music in the Indo - Caribbean community.

## 3. Objectives

The research paper delves into certain objectives to carry out this research.

- 1) To study the concept of Indian diaspora.
- 2) To trace the causes responsible for the Indian diaspora.
- 3) To examine the challenges concerning the Indian diaspora.
- 4) To analyse the economic and cultural impact of the Indian diaspora on the native nation.

## 4. Methodology

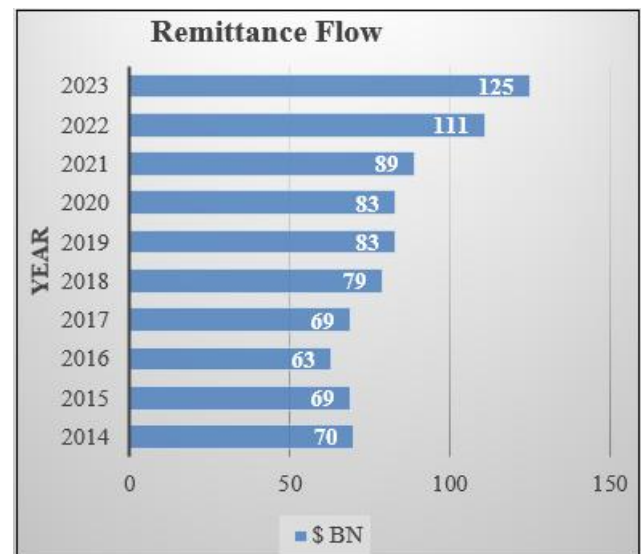
To accomplish the objectives of the research paper descriptive, qualitative, and analytical methods have been used. Descriptive and qualitative methodologies have been used to explain the notion of the Indian diaspora and examine the issues concerning the Indian diaspora. Through analytical methodology, efforts have been made to analyse the economic and cultural impact of the Indian diaspora.

For the collection of information both primary and secondary sources have been employed. Under primary sources, information has been gathered through government sites, and under secondary sources books, magazines, websites, doctoral theses, journals, etc. have been referred.

## 5. Indian Diaspora: Economic and Cultural Impact

The number of Indians living abroad has grown, and they are becoming more widely acknowledged for their special contributions to their host nations as trained and semi - skilled labourers. The Diaspora plays a very crucial role in the development of India. the diasporic population continues to increase India’s capacity for potential growth in various ways. The liberalisation facilitated closer ties between India and the emigrants. Even though the diaspora has a wide range of effects on India, its contribution to the country's economy and culture is noteworthy.

The **economic** contribution of the Indian diaspora can be calculated in terms of remittances from the emigrants. Indian diaspora plays an indispensable role in elevating its economy. The flow of remittances helps the NRI families have better living standards, education facilities, etc., and strengthens India’s economy. Figure 2 depicts the increase in remittances from 2014.



**Figure 2:** India’s Remittance Flow

Source: World Bank Report

India is the top recipient of remittances from its global diaspora which has grown in the past decades. In 2023 India records the remittance of \$125bn which exceeded the GDP of about 116 countries. Remittances for the year 2023 make up about 3.4% of the Gross Domestic Product (GDP) of the country. The United States, United Kingdom, and Singapore are the source countries of 36% of all remittances, which are made up of high - skilled migrants. UAE accounts for 18% of all remittances to India, making it the second - largest source after the United States. Moreover, the Indian states Kerala, Maharashtra, Tamil Nadu, and Karnataka account for 55% of the remittances. The remittances are invested in numerous sectors of the Indian economy e. g. i) improving household income, healthcare facilities, and educational institutions, ii) enhancing foreign exchange reserves that stabilise the economy and protect the country from global financial fluctuation, iii) enhancing investment opportunities within India—increased investment results in growth in the stock market, real estate, and business endeavours. The remittances promote the society's development by reducing poverty and advancing economic mobility. Since remittances are a significant portion of foreign exchange compared to other sources and indirectly support governmental finances, they significantly aid country rankings and debt repayment capabilities. By creating new markets and opportunities, the Indian diaspora aids in facilitating trade between India and the nations where they are living. Indian items are consumed by diaspora groups, who also introduce them to their abroad counterparts. Professionals from the Indian diaspora can assist innovation, technology development, and entrepreneurship in India by investing in companies or returning to the nation with their skills and experience.



