

The Role of Diaspora in Strengthening Relations between Host and Home Country.(A Case Study of Indian Diaspora in UAE)

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Abstract

Migration is the human face of globalization, and Diasporas are the human links between countries. According to United Nation Report the global stock of migrants as of 2015 is 244 million persons which have more than doubled within the last three decades. The Survey conducted by UN department of economic and social affairs reveals that India has the largest Diaspora population in the world. There are large numbers of Indians living and working outside India and playing important role in India's Economic Development as well as host country. The Indian Diaspora covers practically every region of the world.

This paper explores the role of UAE's Indian Diaspora in economic development of both India and UAE and how it is acting like a bridge between both countries flourishing relations .UAE and India are one of each other's largest trading partners. The large Indian Community members from a tea vendor to Business Tycoon, Indians have registered their presence in every sector in the UAE. This paper also highlights the current welfare schemes of Indian Government for Indian Diaspora, major problems facing by Indians in UAE and suggestive measures to overcome these problems.

Keywords: Indian Diaspora, Diaspora & Development, India UAE Relations, Migration, Remittance

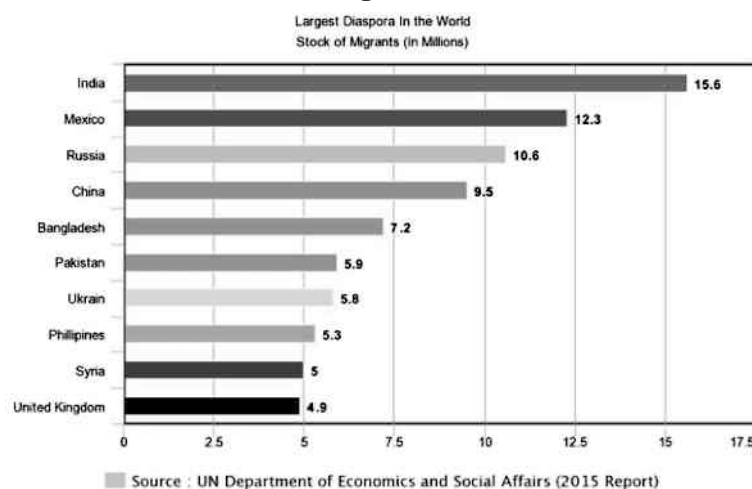
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Introduction

“Diaspora” is derived from the Greek that means “scattering” and refers to the dispersion of members of an ethnic group from their country of origin. The dispersion or spread of any people from their country of origin.

The Indian Diaspora is one of the largest Diaspora in the world. More than 15 million Indians are living and working outside the Indian Territory. The Indian Diaspora covers NRIs (Indian Citizen not residing in India) and PIOs (Person of Indian Origin)

Figure 1



Indian Diaspora has spread across all continents of the world. Many Indian have attained high ranks and positions in host countries some of them got positions in host countries administration and ministries such as governors, mayors, chief ministers, prime ministers and president.

The Indian Diaspora is representing India and in each and every field and in every part of the world. Its economic impact can be seen in enhancing investment, foreign money reserves, industrial development and international trade.

Migration from poorer to wealthier nations has been an old practice since long, after the globalization and development of ICT (Information and Communication Technology) this practice has been increased. Migration not only beneficial for countries of origin and destination, as well as to migrants and their families. It can hugely beneficial multiplier effects for both host and home countries business, investment, diplomatic relations and cultural exchange. India is widely known as a knowledge economy and from a migration point of view; India has advantages of being an open society, democratic, secular, English speaking and with a strong pool of skilled and trained human resources. India's vast Diaspora remits billions of dollars every year.

