

## Other Diasporas: A Global Perspective

## Introduction

Migration has been an integral part of human history. In the modern times, political, economic and technological developments have facilitated emigration in response to demands for skills, services or labour or as a consequence of natural or man-made calamities. Revolutions in technology, especially information and communication technologies in the 20<sup>th</sup> century have eliminated geographical distances and enabled migrant communities to maintain easy contacts with their homeland and among themselves. The contemporary processes of global economic, social and cultural integration have received a stimulus from the presence of global trans-national communities. The role of Diasporas has also acquired an enhanced significance in view of their adaptable nature and their dynamism and initiative. Almost all Diasporas tend to play a significant role in the development of the host country. There has been a tremendous upward mobility among the subsequent generations of labour Diasporas of several countries. They have risen to prominent political and economic positions. Diasporas have made high contributions in politics, trade, commerce, professions, culture and sports. The most prominent among the Diasporas of the world, namely, Jewish, Greek, Indian and Polish have played an active, and crucial role in supporting independence movements in their homelands and in retaining deep attachment to the motherland and its causes. The Chinese Diaspora has been a major force in economic modernization and growth in China.

- 23.2. Historical circumstances of migration have varied among the main Diasporas of the world. Broadly, these Diasporas have been classified as follows:-

Type of Diaspora	Example
Victim/refugee	Jews, African, Armenians, others: Irish, Palestinians
Imperial/Colonial	Ancient Greek, British, Russian, others: Spanish, Portuguese, Dutch, French
Labour/service	Indentured Indians, Chinese and Japanese, Turks, Italians
Trade/business/professional	Venetians, Lebanese, Chinese others: Today's Indians, Japanese
Cultural/hybrid/post-modern	Caribbean peoples, others: Today's Chinese, Indians

(Global Diasporas by Robin Cohen, University of Warwick)

- 23.3. Notwithstanding different historical backgrounds and present day circumstances of the world's many Diasporas, according to social scientists, there are several features which are common to most of them. These include: dispersal from the homeland, often traumatic; emigration from homeland in search of work or trade; colonial ambitions; a collective memory of the homeland; an idealization of the ancestral home; a strong ethnic group consciousness over a long period of time; a desire to return to motherland; a troubled relationship in the host country; possibilities of a creative and enriching life in the host countries.
- 23.4. The Indian Diaspora shares many of the above mentioned characteristics with the prominent Diasporas of the world. Indian Diaspora is also unique in several ways. It is more widespread than any other Diaspora and more varied with about half-a-dozen religions and sub-ethnic identities; it reflects a wide variety of occupational and income patterns from the highest to the lowest in the world. It has suffered more harassment than any other Diaspora except the Jewish Diaspora. It was segregated for many decades until 1950s, with very little contact with India and the developments within India. Consequently, different segments of the Indian Diaspora evolved distinct paths of development and different identities. Historically, there is a notable tradition of discourse on the homeland among the Jewish and Indian Diaspora.
- 23.5. It goes without saying that India must find her own solutions and policies to suit her requirements and goals in the establishment of her bonds with the Diaspora. We should, however, benefit from the experiences of the other Diasporas, which have stood the test of time. Towards that purpose, we have briefly profiled the more prominent Diasporas of the world, namely, Israeli, Chinese, Filipino, Italian, Polish, and South Korean highlighting the relevance of their experiences to India.

## **THE CHINESE DIASPORA**

- 23.6. The Overseas Chinese are said to constitute one of the largest Diasporas in the world. The US, Canada and Australia now receive more emigrants of Chinese origin than from anywhere else in the world.
- 23.7. There are interesting similarities between the Indian and Chinese Diasporas. Indian Americans and Chinese Americans are one of the most successful ethnic groups in the Silicon Valley, leading to the acronym *IC* being used for Indian and Chinese engineers rather than Integrated Circuits! This is not accidental, as education and learning have been at a premium in their respective ancient heritages.
- 23.8. The Chinese also maintained a historical taboo against overseas travel, which combined with the lower status accorded to merchants, encouraged this class to emigrate to Southeast Asia since the 12<sup>th</sup> century. Patterns of emigration in both Indian and Chinese communities have been similar in the 19<sup>th</sup> and 20<sup>th</sup> centuries. While indentured labour formed the bulk of emigrants in the 19<sup>th</sup> century, a sizable professional segment emerged in the second half of the 20<sup>th</sup>. Both communities have aroused feelings of envy in the areas where they have achieved success relative to the local

populations. Both communities are also characterised by an attachment and feelings of nostalgia for the countries they have left behind. Many Overseas Chinese traditionally consider themselves to be temporary absentees. The term for Chinese abroad is, therefore, *huaqiao*, or sojourners, meaning travellers.

- 23.9. The differences are also important. The Chinese Diaspora has helped to change the face of China, which the Indian Diaspora has not yet had the chance to do. Due to a much longer and more varied history of emigration and the different class origins of the sojourners, the Overseas Chinese community had built up powerful business (or bamboo) networks that controlled significant sectors of the economies in Southeast and East Asia. Regions with an overwhelmingly Chinese population – Taiwan, Hong Kong (SAR) and Singapore, are now known as the Tiger economies, and have made a tremendous contribution to economic development in the People’s Republic of China in a virtuous cycle. Since 1995, Overseas Chinese based in these regions have accounted for over 70% of the average annual FDI inflows of US\$ 40 billion into China.
- 23.10. Indians on the other hand, while having done brilliantly in the United States, have only recently established themselves in the global corporate world, where some of them have catapulted overnight to the very top. Unlike the Chinese in Southeast and East Asia, these Indians have achieved success purely on individual merit in the highly competitive structures of modern multinationals, without the help of family networks, *guanxi* (connections) and historically accumulated private capital (some Chinese American entrepreneurs have also achieved similar success). The other section of the Indian Diaspora that has made a significant contribution to India is concentrated in the Gulf, from where they send the bulk of private remittances received by India. According to the RBI, US\$ 2.3 billion, or 25% of debt creating inflows (deposits) into India in 2000-01 were from NRIs.
- 23.11. Secondly, the sometimes troubled relations between the US and China impact on the Chinese community in North America due to perceived cultural, ideological *and* ethnic differences, although this may change post-September 11. Books like “*The China Threat*” by Bill Gertz and “*The Coming Conflict with China*” by Richard Bernstein and Ross Munro delved into the perceived irreconcilable differences in national interest between the two countries. In contrast, educated Indians coming from a democratic tradition and enjoying a head start in communicating in English, had an easier transition and at the most suffered some ethnic discrimination. Ironically, life for some of them has become more difficult post-September 11. Thirdly, besides the intellectual fields, American Chinese have excelled in sports, where the Indian community has just made a tentative beginning.

### **Chinese Emigration to Other Regions in Asia from the 12<sup>th</sup> Century**

- 23.12. The over 20 million Chinese in Southeast Asia today settled there over a period of a thousand years. Emigration started tentatively from 1127 onwards, at the same time as China’s trading fleet was built by the *Southern Song* dynasty. The Chinese began establishing trading posts in the 15th century, during a time of economic expansion and the explorations of the intrepid admiral,



*Zheng He*. The earliest Chinese to migrate to the Southeast and North Asian countries were Cantonese speaking traders and craftsmen from the southeast coastal provinces of Guangdong (Canton) and Fujian, the same provinces which later witnessed an unprecedented boom after *Deng Xiao Ping* launched his economic reforms in 1978. This trend of mainly southerners emigrating from China was to be modified only in the second half of the 20<sup>th</sup> century.

- 23.13. The first significant emigration to Southeast Asia began after the fall of the Ming dynasty in 1644. China's coastal provinces have excellent natural harbours and ports, which facilitated overseas migration. However, while China achieved admirable successes in maritime activities, the central dynasties extended support to overseas commerce only fitfully. In marked similarity to Hindu custom, Confucian ethics frowned upon leaving the motherland. Confucius had said, "Do not travel afar when your parents are alive". Moreover, merchants were not well regarded in Confucian culture, again similar to the situation in India, where they were superceded in the caste hierarchy. Chinese rulers did not trust them, particularly because some overseas merchants were suspected of supporting domestic rebellions. A series of imperial edicts were issued between 1656 and 1712 that actually made overseas travel and residence punishable by beheading. Persecution, therefore, prompted merchants to periodically seek refuge in Southeast Asia.
- 23.14. By the time of the European influx, China had lost its primacy on the seas, but not before a substantial number had emigrated. Their descendants, the Asian Chinese, though they had to struggle very hard, eventually emerged as the dominant community in their countries/regions of settlement and achieved considerable success in the property sector, professions, trade, commerce and industry. They produced the wealthy conglomerates, which, in the modern era, were to make such a profound contribution to both their host countries' economies and to China.

**Table 23.1: The Ethnic Chinese in Asia**

Region	Population (millions)	As % of Population	GDP (\$ Billion)	As % of Business Output
Taiwan	21	99	255	95
Hong Kong ( SAR )	6	98	120	80
Singapore	2	76	62	76
Thailand*	6	10	80	50
Malaysia	6	32	48	60
Indonesia	8	4	98	50
Vietnam	1	1	4	20
Philippines	1	1-2	30	40

\*Thailand's Chinese population is difficult to count because of the high rate of inter-marriage.

## Emigration of Chinese Contract Labour in the 19<sup>th</sup> Century

23.15. In the 19th century, poverty, the Taiping rebellion, the depredations of the colonial powers, the opium trade and internal tribulations drove a flood of migrants to Southeast Asia, Hawaii, North America, the Caribbean, Australia and Africa, where side by side with Indians, Chinese labourers toiled on the railways and other construction projects. Steamships also facilitated the coolie trade. Between 1801 and 1925, 3-6 million (estimates vary) contract labourers were often forcibly shipped out of China. Guangdong emigrants tended to head for the US, while people from Fujian left for the regions of Southeast Asia and Taiwan. Many Overseas Chinese (hereafter referred to as OC/OCs) in this period left China as coolies to work for traders, plantation owners, and government and semi-government authorities. Destinations in the Caribbean were Cuba, the British West Indies, British Guinea, Trinidad, Jamaica, British Honduras, Suriname, Martinique and Guadeloupe, where the Chinese were employed on sugar plantations and other sectors.

## Emigration in the 20<sup>th</sup> Century

23.16. The third wave of emigration comprising skilled and better educated Chinese to the US, Canada and Australia began in the 20<sup>th</sup> century and accelerated following the repeal of the discriminatory laws. China also relaxed emigration controls to qualify for most-favoured-nation trade status following the establishment of diplomatic relations with the US. Chinese emigration to Australia was concentrated in two periods: the latter half of the 19<sup>th</sup> century - attracted by the gold-fields of New South Wales and Victoria - and post-1960. As in North America, they soon became the targets of attacks and discriminatory legislation. Northerners also began to leave China in large numbers for the first time. Mandarin, spoken by the northerners, is, therefore, displacing Cantonese in the OC communities.

## Illegal Migration

23.17. Recent years have also witnessed significant *illegal* emigration from mainland China to Europe, the US and even South Africa, spawning an underground smuggling network through clandestine and dangerous routes. These are mainly through Thailand, Europe, outlying U.S. territories of the Virgin Islands or Puerto Rico, where it is easier to circumvent immigration controls. The horrific memory of 26 Chinese illegals suffocating to death in a cold storage truck in the Netherlands is still fresh. In the Russian Far East, an uncounted number of Chinese live and work illegally as traders and labourers, causing Russian apprehension about Chinese demographic pressures on the under-populated Siberian stretches. Local Russians are convinced that the number of Chinese in Russia is 4-6 million. Australia, which is now an alternative to the United States for illegal Chinese migration, regularly reports the detention of "boat people", mostly of Chinese origin.

## North America

23.18. The contribution of the *Asian* OCs is treated after this section although it eclipses that of any other OC group. Chinese immigrants flooded to North America in the second half of the 19<sup>th</sup>

century to work in the gold mines and in the expanding economies of North America including the transcontinental railroads. In 1882, however, the US Congress passed the Chinese Exclusion Act, repealed only in 1943, because “in the opinion of the Government of the United States, the coming of the Chinese labourers to this country endangers the good order. . .”

- 23.19. At the same time, Canada invited the Chinese to work on the Canadian Pacific Railway. Once it was completed, however, Canada also suspended Chinese immigration in 1923. This was preceded by intensely racist acts and legislation aimed at keeping Asian immigration limited or non-existent. In 1902, the Royal Commission on Chinese and Japanese Immigration had declared all Asians, “unfit for full citizenship . . . obnoxious to a free community and dangerous to the state” and in 1903, the Chinese head tax was raised to \$500.
- 23.20. Following the removal of discriminatory laws in the 1960s, Chinese immigration increased. According to the 2000 census, Americans of Chinese descent, the largest Asian group - Indians being the fastest growing – numbered 2.43 million. There has also been substantial illicit migration which does not get reflected in the official count. 1990 Census figures show that the Chinese population had a high education level, with 40.7% having a bachelor or higher degree as compared with 20.3% among the total population. About a third of the Chinese work in low-paying service occupations such as laundries, restaurants, garment factories and grocery stores. Many of these expanded into supermarkets, shopping malls and hotels/motels in California and Hawaii. Chinese immigrants founded numerous electronic, computer, high-tech and engineering firms and now occupy managerial, professional and white-collar positions. One pioneering success in the computer and word processing industry in the 1970s was Wang Laboratories, founded in 1951. The largest today is Computer Associates International, a software company. Many corporations have established ties with their counterparts in the Far East – Taiwan’s Acer Computer and Formosa Plastics, for example, whose US partners are Chinese Americans.
- 23.21. Chinese Americans have also excelled in science. The following are Nobel Laureates of Chinese origin – Daniel C. Tsui (1998 – Physics), Steven Chu (1997 – Physics), Lee Yuan Tseh (1986 – Chemistry), Samuel C. C. Tng (1976 – Physics), Yang Cheng Ning and Lee Tsung-dao (1957 – Physics). Other famous Chinese are Jerry Yang and David Filo, who created Yahoo, the super-Net search engine. Amy Chow won the 1996 Olympics gold for gymnastics, Michelle Kwan won the Olympics silver in 1998 for ice-skating, and Michael Chang excelled in tennis. Chinese Americans have formed coalitions to campaign successfully for local electoral offices. In public life, the community boasts of Congressman David Wu, Gary Locke, Governor of Washington and Harry Wu, the human rights campaigner. In media, Connie Chung has been a familiar face while Amy Tan has achieved international recognition as a writer. Other Chinese have achieved positions of high distinction in the American scientific and technological field.

### **Overseas Chinese Business Networks in Southeast Asia**

- 23.22. Despite the presence of different economic strata in Chinese communities everywhere, OCs have been branded as an extremely wealthy community. As an expert put it – “If it were not for the

**myth of prosperity, many Chinatowns would be properly classed as ghettos.”** A feature of the Chinese Diaspora is that the success of a few has traditionally prompted distrust of them in the regions of settlement. Prejudices born out of envy flourished especially in Southeast Asia, where OCs founded the region's most powerful business groups and were periodically targeted as scapegoats by local governments and populations alike. Incidents of massacres of Chinese in Southeast Asia abound. Following the 1997 Asian financial crisis, ordinary Chinese were attacked and some were killed in Indonesia (resentment of Chinese immigrants in the US, Canada, Australia, and New Zealand, has been exploited by local politicians since the 19<sup>th</sup> century, though now this is considered politically incorrect).

- 23.23. The reasons for their success stem largely from the circumstances of 'exile'. The historically induced insecurity driven by fears of expropriation, confiscation and forced flight has given rise to the following characteristics of OC businesses: keeping assets in liquid form, physically dispersing investments in different countries and a high degree of horizontal/ vertical diversification, as part of the community's instinctive risk management strategy. Core competence is still a western concept. Thus while reinforcing networks among family businesses across countries, risks have simultaneously been diversified.
- 23.24. Most OC 'companies' are owned by a single individual or a family and accordingly have authoritarian structures, which on the one hand enable enormous flexibility in business decisions, an important reason for their tremendous success, and on the other are increasingly out of step with modern management practices. Concessions to modernisation have been made by hiring western trained managers and floating parts of their companies on stock exchanges, but control of the holding company or core assets has never been ceded.
- 23.25. People of Chinese origin have been prominent in the political arena also. Some of the prominent luminaries of Chinese origin include Lee Kuan Yew – Former Prime Minister of Singapore, and Chavalit Yongchaiyudh and Chuan Leekpai – Prime Ministers of Thailand. Mr Liem, the founder of the Salim Group in Indonesia (who has very strong links with Malaysia's Robert Kuok), enjoyed a special relationship with President Suharto, which may have cost his community dear in the post-1997 riots. It is joked that Charoen Pokphand, Thailand's most successful company and an aggressive investor in China (it received the first foreign investment certificate No. 0001 in China in 1979 immediately after the opening up) employs so many former Thai politicians that it could hold a cabinet meeting.

## **The Overseas Chinese Contribution to the PRC's Economic Development**

- 23.26. The Overseas Chinese contribution to China's economic development is undisputed and heavily documented. As the next table shows, FDI inflows into China have boomed since the early 90s. Over 70% of FDI is from overseas Chinese, mostly in labour-intensive export processing sectors (shoes, toys, electronic sub-assemblies, food processing, textiles, Christmas decorations and other

**Table 23.2: Some Prominent OCs Companies\***

Group	Company	Sectors	HQs
Cheng Yu-Tung (SAR)	New World Development	Telecoms, Infrastructure Property	Hong Kong
Kwok Brothers (SAR)	Sun Hung Kai Properties	Property	Hong Kong
Lee Shau Kee (SAR)	Henderson Land Property	Convention Centres	Hong Kong
Li Ka-Shing** (SAR)	Cheung Kong Property	Telecoms, Ports, Energy	Hong Kong
Liem Sioe Liong	Salim Group	Food, Cement, Property, Consumer Goods	Indonesia
Luci Tan	Fortune	Tobacco Brewing, Tobacco, Airlines, Hotels, Banking	Philippines
Tsai Family	Cathay Life Insurance	Insurance, Property	Taiwan
Wang Yue-Che	Formosa Plastics	Petrochemicals, PVC Semiconductors	Taiwan
Chang Yung-Fa	Evergreen	Shipping, Airlines	Taiwan
Acer Group	Stan Shih	Computers and peripherals	Taiwan
Sophonpanich	Bangkok Bank	Banking, Family Insurance, Stockbroking	Thailand
Chearavanont	Charoen Pokphand	Agriculture, Food, Telecoms, Aquaculture, Property, Beer	Thailand
Lamsam Family	Thai Farmers Bank	Banking, Trading, Agribusiness, Insurance	Thailand
Robert Kuok	Kerry Sugar	Property, Media, Hotels, Drinks, Food	Malaysia
Quek/Kwek Family	Hong Leong	Property, Hotels, Banking	Singapore, Malaysia
W. H. Sim	Creative Labs	Sound Blaster adapters and multimedia kits	Singapore
Eka Tjipta	Sinar Mas	Paper, Timber	Indonesia

Sources: Forbes; Asiaweek; 'OC Business Networks In Asia' © 1996 The Economist Newspaper Limited. Notes: \*Nearly all have some investments in the Asian property market. \*\* Richard Li, one of Li Ka-shing's sons, set up Star Television but sold it to Rupert Murdoch.

items in demand in export markets), and real estate. Entrepreneurs in Hong Kong, Macau, Taiwan, South Korea and Southeast Asia shifted significant *but initially low-technology* manufacturing/assembly/export processing operations to the mainland. For example, by 1996, over 80% of all Hong Kong's labour-intensive industry had migrated to Southern China. This was followed by larger investments in infrastructure and real estate by the bigger conglomerates. Hong Kong (SAR) continues to be the main financial conduit for the PRC. Taiwanese investment was also labour-intensive and small-scale, reflecting the nature of Taiwan's own industrial structure, in electronics and electrical appliances, plastic and rubber products, food and beverages, footwear, toys, textiles, garments and small service industries. Recently, however, Taiwan has made some very high-profile and large-scale investments in IC technology in China.

- 23.27. By exploiting China's comparative advantages in abundant, skilled and cheap labour and light industry, FDI led to enormous increases in productivity. The compound annual growth of FDI between 1990-97 was 44%. FDI has built up a huge export sector in China. In 1999 Foreign Invested Enterprises (FIEs)' contribution to industrial output had risen to 15.9%. FIEs eclipsed any other sector in their profitability, in their relative contribution to the nation's exports, and rapidly gained market shares in the light, electronics and chemical industries.

**Table 23.3: FDI into China (in US\$ billions)**

YEAR	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
China	3.49	4.37	11.29	27.77	33.95	37.38	42.35	43	45.5	40.3	40.8*

- 23.28. The OC community's preferences for investment reflected each group's historical roots and physical proximity to neighbouring provinces on the mainland. The coastal areas accounted for 75% of total FDI, with Guangdong alone accounting for 30% of total FDI. Hong Kong FDI went to the adjacent province of Guangdong, which has the same language, Cantonese. Taiwanese investors preferred neighbouring Fujian. Investment flowed to the coastal areas because of the export-oriented character of FDI enterprises and because it minimised costs of transportation for exporters. Later investors also preferred coastal locations, which by then had well developed infrastructure facilities.
- 23.29. Later investments by multinationals were targeted at the domestic market, while the first wave of investment by the OCs was in line with China's export strategy. Though this earlier investment did not necessarily bring in high technology, it benefited the Chinese economy immeasurably as it strengthened its export capabilities and led to tremendous diversification of its manufacturing base, especially in the sectors of China's comparative advantage.

## **Chinese State Structures Dealing with Overseas Chinese Affairs**

23.30. The Chinese make a distinction between Chinese *citizens* residing abroad and Chinese who have given up their citizenship, which roughly corresponds with the NRI and PIO terminology used in India. Overseas Chinese who have invested or contributed in some way to China are also called returned overseas Chinese. Currently, the major arms of the State, Legislature and Party have high-level offices dealing with the Overseas Chinese through which preferential treatment is accorded to the latter.

## **The Constitution**

23.31. The Chinese *Constitution* (Articles 50, 70 and 89) protects the legitimate rights of Chinese nationals residing abroad and the rights and interests of returned overseas Chinese. It also mandates the Cabinet of the Chinese Government to exercise the above powers and functions as well as the setting up of the Overseas Chinese Committee of the Chinese Parliament.

## **The Party**

23.32. The Chinese Communist Party has an office called the 'United Front Work Department' of the Central Committee dealing with Taiwanese compatriots. One of the main national Chinese NGOs, the 'All China Federation of Returned Overseas Chinese' is under the leadership of the Chinese Communist Party, while the other national NGO 'China Overseas Exchange Association' also maintains close links with the government. There is also a 'Hong Kong, Macau, Taiwan and Overseas Chinese Affairs Sub-Committee' of the Chinese People's Consultative Conference (which has many non-Party members).

## **The Legislature-National People's Congress**

23.33. The Overseas Chinese Affairs Committee of the Chinese Parliament - the National People's Congress (NPC) functions under the NPC's Standing Committee when the NPC is not in session. The NPC has passed the following Laws:

- The 1990 "Law of Protecting Rights and Interests of Overseas Chinese and their Relatives", which safeguards their legal rights with a focus on political and civil rights, right to participation in politics, property, person, education and the right of visiting, settling and studying in China. Of interest are its following provisions - for example, Article 3 of this Law specifically mandates the State to accord appropriate preferential treatment to returned overseas Chinese and the family members of overseas Chinese. Article 5 entitles returned overseas Chinese to appropriate representation on the National People's Congress and local people's congresses in places where there are relatively large numbers of returned overseas Chinese. Article 6 gives them the right to establish public organisations to safeguard their lawful rights and interests. Article 8 enjoins on local people's governments at all levels to support returned overseas Chinese and the family members of overseas Chinese who invest,

inter-alia, in the establishment of industrial and commercial enterprises. Article 9 allows preferential treatment of duty reduction or exemption to returned overseas Chinese and the family members of overseas Chinese who receive donations made by their relatives and friends outside the country for use in public welfare undertakings.

- The 1993 “Measures for the Implementation of the Law of the People’s Republic of China on the Protection of the Rights and Interests of Returned Overseas Chinese and Family Members of Overseas Chinese” (laying out the preferential treatment to be given by governments at all levels to Overseas Chinese when they return/invest in China).
- A 1990 provision for “Encouragement of Investments by Overseas Chinese and Compatriots from Hong Kong (SAR) and Macao” to create a stable investment climate. Of interest are Article 11, which states that “machines and equipment, vehicles used in production and office equipment that the enterprises with overseas Chinese, Hong Kong and Macao investment need to import and within the total investment, and appropriate volumes of daily necessities and vehicles of overseas Chinese, Hong Kong and Macao compatriots for private use while working in the enterprises shall be exempted from import duty and the consolidated industrial and commercial tax, and from the requirement for import licences. Raw materials, fuel, bulk parts, spare parts, machine component parts and fittings that enterprises with overseas Chinese, Hong Kong and Macao investment need to import for export-oriented production shall be exempt from import duty and the consolidated industrial and commercial tax, and from the requirement for import licences.”

## The Executive

### State Structures Dealing with Overseas Chinese Affairs

23.34. At the Central Government level, the Overseas Chinese Affairs Office, also called SCOCAO, under the State Council of the PRC (the Chinese Cabinet) is the highest executive body. The Office is headed by a Minister and 4 Vice-Ministers, equivalent to Secretaries in the Indian set up, with a staff of 120. The Overseas Chinese Affairs Office (SCOCAO) and its local branches assist overseas Chinese (OCs) in the following ways:

- Establishing comprehensive databases in each city, county and province to encourage OCs to find their ancestral roots, homes and properties. This assists the OC to build schools, hospitals and other local infrastructure in their ancestral hometowns and also network with influential members of the local community, which helps in future business dealings.
- Providing advisory services to OCs on investment and facilitating preferential treatment. This includes tax benefits and exemptions, location and *preferential* allotment of land, reduction or waiver of land tax, land-usage charges, and provision of consultancy and liaison services for overseas investors. In particular, the certification and clearances provided by the SCOCAO and its branch offices greatly speed up the approval process. However, it



must be remembered that the procedures and preferential treatment for OC foreign investment approvals are the same as those for any non-overseas Chinese foreign investment, both being very liberal.

- Organising large-scale fairs where matchmaking between OC and local business partners is arranged.
- Implementing policies and laws of overseas Chinese affairs to safeguard their legal rights and interests.
- Solving the problems of overseas Chinese having interests/ investments in China.
- Providing advisory services to OCs on tourism for settling down in China. SCOCAO even commissions firms to perform this task.
- Operating two Universities – Jinan University and Fujian Overseas Chinese University with provincial government collaboration to cater to children of OCs, as well as other institutes and schools that provide short-term courses.
- Implementing policies relating to preferential treatment for children of OCs.
- Maintaining regular contact with OC organisations by organising all China conferences to which China's leaders and prominent members of the OC community are invited. Similar functions are organised in other cities and by Embassies abroad.

23.35. Governments at every level – provincial, city, township and country have similar offices handling overseas Chinese affairs. They get their overall policy direction from the central government office. However, they are relatively independent in their functioning and are able to adopt innovative methods to attract investment. The central government holds annual conferences of the local offices to co-ordinate implementation of policies. Chinese Embassies abroad act as a principal conduit for contacts between OCs and the homeland.

### **Differences with the Indian Diaspora**

23.36. It is important to understand why China has benefited so greatly from investment from its Diaspora, unlike India. Some reasons are obvious, and are due to supply factors. Firstly, the entrepreneurial base of the OCs in Asia ensured a source of liquid funds. Secondly, as already seen, OC entrepreneurs were perpetually in search of opportunities for spreading their risks and geographically dispersing their investments.

23.37. Thirdly, much is made of so-called ethnic ties and emotional attachment to the “motherland”. It is true that OCs naturally have felt more at ease with negotiating business deals in the PRC than investors of other ethnic origin including Westerners. The latter cite the embryonic legal and institutional structures as well as a lack of familiarity with western business concepts as obstacles to investment, which accounts for the continuing preponderance of OC FDI inflows in the total.

But apart from sentimental and cultural ties, purely economic factors, i.e. - the lure of a low-wage manufacturing base in the neighbourhood - is the irresistible factor behind the surge in OC investment in the PRC. It must be recalled that while the State facilitated investment by overseas Chinese, the procedures and incentives for foreign investment were *the same* as that for any non-Chinese foreign investment. Hence economic compulsions are paramount for investment in the PRC, and not ethnic reasons.

- 23.38. Investments which had initially flowed from capital surplus countries like Japan - to Taiwan and South Korea - first contributed to economic growth in the region. Taiwanese and Korean investors in turn, invested in Southeast Asia and when costs there rose, in the PRC. In fact, the 2000 World Investment Report documents a reversal of investment trends, with China leading the entire region in FDI receipts, while Southeast Asia has fallen way behind, mainly due to loss of competitiveness vis-à-vis China. Due to historical reasons, it so happened that the dominant business groups in Taiwan, Hong Kong (SAR) and Southeast Asia were of Chinese ethnic origin. But later Korea and Japan also joined the bandwagon, along with western multinationals, once the OCs had cleared the undergrowth and blazed the trail.
- 23.39. However, physical proximity, cultural and economic factors did not fully explain the huge FDI inflows, which actually began in the 1990s – more than a decade after the reforms were launched. The PRC must be given credit for devising the right State policy mix and its prescience, particularly in anticipating and then building in the 80s the sort of infrastructure the foreign investor would feel comfortable with. This is not the place to discourse on Chinese economic reforms, since it was the whole package and not specific elements that attracted investment from the Chinese Diaspora and elsewhere. But certain features can be isolated, which together with the success of the overall reforms, have ensured continued investor confidence and 2 decades of 8% annual growth.
- In 1978 Deng Xiao Ping initiated a revolutionary programme of economic reforms, reversing a decades old anti-foreign investment and anti-export orientation, 13 years before India tentatively embarked on the same path. In 1979, FDI was permitted for the first time with the passage of the Law on Joint Ventures. Investor-friendly policies were adopted under the Open Door Policy.
  - The Government embarked on a policy of massive investment in infrastructure to create favourable conditions for foreign investment. China established 5 Special Economic Zones (SEZs) in the coastal areas, in which it *developed world-class infrastructure* - Shenzhen, Zhuhai, Shantou, Xiamen (in 1980) and Hainan Island (in 1988), and the Pudong-New Development Area in 1991 to be followed by similar zones in other areas. SEZs now account for a disproportionate share of manufacturing, foreign investment and foreign trade in China, infrastructure is the most developed, and average per capita incomes are the highest in China. By 1993, investment in infrastructure was 6.5% of GDP. The pace picked up from the mid-80s onwards. Today, this means China has 3 times the installed generating capacity

that India has, which means lower prices for industry. China's roads and other infrastructure are also of very high standards. Moreover, big conglomerates particularly from Hong Kong (SAR) invested heavily in property and real estate development in the coastal areas of China, adding to the construction boom and rapidly changing urban landscapes.

- A key factor in the success of China's FDI policy was that the authority for granting approvals and for implementation of the policy were decentralised to the provinces and localities. These vied with each other to court foreign investors, with ready assurances of preferential tax policies, priority supply of land, water and electricity, and expeditious clearances.
- Foreign firms were promised and delivered some of the world's most favourable tax rates by the central government. Tax breaks and holidays, concessional tax rates, duty free imports of capital and office equipment, duty free import of all inputs for the processing trade (these are available for all enterprises and not just Foreign Invested Enterprises, or FIEs), were the main perquisites enjoyed by foreign investors in China (some of these were later scaled down as China became more assertive in attracting FDI).
- A crucial factor was the fervour driving the Party and State bureaucracy to speed up economic growth. The Economist commented that "no matter where you go in China today, the most emphatic sensation you get is the intensity of the desire to modernise and grow. Governors, party secretaries, party representatives on boards of directors: their only interest seems to be foreign investment, trade and economic reform." This attitude greatly facilitated increased FDI inflows.
- The main contours of China's opening up and infrastructure development were thus already in place when FDI inflows started picking up in the 1990s. At the same time entrepreneurs in Japan, Taiwan, Hong Kong and South Korea were looking for investment destinations for their capital surpluses and to relocate sunset industries. As Taiwan's economy matured, it relocated huge manufacturing facilities to the mainland. Hong Kong (SAR) acts both as a source of original investment as well as a conduit for "round-tripping". Though FDI is exaggerated by the phenomenon of round tripping, that is, Chinese capital going abroad and returning to take advantage of tax breaks given to foreign firms in China, the plus side is that the funds return to the originating country and create *real assets*. They did not remain parked abroad.
- Although the PRC reversed the pre-1949 provisions permitting dual nationality for Overseas Chinese, following the economic reforms their importance was recognised and special legislation, executive provisions and mechanisms enacted for the benefit of the OCs. The Chinese Constitution protects the legitimate rights of Chinese nationals residing abroad and the lawful rights and interests of returned Chinese and family members and the Chinese Parliament – the National People's Congress has passed legislation the subject. Currently, the major arms of the State and Party, including the National People's Congress, the State

Council and the People's Political Consultative Conference have high-level offices dealing with the Overseas Chinese. At the Central Government level, the Overseas Chinese Affairs Office (SCOCAO) under the State Council is headed by a Minister. In addition to this, governments at every level – provincial, city, township and country have similar offices handling overseas Chinese affairs.

## Conclusion

23.40. OC capital was thus driven by hardheaded business reasons, and not sentimental ties. They came in when they were ready. Thus, the Kuok tycoons of Malaysia and Singapore and Li Ka-shing, the Hong Kong billionaire began making large-scale investments only in the 1990s. Only a few OCs, like the Thailand based Charoen Pokphand started in 1979. Gordon Wu, the Hong Kong billionaire's Hopewell Holdings also invested large sums in power plants and highways in the late 80s.

## Lessons from China's Experience with its Diaspora

23.41. The differences between the Chinese and the Indian Diaspora thus stem from historical factors. Among China's several advantages, which India does not have as yet, is a large and extremely wealthy component of the Diaspora, which is familiar with the ways of doing business, and ready to invest its capital surpluses in the country of origin. According to *The Economist*, the liquid assets of the OCs are estimated at around US \$ 2 trillion. The Indian Diaspora's origins are also more recent, and its more successful elements are in professional fields. Relative to their own economic weight, the Indian Diaspora has displayed as much concern and attachment to helping the country of origin as any other. This trend could be facilitated by enabling policies in India. However, India will not be able to attract similar FDI inflows from the Indian Diaspora, inter-alia, because the era of massive relocation of labour intensive industries seems to have ended for the time being; unless China decides to vacate these industries to India! India could, however, apply the following lessons from the Chinese example:

- The necessity of deep and meaningful economic reforms to generate rapid growth: The most important lesson from China is that it is the overall economic environment and incentives for investment - an expanding economy, good infrastructure and sensible labour policies – which ultimately ensure sustained investment, domestic, Diaspora based, or foreign. The interest of the OCs in investing significantly in the PRC picked up after the PRC had created the necessary conditions for attracting investment. Moreover, the PRC has the same incentives for attracting FDI regardless of source.
- The necessity of creating a problem-free environment for foreign investors, which includes, inter-alia, assured power supplies, water connections, special housing, easy land acquisition policies: China has adopted legislation and created high-powered State organs to this end. Simultaneously, it has decentralised authority to the lowest possible administrative unit to offer incentives to the foreign investor. As a result, an Overseas Chinese investor finds that all his concerns are expeditiously addressed. A similar twin approach of raising the level at

which policy is decided at the Centre, while delegating and decentralising the actual implementation to local administrative units could be attempted in India.

- 23.42. If these policies are followed, an environment in which all investment, whether of Overseas Indian origin, domestic and foreign will be attracted to India – will be created. With India's relative advantages - an established institutional and judicial framework and greater familiarity with western business practices – FDI inflows from all sources, and not just the Indian Diaspora, could then be expected to increase.

## **THE GREEK DIASPORA**

- 23.43. The Greek Diaspora is estimated to be about 6.7 million inhabiting nearly 86 countries from the United States to the countries of the former Soviet Union, from Canada to Australia, from Latin America to Central Europe, from South Africa to Germany and England while the population of Greece is approximately 10.6 million. The countries in which the Greeks have the largest population and presence are the USA, Canada, Australia, Germany, the countries of the former Soviet Union and South Africa.
- 23.44. The main waves of Greek emigration began in the 18<sup>th</sup> and 19<sup>th</sup> century owing to development of international trade between the West and East in which Greece had a central location. Later in the 19<sup>th</sup> century, the centre of gravity of financial activity shifted to the centres of industrial revolution. Throughout the 19<sup>th</sup> and the 20<sup>th</sup> century, Greece with its maritime traditions and banking services, continued to witness the largest expansion of its diaspora and of Hellenism and that of professional and entrepreneurial activity. Greeks occupy high political position in many countries as mayors, members of parliament and senators. Greek miners and railroad workers had gone to Utah in early 20<sup>th</sup> century. They went to the Federal Republic of Germany from 1960s to 1980s. In the aftermath of civil war in Greece, communist refugees fled to Eastern Europe and Soviet Union. Many of them have returned to Greece.
- 23.45. The wealthy Greek merchants and intellectuals of the Diaspora actively participated in laying the foundation of the Greek national movement. The Diaspora has, throughout its history, maintained excellent relations with the motherland and comes to its aid in times of need as in the recent years in the case of issues concerning Cyprus. Parliamentarians of Greek origin in different countries advise the Standing Committee of Parliament on Foreign Affairs. The Greek Diaspora also maintains a grassroots level interest in interacting with and helping their compatriots in the motherland. The more influential among them have worked actively to promote closer relations between home and host countries. Greece pays special attention to the host countries of the Diaspora.
- 23.46. The Greeks are a homogeneous society based on Baptism in the Orthodox Church. Religious ethnicity and citizenship are linked. For Greek citizens residing abroad, voting is obligatory. They vote at their embassies/consulates.

## Organisational Structure

23.47. The General Secretariat for Greeks Abroad (GSGA) was established in 1983. It is a part of the Ministry of Foreign Affairs and functions as an autonomous government entity with its own budget, headed by a Secretary General. It is responsible for the planning, implementation, and coordination of policies addressed to the Greek Diaspora. Its principal aims are :

- To keep the relationship of Diaspora with Greece alive and active by helping them maintain their ethnic and cultural identity.
- To reinforce and multiply the ties between Greeks abroad and Greece.
- To aid in the prosperity and advancement of Hellenes through harmonious coexistence with all people of the world. To foster the continuous strengthening of the ties among them through the World Council of Hellenes Abroad, Greek Cultural Months the world over, Internet Websites, scientific and professional symposia and numerous other far-reaching institutions and activities.
- To maintain the contact of young Greeks with their ancestral language and civilization, with Greece and with overseas communities so that they may be active leaders of Hellenism and of multicultural cooperation.
- To help improve working conditions and standards of living for Greeks all over the world.
- To ensure their smooth reintegration into the Greek society.
- To reinforce philhellenism throughout the world.

## Activities of the GSGA

23.48. The GSGA develops a wide range of activities and programs, and acts as a liaison between the Diaspora and Greek government Ministries and other institutions that deal with specific issues affecting the Diaspora (e.g., education, military service, investments, insurance, taxation, etc.), while coordinating government policy in those areas.

23.49. Apart from planning and implementing policy initiatives for the Diaspora, the GSGA also :

- Provides economic assistance to organisations of overseas Greeks for their cultural and other activities.
- Organises conferences of Greeks abroad both in Greece and overseas and supports such conferences organised by Diaspora organisations.
- Publishes and distributes informational brochures.
- Sends books and audio-visual materials to organisations, academic institutions, etc.
- Sponsors and publishes scientific research on Diaspora and emigration issues.

- Monitors the educational programs of Diaspora organisations and schools and co-operates with the Ministry of Education for the enhancement of these programs.
- Provides scholarships and in other ways promotes the teaching of the Greek language and literature abroad.
- Organises cultural events overseas in co-operation with local organisations, usually in the form of cultural months or cultural weeks.
- Organises symposia and events in Greece for the promotion of overseas artists, academics , scientists, etc.
- Provides information to repatriated Greeks on issues that concern their return to Greece (e.g., pensions, insurance, legal status, tax issues, training, work related issues, etc.) and otherwise implements programs for the successful integration of returning Hellenes into larger social fabric.
- Follows and contributes in the shaping of international developments on Diaspora issues through its monitoring of, and participation in, international organisations/agencies, including the European Union, the United Nations, the Council of Europe, the OECD, and the World Trade Organisation.

### **Divisions and Departments**

23.50. The GSGA has the following Divisions and Departments:

- Office of the Secretary General.
- Division of Communication with Greeks Abroad
  - Greeks Abroad Organisations Department
  - Communication and Information Department
  - International Co-operation Department
  - Department for Religious Matters
- Division of Educational and Cultural Matters
  - Educational Department
  - Cultural Department
  - Hospitality (Philoxenia) Department
- Division of Economic and Social Policy
  - Economic Co-operation Department
  - Social Policy Department

- Social Security and Welfare Department
- Bureau for EU Matters
- Division of Planning, Research and Development
  - Research Department
  - Organisation and Planning Department
- Division of Finance and Administration
  - Administration Department
  - Secretariat Department
  - Finance Department
  - Publications and Procurement Department
  - Electronic Data Processing Department
  - Legal Co-ordination Department
  - Technical Infrastructure Office
  - Press and Public Relations Office

- 23.51. The Greek Diaspora have organised themselves in over 3,500 organisations in their host countries. These organisations operate at three levels; namely, (i) the community residing in a certain foreign city or a Regional Association of Greeks from a specific geographic region in Greece (ii) second level being the Federation, which is an umbrella organisation of first level organisations in certain foreign countries and (iii) third level being the Confederation which consists of all the federations functioning on an international level. In addition to the above, there also exist several other organisations that fulfil specific educational, professional or other needs of the Diaspora such as Chambers of Commerce, academic associations, medical associations, banking associations.
- 23.52. In 1995, an organisation called the World Council of Hellenes Abroad (better known by its Greek acronym SAE) was founded which is the institutional umbrella representation of all Greek organisations abroad. SAE is a non-partisan, independent consultative body on matters of interest to Greeks abroad, comprised entirely of representatives from Diaspora organisations.
- 23.53. SAE is regularly convened once every two years in the city of Thessaloniki, where its world headquarters are located. It is governed by an elected nine-member executive board (world president, alternate world president, four vice presidents and three secretaries to the world president). The four vice presidents also act as regional SAE presidents in their geographic regions.
- 23.54. The GSGA supports SAE in every possible way and serves as the institutional link between the Greek government and SAE.



## **Relevance of the Greek Experience in the Indian Context**

23.55. Greece is a developed country, although among the less prosperous ones in the EU. It is dependent on the EU for economic assistance and for its economic growth and advancement. Its requirements from its Diaspora are, therefore, different from those of India and the Indian Diaspora. The religious and cultural homogeneity of the Greek Diaspora is another important difference between the Greek and Indian Diaspora. India can, however, benefit from the Greek experience in several ways. A predominant feature of the Diaspora is sentimental and patriotic attachment to the motherland. India like Greece is inheritor of a rich ancient civilisation and culture and can learn from the Greek experience. Greece has a history of very positive interaction and 'brotherly' relations between Diaspora and the motherland. Key importance is given by Greece to providing educational and cultural assistance to the Diaspora. The large GSGA Secretariat in the Foreign Ministry of Greece reflects the high regard for the sentiments and sensitivities of the Diaspora, on which there is an overwhelming national consensus. The Diaspora reciprocates this attitude towards the motherland and comes forward to help the motherland, when needed. The GSGA offers a valuable institutional model for India's efforts to forge links with the Diaspora in the context of her foreign policy goals, initiatives and frameworks.

## **THE ITALIAN DIASPORA**

### **Introduction**

23.56. According to the Italian Foreign Ministry sources, there are roughly 60 million persons of Italian origin abroad, while the population of Italy is approximately 57 million. The number of Italians abroad in 1861, according to published sources was 220,000. By 1876, about 100,000 peoples were leaving Italy each year and by 1914, there were 5-6 million Italians living abroad as compared to 35 million inside Italy. Most emigrants from Italy left in search of employment and better economic prospects as Italy at the time of its independence was a poor agricultural country with large unemployment. Many labourers with poor education from Southern and North - Eastern Italy went to South and North Americas as well as to other European countries in the period 1880-1914. Emigration continued after the establishment of the fascist regime and in the period preceding the 2<sup>nd</sup> World War, though in relatively smaller numbers. After the end of the 2<sup>nd</sup> World War, Italy was again faced with large unemployment, economic shortages and widespread poverty which resulted in another wave of emigration, particularly from its Southern region. The emigration from Italy was directed towards three major geographical areas: Western Europe, South America (mostly Brazil and Argentina) and North America. In addition to the 60 million persons of Italian origin world wide, there are about 3.9 million Italian nationals with larger communities in Argentina, Brazil, USA, Germany, Switzerland, France, Belgium, UK, Canada, Australia and South Africa.

23.57. Two main heroes of Italy's independence had lived abroad i.e., Mazzini in the UK and Garibaldi in the USA. The flow of remittances from the Italians settled in the USA after 1880s began to create a favourable opinion domestically in regard to emigration. The Italian elite saw in this

phenomenon, a ready solution to the country's problem of large unemployment in the South and migration began to be regarded as a useful safety valve against class conflicts. According to published sources, the Italian Government started taking serious interest in the welfare of emigrants with the passage of the 1901 Emigrant Act which created the General Commission on Migration, based in the Italian Ministry of Foreign Affairs. With a view to promoting the linkages of the emigrants with the mother country, some Italian politicians began voicing support for recognising dual nationality but countries like the USA and Argentina did not react favourably to this suggestion at that time.

### **Involvement of the Italian Diaspora in the Furtherance of Italy's National Objectives**

- 23.58. In recent years, the Italian government has established an organised framework for regular interaction with its Diaspora. In 1985, the Italian government encouraged the establishment of the Committees of Italians Abroad (also called COMITE) in areas with a minimum of 3000 Italian nationals. The COMITE has an executive comprising of the President, Vice President, Secretary and Treasurer and its members are elected for 5 years. They are expected to collaborate with the Italian diplomatic and consular missions, Italian associations and other COMITEs for the protection of citizen's rights and interests, and promote cultural and social activities, school services, and cultural, social and economic ties with Italy. In 1989, the Italian government set up a General Council of Italians abroad (CGIE) consisting of 95 members, 65 of whom are elected by the Italian communities abroad and 29 are appointed by the government-ten representing immigration associations, 7 from political parties in the Parliament, 9 from trade unions and charitable institutions represented in the National Council of Economy and Labour, one from National Press Federation, one from the Federation of Italian Press Abroad and one from border workers' organisations. Thus there is wider interaction among the representatives of Italian communities in various countries on the one side and government representatives and important segments of the domestic on the other pertaining to the promotion of each others' needs and interests. This Council is chaired by the Minister of Foreign Affairs and advises the government on the problems of Italian communities abroad, the need for educational and professional training, how to enhance their national identity, and prepares an Annual Report which is presented to Parliament.
- 23.59. Last year, the Italian government took the initiative of convening a series of Conferences of Parliamentarians of Italian origin, Persons of Italian origin and Italian Consuls world wide. It is understood that there are 346 MPs and Senators of Italian origin in 27 countries in Europe, North and South America, Australia and New Zealand. The Conference of Parliamentarians of Italian Origin was attended by 166 parliamentarians including the speaker of the French National Assembly and the Deputy Speaker of Peru's Congress. The Parliamentarians of Italian origin agreed to set up an Association of MPs and former MPs of Italian Origin in the world. It was felt that Italy ought to utilise the expertise and good offices of these Parliamentarians to establish closer ties with their country of origin and to constitute special lobbies to promote Italian political

and economic interests. The Italian community in the US, for instance, is being geared to canvas US support for Italy's admission as a Permanent Member of the UN Security Council.

- 23.60. The Conference of Italians Abroad was organised in Rome from December 11-15, 2000 and was attended by 676 representatives of Italian communities abroad, 169 delegates from Italy, 380 journalists and a large number of observers. It was inaugurated by the President of Italy. This Conference had been preceded by 5 Regional Conferences in Canada, USA, Australia, Europe and South Africa to seek inputs from the Italian communities in these regions about their problems and suggestions for more interactive networking arrangements. The Conference focused on the contributions of the Italian communities in science and technology, economy and culture. It adopted a resolution asking parliament to give voting rights to Italians abroad. The Italian government was also asked to improve the provision of consular services as well as to finance research activities on the problems of the Italian communities in various countries.
- 23.61. The First Conference of Italian Consuls Abroad was held in Rome on December 18-19, 2000 with the participation of 210 Consuls General and Consuls, officials of the Ministries of Foreign Affairs, Labour and Industry, and members of the business, media, academic and cultural communities. The Conference while discussing means to improve the effectiveness of the Italian Consular Offices abroad, strengthening the external image of Italy, collaboration with the private sector to promote Italian products abroad and to attract more foreign investments in Italy, gave a separate focus to the activities and issues concerning the Italians abroad.

### **Special schemes or incentives offered to Diaspora for fostering closer links with Italy and special legal and constitutional provisions in this regard**

- 23.62. **Dual Citizenship and Reservation of Seats in Parliament:** With a view to foster closer links with Italians abroad, the Italian Parliament passed a Citizenship law in 1992 which explicitly allows (Art.11) Italian citizens who possess, acquire or gain foreign citizenship to retain their Italian citizenship. Italian citizens can renounce their citizenship, if they so desire, but the acquisition of a foreign citizenship does not imply the automatic loss of Italian citizenship. This legislation has benefited Italians living in those countries where acquisition of the local citizenship does not require the incumbent to renounce or lose his previous citizenship. The Italian Parliament passed a resolution in October 2000 to reserve 6 seats in the Senate and 12 in the Chamber of Deputies for the Italian communities abroad. Efforts are now being made to pass the enabling legislation for electing these representatives. The Italian government is also providing financial assistance to the Italian communities abroad for the teaching of the Italian language. Italian TV and radio stations are being encouraged to extend the coverage of their broadcasts to countries with large Italian communities.

### **Special Measures in the Economic and Taxation Fields**

- 23.63. The Italian government has signed Agreements for the Avoidance of Double Taxation with several

countries. Italians abroad face no restrictions in purchasing land or other assets in Italy. They are able to get pension payments for services rendered in Italy, through the Italian Missions abroad.

### **Annual Conference of the Diaspora**

- 23.64. In the past, the Italian government had held a number of conferences of Italians overseas at different intervals. More recently, they have made intensive efforts to reach out to the Italian communities abroad, review their needs and work out new approaches to utilise their experiences and contacts. The Italian government intends to continue these initiatives, though no decision on the periodicity of these conferences has been made so far. The meeting of the General Council of Italians Abroad is, of course, held annually. The centre-right government of PM Berlusconi which came to power in June, 2001 has appointed a separate Cabinet Minister for Italians Abroad. He is spearheading moves to give early representation to the Italians abroad in the national parliament.
- 23.65. **Special Award for the Diaspora:** Italy provides awards for the Diaspora and other foreigners for outstanding achievement and contribution to the motherland.
- 23.66. **Organisational Structure:** The Italian Foreign Ministry has a Directorate General for Italians Abroad and Immigration Policies, headed by a Minister of State. The Directorate General has five Sub-Divisions. There are total of 149 officials in their Directorate for Italians Abroad; of these 16 are diplomatic officers. Annual budget of this Directorate for 2001 is of \$ 66 million.
- 23.67. **Establishment of a Crisis Unit in the Foreign Ministry:** A Crisis Management Unit has been established to analyse and respond to specific emergency situations in which Italians nationals are involved, to take necessary measures to guarantee the safety of Italian nationals abroad, and to collect and appraise any information needed to implement emergency plans. The Unit has 15 staff members, four Departments and is headed by a Secretary General.
- 23.68. The emphasis on the part of the Italian Government is to ensure that the Italian communities abroad continue to speak Italian and remain in touch with the Italian culture.

### **Relevance of Italian Experience in the Indian Context**

- 23.69. Italy is an important industrialised country in the European Union and the Italian Diaspora is by and large an affluent Diaspora. As such, the nature of expectations of Italy and its Diaspora differ from those of India and her Diaspora. The following experiences of Italy, however, are relevant for India:-
- (i) PIOs holding public offices in their adopted countries could be encouraged to form global associations, so that as nationals of these countries they could contribute to strengthening of bilateral relations with India.
  - (ii) A dedicated structure, at a high-level, could be established in India, exclusively for Diaspora Affairs.

- (iii) A Crisis Management Unit could be established in the proposed structure, for effectively dealing with emergency situations involving NRI/PIOs.
- (iv) Favourable consideration could be given to representation for the overseas Indian Communities in the Indian Parliament in order to draw the attention of the Parliament to the problems of overseas Indians; add a new perspective to Parliamentary debates and give PIOs a stronger sense of identification with the motherland.
- (v) Sympathetic consideration could be given to Dual citizenship for overseas Indians. The pros and cons of dual citizenship could be studied in the Indian context.
- (vi) The institutional structure of the CGIE and its network of COMITEs is highly relevant to India as it could ensure wide-ranging and regular interaction between the Indian Diaspora and the Indian government and important national groups in India such as political parties, trade unions, National Councils on Economy, Labour, Press, overseas press etc.
- (vii) Diaspora issues could form an important agenda in the regional level meetings of Indian HOMs and Consular Officials.

