



भारतीय प्रबंध संस्थान बेंगलूर
INDIAN INSTITUTE OF MANAGEMENT
BANGALORE

WORKING PAPER NO: 380

**The Punjabi Diaspora in the UK:
An Overview of Characteristics and Contributions to India**

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Year of Publication - October 2012

This paper is part of a research project titled “Developing a knowledge base for policymaking on India-EU migration”, financed by the European Commission (EC) and carried out by Prof. Rupa Chanda at the Indian Institute of Management Bangalore (IIMB), researchers at the European University Institute (EUI), the Indian Council of Overseas Employment (ICOE), and Maastricht University (Faculty of Law).

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Abstract

The recognition of diaspora contributions towards their home country through remittances, investments and networks has facilitated a shift in attitude and thinking regarding migration, from brain drain to “brain bank”, “brain gain”, “brain trust” and “brain circulation”. This shift in thinking is also evident in India in recognition of the manifold contributions being made by the Indian diaspora to the home country.

This paper examines the historical and socio-economic characteristics of one important Indian diaspora community, the Punjabis in the UK and discusses the latter’s contributions to India and to its home state of Punjab. The evidence reveals that the NRI Punjabi diaspora in the UK is quite old, dating back to the colonial period. It is a heterogeneous community, divided by castes and sub-castes which influence the institutions through which its subgroups engage with the homeland. The secondary and primary evidence collected for this study indicate a wide variety of contributions-economic, social, philanthropic, cultural and political. Some of the main sectors of contribution are health, education and rural infrastructure. However, the evidence also reveals that there is much greater potential for diaspora engagement and that large scale investments by the diaspora are deterred by corruption, an inefficient bureaucracy, lack of streamlined procedures and lack of supportive diaspora policies at the state and central levels. The study thus concludes that greater thrust is needed, especially at the state level to facilitate the Punjabi diaspora’s engagement with India and with its home regions and state.

Keywords: Punjab, diaspora, UK, remittances, investment, philanthropy, NRI, networks

1. Introduction

The word Diaspora comes from the Greek word diaspeirein (dia means about/across and speirein means to scatter). “Diaspora” has come to refer to mass-dispersion across the ages of history, e.g., the exodus of Jews from Arab countries. In recent times, the term has come to mean a dispersion of people with a common root, who forge some sort of community network with each other, and maintain a relationship (real or otherwise) with their homeland, while living far away from home. The Diaspora therefore includes permanent immigrants, citizens and non-residents of a country living abroad, but not short-term migrants.

The migration of highly qualified, talented professionals from developing countries to highly developed countries driven by “push factors” such as the lack of opportunities for career development in sending countries and “pull factors” such as higher wages and skill shortages in receiving countries has been an issue of grave concern for economists since the 1960s.

Diaspora contributions towards their home country can be of three types: “Money” (remittances), “Machine” (technology) and “Man-hour” (expertise)¹. It is held that diaspora groups contribute phenomenally towards the development of less developed nations primarily through monetary remittances², investments and by building social networks. Such contributions by the diaspora have facilitated a shift in attitude and thinking regarding migration, from brain drain to “brain bank”, “brain gain”, “brain trust” and “brain circulation”. This perspective has become more popular in recent years as opposed to the earlier view of “brain drain”. The manifold contribution of the skilled Indian diaspora through their remittances, expertise and networks has also led to this change in perspective among Indian policymakers and academics towards the Indian diaspora, from that of ‘brain drain’ to ‘brain gain’.

The contributions of the Punjabi, Gujarati and the Keralite diaspora are noteworthy in this regard. Kerala has witnessed a huge outflow of educated workers to international destinations like Europe and the Gulf for better work opportunities and better financial returns. The State Government of Kerala acknowledges the fact that the remittances sent by these migrants have helped in the development of the state economy in various ways. Again the remittances sent by the migrants have helped in improving the standards of living of millions of families. Recently it has been observed that US trained professionals are returning to India to exploit the growing employment opportunities in

¹ Khadria (2003) states “The relevant NRI ‘investments’ in this context are of three generic types: ‘Money’ (comprising remittances, bank deposits, equity participation, real estate purchases in India), ‘Machine’ (know-how and technology embodied in the state-of-the-art equipment and other physical capital transferred to India), and ‘Man-hour’ (knowledge, experience and expertise embodied in the personnel returning to devote its time to India).”