There is long history of Indians in UAE but Indian Migration to UAE increased after oil boom in 1970. The Indian Community in UAE is increasing year by year. According to Ministry of Overseas Indian Affairs in 2016 there are 2.8 Millions Indians are living in UAE. More than 30% of the population of UAE comprises of Indian's mainly from South Indian States like Kerala, Karnatka, Andhra Pradesh and Tamilnadu etc. Apart from the Indian Professionals and Blue Collar Workers, Many Indians have established their own enterprises in UAE. Some UAE based Indian Business Tycoons includes Mickey Jagtiani of Landmark Group, Yousuf Ali of EMKE Group, Chhabria Family of Jumbo Group, Ravi Pillai of Ravi Pillai Group, Sunny Varkey of GEMS Education, Tony Jashnmal of the Jashnmal Group

and Joy Alukas of Joyalukas Jewellery. Under such scenario this study on Indian Diaspora's role in economic development of host and home country and their contribution in strengthening Indo-UAE relations is an attempt to trace the hard realities regarding Indians who resides in UAE.

Review of Literature

Some of the relevant literature has been reviewed to get some evidence and ideas regarding the study.

Ranjit Gupta (2013) in his article "India and the Gulf: Looking beyond Energy, Islam and the Diaspora" indicated towards Close interaction between the peoples of India and of the Gulf region. Factors such as bilateral trade, gas and oil interdependency, remittances and the huge Indian passport holding Diaspora living and working in these countries, makes GCC countries India's leading socio-economic partner in the world. The political and diplomatic relationship is becoming stronger by the day. Overall, it is a relationship of increasing mutual symbiotic advantage and synergy and increasingly significant strategically for both sides.

Kathleen Newland and Sonia Plaza (2013), highlighted the role of diaspora in their study "What We Know about Diaspas and Economic Development" and affirms that diaspora play an important role in the economic development of their host and home countries. Authors provided the evidences of diaspora's contribution in trade, investment and technology transfer between host and home countries. They also recommended that sound methodologies for mapping the diaspora and preparing "diaspora profile" in order to understand the socioeconomic and demographic characteristics of diaspora, their attitude, and possible areas of interest for collaboration.

Neha Vora (2013) the purpose of this study "Impossible Citizens: Dubai's Indian Diaspora" to analyze the role of

Indian migrant worker in Dubai and focus on reason behind migration, kafala system, remittance and investment made by them. Also tells that India Diaspora do not have political influence in Dubai.

Neha Vora examines how Indians living in Dubai, where they are formally excluded from citizenship, create other forms of belonging through relationships with various communities - including Indians of other classes, other South Asians, and Emiratis - as well as particular spaces within the city-state. This book makes a strong argument with both theoretical and empirical significance that Indians are integral to the legitimacy of the Emirati state.

Karayil, Sajitha Beevi (2007) this article "Does Migration Matter in Trade? A Study of India's Exports to the GCC Countries" examines India's exports to the Gulf Cooperation Council (GCC) countries with a special focus on the influence of migration.

In order to explain the growing orientation of India's exports towards the Gulf countries, here analyze the demand pattern of GCC as represented by its import structure. The GCC countries' import structure reveals the influence of the Indian Diaspora and the possible migration-trade link. The hypothesis of migration-trade nexus is further verified using a longitudinal gravity-type model. The econometric evidence also illustrates the strong immigrant preference effect for their home-country products. Thus, the preference similarity mechanism is seen to work in the India-GCC context despite the violation of its crucial assumption of income similarity. Overall, the study brings out the importance of migrant population as a unique source of advantage for India's exports to the region.

Human Watch Reports (2006) the study conducted by Human Rights Watch reported that the migrant construction workers in UAE are facing abusive conditions and exploitation by employers. The report highlighted the scene behind the UAE's luxury life style, glittering skyline of high rise buildings. Report draws the attention of world towards exploitation of migrant workers in UAE especially from South Asia. Extremely low wages, worst living and working conditions, illegal retention of workers passport, health care etc. are the main problems of migrant workers in UAE. Report explored that UAE's labor law provides penalties for such violation of labor law but unfortunately Govt. has not

taken serious steps to stop these kinds of activities in emirate. Report recommended some solutions to the Govt. of UAE as well as Governments of South Asian Countries. Report urged UAE's Ministry of Labor to fully implement its labor laws and to hold violators fully accountable under its laws. Report appealed south Asian countries like India, Pakistan, Bangladesh and Sri Lanka to interfere in their worker's matter whenever necessary. They should provide their nationals with guidance, translators and legal assistance to pursue their complaints with UAE authorities.