Regarding **culture**, the diaspora of Indians upholds and advances Indian culture outside, impacting international markets for Indian products, Bollywood films, Indian food, fashion, and tourism. The Indian diaspora shapes the cultural exchanges between India and the world. Indian communities residing abroad seek to preserve and promote their culture, languages, traditions, and religious practices. They keep alive their traditions, culture, and religious practices by celebrating religious festivals, and family traditions like Holi, Diwali, Navratri, Durga puja etc. For instance, Indonesia every year organises Ramlila. They endeavour to promote their regional literature by teaching their children Indian languages or establishing language schools. Foreign countries like Fiji have recognised Hindi as their official language. The diaspora communities preserve their religion by founding their religious shrines such as temples, mosques, gurudwaras, churches, etc. The diaspora of Indians has played a significant role in the globalisation of Indian food. Curry and biryani have become international favourites because of the Indian restaurants and food businesses operated by the Indian diaspora. Further, the diaspora has significantly contributed in the popularisation of Bollywood music, films, and dance forms. Bollywood events, music concerts, and dance performances are often organised abroad. In addition, the Indian diaspora has contributed to the fusion of Indian culture with regional practices and traditions in the nations where they have settled, giving rise to hybrid forms of cultural expression like Indian - American and British - Indian identities. These identities combine aspects of the local and Indian cultures in everyday life, fashion, and food. Indian and Western fashions have also been combined. For example, saris have been updated and included in international fashion collections. Indian cultural centers have been developed by expatriate organisations and embassies abroad to promote Indian literature, dance, music, art, and yoga. This helps to both conserve Indian culture outside and introduce the rich cultural legacy of India to non - Indians. Various diaspora organisations have been formed that work together to maintain and promote Indian culture overseas. These diaspora organisations like religious institutions, cultural organisations, language associations, and many others organise cultural programs, and celebrate festivals advancing a sense of cultural and community identity. India is becoming more popular as a tourism destination due to the diaspora's promotion of Indian culture worldwide. By exhibiting its cultural legacy internationally, the Indian diaspora strengthens India's soft power. Diaspora tourism solidifies their connection to Indian culture and boosts tourism and cultural exchange.

## 6. Findings

Through the study, it has been found that the diaspora has a substantial impact on the economy and cultural domain of the nation. The economic and cultural remittances brought by the Indian diaspora infuse a hope for a better financial and cultural future. It benefits India by paving its way to becoming a strong power both in economic and cultural domains. The research article revealed that the Indian diaspora acts as a cultural ambassador, preserving, promoting, and adapting Indian culture worldwide.

## 7. Conclusion

The diaspora communities always bring benefits to their native country. The role of the Indian diaspora is vital in shaping future policy. The Indian diaspora spread worldwide immensely benefits India in many aspects, particularly regarding remittances and culture. Diaspora people contribute to their home nations' development by increasing productivity and physical capital, which in turn helps to raise living standards, create jobs, and promote higher growth. Indian diaspora is an essential economic and cultural bridge between India and the global economy and culture. Their direct and indirect contributions play a pivotal role in shaping India's future in the economic and cultural sector and its standing at the international level. Conclusively, it can be said that a prospering, affluent, and politically potent diaspora is an asset to India.

## References

### Journals

- [1] Choudhari, N. B. & Dharmadhikari, J. L. (2021). INDIAN DIASPORA: TRACING ROOTS AND PHASES. EPRA International Journal of Multidisciplinary Research (IJMR).7 (12), pp.284 - 288.
- [2] Gautam, M. K. (2013). Indian Diaspora: Ethnicity and Diasporic Identity. CARIM - India RR 2013/29, Robert Schuman Centre for Advanced Studies, European University Institute.
- [3] Kafle, H. R. (2010). Diaspora Studies: Roots and Critical Dimensions. Bodhi An Interdisciplinary Journal.4 (1), pp.136 - 149.
- [4] Shuval, J. T. (2000). Diaspora Migration: Definitional Ambiguities and a Theoretical Paradigm. International Migration.38 (5), pp.41 - 57.
- [5] Varma, N. S. (2020). INDIAN DIASPORA: ANALYSIS OF ITS ADVANTAGE TO THE HOME COUNTRY AND TO THE WORLD. International Review of Business and Economics. pp.433 - 439.

### Webliography:

- [6] Amin, R. (2024, July 05). Indian Diaspora Sends Home \$100 Billion in Remittances. Retrieved from <https://www.vance.tech/blog/indian-diaspora-sends-home-100-billion-inremittances#:~:text=In%20fiscal%20year%202023%2D24,sent%20back%20home%20to%20India.>
- [7] Concepts of Migration and Diaspora. Retrieved from <https://egyankosh.ac.in/bitstream/123456789/97026/1/Unit-1.pdf> on 10th September 2024.
- [8] Diaspora. National Geographic Education. Retrieved from <https://education.nationalgeographic.org/resource/diaspora/> on 8<sup>th</sup> September 2024.
- [9] Diaspora. Retrieved from <https://pesd.princeton.edu/node/256> on 21st September 2024.
- [10] Indian Diaspora. Lok Sabha Secretariat. Parliamentary and Reference, Research, Documentation and Information Service (LARRDIS). Reference Note No.19/RN/Ref./2013.
- [11] Migration & Development. Retrieved from <https://www.migrationdataportal.org/themes/diasporas#:~:text=It%20has%20long%20been%20understood,>

a%20solution%20to%20brain%20drain on 8<sup>th</sup> September 2024.

- [12] Powell, N. & Thaxton, C. (2023, November 21). Diaspora I Definition, History & Examples. Retrieved from <https://study.com/academy/lesson/what-is-diaspora-definition-meaning.html>.
- [13] Sahoo, A. K. (2022). Indian diaspora music and identity continuities and changes in the Indo Caribbean music. [Doctoral thesis, University of Hyderabad]. Centre for the Study of Indian Diaspora. <http://hdl.handle.net/10603/522743>.
- [14] (2023, January 09). PM's speech at 17<sup>th</sup> Pravasi Bhartiya Divas Convention in Indore, Madhya Pradesh. PM INDIA.

## Author Profile



**Chetan Kumar** pursued a B. A. (Hons) degree in Political Science from Bindeshwar Singh College, Magadh University in 2016 and an M. A. degree in Political Science from Patna University in 2018. At present, he is pursuing a Ph. D. from the Department of Political Science, at Patna University, Patna.