² According to Akanmu Adebayo (2010), “Remittances have long been recognized as a valuable asset of transnationalism, a clear product of brain drain, and one of the reasons family members would tolerate migration and physical absence of their loved ones”.

India. The emergence of Hyderabad and Bangalore as two new 'tech cities' has been facilitated by and has also facilitated the 'reverse brain drain' to a large extent.³

Amongst the various Indian communities settled outside, the Punjabi, the Gujarati and Keralite diaspora are large in number and also contribute significantly to the development of their native places. The Gujarati community abroad has been very active in establishing hospitals, schools and colleges in Gujarat and has also successfully lobbied in the Western capitals for foreign direct investment in Gujarat. Philanthropic work carried out by NRI Punjabis settled as successful businessmen in the USA, UK and Canada and their contribution towards the welfare of their local villages in Punjab is noteworthy. There is also recent evidence of Punjabi IT professionals who are returning to Punjab and investing in the IT sector in Punjab. Among the 65 software companies in Punjab, around 20 are owned by NRIs. Companies like Smartdata.Inc., Bebo Technology and Dhanasia Consulting etc are owned by NRIs. Moreover, a boost to the IT Sector has also helped in the economic development of the region by generating around 7,000 to 8,000 jobs for IT professionals. A rapid increase in software exports has also been observed with the latter more than doubling from US \$40 million in the year 2003-2004 to US \$ 89 million in the year 2005-2006.⁴ The State Government of Punjab and Central government of India are now eager to tap the Punjabi diaspora to aid the various development projects in the state. Hence, the Punjabi diaspora presents an interesting case to investigate in order to better understand the modalities and the nature of their contributions to their home region.⁵

Outline

This paper consists of seven sections. Section 2 provides an overview of the Punjabi diaspora in the global context and also specific to the UK. It also narrates the brief history and trends in Punjabi migration to the UK. Section 3 discusses the caste-wise migration of Punjabis and the inter-caste dynamics of this community overseas. Section 4 reviews the secondary literature regarding the economic and charitable contributions of the worldwide Punjabi diaspora to India and to Punjab, along with some discussion specific to the contributions by the UK-based Punjabi diaspora. Section 5 presents some primary evidence on the contributions made by the Punjabi diaspora in the UK to their home state. Section 6 concludes with a summary of the key findings and some policy recommendations.

³ Elizabeth Chacko, 2007

⁴ <http://news.webindia123.com/news/articles/India/20061103/497386.html> (accessed on 15.02.2012)

⁵ Shinder Thandi, 2011

2. Overview of the Punjabi diaspora in the UK

As India is a diverse nation, its diaspora consists of many ethnic subgroups. The 64th round of National Sample Survey data (2007-2009) reveals that Punjab figures among those states with the most out-migrants from India (in addition to Kerala, Tamil Nadu, Andhra Pradesh, Gujarat and Goa). According to this survey, the number of out-migrants from Punjab was estimated at 386,423.⁶

The UK has always been an important destination market for Indian emigrants and has a sizeable Indian diaspora community. The term 'British Indian' is used to refer to any citizen of the U.K. whose ancestral roots lie in India. This group includes people born in the UK of Indian descent and Indian-born people who have migrated to the UK. As per the 2001 census, the majority are Hindus. People of Indian origin (PIO) make the largest ethnic minority in Britain.⁷ As per 2001 UK Census data there are estimated 1.05 million PIOs in the UK. They constitute 1.8% of the total population in UK.⁸ In 2011, the PIO community was estimated at nearly 1.5 and 2 million, comprising 2.73% of the UK's population.⁹

Table 1 provides an overview of the estimated size of different Asian ethnic subgroups in the UK. It highlights the significance of the Punjabis and the Sikhs as an immigrant group in the UK.