The Main Objectives of This Study are:-

1. To identify the role of UAE's Indian Diaspora in economic development of India.
2. To identify the role of UAE's Indian Diaspora in economic development of UAE.
3. To examine the contribution of UAE's Indian Diaspora in enhancing Indo-UAE relations.
4. To study the current welfare schemes of Indian Government for Indian Diaspora.
5. To identify the problems of Indian Diaspora in UAE and to give suggestive measures.

Role of UAE's Indian Diaspora in India's Economic Development

Indians in UAE are taking part in India's growth both directly and indirectly. By sending remittance to India and doing investment in India and also by creating demand for Indian goods in UAE.

Remittance

India is the world's leading receiver of remittances, claiming more than 12% of the world's remittances. Remittances to India stood at \$68.91 billion in 2015, accounts for over 4% of the country's GDP. India received USD 13745 million from UAE's Indian Diaspora, 19% of total remittance received approximately. Table No. 1 clearly shows that India is receiving big part of its remittance from UAE's Indian Diaspora. Remittance to India from UAE, not only beneficial for the sender's family but also it has proven a great tool in correcting India's CAD (Current Account Deficit) and increasing foreign exchange reserves of India.

Table 1
Top 5 Remittance Inflows for India (USD Million)

Countries	2010	2011	2012	2013	2014	2015
UAE	12,344	14251	15685	12563	12845	13745
United States	9366	10863	11956	11110	11193	11736
Saudi Arabia	6461	7616	8382	10771	10737	11253
United Kingdom	3359	3877	4267	3619	3693	3895
Kuwait	2342	2678	2947	4712	4665	4688

Source : Bilateral Remittance Matrices, World Bank

Trade

Although Indians that lives in UAE are away from their home country, but they love Indian made goods and prefer to consume Indian Goods. Evidence of strong correlation between presence of Diaspora residing in a country and trade ties to the country of that Diaspora's origin have slowly accumulated. One study of Canada's trade with 136 partner countries in the 1980-92 period showed that a 10 percent growth in immigration from a particular country was associated with a 1 percent growth in export to that country, and a 3 percent growth in imports from it. There is strong links between the presence of diaspora and increased trade. Diaspora populations consume the products of their countries of origin and introduce such products to their country of settlement. With every Indian enters in UAE,

generates new demand for the Indian goods. India's Jewellery, Textiles and Foodstuff Items are heavily consumed by the Indians itself in UAE. Demand of the Indian products is very high in UAE that gives the good opportunity for the Indian Exporter. Not only the merchandise trade but the service trade is also increasing between India and UAE and the factor behind this growth is also Indians. Services like software export, Travel & Tourism and Movies demand is very high in UAE.

Investment

The UAE, which used to be the tenth largest investor in India, is now the seventh largest investor. The investment from the UAE has reached about one billion dollars in the year 2016.

Table 2
Top Investing Countries in India FDI Equity Inflow (In USD Million)

Rank	Country	2015-16	Rank	Country	2014-15
1	Singapore	13692	2	Singapore	6742
2	Mauritius	8355	1	Mauritius	9030
3	USA	4192	5	USA	1824
4	Netherland	2643	3	Netherland	3436
5	Japan	2614	4	Japan	2084
6	Germany	986	7	Germany	1125
7	UAE	985	10	UAE	367
8	UK	898	6	UK	1447
9	France	598	8	France	635
10	Cyprus	508	9	Cyprus	598

Source: Department of Industrial Policy & Promotion, Govt. of India

The significant part of UAE's Investment comes from Indians itself in UAE. Property consultancy Square Yards, in its latest report, said more than 20 percent of non-resident Indian (NRI) investment in India's real estate market came from the UAE in 2016. Diaspora plays an important role when it comes to investment; they not only invest directly in their countries of origin but encourage non-diasporas investors to do the same.