## **THE JAPANESE DIASPORA**

- 23.70. Japan with a population of 125 million has a Diaspora of 3 million primarily settled in North and South Americas. The largest number - 1.3 million - is in Brazil followed by 1 million in the USA. Other countries with significant Japanese population are Mexico, Argentina, Bolivia and Peru.
- 23.71. Initially, the economic profile of the overseas Japanese community was mainly agricultural. Over the years, it has changed to trade and commerce and fine human resources. The rise of Fujimori as the Head of State in Peru made the world aware of the conspicuous Japanese Diaspora presence in South America. The Japanese Diaspora in their adopted countries are called "Nikkei" people. In their adopted countries, "Nikkei" people have (a) actively participated in the fields of politics, economics, administration, academia and culture; (b) made active and positive contributions to economic and social development for which they have received individual recognition; (c) and they have played an important role in promoting mutual understanding and progress in the friendly relationships between Japan and their adopted countries.
- 23.72. In July 1955, the Government of Japan set up Overseas Emigration Council, which was an advisory body to advice the Prime Minister and the Foreign Minister of Japan on matters relating to overseas emigration policy of Japan. The Council was subsequently transferred to the Japanese Ministry of Foreign Affairs in July 1984. It had 18 members nominated by the Prime Minister from academic and intellectual circles for a term of 2 years. Vice Ministers dealing with administrative matters in various Ministries and Agencies were ex-officio Advisers to the Council. The Council submitted advisory reports on subjects such as measures to cope with various problems concerning the Japanese people living abroad including measures for ensuring their safety, measures towards

reform of visa system, their protection at times of crisis etc. The Council has since been disbanded in January, 2001. With some administrative restructuring, a new body called "Council on the Movement of People Across Borders" is being established by the Japanese government. This organisation will also be an advisory body to advise the Prime Minister and the Minister of Foreign Affairs. There is a special cell in the Ministry of Foreign Affairs of Japan under the Consular and Migration Policy Division to handle issues relating to the Japanese Diaspora.

### **Special Schemes and Incentives to the Japanese Diaspora**

- 23.73. The main pillars of Japan's approach to its Diaspora are special schemes or incentives for fostering close links with the motherland, notably through (a) promotion of Japanese language and culture among the people of Japanese origin living abroad ; (b) Imparting technical education to facilitate those who wish to return to Japan and reintegrate ; (c) welfare of the Diaspora, though such activities as ; (i) invitations to Japanese citizens overseas aged above 50 years to visit Japan ; (ii) study tours for students (50-60 numbers); (iii) invitations to leaders of the overseas Japanese (Nikkei) in Latin America to visit Japan; (iv) scholarships to overseas Japanese students to provide vocational skills etc.
- 23.74. There are no special taxation arrangements for the Japanese Diaspora. As regards economic measures to support people of Japanese origin, Japan International Co-operation Agency (JICA), a government agency provides interest free loans, technical training and scholarships to the Diaspora. The Government of Japan also sends senior and young volunteers to countries which have Japanese Diaspora concentration.
- 23.75. Government of Japan holds conventions and conferences of Japanese people living abroad every year in Tokyo. So far, 42 such conventions have been held between 1957 and 2001. This is being arranged through Association of Nikkeis with active help and assistance of government. The Government of Japan also organises a Pan-American convention every two years in which the representatives of Japanese Diaspora from the Americas participate.
- 23.76. Japan is among the largest providers of Overseas Development Assistance (ODA) to developing countries. It gives special emphasis to liberal ODA flows to those countries, which have substantial Japanese Diaspora concentration.

### **Association of Nikkei and Japanese Abroad**

- 23.77. The Association of Nikkei and Japanese Abroad is a well organised body with the objective of providing a deeper understanding of Japan among the host countries and contributing to the advancement of mutual friendship and prosperity between Japan and host countries. To this end, the Association endeavours to enhance the contact and co-operation with the "Nikkei" and the Japanese abroad and participate in projects for international co-operation and interchange between Japan and host countries. Its functions and activities include: an Annual Convention which is attended by the Imperial family for promoting mutual understanding between the Diaspora and

Japan; invitations to eminent Diaspora to visit Japan; annual meetings of the Overseas Japanese Press Association; Public Relations Training for Overseas Japanese Information Media; training to Diaspora journalists; employment-oriented technical training to the children of Diaspora in Japan; technical training to the Diaspora workers who want to repatriate to Japan; training in Japanese language and life for about 40 Diaspora students in Japan for one month; training in Japan of Japanese language teachers staying overseas etc. Most of the technical training programmes are organised by the Association of Nikkei and Japanese Abroad in co-operation with the Japan International Co-operation Agency (JICA).

### **Relevance of the Japanese Experience in the Indian Context**

- 23.78. Japan is a highly advanced economy and the second richest economic power in the world. The bulk of the Japanese Diaspora is in Latin America and comprises of a professional/business oriented people. The large Diaspora in the US is affluent and well placed.
- 23.79. The Japanese Diaspora is active in promoting bilateral relations between Japan and their host countries. The Japanese Government is reputed to have a very caring attitude towards its Diaspora with the objectives of making them feel comfortable in their adopted countries through assistance in the development of Japanese culture and symbols there as well as liberal aid to the host countries. India could learn from Japan's policy of caring for her Diaspora in fostering close bonds between Diaspora and the home country. The dissemination of Japanese culture and language, the provision of technical and educational assistance to the Diaspora, successful organisational models and functions of the Nikkei And Japanese Abroad Societies are particularly relevant in the Indian context. The experience of the new Advisory Body to the Prime Minister to be known as "Council on the Movement of People Across Borders" would be of relevance for India.

## **THE SOUTH KOREAN DIASPORA**

### **Introduction**

- 23.80. The Republic of Korea with its population of about 46 million has about 5.6 million Koreans residing abroad. More than 90% of them are in China, US, Japan and the countries of the CIS. South Korean Diaspora has made important economic and technological contribution to its motherland.

### **Organisational Structure**

- 23.81. There is a "Committee of Korean Residents Abroad", composed of 15 members including the Prime Minister and other Ministers. The Committee functions as a consultative organisation for Korean residents abroad. An autonomous organisation called 'Overseas Koreans Foundation' (OKF) was also launched in October 1997. OKF holds 'Overseas Young Koreans Leaders' conferences to

which it invites professionals of the Diaspora from different countries to identify their problems and to help them build meaningful linkages with their mother countries. Besides other activities, it also has websites: [www.hanminjok.net](http://www.hanminjok.net) and [www.virtualkorea.net](http://www.virtualkorea.net) for the Diaspora.

- 23.82. Prominent Koreans from different countries are invited to visit the Republic of Korea. Economic and cultural exchange programmes, annual meetings of Korean businessmen for encouraging contributions to Korean economy, encouragement of the Korean communities in the countries with large Korean Diaspora to conduct projects through their own efforts and financial means, training programmes for the Korean businessmen in the less developed countries, special programmes for youth groups, support to educational programmes to preserve Korean identity and culture, establishment of overseas Korean schools, providing scholarships for university students to study in Korea especially for those living in China and the countries of CIS, and vocational training to acquire cutting edge industrial technologies are other notable features. The OKF sends cultural envoys and troupes of artists and holds annual arts and music festivals. It hosts the Seoul Arts and Music Festival every year in search of talented Korean artists and musicians among the Diaspora and helps them to develop into internationally renowned artists. It also honours promising overseas Korean authors with literary awards.
- 23.83. According to the Overseas Koreans Foundation Act, the Foundation has nine or less directors inclusive of the chairman and one auditor. Officers other than the chairman and full-time directors work part time. The Chairman is appointed by the President through the Prime Minister upon the recommendations of the Foreign Affairs and Trade Minister. There is a Board of Directors. The Directors, except for those who are ex-officio are appointed by the Minister of Foreign Affairs and Trade. The auditor is appointed by the Minister of Foreign Affairs and Trade. He can attend the meetings of the Board. The terms of office of the chairman and directors are three years. Officers and employees of the Foundation cannot engage in any business with the object of profit-making and should not hold any additional posts.
- 23.84. An Overseas Korea Fund has been established in the Foundation and for its projects. Financial resources of the Fund are raised by donations, contributions, borrowings etc. Government makes contribution to the Fund for establishment and operation of the Foundation.
- 23.85. In December, 1999, a "Law on Immigration and Legal Status of Overseas Koreans" came into force giving them legal, economic and other incentives so that they could contribute more for the development of the motherland.

### **Relevance of the South Korean Experience in the Indian Context**

- 23.86. The Republic of Korea is an upper middle income developing country and one of the world's fastest growing industrial economies. Its Diaspora has made important economic and technological contributions to the mother country. The Committee of Korean Residents Abroad and the model



of Overseas Koreans Foundation as an autonomous organisation are of relevance in the Indian context. Equally relevant to us are the programmes involving the Korean Diaspora in the economic development of mother country and for their cultural exchange.

## **THE JEWISH DIASPORA**

### **Introduction**

- 23.87. The strength of the Israeli State and the influence of the Jewish Diaspora are complementary in promoting the national objectives of the Jewish State and the interests of Jews world wide. The largest and the most influential Jewish Diaspora is in the United States. It has networked with the Israeli state and the Jewish community world wide with a view to promoting their common interests. The influence of the Jewish Diaspora in the USA and in countries of Europe follows its enormous wealth, its conspicuous professional presence and its numerical strength. Israel's relations with the former USSR and the countries of Eastern Europe under the Communist regimes were strained owing to political reasons. In the US and West Europe, there was wide - spread concern and anxiety regarding the security and well-being of the Jewish Diaspora in these countries. There has been substantial emigration to Israel after the break up of the Soviet Union. Israeli relations have also improved gradually with the former States of the USSR and with Russia, where a fairly large number of Jews continue to live. Israel had close relations with the apartheid regime in South Africa. Today, the influence of the Diaspora in South Africa has helped promote Israeli interests therein.
- 23.88. Out of the 14 million Jews in the world, 5.2 million are in Israel. Major groups abroad are in the US (6m.), France (600,000), Russia (550,000), Ukraine (400,000), Canada (360,000), UK (300,000), Argentina (250,000), Brazil (130,000), South Africa (106,000), Australia (100,000), and the remainder in a total of 91 countries world wide – the smallest communities being in Iraq and Tahiti (100 each). Anti-Semitism has been widely prevalent in most parts of the world and is the main concern of the Diaspora and of Israel. The Jewish community throughout the world is aware that there has never been any trace of anti-Semitism in India.
- 23.89. As is well known, the Jewish community in the US is well integrated in the country's economy, politics and government and has an important influence on US foreign policy towards Israel and the Jewish Diaspora. The community is also well integrated in the European liberal democracies, where there are major concentrations as in the case of the UK and France. Questions of holocaust claims and responsibilities have strained relations with countries like Switzerland, whose banks in 1998-99 were accused of withholding the claims, amounting to billions of dollars, of thousands of Jews who died in the holocaust. Similar claims for damages (for forced Jewish labour) have been made against companies like Mercedes Daimler. As regards the rest of the Diaspora, they are integrated in varying degrees in the host countries. The Jewish community in Islamic nations, however, faces different degrees of discrimination. The Israeli State and the Jewish Agency offer

incentives to the Diaspora especially in East Europe to emigrate to Israel. They also permit people of Jewish origin anywhere in the world to make their homes in Israel.

- 23.90. Scholars point out that the Jewish presence world wide, their knowledge of several international languages, expertise in money lending, international trade, commerce, and diplomacy as well as their cohesiveness and solidarity as a community has made them an integral part of the world economy while helping them preserve their identity.

### **Historical Background**

- 23.91. The history of Jewish people is inextricably linked with that of religion. The Jews have lived throughout history with a powerful sense of a unique destiny. Early Biblical writers expressed this through the concept of the 'chosen people'. They were repeatedly conquered, suppressed and enslaved, from ancient times. The Jewish tribes in Palestine were plundered and enslaved by Babylon in the 6<sup>th</sup> Century B.C. and the wealthy among them taken to Babylon. They were enslaved by Alexander the Great and taken to Egypt. In the next 700 years, they dispersed all over the world as minority communities in various Empires where they were humiliated, massacred and treated as undesirable strangers.
- 23.92. With the consolidation of Christianity, they became targets of persecution and discrimination by state authorities in their host countries especially, in Europe and in the Christian world. In the era marked by the Crusades, anti-Semitism became a strong force and culminated in massacres of Jews in Western Europe. The savage attitude of Christians towards the Jews was influenced by the perception that one of the objectives of the crusades was to 'avenge the death of the Saviour on the Jews'. Jews were banished from the Kingdoms of Britain and France. Following the Crusades, the Jews began to save their money in order to protect themselves in times of crisis. Gradually, many of them in the West became moneylenders. Towards the end of the Middle Ages, many Jewish communities moved to Central Europe and Russia where they faced discrimination and persecution. In Poland and Lithuania, they enjoyed a favourable status till the mid-17<sup>th</sup> century. The Jewish communities under Muslim rule in North Africa and the Ottoman Empire received better treatment. They had enjoyed relative autonomy in Babylon and under the Persians and Parthians. Babylon emerged as a centre of Judaism, where many Jewish/religious academies were founded till the 9<sup>th</sup> Century AD. Jews enjoyed peace and prosperity under Muslim rule from the 8<sup>th</sup> to 12<sup>th</sup> centuries AD especially in Spain. The Jews under the Ottoman Empire in the 16<sup>th</sup> century were extremely prosperous and held important positions in economic life and were represented in leading diplomatic and financial positions in the service of the Sultan. Notwithstanding the fact that they had a status lower than the Muslims, they had religious autonomy and could occupy high posts. The decline of the Ottoman Empire led to the decline of the Jewish community as well. There was greater accommodation of the Jews in many parts of West Europe, after the French Revolution. Under the Nazis, however, there were mass massacres of Jews in West Europe. Six million Jews were killed in the holocaust. The Jews were also subjected to violence and harassment in East Europe and in Tsarist Russia in the 19<sup>th</sup> century. There were

organised massacres and Pogroms, following which there was large-scale migration to the New World i.e. USA, Canada and South America. The 19<sup>th</sup> century also saw an improvement in the position of the Jews in Western Europe and there was considerable migration to countries, which had experienced the Industrial Revolution. It was in 1917 that the Balfour Declaration laid the foundation for a Jewish national Home in Palestine. The year 1948 saw the creation of State of Israel in Palestine. The Muslims countries of the world and Israel's Arab neighbourhood were generally hostile to the creation of the State of Israel. Demands were made on behalf of the Muslim world for establishing and recognising the State of Palestine. Large numbers of Jews from the Arab countries migrated to Israel. Migration of Jews from the Soviet Union had also commenced. They went to Israel, as well as to North and South America and other West European countries. The State of Israel was truly a creation of its Diaspora.

- 23.93. In the USA, the Jewish immigrants, who had formed an industrial proletariat, improved their economic standing by moving into professions through the education of their children. After the Second World War, Jews became one of the most prosperous Diasporas in the world. The Jewish community in the USA today commands considerable economical and political power. The Jewish communities in Britain, Canada and France also occupy a very important position in those countries. They are well-integrated and prosperous communities. The rise of intolerance in the Muslim world led to continuing outflows of Jews since the 19<sup>th</sup> Century. Between 1948 to 2000, 2.8 million Jews migrated to Israel of which 1 million were from the former USSR.
- 23.94. The Jewish community had established its presence in India in the ancient times. The Iraqi/Baghdadi and Armenian Jewish communities migrated to India in the 19<sup>th</sup> and early 20<sup>th</sup> centuries. The Jewish community in India numbered approximately 25,000 in 1948. The emigration (or 'Aliya') of Jews from India began since the establishment of the State of Israel with big outflow in 50s and 60s. The figures of aliya for Indian Jews up to now are about 27,000. Approximately 6000 Jews reside in India, as per Jewish Agency figures (1998). The Indian Jews went to Israel for religious and economic reasons. They are proud of their Indian heritage and the fact that they did not face any sort of social or religious discrimination in India.
- 23.95. The Jews who had migrated in large numbers to South America in the 19<sup>th</sup> and early 20<sup>th</sup> centuries had encountered strong anti-Semitism during the 1930s and 40s. In modern times too they have encountered anti-Semitism during the military dictatorship in Argentina from 1976-82.

### **Concerns of the Jewish Diaspora**

- 23.96. The main issues of concern of the Jewish Diaspora are discrimination and anti - semitism; their security and the security of the state of Israel; their religious connection with Israel; welfare activities of the Jewish communities and promotion of bilateral relations between Israel and their host countries.

- 23.97. The attitude of host countries of the Diaspora varies from full support to Israel (US and South American countries broadly) to measured support from UK and France in the Middle East peace process, and on the Palestinian Issue. The Islamic world (with the exception of Turkey & Morocco) is largely hostile to Israel. As regard the peoples' attitude in the host countries, anti-Semitism continues to exist in varying degrees in the European and Muslims nations.
- 23.98. The Jewish Diaspora's relations with their host countries are based on their peaceful and law abiding way of life. Wherever they are allowed to follow their religious and social traditions, even in isolation from the social mainstream, they make every effort to maintain their traditions. There is professional, economic and political integration, wherever this is permitted in the host countries.
- 23.99. The Diaspora is very keen to ensure that their children get Jewish education. Numerous programmes by the Diaspora organisations and by the Government of Israel have been established in this regard and are very popular.

### **Involvement of the Diaspora in the National Objectives of the Mother Country**

- 23.100. The contribution of the American Jews to Israel has been most prominent, followed by that of the European Jews. The South African Jews during the apartheid era, played a major role in establishing close (mostly secret) relations between South Africa and Israel. To date, Israeli influence in the African continent is based on the contacts and ties of the South African Jews. In the case of CIS countries, there has been an improvement in recent years owing to large Israeli and Jewish investments in the region. The Isenberg family made large investments in China, which helped in promoting close economic ties between Israel and China. The Jewish media, big business, philanthropists and Foundations have made a large contribution to promoting the interests of Israel and the Diaspora.
- 23.101. Israel and the Jewish Agency have an extensive network with all Jewish communities in the world. Their programmes have centred around strengthening of linkages between Israel and the Diaspora; intra-Diaspora linkages and emigration to Israel. There are many Jewish organisations of this nature, some of which are mentioned in this chapter.
- 23.102. The organisation of the Jewish Agency and AIPAC (The American Israel Public Affairs Committee) indicate the objectives of the American Jews with regard to Israel and the Diaspora world wide. These organisations are networked with Jewish communities world wide and with the Israeli Government and embassies abroad. The political objectives of Israel are an important concern of the Diaspora. Religion is also of significance. The underlying idea and the endeavour is to enable the world's Jews to be allowed to perform their religious obligations, and strengthen their linkages with Israel. Details of their activities are given below.

### **Special Schemes/incentives offered by Israel to Diaspora for fostering close links with the motherland**

- 23.103. The main programme of the Government of Israel with regard to its Diaspora is to provide incentives for the Jewish people to migrate to Israel and promote the Israeli objectives of making the State viable, populous, and capable of defending itself against hostile forces. The 'Law of Return' offers wide-ranging benefits to the Diaspora to migrate to Israel. Schemes for the Diaspora include services of the Rabbinate – for catering to the religious and social needs of the Diaspora including – kosher food. On specific religious and social occasions when Rabbis are not available for the Diaspora, services of Israeli-based Rabbis are provided for them – as in case of divorces.
- 23.104. Other important programmes for fostering close links of the Diaspora with Israel are the 'Birthright Programmes' under which the Government and the Jewish communities around the world bring Diaspora youth to Israel to impart broad educational training, including the Jewish religious and cultural traditions (those programmes include – the Hebrew language which is invariably part of all such courses) and the political and security objectives of the country; holding of Diaspora conferences every 4-5 years; and the Maccabiah games (the Jewish Olympics held in Israel every four years). These schemes aim at inculcating a feeling for the 'motherland' among the Diaspora especially the youth, and promoting their close links with Israel. The Jewish Agency which is closely connected with the government helps considerably in funding such programmes.
- 23.105. **Legal, constitutional provisions for Diaspora.** All the Jews are encouraged to visit and live in Israel. The Law of Return deals elaborately with the identification of Jews and grant of permission for Aliya. The Ministry of Immigration offers incentives, financial and other incentives facilitating the smooth settling down of new immigrants in Israel. Israel allows dual nationality, in respect of countries with which it has diplomatic relations. Jewish persons can obtain an Israeli National ID (which indicates Israeli nationality) even if they hold foreign passports. Thus, a Jew holding an Indian passport may obtain an Israeli National ID, but not an Israeli passport.
- 23.106. **Special Measures in the economic/taxation spheres.** Israel currently has a liberalised economic system. There are special incentives for foreign investments in Israel, including investments by the Diaspora. Special incentives are provided by the Israeli State mainly for new immigrants. The main trading partners of Israel- US and Europe are also the largest centres of the Diaspora. Israel has special and privileged economic arrangements with them. The Diaspora has taken a lead in promoting trade between these countries and Israel and also in developing the economic infrastructure of Israel. A scheme of Israeli Bonds had been established by the Government of Israel to attract the savings of the Diaspora for investments in the development of infrastructure in Israel and for the overall development of the economy.

### **Organisational Structures in the Israeli Government**

- 23.107. The following organisations and structures exist in Israel and the Diaspora with regard to Diaspora affairs.

- 23.108. Israeli Ministry of Immigration: This Ministry deals with the 'aliya' of the Jews to Israel. It administers the Law of Return, conducts programmes and provides funds for the complete integration of new immigrants during their first three years in Israel. Its annual budget is to the tune of \$400-500 million. Its operations are based in Israel. The nodal agency for identifying Jews and their emigration to Israel is the Jewish Agency, whose Immigration & Absorption Department co-ordinates with the Israeli Immigration Ministry and missions abroad. The Ministry and the Jewish Agency jointly run the Information and Publications Unit, which deals comprehensively with the absorption process abroad. The immigration Ministry also keeps track of the Israeli citizens residing abroad, who number about half a million.
- 23.109. In the Knesset, there is the Permanent Committee on Immigration, Absorption & Diaspora, which is the nodal legislative committee dealing with Diaspora affairs and mainly with immigration and absorption. A Ministerial Committee headed by Natan Sharansky was formed, as a forum to raise consciousness about its Diaspora. It has no legislative and executive powers and has only advisory functions.
- 23.110. The Foreign Ministry has a World Jewish Affairs Division, headed by an Adviser to the Foreign Minister on World Jewish Affairs. The Division is responsible for maintaining contact with the Diaspora through Israeli diplomatic missions abroad and in co-operation with other Ministries.
- 23.111. The specific areas of responsibility of the Division include:
- (i) Explaining the political positions of the Israeli government in general, and the Palestinian issue in particular, to the Diaspora and seeking its assistance in achieving these goals.
  - (ii) The Division is currently engaged in the formulation of a new agenda for the Diaspora.
  - (iii) Co-ordinating the issue of the restoration of Jewish property throughout the world, including claims and compensation for holocaust victims.
  - (iv) Gathering material on manifestations of anti-Semitism, and follow-up thereon.
  - (v) Issuing directives to the Israeli missions abroad on the above matters and assisting in the co-ordination of visits of Jewish personalities from abroad.
  - (vi) During 1997, the Division was also involved in issues relating to Judaism.
  - (vii) The head of the Division represents the Foreign Ministry on the Ministerial Committee for the Diaspora. The Division plays an active role in co-ordinating meetings of the Committee with representatives of the American Jews. In the recent past, it has been involved in initiating and preparing meetings of the Israel-Diaspora Forum and the 500<sup>th</sup> anniversary of expulsion of the Jews from Portugal.
  - (viii) Among the important programmes handled by the Division is the 'Young Jewish Leadership Diplomatic' seminars, held annually to explain the position of the Israeli government on

foreign policy matters with the aim of making Diaspora youth ambassadors of Israel and involve them in promoting Israel's national objectives. Such a programme is part of the 'Birth Right' projects, under which, the Israeli government has budgeted \$10 million over five years (starting 1999) and 250,000 Jews will be brought to Israel.

- (ix) A Ministry of Diaspora Affairs was established in the former government of PM Barak (1999-2001) headed by Michael Melchior. The Ministry broadly dealt with issues currently looked after by the World Jewish Affairs Division in the Foreign Ministry. The Ministry for Diaspora Affairs was wound up recently.

## **Non-Governmental Organizations**

### **(a) Jewish Organisations**

23.112. The Jewish Diaspora is organised in a spread of associations and groups which look after a wide range of interests.

23.113. In the US/Canada, there are two kinds of Jewish organisations – communal (synagogues) of which there are 180 listed, most of them are currently defunct. They deal with the media and local councils, and also maintain close links with Israeli missions.

23.114. Among the other important organisations (there are 54 in all) are the AIPAC, The Conference of the President (which works with the White House, Dept. of State, etc.), Anti-Defamation League, Hillel (covers Jewish life on campuses), B'nei B'rith.

23.115. Even in a country like India, at least thirty Jewish associations are listed, such as Bene Israeli Women's Organisation, Bombay Zionist Association, Council of Indian Jewry, Bene Israeli Homeless Fund.

### **The Jewish Agency for Israel**

23.116. The JA (1929) pre-dates the state of Israel and was a vehicle for relations between Israel and the Diaspora. Before 1948, it acted as the official representative of the Jewish people to the British administration and to world powers. It was also responsible for building of a Jewish homeland, for aliya, and for settlement and provision of basic social services. It was the 'government-in-making' of the pre-state Israel. While most of the pre-state functions were taken over by the Israeli state, the JA retained responsibility for aliya. The JA's general assembly comprises about 500 members, 50% from the World Zionist Organisation, 30% from United Jewish Appeal (UJA) and 20% from Keren Hayesod. The UJA raises funds in the US for the JA's programmes and KH raises funds in about 50 countries outside the US. It is headquartered in Israel.

### **The American Israel Public Affair Committee (AIPAC)**

23.117. It is the legislative arm of the US Jewish community charged with the responsibility of dealing with the US Congress and US-Israel relations. It is ranked among America's most powerful interest

groups. It helps pass more than 100 pro Israeli legislative initiatives a year, including security and aid issues concerning the state of Israel. It is a lobby in the US Congress, provides information on the Middle East and brings Congressional groups from the US to understand Israel's concerns. It has a \$ 15 million annual budget and a staff of 65 in Washington. Its recent focus has been on enhancing US-Israeli strategic co-operation, Iran's nuclear weapons programme, countering terrorism etc.

### **The American Jewish Joint Distribution Committee**

23.118. The AJJDC is the main organisation which deals with the welfare issues of the Diaspora outside the US and Canada. Its four missions are aid for the Jews in distress; relief of Jews in need; restoring and strengthening Jewish community life; and helping Israel to address the social service needs of its vulnerable population. Among its rescue operations are the assistance programmes to the holocaust survivors, and in recent times to rescue the Jews in the Bosnia-Herzegovina conflict. Relief activities include assistance to weaker sections of the Diaspora, especially in Eastern Europe and the former Soviet Union, and also in India and Africa. The AJJDC is also involved in strengthening Diaspora communities through educational and cultural programmes, and financial/economic help. For example, the AJJDC provided Rabbis and Jewish Service Corps volunteers to the Bene Israeli community in India to enrich Jewish life. It also has elaborate programmes for the upliftment of weaker sections of the community in Israel.

### **The World Jewish Congress**

23.119. A political umbrella Association of 80 Jewish communities in the world, it is designed to protect the human rights of the Jewish people by taking up their interests or concerns with their host governments. It does not deal with social and educational issues, but only political concerns. It is a sort of an international NGO which lobbies in different countries. It is a voluntary organisation where all communities are represented in a general assembly and representatives are elected on the basis of proportional representation. Each country has one vote, though decisions are made on the basis of the consensus principle. It does not have an enforcement mechanism. The general assembly of the WJC elects its president and regional officers every five years. It has an annual budget of \$ 5 million. In the early 1990s, it approached the GOI to influence India's vote in the UNGA resolution which attempted to equate Zionism with racism. The WJC is headquartered at New York. All its publications are from Israel. It hosts Presidents of local Jewish communities in different countries for briefing sessions on issues concerning Israel, such as the recent violence in Israel.

### **The American Jewish Committee**

23.120. The American Jewish Committee in the US protects human rights of Jews and works for the security of Israel and the development of bilateral relations with the US.



### **The Project Interchange**

23.121. The Project Interchange, another Jewish organisation in the US, educates American political, ethnic and religious leaders about Israel, including through visits to Israel. Many other organisations focus on issues of reparations to the victims of the holocaust and trials for Nazi war crimes.

### **Relevance of Israeli Experience in the Indian Context**

23.122. Israel is a prosperous country. Its outlook and policies are conditioned by its historical background relating to the struggle for a homeland for Jews and the continuing problems of security in the context of Palestinian issues, Gaza Strip and the West Bank. There is considerable dissimilarity between the experiences and requirements of India and Israel. The religious homogeneity of the Jewish Diaspora also distinguishes the Jewish Diaspora from the Indian Diaspora. Moreover, India does not share Israel's imperatives of focusing on encouraging the return of the Diaspora to the homeland as a prime concern. Nor does it share Israel's religion-based concept of a 'homeland'. The High Level Committee feels that despite these differences, the Israeli experience is highly instructive for India and its Diaspora. It also notes in particular the Israeli Diaspora's contribution to its motherland and the great solicitude of the motherland for its Diaspora.

23.123. Specific mention may be made of the following policies/projects and programmes which are relevant in the Indian context -

- (a) Based on its economic strength and political influence, the Jewish Diaspora had a positive impact, in promoting the concerns of Israel and of Jewish communities world wide in fostering close and friendly bilateral relations between the host countries and Israel. Indian Diaspora can take its cue from the Jewish example.
- (b) Powerful Jewish lobbies in the US Congress look after the concerns of Israel and the Jewish communities all over the world and in the White House. The Indian Diaspora would find the activities of the lobbies of the Jewish Diaspora, their extensive funds raising ability, their global networks which link Jewish associations and organisations world wide as well as with the State of Israel, a role model. The Indian Diaspora would also find the work of the World Jewish Congress including its human rights concerns for the Diaspora as a useful guide.
- (c) The Jewish Diaspora's special role in the economic development of Israel is worthy of adaptation and emulation in the Indian context. Keeping in view the key role of Science & Technology in India's economic development and advancement, India can benefit from the Israeli experience of large-scale funding by the Israeli Diaspora to several research institutions and training programmes and projects in Science & Technology, in Israel. Special efforts are needed to encourage the Indian Diaspora to contribute similarly to India through funds and technical expertise. Programme such as the National Technology Incubator scheme encourages the talented among the Diaspora, especially scientists and engineers to work in Israel in programmes or projects for which the Government provides physical premises,

financial resources etc. in high technology fields in particular. Similar concepts could be applied in other important areas as well to attract PIO talent from technologically advanced countries for India's development.

- (d) A scheme of Israel Bonds, issued by the Government of Israel, to build and strengthen the national economy and infrastructure, could be adopted in the Indian context. This could be an important instrument of channelising the savings and investment of the Diaspora for the development of India's infrastructure and economy. It would also strengthen the emotional bonds of the Diaspora with the motherland. The Israel Bond Organisation and other organisational structures and committees both in Israel and in the countries with significant Diaspora concentrations, could similarly be established in India and abroad as per our requirements.
- (e) The Jewish Birthright Project for educating the Diaspora youth about the culture and needs of the motherland is of special relevance for India. India could devise imaginative programmes and summer camps for Diaspora youth, which combine tourism and education in a manner which attracts the youth to participate in such programmes. In view of India's resource constraints, the Government of India need not bear the costs of international travel of the participants to attend such camps in India. That expenditure could be borne by the Indian Diaspora youth and in the case of those who cannot afford it, by organisations/associations of the Diaspora.
- (f) The substantial philanthropic contributions by the Jewish Diaspora to Israel, especially to various institutions of public or private character which bear the names of the donors, has special relevance for India. Suitable steps may be taken to encourage and promote philanthropic contributions by the Indian Diaspora to India in order to improve the quality of the life of the people and to develop their full potential.
- (g) The Indian Diaspora could be encouraged to carry out an in-depth study of the major Jewish organisations and their multi-faceted contributions to their motherland as well as to the causes of the Diaspora worldwide. It could make concrete recommendations on steps that the Diaspora could take to significantly enhance friendly ties between home and host countries; contributing substantially to the motherland, especially for its socio-economic development needs; promote cultural and emotional bonds with the Diaspora, especially for its youth and build strong political lobbies, wherever appropriate, in support of causes of the motherland and the Diaspora.

## **THE LEBANESE DIASPORA**

### **Introduction**

23.124. According to the World Lebanese Cultural Union, the global forum of the Lebanese Diaspora, there are some 13 million Lebanese abroad.. The population of Lebanon is about 3.5 million.

Ninety two per cent of the Lebanese Diaspora is settled in North and South America. Most of the Lebanese are in Brazil (6.8 million), United States of America (3.5 million), Argentina (1.2 million), Canada (2, 70,000), Columbia (1,25,000), Australia (3,90,000), France (64,929), New Zealand (45,000), Saudi Arabia (1,20,570). Most Lebanese migration took place in the 19<sup>th</sup> Century when Lebanon was not an independent country. The reasons were mainly the Lebanese Civil War of 1860; the growth of population; economic opportunities in other countries and religious and political persecution in Lebanon. During the period 1975-1990 the Lebanese Civil War was the main cause of further emigration. The majority of the Diaspora is from the Christian community. The number of Muslims migrants is comparatively small.

- 23.125. The Lebanese Diaspora is politically active particularly in North America and Australia. The Lebanese Government permits dual nationality. The overwhelming majority of the Diaspora, enjoys the same rights and privileges as the Lebanese nationals residing in the country. The overseas Lebanese are treated as Lebanese citizens. There are no special provisions and financial incentives for them as they can avail of all the facilities given to home based Lebanese nationals.
- 23.126. Lebanon has maintained cultural and commercial links with its Diaspora. The home based Lebanese businessmen and companies have constant interaction with the Diaspora. The remittances sent home by the overseas Lebanese have played an important role in Lebanon's economy especially in meeting a major part of its large trade deficit of-US \$ 6.2 billion in the year 2000. It is evident that the remittances sent home by successful emigrants have had an important effect on the country's economy and social life. They have enabled families to buy land and build family homes and villages, and educate children. Some emigrants have also built schools and clinics; while others have offered to buy Zero percent rate of interest Treasury Bills for a period of 5 years. Over 90 per cent of the Diaspora in North and South America have formed lobbies to counter the Jewish lobby and champion the cause of Lebanon.
- 23.127. The Lebanese Government has established a World Lebanese Cultural Union (WLCU). Its main effort is to strengthen links between the motherland and the Diaspora. The Union holds annual conferences and is financed by subscription of members, and donations. The Lebanese Government also provides grants to the WLCU for its activities, which aim at promoting cultural linkages with the Diaspora especially the youth. The WLCU has an elaborate network. In countries where there is a substantial Lebanese population, there are Councils of the WLCU at the country-level and at the level of the continent to which country councils are affiliated. Finally, there is an apex WLCU body at the global level. The WLCU Council maintains contacts with the Lebanese Diaspora and organises cultural events. They celebrate Lebanon's National Day with great enthusiasm. The Council has specialised Committees dealing with economic and cultural issues which include contributions for the reconstruction of Lebanon and consolidation of economic relations between Lebanon and the host countries; media exchange programmes between Lebanon and the host countries; support to the underprivileged in Lebanon and in host countries; employment needs of

the youth; spread of the Lebanese culture in the host countries; and establishment of schools for teaching the Arabic language.

- 23.128. The WLCU has organised camps in Lebanon for young members of the Diaspora. They are required to pay their international travel and are offered a week's stay in Lebanon at the expense of the Lebanese authorities. During these youth camps, they are exposed to the Lebanese culture, music and tourists sites. They are considering organisation of Beauty contests and sports Olympiads for the Lebanese Diaspora; and invitations to Diaspora artists to visit and perform in Lebanon. Outstanding athlete/sportsmen are encouraged to play for the Lebanese national team.
- 23.129. The Lebanese Organisations in various countries focus mainly on welfare activities relating to the needs of the Diaspora. Their grievances are resolved through the Lebanese embassies. Lebanon's liberal attitude of allowing dual nationality has been a very important factor in nurturing in the Diaspora the essence of belonging to its roots. The Lebanese leadership has also exhorted the Diaspora to create an international lobby aimed at supporting crucial national issues and the drive for reconstruction of Southern Lebanon which was vacated by Israel after 22 years of occupation. It is encouraging the Diaspora to take an active part in the build-operate-transfer (BOT) public projects and launch an expatriate fund to finance economic and political lobbies aimed at providing Lebanon much needed international support.
- 23.130. Lebanon provides its Diaspora with national decorations for their outstanding services. The Lebanese have also utilised services of well-placed members of the Diaspora as in the case of Phillip Habib (who was a key negotiator in the US Foreign Service) to arrange a cease-fire across the Lebanese-Israeli border.
- 23.131. It is particularly noteworthy that the Lebanese Ministry of Foreign Affairs has been renamed Ministry of Foreign Affairs and Immigrants.
- 23.132. Lebanon is now in the process of reconstructing its economy severely damaged by the civil war. Trade and financial services which had been Lebanon's main source of income and the manufacturing sector were badly damaged as well. Unsettled conditions in Lebanon today have discouraged foreign investment. The present Prime Minister has however, attempted to introduce schemes to encourage the Diaspora to invest in Lebanon.

### **Relevance of Lebanese Experience in the Indian Context**

- 23.133. The WLCU, even though it has been relatively inactive following the civil war in Lebanon, offers a model for a global forum for promoting cultural links among the Indian Diaspora as well as with the motherland. The Indian Diaspora could be encouraged to study this model for its possible adaptation to the Diaspora's requirements of strengthening its unity amidst diversities of sub-cultural and ethnic communities; strengthening intra-Diasporic bonds; projecting India's unique ancient civilisation and heritage to the host countries; and enhancing mutual interaction and

understanding with the mainstream cultures in the host societies. Dual Nationality has facilitated strong links between Lebanon and its Diaspora. This aspect has relevance for India.

## **THE FILIPINO DIASPORA**

### **Historical Background**

- 23.134. Mass migration of Filipinos overseas was mainly based on economic inducements, and their permanent migrations can be traced to the early 1900s when Hawaii experienced a severe shortage in plantation workforce the Philippines was then an American colony, and became a source of cheap labour. The US became the primary market for the overseas Filipino workers. By the late 1930s, Filipinos comprised about 70% of Hawaii's plantation labour and a significant percentage of California's grape, apple and orange-picking population.
- 23.135. The next wave of contract migration came after the Second World War, when Filipino contractors and labourers participated in the rehabilitation and reconstruction of American strongholds in Guam and Okinawa. The Korean and Vietnam wars institutionalised Filipino participation in many US defense and war-related civilian projects. At the same time, workforce markets started opening up in Borneo, Thailand, Malaysia, and in Indonesia. These opportunities were utilised by Filipino labour in search of employment. Canada also provided an alternative destination for professionals – mainly medical personnel who sought permanent migration to the North American continent.
- 23.136. In the 1970s, contract migration began to the Middle East. This was fuelled by the development boom following the steep increase in oil prices and the vast demand in oil-producing Arab countries for foreign skilled workers. Their requirements were in excess of what their indigenous population could supply and there was also some reluctance on the part of many locals to engage in blue-collar jobs. The newly-industrialising countries from Asia emerged in the 1980s as a destination for Filipino labour. Japan, South Korea, Taiwan and other NICs offered traineeship programmes to fill up shortages in their labour markets. Such contract migrations of Filipinos eased the domestic unemployment situation temporarily.

### **Government Regulation and Supervision**

- 23.137. In the post-independent Philippines, until 1974, overseas recruitment of Filipinos had been characterised, by minimal Government supervision and there was exclusive private sector participation. Between 1974 and 1978, laws were passed which provided for Government control on migration and for the eventual phase-out of private sector participation.
- 23.138. In 1978, private sector participation in overseas employment was reinstated since the demand of the booming overseas market was more than the Government machinery could handle. From the decade of 1970s, the employment migration of Filipinos evolved into a managed phenomenon,

rather than simply a spontaneous exodus driven by economic factors. In 1980, laws were amended to recruit and place workers for overseas employment under Government-to-Government arrangements.

### **The Case of Flor Contemplacion (1995)**

23.139. The case of Flor Contemplacion, who was charged in Singapore for murdering a Filipino maid and a Singaporean child raised the plight of OFWs to the very top of national agenda. There were demands that enough jobs be created at home for its citizens. The Philippines offered an emergency airlift of all OFWs wanting to leave Singapore; effectively froze bilateral exchanges [including planned joint naval exercises], threatened to break diplomatic relations with Singapore and forced the Foreign Minister and Labour Minister of the Philippines to resign. It also resulted in the passage of the following Act.

### **Migrant Workers and Overseas Filipino Act [MIWOFA] of 1995**

23.140. The major provisions of this legislation stated that the Government would ensure that the prospective host countries, apply existing labour and social laws to protect the rights of migrant workers; observance of multilateral conventions to which the host countries are signatories and of declarations or resolutions for the protection of these workers; implementation of bilateral agreements or arrangements with the Philippines Government regarding protection of the rights of the overseas workers, through positive, and concrete measures. The law also seeks to deter "illegal" Filipinos from working in other countries. Illegal recruitment has been categorised as 'economic sabotage' and life imprisonment has been prescribed for those who recruit workers below the age of 18 years.

### **Omnibus Rules on Overseas Filipinos [OROF]**

23.141. These rules were approved in 1996, in follow up to the MIWOFA legislation. Under the Rules, all fees for services charged by any Government office on migrant workers as of June 1995 would not be increased. All other services rendered by the Department of Labour and other Government agencies in connection with the recruitment, introduction and placement of labour and other assistance to migrant workers would be rendered free of cost. The administrative costs would not be borne by the worker.

23.142. Filipino migrant workers are exempt from the payment of travel tax and airport fee on showing their Overseas Employment Certificate issued by the POEA.

### **Office of the Legal Assistant for Migrant Workers Affairs [OLAMWA]**

23.143. This office was created by the MIWOFA. The Head of the Office has the rank of Secretary to the Government and is primarily responsible for the provision and overall co-ordination of all legal assistance services to (i) Filipino migrant workers, and (ii) All overseas Filipinos in distress.

### **Migrant Workers and Overseas Filipinos Resource Centres [MWOFRFC]**

23.144. The MWOFRFC are established in countries where there are at least 20,000 migrant workers; where feasible, these are established within the premises of the Embassy. The FRC provides services including counselling, welfare assistance, information programmes, registration, HRD, gender sensitive programme etc.

23.145. FRCs are staffed by a minimum of four personnel composed of the following:

- (a) Labour attache [Ministry of Labour & Employment],
- (b) Foreign Service personnel [Foreign Ministry],
- (c) Welfare Officer [OWWA],
- (d) Center Co-ordinator [OWWA],
- (e) Interpreter, when necessary [local hire].

23.146. Where there is a significant concentration of Filipino migrant workers, a lawyer and a social worker is also deployed, if required, upon the recommendation of the HOM.

### **Philippine Overseas Employment Administration [POEA]**

23.147. The POEA was set up in 1982, with the Minister for Labour & Employment as the Chairman of the Governing Board. It supervises and regulates private sector participation in the Overseas Employment Programme. It rationalises and regulates the industry through its licensing system, established rules and regulations and an improved system of private agency performance appraisal.

23.148. POEA has approved over 1,300 private manning agencies to which 2-year licenses are granted. It receives over 200 complaints a month from workers and employers regarding violation of disciplinary regulations/recruitment procedures etc. The judgement of the administrator is only subject to appeal in the Office of the Minister.

#### **POEA provides the following services:**

- (a) Pre-employment: includes accreditation of employers, improving job orders, conducting market research etc.
- (b) Licensing and regulation: issuance of license to private employment agencies, regulates the number of participants in the overseas programme, conducts surveillance of suspected illegal recruiters, provides assistance to victims of illegal recruitment etc.
- (c) Welfare & employment: Conducts seminars, maintains a registry of workers for placement purposes etc.
- (d) Adjudication: handles complaints against agencies, employers and contract workers etc.

- (e) General Administration: Policy research, information, statistical monitoring of overseas employment data etc.

Last year, the POEA, processed over 800,000 cases and issued individual OECs [Overseas Employment Certificates]

### **Illegal OFWs**

- 23.149. Illegal OFWs are now estimated at 3 million approximately, a substantial increase from 1.8 million in 1995. Travelling within the ASEAN region requires no visas. Hence, many OFWs use that as the initial staging ground.
- 23.150. Cases regarding illegal recruitment are dealt with in a regular court; POEA only has a small cell, which provides assistance to the local police and other concerned authorities. To prevent illegal recruitment and fraud and exploitation of migrant workers, Embassies and consular offices, through the POEA disseminate information on labour and employment conditions, migration realities and adherence of particular countries to international standards.

### **Overseas Workers' Welfare Administration (OWWA)**

- 23.151. Created in 1977, it is a Government agency under the Department of Labour & Employment with the responsibility of promoting the welfare of the Overseas Filipino Workers (OFWs) and their dependants.

### **Objectives**

- (a) Protect and promote the welfare of the overseas Filipino workers and their dependants,
- (b) Facilitate the implementation of the provisions of the Labour Code concerning the responsibility of the government to uplift the lives of OFWs,
- (c) Provide social work, legal, cultural and entertainment programmes,
- (d) Provide skill development services for OFWs and their dependants,
- (e) Undertake studies and researches for the enhancement of the Filipino overseas workers' social, economic and cultural well-being, and
- (f) Develop, support and finance projects for the welfare of migrant workers.

### **Administration**

- 23.152. The Board of Trustees is composed of the Minister of Labour & Employment as Chairman and the Ministers of Finance, Foreign Affairs, Budget & Management and Administrator of POEA among others as members.
- 23.153. It undertakes the repatriation of workers in cases of war, epidemic, disaster or calamities [natural or man-made] etc.



### **Technical Education & Skills Development Authority [TESDA]**

23.154. TESDA functions under the Department of Labour & Employment. It accredits private agencies which impart training to OFWs. It also approves the curricula in these institutes.

### **Re-Placement and Monitoring Centre [RPMC]**

23.155. This was created in the Department of Labour & Employment for returning OFWs to:

- (a) Provide a mechanism for their reintegration into the Philippines society,
- (b) Serve as a promotion house for their local employment; and
- (c) Tap their skills and potentials for national development.

23.156. Migrant Workers' Day is commemorated on June 7<sup>th</sup> under the sponsorship of the Department of Labour & Employment. The objective is to highlight the important role of Filipino migrant workers and overseas Filipinos to the motherland.

### **Voting Rights**

23.157. Currently, OFWs are not entitled to vote. However, a bill to enable them to participate in the electoral process is being debated in the Senate. If passed, OFWs will be able to cast their ballot in the next national elections.

### **Involvement of OFWs in the National Objectives of the Philippines**

23.158. The Philippines gives considerable importance to the OFWs in their foreign policy. In a recent interview from Beijing, President Arroyo stated that after geo-political realities and issues, the OFWs are the next major subject in the Philippine's foreign policy. This was in view of seven million OFWs being scattered around the world who remit over US Dollars six billion a year to the Philippines.

23.159. Practically, four fifths of the estimated seven million Filipinos overseas at present are contract workers and the remaining one fifth have opted for permanent immigrant status in their country of destination. Most of them return to the motherland and to their families which they temporarily leave behind.

23.160. OFWs and their windfall earnings from overseas employment have propped up the Philippine economy from one crisis to the next, and have provided for more than two decades now, much-needed foreign exchange for important development projects.

### **Relevance of Filipino experience in the Indian Context**

23.161. With over 2000 Filipinos leaving daily for employment abroad on a legal basis and contributing substantially to the national exchequer, the Philippines have put in place after 1995, supporting institutions, boosted the strength of their Missions and tightened their laws aimed at providing

the OFWs with a sense of security. In spite of all the regulations and strengthening of the legal framework, the Philippines, do not seem to have completely tackled the problem of illegal workers. The experiences and problems of the Filipino labour in the Gulf and South East Asia have many similarities with those of Indian labour in these regions. Philippines appears to have effectively addressed many of the problems and issues concerning its overseas workforce. The following organisational structures/legislations of the Philippines would, therefore, be highly relevant in the Indian context :-

- (i) The Philippines appears to be far more successful than India in providing fair and sound contracts to its overseas labour. There have been major complaints from Indian labour in regard to employment contracts. The Philippines arrangements of the POEA (Philippines Overseas Employment Administration) can be suitably adopted in India or existing arrangements improved on that basis.
- (ii) The Philippines has given high importance to legal assistance for its overseas labour, both in the Philippines as well as in countries where there are large concentrations of labour. Details of these have been outlined earlier in this chapter. India does not have arrangements for legal assistance for its overseas labour. This is a major drawback in our efforts to protect the rights of workers and provide for their welfare. India can benefit considerably from the Filipino experience and adopt similar arrangements for adequate legal aid and protection to overseas workers. The scheme for Legal Attaches in missions abroad; the office of the Legal Assistant for migrant workers in Philippine, headed by a Secretary; legal presence in concerned missions for providing legal aid to workers etc. have special relevance to Indian requirements.
- (iii) The Philippines has done exceptionally well in providing and up-gradating skills of the overseas workers so as to ensure high salaries, professional training and good treatment abroad. These arrangements could be studied in-depth and recommendations made for similar arrangements in India for imparting skills and vocational counselling for Indian labour overseas.
- (iv) The Migrant Workers and Overseas Filipino Act, 1995 appears to provide a highly effective framework for addressing all concerns of the overseas labour and other Filipino migrants. This could be studied in depth with a view to making suitable recommendation on appropriate legislations that could be adopted by India.
- (v) The Board of Trustees of OWWA comprising of Labour and Employment Minister as its Chairman, and Ministers of Foreign Affairs, Finance, Budget and Management and Administrator of POEA etc. as Members could be suitably replicated in India as a nodal body to oversee welfare arrangements for the overseas labour.

- (vi) The insurance programme of the OWWA which provides for effective medical reimbursements, and covers disability, dismemberment or death could also be studied and suitably adapted in the Indian context.

23.162. Since the problems faced by the Indian labour are very similar to those faced by the Filipino workers in the Gulf, the Filipino experience, arrangements and legislations are highly relevant to India and can be suitably adapted to India's requirements as follows:-

- (i) Enactment/strengthening of legislations along the lines of the Migrant Workers and Overseas Filipino Act, 1995.
- (ii) Establishment/strengthening of appropriate organisational structures in India and in the Indian Missions overseas on the model of
  - (a) Migrant Workers and Overseas Filipinos Resource Centres (MWOFRFC)
  - (b) Philippines Overseas Employment Administration (POEA)
  - (c) Office of the Legal Assistant for Migrant Workers Affairs (OLMWA)
  - (d) Overseas Workers' Welfare Administration (OWWA)
  - (e) Technical Education and Skills Development Authority.
  - (f) Re-placement and Monitoring Centre (RPMC)

- (iii) Provision of exemptions for travel tax, airport fees and other concessions under the OROF.

The above legislations and mechanisms would ensure protection of the rights of the overseas workers; provisions of skills; measures for the welfare of the overseas workers; measures for the resettlement and reintegration of the returnee migrants; orientation programmes to make workers fully aware of the conditions of work overseas etc. Due recognition should also be given to contributions of the overseas workers to the national economy and to their importance in India's foreign policy as a major source of remittance. The annual celebrations of the Pravasi Bharatiya Divas and national awards proposed in this report, could also give due recognition to the achievements of the overseas workers and their contribution to India.

## **THE POLISH DIASPORA**

### **Introduction**

23.163. Emigration from Poland to other countries has been under way for more than a century. The bulk of Polish emigration to the United States occurred when Poland was partitioned by Germany, Russia and Austria. Economic and political reasons have been the causes of emigration. People emigrated during the communist rule in search of new pastures. Throughout Polish history, emigres have generously supported the nation's struggle for a free Poland both morally and materially. During the socialist period, the State tried to woo emigres by setting up officially sponsored

Emigré Societies abroad and sought to lure investment into Poland by establishing support to “Polonian companies.” The Diaspora, played an active role in the overthrow of Communism in Poland. It is only after the overthrow of communism in Europe that efforts were made in an organised manner by the Government of Poland to reach out to these communities which go under the collective name of Polonia (Polish Diaspora).

### **Constitutional and Legal Provisions**

- 23.164. The obligation on the part of Government of Poland towards its people staying abroad has been incorporated in the Constitution of the country. According to Article 6.2 of the Constitution, the Republic of Poland shall help Poles living abroad to maintain their links with the national and cultural heritage. The Polish constitution allows dual citizenship.
- 23.165. The Upper House of Polish Parliament has taken legislative initiatives of importance to the Polish Diaspora. The draft Polish Citizenship Act introduced by the Senate aims to make it easier for people of Polish descent to acquire Polish citizenship. This draft seeks to address unlawful stripping of Polish citizenship during the Second World War. The second initiative is a draft law on ‘the Poles Charter’ and the procedure of establishing the national status of persons of Polish nationality or Polish origin. It appears that there may be problems in its adoption. The third legislation, namely, the Repatriation Act seeks to fulfil a constitutional obligation that persons of Polish descent have the right to settle on the territory of the Republic of Poland. Out of the three drafts, only the Repatriation Law was passed in November 2000. The other two drafts are still being considered by the Polish Parliament. The law of repatriation mainly aims to facilitate the return of people of Polish origin from Armenia, Azerbaijan, Georgia, Kazakhstan, Tazikistan, Uzbekistan and other Central Asian countries of former Soviet Union. The repatriation is done through local authorities, institutions and private parties who can undertake to guarantee shelter and work to the repatriates. Several NGOs also take part in the repatriation process. About 20 million Zloty (about US \$ 6 million) was earmarked to finance repatriation from the budget of 2000. The law on repatriation has 45 articles describing the nature, modus operandi, and scope of repatriation. Most of those repatriated so far under this law have come from Kazakhstan where they were forcibly resettled during 1935-36.
- 23.166. Polish families who are interested in getting repatriated to Poland can register with Polish Embassies and Consulates by providing details of the size of the family, area of preference, nature of skills etc. The local administrations of Poland forward their requirements and capability to absorb repatriates to the Government. The Government examines the data with the help of the Polish diplomatic Missions and Posts and decides on the number of families to be repatriated..