Table 1. Estimated size of different overseas Indian communities

	ALL PEOPLE	Hindu	Muslim	Sikh	Others
ALL PEOPLE in England and Wales	52,041,916	552,421	1,546,626	329,358	49,613,511
Asian	2,273,737	533,397	1,139,065	316,763	284,512
Indian	1,036,807	466,597	131,662	301,295	137,253
Indian Punjabi	466,563 ^{1/}				
Pakistani	714,826	547	657,680	346	56,253
Bangladeshi	280,830	1,693	259,710	113	19,314
Other Asian	241,274	64,560	90,013	15,009	71,692

Source: Office of National Statistics, <http://www.ons.gov.uk/ons/index.html> (accessed on April 19, 2012)

1/ Data for Punjabis is estimated based on the share of Punjabis in total Indian migrants to the UK from the High Level Committee Report on the Indian Diaspora (February 2003)

⁶ See Table 1. The terms out-migrant and emigrants are used interchangeably.

⁷ The contribution of UK-based diasporas to development and poverty reduction :A report by the ESRC Centre on Migration, Policy and Society (COMPAS), University of Oxford for the Department for International Development

⁸ http://en.wikipedia.org/wiki/United_Kingdom_Census_2001 (accessed on 17.02.2012)

⁹ Office of National Statistics data

<http://neighbourhood.statistics.gov.uk/dissemination/LeadTableView.do?adminCompAndTimeId=23808%3A254&a=7&b=276743&c=London&d=13&r=1&e=13&f=21810&o=198&g=325264&i=1001x1003x1004x1005&l=1809&m=0&s=1221325675500&enc=1> (accessed on 16.04.2012) and

<http://ukinindia.fco.gov.uk/en/about-us/working-with-india/india-uk-relations/> (accessed on 18.04.12)

As is shown above, Punjabis account for 45 percent of Indians living in the UK at over 450,000. Other sources indicate that all other Indian subgroups in the UK, such as the Gujaratis, Bengalis and the Malayalis, are significantly smaller in number compared to the Punjabis. It is worth noting, however, that the Punjabis constitute an important Indian diaspora community not only in the UK but in many other parts of the world. They constitute 33% of the Indian emigrants to Gulf countries and account for 20% and 11% of Indian emigrants in Canada and the US, respectively. The UK accounts for 0.6% of all Punjabis living around the world indicating that the latter are spread across many countries.¹⁰

Within the Punjabi community in the UK, Sikhs constitute an important group as is also evident from Table 1. The largest Sikh community outside India is in fact based in the UK. As shown above, there are around 300,000 Indian Sikhs living in the UK. This is around 2 percent of the 19.2 million Indian Sikh population and about 65 percent of all Indian Punjabis living in the UK.¹¹

2.1 Drivers of Punjabi Migration to the UK

There are a variety of reasons for the presence of a large Punjabi diaspora in the UK. The first and second waves of Punjabi migration to the UK were driven by historical colonial links between Britain and India and involved pre-independence direct migration and post-independence secondary migration flows, respectively. A third wave of migration has been driven mainly by socio-economic factors in the post-independence period. The following discussion highlights the characteristics of these different phases of Punjabi migration to the UK. An important feature that emerges is that there has been a considerable amount of forced migration from Punjab to the UK across different time periods.¹²

2.1.1 *Pre-independence direct migration*

British rule in India started in the 17th century with the conquest of the then Bengal province by the East India Company. Indian people then started to travel to Britain. The early group of Indians travelling to Britain was mainly servants but gradually the Indian princes and elites also started to travel to Britain. One of the most renowned figures of that time was Maharaja Duleep Singh from Punjab.

¹⁰ I. Kaur and M.Stoor (2009)

¹¹ <http://en.wikipedia.org/wiki/Sikh> (accessed on 17.02.2012)

¹² According to NSS Report No. 533 migration due to natural disaster, social/political problem and displacement by development projects is considered 'forced migration'. The number of forced migrants from the rural and urban areas of Punjab account to 6 of 1000 out migrants and 19 out of 1000 out migrants respectively in 2007-2008. The highest numbers of forced migrants from rural areas are from Pondicherry (52 out of 1000 out migrants) and Karnataka (10 out of 1000 out migrants). Conversely, highest number of forced migrants from urban areas of India is from Chattisgarh (22 out of 1000 out migrants) (NSS Report No 533, 2007-2008).