Philanthropy

The Indian Community in UAE is also providing financial assistance and help in form of philanthropy to the needy in India. Many NGO's have been established by the Indians living in UAE for the social welfare in India.

Role of Indian Diaspora in UAE's Economic Development

Trade and social links between Indians and Emiratis date back to more than two centuries. The strong bonds of relationship between the India and UAE are poised to diversify further and strengthen in the years to come. Indian Community in UAE has achieved successes in various fields and at all levels in UAE. Indian Community's contribution to UAE is significant. The UAE is heavily dependent on Indians to develop and sustain its economic activities. There are so many areas in which Indians contribution is very big. Some of them are:-

1) Investment: - Thousands of Indian Companies are operating in UAE that accelerating Growth of UAE. Huge Investment has been made by the Indians in such Companies. Data released by the Dubai Land Department put the Indian investment in Dubai's real estate at over \$3.27bn in 2016. Indian community in UAE is the biggest international investor fraternity in the Dubai real estate industry. Indians are shaping UAE's Economy from long time. In last few decades UAE's Trade and Commerce flourished at very high growth rate and now UAE is considered as a business hub of Middle East. Behind this success story of UAE, Indians contribution cannot be neglected.

2) Cheap and Skilled Human Resource for the Economic Development:- After the UAE got Independence in 1971. There were demands of both skilled and non skilled workers for the country's infrastructure development, from that time Indian workers are engaging in various business in UAE. The Indian construction workers have helped in building UAE brick-by-brick. The high number of Indian schools, hospitals, restaurants and other shops are all examples of how deep and strong the contribution of Indians have been in developing the UAE. From construction workers to professional engineers and executives, Indians are found in every corner of the UAE. Doctors, Teachers, IT Experts, Chartered Accountants,

Supervisors and blue collar workers, Indians are engaged in almost every profession and providing their services for the Economic development of the UAE.

3) Revenue Generation:- Although UAE does not have any enforced federal taxation except oil companies and foreign banks, however it generate huge revenue from expatriates (and also from locals in some cases) in form of various services, Fines, Municipal Taxes and from Issuing and Renewing Business Licenses, Visa etc. And it's clear that Indians are ahead from any other residents in UAE, paying such Fee. The big part of the Fee comes from Business License Issuance and Renewal. UAE generate significant part of its total revenue from such Fee and Fines which helps in building the infrastructure of the country.

Role of Indian Diaspora in enhancing Indo-UAE Relations

The Indian diaspora is an important factor for Indo-UAE relations. India diaspora in UAE is acting as facilitators, middle persons and cost savers for both. The role of Indian Community in the UAE is appreciated in both nations. After knowing the India Diaspora's contribution to India and UAE. It can be concluded that Indian Diaspora is like a bridge between India and UAE that is enhancing bilateral relations between both countries. In UAE they are playing important role in UAE's Economy through Investment, Trade and as a Human Capital. On the other hand by sending Remittance to India, bringing new ideas & skills and investing in India, It's taking part in India's Economic Development also. There are so many organization and economic forums is also actively involved in UAE by the Indians to promote Indo-UAE ties.

Various Schemes of Indian Government for Indian Diaspora

Recognizing the value of Indians abroad, Indian Government has started many welfare schemes for the Indian Diaspora. Some of them are:-

1) Indian Community Welfare Fund for Indians Abroad

Government has established the Indian Community Welfare Fund (ICWF) for welfare of Overseas Indians. The Indian Community Welfare Fund (ICWF) provides the following services on a means tested basis in the most deserving cases:

- Boarding and lodging for distressed Overseas Indian workers in household/ domestic sectors and unskilled labourers;
- Extending emergency medical care to the Overseas Indians in need;
- Providing air passage to stranded Overseas Indians in need;
- Providing initial legal assistance to the Overseas Indians in deserving cases;

- Expenditure on incidentals and for airlifting the mortal remains to India or local cremation/burial of the deceased Overseas Indians in such cases where the sponsor is unable or unwilling to do so as per the contract and the family is unable to meet the cost;
- Providing the payment of small fines/ penalties for the release of Indian nationals in jail/detention centre.