### **Profiles of Polish Diaspora in Various Countries**

- 23.167. It is estimated that about 15 to 17 million people of Polish descent are living outside Poland while the population of Poland is approximately 38.6 million. The country-wise distribution of the Polish Diaspora and organisations representing these communities are as follows:-

- (a) **USA:** There are about 9.4 million people of Polish origin living in the United States of America. While hundreds of organisations are actively involved in representing the Polish communities, the Polish American Congress is an umbrella organisation which subsumes the majority of smaller groups as its members. The leaders of the Congress had accused Poland of inaction in respect of atrocities committed against Jews in the past. The repatriation of property taken over by the Communist Government is also another issue of concern to the Polish Diaspora. The local concerns of the Polish community in America, are taken up by the Government of Poland with the US Administration from time to time.
- (b) **Germany:** About two million people of Polish descent are estimated to be living in Germany. The Convent of Polish Organisations represents a considerable number of smaller organisations. There are two more organisations with a long tradition of representing the Polish community in Germany. There are some tensions concerning the status of the Polish minority in Germany and these matters are being taken up by the Polish organisations with the German Government.
- (c) **Brazil, France and Canada** have 1.2 m., 1 m. and 0.8 m. Poles respectively and one or more Associations of Polonia. Ukraine has an estimated 250,000 people of Polish descent and two organisations represent them.
- (d) **Lithuania:** The estimated Polish population is 250,000. The Alliance of Poles in Lithuania is an important organisation representing the community. Following a change in the country's electoral law, Poles in Lithuania have recently converted their social organisation into a political party. There are two members of this new party including the Deputy Minister for Education in the present coalition Government. This has enabled the Governments of Poland and Lithuania to have a very good interaction at various levels on matters of importance to both countries. There are special Parliamentary and Government bodies, which meet frequently to discuss and address problems of the minorities. There are also seven special committees at the official level, including a Committee on Minorities. The Polish Diaspora has played an important role in enhancing the level of interaction between the two nations.
- (e) **Belarus:** There are 400,000 Poles living in Belarus. There has not, however, been much interaction between the two countries on matters concerning the Polish Diaspora owing to the absence of high level political contacts between the two countries.
- (f) **Russia:** The Polish Congress in Russia represents about 100,000 Poles residing in Russia. There is a demand that the Russian Parliament should pass a law recognizing the Polish groups as victims of Stalinist repression. This is considered to be an important issue from the political point of view.
- (g) **Other Countries** About 150,000 people of Polish descent live in **Australia** and approximately 140,000 in **the UK**; 50,000 in the **Czech Republic**; 100,000 Poles in **Argentina**; 40,000 in **Austria**; and 40,000 in **Kazakhstan**.

## Organisational Structure

### Governmental:

23.168. Within the Polish Government, 3 Ministries are involved with Polonia viz. Ministries of Foreign Affairs, Education and Culture.

- (a) **Ministry of Foreign Affairs (MFA):** A separate Department for Polonia was created in 1998 to look after issues concerning the Diaspora and to maintain contact with them. The Department disseminates information on the developments within Poland and encourages the Polish Diaspora through Consular offices to maintain cultural, social and economic links with the motherland. The Department of Polonia has 8 officials and is headed by a Director. The Department works under an Under Secretary of State or Deputy Minister. The Polish diplomatic Missions and Posts monitor policies of the countries of their accreditation towards Polish minorities. The Government of Poland approaches the Governments of the concerned countries on issues pertaining to the well-being and concerns of the Polish minorities.
- (b) **Ministry of Education:** This Ministry deals with the deployment of Polish teachers abroad; allocation of grants to educational programmes meant for the Polish Diaspora; programmes to send teachers from Poland to teach the Polish language in East European and CIS States; and a Centre for Upgrading Teacher's Qualifications. Teachers have to work in extremely harsh conditions especially in Kazakhstan and Siberia. There is no fixed number of teachers who are deployed there as this depends on the requirements which vary from year to year. The Catholic Church also contributes by offering teaching facilities for the Polish language during Sunday Schools and other special events. There has been an effort to open Departments of Polish Studies or Centres of Polish Language Teaching at Universities in the host countries. However, no significant progress is understood to have been made on this front, mainly because of financial constraints. The Government's efforts are supplemented by NGOs through a practice of patronage extended to the schools. According to this, direct contacts are established between schools in Poland, Eastern Europe, the CIS countries and in the West, for exchanges among the youth and mutual assistance.
  - (i) A programme of summer camps for children from the Diaspora is organised by the NGOs led by the Polish Community Association, partly subsidised by the Ministry of Education. This is becoming very popular. Around 6,000 children have been attending the summer camps every year in Poland. Children are exposed to a range of issues including language, culture, food etc. in Poland. While the entire expenditure for children from the East is met by the organisers, participants from the West are required to pay their expenses.
  - (ii) Students of Polish origin after completing their basic education in their country of adoption can also come and join any university in Poland and pursue their studies like any other Polish student.

(c) **Ministry of Culture:** This Ministry deals with the propagation of culture among Poles abroad. The budget of the Ministry is very small and activities concerning culture are taken care of by the Polish Community Association. Propagation of culture among Poles abroad takes various forms. The Ministry of Culture through cultural institutes and diplomatic Missions promotes Polish culture by organising exhibitions, tours, music competitions, film festivals etc. The NGOs supplement these by supporting performance by Polish artists abroad. Polish folklore is particularly popular where knowledge of the Polish language is disappearing, since it is easy to understand and enjoy folklore. The Polish Community Association has been organising folk festivals regularly. Preservation of the Polish cultural heritage in the East Europe and CIS countries is a delicate issue. The Government of Poland is trying to preserve landmarks of Polish history and culture in these countries.

(i) The Inter-Governmental Committee for Polonia and the Polish minorities supervises the above mentioned cultural activities.

#### **Inter-Governmental Committee for Polonia and Polish Minorities Abroad:**

23.169. This Committee was formed in February, 2000 and is headed by an Under Secretary of State (Deputy Minister) in the Ministry of Foreign Affairs. It has representatives from the Ministries of Education, Culture, Finance and Internal Affairs and Chancellery of the Prime Minister. Altogether, there are 8 members in the Committee. The Director of the Department of Polonia in the Ministry of Foreign Affairs is Secretary to the Inter-Governmental Committee and Department of Polonia. The MFA acts as the Secretariat of the Committee. This Committee supervises all matters concerning Poles abroad and submits its report to the Prime Minister every year. Its agenda includes identifying issues concerning the Polish Diaspora; formulating programmes of action; preparation of proposals and projects for submission to the Polish Parliament; supervision and co-ordination of activities of Governmental bodies, agencies and partly of NGOs as well. It meets once in 4 months. Affairs relating to Polonia are monitored by both Houses of Parliament.

**Sejm Committee:** The Polish Diaspora Commission in the lower house of Parliament, (Sejm) engages in legislation on policy matters pertaining to the Diaspora.

**Senate Committee:** The Senate Committee on Emigration and Poles Abroad deals with financial matters including allocation of budget for Diaspora matters and activities. It initiates and co-ordinates activities of co-operation with overseas Polish Communities; and focuses on protection of the Polish cultural heritage and history abroad. The Committee advises the Senate on promotion of links between the Polish emigre community and their homeland. The Speaker of the Senate visits countries with a substantial Polish Diaspora and meets with the leaders of these countries on problems and issues pertaining to the Polish communities.

#### **(b) Non-Governmental:**

A network of non-Governmental Organisations exists in Poland to cultivate links with Polish

communities abroad. Largely financed by the State, the activities of these NGOs have proved to be an effective mechanism in the establishment of links between Poland and the Diaspora. The Polish Community Association is one of the main non-Governmental organisations involved in promoting links with Polish communities abroad. It is also responsible for implementing projects approved by the Polish Senate, such as construction of Polish schools, community centres etc. The Association is aimed at promoting Polish culture, and education and protecting the rights of Poles including expressing opposition to various forms of discrimination or enforced assimilation. It receives budgetary support from the Senate and some limited funds from the Ministries of Education and Culture as well. Another Government funded organisation the Tadeusz Goniewicz Foundation for Poles in East Europe has been supplying textbooks. A “Foundation for Support for Poles in East European Countries” was established as an independent body and is headed by the Deputy Minister of Foreign Affairs. Its budget is sanctioned by the Senate and its Council has representatives from various walks of life. The size of financial support by the State varies every year according to the projects proposed by the NGOs. NGOs are thus playing a very significant role in supplementing the Government’s efforts to promote Polish culture among its Diaspora. They also organise exhibitions, cultural events, film festivals and musical concerts; promote teaching of Polish language and history to the local communities. The Government of Poland supports these efforts.

**(c) Structures among the Diaspora:**

In each country with a significant population of people of Polish origin, there are a number of Associations. In some countries in addition to hundreds of small organisations, there is an umbrella organisation to provide a unified voice.

**Second Congress of Expatriate Poles:**

- 23.170. Over 320 delegates from all around the world participated in the 2<sup>nd</sup> Congress of Polish Communities Abroad held in Poland from April 28 –May 3, 2001. The event organised by the Warsaw based Polish Community Association (Wspolnota Polska) was inaugurated in Warsaw and concluded in the former capital city Cracow. During the deliberations, several issues including education, citizenship law, promotion of Poland’s causes abroad etc. were discussed. The Congress decided to create a global organisation representing the entire expatriate community by setting up a World Council of Polonia (Radah Polonia Swiata) within six months time. It was agreed to have the headquarters of the Council located in Canada.
- 23.171. The participants in the Congress called on the Polish Parliament Sejm to change regulations concerning citizenship so that people with dual citizenship can enter Polish border based on the passport of the country in which they currently reside. They demanded expediting legislation on finalising the Polish Charter and granting citizenship to Poles living in the East. They called for a quick response from the Government and its affiliate organisations to anti-Polish sentiments expressed in the foreign media. The Congress resolved that activities promoting the country



should be intensified. They demanded increased attention to problems faced by Poles living in the East European countries. There was a unanimous view among the delegates that Polish organisations in the West should sponsor and assist organisations in East Europe.

23.172. It was decided to formally celebrate May 2 as the Day of Expatriate Poles every year. It was also agreed to hold the Congress once in five years. Earlier speaking at the opening ceremony, Prime Minister Jerzy Buzek commended the role played by the Polish Diaspora especially from the West in Poland joining NATO and requested them to make similar contributions to the country's efforts to enter the European Union.

### **Social and Cultural Activities**

23.173. The Government of Poland has been in constant touch with the Governments of the neighbouring countries, especially in East Europe and where a substantial number of Polish Diaspora reside to ensure that the rights of the minority community are respected. Poland has, on many instances, intervened with the Governments of the neighbouring countries and persuaded them to change policies which were not favourable to the Polish minority communities. The Polish Government signed some treaties with neighbouring countries to protect and promote the rights of the Polish minority. These treaties were signed soon after the fall of communism. They invoke human rights as a common foundation of European societies. However, the Government of Poland is cautious in its approach while dealing with these issues to avoid interference in the internal affairs of concerned countries. Civic bodies which are non-governmental social organisations, are very active in promoting the Polish culture and in bringing Polish Diaspora in close contact with the people of Poland. Government has been encouraging their activities by extending financial and other support. In 1989, there was an organisation, "Polonia Association" dealing with the affairs of Poles abroad. This was a social organisation. In 1990, "Wspolnota Polska Association" (Polish Community Association) was established in place of Polonia Association.

### **Special Awards for the Diaspora**

23.174. There are no awards or honours meant exclusively for the members of the Polish Diaspora and foreign nationals. Some Orders and Awards/Honours are conferred on Poles living abroad and foreign nationals in addition to Polish citizens living in Poland in recognition of their contributions to Poland.

### **Relevance of Polish Experience in the Indian Context**

23.175. In general, Polish communities in Western countries, Canada and USA do not have major problems calling for intervention of the Polish Government. These communities are fairly well off and are identified as an important source of support for promoting the national objectives of Poland through lobbies in favour of Poland in host countries. There are, however, a number of problems faced by the Polish communities living in countries in East European and CIS countries. Education,

welfare and protection of minority rights and culture are some of the problems. Poland is trying to address them through discussions with the Governments of host countries to find suitable solutions. India's historical context and present-day requirements are different. Poland's communist past; its membership of NATO and its impending membership of EU also distinguish the Polish experience from the Indian experience. Notwithstanding the widely differing historical circumstances, the following aspects of the Polish experience and organisational structures could be relevant to us:-

- (i) Legislative/advisory committees on the Diaspora in both the Houses of Parliament /sub-committees to Standing Committees of Parliament.
- (ii) An inter-Ministerial Committee to provide a forum for continuous and regular interaction and co-ordination in government at the highest level.
- (iv) A well developed network of NGOs to assist in liaising between the Central and State Governments and the Diaspora for fostering close emotional, cultural, philanthropic and other ties between India and its Diaspora.
- (v) A global forum to provide a unified voice for the Indian Diaspora.
- (vi) Bilateral inter-governmental consultations with countries which host substantial Indian Diaspora, in regard to major problems and concerns of the Diaspora for mutually satisfactory resolution of these problems.

### **THE IRISH DIASPORA**

23.176. About 70 million people across the world claim Irish descent. About 3 million Irish citizens are estimated to be living outside Ireland. Of these, 2 million are in the U.K. and half-a-million in the USA. The largest number of people claiming Irish ancestry are in the United States who number around 40 million. Most of them are emigrants since the Great Famine in Ireland during 1846-51. The next wave of emigration was in 1950s, the economic boom years in Britain which coincided with the depression in Ireland. Other countries where significant number of people are of Irish origin are – Canada, Australia, New Zealand and Latin America. Australia is said to be the 'most Irish' with 30% of its people tracing their origins to Ireland. As far as Latin America is concerned, the Irish emigration was mainly to serve in the armies and on the farm during the early years of 19<sup>th</sup> century. Argentina, Brazil, Chile, Mexico have sizeable numbers of people of Irish descent.

23.177. The Irish Diaspora has contributed in various ways to the culture and development of the countries of their domicile. Famous American Presidents such as Woodrow Wilson, and in recent times John F. Kennedy, Richard Nixon, Ronald Reagan and Bill Clinton are of Irish descent. Similarly, several leading figures in Canadian political life in the 19<sup>th</sup> century were of Irish origins – Thomas D'Arcy McGee, a distinguished statesman (died 1868) and Ex-Prime Minister Brian Mulroney. Relatives of former Prime Minister Paul Keating of Australia are said to hail from County Galway

in the west of Ireland. The powerful influence of the Irish Diaspora in the Australian politics can be understood by the fact that six of the seven Prime Ministers of Australia during the period 1929-49 were of Irish ancestry. Similarly, John Edward Fitzgerald, the first Premier of New Zealand was Irish born. An Irish man founded the Argentinian Navy; an Irish person was the first Head of the Government after independence in Chile.

- 23.178. The cultural influence of the Irish Diaspora is mainly due to the work of the Irish Missionaries, particularly in the fields of education and health. In India itself, we can see their contribution to the social life through the works of Irish missionary groups such as Loretto, the Christian Brothers, the Columbus etc. In addition to the missionaries, the Irish charity organisations have been undertaking humanitarian work in several developing countries including India. Concern, Trocaire, Goal are a few of such Irish development agencies who receive governmental support as well. A recent example of the work of these Irish aid agencies in India was in Gujarat which was hit by the massive earthquake.
- 23.179. Ireland of today has a population of less than four million. It has been an emigrant country through the history. There is no department or a cell within the Irish Government structure that exclusively deals with the issues relating to the Irish Diaspora. Because of the relatively small size of its market, its economy these days is driven mostly by external trade. Several multinational companies have been encouraged to set up base through lower corporate tax regime. Therefore, Ireland has not been in short supply of foreign investment. As such, no special effort is being made on the part of the Government to encourage the Irish Diaspora to contribute to the economic development of the home country. Only recently, owing to rapid growth of the economy at about 10% for the last 5-6 years, they have experienced skilled labour shortages. The State employment agency made efforts to invite Irish people abroad to come back and work in Ireland. Apart from this, there have been no specific schemes or efforts to target the Irish living abroad. Former President Mrs. Mary Robinson addressed the two Houses of the Parliament in 1995 commemorating 150 years of the Irish Famine and touched upon the lives of the Irish Diaspora in various countries and called for maintaining social and emotional contacts with them. A project by name 'The Irish Genealogical Project' was started to computerise the old hand written records of births, deaths and marriages, to help the Irish diaspora to trace their ancestry. There is a bilateral project 'Dion Project' to help the Irish people living in Britain to settle into a foreign environment. Apart from such bilateral initiatives, there is no co-ordinated or centralised effort to keep contact with the Irish Diaspora.

Interim Report on the  
Persons of Indian Origin Card  
(PIO Card) Scheme

The High Level Committee on Indian Diaspora is unanimously of the view that it would be appropriate to submit interim recommendations to the Government of India on certain specific issues, pending the preparation of its Final Report. The High Level Committee has come to the conclusion that the PIO Card Scheme is an appropriate subject for making interim recommendations. Hence, the present Report.

### **Background of the PIO Card Scheme**

- 24.2. The genesis of the PIO Card Scheme lay in the long-standing demand for dual citizenship which has been raised from time to time by persons of Indian origin who have, for various reasons, obtained citizenship of foreign countries. The demand has also received wide support from certain sections of Non-Resident Indians. While the issue of dual citizenship will be addressed by the Committee in some detail in its main Report, a brief recapitulation of the background and developments would provide the perspective essential for a proper understanding of the Scheme as it was formulated, the response it has evoked, and a review of the further steps needed to make it effective.
- 24.3. The desire and the demand for dual citizenship was particularly strongly articulated by substantial segments of Indians in the countries of Europe and North America. To many of them, the idea of dual citizenship means an affirmation of their Indian nationality and identity. Many of them and their children are post-Independence immigrants to the western countries. Many others and their families went to Europe and North America from different parts of the world, more particularly from East Africa. They continue to cherish their Indian identity. They had taken the passports of the countries in which they had settled down because it was logical and convenient, but they wanted a way to maintain their connection with the mother country. Many NRIs are eligible for the citizenship of the countries in which they have settled, and the acquisition of the passports of those countries would facilitate visa-free travel for them to certain countries, but they do not wish to lose their Indian citizenship for a variety of reasons. The PIOs and NRIs in West Europe and North America have, therefore, been putting forward their demand for dual citizenship. It was also argued in favour of the demand that grant of dual citizenship will promote free flow of capital, investments and human resources, as a large number of PIOs would like to make their

contribution in the economic development of the country, that it would give practical advantage for facilitating movement and travel for business and employment and will provide them better legal rights to urban real estate and other kinds of movable and immovable properties in India, without seeking approvals of the Reserve Bank of India thus promoting their participation in trade, business, industry and philanthropy in India. On the other hand, in many countries where the Indian Diaspora was permanently settled from the nineteenth century onwards, people of Indian origin do not seek dual citizenship; they identify themselves as citizens of the countries where they have been settled for generations. They would find the PIO Card or a Document of Indian National Origin a welcome facility and a useful link with India. Their interest in those links is largely cultural, religious, educational and economic.

- 24.4. The demand for dual citizenship was considered by the Government, in some detail in 1992, when a Committee of Secretaries and a Group of Ministers considered the issue. The High Level Committee understands that the demand for Dual Citizenship was not accepted in view of various constitutional, legal, political and security implications. The issue has, however, remained a live issue and is a part of the Terms of Reference of the High Level Committee.
- 24.5. After prolonged consideration over a number of years, the Government decided to introduce a PIO Card Scheme in March, 1999. The Scheme was designed to meet the aspirations of the NRIs/PIOs substantially. The Committee is of the considered view that PIO Card Scheme would remain relevant for many PIOs who would not wish to seek or opt for dual citizenship in any event.

### **Salient Features of the Scheme**

- 24.6. The PIO scheme was notified by the Ministry of Home Affairs in the Gazette of India on the 30<sup>th</sup> March, 1999. A copy of the Notification is at the Annexure to this chapter. The main features of the Scheme, as notified, are as under:
- 24.7. **Person of Indian Origin** means a foreign citizen (not being a citizen of Pakistan, Bangladesh and other countries as may be specified by the Central Government from time to time) if,
- (i) he/she at any time held an Indian passport; or
  - (ii) he/she or either of his/her parents or grandparents or great grand parents was born in and was permanently resident in India as defined in the Government of India Act, 1935 and other territories that became part of India thereafter provided neither was at any time a citizen of any of the aforesaid countries (as referred to in 2 (b) of the Ministry of Home Affairs Notification referred to above);
  - (iii) he/she is a spouse of a citizen of India or a person of Indian origin covered under (i) or (ii) above.
- 24.8. **Validity of PIO Card:** A PIO Card shall be valid for a period of twenty years subject to the validity of the passport of the applicant.

- 24.9. **Fee** A fee of US \$ 1000, inclusive of US \$ 250 (non-refundable) as processing fee, will be payable along with the application. In case of rejection of the application, only US \$ 750 shall be refunded to the applicant.
- 24.10. **Facilities to be extended to a PIO Card Holder**
- (i) A PIO Card holder shall not require a visa to visit India.
  - (ii) A PIO Card holder will be exempted from the requirement of registration if his stay in India does not exceed 180 days.
  - (iii) In the event of continuous stay in India of the PIO Card holder exceeding 180 days, he/she shall have to get himself/herself registered within 30 days of the expiry of 180 days with the concerned Foreigners Registration officer at District Headquarters.
  - (iv) A PIO Card holder shall enjoy parity with NRIs in respect of all facilities available to the latter in the economic, financial and educational fields except in matters relating to the acquisition of agricultural/plantation properties. No parity shall be allowed in the sphere of political rights.
- 24.11. **Authority to grant a PIO Card** The Card would be issued to eligible applicants through the concerned Indian Embassies/High Commissions/Consulates. For those staying in India on a long term visa, the card would be issued by the concerned Foreigners Regional Registration officer at Delhi, Mumbai, Calcutta, the Chief Immigration Officer at Chennai), or the Joint Secretary, Ministry of Home Affairs.

## Response to the Scheme

- 24.12. The PIO Card Scheme was designed to provide certain additional facilities to Persons of Indian Origin to enhance their sense of belonging and to address their desire to strengthen links with their motherland. It was meant to meet the demand for dual nationality to a considerable extent. The Scheme has, however, failed to evoke an enthusiastic response. We understand that **only about 1100 Persons of Indian Origin have applied for and obtained PIO cards so far.**
- 24.13. One of the reasons for the lukewarm response to the PIO Card Scheme seems to be lack of information and publicity. The Scheme has not been adequately explained and projected. Many of its benefits are not understood and appreciated. It may be that some of the foreign passport holders of Indian origin feel, rightly or wrongly, that a PIO Card is a poor substitute for dual citizenship. From the avalanche of representations received by the Committee, it is, however, clear that the main reason for the marginal response to the PIO Card Scheme is that the fee of US\$ 1000 per person for the PIO Card is regarded as excessive and exorbitant. Many would-be applicants for PIO Cards find a five year visa a more economical option. On the other hand, "the price tag" cannot be said to be so prohibitive for the more affluent PIOs in Europe and North America as to make the Scheme attractive to only an insignificant number. We are of the view

that the message of the Scheme and its positive aspects were not projected attractively and that is why the Scheme appears to have failed. We feel that the Scheme should be re-launched and should be made more attractive. We should also not entertain exaggerated estimates of prospective applicants for PIO Cards or even for dual nationality if that idea were to be accepted. We are of the view that the Scheme should be projected as a part of the bridge-building exercise and not as a revenue-raising project. The fee of \$ 1000 per person for a PIO Card clearly proved to be a psychological and monetary disincentive even for the PIOs in the affluent countries of Europe and North America. In any case, in countries in which no fee is charged for an Indian visa and in the countries where the average income level is not as high as that in the more industrialised countries, the fee of \$ 1000 for each member of the family ruled out the PIO Card as a practical proposition.

### **Benefits under the Scheme**

24.14. We consider it necessary to point out that a holder of a PIO Card is eligible for a number of social-economic, financial and educational benefits. These benefits, included in the Scheme, **but not notified in detail, and inadequately publicised**, are listed below:

- (i) Visa free entry into India for a period of 20 years i.e. validity of the card.
- (ii) No requirement to register with the Foreigners Registration Offices, for a continuous stay upto 180 days, registration required to be done within 30 days of the expiry of 180 days.
- (iii) Parity with Non Resident Indians (NRIs) in respect of facilities available to the latter in economic, financial and educational fields viz.,
  - (a) All facilities in the matter of acquisition, holding, transfer and disposal of immovable properties in India, excluding agricultural and plantation properties.
  - (b) Facilities available to children of NRIs for getting admission to educational institutions in India including medical colleges, engineering colleges, Institutes of Technology, Institutes of Management etc. under the general category.
  - (c) Facilities available under the various housing schemes of LIC, State Governments and other Government agencies.
  - (d) All future benefits to be extended by the Government of India from time to time in different sectors to NRIs after the commencement of the scheme will be applicable to the PIO Card holders as well.
  - (e) PIO Card holders can undertake employment in India without any separate permission. However, permission from other Departments (e.g. appointment as Managing director on the Board of Public Limited Companies/Director will require permission from the Department of Company Affairs or in case of practising professionals such as doctors etc., prior approval of Ministry of Health/Medical Council or India etc), if required, is to be obtained separately.



## Restrictions on PIO Card Holders

24.15. The only restrictions that have been placed on the PIO Card holders are as follows:

- No political rights will be available to them.
- They cannot acquire agricultural/plantation land.
- Prior permission of the Government would be required for undertaking missionary work, research and mountaineering expedition in India.
- Prior permission of the Government would be required for visiting areas notified as restricted/protected, from time to time.

We may point out that in many countries which provide for dual citizenship, non-resident Diaspora is not given electoral and other political rights. The requirements of prior permission in respect of certain specified work, or to visit certain notified restricted or protected areas are clearly quite reasonable.

## Scope of the Scheme and the Task of the Committee

24.16. The Committee is of the view that the PIO Card Scheme is based on an essentially sound footing. In a sense it provides for “dual nationality” to an extent without dual citizenship. The Committee is of the opinion that the Scheme ought to be modified in certain particulars, and certain additional benefits should be extended to the Card holders. Moreover, the Scheme would have to be explained and publicised more fully as a substantial functional substitute for dual nationality. There are many countries of the world which do not accept the concept of dual citizenship. The PIO Card recognizes national origin and is thus a document of nationality or national origin. Whereas an Indian citizen's passport is a document of citizenship, a PIO Card is a **passport of nationality or national origin. It confers a cluster of rights and privileges, which are not conferred on foreign citizens.** Those rights and privileges can also be enlarged from time to time. Our recommendations are intended to strengthen the Scheme known as the PIO Card Scheme.

## Issues Before the Committee

24.17. On the basis of numerous representations made to it, and consultations with the concerned officials, the Committee identified the following issues which need to be addressed:

- (i) Validity of the Card: Should it continue to be 20 years? Should we introduce additionally a card with a shorter validity?
- (ii) Should we provide a special dispensation for dependant children, to make the Scheme more popular to the Second and Third Generation PIOs?
- (iii) What factors should we take into account to make the fee structure rational and pragmatic?

- (iv) What other measures should be adopted to make the Scheme more attractive to the persons for whom it is intended?

## **Nomenclature**

24.18. We should launch it as a Document of Indian Nationality or Passport of Indian National Origin which may be taken by persons of Indian origin as a badge of honour and national pride. It should be attractively designed when it is re-launched. Like a passport, it would serve as a travel document for travel to India and for identification for various purposes within India.

## **Validity of the Card**

24.19. The Committee is of the view that many would-be applicants would prefer a Document with ten-year validity at a reduced fee. A 10-year card would be more affordable for medium-sized or large families, who may like to obtain the documents of national origin for the entire family. Retired persons, pensioners and senior citizens would find a document of ten-year validity at a lower fee more affordable. The document may, however, be allowed to be renewed or extended on payment of an additional fee.

24.20. The Committee unanimously **recommends the introduction of a Document of Indian Nationality or Indian Origin or a PIO Card valid for ten years at a lower fee. The Committee also recommends that the scheme of Cards of twenty years' validity should be continued.**

## **Special Dispensation for Children**

24.21. The Committee noted that the first generation PIOs have a strong emotional bond with the motherland and may be more inclined to obtain the PIO Card. However, there is a need to promote the Scheme more vigorously amongst the second, third and fourth generations of PIOs, and encourage them to identify in a concrete, constant and visible manner with India. One option would be to lower the fee for the 20-year card for the children of the PIOs. After detailed discussions and in the interest of a simple fee structure, the Committee decided **to recommend that PIOs up to the age of 18 years should be given a 20-year PIO card, while paying only the fee for the 10-year card applicable to adults.**

## **FEE STRUCTURE FOR THE PIO CARD:**

24.22. There are a number of ways to address the issue of a rationalised fee structure for the PIO Card. These are discussed below:

### **(i) Visa fees currently payable by the PIOs for entry into India**

Since a PIO Card is conceptually not merely a substitute for a visa and carries with it many other benefits as explained above, the visa fees payable by PIOs cannot be the sole determinant for the PIO Card fees. However, the Committee felt that this is an important factor to be taken into

account, since the PIO card permits visa free entry into India during the period of its validity, irrespective of the number of visits. Free access to India is an important consideration for many PIOs. A number of PIOs visit India regularly to renew family ties or on business, but most of them visit India only once in a while. Moreover, according to the uniform visa fee regime applicable to citizens of most countries, a five year visa for India costs US\$ 130 only. The US passport holders pay US \$ 130 for a five year and the same fee for a ten year visa. They also pay an application fee of US\$ 20. Gratis visas are granted on the basis of bilateral reciprocity to nationals of Argentina, Hungary, Jamaica, Korea (DPRK), Maldives, Mauritius, Mongolia, Poland, South Africa, Slovak Republic and Uruguay. Amongst the countries with which India has a bilateral gratis visa fee regime, Jamaica, Mauritius, and South Africa have significant populations of Indian origin. For the PIOs in those countries, the visa-free entry feature of the PIO Card Scheme which entails a heavy cost, is not at all attractive. Where entire families have migrated, without any relatives in India, the visits of such PIOs to India are rare. To those PIOs also, the visa-free aspect of the PIO card is not particularly meaningful.

- 24.23. After detailed discussions, the Committee came to the conclusion that the visa fee regime as a factor had to be considered in tandem with other factors such as the part of the world where the PIOs live, the exemptions from paying visa fee in certain countries on a reciprocal basis, the income-level of the community, and other factors which are briefly discussed in the succeeding paragraphs.

**(ii) Income-level of the Community and cultural differences**

The Committee noted that PIOs in several countries/regions, such as Fiji, Mauritius, Madagascar, the Caribbean etc. have a per capita income much lower than that of the PIOs in comparison to countries of North America and Europe. The Committee feels that it is important to make a special effort to facilitate the acquisition of PIO Cards by members of the PIO communities in those areas, by charging a lower fee.

- 24.24. On the basis of the considerations set out above, the Committee is of the view that the fee for PIO Card need not be uniform for all countries. Having carefully considered various options, **the Committee recommends that a simplified two-tier fee structure should be adopted for issue of PIO Cards, respectively, to applicants, who are citizens of countries with high per capita income, and to those who are citizens of countries with middle and low per capita income.** For classification of countries as high income and middle/low income, the Committee have relied upon the classification adopted in the Human Development Report, 2000 published by UNDP, which classifies 34 countries (mainly from North America and West Europe), as "high income" countries on the basis of GNP per capita. For the purpose of classifying countries by income, the UNDP Human Development Report, 2000 groups various countries by income based on World Bank classifications (valid through July, 2000) as under:

- High income countries            GNP per capita of \$ 9361 or more in 1998
- Middle income countries        GNP per capita (\$ 761-9360)
- Low income countries            GNP per capita (\$ 760 or less)

24.25 The Committee is of the view that the classification of countries into high income and middle/low income countries, as provided for in the Human Development Report, 2000 is the most appropriate classification for purposes of developing a simplified two-tier fee structure for the PIO Card Scheme. The 34 countries in the high income bracket in the report, are also the countries where the Indian Diaspora has higher income levels. The Diaspora in the remaining countries (middle and low income levels) should be charged a lower fee for the PIO Card.

24.26. The Committee is conscious of the fact that there may be many PIOs in the high-income countries, who would plead that their economic situation is well below the standard assumed by the UNDP in its Human Development Report. However, in devising a system, the problems of such small groups within the larger groups cannot always be satisfactorily resolved.

24.27 Based on the above considerations, the Committee recommends the following two-tier fee structure.

Country of citizenship	20 year PIO Card	10 year PIO Card	Rationale
Australia, Austria, Bahamas, Belgium, Brunei Darussalam, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Hong Kong (SAR), Iceland, Ireland, Israel, Italy, Japan, Kuwait, Luxembourg, Malta, Netherlands, New Zealand, Norway, Portugal, Qatar, Singapore, Slovenia, Spain, Sweden, Switzerland, United Arab Emirates, United Kingdom & United States.	US\$500+US\$100 non-refundable processing fee	US\$300+US\$100 non-refundable processing fee	<ul style="list-style-type: none"> <li>• High income countries as per Human Development Report, 2000 published by UNDP</li> <li>• Five year visa for India costs US\$ 130</li> <li>• US nationals get 5/10 years visa for US \$ 130. They also pay application fee of US\$ 20.</li> </ul>
All Other countries covered by the PIO Card scheme.	US\$150+US\$100 non-refundable processing fee	US\$100+US\$100 non-refundable processing fee	<ul style="list-style-type: none"> <li>• Middle/low income countries as per Human Development Report, 2000 published by UNDP</li> <li>• Five year visa for India costs US\$ 130</li> <li>• Gratis visas are given to nationals of Argentina, Hungary, Jamaica, Korea (DPRK), Maldives, Mauritius, Mongolia, Poland, Slovak Republic, South Africa, Uruguay.</li> </ul>

*Children below 18 years of age will be given a 20-year card, on payment of Fee prescribed for a 10-year PIO Card for an adult.*

## Proposal for PIO-Card-Linked Bond Scheme

- 24.28. The Committee is of the view that when a PIO Card with its attendant privileges is granted to an eligible person who has acquired foreign citizenship, the mother country can legitimately expect from such an individual, something in return for the grant of a status that is in many ways at par with Indian citizenship. This may be regarded as a symbolic return for what India would have done for that person in his or her formative years or as an acknowledgement of ancestral origins. The principle of abiding interest in the country of origin is a well-recognized consideration for the grant of dual citizenship. The acquisition of financial instruments such as the Resurgent India Bonds or the India Millennium Deposit Bonds could legitimately be treated as evidence of such abiding interest, even if some would argue that investors in such bonds are encouraged to purchase them by the logic of money which is evident in the high rates of return on offer.
- 24.29. The Committee is aware that several countries have organised special bond issues for the financing of their infrastructure development. The bonds floated by the Government of Israel may, for instance, be of special interest to us as they have several attractive features that we could usefully adopt. For instance, Israel bonds are not even restricted to people of Jewish origin. They can be purchased in denominations as low as US \$ 250. They are freely transferable. Some of them can be cashed in Israel after one year, or used for the purchase of tickets on Israel's flagship airline, EL AL. Most of them can be gifted to one's immediate family members, or donated to charitable institutions.
- 24.30. The Committee recommends that the Government of India and also the State Governments should, from time to time as may be considered appropriate, issue for purchase by PIOs (including, of course NRIs also) special Ten Year India Development bonds which would be designated in such freely convertible foreign exchange as may be decided by the RBI. These could later be made available for purchase even by non-Indians. **A contributor to such bonds of a specified total denomination could, unless there are special reasons for not doing so, be rewarded with a gratis PIO Card valid for 10 years** if he is so interested, for such bonds signify a long-term commitment to India by way of investments.
- 24.31. Such a scheme could, for example, have the following illustrative features, which could be further refined by the Ministry of Finance:
- i) Investments in bonds aggregating US \$ 10,000 would entitle the holder to a free PIO Card that would be valid for a period of 10 years.
  - ii) Each additional bond investment of US \$ 5,000 by the same person would entitle one member of his or her family (spouse or child) to obtain a free PIO Card that would have the same validity as that of the original investor.

- iii) If the above bonds were to be renewed by the original purchaser, for a period beyond 10 years, the validity of the free PIO Card(s) already issued would also be extended for the same period.
- iv) There would be no objection to the sale or transfer of the above bonds. But in the event of any such transaction taking place, the original bond holder, as well as his or her dependent beneficiary, would retain the free PIO Card(s) already granted to them. The purchaser or transferee of such bonds would not be entitled to a free PIO Card.

### **Proposal for Gratis Visa Card to Eminent PIOs**

24.32. The Committee further recommends that if a PIO who has risen to an exceptionally eminent position in the country of his or her adoption or plays an important role in building bridges between India and the country of his adoption expresses a desire to obtain a PIO Card, it should be granted to such a person without any charge. This kind of facility should be accorded to present or past Heads of State or Government, Speakers or other Presiding Officers of their national parliaments, Chief Justices of apex courts, other eminent persons and more especially those who help to build bridges of goodwill for India. A PIO Card could be offered to them *suo moto* in the same way as the keys of a city and its honorary citizenship are sometimes conferred on foreign citizens as a mark of distinction. This would also help in according a higher profile to the PIO Card and make the scheme more popular.

### **Further Suggestions to Make the Scheme More Attractive**

24.33. Apart from rationalising the fee structure for the PIO Card Scheme, the Committee also recommends the following measures for consideration of the government, to make the scheme more attractive:

- i) Separate counters may be provided for PIO card holders at all international airports in India.
- ii) PIO card holders may be charged at Indian rates while paying entrance fee for museums and monuments in India.
- iii) For purposes of issue of a driving licence in India, a PIO card holder should not be required to produce Ration Card or other proof of residence. production of the PIO card should be sufficient for this purpose.
- iv) For purposes of opening bank accounts in India etc., production of PIO Card as proof of identity should be sufficient.

To mitigate the difficulties of former citizens of independent India, specially senior citizens, who intend spending the remainder of their lives in India, a provision may be made under section 5 of the Indian Citizenship Act, enabling an eligible person, who has had a PIO Card, to apply for re-

acquisition of Indian citizenship, without fulfilling prescribed requirements of residence in India. This would provide the necessary relief and remedy to many senior citizens who would like to transfer their pension funds to India for purposes of spending the evening of their lives in India, but who are allowed to transfer the funds out of the country of their citizenship, only if they acquire the nationality of another country.

## **Periodic Review of the Scheme**

The Committee recommends the review of the Scheme after every three years.

Sd/  
(L.M.Singhvi)  
Chairman

Sd/  
(R.L.Bhatia)  
Member

Sd/  
(J.R.Hiremath)  
Member

Sd/  
(Baleshwar Agrawal)  
Member

Sd/  
(J.C.Sharma)  
Member-Secretary

3 April, 2001

○

**MINISTRY OF HOME AFFAIRS**

**NOTIFICATION**

**New Delhi the 30th March, 1999**

**PIO CARD SCHEME**

F. No. 26011/4/98-IC, I-1, Short title and commencement:

(i) This scheme may be called the Scheme for issuance of Person of Indian Origin Card (PIO Card).

(ii) It shall come into force with effect from 31st March, 1999.

2. Definition - In this scheme, unless the context otherwise requires:-

(a) "Indian Mission" means the Embassy of India/High Commission of India/Indian Consulate in a foreign country.

(b) "Person of Indian origin" means a foreign citizen (not being a citizen of Pakistan, Bangladesh and other countries as may be specified by the Central Government from time to time) if;

(i) he/she at any time held an Indian passport; or

(ii) he/she or either of his/her parents or grand parents or great grand parents was born in and permanently resident in India as defined in the Government of India Act, 1935 and other territories that became part of India thereafter provided neither was at any time a citizen of any of the aforesaid countries (as referred to in 2 (b) above); or



(iii) he/she is a spouse of a citizen of India or a person of Indian origin covered under (i) or (ii) above.

(c) "PIO Card" means a card issued under this Scheme.

3. Form of application for issue/renewal of a PIO Card:-

An application for issue/renewal of a PIO Card shall be made in the prescribed form and shall be accompanied by documentary evidence to show that the applicant is a person of Indian origin as defined.

4. Authority to which application is to be made:-

(i) An application for issue of a PIO Card shall be made to an Indian Mission in the country where the applicant is ordinarily resident.

(ii) Applicants already in India on Long Term Visa (more than one year) shall make the application for issue of a PIO Card to the following authorities:-

(A) Those residing in:-

- (a) Delhi - Foreigners Regional Registration Officer, Hans Bhavan, I.P. Estate, New Delhi - 110 002
- (b) Mumbai - Foreigners Regional Registration Officer, Annexe II, Commissioner of Police, Crawford Market, Mumbai - 400001
- (c) Calcutta - Foreigners Regional Registration Officer, 237, Acharya Jagdish Chandra Bose Road, Calcutta - 700020
- (d) Chennai - Chief Immigration Officer, Bureau of Immigration, Shastri Bhavan Annexe, No. 26, Haddows Road, Chennai - 600006

(B) Those residing in areas other than (A) above:-

Joint Secretary (Foreigners), Ministry of Home Affairs, 1st floor,  
Lok Nayak Bhavan, Khan Market, New Delhi - 110003

5. Authority to grant a PIO Card

The authority to grant a PIO Card shall be an officer in an Indian Mission notified for the purpose or the Joint Secretary, Ministry of Home Affairs, Government of India or the Foreigners Regional Registration Officer, New Delhi, Mumbai, Calcutta or the Chief Immigration Officer, Chennai.

6. Validity of PIO Card

A PIO Card shall be valid for a period of twenty years subject to the validity of the passport of the applicant.

7. Fee:

A fee of US \$1000, inclusive of US \$250 (non-refundable) as processing fee, will be payable alongwith the application. In case of rejection of the application, US \$750 shall alone be refunded to the applicant.

8. Facilities to be extended to a PIO Card holder

- (i) A PIO Card holder shall not require a visa to visit India.
- (ii) A PIO Card holder will be exempted from the requirement of registration if his stay in India does not exceed 180 days.
- (iii) In the event of continuous stay in India of the PIO Card holder exceeding 180 days, he/she shall have to get himself/herself registered within 30 days of the expiry of 180 days with the concerned Foreigners Registration Officer at District Headquarter.
- (iv) A PIO Card holder shall enjoy parity with NRIs in respect of all facilities available to the latter in the economic, financial and educational fields except in matters relating to the acquisition of agricultural/plantation properties. No parity shall be allowed in the sphere of political rights.

9. Cancellation of PIO Card:

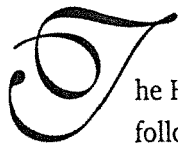
The Central Government may, by order, cancel the PIO Card, If it is satisfied that:

- (a) The PIO Card was obtained by means of fraud, false representation or the concealment of any material fact; or
- (b) The PIO Card holder has shown himself by act or speech to be disaffected towards the Constitution of India and other laws of India; or
- (c) The PIO Card holder is a citizen or subject of any country at war with, or committing external aggression against India; or of any other country assisting the country at war with, or committing such aggression against India; or
- (d) The PIO Card holder has been sentenced in India for indulging in acts of terrorism, smuggling of narcotics, arms, ammunitions etc. or has been sentenced for committing an offence punishable with imprisonment upto one year or fine upto rupees ten thousand; or
- (e) It is not conducive to the public interest that the person should continue to hold a PIO Card.

No reasons shall be assigned for withdrawal of the Card.

M.B.Kaushal, Spl. Secy.

## Interim Recommendation on Celebration of 'Pravasi Bharatiya Divas'



The High Level Committee on the Indian Diaspora ('HLC') has the honour to submit herewith the following interim recommendation to the Government of India regarding the celebration of an annual '*Pravasi Bharatiya Divas*' (PBD). The purpose of submitting this recommendation at the present stage of the Committee's work is because of the shortage of time before the date proposed by us for its first observance on a suitable day in January 2002, sufficiently in advance of Republic Day. We are concurrently submitting a separate interim recommendation to Government for the institution of '*Pravasi Bharatiya Samman Awards*'. The Committee has recommended that those awards be presented to NRIs and PIOs on the occasion of '*Pravasi Bharatiya Divas*'. "

### **The Indian Diaspora**

- 25.2. The Indian Diaspora, comprising of both Persons of Indian Origin (PIOs) and of Non-Resident Indian Citizens (NRIs), has played an important role and has had a deep impact on political and economic developments in various parts of the world throughout our recorded history. The total number of persons constituting the Diaspora is currently estimated at around twenty million. There are as many as eleven countries with over half a million members of the Diaspora, while in no less than twenty-two their number exceeds a hundred thousand.
- 25.3. In recent years, the Indian Diaspora has assumed a notable role and become a significant factor in the conduct of our relations with several important countries. The presence of numerous NRIs and PIOs has an important bearing on our relations with the countries in which they reside. It is a matter of pride to their motherland that a growing number of PIOs have been occupying local positions of great political eminence. There are, among them, several Heads of State or Government, and also a large number of Cabinet Ministers, Members of Parliament and other leading personalities in almost every field, both in the developed and in the developing countries. While they have had extraordinary achievements to their credit, they have invariably retained with pride the rich cultural heritage inherited from their Indian ancestry.

### **Economic Potential of the Diaspora**

- 25.4. It has been estimated that the Indian Diaspora has an annual income of approximately US \$ 300 billion, a figure close to our total national GDP! It is equally significant that contemporary India, with its resilient democratic institutions and its billion-strong population, has been emerging

rapidly as a modern and dynamic country with the largest reservoir of highly qualified human resources. A symbiotic relationship between constituents of the Indian Diaspora and India, enabling both to establish close contacts and appreciate each other's needs and strengths would doubtless be mutually beneficial.

### **Political Strength of the Diaspora**

25.5. In recent years, there have been many instances of the Diaspora playing an increasingly important role in mobilising political support in countries like the United States, Canada and the United Kingdom, for issues of vital concern to India. Because of their increasing economic strength, the PIOs have been in a position to play an important role in promoting not only India's bilateral relations with the countries of their domicile, but also the economic development of their country of origin. In the US, for example, the India Caucus has been successfully lobbying Senators, Congressmen and other prominent persons to garner support on sensitive issues of concern to India. Elsewhere too, they have carved a respectable niche for themselves by their hard work and perseverance, their law-abiding and non-aggressive lifestyle, and by their undoubted ability to innovate. They have been an extraordinary asset, both to the countries of their adoption and also to India. During the Kargil conflict and in the aftermath of the Pokhran nuclear tests, for instance, their role in explaining the official Indian perspectives to opinion makers was of great value in promoting a favourable reaction to India's policies.

### **Philanthropy of the Diaspora**

25.6. Though separated from India by enormous distances, and often also by the long passage of time since their migration abroad, the PIOs and NRIs usually have a warm place in their hearts for their land of origin, which continues to be regarded by many of them as their 'motherland'. Some of them even aspire to return to their ancestral homes some day. India's trials and tribulations, her natural and man-made disasters usually evoke an instant reaction of sympathy and concern in the Diaspora. This was clearly evidenced in the recent past during the Kargil crisis, the Gujarat earthquake and the Orissa cyclone. The Diaspora responded immediately with massive financial and material support to help the victims of those disasters. Many NRIs and PIOs came back to India personally, to see what they could do to lessen the suffering of the affected persons.

### **Celebration of 'Pravasi Bharatiya Divas'**

25.7. Following from the above discussion about the Indogenic communities abroad, and the constructive role played by many of them, the High Level Committee is of the considered view that the Diaspora's Indian connection and its achievements and goodwill towards India should be recognised and celebrated in India and abroad in an appropriate manner. Accordingly, we recommend that one of the ways in which this purpose could be achieved is to observe each year a '*Pravasi Bharatiya Divas*' (PBD) on a suitable day during the month of January – a month which also marks the observance of the annual celebration of India's Republic Day. We believe that this kind of initiative

would go a long way in promoting the abiding and cordial bonds that already exist between India and the Overseas Indians, as well as in establishing linkages between various components of the Diaspora. Such an event would inculcate a sense of pride in them, and particularly in their children, about their common civilisational and cultural heritage, and thus create in them a stronger consciousness about the India from which they or their forbears had migrated abroad. It would also help in creating a more tangible awareness about the Diaspora among all the people of India.

- 25.8. Detailed information about the observance of the PBD and the celebratory functions accompanying it should be widely publicised. This should be done, not only through our diplomatic and consular missions, but also through notices and reports in the widely circulated journals and newspapers published in various parts of the world by members of the Diaspora.
- 25.9. The *Pravasi Bharatiya Divas* should be celebrated on a fixed day each year, so that there would be enough time for the authorities concerned to organise various programmes in Delhi before and after the PBD.
- 25.10. It should be observed sufficiently in advance of Republic Day. In this way, the PBD's relevance and importance would not be diluted by the bigger celebrations on and around the 26<sup>th</sup> of January.
- 25.11. We recommend that it should be observed on the ninth day of January each year. It was on this day in 1915 that Mahatma Gandhi, himself a *Pravasi Bharatiya* for almost two decades, finally returned to India to become one of the greatest bridge-builders in history.
- 25.12. The responsibility for organizing all PBD programmes could be vested in the organisational mechanism, the setting up of which the HLC is considering to recommend in its final report. Until such time as the HLC formulates its specific recommendation on the issue of a suitable organisational mechanism and the Government accepts this recommendation, NRI-PIO Division would be designated to handle the logistics of arrangements for the registered participants.
- 25.13. Members of the Diaspora who are desirous of participating in the PBD programmes should be invited to register themselves and give timely advance intimation of their travel plans to the NRI-PIO Division of the Ministry of External Affairs. A suitable travel agency may be designated by the organizers to handle the logistical arrangements for the registered participants except for those to whom hospitality is specifically offered. The participants in the PBD programmes would be required to meet the full cost of their airfares and of their accommodation during their stay in India.
- 25.14. The HLC proposes for Government's consideration that the President of India may be requested to host a Tea Reception for the foreign visitors on the occasion of the annual *Pravasi Bharatiya Divas*.
- 25.15. The Prime Minister may also similarly be requested to host a lunch or dinner for the Diaspora visitors. Such high level gestures would highlight the importance attached by India to its Diaspora.

25.16. The PBD should be combined with the organisation of an 'International Diaspora Convention' for two to three days comprising of a series of functions and celebrations as described below. Not all of them may be feasible in any particular year. The HLC has, however, made these suggestions as an illustrative list of what could be done to attract effective participation of the Diaspora in the annual PBD programmes.

**(a) A Business and Investment Promotion Seminar**

A major seminar could be held on investment opportunities in India with the active participation of FICCI, CII, ASSOCHAM or other similar organisations which would be jointly or individually entrusted with the responsibility for its organisation. They could launch the proposed seminar with special presentations about India's current development plans, as well as prospects for foreign participation in them. States interested in attracting investments from the Diaspora could also be invited to participate actively in the seminar, with a view to establishing fruitful contacts with interested persons.

**(b) An Academic Seminar**

The PBD would be an excellent occasion for organizing one or more seminars on various socio-political and cultural issues pertaining to the Diaspora. If necessary, parallel sessions could be held on individual subjects. ICSSR, IGNC, India International Centre, Delhi University and Jawaharlal Nehru University, as well as the Centre for Diaspora Studies at the University of Hyderabad and other academic institutions could be associated with the preparations for these seminars. The NRI-PIO Division in the Ministry of External Affairs would coordinate in identifying and inviting potential participants, both from within India and from abroad.

**(c) Projection of India's Diversity and Tourism Promotion**

The PBD celebrations could be utilised for promoting among the participants from the Indian Diaspora and their children an awareness of India's rich, multi-cultural diversity with its many traditions, languages and religions and its essential unity, its democratic system and its economic potential. It would also foster an understanding of the Diaspora within and among its various components as well as within India. The Indian Council for Cultural Relations could be assigned the primary responsibility for organising this part of the PBD celebrations. It could undertake this task with the active cooperation of the tourism industry in India. The ICCR could sponsor a suitable programme featuring eminent artists from India and the Diaspora on the occasion. The programme may include cultural events which project the diversities of the Indian Diaspora and the evolution of the Indian heritage in the countries of their residence. Suitable packages may be developed by the tourism industry to facilitate visits by members of the Diaspora to their ancestral homes, places of pilgrimage and other destinations of their interest. In this way, the visiting members of the Diaspora would be exposed to the many resplendent patterns that go to form our ancient land – a land that has managed to coexist with the fast-changing contemporary world



without being overwhelmed by it. Concessional air and train fares may be provided by the Airlines and the Railways.

**(d) Sports Events**

The members of the Diaspora have distinguished themselves in the sporting events the world over. Their achievements in cricket and hockey are particularly noteworthy. The High Level Committee recommends that sports events such as one-day cricket match or a hockey match or similar events should be organised between India and the teams representing the Diaspora. The responsibility for organising these events may be entrusted to the appropriate sports body.

**(e) Indian Diaspora Exhibition, Trade Fairs and Film Festival**

The Committee suggests that an exhibition, a trade fair and a film festival of the Indian Diaspora and for the Indian Diaspora may be organised as part of the PBD programmes.

**(f) Special Postage Stamp and First Day Cover**

When the *Pravasi Bharatiya Samman Awards* Scheme is instituted and the *Pravasi Bharatiya Divas* is designated, a special postage stamp and a first day cover should be issued to commemorate the PBD.