After 1857, the flow of servants and Indian students to Britain increased considerably. Punjab witnessed a major migration of labour to Britain. It began to emerge as the principal area for recruitment in the British Indian army. Most of the recruitments for the Army and the colonial police force were done from Punjab. Overseas postings eventually led to some of them settling abroad after retirement. However, on the whole, emigration from Punjab to the United Kingdom which started during colonial rule in India was quite insignificant in the pre-independence period.

2.1.2 *Secondary migration to the UK*

There has also been secondary migration of Punjabis to the UK from former British African colonies in the post-independence period. The roots of this migration lie in the colonial period. Following the abolition of slavery in 1833, there was forced migration of Indians to various British colonies to work on sugar and rubber plantations. This movement occurred under a system of temporary labour migration that was started by the British to meet the demand for cheap labour in plantations and mines. Poverty was the main driving force on the Indian side. By 1878, Indian labourers were working in Guyana, Trinidad, Natal (South Africa), Suriname, Fiji and East Africa.⁹ While plantation workers in Suriname, Trinidad and Tobago, Fiji, and Mauritius were mainly recruited from Bihar and Uttar Pradesh, the Indian labourers working in Guyana and East-Africa, were mainly from Punjab and Gujarat. In addition to migrating as indentured labour to these countries, Punjabis also migrated to countries in East Africa, namely, Kenya, Uganda and Tanzania to work in developmental projects initiated in these countries when they were part of British East Africa¹³. Some also migrated as recruits in the British army to serve in East Africa. Subsequent Punjabi migration to these countries was also driven by network effects, i.e., kinship and friendship ties with Indian migrants already present in those countries.¹⁴ It is estimated that the number of Indian migrants in the former British colonies of East Africa (primarily Gujaratis and Punjabis) was as high as 0.50 million (Kuepper et al., 1975) in the 1960s. As a result of these different forms of migration flows to East Africa, Punjabis came to constitute the largest Indian diaspora group in this region (followed by the Gujaratis).

However, the political turmoil in East Africa (Kenya, Uganda) and Africanization policies forced the majority

¹³ R. Kaur (2007)

¹⁴ In the migration literature, network effects are seen as playing an important role. Network effects lower the cost of migration for prospective migrants.

of Indians, including Punjabis who had migrated earlier to these British colonies, to leave these countries. Exodus of most of the ethnic Indians from Uganda happened after Idi Amin came to power in a military coup in 1972. Black Ugandans had long resented Asians' economic dominance. Amin sought to give economic power back to Africans and thus issued a decree setting a deadline of 90 days for all persons of Asian origin to leave the country. This diktat included the then 0.08 million-strong ethnic Indian community, including Punjabis in that country.¹⁵ Most of the Indian migrants based in East Africa moved to the UK as twice migrants in the 1960s and 1970s. (An estimated 0.03 million Indians entered Britain from Uganda via a quota system but as the UK Commonwealth Immigration Act of 1968 limited immigration, many highly skilled Ugandan Indians entered Canada under the latter's points system and a considerable number were accepted by the United States, the then West Germany, and Sweden).

More recently, in the 1990s, there has been another secondary wave of Sikh migration to the UK (and other developed countries), from Afghanistan following the political turmoil in that country. These Sikhs had migrated to Afghanistan from India in the pre-independence period and were largely businessmen and traders in that country. Today, they are mainly present in Southall in Greater London. Hence, in the post-independence period, there has been considerable "forced" migration of Punjabis to the UK (and other countries) at various points in time, on account of political problems.¹⁶

2.1.3 Post-independence direct migration

Socio-economic factors have been the main driver of migration from Punjab to the UK in the post-independence period. Direct migration of Punjabis to the UK reached its peak in the 1950s and 1960s when many Punjabi males migrated in response to the demand for low-skilled workers in Britain's industrial sector after the Second World War.¹⁷ Initially migration was primarily attributed to cheap labour male migration. The UK's Commonwealth immigration policy facilitated such flows as it allowed any citizen of a Commonwealth country to live, work, vote, and hold public office in the UK (Migration Information Source), though the 1962 immigration reform brought an end to this privilege. Many Sikhs migrated under this liberal policy (and as highlighted earlier, Sikh migration to the UK has been higher than that for Punjabis as a whole). In the first few decades after independence, unskilled, skilled, and professional workers who migrated from India to the United Kingdom mainly consisted of male Punjabi Sikhs.