2) Mahatma Gandhi Pravasi Suraksha Yojana (MGPSY):

It is a Pension and Life Insurance fund scheme called as Mahatma Gandhi Pravasi Suraksha Yojana (MGPSY) for the Overseas Indian workers having Emigration Check Required (ECR) passports. The objective of MGPSY is to encourage and enable the overseas Indian workers by giving government contribution to:

- Save for their Return and Resettlement (R&R)
- Save for their old age,
- Obtain a Life Insurance cover against natural death during the period of coverage.

3) Pravasi Bhartiya Bima Yojana (PBBY):

The Pravasi Bharatiya Bima Yojana is a compulsory insurance scheme for overseas Indian workers having Emigration Check Required (ECR) passport going to ECR countries.

- An insurance cover of a minimum sum of Rs. 10.00 lakhs payable to the nominee/legal heir in the event of death or permanent disability of any Indian emigrant who goes abroad for employment purpose after obtaining emigration clearance from the concerned Protector of Emigrants (POE).
- In the case of death, besides the cost of transporting the dead body, the cost incurred on the one way airfare of one Attendant shall also be reimbursed by the Insurance Company.

4) Overseas Citizen of India (OCI) Card Scheme:

The Scheme was introduced by an amendment of the Citizenship Act, 1955 in August 2005 and was made operational from January, 2006.

- Registered OCIs are issued an OCI registration certificate and a life-long multiple entry, multipurpose for visiting India.
- Registered OCIs are exempted from registration with Foreigners Regional Registration Office for any length of stay in India
- Registered OCIs are granted conceptual parity with Non-Resident Indians in respect of all facilities available to them in economic, financial and educational fields except in matters relating to the

acquisition of agricultural or plantation properties. However, specific benefits have to be notified under section 7B(1) of the Act.

- OCI is not to be construed as 'dual citizenship'.
- Entitlement to appear for the All India Pre-Medical Test or such other tests

5) Know India Programme (KIP):

The objective of Know India Programme is to help familiarize Indian Diaspora youth, in the age group of 18-26 years, with developments and achievements made by the country and bringing them closer to the land of their ancestors. KIP provides a unique forum for students and young professionals of Indian origin to visit India, share their views, expectations and experiences and to bond closely with contemporary India.

6) Study India Programme (SIP):

The SIP enables Overseas Indian youth to undergo short term course in an Indian University to familiarize them with the history, heritage, art, culture, socio-political, economic developments etc. of India.

The focus of the programme is on academic orientation and research. Cost of boarding, lodging, local transportation, course fee during the programme and 90% of the cost of air-ticket by economy class is borne by Govt. of India.

7) Tracing the Roots:

It has been launched by MOIA in October 2008. Scheme is to facilitate PIOs in tracing their roots in India.

8) Scheme for Legal/Financial Assistance to Indian Women Deserted / Divorced By Their NRI Husbands:

The scheme is for providing legal/financial assistance to the Indian woman who have been deserted by their overseas Indian / foreigner husbands or are facing divorce proceedings in a foreign country.

Assistance is provided to meet the legal and other costs, by the Heads of Indian Missions/Posts overseas directly to the applicant's legal counsel empanelled with the concerned Indian Mission/Post, or through the Indian Community Associations / Women's organizations / NGOs acting on the woman's behalf in an overseas legal institution.