**Summary of the HLC's Recommendations on 'Pravasi Bharatiya Divas'**

25.17. The main features of the '*Pravasi Bharatiya Divas*' (PBD) recommended by us are the following:

- (a) That a '*Pravasi Bharatiya Divas*' should be observed in India and abroad every year in recognition and appreciation of the constructive economic, political and philanthropic role played by the Indian Diaspora, as well as the goodwill demonstrated by it towards India in times of national crisis. Such a day would strengthen the Diaspora's relationship with India.
- (b) That the PBD should be observed on the ninth day of January, a date chosen because it was on this day that Mahatma Gandhi, himself a *Pravasi Bharatiya* in South Africa for almost two decades, finally returned to India in 1915, to become the greatest bridge-builder of a humane civilisation.
- (c) That the Investiture Ceremony for the *Pravasi Bharatiya Samman Awards* be held in the Rashtrapati Bhavan and, as far as possible, on the PBD. The President of India may be requested to host a reception on the occasion.
- (d) That the Prime Minister may similarly be pleased to host a lunch or dinner for them, thus demonstrating the importance attached by India to the forging of close bonds with overseas Indians.
- (e) That on the occasion of the PBD, an International Convention for two to three days be organised with a number of events including the following:

- (i) A Business and Investment Promotion Seminar;
  - (ii) An Academic Seminar on socio-political and cultural issues;
  - (iii) Programmes to showcase India's cultural diversity and also its essential unity despite regional, linguistic and religious variations;
  - (iv) An Indian Diaspora exhibition, a trade fair and a film festival;
  - (v) A special postage stamp and a first day cover to commemorate the event;
  - (vi) An initiative to promote tourism by members of the Diaspora and to facilitate visits to their ancestral homes, places of pilgrimage and to other destinations of interest by extending special packages to be developed by the tourist industry to the foreign participants in the PBD celebrations. Concessional air and train fares may be provided by the Airlines and the Railways;
  - (vii) Sports events such as a one-day cricket match or a hockey match or similar events should be organised between India and teams representing the Diaspora. The responsibility for this may be entrusted to the appropriate sports body;
- 25.18. The HLC would like to stress the importance of adequate media coverage of the PBD programmes and the *Pravasi Bharatiya Samman Awards* ceremony. It is vital that the media should be encouraged to highlight the diversities and achievements of the Indian Diaspora and its contribution to the causes and concerns of India;
- 25.19. The State Governments should be invited to host and participate in PBD programmes. Cooperation of private business and industrial organisations, universities and other academic circles, official and semi-official bodies like ICCR, IGNCA, Air India, IAC, ITDC, IIC, Sports Authority of India and other appropriate agencies and organisations should be enlisted for the purpose.
- 25.20. The High Level Committee on the Indian Diaspora has the honour to submit the above interim recommendations to the Government of India for its consideration and approval.

Sd/  
(L. M. Singhvi)  
Chairman

Sd/  
(R. L. Bhatia)  
Member

Sd/  
(J. R. Hiremath)  
Member

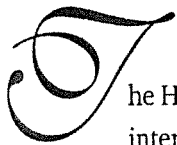
Sd/  
(Bareshwar Agrawal)  
Member

Sd/  
(J. C. Sharma)  
Member-Secretary

27 August 2001

## Interim Recommendation on the Institution of 'Pravasi Bharatiya Samman Awards' for the Indian Diaspora

## Introduction



The High Level Committee on the Indian Diaspora (HLCID) has the honour to submit the following interim recommendation to the Government of India on the institution of a scheme of awards to be known as *Pravasi Bharatiya Samman Awards*, which would be reserved exclusively for Non-Resident Indian Citizens (NRIs) and Persons of Indian Origin (PIOs). The purpose of submitting this interim recommendation at the current stage of the Committee's work is to facilitate a timely decision on the formulation of this scheme, and also for its early implementation.

- 26.2. *Bharat Ratna* has been the highest civilian award conferred by the Government of India. There are also three kinds of *Padma* awards, namely, *Padma Vibhushan*, *Padma Bhushan* and *Padma Shri*. All of them are announced annually on Republic Day. They have been conferred, from time to time, on NRIs, PIOs, as well as other foreign citizens. As many as 15 *Padma* awardees from 1998 to 2001 have been NRIs or PIOs.
- 26.3. Suitable recognition in the form of special awards by 'mother countries' of the achievements and contributions of their respective Diasporas is a well-established policy in many parts of the world. A number of countries do not have a separate system in place for the conferment of such awards. In many instances, the awards given by them to their own citizens, whether living within their territorial jurisdiction or otherwise, are also conferred on foreign citizens of domestic origin. But there is no uniform pattern in this matter.
- 26.4. The Lebanon, for instance, which has a resident population of 3.5 million but a Diaspora of 14 million, has instituted a separate set of decorations exclusively to honour distinguished persons of Lebanese origin who have settled down in foreign countries.
- 26.5. The Philippines gives special awards to deserving members of its Diaspora and one of them is even nominated to its House of Representatives. As many as ten overseas Filipino workers who have contributed to the welfare of their colleagues abroad, or enhanced the growth and development of bilateral relations by their conduct, are selected annually for the award of a small monetary gift, along with free tickets to visit their home country.

- 26.6. On the other hand, Italy has instituted five categories of awards called *The Order of Merit of the Italian Republic*. Eligible persons for these awards are not only Italian citizens and members of its Diaspora, but also foreign citizens. The only qualifying criterion is a particularly important contribution to the nation. Italy also has a large number of *Star Awards*, which are given to employees of public and private enterprises, and to members of trade unions, on the recommendation of its Ministry of Labour.
- 26.7. China's case is again *sui generis*. It has no separate system of awards or honours for "Overseas Chinese". Nor are they given the awards that Chinese citizens receive. Instead, China has a separate category of awards meant for all foreigners – including those of Chinese origin!

## **Supreme Court Judgement**

### **In transferred Case No.1 of 1995 relating to the constitutional validity of the Padma Awards**

- 26.8. The HLCID has carefully perused the majority judgement delivered on 15 December 1995 by a Constitution Bench of the Supreme Court, presided over by the Hon. Chief Justice of India, relating to the constitutional validity of the *Padma Awards*. The judgement upheld the validity of a system of awards to recognise excellence in various fields. It observed that the guidelines for the selection of probable recipients were extremely wide, imprecise, amenable to abuse and unsatisfactory for the important objective that they sought to achieve. There were no limitations prescribed for the maximum number of awards that could be presented in a given year, nor the maximum number in each category. The need for necessarily granting awards every year also required consideration. The judgement stated further that the determination of these and other criteria needed to be examined by a High Level Committee that may be appointed by the Prime Minister in consultation with the President of India. That Committee was to keep in view the Court's anxiety that the number of awards should not be so large as to dilute their value.
- 26.9. The High Level Committee that was constituted in May 1996, in pursuance of the above judgement of the Hon. Supreme Court, was chaired by the then Vice-President of India, Shri K. R. Narayanan. In its report to the Government, the Committee recommended, *inter alia*, that the number of annual Padma Awards should not exceed a certain number specified by it, and that they could continue to be given each year on Republic Day. The Committee also observed that these awards are not titles and cannot therefore be used as suffixes or prefixes in any manner whatsoever. In case of any misuse, the defaulter would forfeit the award.

### **The Scheme notified by Government in 1998 for the institution of "Bharat Samman Awards"**

- 26.10. As part of the 50<sup>th</sup> Anniversary celebrations of India's independence, the Government of India considered a proposal for the institution of *Bharat Samman Awards*. These awards were to be conferred annually on NRIs, as well as foreign nationals, including PIOs, who had contributed

towards the fostering of a better understanding of India abroad. The announcement of these awards was to be on Republic Day each year.

- 26.11. This proposal was duly approved by the Union Cabinet on 15 December 1997, The number of awards, to be given in three categories – *Bharat Vishisht Samman*, *Bharat Priya Samman* and *Bharat Samman* – was to be restricted to a maximum of ten.
- 26.12. After the above-noted Cabinet decision, there was rethinking within the Government about the three categories in which those awards would be made. The then Prime Minister felt that the awards should be made in one category only, so as not to make any invidious distinction between various grades of recipients. Accordingly, the scheme notified by the Ministry of Home Affairs in a Gazette Notification dated 26 January 1998, included the following:
- i. The awards would be known as *Bharat Samman Awards*.
  - ii. The President of India would confer them on the recipients in the form of a *sanad*, which would be given under his hand and seal.
  - iii. They would be given annually to NRIs and foreign nationals including PIOs who had contributed towards fostering better understanding of India abroad, for their support to the cause of India, and for promoting India's interests internationally.
  - iv. The awards would be accompanied by a citation.
  - v. The selection of persons for the awards would be made by an Awards Committee to be chaired by the Vice-President of India.

The Notification did not, however, specify the maximum number of awards to be given each year.

## **Rationale and Framework for a Revised Scheme of Awards for the Indian Diaspora**

- 26.13. The High Level Committee on the Indian Diaspora has given careful consideration to the two earlier schemes (described in Sections II and III of this Interim Recommendation) to recognise and reward the meritorious contributions made by NRIs, PIOs and other foreign citizens in the furtherance of India's interests and causes.
- 26.14. We are of the unanimous view that a new scheme should be formulated, replacing the proposal that was notified on 26 January 1998 but not subsequently implemented. In a country of India's size and population, it is unrealistic to expect that the *Padma Awards* would be able to provide recognition, from year to year, to all the deserving and distinguished achievers. It would be even less realistic to expect that the growing contribution of eminent NRIs and PIOs would be adequately recognised within the same existing scheme of awards. The Indian Diaspora, currently numbering about 20 million, is one of the largest Diasporas in the world and has in it a number of persons of distinction and high achievement.

- 26.15. In view of the Supreme Court judgement and the recommendations of the High Level Committee headed by the then Vice-President of India with regard to a ceiling on the number of "Padma Awards", it is important that an additional and equally prestigious scheme of awards be instituted for the Indian Diaspora. This would have the further advantage of providing the much-needed focus on its distinguished achievements. Such a scheme would also further cement the bonds between the Diaspora and their mother country. It would become a beacon of light, beckoning to greater effort many a budding achiever among the second and subsequent generations of PIOs.
- 26.16. The logic underlying this proposal was also specifically recognised by the Government of India when, in 1998, it had notified the eventually infructuous scheme of instituting *Bharat Samman Awards* for NRIs and PIOs.
- 26.17. Additionally, the HLCID's attention has been drawn to a number of private awards that are given by several NGOs in India and abroad. Serious criticisms have been levelled against such private awards, particularly regarding the exploitative malpractices associated with them.
- 26.18. Considering all the factors discussed above, the Committee has come to the conclusion that a revised scheme of awards should be officially instituted and notified by the Government of India, replacing the earlier one of 26 January 1998. Such a scheme would carry distinctive prestige and dignity that would differentiate it from all other awards and would be greatly appreciated and treasured by members of the Indian Diaspora.

### **Recommendations of the HLCID on the Institution of a New Award Scheme *Pravasi Bharatiya Samman Awards***

- 26.19. The High Level Committee on the Indian Diaspora recommends the establishment of a *Pravasi Bharatiya Samman Awards* scheme that would have the following provisions.
- (a) **Nomenclature:** The earlier name of *Bharat Samman Awards* may be replaced by a name more accurately reflecting the focus of these awards, namely, the Indian Diaspora. The Committee recommends for them the name *Pravasi Bharatiya Samman Awards*.
- (b) **Number of categories:** These awards may be in one category only to avoid invidious comparison and misunderstanding.
- (c) **Eligibility for the awards:** The Committee recommends that these awards may be conferred on NRIs and PIOs who have made outstanding contributions towards fostering better understanding abroad of India and its civilisation; for persons among them who have extended their support to India's causes and concerns; and those who have advanced her interests internationally. The awards may also be given for significant contributions or service to the Indian Diaspora.

The Committee notes that the scheme notified by the Government of India on 26 January 1998 had included foreign nationals among those who were eligible for those awards. As

the remit of this Committee is confined to NRIs and PIOs, we suggest that awards to foreign nationals who are not PIOs may either continue to be considered under the scheme of *Padma Awards* and/or under any other scheme that may be instituted for them.

- (d) **Number of Awards:** The notification of 26 January 1998 did not specify the number of awards to be given annually. The HLC – ID recommends that the maximum number of awards to be given annually should be twenty-five.

The Indian Diaspora is one of the largest in the world. There are 22 countries where NRI and/or PIO populations exceed a hundred thousand, while in 11 of them the Diaspora numbers half a million or more persons. Even more important is the fact that there are, among them, many extraordinary achievers and persons possessing outstanding talents. The Indian Diaspora boasts of Nobel Laureates, winners of the Booker Prize and recipients of countless other such awards. At the same time, it is important to recognise also the significant contributions of NRIs and PIOs in the smaller countries of Africa, the Caribbean and Asia, particularly as they constitute a large proportion of the population in many of them.

Considering all these factors, the Committee recommends that the maximum number of *Pravasi Bharatiya Awards* in a year may be set at twenty-five.

- (e) **Nominations for these awards:** Deserving persons may be nominated for these awards by a panel consisting of the following:

- Heads of Indian Diplomatic Missions abroad;
- PIOs who are MPs in their respective countries;
- Past awardees of the Gandhi Peace Prize or the Jawaharlal Nehru Award for International Understanding;
- Any other such awardees as may be proposed by the Jury cum Awards Committee described below; and
- The Head of any organisation that may be set up, pursuant to a separate recommendation of the HLC – ID.

The Secretary in charge of the NRI-PIO Division in the Ministry of External Affairs should be the Member Secretary of this panel.

- (f) **Selection of Awardees:** This may be done by a Jury cum Awards Committee under the chairmanship of the Vice-President of India. The Minister of External Affairs would be its Vice-Chairman. The Committee should include eminent public figures nominated by the Prime Minister. The Secretary of the Ministry of Home Affairs should also be a member of this Committee, for the sensitive task of screening potential nominees for these awards.



- (g) **Logistic facilities for the Awardees:** Return air fares by the appropriate class of travel should be provided to each awardee and his or her spouse or companion, to enable them to come to Delhi for the awards ceremony. They should also be entitled to free local transport and suitable hotel accommodation in Delhi for a maximum period of one week.
- (h) **Announcement of Awards:** The Committee recommends that these awards should be announced each year on Independence Day. For the awards to be conferred in the year 2002, however, the announcement may be made by the end of November 2001. In order to give these awards wide publicity abroad, press releases should be sent by our diplomatic and consular missions to the widely circulated journals and newspapers published by members of the Indian Diaspora.
- (i) **Format of the Awards:** As in the case of the scheme of *Bharat Samman Awards*, we recommend that the proposed *Pravasi Bharatiya Samman Awards* should consist of a *sanad* under the hand and seal of the President of India. Each award should also be accompanied by a citation setting out in brief the meritorious contributions made by the particular awardees, satisfying the criteria of eligibility for these awards.
- (j) **Presentation of Awards:** The awards should be presented each year by the President of India at a specially convened Investiture Ceremony on *Pravasi Bharatiya Divas*. We are submitting a separate recommendation to Government regarding the observance of such a *Pravasi Bharatiya Divas* and scheduling a number of events around that day.
- There should be only one such ceremony every year.
- (k) **Institution, notification and implementation of the awards:** The Committee is considering a proposal to recommend the setting up of a separate organisational mechanism to handle all matters relating to the Indian Diaspora. Until such a proposal is formulated by us and accepted by the Government, the NRI Division of the Ministry of External Affairs should be entrusted with the overall coordinating responsibility for the institution, notification and implementation of the new awards scheme described herein.

Sd/  
(L. M. Singhvi)  
Chairman

Sd/  
(R. L. Bhatia)  
Member

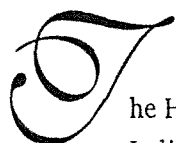
Sd/  
(Baleshwar Agrawal)  
Member

Sd/  
(J. R. Hiremath)  
Member

Sd/  
(J. C. Sharma)  
Member-Secretary

27 August 2001

## Consular and Other Issues



The High Level Committee has noted during its tours to various countries, which have a sizeable Indian Diaspora, that the Diaspora had substantially similar problems and grievances about their experiences in India. The nature of such problems varies. By and large, the grievances are widespread and common enough to warrant a determined redressal.

- 27.2. It seems that the Diaspora's passage to India is strewn with a variety of thorns. The commonest grievance of the Diaspora is the ill treatment, harassment and the demands for illegal gratification it encounters at the hands of our customs and immigration officials at the points of entry. The lack of cleanliness and the inadequacy of basic amenities at the airports is another major irritant. The tragic case of a child's death by getting enmeshed into the mechanism of an escalator at the Indira Gandhi International Airport shocked everyone. Visitors face a number of problems even after their customs and immigration clearance. The arrangements for transport and accommodation in terms of accredited facilities leave much to be desired.
- 27.3. Another problem, which members of the Indian Diaspora frequently face, centres round the fraudulent encashment of fixed deposits in Indian banks, sometimes in connivance with the bank officials. Forged Powers of Attorney are used as a common mode for encashing fixed deposits and usurping land and house properties.
- 27.4. The Committee notes with deep concern the manifold problems, which arise as a result of failed and fraudulent marriages. It is common for persons of Indian origin and their parents to look for an Indian spouse. Lack of sufficient information and the absence of honest and candid disclosure have, in many cases, led to the breakdown of marriages. There are cases of fraudulent misrepresentation. There are also cases in which the previous and subsisting marriage has not been disclosed. In some cases, mutual incompatibility accounts for the breakdown of the marriage. The result is that an Indian woman who has been married to a person of Indian origin or a non-resident Indian is left to fend for herself and requires sympathetic counselling, humanitarian help and, in some cases, consular assistance.

- 27.5. Consular assistance has its limitations and has to function within the framework of diplomatic norms, but guidance and humanitarian assistance, particularly in the form of a reference to appropriate NGO could be quite efficacious. There are situations in which the parents tend to over-react, but they, nevertheless, deserve compassionate consideration and help which should be extended. The requirements of such assistance are bound to vary from case to case. But there has to be the recognition that such problems need a sensitive response.
- 27.6. The Committee believes that the reforms proposals outlined by it in this chapter would help solve the problems of the visiting members of the Diaspora and the consular and other problems which arise from time to time.

### **Reforms at the Airports**

- a) There should be separate immigration and customs counters for NRIs and PIOs.
- b) The officials manning the immigration and customs counters at the international airports should be trained and instructed to be pleasant, polite, helpful and courteous. Special in-service orientation courses should be conducted for officials proposed to be deployed at all points of entry and exit for handling Diaspora visitors and obviously for all incoming and departing passengers.
- c) Closed circuit televisions should be installed at all important points at the airports to video-tape and maintain a surveillance on the conduct of officials whose duty involves dealing with the public. Surveillance cameras and recording equipment, preferably monitored by an independent agency could be positioned in immigration, customs and security areas. If the officials and passengers are aware that their interactions are being taped and monitored by an independent surveillance agency, the results would be salutary, in terms of deterring discourteous, obstructive or corrupt officials. Exemplary action should be taken against erring officials.
- d) There have been many incidents of rough handling of Indians coming from African countries or the Gulf region. Many of them are not as well-heeled and sophisticated in appearance as their western counterparts. They usually take much longer to clear landing formalities. Many of these NRIs are illiterate, nervous and often unable to respond adequately to the queries of the immigration/customs officials. Our officials should be trained to deal with such NRIs with understanding and courtesy.
- e) Customs officials should be trained to work only based on specific suspicions when opening the baggage of a passenger. They should be courteous and polite in their speech. They should allow the passenger to handle the opening and closing of his baggage. They should also be prepared to offer packing tape, metal banding, twine and cartons/plastic bags etc. for the baggage, which was opened for checking. The officials should be trained to maintain impartiality and decorum in the entire process.

- f) Payment rates for baggage handlers within the customs areas should be prominently displayed. A counter should be set up where the passengers could obtain information about rates and modes of payment, put in complaints of overcharging or obtain payment coupons to pay the coolies. This would eliminate a large part of the harassment by these people.
- g) 24-hour baggage storage facilities at the airports should be set up on priority.
- h) Availability of more personal conveniences such as clean toilets, working escalators and light fittings at the airports is extremely essential. There is a need to keep the airports generally clean and fresh. Non-payment of tips to the attendants at airport washrooms should be enforced by surveillance and by making available toiletries in vending machines inside the restrooms. Facilities for mothers travelling with infants should also be added inside the restrooms.
- i) Automated self-service systems/vending machines should replace the vendor model of small tea and coffee booths at the airports so that passengers can get more hygienic supplies. For this to succeed, money-changing machines, which provide the correct denomination of loose currency, should also be installed
- j) There should be an easily accessible office within the airport premises for registering complaints of rude behaviour, delays, and demands for illegal gratification. These problems are, by their very nature, often not verifiable at a later stage, since the concerned customs/immigration officials are not identifiable. This could be remedied by requiring all immigration officials to affix a rubber stamp with their name and allotted number in the passport of the passenger before beginning interactions. While it is understood that this is being done at IGIA, New Delhi already, this requirement can be made uniformly applicable at all international airports in India. Immigration officials could also be required to wear name badges to facilitate identification.
- k) Representatives of only well-known taxi services should be allowed to open booths inside the airport building. Predetermined rates of payment for transport to respective areas of the city should be prominently displayed. Facilities for prepayment by credit card or travellers' cheques should be made available. Canvassing by the taxi operators should be firmly dealt with.
- l) The number and frequency of shuttle buses from the airports to domestic airports/railway stations and Inter State Bus Terminals should be increased. Alternative rail travel facilities from airports to major points in the city should be urgently created.
- m) Setting up of hotels and motels with reasonable rates by well known chains, within a respectable distance of the international airports specially those at Bombay, Delhi, Chennai and Bangalore should be encouraged. The accreditation of these hotels/motels should be properly verified. Many visiting NRIs/PIOs spend extended periods in hotels during their sojourn to India and cannot afford stay in exorbitant five-star hotels.

## **Charging of Differential Fees/Tariffs**

- 27.7. A differentially higher registration fee at international conferences, higher room tariffs at hotels for foreigners of Indian origin and higher fees charged for their entry into historical monuments in India should be done away with. This creates a sense of alienation in the minds of the Diaspora members, while not adding substantially to the Government's coffers.

## **Publicising Income Tax Requirements**

- 27.8. Many NRIs are not aware of the requirement of furnishing of Tax Clearance Certificate required at the time of departure from India, in case the period of stay in India exceeds 120 days. Missions should be asked to publicise this requirement in the waiting rooms and on their web sites. Printed slips with this information could be handed to them along with the visas as well as on board the aircraft.

## **Publicising Requirement of Registration with FRROs**

- 27.9. The requirement of registration with the police authorities if the duration of the visit exceeds 180 days should be properly publicised to the PIOs by the Missions at the time of issue of visa. Failure to comply with this requirement often puts innocent individuals into harrowing situations at the time of departure. It is suggested that a simple registration form prescribed by MHA could be made available to all long-term visa holders at the Indian Mission. On arrival in India, the passenger could hand over the completed form together with the disembarkation card to the immigration officer who could forward it to the concerned FRRO. A small FRRO cell should be created at the airport to deal with cases of genuine mistakes.

## **Property Frauds**

- 27.10. There have been innumerable cases where, in their absence, the properties in India of NRIs/PIOs have fraudulently been taken over by some unscrupulous persons, often with the connivance of local officials. Complaints of this nature, when brought to the notice of the dedicated organisation being recommended in Chapter 37 should be taken up by it with the concerned officials for immediate redressal. Wherever necessary, appropriate legal advice/assistance should also be tendered to the complainant by the organisation.

## **Bank Frauds**

- 27.11. Several instances have come to notice where frauds have been committed by middlemen/agents who, with the help of forged powers of attorney on behalf of the NRIs/PIOs, lure the banks with deposits and even take loans against such deposits on the basis of such powers of attorney. When the fraud is brought to the notice of the bank, the matter leads to disputes between the bank and the NRI/PIO. It is suggested that all branches of commercial banks should strictly adhere to the instructions issued by the RBI in this regard. Banks while granting loans against NRI deposits etc,

should enforce strict vigilance. Special papers for issuing powers of attorney by NRIs/PIOs in such cases should make it mandatory that photographs and signatures of both the issuer and the attorney accepting the power should be attached and attested by the concerned attesting authority. In case fraud is brought to the notice of the banks, they should be instructed that monetary reparations to them would only be considered once they have initiated efforts to fix the responsibility instead of trying to pass the buck to the NRIs. Legal procedures also need to be revamped so that fraud cases, especially those involving investments/deposits by NRIs/PIOs are tried speedily. It is suggested that the branch of the bank accepting the deposit should take all precautions necessary to verify that the power of attorney is genuine by cross checking with the NRI as well as with the concerned Indian Missions abroad/Ministry of External Affairs. Similar care should be taken to ensure the authenticity of the power of attorney when executed in India. This responsibility should vest with the Manager and should not be delegated by him to any other officer.

### **Removing Customs Duty on Re-exports**

- 27.12. Customs duty should not be levied on technical equipment, computers etc. being brought to India for professional purposes and meant to be re-exported. Suitable entries could be made to that effect in the passport at the time of entry and duties could be charged at the time of departure from India if the item is not re-exported.

### **PIO Card to Verify Identity**

- 27.13. The PIO card should be treated as sufficient proof of identity for the purpose of issue of driving licenses, opening of bank accounts.

### **Counselling as a Pre-requisite for Marriage with NRIs/PIOs**

- 27.14. A cell should be created to ensure free legal and other counselling for a lady, for getting married to an NRI or a PIO, as well as for her parents. This counselling should be prior to marriage and should focus on the possible areas of problems. The individuals and families concerned should be advised to check the NRIs/PIOs voter registration card, or alien registration card, social security number, employment record, tax returns and other relevant information pertaining to the three preceding years. This information would enable them to find out the financial and marital status of the proposed bridegroom. The bridegroom may also be asked by the Marriage Registration office and the visa authorities to attach an affidavit stating his current marital status. The information so obtained should be attached with the request for marriage registration and should be mandatorily a pre-requisite to the issuance of a marriage registration certificate. This would considerably bring down cases of misinformation and fraudulent marriages. As also recommended by the Supreme Court (SC489 – Smt. Neeraja Saraph v Shri Jayant v. Saraph & Another) the Government may examine the feasibility of enacting a legislation, incorporating, inter alia, the following provisions for safeguarding the interests of women who marry NRIs/PIOs:

- a) No marriage between an NRI/PIO and an Indian woman which has taken place in India may be annulled by a foreign court;
- b) Provision may be made for adequate alimony to the wife in the property of the husband both in India and abroad;
- c) The decree granted by the Indian courts may be made executable in foreign courts, both on principle of comity and by entering into reciprocal agreements like Section 44A of the Civil Procedure Code which makes a foreign decree executable as it would have been a decree passed by that court.

### **Grievances of Pensioners Settled Abroad**

27.15. Many pensioners including retired defence personnel complained of the difficulties faced by them in getting their pensions. This is on account of complex procedural requirements, which cause inordinate delays sometimes running into months and years. A suitable mechanism should be worked out whereby branches of banks abroad should be able to disburse these payments abroad. Given our comfortable foreign exchange position, and the fact that these pension amounts do not ordinarily exceed \$100, we should allow these payments in foreign currency. This would bring relief to most of the less well-off pensioners settled abroad.

○



# Culture



*Bharat Ratan Pandit Ravi Shankar,  
renowned Sitarist*



*Sir V. S. Naipaul, Nobel Laureate  
for Literature*



*Indira Gandhi Centre For Indian Culture Complex, Port Louis, Mauritius.*



*Vivian Leigh, actress of Indian origin*



Members of the Indian Diaspora are deeply conscious of their rich cultural heritage. They are aware that they are the inheritors of the traditions of the world's oldest continuous civilization. Being part of such a rich legacy they are naturally keen to maintain their cultural identity.

28. 2. Deep commitment to their cultural identity has manifested itself in many ways and in every component of the Indian Diaspora. There is probably no other Diaspora in the world, which has such an extraordinary diversity. It is as diverse as the ethnic, linguistic and religious groups in India itself. The original members of the Diaspora, therefore, carried with them the rich traditions of harmonising different customs, practices, values and beliefs.
28. 3. Their unique capacity to harmonise and adapt has served Indians very well in the lands of their adoption. It is not a coincidence that members of the Indian Diaspora have done remarkably well in every part of the globe wherever they have settled down. With the exception of one or two countries, the Indian Diaspora has a higher *per capita* income than the national *per capita* income of the countries of their settlement. A remarkable feature is that this is true in both the most advanced countries as well as in the developing countries. In almost every country of their adoption they have higher educational standards than the national averages. By and large, the divorce rates are also substantially lower.
28. 4. The survey of the Diaspora in various countries given in the preceding chapters clearly demonstrates also that Indians have seldom sought conflict with their fellow citizens of the countries of their residence. What does one attribute this to? The answer lies clearly in the deep-rooted commitment to the cultural and civilisational ethos of India. This ethos has been imbibed by the successive generations of members of the Indian Diaspora, whether they are descendants of illiterate indentured labourers or of highly qualified professionals.
28. 5. Since the commitment to these cultural traditions is recognised as a major factor in their success in resettling themselves, the members of the Indian Diaspora are naturally keen to pass on these cultural values to their coming generations. The single biggest expectation of the Diaspora from India is to receive assistance in this endeavour. Cultural identity is also an important factor in developing relations between various components of the Diaspora. It is, therefore, important that India takes concrete measures to facilitate this process.

## **An Analysis of the Diaspora from the Cultural Perspective**

28. 6. From the point of view of cultural requirements the Indian Diaspora can be broadly divided into the following four categories: -

### **a) Descendants of the Indentured/Plantation Labour**

28. 7. The countries to which emigrants from India travelled as indentured and plantation labour under colonial rule included mainly the former British, French and Dutch colonies. Their primary mode of communication continues to be the language of their erstwhile rulers. This is evident in Mauritius, South Africa, Reunion Islands, Fiji and the Caribbean island nations of Trinidad & Tobago, Guyana and Suriname. The Indian communities in Jamaica, Guadeloupe & St. Martin could also be included in this category.

28.8. The forefathers of members of the Indian Diaspora of today had gone to those places many generations ago. Their descendants have a deep and abiding love for India and for the values of Indian culture that they have inherited. They relive, with sentiment and nostalgia, this treasure trove of cultural traditions and values, which in most cases is their only legacy. The younger generations may never have visited India. But they still entertain the fervent desire to maintain linkages with their rich cultural heritage. As they are well assimilated in their new environment, it is only their yearning to seek and keep alive their cultural roots that keep them attached to India.

28.9. The overwhelming majority of the forefathers of the current generation of the Indian Diaspora in these countries had gone from the Hindi speaking areas of eastern U.P and Bihar, as well as from the Tamil speaking areas in South India. They had generally lived in socially isolated communities and were only familiar with the traditions, values and even the dialects that they had inherited from their ancestors. With the passage of time, however, even their recollections and communication skills in their own languages began to fade.

28.10. Special mention must be made of the members of the Indian Diaspora in the Reunion Islands and in Guadeloupe. Because of the policies followed by their colonial masters at the time when the original emigrants had arrived, the contact of the present generation with the language and culture of their forefathers has been substantially diluted. The colonial administrators had arbitrarily changed, in their official records, the personal and family names, as well as the religion of the ancestors of the current members of the Diaspora. However, with their improved status, economic betterment and legal equality in the countries of their adoption, the Diaspora in those countries has now revived the search for its heritage and roots. The resultant quest is as assiduous as it is ardent, and as keen as that of the Diaspora anywhere else.

28.11. Another country where the Indian Diaspora has shown remarkable resilience and love for its original culture is Suriname, which was formerly a Dutch colony. Most of the present day descendants of the Indian Diaspora speak Dutch. But their attachment to the land of their ancestors

is seen in the way they have zealously preserved the language of their forefathers. They call it 'Sarnami Hindi'. Their attachment to India and things Indian is illustrated by the fact that even those among them who had migrated to the Netherlands a quarter century ago have successfully preserved this mutation of the Hindi language. Sarnami Hindi was the only language in which the Committee could hold discussions with the Surinami community in Holland. Interestingly, the only common language in which our discussions were conducted with the other segment of the Diaspora in that country, which had migrated to it directly from India during the last 35 years, was English!

**b) The Diaspora in the developed countries**

28.12. This segment of the Diaspora is largely composed of professionals with a high degree of education. It also has in it small traders and people from a rural agricultural background. This kind of composition of the Diaspora is reflected in the Indian communities in the U.S.A. and Canada, the U.K., Germany, France and Portugal, Australia and New Zealand. The members of the Diaspora in those countries are well integrated into their chosen homelands. They come, by and large, from well-educated backgrounds and are fairly affluent. They are professionally successful in their adopted homelands.

**c) NRIs in the Gulf**

28.13. As discussed in Chapter 3, the NRIs in the Gulf are Indian citizens who will sooner or later return to India. The unskilled labourers do not have their families with them. The overwhelming majority of the Indians in the Gulf have gone there from Kerala. They have an unwavering commitment to India, its cultural ethos and values.

**d) Diaspora in South East Asia**

28.14. Except Myanmar, the NRIs & PIOs in South East Asia have regular contacts with India.

**Expectations From India**

28.15. Based on our interactions with the Indian communities in various countries, it was evident to us that every component of the Diaspora has major expectations from India to assist it in realising its aspirations of bonding with it, and remembering its cultural roots with pride. Most of them regard this as intrinsic to their development, both material and spiritual. NRIs and PIOs are unanimous in their belief that handing down India's rich culture to their descendants is a *sine qua non* for the forging of ties between future generations of the Diaspora and India.

28.16. The Committee also considered this question from the perspective of our national interest. India should initiate constructive measures to ensure that its relationship with the diasporic community is properly nurtured so that it can blossom into an abiding phenomenon. Keeping alive the interest in Indian culture of future generations of NRIs and PIOs would be essential if there is to be continuity in their emotional bonding with India. Such a meaningful relationship would enhance

the Diaspora's pride and faith in its heritage, and consequently, its confidence in itself, as well as revitalise its interest in India's development. It would also help to bring together the widespread and disparate segments of the Diaspora. In this context the example of the Chinese Diaspora deserves our careful study.

## **The Existing Arrangements for Cultural Promotion**

28.17. The Committee reviewed the existing measures currently in force to promote Indian culture abroad, and the extent to which they are relevant to the needs of the Diaspora. The Indian Council for Cultural Relations (ICCR), an autonomous organisation, has the primary responsibility for promoting India's cultural relations with foreign countries. In a communication to the Committee, the Director General of the ICCR informed us that the Council's mandate is generally in respect of "the promotion of cultural relations with countries abroad." In other words, the ICCR is not particularly Diaspora-specific. Countries in which PIOs constitute a significant part of the population naturally attract a larger share of the ICCR's attention. The Committee is of the considered view that the present allocations are not adequate enough to meet the requirements that we have projected in this chapter. The budgetary allocations for ICCR's cultural activities should be augmented to enable it to meet the aspirations of the PIOs and the NRIs, as well as to deepen our linkages with the Diaspora.

## **OBSERVATIONS AND RECOMMENDATIONS**

28.18. The Committee notes the vast divergence in the needs of the different segments of the Diaspora and favours a balanced and coordinated approach in responding to those needs. It is of the view that educational and cultural tools should be effectively used to increase connectivities with the diasporic Indians. Accordingly, the Committee makes the following observations and recommendations.

### **1. Cultural Organisations and Cultural Centres**

28.19. At present there are cultural centres in the following cities: Cairo (Egypt), Berlin (Germany), Port Louis (Mauritius), Paramaribo (Suriname), Georgetown (Guyana), Jakarta (Indonesia), Moscow (Russian Federation), London (UK), Almaty (Kazakhstan), Tashkent (Uzbekistan), Durban and Johannesburg (South Africa), Port of Spain (Trinidad & Tobago) and Colombo (Sri Lanka). The Committee visited the cultural centres in Trinidad & Tobago, Guyana, Suriname and Mauritius. In the United Kingdom, the Committee attended a function organised at the Nehru Centre and, in New York, a function organised by the Bharatiya Vidya Bhawan. The Committee is of the view that the scope and activities of the cultural centres in countries with a substantial Indian presence should be expanded and adequate funding provided for the purpose.

### **Mauritius**

28.20. The Indira Gandhi Cultural Centre, the Mahatma Gandhi Institute and the cultural organisations

run by various segments of the Indian community in Mauritius must develop greater synergy and coordination among themselves. This is absolutely essential for the optimum utilisation of the resources already deployed. During its meeting with representatives of the local Tamil community, the Committee was requested to provide facilities for study of the Tamil language, classical music and dance. They wanted India to supply the necessary teachers for this purpose. During our discussions in the Mahatma Gandhi Institute, the Committee was informed that the existing facilities for teaching Tamil at the MGI were not being fully utilised. Similarly, the state of the art facilities already established at the Indira Gandhi Cultural Centre are also grossly under-utilized. The Committee learnt that there are some plans to establish additional cultural centres for the different linguistic groups in Mauritius with local help. In the Committee's view the most cost-effective way to approach this question would be to enhance the facilities and activities already existing in the Mahatma Gandhi Institute and the Indira Gandhi Cultural Centre to meet the needs of the various linguistic groups of the Diaspora in Mauritius. The jurisdiction of the Indira Gandhi Cultural Centre should be expanded to include also the Reunion Islands. Such a measure would promote regional synergy and optimum utilisation. Similarly, short courses pertaining to Indian culture should be organised by the cultural centre in Mauritius, which would be open to students from other countries in the region like Madagascar. Some programmes should also facilitate familiarising the local population with their folk heritage.

### **Réunion Islands**

- 28.21. Special efforts are required to assist the community in the Reunion Islands to recapture their cultural and linguistic heritage. The office of our Consul-General is currently housed in rented accommodation. New premises should be constructed for the consulate, which would include provision for a Cultural Centre and an auditorium.
- 28.22. The Committee learnt that the local French Administration is planning to establish a common Cultural Centre, which would cater to the civilisational heritage of Reunion's diverse population including the PIOs. The Committee recommends that the Government of India should support this initiative.

### **South Africa**

- 28.23. The activities of the two existing Cultural Centres need to be expanded. Facilities for teaching Indian languages should be provided in them.

### **The Caribbean Countries**

- 28.24. The Cultural Centres in Trinidad & Tobago, Guyana and Suriname have a creditable record of achievements. Since these countries are barely an hour's flight from one another, there is need to develop greater synergy among them. Some common programmes should be run by them for people of the entire region. The Centres should also encourage intra-diasporic activities by running regional competitions, etc. These centres should expand substantially their existing facilities for



teaching Hindi, including the training of Hindi teachers. They should run both short term and long-term programmes and award appropriate certificates and diplomas. They should also include activities and programmes to familiarise PIOs with their folk traditions.

- 28.25. The Cultural Centre in Guyana has been without a Director for nearly two years. The Committee would like to place on record its appreciation of the valuable contributions made to it by Smt. Anuradha Joshi, wife of the High Commissioner, Dr. P.V. Joshi. She has been rendering voluntary services to it almost on a full time basis. In addition, she has also been conducting language classes on the local TV. There is a wealth of talent available among the spouses and adult children of members of Indian Missions. Such resources should be tapped to enhance and intensify the dissemination of Indian culture abroad. They could probably be offered in a totally cost effective manner if not totally free of cost. The Committee feels that there is scope for expanding the module on culture in the "Spouses' Orientation Programmes" run by the Foreign Service Institute, and the "Culture Appreciation Courses" of the ICCR. That would enable spouses of Mission personnel to hone their talents in those areas for effective utilisation by the Missions abroad.
- 28.26. The Committee recommends that the construction of the Cultural Centre for which the land has been gifted already by the Government of Trinidad & Tobago should be undertaken at the earliest as any inordinate delay would not only bring us adverse publicity but it would also convey a wrong message.
- 28.27. Jamaica has a population of about 61,500 PIOs. The Committee understands that the PIOs in Jamaica are concerned about dilution in their cultural and linguistic heritage and are keen that the process should be arrested. The Committee recommends that a full-fledged Cultural Wing be established in the High Commission of India, Jamaica. The Cultural Wing with assistance from existing three Cultural Centres in the Caribbean region should be able to offer appropriate programmes for the PIOs in Jamaica.
- 28.28. In the Caribbean region, the Islands of Guadeloupe and St. Martin, which are overseas departments of France, also have about 45,000 PIOs. The cultural heritage of the PIOs has substantially diluted for similar reasons as already described in case of Reunion Islands. In fact, the geographical factor and comparatively smaller numbers make the situation even more difficult. The Committee has learnt that the PIOs in these Islands are also very eager to regain their cultural heritage. Every possible encouragement should be provided to support this endeavour. The Committee recommends that the Director of the Cultural Centre in Trinidad & Tobago should be asked to study the feasibility of running some short-term programmes. The Committee recommends that the possibility of establishing an extension in Guadeloupe of the Cultural Centre in Trinidad & Tobago should be explored. The Committee also understands that a Member of the National Assembly, Mr. Moutoussamy, a PIO from Guadeloupe is keen to support the endeavours which would help familiarize the PIOs with their rich cultural heritage. It would be relevant to mention that most of the PIOs in Guadeloupe are of Tamilian origin.

28.29. Madagascar has a population of about 25,000 PIOs. The PIOs in Madagascar are very keen to retain their cultural heritage. The Committee recommends that a Cultural Wing should be established in our Embassy in Madagascar for this purpose. The resources of the Indira Gandhi Cultural Centre and other institutions like Mahatma Gandhi Institute established by GOI's assistance in Mauritius should also be utilized for the purpose. The Indira Gandhi Centre could run short-term programmes for the Diaspora in Reunion & Madagascar.

### **The Netherlands**

28.30. The Committee strongly recommends establishment of a Cultural Centre in The Netherlands. The Centre should provide for language facilities, classical and folk dance forms and *yoga*. It can run short programmes on Indian aesthetic traditions. Helping the Surinami Indian community maintain their linguistic heritage should be a priority area of attention.

### **North America**

28.31. The project for establishment of a Cultural Centre in Washington DC has already been considerably delayed. It should be implemented expeditiously. In addition, the Cultural Centres or other such institutions should be created on the pattern of the *Alliance Francaise* in other prominent cities like Chicago, Houston and Los Angeles. A similar programme could be initiated in Canada. The Indian community in both these countries should be encouraged to extend financial support for such projects. Wherever feasible, the local Municipal or State Governments could also be co-opted in such efforts.

### **U.K.**

28.32. The Nehru Centre has fulfilled its vision and mission admirably and is the hub of Indian cultural and intellectual life in London. Considerable scope exists for further expansion of its activities. There is a wide range of diasporic activities for which Indian artists, poets and exponents of culture are in great demand. The ICCR should be geared up to respond to such demands adequately. There are also pressing requests to establish Cultural Centres in other cities like Birmingham, Leicester, Manchester and Edinburgh. These could be established on the pattern of the *Alliance Francaise*.

### **Malaysia**

28.33. The Committee examined the request of the Diaspora in Malaysia to set up a Cultural Centre in Kuala Lumpur. However, during the Committee's meeting with the President of the Malaysian Indian Congress, who is also Malaysia's Minister Of Construction, Dato' Seri S. Samy Vellu told us that the Malaysian Indian Congress has already decided to establish a Cultural Centre named after Netaji Subhash Chandra Bose, for which land had already been acquired. India should therefore consider extending help in providing equipment, books, CD ROMS etc. to that Centre.

The High Commission already possesses a very good auditorium. With marginal augmentation, our cultural activities in Malaysia can be substantially increased in the High Commission's premises.

## **Fiji**

- 28.34. Due to the prevailing political situation, it was not possible for the Committee to visit Fiji. Based on the information received by it, the Committee is of the view that, in the long-term interests of India, the Cultural Centre in Fiji should be revived and strengthened.

## **2. Other Institutions**

- 28.35. Apart from the Cultural Centres, a large number of religious institutions like temples, gurudwaras, mosques and churches in various countries also run a number of classes and programmes for imparting knowledge of Indian culture and languages to members of the local Indian community. Institutions like the Bharatiya Vidya Bhawan, the Rama Krishna Mission, the Chinmaya Mission and many similar Hindu, Sikh and Muslim organisations are rendering yeoman service in the cultural and educational field. Such efforts should be commended and supported. Members of the Indian community also run a number of institutions of the performing arts. Particularly noteworthy is the initiative taken by the great maestro Ustad Ali Akbar Khan in the United States. There are similar initiatives by other Indian artists. The efforts of these institutions merit support and recognition. In most cases such institutions require help for training at advanced levels. Schemes should be worked out under which eminent artists from India could impart short-term training in those institutions. In such cases, the entire local hospitality including payment of a suitable honorarium, should be the responsibility of the host institution. Many institutions represented to the Committee that they needed assistance in procuring teachings aids, music and costumes. The ICCR could establish a mechanism for providing such assistance with the help of various cultural institutions in India.

## **3. Models of Cultural Dissemination**

- 28.36. While examining the successful models of cultural centres, the Committee took note of the British Council model and the *Alliance Francaise* model. The Committee came to the conclusion that the British Council model would be viable in the larger demographic centres and where there are Missions of considerable size, whereas the *Alliance Francaise* model would be more suitable in centres which concentrate on the dissemination of Indian languages, and which are situated in places other than the great capital cities of the world.
- 28.37. India should encourage the setting up of Cultural Centres along the lines of the *Alliance Francaise*. This highly successful paradigm encourages the opening of cost-effective units in different countries of the world. We could use local diasporic resources and talents also. In the case of the *Alliance Francaise*, the parent organisation's contribution is restricted to maintaining a data base of teachers specially trained to teach the language to non French speaking people. Normally the sub-units

are encouraged to use locally available native French speakers but, in case of need, the main unit sends out teachers. The cost of such help is borne by the parent unit. The sub-units are also encouraged to provide art and other cultural appreciation courses. Such a system could help India, in a cost-effective manner, to meet the needs of the Indian Diaspora, revive linguistic skills, as well as increase appreciation of different cultural facets of India. This would, as a first measure, satisfy the Diaspora's quest for heritage and roots which, in the process, would help to promote a deeper connection with India.

#### **4. Sister City Relationships**

28.38. The Committee observed that at a number of places, the initiative for the establishment of sister city relationships had been taken by NRIs or PIOs. Such initiatives should be encouraged. We feel that a request by the Reunion Diaspora to have a sister city relationship with Pondicherry should be expeditiously facilitated. Twinning of cities of India and cities with a diasporic presence should be facilitated and supported to build better understanding and bonding. Primarily undertaken through the initiative of local leaders of Indian origin, some of the notable initiatives are: Sandwell, Derby, Leicester, Birmingham and Chicago.

#### **5. Opening Admissions to Cultural Institutions and Creating Seats/Appreciation Credit Courses in Colleges/Universities**

28.39. The training imparted by cultural institutions and institutions of the performing arts can become the most emotive and potent instruments in binding the Diaspora to India. The friendships and associations formed during the learning of such skills are still governed by the old *guru-shishya* relationship in a number of fields. Without additional effort, age-old values get inculcated into the learners. They learn to appreciate the depth of emotional bonding between the teacher and the taught. This type of emotive interaction penetrates all aspects of a student's psyche and shapes his or her personality. In the long run it becomes a strong motivating force in the individual's actions, second only to the emotional commitment to the family. The Committee strongly recommends that art and culture appreciation courses should be set up in recognised colleges. These courses should give the student appropriate credits for undertaking them, which would make it attractive for the students. Chairs for the dissemination of Indian perspectives in the fields of humanities and social sciences would also have a welcome impact.

28.40. The Committee has also examined these and similar recommendations in the chapter on Education.

#### **6. Youth Travel Programmes**

28.41. The Committee looked into various successful methods adopted by other countries, of positive interaction with their respective Diasporas. The Committee suggests that a successful model that we could emulate with benefit is the Birthright Israel programme. This programme assists younger members of the Jewish Diaspora to visit Israel and learn about their cultural roots. It is equally

important that this generation of the new Indian Diaspora travels to India, develops a sense of shared history and cultivates an appreciation of the varied challenges that India faces and the opportunities that she offers. Inclusion of the members of the mainstream community and members of other Diasporas in youth travel programmes would serve to forge links with those communities as well. Such programmes would help deepen the commitment of the Diaspora to India.

## **7. University Level Multi-disciplinary Scholarships for the Diaspora**

28.42. The Committee recommends that in order to meet the Diaspora's aspirations, university level scholarship award programmes should be instituted. Such programmes would attract the best of the diasporic Indian students to carry out research in their fields of specialisation for 1-3 years in India. The pool of industrial houses or academic institutions within India could generate the resources to fund this programme. Many other countries have successfully implemented similar programmes. Such programmes would provide new and evocative approaches to engage the younger generation of the Indian Diaspora emotionally and intellectually and would foster and strengthen their connections with India.

## **8. Identifying and Recognising the Needs and Achievements of the French and Dutch Speaking Indian Diaspora**

28.43. The Committee met some of the French-speaking, Dutch-speaking and English-speaking members of the Diaspora during its tours. Based on those discussions, the Committee recommends that India should focus its efforts specially on identifying and reaching out to the French-speaking and Dutch-speaking members of the Indian Diaspora. It was evident to us that those members of India's Diaspora feel distanced from India by their belief that India shows a preference for the members of the English-speaking Diaspora. The Committee strongly recommends that India should meet the aspirations of India's French and Dutch-speaking Diaspora and recognise and highlight their achievements. The mechanism of the Indo-French Commission could be used for promoting cultural interaction between India and France as well as its overseas departments, particularly Reunion and Guadeloupe. A similar initiative should also be taken in the Indo-Dutch bilateral dialogue.

## **9. Recognition of the Achievements of the Diaspora**

28.44. In addition to the recommendations made in Chapter 26 on Pravasi Bharatiya Samman Awards, we propose that the achievements of eminent cultural and literary personalities of the Diaspora should be recognised by organisations like the Jnanpeeth, the Sahitya Akademi, and the Lalit Kala Akademi. Similarly eminent sports people of the Diaspora should be honoured by the conferment on them of awards like the Arjuna awards.

## **10. Use of Distance Education and IT**

- 28.45. The Committee recommends that specially-tailored, high quality courses on appreciation of diverse aspects of culture and language learning should be made available to the Diaspora through distance learning programs, CD ROMs, internet sites, audio and video cassettes and films. The Committee feels that there is a vast cultural potential waiting to be unfolded in the fields of distance education and IT. Relevant recommendations have also been made on this subject in the Chapter 30 on Education.

## **11. Revival of Festivals of India**

- 28.46. The Festivals of India organised in Britain, the U.S.A., France, Japan and the erstwhile Soviet Union made an extraordinary contribution in creating awareness and interest in India's culture. In the U.S. and the U.K. the local Indian communities played an important role in making those festivals a success. The festivals also helped promote tourism to India. Such festivals should be revived and they could also, to some extent, focus on the Indian Diaspora and its substantial involvement.
- 28.47. In concluding, the Committee reiterates its belief that Culture can impact widely and vitally in strengthening the linkages between India and its Diaspora. Culture is non-invasive. It cuts across the divisions of societal levels, and of creeds, religions and races. It has the potential of bridging the gap between the citizens of the host country and the resident Indian community. Culture would also engage the interest of the younger generation of India's Diaspora. It would go a long way in fulfilling the felt needs of most NRIs and PIOs to keep alive their heritage of traditional art forms, language and cultural mores. It would contribute to promoting ties between various segments of the global Indian Diaspora.

○

Economic Development (Investment,  
International Trade, Industrial  
Development and Tourism)



The Indian Diaspora, 20 million strong and spread across all continents and most countries of the world, is a great potential tool for national development. It covers some of the prominent industrial powers and economic powerhouses of this millennium. The Indian Diaspora has the distinction of being the second largest diaspora in the world with a huge purchasing power, estimated at around US\$300 billion. Many members of the Indian Diaspora have risen to high ranks in their adopted lands, some even reaching the positions of Prime Ministers and Presidents. The Indian Diaspora can, therefore, play an influential role in enhancing investment, accelerating industrial development and boosting our international trade and tourism efforts. With the constant improvements in global communications and technology, India can hope to engage its Diaspora to play an increasingly significant role in accelerating global economic growth for mutual benefit.

## **Current Region-wise Status of Diaspora**

### **Indian Diaspora in North America**

- 29.2. The Indian American population stands at about 1.7 million as of the 2000 Census, or about 0.6% of the American population. Only the Asian communities are numerically larger. The present figure represents a 106% increase over the 1990 Census figures, or about an annual growth of 7.6% per annum. In addition there are about 0.2 million illegal Indian residents. There are also about 0.2 million Persons of Indian origin, who came as a part of secondary and tertiary migrations from Fiji and Africa etc.
- 29.3. The Indian American median family income is \$60,093 as against the national median family income of \$38, 885. The high income, reflecting the advanced educational levels achieved by the Indian community and their increasingly influential role in the local economy, have enabled Indian Americans to become a productive segment of the U. S. mainstream, with 72.3% participating in the work force.
- 29.4. Silicon Valley represents the success of Indians. 4 out of 10 startups in the region are Indian. About one-third of the engineers in Silicon Valley are of Indian descent, while 7 per cent of the Valley's high-tech firms are led by Indian CEOs. In the traditional corporate Fortune 500 setups, NRI/PIO have broken through the glass ceilings to become CEOs, Managing Directors, and



Presidents. The non-traditional areas of films have brought to the fore people who command millions and international respect. There is thus a pool of expertise in management, financial, corporate and banking sectors in the USA, which could play an important role in mutually beneficial developmental efforts.