There was also low skilled and skilled migration (primarily male) from Punjab to the UK during the 1960s and 1970s in search of better employment, educational facilities and other benefits which were

¹⁵ Kuepper et al. (1975)

¹⁶ Khadria (2006)

¹⁷ Hill et al. (2004)

not available in Punjab. In part, such flows were triggered by a change in mindset and aspirations for a better standard of living among Punjabi villagers following the Green Revolution in Punjab.

This initial male-dominated migration of workers from Punjab was followed by spouse and family migration to the UK. In fact, in the post-independence period, marriage-related migration has emerged as a major contributor to the growth of the Punjabi diaspora community in the UK, with spouses forming the largest single category of migrant settlement in the UK (and South Asians accounting for the bulk of marriage-related migration to the UK). Many wives and children were brought to the UK – from India and Pakistan, during the 1960s (and from Bangladesh in the 1980s) in line with the South Asian convention of brides moving to their husbands' households. The phenomenon of marriage related migration is so important for Punjabi women that it has been suggested that for Punjabi women, 'womanhood implies travel'¹⁸. Some academics have noted that transnational marriage appears to act as a balance in the gendered mobility, as relatively equal numbers of wives and husbands from the Indian subcontinent have been granted settlement in the UK (in 2008 the proportion of wives were 52% for India, 56% for Pakistan, and 54% for Bangladesh, although in 2009 the proportion of wives was higher, ranging between 62% and 63% for all three nationalities).¹⁹

Irregular migration has also contributed to the sizeable Punjabi diaspora community in the UK.²⁰ While it is difficult to measure or estimate irregular migration flows, several reports highlight the significance of Punjab as a source state for irregular migrants from India to different countries. As per a 2011 India Today Report, there were an estimated 15,000 Punjabi youth detained in various prisons across the world for staying illegally.²¹ According to a report by the UN office on Drugs and Crime, every year nearly 0.02 million Punjabi youths try to illegally migrate to European Union (EU) countries in pursuit of greener pastures.²² A majority of these irregular migrants from Punjab go to Britain.²³

3. Caste and community characteristics

There is a sizeable body of literature on the caste and community characteristics of the Punjabi diaspora, including discussion of specific sub groups, sub-castes, and religious groups within the

¹⁸ Charsley et al. (2011)

¹⁹ Charsley et al. (2011)

²⁰ Irregular Migration is defined as migration that involves violating the immigration laws and sovereignty of the host nation. The principal ways via which non-nationals become unauthorized migrants, are as follows : i) illegal entry; ii) entry using false documents; iii) entry using legal documents, but providing false information; and (iv) overstaying on visa-free travel period or temporary residence permit. (Morehouse et al. (2011))

²¹ India Today (Aug 15, 2011)

²² Saha et al. (2009)

²³ However, according to a December 2011 report on Irregular Migration in Europe, such migration has reduced between the years 2007 to 2010.

Punjabi community. As highlighted earlier, there were an estimated 2.3 million Punjabis in the UK or 2.1% of the total Punjabi community around the world as per the 2001 census report, with a large part of this Punjabi diaspora (33%) hailing from the Sikh community. The majority of the Sikh diaspora in the UK (and also worldwide) is from the Jat caste, who were traditionally landed peasant farmers. Sikhs from the Jat caste migrated from the Jullundur Doaba region (the area between the rivers Sutlej and Beas) to the UK, starting in the early 1950s. They came in search of employment opportunities and to meet the shortage of industrial workers in the UK, mostly settling in Britain's industrial cities. Before the migration of the Jats, movement from Punjab to the UK was mainly limited to a few princely or royalty-connected visitors in the late nineteenth and early twentieth centuries.

In addition to the Jats, a section of the Sikh diaspora in the UK belongs to the Bhatra and Ramgarhia castes. They were mostly landless workers. (The Bhatra men in India were mainly vagabonds and survived by telling fortunes, etc. while the Ramgarhias were skilled craftsmen—brick-layers, masons, blacksmiths, and carpenters). The Bhatras like the Jats migrated to the UK directly from India, initially between the two world wars when they settled in Britain's seaports and later after independence. The Ramgarhia Sikhs on the other hand were mostly secondary migrants from the countries of East Africa. Their numbers climbed sharply around 1970 following the Africanization policies adopted in the East African countries.