9) Pravasi Bharatiya Samman Awards (PBSA):

The is conferred on to a Non-Resident Indian (NRI), Person of Indian Origin (PIO) or an organization or institution established and run by Non-Resident Indians or Persons of Indian Origin, who has made significant contribution in any one of the following fields:

- (a) Better understanding abroad of India;
- (b) Support to India's causes and concerns in a tangible way;

- (c) Building closer links between India, the overseas Indian community and their country of residence.
- (d) Social and humanitarian causes in India or abroad;
- (e) Welfare of the local Indian community;
- (f) Philanthropic and charitable work;
- (g) Eminence in one's field or outstanding work, which has enhanced India's prestige in the country of residence; or
- (h) Eminence in skills which has enhanced India's prestige in that country (for non-professional workers).

It is conferred by the President of India as a part of the Pravasi Bharatiya Divas (PBD) Convention. PBSA is the highest honour conferred on overseas Indians.

Problems of Indian Diaspora in UAE

Indian Diaspora residing in UAE is considered as a bridge between both India and UAE that is engaged directly and indirectly in economic development of both its home and host countries. Indian Migrants have become the essential part of the UAE's economy and society. However, the Indian migrants have to undergo some problems and difficulties especially the blue collar workers. Based on the some studies and human rights watch reports, it has been found that Indians are facing some serious problems in UAE which needs to be resolved.

1. After spending years in UAE they couldn't get citizenship
2. High Cost of Living
3. Cheating by Recruitment Agencies
4. Illegal possession of Passport by the employers
5. Exploitation by Employers in forms of low wage, bad working and living conditions
6. Human trafficking and human right violations

Conclusion & Suggestions

The Indian migrants long sojourn in the UAE has helped build the foundation of a strong bilateral relationship between India and UAE. The Indian Community in UAE has significant impact on both India and UAE's economic development. The recent visit of Shaikh Mohammad bin zayed al nahyan, crown prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces on India's republic day in which so many new agreements and MoUs have been signed by both India and UAE to boost relationship. In a joint statement issued by India's Prime Minister Narendra Modi and Shaikh Mohammad both side highlighted the role of India's Diaspora in this growing bilateral relationship which is like a strong bridge between both countries. To deepen this old friendship both countries are taking serious steps and many new areas have been identified for the cooperation. Both countries are mutually

beneficial and not only in trade, commerce and investment but also in growing energy partnership between India and UAE. Taking this in to consideration both nations should be focus on Indian Diaspora living in UAE. This can be a great tool to expand this relationship. However some problems which Indians are facing in UAE should be resolved. Mostly Indian workers complaint about the employer that they do not provide good working and living environment, discrimination at work, illegal passport capturing, human right violation etc. Based on the study we can suggest that there is a big role of Indians in Indo UAE Bilateral Relationship and economic development of both nations. And by focusing on this matter and providing the solutions to their problems this cooperation can leads to new dimensions of Indo-UAE relations.

Some important suggestions for improving the conditions of Indians in UAE are:-

- Although currently some schemes of Ministry of Overseas Indian Affairs are running, but they are not sufficient and needs to implement effectively.
- It has been also found that beneficiaries of this schemes are very few because lack of knowledge of the schemes available. So proper advertisement and promotion of the schemes is necessary.
- Passport renewal should be made more easy and hassle free.
- Implementation of technology in effective manner in various schemes.
- Statistics of Indian migrants in UAE made available online.
- Coordinating the work of various departments and agencies within embassies and government ministries to maintaining and building effective relationship with Diasporas.
- Effective rehabilitation schemes and welfare package to be launch for the returning Diaspora members from UAE.
- 100% ownership of business and land in UAE is available only in just few areas, Indian government should intervene in this matter.
- Indian Government should encourage migrant oriented programmes in UAE that protect and empower diaspora members, for instance, through equal access to social services, anti-discrimination laws and practices.
- Training and education to diasporas about their Rights and Duties in UAE, Labour and other laws and rules of UAE.

Finally we can say that diaspora can play very important role

in the development of host and home countries and relation strengthening if the above suggestions are taken care of by both the countries and scale new heights in Indo-UAE Relations. Indian and UAE government can also set strategies to pursue more bilateral investment, trade and technology transfer between India and UAE through the Indian Diaspora.

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