- 29.5. There are nearly 800,000 Indian expatriates living in Canada at present. Like in America, Indo-Canadians, by and large, have an average income and educational level that is substantially higher than the average local levels. This finds a reflection in their higher earnings and better job profiles. The current estimate is that around 10% are professionals/managers or entrepreneurs, another 10% businessmen and another 30-40% are low-level office professionals and blue-collar workers.
- 29.6. More than in Canada, the Indian professionals in the US are making their mark on India's education system. Many successful individuals in the U.S., products of the elite Indian Institutes of Technology, are beginning to give back to their motherland in a big way through donations of money, time, and expertise or by getting involved in expanding educational facilities in India. Indian-Americans like Rajat Gupta, managing partner with U.S.-based consultancy McKinsey & Co., have taken the lead in setting up India's first international business school. The Indian School of Business, in Hyderabad, is affiliated with some of the top U.S. schools and will begin enrolling students next year. In the long term, such contributions that develop a new generation of brainpower will secure India's place as a global leader in technology.
- 29.7. The Indian Diaspora in North America also exercises considerable political influence. Some Indian Americans, even though numerically small, have considerable economic strength. These members maintain good linkages with the Democratic and Republican parties. The Congressional Caucus on India & Indian-Americans was founded in 1993 with the participation of both Democrat and Republican senators. Its objective is to push through the items in the Indian-American community's agenda on the Hill. It presently has over 118 members. It has been instrumental in helping to mobilise support for various anti-India legislations, and forcefully advocating India's stand at times like the Pokhran tests, and, more recently, the Kargil War. As discussed in the Chapter on America, influential individuals of Indian origin can now be found in every part of America and in every sphere of economic and scientific activity. Veteran politics watchers believe Indo-Americans enjoy a considerable advantage over other immigrants from Asia. Academics and educational heads also work as consultants to big corporations and have their own networks of high-level contacts in different spheres of economic activity. The prestigious Kellogg Business School has an Indian dean. The expertise and their willingness to share it, is an important resource for India.
- 29.8. The NRIs and PIOs in North America have achieved material success. They are now keen to engage with India meaningfully and to get involved in her developmental efforts. According to US census figures, the majority of such Indians were born outside the USA/Canada and are now in their 30s. They are at the peak of their energies and faculties. Driven by a combustible mixture

of nostalgia, guilt, altruism, ambition, and profit motive, they seek to interact with India in a meaningful way through business, philanthropy, politics, culture, and trade.

- 29.9. Most importantly, NRI/PIO possess skills, and the experience of a system, which emphasizes, speed, scale, scope, and size. This is what India needs to inculcate in its work ethos. NRIs and PIOs need to become mechanisms that allow a transfer of their skills, leveraging of contacts, attracting investments, enhancing trade, and providing networking and insights into the American and Canadian market and psyche. The advances in information technology allow the interaction to be even closer through e-mail, online forums, and rapid communication with counterpart organisations. Enhanced travel opportunities with economic direct flights and targeted communications regarding business prospects are also key inputs for this process.

### **Indians in the Gulf**

- 29.10. NRIs in the Gulf region are Indian citizens. Due to the policies of the host government, they have only a distant possibility of acquiring citizenship in the country of their residence. This has helped to sustain their keen interest and focus on India. Though the Diaspora members do not enjoy rights and privileges of citizens, their numbers are large. As a consequence, they create a specialized demand for Indian products for their own use. They also have a demonstration effect and help to popularize Indian goods. The introduction of Basmati rice in this region is an illustration of this effect. In addition, the NRIs in this region almost wholly control the wholesale and retail trade in the region. They have a widespread network of trade contacts. They are doing extremely well financially and have surplus resources to spend. They also have a deep and very strong desire to build assets in India and bank their finances here. In the process of fulfilment of the aspirations of these NRIs, India can substantially benefit from their economic demands and through the inflow of large amounts of savings/remittances from these NRIs. India could also utilize their present networks as catalysts for boosting exports/investment efforts.

### **PIOs in Other Developed Countries**

- 29.11. The majority of Indian immigrants to the United Kingdom hail from Punjab and Gujarat. They are, by and large, prosperous and even dominant in certain sectors of economic life such as cash and carry stores or as retailers. A significant percentage of medical doctors, and specialists are from the Indian community. The induction of more affluent and entrepreneurial Indians from East Africa has also contributed in increasing economic profile of the Indian community.
- 29.12. The Indian Diaspora in U.K. has played a major role in influencing general consumption and cuisine patterns in that country. The growing consumption of Basmati rice in the UK by the diaspora is a key driver of growth of Indian Basmati rice exports. Such consumption patterns also affect consumer behaviour among local communities. An example is the almost universal popularity of Indian curry in the UK. Indian fashion, like bangles, bindis, beads, henna for hair and hand

designs, silk embroidered and sequined clothing and handbags using Indian sari borders, handicrafts and jeans etc. have had a major influence on the taste of British consumers. The Indian movies have now a big market in the U.K. It is estimated that Indian movies account for roughly one-third of the foreign movie market, the domestic movie market and the music market.

- 29.13. Indians control over 40% of the pharmaceutical retail trade in the U.K. In services, Indian owned companies are influencing the Indian IT and Biotech exports. Many have outsourced to India. Indian travel agents, hoteliers and restaurateurs are encouraging travel to India. Their potential for the Indian community in U.K. to contribute to the enhancement of both direct and indirect trade between UK and India is undoubted and substantial.
- 29.14. The Indians in the smaller communities in Netherlands, Germany and Portugal also comprise of prosperous and forward-looking businessmen and professionals, who have evinced keen interest in investing in projects in their native states in India, as well as in availing of facilities for setting up projects in Special Economic Zones.

### **Communities in Other Countries**

- 29.15. **East Africa (Kenya, Tanzania & Uganda)**: Indians living in East Africa have been long held in high esteem for their business acumen, enterprise, hard work and frugal lifestyles. As those countries gained independence, many Indians built up vast business empires. The PIOs are currently engaged in the field of manufacturing, trading, retailing, automobile spare parts, agriculture, and hotel and restaurant business
- 29.16. In East Africa, the Indian presence, though numerically small, has a powerful impact on the economy. The traditional communities are Gujaratis and Bohras, who control both wholesale and retail trade in Kenya and Tanzania. Even in Uganda, influential Indian families have returned and the Indian traders are back in business.
- 29.17. **Mauritius**: The Indian community in Mauritius, numbering about 700,000 comprises of persons employed in government service, farmers and agricultural workers. The influence of the Indian Diaspora is visible in the fact that India's exports to Mauritius have grown at an annual average rate of 327.6% during the 1990s.
- 29.18. **Madagascar**: The small Indian community in Madagascar mainly comprises of Bohra and Gujarati traders, who are prosperous and contributing substantially to the country's economy. There is, therefore, substantial scope for increasing our trade and commerce with Madagascar.
- 29.19. **Réunion Islands**: The Persons of Indian Origin number about 220,000, majority of whom are from Tamil Nadu and Gujarat. The community works in agricultural fields, or is engaged in business. Some of them are in politics and civil administration as well. However, the importance of the country lies in its being an overseas French territory. Any economic cooperation with Reunion Island would have spin-offs in terms of closer cooperation with the EU.

- 29.20. **Malaysia:** Indians form about 7% of the total population and number about 1.6 million. The exports from India to Malaysia have grown at an annual average rate of 28% during the 1990s. The Indians in Kuala Lumpur and the surrounding region have made significant contribution to the economic life of Malaysia. They have a strong presence in the construction industry. Malaysia also has an extensive network of Indian trained doctors and engineers, who can open up entry for our engineering, pharmaceuticals and medical equipment exports.
- 29.21. **Singapore:** The community numbers around 220,000, with about 64% being of Tamil origin. An indication of upward mobility among Indians till the mid-eighties was the increase in the proportion of the community employed in professional, administrative and managerial sectors, and the corresponding decrease in the traditional sectors such as agricultural labour, transport and public works. Some people of Indian origin prominent in Singaporean politics and government today include the new President, Mr. S.R. Nathan, the Minister of Foreign Affairs and Law, Professor S. Jayakumar, the Opposition leader, Mr. J.B. Jeyaretnam and Mr. S. Dhanabalan, Chairman of DBS Bank and of Temasek Holdings, who had earlier been Minister for Foreign Affairs and for Trade and Industry.
- 29.22. The second PIO Entrepreneurs' Conference was held in Singapore and the Indian Chamber of Commerce is also very active. The Singapore Government actively encourages the involvement of the Diaspora in enhancing trade and economic cooperation with India.
- 29.23. **Australia:** The Indian community, numbering about 140,000, includes a number of persons working in high technology areas. IT manpower export from India to Australia has already started and a large number of Indian students are pursuing advanced courses in Australia. There is considerable scope for cooperation with Australia in the field of Information Technology and other knowledge based industries.
- 29.24. **South Africa:** South Africa is a dynamic economy and can play a catalytic role in promoting trade with other countries in the region. The Indian community, numbering over 1 million and comprising about 2.5% of South Africa's population, is now highly urbanised. It includes successful businessmen, senior politicians (including Ministers), professionals, civil servants, academics and corporate managers. The community is politically active and economically upwardly mobile. It has an impressive share in the retail and manufacturing sector of industry. There are a number of textile companies owned by persons of Indian origin.
- 29.25. It is expected that with democratization of the political system, Indians would enjoy even better status and financial stability. The Indian Diaspora possesses traditional entrepreneurial skills and high levels of education. The whites at present have a monopolistic stranglehold on the economy. But the ushering in of democracy is expected to bring in an economic redistribution of power and Indians, with their skills and education levels, are the most likely beneficiaries. Those NRIs and PIOs would be even better positioned to increase mutually beneficially interactions with India.

## Recommendations

### Diaspora and Direct Trade:

- 29.26. The Committee observed that the Diaspora creates demand by specialized consumption. The Indian community, particularly business executives/professionals, whose opinions are sought and respected in their adopted country, have often helped introduce new Indian products and companies to make a breakthrough in those markets. It also impacts the local market trends by a demonstration effect and encourages the use of the product and of the brand name amongst the local populace. This is well illustrated by the introduction of Alphonso Mango and its subsequent popularity in U.K. In addition, members of the Indian Diaspora in most countries are well entrenched into the wholesale and retail sale markets and have widespread networks of contacts. The Committee is of the view that this is also applicable to the hospitality sector.
- 29.27. In the US, Indian textiles/fashion designers are well known to mainstream Americans, thanks primarily to the interests and needs of the Indian Diaspora. They can play a significant part in introducing and promoting Indian herbal cosmetics, products and jewellery.
- 29.28. The Committee observed that overseas Indians also create the market for our entertainment industry. Indian music and film and TV serial videos are gaining wider popularity throughout the diasporic Indian communities. Indian films are now being shown in major cinema halls in other countries. The commercial success of Indian films abroad also indirectly helps promote Indian fashion and products. Indian filmmakers are now producing some films with an eye on NRI/PIO audiences. Stage shows by Indian film artists and cultural troupes have popularized India's culture. They have contributed, directly as well as indirectly, to the popularity of Indian products, cuisine, costumes and traditions. The Committee, therefore, recommends that India should also encourage a closer interaction between NRI filmmakers and their Bollywood counterparts. Such interfacing could have major spin-off benefits for other sectors of the film industry.
- 29.29. The Committee also recommends that there is need for the creation of adequate awareness in the Indian Diaspora about the strengths of the Indian economy. There is a particular requirement to familiarize them about the expertise that exists in India for manufacturing diverse range of products, the vast resource pool of professionals and the strong service sector. Due to the diversity of the Indian Diaspora and the countries of their adoption, it is crucial to have a country-specific approach with sufficient emphasis on identification of potential products and markets.
- a) **Gems and Jewellery:** The Committee studied certain specific sectors of traditional exports. It noted that Indian diaspora has traditionally had a very strong presence in the Gems and Jewellery business. The Gujaratis in Antwerp control the diamond trade. Indians dominate the Gold and Jewellery market in Dubai. But so far, this has been confined basically to trading in raw or semi-finished stones, precious stones and Indian style jewellery. The Committee is of the view that there is vast scope for increasing the Diaspora's share in this

market, by encouraging them to move into the market for finished western or European style jewellery.

- b) **Indian art:** The Committee observed that Indian art is acquiring a high profile and high-value image on the international art scene. The interest of the Indian diaspora in its own art heritage has also helped change the focus of big art auction firms like Christie's and Sotheby's. These are now taking greater commercial interest in Indian art. This trend needs to be systematically nurtured and supported.
- c) **Brand equity creation:** The Committee noted that there is immense potential in involving the Diaspora in developing and popularizing brand image recognition of Indian goods in selected commodities like leather garments.

### **Diaspora and Indirect Trade:**

29.30. **Strategy to enter/penetrate markets:** The Committee feels that so far, we have not fully availed ourselves of the full fund of good will for India and expertise that exists in the Indian Diaspora. These could easily and cost-effectively, be translated into concrete benefits for India's trade efforts. Indian professionals and businessmen can provide useful insights in the market penetration strategies. They can also provide up-to-date information about local rules and regulations, foreign government and business procedures etc. In addition, they can also use their own contacts and networking to help open up the doors for new products, services and exports from India. Some members of the Indian Diaspora are amongst the top consultants of business strategy in the same countries. Such PIOs can facilitate access by our businessmen to decision-making levels and top management. They can give useful guidance to our trade and investment initiatives. They could also help in increasing our share of outsourced products by large multinational corporations such as IBM, G.E., Caterpillar, and General Motors etc. Visits to India of such top professionals can easily be utilized as occasions for sharing their expertise at nominal cost, by involving CII, FICCI and other such organisations. The Committee also noted that many NRIs/PIOs have acquired considerable expertise in the area of negotiating franchises. These groups can help India in developing expertise in negotiating franchise agreements with other chains, and help Indian companies in getting favourable terms and conditions.

### **Diaspora and Investment:**

29.31. The Committee noted that while there may be different perceptions about foreign direct investment in certain sectors, or by certain countries, there is a general consensus in the country that investment by Non-Resident Indians and Persons of Indian origin is desirable, as they are our own kith and kin. The NRI entrepreneurs who own and manage companies like Zee Television and Jet Airways are good examples of what can be achieved through investment by overseas Indians.

## NRI Investment: Level and Pattern

29.32. The Committee examined the extent of foreign direct investment (FDI) made by NRIs and PIOs into India. It learnt that the total cumulative Foreign Direct Investment approved by the Government since 1991 is nearly Rs. 233,657 crore and the actual inflows add up to Rs. 82708 crores. Out of 17919 approvals during 1991-2000, there were 6486 technical approvals and 11433 financial approvals. The levels of NRI investment, approvals and inflows are separately tabulated. The table shows that during 1991-2001, the amount of NRI approvals by SIA/FIPB was Rs. 9799.29 crores. The amount of inflows representing both amount of inflows of NRI proposals approved by SIA/FIPB and amount of inflows on account of NRI schemes sponsored by the RBI is Rs.8788.57 crores. The NRIs share is 3.78 % in total FDI approved compared to 9.15 % as NRIs inflows in total inflows of FDI.

29.33. The Committee noted that according to the figures available, the actual inflow has been around 37% of the total amount of FDI approvals. The Confederation of Indian Industry (CII) informed the Committee that the actual total NRI inflow was nearly 48% of the approvals during 1991, the first year of the economic reforms, but the percentage declined considerably in the subsequent period. The CII ascribed this as being due to a lack of clarity in our policies.

**Table 29.1: NRI investment approvals & inflows**

Year Wise (Jan. to Dec.)	Amount of NRI investment approved by SIA/FIPB		Conversion rate applied	*Amount of Inflows/ schemes of RBI	
	Rupees in crores			Rupees in crore	US \$ in million
1991	19.70	08.05	24.47	160.25	65.49
1992	439.13	167.80	26.17	149.69	57.20
1993	1043.32	340.40	30.65	578.02	188.59
1994	490.88	156.48	31.37	1194.54	380.79
1995	709.71	226.02	31.40	2089.61	665.48
1996	2190.70	637.02	34.39	2280.21	663.04
1997	1817.18	506.60	35.87	1105.46	308.19
1998	750.34	189.96	39.50	389.15	98.52
1999	454.81	108.29	42.00	359.18	85.52
2000	1618.64	376.43	43.00	349.61	81.30
2001 (Jan-May)	264.88	58.86	45.00	132.85	29.52
Total (1991-2001)	9799.29	2775.91		8788.57	2623.64

Note: \* Amount of inflows representing both amount of inflows of NRI proposal approved by SIA/FIPB and amount of inflows on account of NRI schemes sponsored by RBI

- 29.34. The Committee noted that the reasons assigned for the low percentage of actual inflow of FDI are generally related to lack of clarity in our policies, procedural delays and red tape, which tend to discourage many potential investors. Specific steps need to be taken to remedy the situation and to remove the procedural hassles and harmonize policies at the central and state levels.
- 29.35. The Committee also observed that the approvals of FDI are far greater than the actual inflow of FDI to India. Other than a few countries like Bahrain, Mauritius, Singapore, UK and USA, actual inflow as a percentage of approved FDI is rather small. The Committee feels that the engagement of members of the Indian diaspora can be a cost-effective method of reversing this trend.
- 29.36. The Committee noted that recent liberalization measures of the Government Of India's policies, as, for example, allowing 100% FDI in a number of sectors including pharmaceuticals, airports, transport systems, hotels, tourism, further liberalization of the FDI norms for telecom, banking and opening up of the defence production to the private sector, have been very welcomed by the NRIs and PIOs. The Committee further observed that there is a continuing need for transparency in our rules and procedures governing FDI and a further simplification of requirements to increase the actualization of FDI.
- 29.37. The Committee further observed that NRIs/PIOs find it difficult to understand why they are not treated on par with other foreign investors. One common instance of this, which was brought to the notice of the Committee, is the disparity in the rules governing stock market operations. FIIs are free to operate in Indian stock markets, without requiring any permission of RBI on currency movements. NRIs on the other hand, though free to operate in the stock markets, are subject to the non-repatriation policy of the RBI. The Committee is of the view that a review of the rules to redress such questionable disparities and reduce bureaucratic control is a priority. The Committee also recommends that the Diaspora should be allowed to invest in the areas of storage, distribution and processing units under the agricultural sector, which is currently completely closed to foreign investment.
- 29.38. The Committee is further of the opinion that the implementation of the general recommendations detailed below can increase diasporic investments:
- i. Investment guidance needs to be provided to the Diaspora. Missions/Posts abroad should organize regular meetings with the Diaspora and brief them about the changing industrial policies of the Government of India.
  - ii. Organisations like the FICCI, CII and ASSOCHAM in coordination with Ministries of Industry and External Affairs should organize more of "Made in India" exhibitions to showcase the Indian industry and encourage NRIs/PIOs to invest in India.
  - iii. The three business organisations, FICCI, CII, and ASSOCHAM should set up a specific committee and a special cell within their respective organisations for promoting business with the Indian Diaspora, along the lines of Indo-US Business Council.



- iv. A dedicated one-window setup should be set up which would provide consultancy services for overseas Indian investors and be a liaison point for getting various clearances. The NRIs/PIOs face many procedural problems in identifying suitable projects, marrying a project with a suitable location and comprehending the rules and regulations in obtaining official clearances. Consultancy services may be rendered through special cells created in select Indian embassies.
- v. Government should set up Special Economic Zones, exclusively for projects to be set up by NRIs/PIOs. To begin with, these SEZs could be set up in Kerala, Gujarat, Andhra Pradesh, Karnataka, Punjab and Uttar Pradesh. The Committee recommends these states as these states have contributed substantially to the Diaspora and hence, could also attract their investment taking advantage of their emotional bonding with their home states.
- vi. The top-level Indian professionals/business managers from various countries visit India on private or family affairs at least once every two years. The Indian missions abroad, MEA and the NRI/PIO Cells in trade organisations should keep track of such visits. During these sojourns, we can organise some events with a little advance planning, during which their expertise can be shared with interested Indian businessmen/industrialists/entrepreneurs through talks/workshops etc.
- vii. Similarly, during their private visits to India, the members of overseas Indian Associations/Chambers/business forums should be invited for intensive interaction with trade and investment promotion bodies in India.

## **NRIs and Remittances**

29.39. The Committee examined NRI remittances both inward and outward, and under capital and current accounts. The Committee noted that investment under various schemes including project investment, investment in housing and real estate, immovable properties, etc. and repatriation of such proceeds come under the category of capital accounts. Remittances to families, institutions, gifts, etc. and repatriation of dividends, profits, interests come under the current accounts category.

29.40. Inflows from NRIs take place in the following three major forms:

- A. Private transfers
- B. Direct and Portfolio Investment
- C. Deposits

### **A) Private Transfers:**

29.41. These include remittances as well as gifts. Major portion of private transfers is remittances to families and repatriation of savings abroad. Gifts and donations to relatives and charitable institutions in India are other forms of private transfers. Import of gold and silver by NRIs and

PIOs is another component of private transfers. The Committee looked into a Reserve Bank of India study, covering the period 1975 to 2000. This shows that remittances amounted to US \$ 97 billion (excluding gold and silver brought in by returning Indians). Gold and silver brought in by returning Indians amounted to US \$ 12.4 billion between 1992-93 (the inception of the scheme) and 1999-2000.

**PRIVATE TRANSFERS****(January 2001)**

	<b>(Rs. Crores)</b>			<b>(US \$ mn)</b>		
	<b>1997-98</b>	<b>1998-99</b>	<b>1999-00</b>	<b>1997-98</b>	<b>1998-99</b>	<b>1999-00</b>
A. Receipts Inward remittance from Indian workers abroad for family maintenance etc.	19303	32253	32192	5232	7661	7423
Local withdrawals/redemptions of non-resident deposits	12773	7808	17849	3418	1859	4120
Gold and silver brought as passenger baggage	9900	705	57	2699	171	13
Personal gifts/donations to charitable/ religious institutions in India	1954	2728	3182	526	650	734
<b>Total - A</b>	<b>43930</b>	<b>43494</b>	<b>53280</b>	<b>11875</b>	<b>10341</b>	<b>12290</b>
B. Payments Remittance by foreign workers for family maintenance etc.	153	219	125	42	53	28
Personal gifts/donations to charitable/ religious institutions in India	12	33	23	3	8	6
<b>Total - B</b>	<b>165</b>	<b>252</b>	<b>148</b>	<b>45</b>	<b>61</b>	<b>34</b>
<b>PRIVATE TRANSFERS NET(A-B)</b>	<b>43765</b>	<b>43242</b>	<b>53132</b>	<b>11830</b>	<b>10280</b>	<b>12256</b>

## **B) Direct and Portfolio Investment**

### **a) Direct Investment:**

- 29.42. The committee noted that progressive liberalisation of foreign direct investment (FDI) policy has narrowed the differences between facilities available for NRI investment and foreign direct investment. With the liberalisation in FDI policy announced in February, 2000, policy for investment by NRIs/OCBs has been made uniform with that for other foreign direct investments, except in civil aviation, banking, housing and real estate development. Further liberalisation in FDI policy announced in May, 2001, make policy for investments in banking sector uniform for NRIs and other foreign investors. Development of integrated townships including housing, commercial premises, etc. has also been opened up for other foreign investors.
- 29.43. The actual inflows from NRIs/OCBs by way of FDI (automatic route of RBI) which were US \$ 442 million in 1994-95, US\$ 715 million in 1995-96 and US \$ 639 million in 1996-97 have come down to US \$ 62 million in 1998-99 and US \$ 84 million in 1999-2000. The primary reason for this decline could be the progressive reduction in the gap between special facilities available for NRIs/OCBs vis-à-vis other FDI. The reporting mechanism of the Banks also does not attempt to capture the data separately for NRI investment.

### **b) Portfolio Investment:**

- 29.44. The Committee was informed that NRIs/OCBs are permitted to invest up to 5% individually and 10% collectively in the domestic capital market in the form of equity as well as debentures. The 10% ceiling can be raised to 24% through a special resolution passed by the General Body of the concerned company.

### **c) Term Deposits:**

- 29.45. The Committee also learnt that the following types of bank accounts could be opened in India by NRIs, PIOs and OCBs:
- (i) Non-Resident External Rupee Accounts-NRE Accounts.
  - (ii) Foreign Currency Non-Resident Bank Accounts-FCNR (B) Accounts.
  - (iii) Non-Resident Ordinary Rupee Accounts-NRO Accounts.
  - (iv) Non-Resident Non-Repatriable Deposit Scheme-NRNR Accounts.
  - (v) Non-Resident Special Rupee Account-NRSR Accounts.
- 29.46. In all of the above, there is a requirement of obtaining prior approval from RBI for persons/entities from Bangladesh and Pakistan.
- 29.47. According to Reserve Bank of India, cumulative flow in NRI deposits between April 1975 and May 2000 amounted to US \$ 23 billion.

### **Inflows in the Bond Schemes**

- 29.48. The Committee learnt that the response of the NRIs to the recent Bond Schemes has been overwhelming. The Resurgent India Bonds (RIB) floated in 1998 and the India Millennium Deposits (IMD) floated in 2000 resulted in the mobilisation of about US \$ 4.2 Billion and US \$ 5.51 Billion respectively.
- 29.49. The Committee also examined the methods of attracting diasporic investments adopted by other countries. In the light of their conclusions, the Committee recommends that Government should consider issuing special infrastructure bonds for NRIs/PIOs on the lines of the Israel Bonds. The rate of interest could be pegged close to the FCNR rate. The bonds could be in different denominations and with different maturity periods. Several attractive features of the Israel Bonds Scheme could be usefully adopted. For instance, Israel bonds are not even restricted to people of Jewish origin. They can be purchased in denominations as low as US \$ 250. They are freely transferable. Some of them can be cashed in Israel after one year, or used for the purchase of tickets on Israel's flagship airline, EL AL. Most of them can be gifted to one's immediate family members, or donated to charitable institutions.

#### **d) Other Investments:**

- 29.50. The Committee was told that in housing, real estate, travel and communication sectors, the NRI investment has shown a decline.

##### (i) Housing and Real Estate Development:

- 29.51. This scheme attracted investments amounting to Rs. 829.9 million in 1995-96, Rs. 1162.2 million in 1996-97, Rs. 2213.5 million in 1997-98 and Rs. 276.5 million in 1999-2000. The reasons for progressive decline in NRI investment in the sector could be the approach of State Governments to NRI investment in this sector, the Urban Land Ceiling Regulation Act (ULCRA) which has since been repealed.

##### (ii) Air-Taxi Scheme:

- 29.52. This scheme has attracted NRI investment of Rs. 313.4 million in the period 1996-97. Although NRI investment up to 100% is allowed under this scheme, the stipulation that "direct or indirect participation by foreign airlines is not allowed" acts as an obstacle in attracting investments in this sector".

### **Special Facilities for Investment available to NRIs**

- 29.53. The Committee noted that there are special facilities for investment by NRIs vis-à-vis those available to other foreign investors as detailed below:
- 29.54. But the Committee also observed that there are major irritants still extant in the actualization of these policies. These were examined under different heads.

### Facilities available to NRIs vis-à-vis those available to other foreign investors

Sl.No.	Sector	Policy for NRI Investment	Policy for other Foreign Investments
1.	Direct investment		
a.	Housing and Real Estate Development	<p>Up to 100% investment by NRIs/PIOs/OCBs is permitted with approval from FIPB in the following sectors:</p> <p>a. Development of serviced plots and construction of residential premises.</p> <p>b. Investment in real estate covering construction of residential and commercial premises including business centres and offices.</p> <p>c. Development of townships.</p> <p>d. City and regional level urban infrastructure facilities including both roads and bridges.</p> <p>e. Investment in manufacture of building materials.</p> <p>f. Investment in participatory ventures in (a) to (e) above.</p> <p>g. Investment in housing finance institutions.</p>	<p>Investment up to 100% permitted with approval from FIPB in the following sectors:</p> <p>Development of integrated townships including housing commercial premises.</p> <p>City and regional level urban infrastructure facilities, such as roads and bridges.</p> <p>Manufacture of building materials</p>
b.	Civil Aviation - Airlines	<p>Investment by NRIs/PIOs/OCBs up to 100% permitted with FIPB approval.</p> <p>Direct or indirect participation by foreign air-lines not allowed.</p>	<p>Investment up to 40% permitted with FIPB approval.</p> <p>Direct or indirect participation by foreign air-lines not allowed.</p>
c.	Investments on Repatriation basis	All investments in Foreign Exchange are fully repatriable.	Not relevant since all investments are repatriable.

Sl.No.	Sector	Policy for NRI Investment	Policy for other Foreign Investments
2.	Investment on non-repatriation basis	NRIs/PIOs/OCBs are permitted to invest on non-repatriation basis in companies. NRIs/PIOs are permitted to invest on non-repatriation basis in firms and proprietorship concerns.	Investment on non-repatriation basis is not permitted.
3.	Portfolio investment	Up to 5% in one company by individual NRI/PIO/OCB. Up to 10% aggregate in one company by NRIs/PIOs/OCBs.  The limit of 10% can be raised to 24% through a special resolution by the General Body of the company.	10% by individual foreign institutional investor. Up to 24% aggregate by foreign institutional investors in one company. The limit of 24% can be raised to the sectoral cap/statutory ceiling, as applicable, by a special resolution by the Board of Directors followed by a special resolution by the General Body of the company.
4.	Bank Accounts	NRIs/PIOs/OCBs are permitted to open the following bank accounts in India: Non-Resident External Rupee Account – NRE Accounts Foreign Currency Non-Resident Bank Accounts- FCNR(B) Accounts Non-Resident Ordinary Rupee Accounts –NRO Accounts Non-Resident Non-Repatriable Deposit Scheme – NRNR Accounts Non-Resident Special Rupee Account – NRSR Account(only by NRIs/PIOs)	Other Foreigners can open only:  NRO Accounts  NRNR Accounts
5.	Aquisition of immovable property	NRIs/PIOs can acquire immovable property in India (other than agricultural/ plantation/farm houses).	Others are permitted to acquire immovable property which is necessary or incidental to carrying on the business in India.

Sl.No.	Sector	Policy for NRI Investment	Policy for other Foreign Investments
6.	Import of gold/silver	NRI/PIOs can bring up to 10 kgs. of gold and 100 kgs. of silver as part of their baggage once in six months subject to payment of nominal duty.	Not permitted.
7.	PIO card scheme	PIOs holding PIO cards are allowed visa free entry into country for a period up to 20 years.	No such scheme is available.

### 1. **Foreign Contribution Regulation Act:**

29.55. The Committee learnt that NRIs and PIOs face major irritants in the actualization of the FCRA. This has been fully examined under the chapter on Philanthropy.

### 2. **Problems in Remittances to Families:**

29.56. The Committee was told that major banks have urgent remittance services like speed cash, tele-money etc. in major cities/towns where remittances are received by the recipient within 24 to 48 hours. The problem is in rural and remote areas where these facilities do not exist. The normal remittance channel of remittance is through cheques. Clearances take weeks to months, which affect the recipient families, especially those belonging to unskilled/semi-skilled workers etc. The Committee noted that Rupee drawing arrangements have been made with exchange centres in the Gulf region. By this arrangement, NRIs can remit equivalent amount in rupees to their relatives in India. The Committee feels that similar arrangements need to be replicated in other countries also.

29.57. The Committee also heard that the large gap in the bank buying and selling of currency was a factor in deciding method of remittances. The Committee recommends that gap between the buying and selling rates should be narrowed.

### 3. **Bank Deposits:**

29.58. The Committee was informed that NRIs are allowed to open and maintain different types of bank accounts like NRE accounts, FCNR(B) accounts, NRO Accounts, NRNR accounts and NRSR accounts.

29.59. The Committee observed that the major problem is on account of frauds committed on the deposits. In many instances, fraudulent loans are taken from the accounts of the NRIs by forging their signatures, sometimes with the connivance of bank employees. When such matters come to the

notice of the banks, the general tendency is to avoid taking responsibility and passing on the blame to the depositor. Recourse to legal remedy is lengthy, costly and time-consuming.

- 29.60. The Committee observed that the Reserve Bank of India had issued various communications to our banks addressing these problems.
- 29.61. The Committee recommends that banks while granting loans against NRI deposits should enforce strict vigilance. In case fraud comes to the notice, they should be quick in fixing the responsibility instead of trying to pass on the responsibility. Revamping our legal system so that fraud cases especially those involving investments/deposits by NRIs are tried speedily is also a pressing need. The instructions of the Reserve Bank of India in this regard, should be strictly adhered to by all branches of the commercial banks in letter as well as in spirit.
- 29.62. The Committee notes that the concept of using middlemen/agents to attract investments/remittances was initiated at a time when the country faced acute shortage of foreign exchange reserves. Today, we have comfortable foreign exchange reserves. To avoid any further damage to our image, the Committee recommends that NRI deposits should be made directly by the NRIs concerned either in person, through bank transfers or through post/courier. No deposit should be accepted through agents/middlemen. The safeguards initiated by RBI while opening the deposit accounts as well as while granting loans and advances against such deposits should be strictly enforced and monitored.

#### **4. Investments in Shares/Debentures, etc.:**

- 29.63. The Committee notes that NRIs also have grievances regarding their investments in shares and debentures. These basically revolve around delays and procedural lapses. The Committee notes that a procedure for redressal is already in place. This should be given wide publicity through web sites and through our Missions and Posts. Efforts to reduce time lag in the redressal process itself should be made. The committee recommends that there should be only one single agency to deal with all complaints relating to issue of shares and this agency should be fully empowered to solve the complaint without referring to any other agency. The Committee notes that at present SEBI does not even entertain complaints regarding non-listed companies.
- 29.64. The Committee also felt that extending fiscal incentives, such as reducing corporate tax rates to levels at or below competitive international levels, removing restrictions on repatriation of profits and eliminating needless licensing requirements would be extremely useful in attracting investment.

### **Diaspora and Tourism**

- 29.65. The Committee feels that the Diaspora can make significant contribution to growth of tourism in India. The PIOs make frequent visits to their home state or visiting relatives. The committee



notes that in the US, the people of Gujarat have acquired a reputation for establishment of motels and budget priced hotels. The Committee recommends that suitable schemes should be devised to attract them into setting up establishments with similar facilities in India. Indian-origin travel agents can be motivated to promote tourism to India in a big way. An annual convention of such tour operators and travel agents could be organised in India and dovetailed into a larger programme of diaspora-focused events, centred around the Pravasi Bharatiya Divas, discussed in detail in Chapter 25.

- 29.66. The Committee also observes that a pressing need in this context is tourism publicity. Cost effective publicity can be made through display of Indian tourism posters and publicity materials in motels spread across America and run by members of the Asian American Hotel Owners Association. Video presentations on Indian tourism in the lobbies and public areas of such hotels/motels would be another useful and low-expense proposition.
- 29.67. The Committee also recommends that there should be greater focus on promoting tourism among the second generation PIOs. Special tour packages, pilgrim packages and packages tailor-made for this group of Diaspora need to be developed and publicized. Increasing of air seats capacity, bringing down airfares and improving service on our national carrier, rationalizing entrance fees to ASI monuments are some of the other steps for immediate implantation.
- 29.68. The Committee also recommends that the Government may consider issuing an India Credit Card, which could be made available to the Diaspora through Indian banks abroad. The transactions made through the Credit card could be linked to some national projects, and a token sum (as small as \$ 1) could go to this project for every purchase/transaction. This would encourage Diaspora's participation in and identification with India's economy.
- 29.69. With the opening up of the Indian economy in 1991, India's economic regime has undergone a sea change. The WTO and the new Intellectual Property Rights regime has helped open up all major economies of the world. The Committee is strongly of the view that now is the time to involve the Indian Diaspora, in multifarious ways, in the economic rejuvenation of India and revive their sense of belonging with India.

○

# Education



*The President Shri K. R. Narayanan presenting the Bharat Ratna Award to Prof. Amartya Sen at a glittering investiture ceremony at Rashtrapati Bhawan, New Delhi on 16 February 1999*

## Introduction

India, China and Greece were the most notable knowledge societies in ancient times. Knowledge through education, training and research occupied the pride of place in the scheme of things in the life of the Indian elite. Vidya or education had a comprehensive and inclusive connotation in the Indian vocabulary. It extended to arts, sciences, skills, humanities and a ceaseless enquiry into the meaning of existence. As the ancient Indian seers put it, vidya is that which liberates (sa vidya yaa vimuktaye). It is remarkable that the aspiration for education remained an integral part of the Indian emigrant psyche. It appears that it is through education that the Indian Diaspora has progressed from strength to strength.

- 30.2. Every component of our Diaspora has major expectations from India in the field of education as it is regarded as the key to human development, both material and spiritual. All overseas Indians, both NRIs & PIOs are unanimous that education has the most crucial role to play in forging ties between the Diaspora and India and in developing ties between the different segments of the Diaspora. The High Level Committee, therefore, requested the Ministry of Human Resource Development to constitute an Expert Group on "*the Role of Education in strengthening linkages between the Diaspora and India*". The recommendations of the Expert Group and their rationale are reflected and incorporated in the discussion that follows.
- 30.3. During its tours in both developing and developed countries, and in its interaction with the members of the Indian communities overseas, the Committee made it a point to discuss the role of education in bringing India and the Diaspora together. Specific suggestions and requirements of the communities in the field of education were also sought from our Missions and Posts abroad.
- 30.4. Education is also the key for India in the furtherance of its policies and objectives. It is through education that concepts are propagated and disseminated. Educational institutions play a vital role in creating the sense of belonging, cultural and linguistic identity and a balanced allegiance to both the host and home country. Education imparted by institutions of excellence can help develop a mature understanding of both societies. Thus, the aim of the educational institutions

should be to provide educational opportunities for skill development and academic excellence while satisfying the quest for heritage and roots and creating multiple but mutually complementary allegiances. Educational institutions and the education imparted by them are perhaps the most potent tools in the shaping of a human being as they mould the body, heart, mind and intellect. The friendships and associations formed during the period of one's educational career are usually the strongest. They penetrate all aspects of a student's psyche and shape his personality thereby becoming a strong motivating force in his actions, second only to the emotional commitment to the family.

- 30.5. The US, for example, understands the power of education in shaping and moulding the hearts, minds and skills of the people. It has also been one of the most important factors in Indo-US relations. Why did so many Indian professionals make the US their country of adoption? One important reason was, perhaps, that the US became one of the most important countries for higher education for Indians, replacing the U.K. Thousands of Indians studied in the United States after 1960. But it was not a one-way traffic. Extraordinary and extensive collaboration between India and the USA took place in the last over fifty-three years in spite of fluctuating fortunes of political relationship between the two countries. American assistance was used in projects to increase India's self-sufficiency.
- 30.6. From the point of view of educational requirements, the Indian Diaspora can be divided on the basis of their settlement in the following groups of countries: -
- a) Countries in the Gulf region;
  - b) Countries where the migration had taken place because of indentured and plantation labour; and
  - c) Developed countries of North America and West Europe.
- 30.7. If India has to use education to meet the common aspirations of the Diaspora and our policy objectives, it has to adopt a multi-pronged strategy.
- 30.8. The school level deserves our greatest attention with respect to our Diaspora located in the three groups of countries identified above. Obviously, the need is greatest for the Diaspora in the Gulf region.

### **School Level Measures**

- 30.9. **Setting up of residential schools** – Schools can be set up in India with at least 50% Indian children and 50% Diaspora children from Class VI onwards with infrastructural facilities, both academic and residential to meet their needs. These schools need to offer three streams of affiliation:
- (a) International Baccalaureate

- (b) 'O' & 'A' level examinations
- (c) At least one Indian Board like CBSE or ICSE.

Commensurate fees need to be worked out in order eventually to make such schools self-sufficient. The advantage of such schools would be that even Indian children who may be planning to go abroad for college level education would want to enrol in them.

30.10. Being residential, such schools can easily run co-curricular programmes like (a) art appreciation and lessons in

- (a) Indian music and dance;
- (b) Indian literature;
- (c) Folk traditions of India;
- (d) Crafts of India;
- (e) Foundations of modern Indian society;
- (f) Oral traditions in India;
- (g) Indian films and media.

30.11. In the Gulf countries there are a number of people who can neither afford to take their children to the Gulf nor have the financial resources to send them to residential schools in India. Special reservation of seats ought to be made for the children in the Central Schools located in the Gulf region, and in Navodaya schools, or even good private schools in India. This would be particularly relevant in the case of States like Kerala and Andhra Pradesh because of the sizeable population of people from these States in the Gulf.

30.12. There must also be courses given in Indian schools which are designed to create awareness relating to the Indian Diaspora through:

- (a) diasporic literature;
- (b) formation of diasporic societies;
- (c) diasporic music and dance;
- (d) syncretic diasporic culture and identity; and
- (e) contributions of the Diaspora to the host country.

30.13. In addition, intensive Indian language programmes should be designed and implemented in schools where children from the Diaspora are enrolled. All these should be taught through a hands-on approach and the use of several modes of teaching, apart from books.

- 30.14. **Setting up institutions like the United World College (UWC)** – Their overall structure and philosophy could be the same as in the UWCs, except that such schools would only cater for grades XI and XII. One such school has already begun to function near Pune. Such institutions would be useful for the Diaspora in all three categories of countries identified in para 30.6 above.
- 30.15. **Facilities should be enhanced in existing schools** to accommodate children of parents who are based in countries of the Gulf region since they, in any case, have to send their children back to India for higher education. Such children would therefore need to be given hostel facilities.
- 30.16. **Student exchange programmes should be organised during summer holidays or other long vacations ranging from two weeks to eight weeks:** Such arrangements could be explored with NGOs who are already engaged in sponsoring volunteers to work with rural communities, and also have funds to meet travel costs, even partially. Gurukul programmes of the kind attempted by SPIC MACAY could be augmented to enable some diasporic students to stay with, and follow the discipline of gurus like Kelucharan Mahapatra, Bhimsen Joshi and others. Such initiatives would benefit the children of the Indian Diaspora in countries of category c) of para 30.6.

### **College/University Level Initiatives**

- 30.17. The Indian Diaspora in countries belonging to a) and b) of para 30.6 is interested in undergraduate, technical or professional education for their children, as well as greater specialization to be eligible for post-graduate programmes. A small number may be inclined towards research. In this context the Committee suggests the following measures: -
- 30.18. **Expansion of the number of seats in existing colleges and universities** – In addition to the reservation of 5% of seats for NRI children, the Government has recently reserved another 15% for foreign students, including PIOs, in our higher educational institutions. Such students face several practical difficulties because of an insufficient awareness among teachers with regard to the special need to treat them with understanding and consideration. Teachers should be specially made aware of this requirement. Some students have, in the past, gone back with bitter experiences. All foreign students should be provided with information on local living conditions, banking procedures, modes of shopping and other such matters. The admission process should be streamlined and made much smoother. Campuses should welcome and integrate them with the rest of the student community. Teachers and others should be encouraged to invite them for major festivals and social events. The national days of students from diasporic countries should be celebrated. Adequate hostel facilities, that is, more international students' hostels should be set up.
- 30.19. **For those coming from the developed world** – The University of Hyderabad has already started an excellent Study India Programme. A similar programme has been proposed by Hindu College of the University of Delhi. We are of the view that every institution, which has diasporic

- students, should develop, as far as possible, a Study India Programme for the benefit of those students.
- 30.20. **Short duration orientation programmes** – Institutions located in cities, which have a sizeable diasporic student population, should pool their resources together and provide a common orientation programme for them. This should be mandatory if they are not in a position to offer a full semester programme as in the University of Hyderabad, or as proposed by Hindu College.
- 30.21. **Universities of international standards in the Export Promotion Zones of India:** Such institutions should be established with programmes of study in key subjects like Management, Information Technology, Media, Agricultural Research, Medicine, Food processing, etc. They should be self-sustaining institutions of excellence. Both the student fees and the staff salary structure should be commensurate with that objective. Indian students should also be eligible for admission. This would serve the needs of students who are presently trying to join as full fee-paying students in foreign universities, many of which are aggressively promoting their institutions in India.
- 30.22. **Setting up of offshore campuses of Indian universities in collaboration with host countries in key subjects:** Institutions should be set up to provide middle level technological skills in subjects such as Industrial Training. The “community college movement” is strong in Canada and the USA. It serves a useful purpose by providing courses that are a good mix of academic inputs and skills development, like our undergraduate vocational courses. Institutions for training in fields like media, nursing, etc. should also be set up. Offshore campuses of high-level academic institutions like IITs, IIMs and medical colleges may be set up in collaboration with governments in host countries, or organisations like foundations and institutions. These would be very useful for students in the first category of diasporic countries.
- 30.23. **Devising syllabi and papers on diasporic culture, literature, contributions and other subjects, both at the undergraduate level and right up to specialised research.** At the undergraduate and postgraduate levels, diasporic authors, history, popular culture and sociology should be included among the subjects for study, or as optional subjects. The approach would have to be interdisciplinary. The services of the authorities concerned with curricula and other organisations relating to these subjects should be utilized for the purpose.
- 30.24. **Setting up of Centres for Diaspora studies for specialized research.** One or more interdisciplinary centre for Diaspora studies should be set up to promote chosen branches of study relating to the Diaspora.
- 30.25. **Strengthening of existing cultural centres:** They should be encouraged to collaborate with neighbouring countries.
- 30.26. **Utilisation of special expertise of the diasporic visitors to India:** Considerable expertise is currently available among PIOs, especially in developed countries in various fields of technology, medicine, academics and others. Diasporic visitors to India could be requested to deliver lectures and talks and conduct short-term courses while they are here.



- 30.27. **Courses through distance learning.** Organisations like the CBSE, IGNOU and other bodies which impart education through distance learning bodies should be requested to design and present courses through the internet, television and printed material for meeting the needs of various segments of the Diaspora.
- 30.28. **Dissemination of educational material through teaching/learning aids** like CD ROMS, audio and video cassettes, films for both formal and informal education: Such a programme could cover all aspects of India, including subjects like Environment, Science & Technology, Art, Culture, History, Law, Philosophy, Languages and Law.
- 30.29. Institutions conducting these courses through distance learning organisations should award degrees and diplomas for acquiring knowledge and proficiency in such courses after appropriate evaluation.
- 30.30. **Setting up of prestigious institutions for professional education.** In addition to the existing system of reservation of seats in professional colleges in fields like medicine, engineering and dental science, private organisations and foundations should be encouraged to set up quality institutions of international standards.

### **Sourcing the Potential of the Diaspora**

- 30.31. Indian teachers and academics have earned a name for themselves. They are highly respected for their abilities and hard work. Indian academics occupy senior faculty positions not only in English speaking countries but even in a number of non-English speaking countries of the world. In the U.S., many Indian academics have achieved notable eminence. Some of them have become Deans and Professors in the most prestigious institutions. The Dean of the Kellogg School of Management is for instance, an Indian. The achievements of Indian academics in professional institutions are particularly noteworthy. At school level also, a number of Indians have become Principals of schools in countries of their settlement, including advanced countries. A number of first generation Indian academics, teachers and Principals have now retired. Many amongst them feel that it is now payback time and that they must do something for the country, which educated them at virtually no cost. They are particularly well inclined to do something for their *alma maters*. Many serving academics share the same feeling. Indian academics have also played a notable role as opinion makers for India. Senior Indian academics with the help of second-generation members of the Diaspora have also organised India clubs or India study groups in well-known institutions. Such clubs and study centres organise seminars and workshops on wide ranging topics relevant to India. They are thus an extraordinary resource for dissemination of India related information to business and political leaders, academics and young students. In fact, academics in almost every English speaking country, and many of them in non-English speaking countries, are rendering yeoman service to the country of their origin.
- 30.32. The NRI and PIO students are also very active in organising India-focused events in their institutions. The functions of Indian Students' Associations are popular in most of the universities

in North America. By celebrating a number of Indian festivals like Diwali, Holi and other such events these associations provide exposure to Indian culture not only to the members of the mainstream community but also to fellow students from other countries. A number of second-generation NRI/PIO students are also keen to know more about their civilisational heritage. They want to get a first hand experience of India through short study programmes as well as voluntary work in India.

- 30.33. It is obvious that the Indian school teachers, university academics and students are an extraordinary asset for India. As stated earlier, a number of retired school and university teachers are keen to do something for their motherland, particularly by contributing to the study of their field of specialisation in Indian institutions. It is, therefore, important that suitable programmes are drawn up to convert their goodwill and desire to do something for India into reality. However, they find the bureaucracy and red tape in India a serious impediment. The serving academics are also happy to provide guidance to Indian research scholars as well as work on joint projects with their counterparts in India.
- 30.34. In the Committee's interaction with academics in North America and Australia it was repeatedly mentioned that they would prefer a single point of contact. In order constructively to engage the diasporic teaching community and research scholars in the field of education in India, it is absolutely essential to have a good data bank about them, with brief CVs including their field of specialisation. A website should be developed which could be accessed by members of the academic community abroad who want to volunteer their time and services in India. They could post their particulars on this site. A mechanism could be worked out to identify appropriate institutes and organisations that could utilise the services of such volunteers. The proposed data bank would also be of immense help to Indian academics who are interested in pursuing higher studies and research abroad. This would, no doubt, also facilitate collaborative projects and research. The proposed mechanism would also facilitate contacts among academics of Indian origin in different parts of the world.
- 30.35. The Committee has reached the considered conclusion that the education sector can and should be enabled to play a vital and wide-ranging role in strengthening linkages between NRIs/PIOs and India. Education has the potential of making an enormous bridge-building contribution and of being an important Indian export. It can also contribute to promoting ties between various segments of the Diaspora. While on the one hand, NRIs and PIOs can make an important contribution to the development of education in India, on the other hand, the Indian education system can help NRIs maintain their cultural and civilisational heritage.

# Health

If only one area were to be mentioned where the Indian Diaspora has earned a name for itself, it would be in medicine and related fields of healthcare. Indian doctors are the backbone of the National Health Service in the United Kingdom. They have won laurels for their competence in advanced countries including the United States of America, the United Kingdom, Canada and Australia. Indian medical professionals occupy the highest positions in world-renowned clinics like the Mayo Clinic and a number of other prestigious institutions in the U.S. For instance, Dr. Ranawat who performed two knee surgeries on the Prime Minister has distinguished himself as one of the top knee surgeons in the world. There are many NRI doctors of such competence and standing in almost every branch of medicine. Indian doctors and nurses are an integral part of the healthcare delivery system in several Commonwealth countries. They also have a dominant presence in the Gulf region. In most of these countries, the percentage of Indian doctors far exceeds the percentage of the Indian population in those countries. A number of Indian doctors are also serving in the Armed Forces of the English-speaking countries.

- 31.2. The presence of Indian healthcare professionals, particularly nurses is, however, not only confined to the English-speaking world. They have registered their presence in a number of countries in other developed countries as well. In Austria, for instance, Indian nurses are like pioneers, whose sizeable number in that country has led to the migration of their families as well. In recent years, the number of Indian lab technicians is also on the increase. In English-speaking countries, virtually every hospital has Indian X-ray, Ultrasound, CT scan and MRI technicians. The Indian presence has also been on the increase in the field of pharmacy. It has been observed that many of the NRI/PIO doctors do everything possible to persuade their children also to follow the medical profession. It would be safe to assume that the number of Indian healthcare professionals will grow in future years.
- 31.3. Indian healthcare professionals, as well as other NRIs and PIOs, have already made a valuable contribution to their mother country by establishing dispensaries and/or some other similar facilities in their ancestral towns. Some of them have facilitated the holding of eye camps and have donated equipment, books and journals for use in India. In many cases, not only Indian doctors but their colleagues too have come here to volunteer their services for such philanthropic activities. It is, thus, obvious that the NRI/PIO medical and health-care professionals can play an

important role in the development of the health sector in India. Moreover, this would take the pressure off the government hospitals and also generate employment and expertise, because of the ripple effect all round.

- 31.4. Till the 1970s, the doctors who returned to India generally went into private practice or joined Government or private hospitals. Some of them established nursing homes and small hospitals. The establishment of Apollo Hospitals under Dr. Pratap C. Reddy and of Escorts Hospital under Dr. Naresh Trehan ushered in a new era in India of corporate and speciality hospitals of international standards. A number of other speciality hospitals of comparatively smaller size have also come up in various parts of the country with NRI/PIO participation. Hospitals run by religious/spiritual organisations like the Sathya Sai Baba Foundation and many others also attract NRI and PIO doctors. In recent years, some second generation younger members of the Diaspora from the developed world have started coming to India as volunteers in fields like public health and family planning. American foundations often provide funding for some of these activities. Yet another emerging trend is in the form of cooperation agreements between hospitals in the more advanced countries of the West and India. Generally, such cooperation agreements are the result of initiatives taken by the NRI/PIO members of the faculty. NRI academics in senior positions have also facilitated research fellowships for Indian doctors, particularly when they come from their own alma mater.
- 31.5. Another area in which linkages can be strengthened between India and the Indian Diaspora is through the provision of facilities for medical education in India. Ever since independence, many PIOs have been receiving education in the medical colleges in India. After completing their studies in this country, they have pursued their professions abroad, several of them rising to great heights, and still maintaining their links with the motherland. Many medical colleges in India have, for several years, allocated seats for the Indian Diaspora particularly for candidates from Southeast Asia. Responding to the increasing demands of the Indian Diaspora for medical education, Manipal Medical College has opened branches in Nepal and Malaysia. A Lucknow-based NRI has led the initiative of establishing a medical college in Mauritius. These medical colleges attract students from several constituents of our large Indian Diaspora, as well as from India, and are thus conducive to promoting Indian and intra-diasporic links.
- 31.6. Keeping in view the considerable potential contributions of the Indian Diaspora in the healthcare sector, the Committee requested the Ministry of Health and Family Welfare to prepare a report on the role of NRIs and PIOs in the sector of Health Care Development. The salient features of the Report prepared by the Ministry of Health & Family Welfare are summarised in the following section:

### **Summary of the Report on “Health Sector Development: The Role of NRIs and PIOs”**

- 31.7 The role of NRI/PIO doctors in the healthcare sector in India assumes importance since there are severe constraints on additional budgetary support forthcoming for the health sector in India.

Health is a state subject. Most state governments face a severe resource crunch. Also, the focus of state government spending is on primary and secondary healthcare. Tertiary care receives woefully inadequate attention. Tertiary healthcare is highly resource-intensive, requiring state-of-the-art equipment and diagnostic facilities. Neither the domestic private sector nor the public sector is in a position to address this deficiency entirely on its own. It is in this context that the NRIs and the PIOs could play a significant role in contributing not only to expansion and improvement in tertiary care facilities but also their dispersal across the country. State-of-the-art hospitals and diagnostic facilities have also the potential of attracting people from outside the country for treatment and diagnosis as well as reversing the trend of Indians going outside the country for treatment.