There is considerable fragmentation within the Sikh diaspora community in the UK. Two important sub groups are the Ravidasi and Valmiki communities. These are considered as lower '*zat*' among the Sikhs.²⁴ There are separate community centres and sabhas which help these subgroups to establish their identities. The Sabhas bring together the community members. They are usually the venues for marriages, which tend to be intracommunity in nature as there is generally no inter-marriage between the different *Dalit zats* (lower castes).²⁵

In addition to the Sabhas, both the Valmiki and Ravidassia communities also establish their sub-group identities within the Punjabi diaspora community through distinctive rituals and practices, by celebrating festivals and events, and by establishing separate places of worship. Membership of many Gurdwaras is caste-based with the presence of separate Jat, Bhatra and Ramgharia Gurdwaras.²⁶ These communities have also established their own charitable trusts, such as

²⁴ *Zat* plays an important role in the life of Sikhs living abroad as religious, social and community life in the Sikh diaspora community is very much influenced by one's caste.

²⁵ The first Valmiki community was established in 1960, in the Bedford house of the late Bhagat Singh. The latter was also the venue for the first Valmiki program.

²⁶ In 1978, the Coventry temple was the first to be established as a Valmiki centre in Britain. The Valmikis celebrate Baisakhi by reading from the Guru Granth Sahib. They give special prominence to Diwali due to the origins of this festival in the story of the Ramayana. More recently, the Valmiki community of the UK has begun to consider itself as Sikhs of *Panth* (devoted community), not outsiders. The Southall Ravidasi Sabha

the Kamaleshwar Valmiki Education Trust and the Guru Ravidass Educational Assistance Trust (which are discussed later in this paper).

The fragmentation of the Sikh community in the UK has resulted in undercurrents of tension between the upper caste and lower caste Sikhs as well as between the different lower caste subgroups. By establishing separate religious institutions, low-caste Sikhs in the UK assert a separate cultural identity that reflects their growing confidence as a group. Ravidassia attempts at asserting an independent religious and cultural identity threaten the upper caste Sikhs and the symbols of Sikhism.²⁷ Due to the nonconformity of Ravidassia religious practices to the Sikh code of conduct that is enforced by the SGPC (Shiromani Gurdwara Parbandhak Committee), the highest governing body of Sikhism, the Ravidassias have been punished, not only in India but also abroad, including in the UK.²⁸ The undercurrents are also evident from a host of honour killings within the Sikh community in the UK. The fragmentation of this diaspora community has wider ramifications for the manner in which these different subgroups engage with and contribute back to their place of origin, as evident from the discussion that follows.

4. Secondary Evidence on Economic Contributions of the Punjabi diaspora

There is a vast body of literature on the contribution made by the diaspora to their countries of origin. The economic contributions of the diaspora can be divided into ‘Direct Economic Returns’ and ‘Indirect Economic Returns’.²⁹ The Direct Economic Returns from the diaspora communities consist of financial flows in terms of remittances and foreign direct investment (FDI), imports of technology and transfer of technical know-how which help to enhance productivity in their respective home countries. Indirect Economic Returns consist of the benefits to the native country arising from networks formed by its diaspora. These networks help in building and enhancing the reputation of institutions in less developed countries which often suffer from ‘reputational barriers in the global arena’.³⁰ On one hand, the financial flows from diaspora associations help to strengthen the economic conditions of their native people while on the other hand, increased technology transfer leads to the better functioning of enterprises. The overseas diaspora networks can potentially act as strong ‘intermediaries’ which facilitate the employment of others from the country of origin in overseas markets.

celebrates the gurpurab of Guru Ravidas over three days in February. They organize a forty-eight hour *akhand-path* (continuous recitation of religious text).

²⁷ Opinderjit Kaur Takhar (2008)

²⁸ Note the recent killing of the two most important spiritual leaders of the Ravidassia movement in Vienna (Lum (2009))

²⁹ Sanyal (2010)

³⁰ Kapur (2010).