31.8. Concerted efforts are required to tap the potential of NRI/PIO investments in the healthcare sector, particularly in tertiary care. What has been achieved so far is, however, not quite satisfactory. It is seen that out of a total of 17,919 approvals by the Government for FDI and technical collaborations during the period 1991-2000, there were only 87 approvals (13 technical and 74 financial) for hospitals and diagnostic centres for a total sum of Rs. 6,518.80 million. This amount represented 0.28 % of the total amount of FDI approvals, which were of the order of Rs. 2,235,616.84 million!

31.9. The main players in the area of healthcare and the types of role they can play may be identified as follows:

#### A. **Physicians/Medical Professionals**

31.10. **Services component** Given the size of the NRI/PIO population their potential has not been fully harnessed. There have been suggestions to set up a Medical Corps of overseas Indians as an NGO or a non-Government agency. Specifically, the underlying idea is to develop a data bank of overseas physicians and other medical professionals, along with their speciality and interest in participating in projects in India. It would enable those physicians to be matched with specific projects in this country. Non-medical professional entrepreneurs who wish to set up and/or participate in health projects in India could also use the proposed NGO.

31.11. **Hospital-based projects** NRI/PIO physicians are highly trained in hospital-based practice. Their skills can be utilized in developing guidelines for hospital practice. Specialists belonging to various disciplines could be linked with different hospitals and with their corresponding specialists, particularly in district and sub-district hospitals, to improve the quality of care in specific areas.

31.12. **Academic medicine, research and education** A fairly large number of NRI physicians are in academic medicine. For example, out of an estimated 35,000 physicians of Indian origin in the USA, almost 10-15 % are in academic medicine. This group could be linked to various medical colleges, medical research and medical education in India. The proposed NGO of overseas Indian physicians could have an academic cell comprising of physicians in academic medicine who

could work with their counterparts in India and develop proposals in respect of medical education, faculty development, postgraduate training and medical research.

## **B. Role of Professional Medical Organisations**

- 31.13. A number of professional organisations in the medical field, for example, the American Association of Physicians from India (AAPI), the Association of Indian Neurologists, the Association of Asian Indians in Ophthalmology, etc. in the USA are playing an important role in the transfer of skills. There is a tremendous scope for collaboration between various medical associations in India and abroad. There is a need to promote the formation of similar associations of NRI/PIO professionals in other countries where they do not exist at present.
- 31.14. The NRI/PIO medical professional organisations could contribute significantly by organising workshops, training and medical research in India. Another important activity of NRIs/PIOs may relate to promoting the training of Indian doctors by sponsoring them to go abroad for receiving hands-on training and observing specialised procedures. These organisations can also provide necessary information about the opportunities and specific avenues available for such participation. These professional bodies should also assume the role of an information centre from where all such information, including reports on the financially feasible projects, could be accessed for consideration and implementation by the NRIs. A website may be set up for this purpose.

## **C. Corporate Sector**

- 31.15. The corporate sector has an important role in attracting the NRIs/PIOs to join them in the manufacture and fabrication of high-tech medical equipment and spare parts. Such collaboration is essential owing to the high-tech nature of modern diagnostic equipment. These equipments are largely based on foreign technology having a high obsolescence rate of around 5 years and thus have high replacement needs.
- 31.16. The other area in which the corporate sector, in collaboration with the NRIs/PIOs, can make considerable difference concerns the setting up of super speciality hospitals and diagnostic facilities. The corporate sector can certainly play a vital role in facilitating the participation of NRIs/PIOs in these projects. Corporatised hospitals and advanced diagnostic centres could be set up, not just in metropolitan cities but also in 'B' category cities.
- 31.17. The Indian Diaspora and the corporate sector can also collaborate in setting up small but modern medical care facilities in backward areas and districts from where the corporate sector can derive tax benefits.

## **D. Banks, Financial Institutions, Chambers of Commerce and Industry**

- 31.18. Representatives of various Indian banks, financial institutions and various chambers of commerce and industry can play an important role in apprising the NRIs/PIOs of the potential for investment in the health sector in India. These institutions could organise meets at regular intervals at various

locations with a concentration of NRI/PIO doctors, to acquaint them with monetary packages especially designed for them for investment in the healthcare sector in India.

### **E. The Government**

31.19. Procedural delays are perhaps the main factor responsible for inhibiting the entry into India of NRIs/PIOs. These are, of course, general problems associated with FDI in any sector of the economy. Specifically for the health sector, however, there are typical problems, which need to be identified and overcome for enhancing NRI/PIO participation in the health sector on any significant scale. The Government should create an investor-friendly environment and act as a facilitator for investments.

### **F. Voluntary Sector**

31.20. The voluntary sector has also a major role to play in the field of healthcare. A lot of medical professionals come to India purely out of emotional involvement for organising free eye-camps, and rendering other services including superspeciality surgeries. Nurses in the critical care sector could also volunteer their valuable time in corporatised hospitals. This kind of voluntary work could be looked after through prominent NGOs. Suitable NGOs could be created, where there are none.

### **G. Medical Tourism**

31.21. Like management institutions in India which are currently collaborating with other countries like USA, Australia and UK, there is also a possibility for private hospitals abroad, to set up similar clinics in India, maintaining the same high standards of service delivery. Since the brand name works, a reputed clinic abroad with collaboration in India would be able to attract potential clients from the Gulf countries, the Middle East and Central Asia and perhaps also from East Africa and some of the Western countries. There is thus a vast unexplored market, which can be exploited. One expects such brand equity hospitals to attract high-end clients for treatment who would need a decent place to live in during their treatment and recovery. A suitably priced package could be offered to them, which could take care of both treatment and residence for the attendants/family members.

31.22. Setting up of hospitals and diagnostic centres with the most modern facilities and technologies should be established in the Export Processing Zones. Physicians and surgeons from abroad could be recruited for attachment with these hospitals for brief periods to provide specialist services in them.

### **H. Role of Indian System of Medicine (ISM)**

31.23. All over the world, there is an increasing use of the traditional or indigenous systems of medicine. There is also a demand to add alternative therapies to the insurance products. In some states in the US, laws have been enacted requiring health insurers to include alternative treatments in the benefits covered by them.



- 31.24. The increased interest worldwide in complementary, alternative, indigenous/traditional medicine is a reflection of the changing attitudes and needs of the population. For example, in the US, around 60% of the medical schools are understood to have begun to teach alternative medical practices. Similar encouraging trends in respect of complementary medicine and homeopathy are in evidence in Belgium, France and a number of other European countries.
- 31.25. Traditional systems of medicine offer a vast market from which India can benefit immensely, given its long tradition of **Ayurveda, Siddha, Unani, Yoga** and Naturotherapy. In this task, NRIs/PIOs can play a very significant role using several well-designed measures including awareness creation and identification of potential markets for ISM products.
- 31.26. To begin with, ways and means could be designed to encourage the use of Ayurvedic/herbal products by people in countries outside India. Modules could be prepared for introducing Ayurveda to local populations abroad, particularly where Indian doctors have settled down. NRIs/PIOs could be encouraged not only to use ayurvedic/herbal products themselves but also encourage the local population to use these products. The Government of India could encourage and assist the NRIs/PIOs to set up ayurvedic clinics in their respective adopted countries and send qualified and committed *vaidyas* to man these dispensaries abroad. The Indian Diaspora, besides using these clinics, could encourage fellow foreigners to use these centres. Recognition should be sought for ayurvedic practitioners registered in India to practise in other countries where interest in traditional medicine is high. India should also be able to attract foreign students to study at various institutions in India offering courses in Indian systems of medicine.
- 31.27. There is widespread interest both among Indians and foreigners in Yoga. While there are a number of Yoga instructors practising abroad, many of them are non-Indians trained in India. Given the vast gap that currently exists between supply and demand for Yoga teachers, there is considerable scope for setting up Yoga centres with Indian Yoga teachers.
- 31.28. Yet another area where herbal products can be popularised, especially through the Indian Diaspora, is in the area of toiletries and beauty trade. The Shahnaz Hussain boutiques worldwide are a shining example of the vast potential that exists for herbal products all over the world. According to estimates of the WHO, the global market for medicinal herbs and herbal products would touch US \$ 5 trillion by 2050 AD. Indians residing abroad can play a very significant role in popularising not only herbal products, but also Indian traditional medicines. We can draw a lesson from China, which has promoted its traditional medicines extensively through its Diaspora.

## **I. Other Sectors**

- 31.29. The other areas where NRI and PIO healthcare professionals could play a role include tele-medicine, medical research and community network. Continuous Medical Education (CME) programmes and workshops could be conducted with the support of NRI/PIO professionals and specialist bodies. The libraries, medical journals and systems of keeping medical records, which are currently inadequate, could be strengthened by inputs from NRIs/PIOs. Indian medical professionals abroad

could donate medical journals, research papers and books to Indian medical colleges and also encourage their medical schools and libraries to do so. Collaboration between medical professionals in the Diaspora and the Indian Council of Medical Research could enhance the quality of research.

### **High Level Committee's Interaction with the Diaspora**

- 31.30. During its visit to USA in May-June, 2001 and its interaction with the representatives of the Indian Community, the Committee was informed that the American – India Foundation has a programme called 'Swasthya' which had sent a group of doctors from Stanford Medical School to Gujarat for relief operations after the January, 2001 earthquake and that there may be a 'Swasthya II'. A medical emergency planning seminar was also being planned. American – India Surgeons' Association was also interested in setting up mobile hospitals. A team was planning to go to Dehradun following the landslides there. The Committee was informed that Rajat Gupta, Chairman, McKinsey, was in touch with the Bill Gates Foundation, which had plans to assist the AIDS Programme in India. The Wheel Chair Foundation, which has already provided 40, 000 wheel chairs all over the world, would be interested in underwriting a similar project in India. The Committee learnt that there were many philanthropically inclined PIOs and NRIs who visit their hometowns at least once a year and do whatever they can to help.
- 31.31. The Committee was informed by the Association of Scientists of Indian Origin in America (ASIOA) that although many Indian scientists are actively engaged in various kinds of health-related research, more needs to be done in the cutting edge of research, specially in the areas of microbial infection; diabetes; cancer; cardiographic conditions and the mechanism of the ageing process. Research projects relating to women and children would also deserve special attention. ASIOA plans to prepare a roster of its members who are working in these fields and identify partners in India for joint work. It was suggested that the expertise of the 35,000 odd PIO doctors in the USA could be utilised by India to develop an institutional mechanism for interaction between scientists of Indian origin in that country and scientific organisations in India, and thus foster sustained linkages between them. It was suggested that the Government of India should encourage ASIOA members to come and work in India. ASIOA could also help in the prevention of AIDS, TB and other communicable diseases. Delivery of healthcare in India's rural areas was also identified as a priority field for voluntary assistance by the PIOs in the USA. They were keen to provide assistance on a totally cost-free basis but wanted freedom from bureaucratic obstacles. Many among them feel that it is now payback time and that they must do something for the country, which educated them at virtually no cost. Such a view has been communicated to the Committee in many other sectors as well.
- 31.32. The ASIOA recommended that an Advisory Committee be formed which should include NRI/PIO members for selected disciplines. The Committee could develop relationship with corresponding members in India and prepare short and long-term goals. It was suggested that after projects have been developed through consultations with the Advisory Committee, the Government of India should assure its full support. The Committee was informed that the University of Illinois

had successfully developed programmes with the J N Medical College in Belgaum and that there has been an exchange of forty doctors between them during the last two years.

## Recommendations

31.33. While the Committee is broadly in agreement with the suggestions made in the elaborate report prepared by the Ministry of Health, it makes the following recommendations relating to the healthcare sector for the consideration of the Government:

- (a) While the primary and to an extent, secondary health sectors have been largely with the Government, tertiary healthcare has not received the required attention owing to the constraints on Government resources. Since tertiary healthcare is highly resource-intensive requiring high-tech equipment and diagnostic facilities, the Indian Diaspora can contribute not only to its expansion and improvement but also to its dispersal across the country.
- (b) Hospitals etc, which are currently treated as industry, may be accorded the status of "infrastructure". This is likely to give a boost to NRI/PIO investment in the health sector. A strong argument is that if hotels could be accorded the status of infrastructure, then why not hospitals? A number of specific measures which could be suggested to attract NRI/PIO investment in the health sector, include (i) allotment of land at a reasonably moderate or subsidised rate without conditionality, such as provision of free treatment, etc. (ii) charging of lower tariff rates for water, electricity etc; (iii) suitable Government mechanism for one-window clearance of medical projects proposed by NRIs/PIOs for creating an investor-friendly environment and acting as a facilitator for investment ; (iv) review of the existing structure of import duties on medical equipment with a view to reducing them to a flat rate of 5%; (v) joint consultations and collaboration between various stake-holders, namely, the NRIs/PIOs, the private sector and the Government in framing health policies; and (vi) encouragement of the activities of the alumni associations abroad with different health care institutions in India.
- (c) Provision of finances by the financial institutions for medical projects by NRIs/PIOs on preferential and concessional terms;
- (d) Setting up of corporatised hospitals and advanced diagnostic centres with the participation of NRIs/PIOs. These could be set up not just in metropolitan cities but also in category 'B' cities where they could be given tax benefits;
- (e) Facilitating the voluntary work of the NRI/PIO medical and paramedical professionals as well as volunteers through healthcare camps. Prominent NGOs could look after the organisation of such activities in the philanthropy sector;
- (f) Exploitation of the vast unexplored market of medical tourism through the collaboration of private clinics in India with reputed hospitals abroad. Physicians and surgeons from abroad could be attached to such clinics for provision of specialist services;

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- (g) Encouragement of the use of ayurvedic/herbal products, not only among the NRIs/PIOs, but also among the local populations abroad. The Government of India should encourage and assist the NRIs/PIOs to set up ayurvedic clinics in their respective adopted countries and send qualified and committed *vaidyas* to man those dispensaries abroad. Recognition should be sought for ayurvedic practitioners registered in India to practise in countries where interest in traditional medicine is high ;
  - (h) Setting up of *Yoga* centers abroad with Indian *Yoga* teachers;
  - (i) Exploring the involvement of NRI/PIO medical professionals in the introduction of the tele-medicine concept in India, with webcast and virtual reality presentations of easy accessibility;
  - (j) Enlisting the support of NRI/PIO medical professionals and specialist bodies in contributing professional journals, research papers, books etc. to medical libraries in India;
  - (k) Development of a data bank of overseas Indian medical professionals along with their specialities and interests for participation in projects in India ;
  - (l) Organisation of workshops, training and medical research, faculty development, etc. through collaboration between the NRI/PIO medical professionals and their counterparts in India. Indian doctors could be sponsored for receiving hands-on training and observation of specialised procedures abroad;
  - (m) Utilisation of the expertise of Indian doctors abroad by developing an institutional mechanism for interaction between scientists of Indian origin and scientific organisations in India to develop sustained linkages. The areas for their involvement could be infant mortality; AIDS prevention and management; TB; microbial infection; burns management; improving trauma management, disaster management; diabetes; cancer; cardiographic conditions; mechanism of the ageing process etc. An International Advisory Committee may be formed which should include NRI/PIO members for selected disciplines. Such a Committee could develop a network in India and abroad and prepare a comprehensive plan to realise its objectives. The Government of India should extend its full support to such projects as are recommended by the International Advisory Committee.

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# Media

## Introduction

The ethnic Indian media in foreign countries, which includes the English language media, reflects the diversity of regions and languages of India. Indians are a social and communicative people with a highly developed political awareness. Those who leave India's shores carry memories of a lively and vibrant democracy, a free and vocal indigenous press and a culture that accommodates a wide variety of opinions. Indians abroad therefore take to the media as naturally as their compatriots back home. Indians would be surprised and delighted to see the extent of identification and sympathy for India's concerns on a wide variety of issues in the ethnic media of Indian communities around the world, in which even the advertisement sections are devoted to ethnic Indian products and services.

## Background

- 32.2. The ethnic Indian media evolved out of the need of the Indian Diaspora to remain in touch with its roots. Living in an alien and often unfriendly environment, the Diaspora recreated the familiar symbols of its past by initially keeping its traditions alive. Later, imports of Indian songs and films added to the locally available cultural menu. Initial forays to create their own channels of communication focused on acquiring slots in local radio channels for their ethnic programmes. Gradually their own print media evolved, albeit with a limited circulation and focus.
- 32.3. In the next phase there was a proliferation of ethnically owned radio and TV channels as well as their own print media, especially in countries which permitted freedom of expression. In such countries, coverage of political and international issues tended to gain in importance, as did the focus on current affairs and news about India. In others, the focus remained inevitably on entertainment and community issues while political coverage was limited. The ethnic media fulfilled the important function of providing a forum for networking within the community to satisfy its special requirements, including such features as matrimonial advertisements. Ethnic radio, TV channels and films even managed to attract mainstream audiences in some countries, particularly in the Arab and African world and later even in the West (*Bhangra* and *Indi-Pop*, *East is East*, *Mississippi Masala*, *Salaam Bombay*, *Lagaan* etc.).

- 32.4. Today, with technological advances and the advent of the Internet, access to information on India has been greatly facilitated. No mention of the ethnic media would be complete without a reference to the vast proliferation of websites catering to the needs of ethnic Indian communities in many countries. They provide easily accessible and regularly updated information on news about India, cheap airfares and flight schedules to India, tourist information, domestic flight and railway schedules, domestic employment opportunities, stock market news in India, exchange rates, special bank facilities for NRIs, fixed deposit rates available across banks in India, STD Codes in India, educational sites including top colleges in India, classifieds for residential properties, addresses of Indian Missions and NRI Associations, FEMA / Passport application forms, immigration rules, suggested traditional baby names, recipes for Indian food, Diaspora and NRI news - the list could go on. Clearly, they cater to the multi-faceted needs of the Diaspora and its desire to keep in touch with developments and facilities in India.
- 32.5. An important recent development has been the availability of Indian channels such as *ZEE TV* and *Star TV* via satellite in practically all the countries of the world. *ZEE TV* in the US is playing a significant role in transmitting Indian news in English, Hindi, Gujarati and Punjabi. There is also evidence to show that these channels enjoy significant popularity with other non-Indian communities, and hence act as a very important medium of communication with them.
- 32.6. In the following paragraphs, the Committee has described the feedback received from some countries around the world. It has not been possible to cover every country in this survey.

### **The Ethnic Media in Different Parts of the World**

- 32.7. The ethnic media is very active in the Gulf region. The mainstream, English language print media report on developments in India. The entertainment requirements of the Indian community in the region are met by radio and TV programmes. *Radio Asia* and *HUM* are broadcast all over the Gulf, and are the most popular radio services. They are run by Indians and cater to the diverse Indian community in the Hindi, Urdu and Malayalam languages, with plans to expand into other Indian languages. There are also 3 AM stations broadcasting in Malayalam. There are no ethnic Indian TV channels telecasting from UAE. However *Doordarshan* programmes will now be beamed over E-vision of Abu Dhabi's cable network, a subsidiary of the state-owned Emirates Telecommunications Corporation. AIR has a correspondent in Dubai and has announced the launch of satellite transmissions to target the Gulf audience. Channel 33 in Dubai is very popular with expatriates. In Oman the 2 prominent dailies the *Oman Daily Observer* and the *Times of Oman*, are edited and managed, though not owned, by Indians, and devote substantial space to Indian news, as do the state run TV and radio networks. In Saudi Arabia, members of the Indian community publish 2 dailies Urdu News and Malayalam News. Popular Indian channels like the *ZEE TV*, *Sony TV*, *MTV India* etc. are available through dish antennas in many Gulf countries.
- 32.8. In Singapore the Tamil daily *Tamil Murasu* and the TV channel *Vasantham* are targeted at the Indian community. In Hong Kong, the *Bharat Ratna* (BR) International monthly was started 37

years ago by Hong Kong business tycoon Bob Harilela. *The Indian* is also published from Hong Kong. In Malaysia, there are two prominent Tamil dailies, *Tamil Nasion* and *Malaysia Nanban*. *Astro* and *Mega* channels transmit Indian programmes. In the Philippines, the Sindhi community publishes a monthly English magazine *Samachar*. Zee TV, Sony and STAR TV can be seen through satellite or cable throughout this region. Many NRIs and PIOs work in these organisations.

- 32.9. The South African Broadcasting Corporation (SABC) has 3 TV channels for the Indian community. Every Sunday, a two-hour programme titled *Impressions* which includes Indian vernacular serials, a local community programme and an India report - *Eastern Mosaic* - is broadcast for the South African Indian community. SABC's *Radio Lotus* also targets the Indian community. It gives equal time for the major local Indian languages - Tamil, Gujarati, Hindi, Urdu and Telegu. Apart from SABC TV, every Sunday the independent *M Ne* pay channel hosts *East Net* for its Indian subscribers and also offers Indian channels like ZEE TV, Sony and B4U. The Independent Broadcasting Authority has licensed several private radio stations such as *Marble Ray*, *East Coast Radio* and *Radio Hindvani*. Of these, *East Coast Radio* is the most popular and has the largest listenership.
- 32.10. The ethnic FM radio stations 'East 106' and 'Sound Asia' in Kenya cater to the Asian community. In Mauritius, radio/TV channels are state owned but devote a significant portion of coverage to Indian matters: culture and programmes in Hindi as well as other ethnic languages. In Tanzania, *Dar Es Salaam Television* (DTV), Cable Entertainment Network (CEN) and Cable Television Network (CTN) are owned by people of Indian origin.
- 32.11. In Israel, the Marathi quarterly *Maiboli* has been published by Israelis of Indian origin since 1987. In Spain - *Aaina*, *Muskan*, *Sitara* and *Hindi Valencia Samachar* are published by the Indian community. In Suriname, PIOs own the *RAPAR*, *Trishul* and *Rasonic Broadcasting Networks*, *Radio Radika* and TV and *Radio Sangeetmala*. Indian films are very popular in Trinidad & Tobago where there are 4 radio stations that broadcast Hindi songs. In Fiji, the ethnic Indian community has very little role in the media. Two ethnic Indians have minority shares in the *Fiji Sun* and a radio station is partially owned by an ethnic Indian businessman. The publication *Shantidoot* in Hindi is issued from Fiji. A number of TV channels in Guyana are owned by Indo-Guyanese.
- 32.12. In Australia, the following publications are edited or owned by members of the Indian community: *The Indian Down Under*, *The Indian Post*, *The India Voice*, *Hindi Samachar Patrika*, *Indian Link*, *Bharath Times*, *Bhartiye Samachar* and the *Indian Observer*. There are several other radio programmes in the vernacular Indian languages in Australia. In New Zealand, *Bharat Darshan*, *Newsletter* and *Indian Newslink* comprise the Indian ethnic media.
- 32.13. Due to the greater feedback and information available on the Net, as well as the longer traditions of freedom of expression in the print media in countries like the US, Canada and the UK, considerable, though not exhaustive, information is available regarding the ethnic media in these countries. The following sections of this chapter outline the salient features of the ethnic media in these three countries.



## Indian Media in the UK

- 32.14. The Indian media has a strong presence in the UK, both in the print and increasingly in the electronic media segments. The Indian community runs a number of ethnic TV channels, radio stations, newspapers and magazines. These tend to focus primarily on news and events related to the Indian subcontinent and help the community to remain in touch with India. Several India-based media organisations are also represented in the UK. In addition to wire services like PTI and IANS, most major Indian dailies including *The Times of India*, *Hindustan Times*, *The Hindu* etc. have full time correspondents. A number of national and regional publications also engage stringers. Together these constitute the Indian Journalists Association of the UK. The *Asian Age* is the only Indian daily to have a London edition. Magazines like *India Today*, *Cine Blitz* and *Movie Mag* also have special UK editions and maintain full-time representation in London. It is understood that *Outlook* may also launch a UK edition.
- 32.15. Indian ethnic publications cater to different sections of the community. The widest circulation ethnic publications are in Gujarati and Punjabi, as these communities constitute the two largest Indian linguistic groups in the UK. They provide their readers with a mix of community news, information about religious and cultural events and reporting on important developments in Gujarat and Punjab respectively. *Gujarat Samachar*, with a circulation of 40,000, and *Garavi Gujarati* with a circulation of 42,000, are the leading publications serving the Gujarati community, while *Des Pardes* is the widest circulating Punjabi weekly in UK, followed by the *Punjab Mail* and *Punjab Times*. *Amar Deep* is a Hindi weekly with a circulation of 40,000.
- 32.16. *Sunrise Radio*, the oldest Indian radio programme, caters to the Indian (and Pakistani) communities. The newest entrant in the news segment is *Punjab Radio*. Among other ethnic Indian radio channels are *Sabras Radio*, *Radio XL* and *Supa AM*. BBC radio also provides several hours of programming in Indian languages. Indian TV channels - *Zee TV*, *Sony Entertainment Television*, *B4U*, *Star TV* - are highly popular. Among home-grown TV companies, the market leader is London-based *Reminiscent Television (RTV)*, which offers 6 channels including *Lashkara* in Punjabi, *Gurjari* in Gujarati, *CEE* in Tamil, *Bangla* in Bengali and *Anjuman* in Urdu, and *Channel East* that provides community-based programming. In addition, Birmingham and Leicester have their own local Indian channels - *MATV* (which has now become part of RTV) and *APNA TV*. There are 3 Punjabi weeklies in the Birmingham area catering to the predominantly Punjabi community - "*The Punjab Times*", "*Des Pardes*" and "*Awaz-e-Qaum*" and a Punjabi TV Channel "*Lashkara*".
- 32.17. The decreasing level of awareness of Indian languages amongst the younger generation means that the vernacular publications are largely limited to the older generation. The youth tend to rely primarily on English-language publications. The *Eastern Eye* and *India Weekly* are the prominent English weeklies. *Asian Voice* is owned by the Gujarat Samachar group. The India Abroad weekly has a London Bureau. The younger generation has also launched its own publications - including the weekly *Asia Xpress* and *BritAsian* and monthly magazine *Snoo*. Coverage

of India in these publications is relatively limited and largely focused on Bollywood and the latest music groups.

- 32.18. The wide range of publications, combined with the growing availability of radio and TV programming, provide the Indian community in UK with the latest information on India, which plays an important role in sustaining their ties with India. Many of these organisations have close links with their Indian counterparts. Most sections of the ethnic media maintain a cordial relationship with the Indian missions in the UK.

### **Indian Media in the US**

- 32.19. Indians today are regarded as a highly qualified and educated community in many countries of settlement, but especially in the US. Their second advantage in the world of media, besides their natural intelligence, is their command of the English language. The quality of reporting and news coverage is high, as is their coverage of Indian issues. Indian Americans have therefore been relatively ahead of their other Asian counterparts in the US media. Several journalists of Indian origin have made it into mainstream journalism. The South Asian Association of Journalists (SAJA), established in March 1994, is a professional group whose goal is “to foster ties among South Asian journalists in North America and improve standards of journalistic coverage of South Asia and South Asian America”. It now has a membership of over 800 journalists of South Asian origin in New York and other cities in North America. It is not a political advocacy group and is nonpartisan. It would be extremely useful for the central nodal agency in India dealing with Diaspora affairs to maintain regular contact with a lobby of committed professionals who are developing the quality, excellence and mainstream credibility of journalists of Indian/ South Asian origin in the US, more so since in many countries Indian publications are not really influential opinion-makers and are not read by the mainstream public.
- 32.20. The list of ethnic publications in the US also runs into several pages, which is true of other parts of the world. *India Abroad*, an international newsweekly started in 1970 for the South Asian expatriate community, is the largest selling Indian newspaper published outside India. The *India Abroad News Service*, started in 1987, covers all the continents and serves 62 newspapers in four languages - English, Hindi, Arabic and Gujarati.
- 32.21. There are other countless Indian papers in all major US cities with a significant concentration of the Indian community. The Committee expresses its inability to chronicle all of them. It has therefore given here only an illustrative list. In California, the weeklies *India Post* and *India West* are popular, while *SiliconIndia* and *Siliconeer* cater to Indian IT professionals in Silicon Valley. Some of the weekly Indian newspapers published from Houston in the English language are - *Voice of Asia*, *India Herald*, *Indo-American News*, and *Indu*. In the vernacular there is *Malayalam Weekly*. From Washington, some of the publications are *India Post*, *India West*, *India Journal*, *Himalayan News*, *India Focus magazine* and *India Currents Magazine*. Other publications are *India*

*Times, India Monitor, Asia Observer, India Tribune* besides a number of other ethnic magazines. Though there are a number of local broadcast programmes, the most popular Indian TV channels are Indian satellite channels like ZEE TV, Sony Entertainment, B4U, Zee World etc. Local TV channels like *Darshan TV* and *Namaste* are also popular and focus on news and entertainment. Journals also focus on issues affecting the Indian community. The ethnic media based in Chicago includes the *India Tribune, India Abroad, Indian Reporter and World News, India Post, Indo-American News, NRI Times, Sandesh International, Gujarat Samachar, Gujarat Mitra, Malayalee Sabdam, Punjab Timez, Awaaz* (in Hindi) and *Business Times*. TV channels in Chicago are *Chitrahara Broadcasting, Sabtahiki* in Hindi, *Super Broadcasting Corp., Ektara TV, Sikh TV, Sohna Punjab*. Amongst radio programmes, there is *Jhankar, Geet Gurjari, Rang Tarang, Raunak Mela, Voice of Asian Minorities, etc.*

## CANADA

- 32.22. It is the Canadian government's policy to support ethnic TV channels. This is one of the reasons for the large number of ethnic TV and radio channels in Canada such as the *Asian TV network, A.K. Video Madhuban, Gaunda Punjab, Eye on Asia, TV Asia, Indradhanush* etc. The ethnic media in Canada is prolific and keeps the community fully up to date with news events on India. The interested and educated component of the Indian community has access to instant news and information through the Internet. The Indian community is centred around two main areas i.e. Greater Toronto Area in Ontario province and Vancouver – Surrey in British Columbia. Toronto has the highest concentration of PIOs and consequently also of ethnic publications focusing on entertainment, social and religious events and news of interest to community. These include publications in the vernaculars and in English, such as *Hamdard, Sukhanwar, Punjab Di Mahak, Sikh Press, Pardesi Punjab, Gujarat Vartman, Nawa Zamana/Punjabi Jodha, Multicultural Gazette, Bharti / Asia Times, Sada Punjab, Sanjh Savera, "Ajit" News Paper, KALA, Desi News, Sikh News & Views, Nagara Punjabi, Namastey Canada, Pragati, Ashiana, India Abroad, Asian Roots, The Indo - Canadian Voice, The Toronto Tribune, India Journal, India Post, New Canada* etc. The "Link" weekly, the "Indo Canadian Times", the *Canada Darpan* in Gurumukhi, the *Char di Kala* (a mouthpiece of separatists), are some of the papers published from Vancouver. Ms. Sushma who runs the above-mentioned TV programme *Indradhanush* also runs a 24-hour radio programme.
- 32.23. In Canada some publications are also run by Khalistani elements. There are several ethnic radio programmes such as *Punjabi Lehran* run by Satinder Pal Singh Sidhu, *Gaunda Punjab* by Joginder Bassi, *Geetmala* by Darshan Sahota and *Radio India* by Neeti Prakash Ray. A new radio programme *Hot Like Pepper* started a year ago. There is a 24-hour *Asian Television Network* run by Shañ Chandrasekhar. His telecast includes major local community events and 8 hours of programmes from *Doordarshan*, news, entertainment and movies. Other prominent weekend TV broadcasts include *Eye on Asia* by Darshan Sahota and *Asia Net TV* by Neeti Prakash Ray in Hindi, English and Punjabi.

## Prospects

- 32.24. The ethnic media abroad can become a very important vehicle for communication between the Indian public and the Diaspora. It is already helping in sensitising the latter to India's achievements and concerns. Frequently the mainstream media in many countries does not do justice to various Indian points of view on international and Indian events, even though local politicians in areas where there is a significant Indian community, may monitor their content. The ethnic media keeps contact with the free and vibrant press of India, which meets the highest world standards. This enriches their perspectives and acquaints their readers with a different point of view on major international developments. It also equips them to face the often one-sided local commentary on Indian affairs. Lack of effective communication, especially with the ethnic Indian press abroad, was in the past one of the reasons for misguided elements in some countries to support subversive movements in India.
- 32.25. Some current drawbacks need to be highlighted. One is financial. The numerous Indian ethnic publications/TV and radio stations survive on advertisement support from community sponsors rather than subscriptions. The proliferation of media to cater to different sections of the community prevents consolidation and achievement of optimum mass, which affects quality.
- 32.26. Another serious drawback is that ethnic publications carry little clout in the mainstream media and political circles. Barring a few, these publications are seldom taken seriously by younger PIOs and also the decision makers in the host country. Their role in their host countries and in strengthening relations between India and the Diaspora may therefore diminish unless steps are taken to improve quality and make them relevant to their needs. For example, one idea projected to us is that given the talent available in the highly educated Indian community in many countries including the US, some of the ethnic papers were to pool their resources, they could emerge as viable rivals to even the "mainstream" US dailies!
- 32.27. Initiatives to enhance interaction and improve the quality of the ethnic media are sure to be welcomed by PIOs as they feel that this is a medium for enlightening second-generation PIOs about India.
- 32.28. Side by side with measures to improve the quality and reach of the ethnic media, efforts should also be made in India to initiate greater interaction with mainstream Indian media personalities, many of whom are well disposed towards the land of their forefathers. A very important section of the Diaspora has been extremely successful in mainstream foreign media. People like Riz Khan, Fareed Zakaria, Shashi Tharoor, Pankaj Mishra etc. need no introduction. A number of persons from the Indian community occupy important positions in the mainstream western media including the CNN, BBC, NYT, The Daily Telegraph, Financial Times, etc. Several Indians have attained prominence in literature and films. Their presence in these organisations, which is bound to grow, contributes to a better understanding of India and a more balanced projection of issues of concern to India.

## Recommendations

32.29. In the light of the foregoing discussion, the Committee makes the following recommendations:

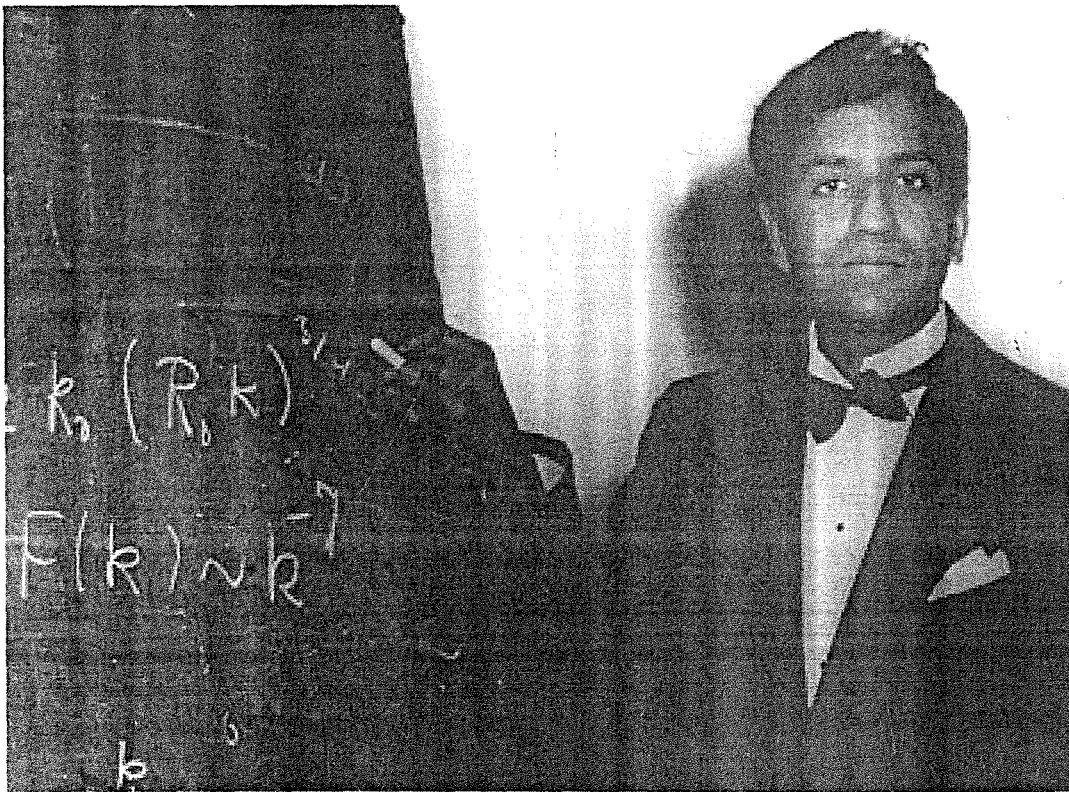
- (i) It is important to create a comprehensive data bank of ethnic media, their coverage and their circulation in the central organisation dealing with the Indian Diaspora.
- (ii) A facilitation mechanism for interaction with the Indian ethnic media should be set up in the future organisational set up that the Committee is recommending in this Report and in the External Publicity Division of the Ministry of External Affairs - to facilitate dissemination of information, exchange of views, holding of the annual convention (see below) and cultivating Editors/ journalists of the Indian media abroad. PTI, UNI and other Indian news agencies should also consider linking up with major ethnic publications worldwide.
- (iii) Conferences in India of regional PIO Editors and owners of media channels to meet Indian think tanks and prominent Indian Editors and journalists could be organised. Each conference could have a topical theme of special interest to India and its Diaspora.
- (iv) Associations like SAJA and the UK Association of Indian Journalists could be invited to specialised conferences as they are the most organised lobbies of journalists of Indian origin abroad and have links with the mainstream media.
- (v) Provision of training to technical personnel in India could be considered.
- (vi) There is scope for greater involvement of Indian Missions in establishing these linkages, which has been welcomed by the local community wherever this has been attempted.

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# Science and Technology



*Dr. Hargobind Khurana, born in India and co-winner of the 1968 Nobel Prize for Medicine and Physiology*



*Dr. S. Chandrashekar, Indian born scientist, 1983 winner of Nobel Prize for Physics*



## Importance of the Theme

The Indian Diaspora has played an important role in the field of Science & Technology (S & T). The emigration of Indians in the nineteenth century to Fiji, Mauritius, Africa and the Caribbean countries consisted mainly of indentured labour. Even among emigrants with little or no formal education, the levels of education in succeeding generations were high and some went on to achieve international recognition in their fields. However, from the mid-twentieth century onwards, emigration to the US and some countries of the West was of a different nature. Part of the reason was because those countries became more receptive to highly qualified Indian/Asian immigrants. Indian emigration thus increasingly consisted, among others, of highly qualified scientists, engineers and other professionals, also termed as the *Brain Drain*. The opening up accelerated significantly in the wake of America's IT-led economic boom in the 90s to which Indian IT professionals had made a visible, high profile and widely recognised contribution. The standing of the Indians in the scientific community is best illustrated by the fact that Dr. Chandrashekhar and Dr. Hargobind Khurana are probably the rare examples of first generation of Indian emigrants from Asia to have won Nobel Prize in Science

- 33.2. Scientists of Indian origin abroad are an organised group. They have their alumni-based and professional associations. There is thus an institutional basis for interaction with this section of the Indian Diaspora. They are also keen to contribute to their country of origin. It is, therefore, important to evolve some mechanism to deepen linkages in this field with the Indian Diaspora. They can also play an important role in enhancing India's relations with the countries of their adoption.
- 33.3. It was against this background that the High Level Committee on the Indian Diaspora requested the Department of Science & Technology to set up an Expert Group on the Role of NRIs and PIOs in S&T. The S&T Expert Group
- (i) reviewed the contributions by Indians abroad to Indian S&T programs;
  - (ii) scanned the existing mechanisms and schemes that Indians abroad can avail of, and

- (iii) recommended new avenues and institutional frameworks to network with S&T professionals of Indian Origin abroad for accelerating the pace of India's progress in science and technology. It also looked at the Chinese and Israeli systems for canalising the contribution of their immigrants to national S&T programmes.

33.4. The Science & Technology Expert Group Report reflects not only the views of the members of the Expert Group, but also the perceptions offered by the Indian Scientific Ministries, Departments and Agencies (MIT, MNES, DRDO, DBT, DOD, CSIR, ICMR, ICAR, NIC), technical education institutions, professional bodies and associations (MRSI Bangalore and CII Delhi), select national R&D laboratories, eminent scientists of international repute in India, Indian Missions in UK, USA and Israel, and distinguished scientists of Indian origin abroad. The main elements of the Expert Group's extensive study are given below:

### **Contribution to Indian S&T**

33.5. The Scientists & Technologists of Indian Origin (STIOs) abroad have received international recognition *inter-alia* in Information Technology & Computer Science, Chemical Science & Engineering, High Energy Physics, Meteorology, Biotechnology, Materials Science & Engineering and Medical Science & Health. Some of the notable and wide ranging contributions to the Indian Science & Technology are as follows:

Thus, they have set up:

- The Advanced Network Laboratory & IBM Research Centre at IIT Delhi;
- The Kanwal Rekhi School of Information Technology at Bhupat;
- The Jyoti Mehta Biosciences and Bio-engineering School at IIT Mumbai;
- The G.S. Sanyal School of Communications;
- The Vinod Gupta School of Business Management and Advanced VLSI Design Laboratory at IIT, Kharagpur;
- Chairs on Data Flow Computing at IIT Kanpur;
- The Centre for Theoretical Physics at IISc Bangalore;
- The Centre for Atmospheric & Ocean Sciences at the University of Allahabad, Allahabad;
- The LV Prasad Eye Institute at Hyderabad.

Key initiatives of great importance for the Indian pharmaceutical sector include:

- Production of affordable Hepatitis Vaccine in India by Shantha Biotech, Hyderabad, a venture spearheaded by an Indian expatriate who returned to India; complete genome sequencing

of Indian isolate of Hepatitis-C virus that causes chronic hepatitis in collaboration with US-based Indian scientists.

- Award of contract research assignments by American Pharmaceutical Companies to Indian R&D laboratories on development of new drug molecules. They have also facilitated access of Indian scientists to:
- Research facilities like Cancer Cell Lines at the National Cancer Institute;
- Cancer Cell Lines at Harvard Medical School to test the HCG Vaccine & antibiotics for treating/prevention of lung cancer;
- Facilities at Bethesda, Maryland for testing anticancer and anti-AIDS compounds;
- Facilities at John Hopkins University to test neem extracts for their activity against malarial parasite;

In addition they are collaborating in:

- Studying the feasibility of setting up a Neutrino Observatory in India;
- Installing numerical models for medium range weather forecasting & long-term prediction of monsoons;

They also facilitated the:

- Participation of Indian scientists from NPL (Delhi), ISRO (Trivandrum), PRL (Ahmedabad), IITM (Pune), IISc (Bangalore) in a major international program - the Indian Ocean Experiment (INDODEX) ;
- Successful negotiations for placement of Indian post-doctorate fellows in premier academic-research institutions abroad for advanced research internships and training attachments in cutting-edge fields such as (i) interfacial science & colloidal phenomena, lipids research, hydrocarbon chemistry; (ii) distributed computing & verification, quantum computing, VLSI, graphics & automatic reasoning systems; (iii) prediction & long-term variability of monsoons, climate change and impact on Indian-sub-continent, prediction of tropical cyclones; (iv) RF/RHD vaccine development, functional genomics, viral hepatitis, interferon research; (v) thin films, nonmaterials, neutron scattering of materials, ceramic materials, semiconductor physics.
- Mobilising Indian professionals abroad for CME for Indian Pathologists under the aegis of the Indian Association of Pathologists & Microbiologists; Asian Schools on High Energy Physics; meetings under the aegis of Oil Technologists Association of India etc.

## Current Mechanisms to Interact with Indian Scientists Abroad

33.6. The S&T Expert Group noted that the following mechanisms existed to interact with Indian scientists abroad:

- Bilateral programs of cooperation in S&T and autonomous societies for Promoting S&T cooperation coordinated by the Department of Science and Technology. These included the Indo-US S&T Forum, Indo-French Centre for Promotion of Advanced Research, DST-NSF cooperative program for scientists and engineers, DST-DAAD Project based personnel exchange etc. through which distinguished STIOs are invited to India (besides sending Indian scientists to premier overseas academic and research institutions). Such instruments of cooperation are co-financed by the two sides, be it Governments or Specialized Agencies. Linking STIOs with the Indian Technology Development Board is a means for setting up joint ventures in India based on technologies developed by Indians abroad.
- STIOs are more familiar with the *The Transfer of Knowhow Through Expatriate Nationals* (TOKTEN) -India Program. TOKTEN enabled 650 STIO professionals to visit 250 Indian institutions during 1980-2001 and rendered benefits to Indian S&T programs particularly in fields of high performance construction materials, drug, diagnostics and medical instrumentation, agricultural biotechnology.
- Recent initiatives by US-based alumni of IITs for providing an endowment of Rs. 60 crores to IIT Kanpur and Rs. 30 crores to IIT Kharagpur for upgrading infrastructure and human resource development have been warmly welcomed and provided a useful model for tracking their respective alumni to other Indian premier academic-cum-research institutes.
- Advisory Panels with eminent NRIs & PIOs members set up by the Department of Biotechnology and the Ministry of Information Technology have catalysed technologies and investments into India and led to several IT and BT Joint Ventures, besides keeping Indian research initiatives up-to-date with global trends and policies in the biotechnology and information and computer sciences.
- Conferment of honorary fellowships by Indian professional scientific and technical societies and Academies which attracted many STIOs to India as resource persons for major Conferences and Seminars on cutting-edge technologies and scientific developments in India.

## Comparisons with Israeli and Chinese Programmes

33.7. The S&T Expert Group studied the programmes to draw upon the resources owned by expatriates by the Government of Israel and the Government of the People's Republic of China for accelerating their national capabilities in S&T and industrial productivity. Its replicability in the Indian context is, however, limited by the fact that Government of India does not so far subscribe to dual citizenship and dual employment norms.

- Under Israel's "National Incubators Programme", 50% of the team of entrepreneurs for specific R&D projects is composed of immigrants (foreigners & returning expatriates). In the Indian context also – by inducting STIOs or foreigners in Indian Technology Entrepreneur Parks / Software Technology Parks / Export Zones, one can tap the creative potential of highly talented people from abroad equipped with state-of-the-art knowledge to work with resident S&T professionals to produce novel products and boost India's industrial productivity.
- In the Chinese model - a full-fledged State Administration of Foreign Experts Affairs (SAFEA) has been set up. In addition the China Association for International Exchange of Personnel (CAIEP) views in totality issues relating to the introduction of foreign intellectual resources into Chinese national programs and arranges partners through annual International Fairs tabling all the requirements of local Chinese enterprises. In the Indian context it may be useful to set up a full-fledged autonomous organisation with overseas offices in countries having maximum concentration of NRIs and PIOs. The Government of India, State Governments, Indian Industrial Associations as well as Associations of Overseas Indian Scientists, Technologists, Medical Practitioners etc could patronize such an outfit. Its functions could be similar to those of SAFEA. The Ministries of the Government of India could associate themselves with the activities and initiatives of such an organisation, such as International Fairs for negotiation of Indian projects of SMEs, Research Institutes with Overseas Indians to induct state-of-the-art technology and expertise for modernizing production.

### **33.8. Recommendations of the S&T Expert Group – Comments of the High Level Committee**

#### **Launching and managing Web-enabled registration of STIOs abroad**

(para 3.1 of the S&T Expert Group report)

The Committee agrees for launching and managing web-enabled registration of Scientists & Technologists of Indian Origin (STIOs) abroad.

#### **Setting up Joint Venture companies in India with technologies sourced in by STIOs abroad:** (para 3.2 of the S&T Expert Group report)

The Committee agrees with the recommendation for setting up joint ventures in India based on technologies sourced by STIOs abroad in association with Technology Development Board.

#### **Establishment of Green Corridors for joint ventures in selected high tech areas:** (para 3.3 of the S&T Expert Group report)

The Committee agrees with the recommendation for establishing Green Corridors in areas such as Information Technology Hardware, Biotechnology, Health-promoting Technologies and Environment related Technologies with quick clearance system for joint ventures to be set up rapidly and smoothly in India.

**Scheme for Visit of distinguished STIOs to India:** (para 3.4 of the S&T Expert Group report)

The S&T Expert Group has recommended that a scheme may be launched whereby Distinguished NRIs/PIOs make four short-term visits in two years on specific assignment; this assignment should be supported by evidence that the interaction between host and the visitor will be highly productive due to their earlier connection. The S&T Expert Group have suggested that this scheme could be framed on the model of Fogarty Scholars in Residence of NIH, USA (para 3.5 of S&T Expert Group report).

Whereas the Committee is of the view that such interaction with distinguished NRIs/PIOs with their counterparts in India in the field of S&T needs to be encouraged, the financial implications for such visits need to be worked out by DST and the number of visits decided accordingly.

**Scheme for contact programme of STIOs with Indian peers:** (para 3.5 of the S&T Expert Group report)

The S&T Group has recommended that the Government of India must play a catalytic role in setting up informal and quick connectivity between STIOs (particularly those who are based in English speaking countries like USA, Canada, UK, Australia, France, Germany, Singapore etc) and their counterparts peers in India.

The S&T Expert Group has also recommended hosting upto 100-150 visiting scientists annually with international travel, honorarium (equivalent to Fellowship of Rs.25,000 to *Swaranjayanti* Fellow), accommodation, domestic travel expenses which could be borne by DST.

Whereas the Committee is of the view that such contacts should be encouraged, the financial implications for such visits need to be worked out and the number of visiting scientists could accordingly be decided by DST depending on budgetary allocations.

The S&T Expert Group has also recommended creation of database on active Indian researches that could be uploaded by DST on Internet and have also suggested the model format/information grid for the database. The Committee agrees with this recommendation.

**Scheme for Indian S&T professionals (post-doctoral level) attachment in foreign labs (for research internship & training facilitated by STIOs abroad):** (para 3.6 of the S&T Expert Group report)

The S&T Expert Group has stated that a few Universities abroad are the popular destinations for Indian post docs and Ph.D students and are hosted through a proactive role played by STIOs who are on faculty of Universities & Research Labs. S&T Group has recommended that STIOs abroad could be instrumental in setting up inter-Institutional MOU for exchange of research scholars thus making way for advanced training and research of Indian S&T professional in specialised laboratories abroad through award of internship and training attachment. Exchanges arising

from such MOU could be made part of the bilateral Programme of Cooperation (POC) in S&T with co-funding by agencies executing the POCs.

The Committee agrees with this recommendation.

**Scheme for Indian S&T professionals' (senior scientist level) visit to laboratories of STIOs Abroad (on short-term assignments):** (para 3.7 of the S&T Expert Group report)

S&T Expert Group has recommended that it would be useful to have a scheme by which promising young Indian scientists of up to 45 years could visit labs of NRI and PIOs on short assignment of 2-3 months. To ensure that such visits are mutually beneficial, the two sides could share the expenses. It would be useful to cover such requirements under the recently set up Indo-US S&T Forum, DST-NSF Programme in S&T, Indo-British S&T Partnership, DST-DAAD and DST-JSPS Fellowship Programmes coordinated by DST.

The Committee agrees with this recommendation, the details of which may be worked out by DST in consultation with the concerned agencies/organisations abroad.

**Connecting STIOs abroad with Indian professional scientific, engineering and technical societies:** (para 3.8 of the S&T Expert Group report)

Empowerment of Indian Professional Associations, Societies in Science & Engineering to invite STIOs abroad to their annual meetings and the satellite seminars and conferences on emerging trends and new developments in specific discipline of S&T.

The Committee agrees with this recommendation.

**Establishing autonomous "Society for Technical Cooperation through Global Indians" (with corpus fund of Rs. 20 crores, sponsoring 2000 visits annually, facilitating introduction of 100 technologies into India)** (para 3.9 of the S&T Expert Group report)

It has been suggested that Government of India may set up a Society for Technology Cooperation through Global Indians. This Society's mandate could be to harness expertise and know-how with foreigners and Indians abroad that is beneficial to Indian industry, research and academic institutions; provide contingency support for joint research and technology development projects and facilitate exchange of information between NRIs and Indian industries problems.

Whereas the Committee agrees with this recommendation in principle, the details need to be worked out by DST in consultation with the concerned departments/agencies.

**Provision in Indian Scientific Agencies Extramural Research Schemes for participation of STIOs abroad as Visiting Scholars or Research Consultant (in Indian research and technology development projects):** (para 3.10 of the S&T Expert Group report)

S&T Expert Group has stated that there is a merit in amending the Extramural Research Schemes of Indian Scientific Agencies on the model of DRDO. The Group has recommended that as a policy, affiliation of high calibre scientific and technical person from abroad (in particular STIOs abroad) as Visiting Faculty or Research Consultant in research projects may be encouraged. Such a step will enlarge the knowledge base required to meet the research project objectives.

The S&T Group has recommended that the Application Form for Research Grant of various Indian Scientific Agencies be revised to contain a section on visiting Faculty or Research Consultant along with their financial entitlements to meet expenses on international travel, accommodation, daily allowance and incidentals payable out of project grant, which have been suggested by the S&T Group (para 3.11 of the S&T Expert Group report).

The Committee is of the view that this needs to be examined in detail by the DST.

**Dissemination of Government guidelines for engaging NRIs & PIOs for national tasks:** (para 3.11 of the S&T Expert Group report)

The S&T Expert Group has recommended flexibility in engaging nationals overseas in home country's academic institution and R&D laboratories for specific national tasks. For this purpose, the S&T Group has stated that the existing Government guidelines for engaging NRIs & PIOs including grant of employment visas may be given wider publicity and made known to all and in particular to the University and R&D Labs. They have also recommended that these guidelines may be revised as and when necessary.

The Committee agrees with this recommendation for which necessary action may be taken by the Ministry of Home Affairs and the Ministry of External Affairs.

**Models and successful practices for utilising expatriates including those with S&T background in China and Israel :** (Para 4 of S&T Expert Group report).

The S&T Expert Group has studied the nuances of the programmes to draw upon the expatriates by Government of Israel and Government of the People's Republic of China for accelerating capability in S&T and industrial productivity. The Group has stated that its replicability in the Indian context is limited by the fact that the Government of India does not so far subscribe to dual citizenship and dual employment norms.

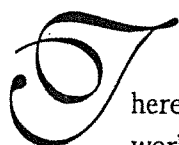
The Committee recommends that the Department of Science and Technology makes an in-depth study of these and other models and submit a detailed proposal to the Government, which is suitable for India taking into account our requirements for boosting India's industrial productivity.

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# Philanthropy

## Introduction



There is a vast reservoir of untapped goodwill for India amongst the Indian Diaspora all over the world. It has contributed in national emergencies like the Kargil War, the cyclone in Orissa and the earthquakes in Maharashtra and Gujarat. It has donated generously to charities in India for reconstruction, disaster relief, rural development, literacy, child-care and women's empowerment. PIOs in every part of the world have contributed massively to these and other causes. More than the Indian community in Kuwait contributed Rs. 3.4 crores and 11 containers containing relief material towards the PM's Relief Fund in the wake of the Gujarat earthquake.

- 34.2. Contributions are made either on an individual basis or through religious groups, student organisations or other Indian associations abroad. These have been received from all sections of the Indian Diaspora, irrespective of income differentials.
- 34.3. Overseas Indians demonstrate the same attachment to their ancestral villages and towns as members of the Chinese Diaspora. Contributing to their native villages is a pattern that has been observed in the philanthropic activities of the Chinese Diaspora also. This phenomenon was actively encouraged and facilitated by the Chinese authorities at all levels. With increasing familiarity with their ancestral homeland, overseas Chinese eventually returned not just with donations to build local schools and roads, but also with investments and funds that spurred the economic boom in China. The example of the Italian and Lebanese Diasporas, both of which contributed substantially in the postwar reconstruction of their homeland, is also relevant.
- 34.4. Philanthropy and love of India are deeply rooted in the Indian ethos. Charity is considered good for the soul. Giving gives the giver a sense of fulfilment and is, therefore, regarded by the Diaspora as a kind of payback to its mother country.
- 34.5. If the Indian Diaspora is to be made as effective a partner in India's development as the Chinese Diaspora, policies need to be devised to induce a greater flow of funds for development purposes. The historical origins of the Indian Diaspora being different from those of the Chinese, the means at their disposal are naturally comparatively limited. Nevertheless, a sizable number of the Indian

Diaspora have reached equivalent status with their Chinese business counterparts and India needs to learn from the Chinese example in the matter of encouraging a greater sense of belonging in its Diaspora.

- 34.6. The purpose of this Chapter is to explore the potential for strengthening, leveraging and facilitating contributions from overseas Indians for development and philanthropic projects in India. This cannot be a one-way affair. Overseas Indians feel enriched by the act of assisting development work in India, but they must be made to feel welcome and appreciated in their homeland.
- 34.7. Unfortunately, it is found that a plethora of rules and regulations, indifference and even hostility of the government machinery frustrate the efforts of genuine NRI/PIO philanthropists. NRIs/PIOs in their turn doubt the bureaucracy's capacity to deliver and prefer dealing with NGOs/private organisations known to them or those that have a good track record in implementation. On the positive side, the Government is aware of the need to expedite inflows for genuine development programmes and district administrations are increasingly involving grassroots NGOs in peoples' welfare and development programmes. This tackles the problems of lack of accountability that NRIs/PIOs complain of while dealing with the bureaucracy, and at the same time provides the necessary institutional support to overcome the fractiousness of many Indian and overseas Indian NGOs. The emergence of committed and cost effective NGOs in India and abroad, therefore, bodes well for the prospects of cooperation between overseas Indians / their NGOs and their Indian counterparts to further the task of development.
- 34.8. There is a regrettable absence of reliable and systematic data relating to the contribution of the Diaspora in the varied areas of philanthropy. Our Missions have no mechanism to collect data on Diaspora philanthropy, nor is such data kept and interpreted systematically by any official authority or research organisation in India. It is, therefore, difficult to analyse the trends and areas of preference so far as Diaspora contributions are concerned. It is equally difficult to compile a representative list of the organisations or individuals making such contributions. Though the outstanding contribution of many committed individuals in terms of their skills, time and money is well known, we are at a loss when it comes to its documentation.
- 34.9. The Committee's interactions with the Diaspora have provided eloquent testimony to the generous impulses that abound in the Diaspora. What is important is to facilitate and channelise Diaspora philanthropy and to secure proper and adequate recognition for it. It is also important to study the obstacles the Diaspora faces in making remittances and in funding and implementing its projects in India. A number of useful suggestions have been received by the High Level Committee that will be discussed in this chapter. Information has largely been gathered from discussions with Central and State Government representatives, from Indian and Diaspora NGOs, anecdotal evidence and websites. The US-based Diaspora organisations posted considerably more information on their websites as compared to similar organisations in other parts of the world. We hope that in due course, a comprehensive database would be created for Diaspora philanthropy. The Committee is, however, confident that its projections are well founded.

## 1. Contributions: Individual Donations

- 34.10. As already mentioned, Indians display the same emotional attachment to the homeland as the Chinese Diaspora does. A few of the innumerable and mostly undocumented instances are given below as illustrations. Since there is a separate section on individual Indian American philanthropists, particularly from the Silicon valley, in the Chapter on North America, only a few have been mentioned here as examples. Dr. Jagadeesh's contribution is mentioned because he faced persistent problems in donating computers to municipal schools in Bangalore, a problem that has resurfaced repeatedly with others. B.V. Jagadeesh, a co-founder of Exodus Communications of the US, donated \$ 1 million for uplifting municipal schools in his hometown. His enthusiasm was matched by the Chief Minister Shri S. M. Krishna, Corporation Commissioner Jairaj and Infosys MD Shri Nandan Nilekani, who heads the Bangalore Urban Taskforce. He is also supporting the Indian School of Business in Hyderabad.
- 34.11. Shri Om Dutta Sharma, a taxi driver in New York, set up a school for girls in his village of Doobher Kishanpur in his mother's name. Salaries to the teachers were paid out of the savings of Shri Sharma and his wife. This moving example motivated several US citizens to donate funds for his school. It is also reported that the story so moved an American lady that she set up a school in India in her mother's name.
- 34.12. The contribution of one individual can make a difference to thousands of people, as is illustrated by Dr. Pailla Mala Reddy, President and CEO of Bactolac Pharmaceuticals, from New York. He allocated more than 20 % of his annual income to build a model village in his native Andhra Pradesh without any Government assistance. This included a rest house for travellers, new roads, a women's technical training institute, a primary healthcare and community centre, school buildings and 2 temples. He set up a trust to pay old age pensions to 50 village elders and a scholarship fund to help poor college students. The Government subsequently sanctioned several supplementary developmental works for the village. He is actively involved with the *American Telugu Association* and donated \$ 12,000 to a cancer hospital in Hyderabad.
- 34.13. Dr. Boodhun Teelock, a Mauritian of Indian origin and former High Commissioner of Mauritius in the United Kingdom, donated 16,000 Pounds Sterling equivalent to Rs. 1 million - for development work in his ancestral village in Bihar, which he traced with enormous perseverance and with the help of the Mahatma Gandhi Institute. Despite persistent attempts to identify an implementation agency by him and the High Level Committee, there was no concrete response from the authorities in Bihar. Dr. Teelock finally sent the money to the District Magistrate in the hope that his dream project for his ancestral village would be realised.
- 34.14. Mr. M.L. Pindolia, Chairman, Hindu Council of Africa, Kenya, set up a Trust called Shri L. R. Pindolia Charitable Trust, Kundanpur, Bhuj, through which he is funding water retention projects, education, health and sports facilities for the villages in Bhuj. Other noteworthy contributions are by Mr. Gopal Savjani & Mr. Ramesh Bhutada, eminent industrialists who run the Indian Disaster Relief Fund, Dr. Paul Likhari of the Indo-American Charity Foundation and Dr. Sunita

Moonat who runs the Indian Doctor's Club Charity Clinic. Numerous instances of Sikh PIOs who have funded all sorts of facilities in Punjab have been heard of, besides many others.

- 34.15. A prominent UK PIO businessman, Raj Loomba started the Shrimati Pushpa Wati Loomba Memorial Trust in memory of his mother with the help and guidance of the then High Commissioner for India. The Trust educates the children of poor widows in India. It was officially launched in London in 1998 in the presence of Prime Minister Tony Blair. Mrs. Cherie Blair, the wife of the Prime Minister of UK is the Patron. Our Prime Minister, Shri Atal Bihari Vajpayee inaugurated the Trust in India in 1999. The Trust has funded the education of 200 children in Delhi and Orissa and 100 children whose mothers were widowed in quake-hit Gujarat. The Trust also aims to fund the education of 100 children from all States. Mr. Loomba has the distinction of being named the Asian of the Year in 1997 for community services.
- 34.16. Mr. Loomba is also one of the many examples of PIO industrialists who wanted to invest in manufacturing in his home State of Punjab but found that even importing a sample of yarn for demonstration purposes was frustrated by the customs authorities. Today he has invested in manufacturing facilities in China where he got a very different reception. This concrete example has been cited in order to illustrate the nature of problems manufacturing investment has to face in India. It is unfair to blame the foreign investor when even the Indian investor finds it hard to negotiate the labyrinth of bureaucracy. The share of the manufacturing sector in India's economy has shrunk to just above 20% and the need for structural and administrative reforms is self-evident.

## **2. Contributions from Religious and Ethnic Associations**

- 34.17. A very substantial amount for educational purposes and development activities comes from ethnicity-based and religious foundations. The ethnic, linguistic and regional cultural Associations like the Telugu Association of North America (TANA), Federation of Kerala Associations in North America (FOKANA), Federation of Gujarati Associations in North America (FOGANA), the Bengali Association of North America (BANA), and Maharashtra Mandals, which are based in many countries, etc. fulfil similar functions for their original home States. In the UK, organisations based on regional or ethnic alignments are the Confederation of Gujarati Organisations, Andhra Association, Bengali Association, Goan Association, British Malayali Association, Punjab Unity Forum etc.
- 34.18. In the latter category, i.e., religious centres such as temples, gurudwaras and mosques, act not only as community cultural centres for the Indian Diaspora, but also as centres of education and raising funds for charitable works for the community and for India. Almost all religious denominations in India have their representative bodies in the US and the UK, for example. More and more places of worship are under construction in these and other countries reflecting the increase in the strength of the respective Indian communities. They also frequently have counterpart organisations in India that reduce overhead costs of charity works substantially.

- 34.19. The Swaminarayan Foundation has made a contribution to building schools and relief work. The Agha Khan Foundation, Vedanta Societies and the Ramakrishna Missions abroad have been involved for years in charity work in India. Several religious organisations stepped in to do commendable work in post-earthquake hit Gujarat. The Bohra community living in East African countries and in the West, the Hindu Council, The Hindu Swayam Sewak Sangh, the Vishwa Hindu Parishad, Chinmaya Missions, the Sikh Supreme Council and the Cutchi Leva Patel Samaj of Kenya contribute to charities or relief works in India. The American Foundation for Muslims in India supports several charitable causes, including a mission to spread awareness on AIDS prevention. Since Christian charities receive funds mainly from foreign organisations, they have not been included for discussion here. In Canada alone, a representative sample of religious organisations brought to the attention of the Committee is as follows - the Council of The Muslim Community of Canada, the *Jain Society*, the *Vedanta Society*, *Sri Sathya Sai Organisation*, *Sanatan Mandir Cultural Centre*, Scarborough Muslim Association, *Hindu Swayam Sevak Sangh*, *Hindu Prarthana Samaj*, *Hindu Sabha Bramalea*, *Guru Ravidas Sabha*, *Nanaksar Satsang Sabha* and the *Swaminarayana Hindu Temple*. Indians settled in the UK have formed various social and cultural organisations. Among the religion based organisations are the Hindu Cultural Society, Indian Muslim Federation, *Ahmadiya Muslim Association*, *Dawoodi Bohra Community*, *Arya Samaj*, *Jain Samaj Europe*, Sikh Forum, *Namdhari Sangat*, *Zoroastrian Organisation*, Indian Christian Organisations, *Ambedkar & Buddhist Organisation* etc.
- 34.20. *Sewa International* of the UK, raised an enormous amount of funds for the Gujarat earthquake and other causes through individual donations, fund-raisers and group contributions from the Indian community and religious organisations (temples, gurudwaras, Muslim charities, schools, and sports, social and cultural organisations). The *Bharat Hindu Samaj*, *Arya Samaj*, the *Fatemi Trust* of the *Dawoodi Bohra Welfare Society* (Leicester), Northampton's Hindu Community, The Hindu Society along with the Indian Society at the London School of Economics and Political Science contributed funds to *Sewa* for the Gujarat earthquake and other causes. The *World Federation of KSIMC* in England, a leading Muslim Charity, is working with *Sewa International* in its efforts to collect donations. *Sewa Mandal*, a group in East London held a prayers & *Ras Garba* evening which immediately raised funds for *Sewa International's* Quake Appeal, one of several such events organised by different groups.

### 3. Philanthropy from the United States

- 34.21. Indian Americans, who besides their genuine love for India have also been influenced by the local US traditions of philanthropy, have been contributing in a major way towards welfare in India, especially in the economic and social fields. Large donations have been received from Silicon Valley-based Indians towards educational projects, including towards institutions providing higher and specialised education programmes, such as the IITs, which have already been described in an earlier Chapter on North America. There are a number of organisations supporting welfare projects such as child welfare and literacy programmes, and other rural projects in different parts

of India. Donations from the US-based Indian community are substantial and also the best reported as most organisations host websites. Indian student groups in the US tend to be more concerned about contributing for development than for religious purposes.

### **The India Development Service (IDS)**

34.22. The *India Development Service* (IDS), founded in Chicago in 1974, is a non-profit, totally voluntary, non-sectarian and non-political organisation that supports grassroots economic and social development programmes in India that benefit all individuals regardless of caste, creed or sex. The founding members, Mr. Hiremath and his wife, returned to India to start the Medleri project in a village in Karnataka. They formed dairy cooperatives and fodder farms, and conducted camps for adult literacy, education, training and health. This project was extended to cover more than 25,000 people in 21 villages. IDS now has support groups in several cities and university campuses across the United States. Some examples of projects supported are: a Development Project in Maharashtra for Empowerment of Women; the Campaign for Sustainable Agriculture or *Sita Sheti*, also for women; the *Yusuf Meherally* Project near Panvel and Pen near Mumbai on afforestation; *Vikasana* in Chikmagalur, Karnataka on environmental issues, advanced farming techniques, and training for women; *Asha* in Pune, Maharashtra to counsel battered women; *Samaj Parivartan Samudaya* in Dharwad district of Karnataka, an environmental action group. It recently won a battle in the Indian Supreme Court against the State government over common grazing lands given away to a paper mill. The *Vigyan Vahini* project at Pune, a Mobile Science laboratory staffed by volunteer teachers that imparts practical science education to village school children in Maharashtra, is another laudable initiative launched by Dr. Madhukar Deshpande, who returned from the United States after working there with the IDS.

### **Association for India's Development (AID)**

34.23. Indian students in the United States have organised an Association for India's Development (AID), which supports projects in India and has non-profit status in the United States. AID chapters have been set up in prominent American universities. AID students visit India at their own expense to work in remote villages. AID chapters have targeted to collect US \$250, 000 for 10,000 villages out of their personal scholarships and other earnings, and leverage that with the funds at the disposal of Indian NGOs.

### **The American India Foundation (AIF)**

34.24. The American India Foundation was founded in February 2001 by a group of prominent Indian Americans and former President Clinton following the Gujarat earthquake. It is dedicated to helping India by partnering with existing NGOs. It also enjoys tax-exemption status. Its members include Bill Clinton, Victor Menezes, Chairman & CEO, Citibank, and Rajat Gupta, Managing Director of McKinsey & Company. It has appointed a full-time coordinator in India. The High-Level Committee met with AIF office bearers and learnt of their ambitious plans for the future.

According to the information on their web page (quoted almost verbatim), the American India Foundation has already raised over \$4 million and plans to raise \$25 million by the end of 2001. It aims to be the premier US-based foundation focused on relief and development in India. In March 2001, AIF sent doctors from the US to Gujarat for microsurgeries on earthquake victims under *Project Swasthya*. It sponsored a visit by the former head of FEMA, James Lee Witt, to facilitate the development of a national Indian disaster mitigation plan. It plans to develop a Disaster Management Resource Centre to mitigate and respond to future disasters.

- 34.25. A very significant initiative is the launching of its India Service Corps composed of qualified second generation PIOs (age between 20-35 years) to work on projects in infrastructure, education, agriculture, health, sanitation and economic development (micro credit, income generation, lending) with leading non-governmental organisations in different Indian States. The majority of the projects for this year's pilot-program are focused on rehabilitation and reconstruction of Kutch, Gujarat. A smaller project located in Bangalore, Karnataka, is aimed at bridging the "digital divide" by setting up PC learning centres for underprivileged children. Participants in the pilot Service Corps represent some of the best talent in the US and come from some of its top schools. AIF is teaming up with organisations on the ground in India like *Abhiyan*, a leading national NGO. Following the pilot program, the Foundation plans to launch a larger program that will send as many as 100 volunteers throughout India annually to complete service projects. The program aims to channel a ground swell in Asian-American activism and a growing interest in India. These young people have the potential of acting as India's Ambassadors in their home country thus creating a lasting bond between future generations. These are worthy goals that India must facilitate and ensure that their youthful idealism is undimmed and properly channelised.

### **The American Association of the Physicians of Indian Origin (AAPI)**

- 34.26. The AAPI, one of America's premier ethnic medical associations, with a membership of 35,000 physicians, is committed both to India's development and to facilitate Indian American physicians to excel in their profession. Some of the activities the AAPI Charitable Foundation is involved in conjunction with NGOs or governmental agencies are - 13 free clinics across India, Gujarat earthquake rehabilitation efforts, improving burns, trauma and disaster management, medical education programmes and AIDS prevention and equipment donation. Existing medical and charitable activities in India include The Arpana Charitable Trust in Haryana, The Rotary Hospital connected with the Kasturba Medical College in Manipal, The Eye Hospital in Vyara, Gujarat, Eye camps in cooperation with Volunteer Eye Surgeons International, Latur Hospital Medical Centre, Maharashtra, B.J. Medical College, Pune, and Children's Health and Welfare Foundation, Uttar Pradesh.

### **Counterpart International**

- 34.27. The Indian chapter of the Washington-based Counterpart International runs a healthcare programme for children in the slums of Ahmedabad. Counterpart works closely with the United



States Agency for International Development (USAID), which is funding its ongoing child healthcare programme called *Jeevan Daan* (Gift of Life). The programme will reach out to 250,000 slum dwellers in the industrialised region of Gujarat. As part of the programme, Counterpart will build the capacity of local NGO partners to implement sustainable health programmes.

### **CRY US Chapters**

34.28. CRY Inc., a branch of India's famous CRY, is a volunteer-driven organisation across 25 Action Centres in the US.

CRY Inc. supports 37 projects in India dealing with a wide range of issues concerning children and the underprivileged sections of society. The projects are truly praiseworthy, targeted at needy children and women and are too many to enumerate. CRY's work does not require any publicity in India, being extremely well known. Details are available on CRY's webpage.

### **Pratham USA**

34.29. Pratham USA, based in Houston, with chapters in New York, Los Angeles and Chicago, was established in 1998 by Mr. Vijay Goradia, CEO of Vinmar International. It has been doing educational work with slum children of Delhi and Bombay. It has initiated the India Education Foundation to support grassroots efforts to eradicate illiteracy from India. Over a million dollars have been raised and sent to India in the last 3 years.

### **Asha**

34.30. In 1991, students at the University of California - Berkeley started Asha to provide basic education for underprivileged children in India in cooperation with several non-governmental and governmental organisations in India. Asha, a non-profit voluntary organisation, has 35 chapters in the US, India, Canada, Australia and Singapore and in 2000 raised nearly a \$1,000,000 for more than 125 projects in India. All the chapters keep overhead costs to zero, thus ensuring that the funds are actually utilised for projects. The innovative *Work an Hour* fund-raiser in which donors contribute just one hour of their pay towards educating underprivileged children in India, which is being organised by Asha annually since 1998, has succeeded in raising progressively larger amounts each year.

### **India Development and Relief Fund (IDRF)**

34.31. The India Development and Relief Fund (IDRF), established in 1976, to provide funding for *Seva* projects in the United States and in India in educational, medical and social service areas, is based in Houston. IDRF is a tax-exempt organisation. IDRF has raised US \$ 5.5 million in the past decade. It supports grassroots NGOs serving disadvantaged, impoverished, illiterate and disabled people. Dr. Vinod Prakash, the moving spirit behind IDRF, monitors progress. With other local organisations, it raises funds for well-established, volunteer-run, non-profit organisations in India and the United States. It raised major funds for the Latur earthquake, Kargil relief, and Orissa

cyclone victims. For raising US \$303,000 for the rehabilitation of victims of the 1993 Maharashtra earthquake, IDRF was awarded the designation of America's top voluntary NGO. Last year, IDRF disbursed \$668,000 to 98 NGOs, mostly in India.

### **Rejuvenate India Movement (RIM)**

34.32. Groups of Indian Americans have launched a "Rejuvenate India Movement" to collaborate with voluntary organisations in India - like Indians for Collective Action, Association for India's Development, People for Progress in India and *Asha* - for social regeneration through citizen empowerment and volunteerism. There are 50 chapters in various cities of the US and 500 members have offered to fund various schemes. The RIM is drawing up a list of volunteers willing to live and work in India for extended periods at places and projects of their choosing. Priority projects are in the fields of health, hygiene and sanitation.

## **4. Philanthropy from the United Kingdom**

34.33. *Sewa International*, UK, supports a variety of other initiatives in India besides the work already described - relief for the severe draughts in Gujarat and Rajasthan, projects for supporting children, schools for the children of displaced families in Jammu & Kashmir, a huge relief operation following the super-cyclone which hit Orissa, help for the families of the Kargil martyrs, a leprosy colony including a hospital at *Bharatiya Nivarak Sangh Ashram* in Champa District, Bilaspur, Madhya Pradesh, which also runs a school and a community centre. "SWA" - *Roopwardhinee*, in association with *Vigyan Bharati*, caters to disabled school children in the villages near Pune. Help is being extended to *Gurukula* school started in 1995 in Hariharpura village in Chikmagalur, Karnataka. In conjunction with *Kalyan Ashram Trust* (UK), *Sewa International* also funded a hostel and school in Tripura. Its Canadian branch is also very active and serves underprivileged children in India. Since other organisations have high overheads, the trend now is to give directly to *Sewa International*, which has no administrative charges.

34.34. One saddening story has been reported from a UK-based PIO NGO. The Overseas Indian Association established its trust in India for implementation of a health and education project in 1994. Though they built a high school for the poor in village Morajpur, Dist. Bulandshahr, UP, they have failed to date to get recognition from the State Education Department. Similar indifference and delays have obstructed holding of medical and eye camps for the rural poor. The lack of support has hampered the import of essential medicines and medical equipment from the UK. They have also failed to get essential facilities like telephone connections and electricity supply. Their office in Delhi has been illegally occupied. They are also facing problems in getting FCRA clearance. One is not aware of how many other such well-meaning organisations are suffering in similar conditions.

### **Overall Philanthropic Contributions**

34.35. In the decade of 1991-2000, total foreign contributions for the voluntary sector including all PIO contributions of Rs. 3924.63 crores or US\$ 835 million (at current exchange rates) were received.

As mentioned earlier, desegregated data on contributions by PIOs is not available. America was the top foreign donor country at Rs 5260.37 crores. During 1999-00, the following 17 States / Union Territories received foreign contributions over Rs. 15 crores or US\$ 3.2 million in descending order - Delhi, Tamil Nadu, Andhra Pradesh, Karnataka, Kerala, Maharashtra, West Bengal, Uttar Pradesh, Gujarat, Orissa, Bihar, Madhya Pradesh, Himachal Pradesh, Rajasthan, Punjab, Meghalaya and Assam. The highest amount was received for rural development, followed by healthcare and family welfare, orphan care, construction and help for the poor, aged and destitute.

## 5. Work Done in the Various States of India

### State Level Interaction

- 34.36. Following the economic liberalisation programme launched under the 1991 reforms, nearly all State Governments have created offices to deal with FDI/NRI/PIO investments. In some cases, the office dealing with investment also deals with NRI/PIO matters and offers the same range of incentives to all categories of investors. One innovation reported was that some Offices of Resident Commissioners in Delhi had been authorised to act as a facilitation point for liaising with the districts in order to expedite investment and other matters. This could be a useful model towards decentralisation and expediting development.
- 34.37. Very few, however, have specialised offices to deal with the multidimensional aspects relating to PIO philanthropy, which may include donations of funds or *services* and active involvement in the implementation of projects, as many of the implementation issues arise at the State level. These include liaison with the police, local district administrations, PWDs, SEBs, investment promotion bureaus, education and welfare departments, schools etc.
- 34.38. A lot of work needs to be done and structural administrative reforms carried out to sensitise field-level officials to optimally leverage the enormous reservoir of skills, talent, technology, idealism and funds of the Indian Diaspora. As mentioned earlier, a lot could be learnt from China's experience, whose holistic economic and administrative reforms encouraged Overseas Chinese to flood their homeland with much needed investment as well as donations to ancestral hometowns and villages.
- 34.39. The awareness is not entirely lacking. Kerala, Gujarat and Punjab have created institutional structures for dealing with NRI/PIO problems. The Punjab Government and NGO NRI Sabha cooperate in this matter and have many achievements to their credit. Andhra Pradesh is leveraging this asset through innovative schemes. The details are contained in the Chapter on organisational structure.
- 34.40. The UP Government has initiated a "Discover your roots" scheme, designed for descendants of labourers who left India decades ago. Rajasthan held a major Convention of nonresident Rajasthanis in the year 2000. It is learnt that the Haryana Government has announced reservation of 5% seats and reduced tuition fees for NRIs in its technical and professional institutes. In Bihar,

a company Patnahead.com has launched an innovative scheme for nonresident Biharis for delivering their emails free of charge through the local postal services. In Himachal, some NRI initiatives include the successful Ayush herbal products firm, the Indus Hospital in Shimla, and an IT institute in Solan. Madhya Pradesh has created a website which has a number of projects for NRIs to fund.

- 34.41. Several States have reported that NRIs/PIOs have built schools and hospitals in their ancestral villages. Many have launched special residential building complexes for NRIs/PIOs to encourage them to resettle or at least have a second home in India. Many State Governments have instituted social welfare funds targeted at the weaker sections of society for which they would welcome contributions. However, in view of the reluctance of PIOs to donate to government organisations, more innovative ways would need to be found for funding.
- 34.42. The information below has been collected from the Web and some of the recommendations are based on inputs sent by a few States to the High Level Committee. The omission of work done in other States is regretted, but many of the findings and recommendations of this report should be of relevance to them.

### **Problems Faced by PIOs Donating to Charities/ Development Work in India**

- 34.43. The PIO/NRI organisations involved in welfare work, which have sent feedback, are of the view that procedural and other obstacles in India make implementation of foreign funded projects an obstacle race that only the most determined can win. In 2000, there was a lot of publicity about PIOs willing to contribute to the tune of more than a billion dollars for setting up educational institutions in India but there was no machinery to handle or follow-up on this eagerness. PIOs assert that the volume of donations would increase manifold if systemic and procedural issues were sorted out in India. The High Level Committee received several reports relating incidents of avoidable harassment. Complaints ranged from the general ones regarding cumbersome bureaucracy, non-transparency of the approval criteria, corruption faced during implementation of projects, to the clearances required under the Foreign Contribution (Regulation) Act, 1976 (FCRA), lack of clarity about rules and regulations, hostility to PIO offers of funding, airport formalities, customs clearances for donated materials, etc. While monitoring the money raised for Latur and Gujarat Earthquake Relief, there was a public outcry that the money raised was not fully utilised and the relief material was often wasted due to frequent changes in rules regarding permissible imports and lack of coordination at the disaster site.
- 34.44. One of the extremely unfortunate consequences of this harassment was not only the cutting off of prospective donations but also the diversion of potential investments to other destinations due to disenchantment with the way the system worked in India. This is exactly the kind of trend that this Report seeks to address, analyse and redress through its recommendations.

## **1. The Foreign Contribution (Regulation) Act, 1976**

- 34.45. The Foreign Contribution (Regulation) Act, 1976 governs the receipt of foreign contributions by Indians. The conditions that the recipients have to meet are, *inter alia*, obtaining the prior permission of the Central Government, registration with the Central Government in case permanent recognition is sought, specification of a bank branch in which the contribution is received, intimation of each foreign contribution and information on its source and purpose and manner in which it is utilised for each accounting year. A separate set of accounts is to be maintained exclusively for foreign contributions. The accounts, certified by a chartered accountant, along with the balance sheet and statement of receipts and payments are to be furnished to the Ministry of Home Affairs.
- 34.46. NGOs have highlighted the delays in the grant of FCRA clearances as major dampeners on the enthusiasm of donors. PIOs have raised the difficulties faced by them in transferring donations to India with the Prime Minister. Thus the better organised, bigger NGOs have the infrastructure to obtain these clearances. The smaller ones find it almost impossible to obtain these. They have also pointed out that the FCRA provisions go against the parallel liberalisation of foreign exchange regulations. While they are appreciative of the concerns that motivate the conditionalities, PIO NGOs feel that as the voluntary sector is now increasingly involved in various fields of development – it is more trusted by the authorities. Basically, the revised FCRA law should facilitate the flow of funds for developmental activities that are in consonance with India's national interests rather than obstruct it. Clearly, there is scope for taking a fresh look at the existing legislation/ rules and regulations governing PIO contributions. Facilitation of charitable inflows can have a very important demonstration effect on PIOs.
- 34.47. Some reforms have been carried out. For example, applications accompanied by a verification certificate from the competent authority – District Collector or State/Central Government Departments are put on the fast track and granted approval, and the inquiry done subsequently. This has brought about a significant reduction in the time taken to grant permission. Universities and deemed universities are also granted registration without any inquiry. A large number of multilateral bodies and international agencies have been notified so as not to be treated as a 'foreign source'. Simplification of the procedures under the Foreign Contribution (Regulation) Act is under consideration, envisaging decentralised application of the law, which will expedite the implementation as well as facilitate the accounting aspects of the foreign contributions received.

## **2. Customs Duties on Donated Articles**

- 34.48. The donation of computers, imported duty free by EOU/EPZ/STP/EHTP units to recognised non-commercial educational institutions, registered charitable hospitals, public libraries, public funded research & development establishments, and government organisations was permitted in July 1998. In February 1999, the Ministry of Finance exempted customs duty for second-hand computers and computer peripherals received as donation by schools run by government agencies. In addition to the above, ad-hoc exemptions from customs duty intended for donation for the relief and

rehabilitation of the people affected by the Gujarat earthquake have been issued. Despite this, Dr. Jagadeesh's donation of computers and even the receipt of computers arranged by the Punjab NRI Sabha from the UK for distribution in the schools of Kapurthala District was held up for want of customs clearance. Similar reports have been received from other donors. Clearly, there is scope for regularizing, expediting and liberalising imports of donated materials including second hand computers by PIOs.

### 3. **Choice of Implementing Agency**

34.49. While PIOs are willing to fund development projects, frequently in their ancestral villages, they have voiced their frustration at various levels on the issue of obtaining clearances, cooperation from the local authorities, and corruption. Thus a recurrent demand is for execution to be entrusted to NGOs/ trusted private agencies of their choice, bypassing local government agencies. This needs to be examined sympathetically and constructively with a view to finding mutually acceptable mechanisms to expedite such investment.

## **Recommendations**

34.50. The Committee would like to once again emphasise the need to tap the Diaspora's potential. However, the mechanisms need to be extensively improved or streamlined. Although many attempts are being made to address existing problems, judging by the actual experiences of donors, many bottlenecks remain. The High Level Committee has thus made a series of wide ranging recommendations, starting from creating a facilitation mechanism at the central level with direct links to the States, to help address some of the problems. An effort in this direction will also dispel the cynicism prevalent among PIOs about the efficacy of sending funds to India.

### 1. **General**

34.51. An office to handle Indian Diaspora Philanthropy/NGOs must be created in the new comprehensive central organisation proposed. This office will have multiple responsibilities including liaising with other Central and State authorities, Indian and Diaspora NGOs, Indian Missions abroad and every concerned organisation.

### 2. **FCRA-related**

34.52. There is a strong case for placing FCRA clearances by PIOs for secular and developmental purposes (irrespective of the fact that it is a religious or secular association of PIOs) on a separate fast track. There are two options for this:

#### **First Option: Automatic Route**

34.53. Serious thought must be given to creating an automatic route for donations by PIOs (NRIs do not require clearances as they are Indian citizens). Procedures for remitting the funds should be drastically simplified. The criteria could be simple but properly implemented/ monitored:

- It would require intimation of the amount and purposes for which the donation is made in one simple format to the Ministry of Home Affairs, the central agency to be set up for the Indian Diaspora, and the RBI.
- Only PIO Card-holders may avail of the automatic route. The PIO Card would thus bring some tangible benefits to both sides in reducing red tape while encouraging a sense of belonging.
- A set of additional criteria will be:
  - PIO card-holders' donations must be made for developmental and secular purposes only i.e. economic projects such as building roads, schools, water and electricity supply facilities, houses etc. The suggestion from a State representative that there should be a negative list for which the automatic route will not be applicable - should be considered.
  - The existing provision for registration without enquiry for reputed educational institutions should be expanded to include all medical institutions including hospitals, and all registered educational institutions imparting secular education and/or receiving government grants. These should then be brought under the automatic approval route. Further details are given below.
  - An Officer not below the rank of District Collector needs to certify that the project exists, meets the criteria and is being implemented. State-level Offices for handling Diaspora matters should also be empowered to give this certification. This certification may be obtained after the donation is made.

**Second Option: Fast-Track Mechanism for PIO donations for secular/developmental purposes**

- 34.54. The second option is to create a fast-track mechanism (FTM) under the FCRA for this category of donations. A positive list of activities that can be undertaken with the Diaspora's contributions should be prepared and placed under the FTM, for whose implementation, the following organisational structure would be required and should be set up.

**At the Central Level**

- 34.55. We have already proposed an office for Philanthropy/NGOs in the new comprehensive central organisation. This Office should handle all FTM clearances as also the automatic route. Deputation to this nodal organisation from the relevant Ministry/s would be essential. Brief and simple guidelines regarding eligibility criteria for getting FTM permissions should be immediately finalised. It should be mandatory for this office to reply to all applications and state the reasons, if an application is rejected under FTM and placed on the normal route or rejected altogether. This should be accessible to the applicant on the Web page (see below) to be maintained by this Office by allotting a code to the applicant. The replies should include contact details of dealing officers,

phone numbers, e-mails etc. Applications may also be routed through our Embassies abroad. This office will also:

- Have direct links with the facilitatory NRI/PIO Offices (see below) to be set up in State capitals.
- Work closely with Indian missions in countries with a sizeable Indian community to keep itself updated on new initiatives to help India.
- Establish links with a consultative mechanism of Indian and overseas Indian NGOs established on a country-wide/ regional/ global basis. A suggestion received from North America is for the Home Ministry to liaise with a central coordinating committee of reputed and established North American NGOs with whom our Missions may also have a long-standing association. The involvement of non-officials will help create trust and a habit of dialogue between the authorities and the NGOs and imbue both parties with a greater sense of accountability and responsibility.
- Coordinate with Customs authorities to ensure a fast track mechanism for clearing donations by overseas Indians.
- Maintain a comprehensive web page that gathers all relevant information and is regularly updated, to be serviced by the nodal central agency dealing with PIO matters, with inputs from Central Ministries, State Governments, CAPART, voluntary organisations in India and abroad, FICCI, CII, PHDCCI etc. This will contain:
  - A Directory of accredited and trusted NGOs and GOI-recognised agencies for accreditation;
  - Forms required for registration and facility for application for registration through the Web including helpful guidelines and procedures for obtaining permission;
  - Hyper links to all major concerned Government Departments, PIO Commissioners Office in State Governments and PIO organisations worldwide;
  - All policies/ rules regarding registration and operation of NGOs in India;
  - Customs rules for donated equipment, money and materials;
  - Tax-exemption rules and income tax clearances required specifically of PIOs and NRIs, etc.;
  - The funding policies and rules of organisations like CAPART, NABARD, and SIDBI;
  - Supplementary grant facilities available, rules and details of contact offices;
  - List of organisations in India with full contacts details and their activities, which have been given permission under FTM/ FCRA to receive foreign contributions;



- Details such as addresses of banks/ post offices / other organisations for remitting contributions to such entities by Persons of Indian Origin;
- A data bank on incentives available, land allocation policies and procedures, contact offices for various clearances, transparent procedures for clearances;
- Many web sites have been started by Indian organisations providing comprehensive information and advice on taxation issues, banking services, investment incentives, repatriation benefits, property purchases etc. Some like [www.etinvest.com](http://www.etinvest.com) have a separate section devoted solely to NRI issues and even have a list of contact nodal points for PIOs wishing to invest in different States of India. These should be hyper-linked and associated with maintaining / updating the main web page.

### **At the State Level**

- 34.56. Creation of State-level offices:** Offices for Diaspora facilitation matters should be created in States with an important expatriate population where these do not exist as yet.
- 34.57. Security of tenure:** A 5-year tenure for the officials manning the proposed Diaspora in the States should be instituted, as NGOs like to identify officers they can work with and donations are discouraged if transfers of officers are too frequent.
- 34.58. Powers and Functions:** The head of the NRI/PIO organisation in the State should also have the power to give supplementary, if not matching grants for donations by the Diaspora for secular, social, developmental and other charity works. This would increase the effectiveness of the dealing State level Office. The CD 2.35 scheme under the Planning Commission should be routed through the State level office. The functions of this organisation would be:
- Responsibility for ensuring speedy clearances and certification (see recommendations for Automatic Route for Overseas Indians Donations).
  - Liaison with the Central organisation.
  - Providing grants to projects receiving donations from overseas Indians under the delegated powers of the Planning Commission.
  - Maintenance of (a) data banks on overseas Indians and their ancestral roots in India and Indian students leaving for the United States and (b) of statistics on PIO/NRI contributions. This would facilitate links with Indian charity organisations and alumni associations abroad. This could be a joint central and State/district level effort. Computerisation is the obvious answer.

### **3. Accreditation Mechanism**

- 34.59. To enable additional Indian recipient organisations in the developmental, educational and medical sector to avail of the FTM, an accreditation mechanism should be set up. The *Charities Aid*

*Foundation*, India has developed a validation methodology. Additional inputs from other accreditation bodies could be sought and such a body set up under the auspices of the proposed central organisation for the Indian Diaspora. CAPART could be associated with the task of maintaining an updated roster of cleared, accredited, credible Indian recipients/ NGOs. This roster would be available on the web to facilitate overseas Indian NGOs to locate the right counterpart. It would also be periodically updated to impose some accountability.

#### **4. Education**

- 34.60. Donations for promoting secular education should be placed on the automatic route/ fast track mechanism: A list of institutions eligible for donation should be published and regularly updated in consultation with the Ministry of Education, Indian Medical Association and the All India Council of Technical Education. There should also be no limits on the grants/donations given by overseas Indians to established schools and Universities – public or private, as long as they are registered - with only a reporting requirement to RBI, just as in the case of a foreign investment proposal, and Ministry of Home Affairs. Similarly there should be no ceilings on scholarships awarded to Indian students.
- 34.61. This could give a big boost to the educational sector in India, which despite all obstacles already accounts for India's famed success in information technology and increasingly, in different areas of scientific research. It may help to create new avenues for higher education and stem some of the foreign exchange outflow on account of Indians emerging as one of the top ethnic student categories in many developed countries. Similarly, health services, already one of the fastest growing consumption sectors in India, could be transformed into a major foreign exchange earner if we institute the right policy environment to enable its balanced growth while maintaining the highest standards of accountability. Policies aimed at promoting the services sector, of which education and health services could form a major part, need to be put on the fast track in India.

#### **5. Other Procedural Simplifications**

- i) At present foreign contributions can be received in only one designated bank account and cannot be transferred to other parts of the country. This involves duplication and unnecessary paperwork. It is felt that this provision could be liberalised and registered NGOs could have the facility to transfer their funds for their activities anywhere in the country.
- ii) Indian NGOs have requested that the 3-year track record rule for obtaining registration should be reviewed. This policy has deterred many serious start-ups since seed money is unavailable to new NGOs.

#### **Non-FCRA**

#### **6. Motivate Second Generation PIOs**

- 34.62. As seen above, second generation PIOs account for a large and growing body of people willing to

commit time, money and talent to development work in India. NGOs set up by PIOs also have student interns who are willing to spend time in India on various projects. The idealistic students who come to India for voluntary work, e.g., the first batch of American Indian Foundation volunteers who came to Gujarat this year, need to be encouraged and cultivated as a body of young ambassadors for India. The India Service Corps, an initiative of the AIF, formed after the Gujarat disaster, should be encouraged. The Government should help set up such programmes, which should incorporate the following considerations:

- Mechanisms to ensure that they have a pleasant experience during their stay, from arrival at the airport to their final departure from the country, for promoting their enthusiasm, for debriefing and recognition of their contribution – should be put in place and coordinated by the new central agency on the Indian Diaspora.
- During their stay, an orientation by a senior Minister/Secretary of the GOI could be organised.
- As per the US pattern, these interns could be attached briefly to departmental secretaries in development Ministries, Members of Parliament, and State Governments to acquire an in-depth knowledge of the development process in India before being sent to the field.
- They should also attend a specially designed course coordinated by the central agency on the Indian Diaspora for familiarisation with India's foreign policy and perspectives on global issues, on which they get very limited exposure in their countries.
- A little familiarisation with India's ancient culture should be a part of the experience.
- Similar treatment should be accorded at the district level where they are deputed. Important members of the community should meet them where they are conducting their voluntary activities.

## **7. Disaster Management and Customs Duty Exemption for Donated Materials**

- (i) In all post-disaster relief efforts, a major outcry has followed regarding wastage of relief materials, changing rules for their import into India – sometimes midway in the disaster relief operation - and lack of coordination. It is recommended that a list of required and permitted materials (certain medicines, supplements, baby food, food packages, warm clothes, blankets, tents, utensils) be immediately finalised and publicized after the disaster so that people know what to donate.
- (ii) Managing disasters should be declared a charitable activity and NGOs specialising in this area should be allowed to coordinate relief efforts.
- (iii) There is a need to have a special regulation governing imports of donations by PIOs of equipment/relief materials for secular, educational and welfare purposes and creation of a fast track mechanism for PIOs.

## **8. Income tax Exemptions for PIO Donations**

34.63. Income tax exemptions on donations by overseas Indians from their incomes in India for **developmental/ secular/ educational/ medical purposes** should be raised to 100%. This would encourage more philanthropy on the US pattern.

## **9. Creation of an Anti-corruption Mechanism**

- (i) The High Level Committee is of the view that the best remedy for corruption is to devise transparent, fair and fast track mechanisms for processing clearances, which has been the purpose of the above recommendations. However, additional mechanisms as confidence building measures are required as tales of corruption sully India's image. Measures are required to be taken both at the Central and State Government levels to address adverse perceptions on corruption, which in all fairness are not confined to PIOs. The central agency should have the facility to receive complaints regarding corruption. It may have representation from or a direct link with the Central Vigilance Commission. There should also be direct contact between the central agency, the State NRI/PIO organisation, the Diaspora and the implementing agencies to address the issues of corruption and extortion.
- (ii) The issue of harassment at the airport by customs and immigration authorities has been dealt with at length in all sections of the Report. This was brought up during the course of research on this Chapter also. The NRIs/PIOs should be fully informed, while being given visas, about the governmental clearances needed before departure from India.

## **10. Facilitating Donation of Services**

34.64. For example, a PIO doctor, engineer, architect, teacher or scientist may want to donate his services and skills free of charge. This involves long delays and clearances through the concerned departments. Recognition of degrees and qualifications should be facilitated through the Medical Council of India and other concerned bodies and an enabling mechanism which could devise simpler procedures could be set up in the central agency office dealing with the Diaspora.


## **11. Facilitating PIO Projects on Micro-credit**

34.65. Several suggestions have been received for micro-credit following the success of the Grameen Bank in Bangladesh and Sewa and other organisations in India to the effect that the Government should consider allocating Non Bank Finance Company status to NGOs in India; micro-credit activities of NGOs should be income-tax exempt and PIOs should be associated with work on micro-credit being carried out in India.

## **12. Greater Recognition for PIOs**

34.66. Suitable awards and recognition should be given to outstanding contributions by PIOs/NRIs and NGOs set up by them in India and in their countries of residence that benefit India.

# Pravasi Bharatiya Bhavan

ore than three decades ago, the Government of India and the then External Affairs Minister had accepted in principle the idea of “Pravasi Bharatiya Bhavan”, put forth by two Members of Parliament (one of whom was the Chairman). It was, however, not followed up. The Committee feels that it is an idea whose time has come.

- 35.2. The present proposal to establish a “Pravasi Bharatiya Bhavan” has been conceptualised by the Committee to provide a suitable place to commemorate the trials and tribulations, as well as the subsequent evolution and achievements of the diverse Indian Diaspora. It would symbolise our recognition that the common aspiration of all members of the Diaspora is to maintain their cultural identity and civilisational ethos; and also their fervent desire to pass on this rich legacy to their coming generations. The Bhavan would house an institution, which would encourage the spirit of camaraderie among all the children of Mother India. The Bhavan would become the focal point for interactions between India and the Diaspora and would also in course of time, become the hub of various activities aimed at creating pride in the achievements of India and the Diaspora.
- 35.3. The proposed Bhavan would have a permanent exhibition illustrating the history of the Diaspora in various parts of the world. It would house a well-stocked library with a wide-ranging collection of diasporic books and audio-visual materials. Orientation programmes about India would be organised in it for young members of the Diaspora who come to India for voluntary work, or to attend academic courses. Similar programmes may be organised for Indian citizens visiting Diaspora countries. The Bhavan would also be the ideal place to locate any future organisation that would be created by the Government of India to deal with matters relating to the Indian Diaspora.
- 35.4. The Bhavan would be located at a suitable and prestigious place in Central/South Delhi. It would have convenient access to institutions like the Indira Gandhi National Centre for the Arts, the India International Centre, the India Habitat Centre and the Jawaharlal Nehru Memorial Library and Teen Murti House.

- 35.5. In order to provide a sense of participation to the members of the Diaspora, the architectural designs for the Bhavan would be selected through a competition open to architects from India as well as those belonging to the Indian Diaspora. The jury for selection of the Bhavan's architect would consist of eminent architects chaired by the Minister for Urban Development. Administration and membership of the Bhavan should be broadly on the pattern of the India International Centre or be regulated by a Deed of Declaration by the Government of India.
- 35.6. The Pravasi Bharatiya Bhavan is not meant to be merely a building, but a place, which would symbolise the spirit and soul of India and the Indian Diaspora. Individual parts of this structure would commemorate landmark events, ideas and individuals in the glorious history of India and the Diaspora. The Committee has no doubt that a proposal of this kind would attract willing financial and other contributions of NRIs and PIOs from all over the world.

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# Dual Citizenship



## General Observations

*We* were called upon by the Terms of Reference of the Committee “to review the status of Persons of Indian Origin (PIOs) and Non-Resident Indians (NRIs) in the context of the Constitutional provisions, laws and rights applicable to them both in India and the countries of their residence”.

There are broadly two distinct categories of overseas Indians: -

- i) Persons of Indian Origin (PIOs) who have acquired the citizenship of other countries;
- ii) Non Resident Indians (NRIs) who continue to hold Indian passports and are citizens of India.

Basically, all NRIs are PIOs but all PIOs are not NRIs. We use the two expressions for the sake of convenience of reference. Most PIOs, except those in North America, Europe, Australia, New Zealand and Singapore have not evinced any particular interest in dual citizenship. Those PIOs would be more interested in PIO Cards.

- 36.2. Many waves of migration took Indians to different lands during different periods of history. Most of them who went before the advent of the East India Company have been assimilated in those countries. Those who went as indentured labour during the British rule have become citizens of the countries where they settled. Those countries have gained independence. Indians whose ancestors migrated to these countries are full-fledged citizens of those countries. In most countries, the overseas Indian communities have blossomed and have come into their own. Fiji is an unfortunate exception. Later waves of migration to the developed countries of the world account for the bulk of the Indian community in those countries. Most of them, except those who had gone to some of the Commonwealth countries as agriculturists or as passengers have also become citizens of those countries. For lack of a better expression, we call them Persons of Indian Origin. They are Indogenic people, the Bharatvanshis, who at different periods of history have taken the citizenship of the countries where they took their domicile. Of those who left India for further education or in search of better opportunities, many have taken the citizenship of foreign countries;

Many of them, however, do continue to have Indian passports but they have rights of residence including the right to indefinite residence in those countries. Those who have taken citizenship of foreign countries are full-fledged citizens of those countries. Their legal status is defined by the law of the country of which they are citizens. Their status in the Indian law at present is that they acquired the citizenship of another country and renounced the citizenship of India.

- 36.3. Non-Resident Indians (NRIs) do, of course, retain their Indian citizenship and Indian passports. Indian laws apply to them except in certain situations of conflict of laws under private international law and the laws of the countries in which they reside. Their stay in the countries of their domicile depends on the provisions of the laws of the country where they reside.
- 36.4. In this chapter, the Committee deals with the question of dual nationality, an expression which is employed synonymously with dual citizenship in terms of international law.

### **Demand for Dual Nationality**

- 36.5. The refrain of the song, especially so far as the Indian Diaspora in North America, Europe, Australia, New Zealand, Singapore and a few other countries is concerned, is the persistent demand and expectation of dual nationality. The first generation Indians are keen to be allowed to retain or regain their Indian nationality. Many of them voluntarily acquired foreign nationality due to the pressure of circumstances. Many of them have kept their Indian citizenship despite those pressures. The demand of dual nationality stems from the practical convenience and advantages of the citizenship of the countries where they have made their homes on the one hand and their desire to maintain strong linkages with their country of origin as well as their desire to forge emotional and cultural bonds of their future generations with India on the other. Their love for India and their pride in their Indian heritage propels their consistent demand for dual nationality. It is believed that this measure would also facilitate the contribution of the Diaspora to India's social, economic and technological transformation and national development. Persons of Indian origin settled in the economically more advanced countries of the world have skills and expertise in vital sectors including information technology, biotechnology, space, financial services, infrastructure, education and health care and management consultancy. Investments are induced principally by the logic of business considerations and the psychology of investment climate. We do not wish to advocate dual nationality only for Diaspora investments and remittances, important though they are to India's development. The Committee is of the opinion that the grant of dual nationality will remove for those who have taken foreign passports the obstacles in travel to and from India, promote investments in business ventures and foster a greater sense of belonging. Many of the NRIs would also like to take foreign nationality without losing their Indian citizenship. Their citizenship of the western countries would make it easier for them to travel to different countries without the inconvenience of having to obtain innumerable visas on their Indian passports and at the same time their travels to and fro India. The principal rationale of the demand of the Diaspora for dual citizenship, however, is sentimental and psychological, a consideration which

commends itself to the Committee in the same measure as do social, economic and political factors.

- 36.6. Dual citizenship would also help to perpetuate and cement the links of the younger generation of the Diaspora with India as they will be keen to keep in touch with their elders in India as well as relate to their roots. There is much to be gained by the introduction of dual nationality. The Diaspora in North America, Europe, Australia, New Zealand and Singapore yearns and longs for it. It will create a climate conducive to Diaspora's fuller participation in philanthropy, economic developments, technology transfer, cultural dissemination and overseas political advocacy on behalf of India. On the other hand, why should this mark of fraternity and shared identity be denied to the first generation of the Diaspora and children and grand children of that generation? The Committee is of the view that India stands to benefit substantially by consolidating its bonds of solidarity with the Diaspora by granting dual citizenship to those who were Indian citizens or those who were eligible for Indian citizenship at the commencement of the Constitution of India as well as their children and grandchildren who migrated to certain countries such as U.K., U.S.A., Canada, EU countries, Australia, New Zealand and Singapore.

### **Nationality and Citizenship**

- 36.7. The two expressions 'citizenship' and 'nationality' are often used interchangeably in international law, though there may be certain shades of distinction between the two. Citizenship is acquired by birth or by naturalization. Nationality, on the other hand, is more a description of cultural identity than a matter of political and personal rights. In some Latin-American countries, for example, the expression 'citizenship' is used to denote the sum total of political rights of which a person may be deprived, by way of punishment or otherwise without being divested of his or her nationality. A different kind of distinction between the two terms exists in the U.S.A. The States of the United States of America may grant citizenship to their residence in their respective territories after fulfilling certain conditions under their laws, whereas the Federal Government of U.S.A. confers American nationality. Moreover, persons belonging to territories and possessions which are not among the States forming the Union are described as 'nationals'. They owe allegiance to the United States and are United States nationals in the contemplation of international law but they do not possess full rights of citizenship in the United States. It is their nationality in the wider sense, not their citizenship, which is internationally relevant. In the Commonwealth, it is the citizenship of the individual states of the Commonwealth which is of primary importance for international law, while the concept of a 'British subject' or 'Commonwealth citizen' is relevant only as a matter of the internal law of the countries concerned.

### **Nationality in International Law**

- 36.8. The term nationality is, however, often used in common parlance synonymously with citizenship. Oppenheim describes it as "the principal link between individuals and the benefits of the Law of

Nations" (*Oppenheim's International Law*, eighth edition by H. Lauterpacht, P645). Ordinarily matters connected with nationality fall within the ambit of the constitutional or public law of a State. The jurisdiction of a State to legislate or regulate on matters relating to nationality has, however, to be exercised in consonance with the prevailing norms of international law and practice so as to obviate or minimise conflict situations which may arise in a number of ways.

- 36.9. Articles 1 and 2 of the Convention on Certain Disputes Relating to the Conflict of Nationality Laws, 1930 (*League of Nations*, Doc. C 24 M. 13. 1931 signed at The Hague on April 12, 1930. L.N.T.S. Vol. 179, P89) clearly stated as follows:

**Article 1:** "It is for each State to determine under its own law who are its nationals. This law shall be recognised by other States in so far as it is consistent with international conventions, international custom, and the principles of law generally recognised with regard to nationality."

**Article 2:** "Any question as to whether a person possesses the nationality of a particular State shall be determined in accordance with the law of that State."

- 36.10. In 1952, Professor Manley O. Hudson, a Special Rapporteur of the International Law Commission who was also a Judge of the Permanent Court of Justice (League of Nations), stated: "In principle, questions of nationality fall within the domestic jurisdiction of each State."
- 36.11. The question of nationality or citizenship of individuals, the conferment as well as the deprivation, is thus largely determined by the sovereign States. Nationality laws must, however, take note of the laws of other countries as far as possible and should be consistent with international customs, usage and conventions. Such laws should also aim to avoid statelessness and other anomalies. Dual or multiple nationality may often arise as a result of the operation of different national laws and the absence of global uniformity in respect of citizenship laws. It is noteworthy that after the Second World War, there has been a growing movement in the direction of recognising plural nationality or citizenship.
- 36.12. Nationality is acquired by birth or naturalization as well as by operation of laws. Nationality at birth could be acquired in different ways, each of the ways showing proof of a connection between the national and his or her State. A person born within the territory or the State could acquire the nationality of that State by operation of law under the principle of *jus soli*. Nationality by birth underlines the territorial connection of the person with the land of his or her birth. There are many examples of this type of nationality. The principle of *jus soli* does not however apply to the children of diplomatic agents or of an alien in transit. It also does not apply to those whose residence is due to their being in the service of a foreign country. On the other hand, the principle of *jus sanguinis* confers nationality by descent according to the nationality of one, or both, of the parents, usually of the father alone, but in some cases also of the mother. A patrilinear or matrilinear connection is, therefore, a part of the *jus sanguinis*. The principles of *jus soli* or *jus sanguinis* came

to be generally accepted as forming the basis of national laws concerning nationality by the beginning of the 20<sup>th</sup> century. Both those principles were based on the evidence of a connection between the individual and the State of his nationality. Similarly, marriage has also been recognised as one of the involuntary modes of acquisition of dual nationality in many countries. For instance, the national laws of India, Indonesia and the Philippines allow a woman marrying a foreign national to continue to retain her original nationality even when she acquires automatically the nationality of her husband by virtue of marriage according to the law of her husband's country. In the Indian legal system, there is no automatic acquisition of nationality by marriage, but marriage to an Indian national is regarded as a good ground for the purpose of naturalization. It appears that most countries do not object to dual nationality arising from involuntary modes of acquisition or conferment of nationality. The problem is somewhat more complex in cases of relinquishment or renunciation of one's nationality and the voluntary acquisition of another nationality by naturalization and registration.

- 36.13. Nationality may be acquired by naturalization or by procedures of registration. A period of residence in the country of naturalization is often required by the legislation as a condition of naturalization. In many countries, the period can be reduced substantially for those seeking naturalization if they belong to specified categories: e.g. those who are married to a national or have their ancestral connection with the country upto a specified number of generations or possess particular educational qualifications or have rendered service to the State in which naturalization is sought. In some countries, the ability to read and write the language of that country is also stipulated as a condition for naturalization. In certain cases, such as the '*Flutie cases*' (Ralston, *Venezuelan Arbitrations of 1903*, p.38), a certificate of naturalization was held to be invalid on account of the noncompliance with the legal requirement of the required period of residence. In many cases, naturalization is preceded or accompanied by a declaration of renunciation or relinquishment of the original nationality.
- 36.14. While the procedures of naturalization and registration are voluntary modes of acquisition of nationality, the other two principles – *jus soli* and *jus sanguinis* – are not. By virtue of the operation of those principles governing nationality, dual or plural nationality arises in several cases even if dual nationality is not expressly recognised by a State. For instance, India recognises both *jus soli* and *jus sanguinis* principles. A person born in the U.S.A. to an Indian father would become an Indian citizen automatically by descent under the principle of *jus sanguinis*. (Section 4 of the Indian Citizenship Act, 1956). At the same time, he acquires the American nationality by virtue of his birth in that country (*jus soli*). Similarly, if a person was born to American parents in India on or after the 26<sup>th</sup> day of January, 1950 and before the commencement of the Citizenship (Amendment) Act 1986, he or she became an Indian citizen by birth. A person born after the commencement of the Amendment Act, 1986, if either of his or her parents was a citizen of India at the time of his or her birth would also be an Indian citizen. (Section 3 of the Act as amended).

## Citizenship Issues in the Constituent Assembly

- 36.15. The Constituent Assembly received numerous memoranda on behalf of the people of Indian origin from different parts of the world but the question of dual nationality as such was not discussed in detail in the Constituent Assembly. The idea was neither accepted nor negated. Loss of Indian citizenship as a result of the voluntary acquisition of foreign nationality was expressly contemplated in Article 9 which seemed to have a wider application, although that was mainly with a view to avoid the confusion with regard to citizenship at the time of partition and its consequences. The travaux preparatoire, the draft articles and the debate in the Constituent Assembly show that on the question of citizenship at the commencement of the Constitution was the main focus of attention.
- 36.16. When draft Articles 5 and 6 of the original draft came up for discussion on 10 August, 1949, the President of the Constituent Assembly, Dr. Rajendra Prasad observed that "there was a veritable jungle of amendments, something 130 or 140 amendments", to those two articles. He called upon Dr. B.R. Ambedkar to move the Articles in the form in which he had finally framed them. Dr. Ambedkar made it clear repeatedly that **"it is not the object of this particular article to lay down a permanent law of citizenship for this country. The business of laying down a permanent law of citizenship has been left to Parliament, and as Members will see from the wording of Article 6 as I have moved, the entire matter regarding citizenship has been left to Parliament to determine by any law that it may deem fit."** Dr. Ambedkar added that the effect of draft Article 6 was that "Parliament may not only take away citizenship from those who are declared to be citizens on the date of the commencement of this Constitution by the provisions of Articles 5 and those that follow, but Parliament may make a new law embodying new principles." He emphasised that the provisions in the Constitution were not intended to be permanent or unalterable and that those Articles contained only ad-hoc decisions for the time being. The premise of the constitutional provisions as contained in Part II of the Constitution was that they were only for the purpose of conferring citizenship on the date of the commencement of the Constitution. With the partition of the country, it was necessary to define citizenship as on the date of the commencement of the Constitution, and to exclude those who had chosen to opt for Pakistan from the citizenship of India. The rest was left to Parliament. As the President of the Constituent Assembly pointed out in the debate on 11 August, 1949: **"Dr. Ambedkar drew the attention of the House to two important limitations. The first was that this Draft dealt with the limited question of citizenship on the day the Constitution comes into force. And the other point was that all other matters, including those which are dealt with by the present Draft, are left to be dealt with by Parliament as it considers fit.** With these limitations in mind, I think the discussion of these two articles can be curtailed to a considerable extent and the matter might be disposed of quickly." It was already the eighth month of the year 1949 and the Constituent Assembly was keen to bring its deliberations to a close. In any case, the entire law of citizenship could not be

incorporated in the Constitution itself. That is why, time and again, it was emphasised that the articles in the Constitution relating to citizenship were entirely **provisional** and that the question of citizenship laws were left to legislation by Parliament.

- 36.17. Dr. P. S. Deshmukh pointed out in the course of the debate that “the whole House and the whole country is aware of the way in which Indian nationals are treated all over the world. They are aware of the kind of colour prejudice that used to be there in England, the kind of persecution through which Indian citizens are going even now in South Africa, how they are persecuted in Malaya and Burma, how they are looked down upon everywhere else in spite of the fact that India is an independent country. The House is aware how it is not possible except for the merest handful to obtain citizenship in America, although they have spent their whole lives there.... In America, Indians can obtain citizenship at the rate of 116 or 118 per annum.” He said that he would not mind if it is left to Parliament to debate the whole question of citizenship of India. Shri Naziruddin Ahmad’s intervention makes it clear that Members were finding it difficult to wade their way through the jungle of amendments. Shri Jaspat Roy Kapoor found it obnoxious that persons who had migrated to Pakistan and transferred their loyalty from India to Pakistan were being allowed to return to India for resettlement or permanent return and would be deemed to be citizens of India, as was contemplated in the draft provision which eventually became Article 7 of the Constitution of India. However, he concurred with the intention underlying the draft articles that Parliament should have the right to frame any new law laying down qualifications for the right of acquisition of citizenship.
- 36.18. Prof. K.T. Shah moved an amendment under which “the nationality by birth of any citizen of India shall not be affected in any other country whose Municipal law permits the local citizenship of that country being acquired without prejudice to the nationality by birth of any of the citizens .... and where under the Municipal law no citizen is compelled either to renounce his nationality by birth before acquiring the citizenship of that country or where under the Municipal law nationality by birth of any citizen does not cease automatically on the acquisition of the citizenship of that country.” Prof. K.T. Shah’s amendment would have had the effect of preserving the nationality of those who had or were entitled to have Indian citizenship by virtue of their birth at the commencement of the Constitution. He was keen to make citizenship not only a birthright, but also an inheritance and wanted to confer it on individuals whose grandparents were born in India. He intended that such person would acquire the privilege of being an Indian citizen automatically. Interestingly, Prof. Shah went on to address the question of “those who by settlement in other lands for business connection or by a formal act of acquisition of another citizenship, under the naturalization laws of that country, become citizens of that country, we would be right in providing that, if they desire to acquire the citizenship of India, their path should be simplified.” He wanted that option to be made available subject to the condition that they really intended to reside in India, be part and parcel of India, and were prepared to share all the duties and obligations of the country’s citizenship. Prof. Shah also referred to the countries of South Asia “where large

numbers of Indians have settled and where, under the new upsurge of local nationalism, their treatment is not all that can be desired." Referring to Africa as the most glaring, the most poignant case of invidious discrimination against Indians, Prof. Shah wanted India to retaliate against nations which did not mete out equal treatment to people of Indian origin and did not protect their dignity and honour. He criticised the inequalities and indignities faced by Indian citizens within the Commonwealth.

- 36.19. Both Pandit Thakur Das Bhargava and Shri R.K. Sidhwa were opposed to the draft provision which enabled the return of those who had migrated to Pakistan and the deeming provision which made them Indian citizens. Shri R.K. Sidhwa wanted the doors of Indian citizenship to be kept open to Parsis outside India. Shri B.P. Jhunjhunwala moved an amendment to the effect, *inter alia*, that "a person who on account of civil disturbances or the fear of such disturbances, having the domicile of India, as defined in the Government of India Act, 1937, and being resident in India before the partition, has decided to reside permanently in India, or has migrated to the territory of India from the territory now included in Pakistan, shall be deemed to be a citizen of India at the date of the commencement of this Constitution. The debate on the draft articles relating to citizenship continued on the third day, i.e. on the 12<sup>th</sup> of August, 1949. On that day, Sardar Bhupinder Singh Mann stoutly opposed the deeming provision which enabled those who had migrated to Pakistan and had then returned to India to be recognised as Indian citizens. Shri Mahboob Ali Baig Sahib supported the deeming provision.
- 36.20. In a significant intervention, Pandit Jawaharlal Nehru pointed out that the articles relating to citizenship "have probably received far more thought and consideration during the last few months than any other article contained in this Constitution." He referred to two factors which had given rise to the difficulties relating to the provisions on citizenship. He said, "**One was of course the partition of the country. The other was the presence of a large number of Indians abroad, and it was difficult to decide about these Indians whether they should be considered as our citizens or not, and ultimately these articles were drafted with a view to providing for these two difficulties.** Personally, I think that the provision made has been on the whole very satisfactory. Inevitably no provision could be made, which provided for every possibility and provided for every case with justice and without any error being committed. **We have millions of people in foreign parts and other countries. Some of those may be taken to be foreign nationals, although they are Indians in origin. Others still consider themselves to some extent as Indians and yet they have also got some kind of local nationality too, like for instance, in Malaya, Singapore, Fiji and Mauritius. If you deprive them of their local nationality, they become aliens there. So, all these difficulties arise and you will see that in this resolution we have tried to provide for them for the time being, leaving the choice to them and also leaving it to our Consuls Generals there to register their names. It is not automatic. Our representatives can, if they know the applicants to be qualified for Indian citizenship, register their names.**" (emphasis added).



- 36.21. Pandit Jawaharlal Nehru, however, devoted the greater part of his speech to the question of those who had migrated to Pakistan and had returned to India under permits issued under the authority of the Government of India. The number of such persons was quite small, but the debate was heavily preoccupied with the issue.
- 36.22. Shri Alladi Krishnaswami Ayyar, an eminent lawyer and a Member of the Drafting Committee, explained that the object of the draft articles on citizenship was not to place before the House anything like a code of nationality law and that no State had tried to lay down its laws of citizenship at the time of ushering in of its Constitution. He said, "... Therefore there is no use of our attempting in any Constitution and much less in the present Constitution which is now making a tentative proposal in regard to citizenship to deal with the problem of double citizenship or double nationality." Pandit Hirday Nath Kunzru concentrated mainly on the provision giving citizenship to those who had migrated to Pakistan but had then returned to India. Shri N. Gopalaswami Ayyangar justified the proposal.
- 36.23. Replying to the debate, Dr. B.R. Ambedkar devoted much of his time to the question relating to immigrants from Pakistan to India and to those who had returned from Pakistan to India. He reiterated out that it was for the Parliament to enact a comprehensive legislation on citizenship in due course.
- 36.24. The Constituent Assembly Debates on Citizenship show that the main concern of the Constituent Assembly was: firstly, to provide for citizenship at the commencement of the Constitution; secondly, to exclude those who had migrated from India and had acquired the nationality of other countries (mainly Pakistan); and thirdly, to treat those who having migrated to Pakistan had returned to India as Indian citizens. Other questions relating to nationality including the larger question of dual nationality were left largely to the Parliament, although the issue of dual nationality was marginally touched upon by some of the members of the Constituent Assembly, notably Prof. K.T. Shah and Pandit Jawaharlal Nehru and was kept open.

### **Citizenship in the Indian Constitution**

- 36.25. The constitutional provisions relating to citizenship are embodied in Part-II of the Constitution in a fasciculus of seven articles from Article 5 to Article 11 inclusive. Those provisions were meant mainly to delineate the framework of citizenship at the commencement of the Constitution by inclusions, exclusions, and deeming provisions. More importantly, the Constitution left it to the Parliament to enact a comprehensive legislation on citizenship.
- 36.26. Article 5 makes it clear that the purpose of the Constitution was only to provide for citizenship at the commencement of the Constitution and is in the following terms:

**"5. Citizenship at the commencement of the Constitution:** At the commencement of this Constitution, every person who has his domicile in the territory of India and –

- (a) who was born in the territory of India; or
- (b) either of whose parents was born in the territory of India; or
- (c) who has been ordinarily resident in the territory of India for not less than five years immediately preceding such commencement, shall be a citizen of India.”

36.27. Article 6 was formulated specifically in respect of the rights of citizenship of certain persons who migrated to India from Pakistan. It was necessary to make that provision so that those who had migrated to the territory of India from the territory then included in Pakistan may be deemed to be citizens of India at the commencement of the Constitution. Accordingly, Article 6 reads as follows:

**“6. Rights of citizenship of certain persons who have migrated to India from Pakistan** – Notwithstanding anything in Article 5, a person who has migrated to the territory of India from the territory now included in Pakistan shall be deemed to be a citizen of India at the commencement of this Constitution if -

- (a) he or either of his parents or any of his grandparents was born in India as defined in the Government of India Act, 1935 (as originally enacted); and
- (b) (i) in the case where such person has so migrated before the nineteenth day of July, 1948, he has been ordinarily resident in the territory of India since the date of his migration, or  
(ii) in the case where such person has so migrated on or after the nineteenth day of July, 1948, he has been registered as a citizen of India by an officer appointed in that behalf by the Government of the Dominion of India on an application made by him therefore to such officer before the commencement of this Constitution in the form and manner prescribed by that Government:

Provided that no person shall be so registered unless he has been resident in the territory of India for at least six months immediately preceding the date of his application.”

36.28. Article 7 expressly provides that “notwithstanding anything in articles 5 and 6, a person who has after the first day of March, 1947, migrated from the territory of India to the territory now included in Pakistan shall not be deemed to be a citizen of India.” This provision was, however, subject to a proviso to accommodate those who after having migrated to Pakistan, returned to the territory of India under a permit for resettlement or permanent return issued by or under the authority of any law and every such person was for the purpose of article 6(b) was deemed to have migrated to the territory of India after the nineteenth day of July, 1948.

36.29. Article 8 provided for the rights of citizenship of certain persons of Indian origin residing outside India and was based on the principle of *jus sanguinis*. Article 8 reads as follows:

**“8. Rights of citizenship of certain persons of Indian origin residing outside India** – Notwithstanding anything in article 5, any person who or either of whose parents or any of

whose grandparents was born in India as defined in the Government of India Act, 1935 (as originally enacted), and who is ordinarily residing in any country outside India as so defined shall be deemed to be a citizen of India if he has been registered as a citizen of India by the diplomatic or consular representative of India in the country where he is for the time being residing on an application made by him therefore to such diplomatic or consular representative, whether before or after the commencement of this Constitution, in the form and manner prescribed by the Government of the Dominion of India or the Government of India.”

- 36.30. Article 9 of the Constitution refers to persons who had voluntarily acquired citizenship of a foreign State and declared that such person shall not be citizens of India by virtue of Article 5 or deemed to be citizens of India by virtue of Article 6 and Article 8 if he or she had voluntarily acquired the citizenship of any foreign State. Article 9 was meant to apply principally to those who had migrated to Pakistan and to demarcate clearly the exclusive zone of Indian citizenship at the time of the commencement of the Constitution.
- 36.31. Article 10 provides for continuance of the rights of citizenship and lays down that “every person who is or is deemed to be a citizen of India under any of the foregoing provisions of Part II of the Constitution shall, subject to the provisions of any law that may be made by Parliament, continue to be such citizen.”
- 36.32. Article 11 constitutes an overriding exception to the other provisions of Part II of the Constitution. It provides unequivocally and unreservedly that “none of the provisions in Part II of the Constitution shall derogate from the power of Parliament to make any provisions with respect to the acquisition or termination of the citizenship and all other matters relating to the citizenship.” Article 11, thus, confers a flexible and plenary power on the Parliament to enact any law or provision with respect to acquisition or termination of the citizenship and all other matters relating to citizenship. Clearly, the power of the Parliament is unfettered by the formulations embodied in Articles 5 to 10 of Part II of the Constitution. It follows that the question of dual citizenship is open for the consideration of Indian Parliament as a question of policy without any particular constitutional impediment or constraint. No constitutional amendment would be required if Parliament wished to provide for dual nationality through appropriate provisions in the Citizenship Act, 1955 or by a separate Act of Parliament.

### **Dual Nationality in Some Other Countries**

- 36.33. Since the enactment of the Indian Constitution and the Citizenship Act, 1955, there has been a sea change in terms of the growing acceptance of Dual Nationality. As of 1999, more than 70 countries permitted dual nationality. They allow their citizens to retain or regain citizenship or nationality after being naturalized in another country. Many more are in the process of considering similar changes in their laws. To illustrate, until 1976, Canada’s Citizenship Act provided that Canadian citizens could lose their status by voluntarily acquiring citizenship in another country.

Under the 1976 Citizenship Act of Canada, a Canadian citizen loses citizenship only when he or she applies for permission to renounce and a citizenship judge grants such permission.

- 36.34. The acquisition and loss of British nationality is now governed by the British Nationality Act, 1981 and the special provisions made in the British Nationality (Falkland Islands) Act, 1983, the British (Hong Kong) Act, 1990, the Hong Kong (War Wives and Widows) Act, 1996 and the British Nationality (Hong Kong) Act, 1997. The 1981 Act replaced the provisions of the British Nationality Acts from 1948 to 1965 and repealed those Acts with the exception of a few sections. The 1981 Act replaced citizenship of the United Kingdom and Colonies with three separate citizenships, namely, (i) British citizenship, (ii) British Dependent Territory citizenship, and (iii) British Overseas citizenship. The 1981 Act makes general provision, *inter alia*, for reducing statelessness; for registration and naturalization; for the classes of persons who have the status of the Commonwealth citizens or the British protected persons; for depriving a person of British citizenship; and also for legitimated and posthumous children. Section 1 provides for acquisition of British citizenship by birth or adoption. Section 2 provides for acquisition by descent. Section 6 provides for acquisition of British citizenship by naturalization. Section 8 provides for registration as a British citizenship by virtue of marriage. Section 9 deals with the right to registration as a British citizenship by virtue of father's citizenship, etc. **Section 10 incorporates the provisions of the British Nationality Act 1964 (Resumption of Citizenship) and applies also to cases in which a person may have ceased to be a citizen of the United Kingdom and Colonies as a result of declaration of renunciation. Section 13 deals with resumption of British citizenship and provides that a person who has ceased to be a British citizen as a result of a declaration of renunciation shall be entitled, on an application for registration as a British citizen, to be registered as such a citizen if (a) he is of full age and capacity; and (b) his renunciation of British citizenship was necessary to enable him to retain or acquire some other citizenship or nationality.** These two provisions are of particular relevance to the question of dual citizenship for persons of Indian origin who may have renounced their Indian citizenship to enable them to retain or acquire the citizenship or nationality of a country in which they had settled.
- 36.35. The law in the United Kingdom no longer visits voluntary acquisition of another nationality or citizenship with the loss of local status. The present law of the United Kingdom may be said to favour rather than discourage plural nationality. It recognises the concept of primary or master-nationality, that is to say the nationality of the habitual residence of the person concerned with which he or she is in fact most closely connected. It is in the country of one's primary nationality alone that military service upon a double national may be imposed, "although deprivation of his alternative status may be made the price of his exemption for service in the state of that status." (*Halsbury's Laws of England*, Vol. 18(2), para. 934). A plural national who is entitled to renounce or decline the nationality of a State is exempt under the law from service of that State during minority.

- 36.36. The French amended the Civil Code in 1973 to liberalise the citizenship laws to permit dual nationality and to prevent the automatic loss of nationality on acquisition of another nationality. A Swiss citizen does not lose his citizenship by voluntarily acquiring a second nationality. It appears that the German law on nationality grants citizenship at birth to children born in Germany to parents legally resident for at least eight years, but such children who have dual nationality, by the time they reach the age of 23, have to renounce the other nationality or lose their German citizenship. Citizenship laws in Europe are, however, in a state of flux. It is safe to assume that the nationality laws in Europe would undergo further significant and far-reaching changes in the near future. Dual or multiple nationality is likely to be increasingly acceptable in Europe.
- 36.37. After over a century of forbidding dual nationality, Mexico amended its Constitution in 1998, and also its statutes, to permit Mexicans to simultaneously hold foreign citizenship and Mexican nationality. Under these amendments, Mexican dual nationals are able to preserve their Mexican-owned property, protect family inheritances, and avoid the restrictions on business and stock ownership placed on foreigners in Mexico.
- 36.38. In 1990, the US State Department adopted a policy statement under which a US citizen naturalized in another country is presumed to have the intent to retain US citizenship, although the presumption may be overcome by the person's express declaration to renounce US citizenship. In a 1995 opinion circulated to all US diplomatic posts, the Department of State observed that "it is no longer possible to terminate an American's citizenship without the citizen's cooperation". Thus, it is the US citizen's express intent that governs the loss of citizenship, if any.
- 36.39. Even where the foreign state's naturalization process includes an oath explicitly renouncing all but the foreign state's citizenship, the US State Department treats such oaths as "routine" and hence not resulting in expatriation unless the individual specifically insists on the renunciation of US citizenship. Conversely, the US oath of naturalization requires renunciation of other allegiances. US government officials routinely and increasingly advise prospective citizens that even this oath will not result in loss of their earlier citizenship. The rationale is that most other countries under their own laws will not recognise the loss of citizenship based solely on the US oath, as the US does not consider its citizen to lose his/her citizenship by taking a similar oath in another country. It appears that the oath of renunciation is also not uniformly and invariably insisted upon. Nor does it have the consequence of automatic loss of citizenship. Voluntary acquisition of the nationality or citizenship is, thus, no longer an operative ground on U.S. practice to deny or deprive any person of his other nationality.
- 36.40. In States like Singapore, Taiwan, the Republic of Korea and Japan, the renunciation of one's own nationality is not a condition precedent for acquiring nationality by naturalization or registration. For instance, in Singapore, there is no prohibition for naturalization of a foreign national who is allowed to retain his nationality. Under the laws of the Republic of Korea, an alien can retain his foreign nationality upto six months even after acquiring Korean nationality by naturalization.

The nationals of the Republic of Korea can voluntarily acquire foreign nationality without losing their Korean nationality. To renounce their Korean nationality, they are required to seek express permission of the Korean Government by submitting an application for the purpose to the Ministry of Justice together with documents establishing their dual nationality. Under the laws of Taiwan, the individual acquiring foreign nationality may at his option renounce his Chinese (Taiwanese) nationality; but this is with the permission of the Minister of Interior. Thus, in the situations described above, if the individuals concerned do not choose to renounce their nationality, or the governments concerned refuse permission for such renunciations, it would result in dual nationality.

- 36.41. Countries like Bangladesh are conferring their nationality on foreign nationals with a view to attract foreign investment and skills. Bangladeshis residing abroad are permitted to retain their Bangladesh nationality, even if they acquire the nationality of a foreign country of their domicile, provided that they make regular or periodical remittances of foreign exchange to Bangladesh. Any foreign national willing to invest in large-scale development projects in Bangladesh may also acquire Bangladesh citizenship without giving up his original nationality. The only requirement in these cases of dual nationality is that the security and intelligence agencies of Bangladesh have to give clearance. It is pointed out by an author that the system in Bangladesh is based largely on "administrative practice devoid of any legal basis and is being pursued 'as a matter of policy involving vital economic interests". [See also M. Rafiqul Islam: *The Nationality Law and Practice of Bangladesh* in *Nationality and International Law in Asian Perspective*/ Ko Swan Sik (Ed.) (The Hague, 1990), p.1 at 21].
- 36.42. Some countries have accorded certain rights and privileges to dual nationals. In Japan, there is no discrimination between the dual nationals and the citizens. The dual nationals can also exercise, *inter alia*, the right of franchise, right to hold property and engage in other economic activities, right to education and the right to return. The dual nationals, however, are not entitled to hold any post in the Foreign Public Services of Japan. In 1960 and 1964, the Philippines had enacted laws to confer on the dual nationals the right to vote and the right to be appointed to public offices. These privileges are, however, confined to those Filipino nationals possessing simultaneously the nationality of any of the Iberian or friendly Ibero-American countries or of the United Kingdom. In Taiwan, the Chinese nationals holding the nationality of any other country are entitled to be nominated to certain public bodies, though they are otherwise ineligible to hold any public office.
- 36.43. Dual Nationality is a growing phenomenon in the world. The conditions on which dual nationality operates and the rights and responsibilities of dual citizenship are determined and worked out by each State. The incidence of dual nationality arises by virtue of operation of domestic laws of various States embodying the well-recognised principles of *jus soli* and *jus sanguinis*. It is allowed under the national laws of some countries despite deliberate and voluntary procedures of acquisition of nationality, namely naturalisation and registration.

## Citizenship under the Citizenship Act of 1955

36.44. When the Citizenship Act, 1955 (Act 57 of 1955) was brought forth, the question of dual nationality had not acquired either the character of a public demand nor an issue of wider public concern. Migrants from India to the developed world did not add up substantially in numbers, affluence or influence. Indeed, they were making a headway as nationals of an independent India. The Citizenship Act, 1955 did not and was not called upon to deal with the question of dual nationality in-depth. The Act merely took its cue from some of the provisional and tentative formulations contained in Part II of the Constitution. Nor had the new aspects of the dual nationality laws in different countries emerged clearly in the evolutionary process by 1950. The Statement of Objects and Reasons appended to the citizenship legislation invoked Article 11 of the Constitution and stated that the Constitution as originally enacted did not make any provision with respect to the acquisition of citizenship after its commencement or the termination of citizenship or other matters relating to citizenship. The Act provides for the acquisition of citizenship after the commencement of the Constitution, by birth, descent, registration, naturalization and incorporation of territory. It also makes necessary provisions for the termination and deprivation of citizenship under certain circumstances. **The Act permits the Central Government to extend on reciprocal basis such rights of an Indian citizen as may be agreed upon to the citizens of other Commonwealth countries and the Republic of Ireland.** The Act was amended in 1957, 1985 and 1986. Among the cognate Acts related to the Citizenship Act 1955 are the registration of Foreigners Act, 1939 (Act 16 of 1939), Foreigners Act, 1948 (Act 31 of 1948) and Passport Act, 1967 (Act 15 of 1967).

36.45. The Citizenship Act of 1955 as amended does not provide for dual nationality or citizenship. Section 3 recognises citizenship by birth. Every person born in India on or after the 26<sup>th</sup> day of January, 1950 but before the commencement of the Citizenship (Amendment) Act, 1986 shall be a citizen of India by birth. Every person born in India on or after the commencement of the Citizenship (Amendment) Act, 1986 one of whose parents is a citizen of India at the time of his birth shall be a citizen of India by birth. Sub-section 2 of Section 3 provides for the exceptions to the rule of *jus soli* contained in Section 3(1). Sub-Section 2 of Section 3 provides that a person shall not be a citizen of India by birth if at the time of his birth his father possesses such immunities from suits and legal process as is accorded to an envoy of a foreign sovereign power accredited to the President of India and is not a citizen of India; or if his father is an enemy alien and the birth occurs in a place then under the occupation by the enemy. Section 4 provides for citizenship by descent on the principle of *jus sanguinis*. A person born outside India on or after the 26<sup>th</sup> January, 1950 shall be a citizen of India by descent if his father is a citizen of India at the time of his birth. There is a proviso to Section 4(1) which lays down certain exceptions and conditions to citizenship by descent. Section 5 provides for citizenship by registration. Section 6 deals with citizenship by naturalization. A person to whom a certificate of naturalization is granted is required to take an oath of allegiance in the prescribed form. Section 7 provides for the Indian citizenship of persons by reasons of their connection with any territory which becomes a part of India. Section 8 deals

with renunciation of citizenship and provides that if any citizen of India of full age and capacity, who is also a citizen or national of another country, makes in the prescribed manner a declaration of renunciation of his Indian citizenship, the declaration shall be registered by the prescribed authority, and upon such registration that person shall cease to be a citizen of India. It appears that many of the Indian citizens who became citizens or nationals of another country may not have formally renounced their Indian citizenship or their declaration of renunciation may not have been registered by the prescribed authority.

**Section 9 deals with termination of citizenship and provides that any citizen of India who by naturalization, registration or otherwise voluntarily acquires or has, at any time between the 26<sup>th</sup> day of January, 1950 and the commencement of the Act of 1955, voluntarily acquired the citizenship of another country shall, upon such acquisition or, as the case may be, such commencement, cease to be a citizen of India.**

Whereas Section 8 deals with renunciation of Indian citizenship by a citizen of India of full age and capacity, Section 9 provides for the automatic termination of Indian citizenship in the case of any person who subsequently and voluntarily acquires citizenship of another country. Section 9 is similar to Article 9 of the Constitution but somewhat wider in scope. It has been held by courts that the question of renunciation of citizenship, cessation of citizenship and termination of citizenship is a matter to be determined ultimately by courts of law. A Division Bench of Delhi High Court held in AIR 1970 Delhi 76 that the Citizenship Act and the Rules framed thereunder do not contemplate dual citizenship and it is not possible under Indian law, except to a limited extent, as contemplated by the proviso to Section 9(1) [which provides an exception to Section 9 with regard to termination of citizenship in case of a citizen of India who, during any war in which India may be engaged, voluntarily acquires the citizenship of another country, until the Central Government otherwise directs]. It was pointed out in AIR 1965, Supreme Court 1623, that Section 9 does not lay down an objective test and that obtaining of a passport from another country does not necessarily imply exercise of free volition. It was held in AIR 1966 Calcutta 552 that mere long residence or acquisition of property in another country is not enough to establish an intention of abandoning domicile of origin and acquiring a domicile of choice. It was held by the Supreme Court in AIR 1986 Supreme Court 1534 that there is no provision in the law which provides that a person would automatically lose his Indian citizenship on his marriage with a person who is a citizen of a foreign country or by acquiring property in a foreign country. It has also been held by the Supreme Court that under Section 9(2) and Rule 30(2) of Citizenship Rules, 1956, an inquiry has to be made by the Central Government and not by courts. Section 10 contemplates the deprivation of citizenship by an order of the Central Government. Section 11 recognises Commonwealth citizenship.

## **Section 12 and Dual Citizenship**

36.46. The Committee finds that Section 12 of the Act contemplates within its orbit the concept of dual citizenship. Section 12 contains the seeds of dual nationality. It provides an indicative model on



the basis of which a specific concept of dual nationality can be elaborated. Section 12 reads as follows:-

**“12. Power to confer rights of Indian citizen on citizens of certain countries –**

- (1) The Central Government may, by order notified in the Official Gazette, make provisions on a basis of reciprocity for the conferment of all or any of the rights of a citizen of India on the citizens of any country specified in the First Schedule.
- (2) Any order made under sub-section (1) shall have effect notwithstanding anything inconsistent therewith contained in any law other than the Constitution of India or this Act.”

36.47. It is clear that Section 12 empowers the Central Government to make provisions for the conferment of all or any of the rights of a citizen of India on the citizens of any country specified in the First Schedule. Such conferment of all or any of the rights of a citizen of India on the citizens of any other country is tantamount to the recognition of the principle of dual citizenship. The countries specified in the First Schedule under Section 12 are primarily the Commonwealth countries and the Republic of Ireland. With regard to the conferment of all or any of the rights of a citizen of India on the citizens of any country specified in the First Schedule, the Central Government may make a provision but only on the basis of reciprocity. If a provision for dual nationality is to be made in respect of some of the Commonwealth countries and countries like the U.S.A., Canada, the U.K., members of the European Union, Australia, New Zealand, Singapore and such other countries as the Government may consider appropriate, an additional provision which may be Section 12A may have to be added in the Citizenship Act, but without the condition of reciprocity as is stipulated in Section 12. The names of the Commonwealth countries which are specified in the First Schedule and which may then be included in the Schedule under the new Section 12A would have to be deleted from the First Schedule. An indication would also have to be given in the new Section 12A with regard to the non-conferment of electoral rights and the right to apply for and serve in the armed forces and other such rights. Section 12 provides a pattern and a building block which commends itself to the Committee of appropriate adaptation in respect of dual nationality. It can also be clarified that the conferment of all or any of the rights of a citizen of India on the citizens of other countries specified in the Schedule to the Act would be confined to those who were or were entitled to be citizens of India at the time of the commencement of the Constitution as well as children and grandchildren of those persons.

36.48. It is noteworthy that Section 12(2) provides for the effect of an order granting dual nationality under Section 12 to override anything inconsistent therewith contained in any law other than the Constitution of India or the Act of 1955. Section 12 clearly contains the seeds of dual nationality. It provides an indicative model on the basis of which the concept of dual nationality can be unfolded and elaborated. Dual nationality should also be granted to the children and grandchildren of those who apply and obtain dual citizenship under the amended provisions of the Citizenship Act.

## A Blueprint for Dual Citizenship

36.49. The Committee has deliberated on the issue of Dual Nationality in all its ramifications and has given its anxious consideration to all the pros and cons of the issue. It has come to the conclusion that the demand for dual citizenship deserves to be considered in a positive and forward-looking spirit and without the conventional and stereotyped blinkers which have often obfuscated an objective consideration of the issue on the merits of the proposal.

36.50. The Committee is of the view that the expression 'NRI' which is used in common parlance as a synonym for the Diaspora consisting both of those who have retained Indian passports and those who have taken foreign nationality, are no longer to be regarded as the 'Not Required Indians'. The Committee endorses its Chairman's description of NRIs many years ago as the 'National Reserve of India' and also as the 'National Resource of India'. The Committee is of the opinion that dual citizenship has become a rallying point for the Indian Diaspora's solidarity with Mother India and that dual citizenship is an idea whose time has come. The demand for dual citizenship has an emotional resonance particularly for the first generation Indians who have made their homes in Europe, North America, Australia, New Zealand, Singapore, and Thailand. Many of them have taken the nationality of the countries of their domicile but look upon their passports with nostalgia. Many of them must have had to renounce their Indian citizenship by making a declaration to that effect but that did not weaken their emotional bonds with India. Dual Nationality is regarded by them as a badge of belonging. They feel unhappy when they have to apply for their Indian visas "to go to their own country." The Committee asked many of them why they were so keen on dual nationality when the PIO Card Scheme did offer practically all the benefits of dual nationality. Their answer was twofold: firstly, they argued that if the Government had already offered practically all the benefits of dual nationality under the Scheme of PIO Cards to the entire Indian Diaspora, it should have no difficulty in providing for dual nationality for citizens of a few specified countries by legislation; and secondly, they considered a legislative provision of dual nationality a higher form of the acknowledgement of their linkage with Mother India.

36.51. The most frequent and forceful argument against dual citizenship, apart from constitutional issues which we have dealt with elsewhere in this Report is the argument of security implications of dual nationality. Whenever the question of grant of dual nationality is considered, apprehensions have been expressed that the entry and exit of persons to whom dual citizenship may be granted would become impossible to regulate under the Foreigners Act and may jeopardise the sensitive internal security scenario in the country. It is also erroneously assumed that the induction of persons having dual citizenship in sensitive organisations and armed and paramilitary forces is implicit in the concept of dual citizenship. It is on that assumption that dual citizenship is opposed. It is sometimes feared that the grant of dual citizenship would lead to the creation of another privileged class, which would result in a further sharpening of the existing social divide in the country. The Committee would like to deal with each of these apprehensions one by one in the succeeding paragraphs.

- 36.52. The Committee is not convinced that regulation of the entry and exit of any person would become difficult or impossible if dual citizenship is introduced. We are constrained to point out in the first place that the entry and exit of persons into India even at present is insufficiently regulated and according to media reports, there are millions of illegal entrants in India especially from neighbouring countries, some of whom might even be security risks and the existing legislation including the Foreigners Act and the Illegal Migrants' (Determination by Tribunal) Act etc. has not been able to deal with the problem effectively. The Committee is of the considered opinion that a person of Indian origin living in the countries to be specified and to whom a proper document of dual citizenship would be granted, would be subject to more effective regulation than the lakhs of visitors who enter India without any let or hindrance and make India their home without any visa or work permit.
- 36.53. It is not possible to understand why the entry or exit of a person to whom the document of dual citizenship is granted after full scrutiny is any more difficult to regulate and monitor than the entry and exit of any foreign national or an Indian citizen. If the existing procedures are inadequate, they can be altered; if the will and vigilance is lacking, remedial measures can and ought to be taken. We are of the view that a person travelling on a document of dual nationality would be like any other visitor or a PIO cardholder or an Indian national returning to India. The Government of India may, if it so desires, prescribe the period of one year at a time for the dual citizen's stay in India except when permission for a longer or indefinite period is granted as in the case of senior citizens. A dual citizen may also be covered by the Passport Act of 1920 and the Passports Act of 1967. In the alternative, he or she may be covered by the Foreigners Act by means of a limited deeming provision. Special forms may be prescribed for holders of dual citizenship both for entry and exit and those may also be deemed as registration of dual citizens on their entry. Security implications are minimal in case of dual citizens of Indian origin because those who desire to have dual citizenship would have to make an application in the first place; they would have to make a full and faithful disclosure; they would be subject to scrutiny before dual citizenship is granted to them; they would fill prescribed forms when they enter and exit; subject to appropriate exceptions in case of students and senior citizens, they would be able to stay only for a period of one year at a time; their dual citizenship passports would be stamped on entry and exit.
- 36.54. The Committee has also examined the provisions of the Foreigners Act, 1947, the provisions of the Passport (Entry Into India) Act, 1920 and the Passports Act, 1967. The Committee is of the view that wherever necessary, provisions of the Passport (Entry Into India) Act, 1920 and those of the Passports Act, 1967 are made applicable to dual nationals *mutatis mutandis*, the authorities would be armed with sufficient control mechanisms. In the alternative, certain provisions of the Foreigners Act, 1947 may be made applicable to those to whom dual citizenship is granted, and this could be done by means of a deeming provision, particularly because those persons would continue to have their foreign passports. Care should, however, be taken to simplify rather than multiply procedures and to make their application and implementation effective without making them cumbersome or onerous.

- 36.55. Another argument against the grant of dual citizenship is that the induction of persons having dual citizenship in sensitive organisations, armed and paramilitary forces would have serious security implications. The Committee wishes to clarify that it is not its intention to recommend that persons having dual citizenship would have the right of employment in the civil services or in the defence forces or in any sensitive organisations. The Committee would like to make it clear that those to whom dual citizenship is granted shall not, as a rule, be entitled to be inducted in the civil services of the States or the Union. They shall also not be entitled to be inducted in any sensitive organisations or in armed and paramilitary forces. Exceptions may, however, be made so far as any appointment is concerned by a specified order of the Central Government. The Committee also feels that it will not be practicable to grant any electoral rights or the right to hold any elective office in India to persons to whom dual citizenship is granted. For those who would acquire dual citizenship, their entry document should be deemed to be their registration and the period of continuous stay for them should be one year. An exception should also be made in case of senior citizens who may be granted permission to stay indefinitely; Diaspora students who have dual citizenship under Indian law should be granted permission upto a maximum of two years at a time.
- 36.56. The Committee is also not persuaded that the introduction of dual citizenship would create another privileged class and that it would result in a further sharpening of the existing social divide in the country. Firstly, the so-called social divide in terms of economic disparities is sharp enough without the introduction of dual nationality. The introduction of dual nationality cannot make any difference to the so-called existing social divide in the country. The PIO Card Scheme attracted a mere 1200 applicants. Even if there were a hundred times more number of applicants for dual citizenship, it could hardly make any difference whatsoever to the "existing social divide" in the country. It is an unrealistic assumption that the conferment of dual nationality would automatically make several million persons of Indian origin full-fledged citizens of India and that Indians living in North America, Europe, Australia, New Zealand and Singapore or other countries to be specified in the Act would all come to visit India. The Committee may also add that as a matter of policy, the Government of India welcomes and encourages ethnic tourism which has come to constitute a significant proportion of tourists who visit India. The Committee is of the considered view that the demand and expectation of dual nationality deserves to be considered in a positive and constructive spirit taking into account the goodwill it would generate among the PIOs.
- 36.57. The Committee wishes to emphasise that at this stage dual citizenship is proposed to be granted only to the citizens of Indian origin in certain specified countries such as countries of North America, Europe, Australia, New Zealand, Singapore, etc. Those are highly developed countries. It is to those countries that the migration of Indians took place after India became independent. Most of those who migrated to those countries were Indian citizens. Some of them continue to be Indian citizens and hold Indian passports. Many of them are under pressure to take the citizenship

of the countries where they live but would like to retain their Indian citizenship. The Committee is of the view that the grant of dual citizenship to them would not compromise India's security in any way. In any event, the country is entitled to expect a high degree of vigilance efficiency from its security set up. Procedures for vigilance and scrutiny have to be streamlined by the authorities and a constant watch has to be kept. We are of the opinion that regulation of entry and departure of persons to whom dual nationality is granted can be fully taken care of by adequate procedures within the existing legislative framework and by extending it wherever necessary.

- 36.58. There is an apprehension that the introduction of dual nationality might allow nationals of countries, which are inimical to India to freely enter India to carry on their nefarious activities. Presumably, that aspect of the problem was attended to by the PIO Card Scheme, which extends to the whole world whereas the proposed dual nationality would apply to a very small number of specified countries. Article 7 of the Constitution already provides that a person who after the first day of March 1947 migrated from the territory of India to the territory now included in Pakistan shall not be deemed to be a citizen of India. That principle would continue to apply to citizens and former citizens of Pakistan and Bangladesh as well as other neighbouring countries. The proposed scheme of dual nationality would apply only to citizens of a few specified countries. Moreover, dual nationality should only be granted to those who have acquired the nationality of countries which, by law or in practice, accept the principle of dual nationality. The Committee is of the view that a critical and rational assessment of the security considerations should be made in aid of a cautious and vigilant approach. The Committee is of the opinion that the scheme of dual nationality can be worked into our legislation with appropriate safeguards. Firstly, by not including the nationals of the countries in respect of which we have security apprehensions; secondly, by specifying a few countries, the nationals of which, if they are members of the Indian Diaspora and if they were or were entitled to be citizens of India at the commencement of the Constitution, may be granted dual nationality and the provision may be extended to their children and grandchildren; thirdly, the principle of *jus sanguinis* may be appropriately applied to verify and monitor the Indian linkage; fourthly, the requirement of complete disclosure on an affidavit and the provision for careful scrutiny by the Missions as well as a nodal agency comprising of representatives of Ministry of External Affairs and Ministry of Home Affairs would safeguard the security interests of the country. The Committee would like to enter the caveat that those procedures should be simple and swift and should be insulated from red tape and corruption. The Committee is deeply conscious of our heightened security concerns in the wake of a series of terrorist attacks, more particularly the attack on our Parliament House on December 13. We are of the view that, to accord paramount priority to security concerns is a national imperative. We hold that dual citizenship with proper safeguards will not undermine national security. We believe that dual citizenship and national security are not mutually exclusive: indeed linkages of love and loyalty represented by dual citizenship and all-round vigilance safeguarded by procedures of scrutiny to be embodied in the forms and the Rules would prove to be the bastion of India's national security and worldwide economic, cultural and political interests. A rational analysis and assessment has

led the Committee to the unequivocal conclusion that provisions for dual nationality can be made in the Citizenship Act with appropriate safeguards, and that the decision on dual nationality should not be delayed or deferred any further.

36.59. The Committee has carefully considered the provisions of the Constitution and the Citizenship Act, 1955, as amended and is of the view that its provisions would have to be amended and can be constitutionally and legally amended to provide for grant of dual nationality or citizenship to certain members of the Indian Diaspora belonging to certain specified countries if they satisfy the conditions and criteria laid down in the legislation. The Committee is of the view that those who were or were entitled to be citizens of India at the commencement of the Constitution but have acquired the citizenship of other countries such as, for example, the United States of America, the United Kingdom, countries of the European Union, Canada, Australia, Singapore, Malaysia, Thailand, Japan, New Zealand should be eligible for dual citizenship. We must make it clear that we do not recommend automatic conferment of dual citizenship. It would have to be acquired by following an appropriate procedure as may be laid down in the Parliamentary legislation and the rules framed thereunder. We are also of the opinion that the document of dual nationality or citizenship should clearly specify, wherever applicable, the details of the previous documents of Indian nationality or proof thereof as well as full details of the foreign nationality or citizenship of the person concerned. It should also be a requirement of the entry and departure procedures to stamp the document of dual nationality as well as the document of the individual's other nationality, which ought to be regarded as the primary nationality. We are of the view that it is not practicable to extend to those who acquire dual nationality or citizenship the electoral rights and the right to contest elections to elective bodies in India, particularly if those rights have to be operationally exercised outside India. Postal arrangements are tardy, impracticable, and often infructuous. Wherever necessary, suitable amendments can also be made in other legislation such as the Passports Acts and Foreigners Act to safeguard India's security concerns. There are already several existing requirements for passengers arriving into India and leaving India. Those procedures can be made more adequate wherever greater disclosure is considered necessary. Apart from those who were or were entitled to become Indian citizens at the time of the commencement of the Constitution, the children and grandchildren of those who were Indian citizens or were entitled to become Indian citizens at the commencement of the Indian Constitution should be eligible to apply for dual nationality or citizenship if they are citizens of the countries to be specified in a Schedule to the Citizenship Act.

36.60. The Committee would like to put on record its thankful appreciation of many distinguished jurists, Members of Parliament and other distinguished persons with wide experience who have responded to Chairman's request eliciting their views on the terms of reference, and more particularly on the question of dual citizenship. Nearly all the responses received orally or in writing by the Committee endorsed the idea of dual citizenship for economic, technological, social, political and psychological reasons. The Committee received only one negative response

to the proposal, and that response was based on the apprehension that Pakistanis and Bangladeshis might gain access to India's dual citizenship. The Committee has made it amply clear in this Report that the citizens of only those countries specified in the Schedule (to be appended) will be eligible for dual citizenship and that citizens of other countries (including those of Bangladesh and Sri Lanka, and Pakistan, for example, regarding which some apprehensions have been expressed) would not be eligible for India's dual citizenship. The Committee has also made it clear that the dual citizenship recommended by it would not be automatic, that it would be confined to persons who were or were entitled to become citizens of India, as well as their children and grandchildren if they have taken the citizenship of the countries to be specified in the Schedule.

36.61. The Committee recommends:

- (1) That dual citizenship should be permitted within the rubric of Citizenship Act, 1955.
- (2) That Sections 9, 10 and 12 of the Citizenship Act, 1955 should be suitably amended.
- (3) That a provision analogous to Section 12 of British Nationality Act, 1981 shall be included in The Citizenship Act and should be substituted under the caption "Renunciation and Resumption of Citizenship". The provision which we recommend is patterned on the British Nationality Act, 1981 and may read as follows:-

#### **Renunciation:**

- (1) If any Indian citizen of full age and capacity makes in the prescribed manner a declaration of renunciation of Indian citizenship, then, subject to provisions of this Section, the Central Government shall cause the declaration to be registered.
- (2) On the registration of a declaration made in pursuance of this Section, the person who made it shall cease to be an Indian citizen.

Provided that a declaration made by a person in pursuance of this Section shall not be registered and shall not be given effect unless the Central Government is satisfied that the person who made it will after the registration have or acquire some citizenship or nationality other than Indian citizenship; and if that person does not have any such citizenship or nationality on the date of registration or does not acquire some such citizenship or nationality within one year from that date, he shall be, and be deemed to have remained, an Indian citizen notwithstanding the registration.

#### **Resumption:**

- (1) Subject to the provisions of subsection (2), a person who has ceased to be an Indian citizen as a result of a declaration of renunciation on or after the date of the commencement of the Constitution shall be entitled, on an application for registration for dual citizenship of India, to be registered as such a dual citizen if:

- (a) he is of full capacity; and
  - (b) his renunciation of Indian citizenship was necessary to enable him to retain or acquire the citizenship or nationality of any one of the countries specified in the Second Schedule.
- (2) Any person who was or was entitled to be an Indian citizen at the time of the commencement of the Constitution of India and who has acquired the citizenship of any of the countries specified in the Second Schedule as well as the children and grand children of such person shall be entitled to avail of the benefit of resumption of his Indian citizenship in the capacity of a dual citizen of India.
  - (3) If a person of full capacity who has ceased to be an Indian citizen as a result of a declaration of renunciation (for whatever reason made) and has acquired the citizenship of any of the countries specified in the Second Schedule makes an application for his registration as a dual citizen of India, the Central Government may, if it thinks fit, cause him to be registered as such a citizen.”
  - (4) That dual citizenship of India and a dual citizen of India may be defined in the Act. We recommend that the language of Section 12 may be adopted for the purpose of providing for the “conferment of all or any of the rights of a citizen of India as may be provided under the rules to be framed on the citizens of any country specified in the Schedule to the Act.” The language of Section 12(2) may be expressly borrowed for the purpose of *non obstante* and overriding operation of the clause providing for dual citizenship. The Committee is of the opinion that the provision for Commonwealth citizenship may be reviewed either to put some living substance in Sections 11 and 12 of the Citizenship Act or to substitute those provisions by new provisions relating to the Indian Diaspora in the countries of the Commonwealth as specified in the First Schedule and in the countries to be specified in the Second Schedule.
  - (5) That those who hold PIO cards should be allowed to avail themselves of the provisions for naturalization after two years of obtaining the card, and those who acquire dual citizenship should be allowed to become naturalized citizens after one year. This relaxation should be particularly applicable to senior citizens of Indian origin who may wish to return to India in the evening of their lives and may wish to spend the rest of their lives in India.
  - (6) That it may be provided by a proviso to the proposed new Section that those who have acquired dual citizenship, shall not be entitled to exercise electoral franchise and shall not be inducted into civil services or the defence or paramilitary forces except by a special order of the Central Government. It may also be provided in the proviso that they shall not be entitled to any other employment in the service of the States and the Union except by a special order of the Central Government.



- (7) That a provision should be made for framing of rules in respect of all matters relating to dual citizenship including the form and fee to be prescribed for an application to be made for dual citizenship. The prescribed form should ask for full and faithful disclosure of previous Indian and other passports, record of employment, residence, electoral registration in India and all foreign countries and such other particulars as the Central Government may consider appropriate. A provision should be made for the issue of dual citizenship passports, prescribed fee therefore, and stamping of both foreign nationality passport and Indian Dual Nationality passport at the time of entry and exit.
- (8) The processing fee for an application for dual citizenship should be fixed at US\$100; at the time of the first issue of dual citizenship, the fee of US\$300 may be levied. However, in the case of an application for the issue of dual citizenship passports to a husband and wife, a composite fee of US\$500, inclusive of the processing fee, may be levied. For every dependent member of the family, an additional fee of US\$50 without any additional processing fee should be levied. The validity of the passport should be 10 years. An appropriate renewal fee may be prescribed in the rules.

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