The following discussion broadly highlights the various channels through which the diaspora can contribute to their native country and then focuses on the contributions made by the Punjabi diaspora worldwide and to the extent possible the Punjabi diaspora in the UK, to their home state of Punjab.

4.1 Remittances

There is a large body of literature on remittances and their significant contribution to growth and development.³¹ Remittances augment the availability of capital and facilitate investments in countries where credit markets are absent or inefficient.³² They are more regular than private capital flows as they are less affected by the business cycles of receiving countries.³³ As they are “person-to-person flows” they are well targeted to meet the needs of poor people. By helping to augment consumption and investment expenditures, they can have large multiplier effects on the receiving economy.³⁴

India is the leading recipient of remittances in the world. World Bank data show that remittance flows to India reached \$55 billion in 2010 or 3.9% of India’s GDP. Remittances play a significant role in supporting household consumption and supporting the Balance of Payments in India. The major source regions for migrants’ remittances to India have been North America, Europe (mainly UK) and the Middle East. In 2010, these three regions accounted for 35%, 15% and 30%, respectively of total remittances flows to India. Remittances are concentrated in certain Indian states. The remittance to state domestic product ratio in Kerala, Goa and Punjab are a significant 30%, 20% and 10%, respectively.³⁵ As shown in Table 2, the remittance flow per out-migrant is \$19.60 for Punjab, making the latter the fourth highest remittance receiving state. A large part of this inflow originates in Canada (while in the case of Kerala, much of this inflow originates in the Gulf countries) and flows to the rural areas. For instance, a 2008 study of recent immigrants by Statistics Canada shows that, on an average 24% of the Indians residing in Canada, a large number of whom are Punjabis, send remittances back to India. Although this percentage is not high compared to other immigrant communities of Canada, the average amount remitted by Canadian Indian immigrants is large at around Canadian \$ 4,200, second only to the amount sent by Indian immigrants in the US.³⁶

³¹ Migrant remittances are defined as the sum of workers’ remittances, compensation of employees, and migrants’ transfers. Workers’ remittances, as defined by the International Monetary Fund (IMF) in the *Balance of Payments Manual*, 6th edition (IMF 2010a), are current private transfers from migrant workers who are considered residents of the host country to recipients in the workers’ country of origin. If the migrants live in the host country for one year or longer, they are considered residents, regardless of their immigration status. If the migrants have lived in the host country for less than one year, their entire income in the host country is classified as compensation of employees (Migration and Remittances Factbook 2011).

³² Giuliano and Ruiz-Arranz (2006)

³³ Sanyal (2010)

³⁴ Ratha and Mohapatra (2007)

³⁵ Tumbe (2011)

³⁶ Houle et al. (2008)

Table 2 Proportion, Estimated Number of Emigrants and Temporary Emigrants (short duration) and Remittance per Out-migrant during Last 365 Days in India and States

State	Proportion of emigrants ^{1/} (emigrants per thousand population)	Estimated number of emigrants ^{2/} (in millions)	Estimated number of temporary labour out-migrants ^{3/} (in millions)	Remittance per out-migrant (in \$) ^{4/}
Kerala	53.0	1.58	0.02	1138.44
Tamil Nadu	8.1	0.5	0.01	962.53
Andhra Pradesh	5.8	0.44	0.01	1075.2
Goa	12.2	0.017597	0.003	3506.23
Gujarat	3.8	0.19	0.0002	1130.53
Punjab	16.2	0.39	0.003	1960.65

Sources: Unit level data of 64th round of National Sample Survey (Schedule 10.2) and NSS report “Migration in India: 2007-2008” (accessed on 03.02.2012)

Notes:

1/ Proportion of out-migrants is the ratio of total international out-migrants to the total population of concerned area during the reference period of the survey, i.e, 2007-2008

2/ Number of emigrants is estimated using the appropriate multipliers/weights provided in the Unit Level Data of National Sample Survey

3/ Temporary or short-term emigrants are defined as household member who have stayed away from the village/town for a period of one month or more but for less than six months during the last 365 days for employment purpose or in search of employment, and during their longest spell of migration have stayed in another country

4/ Information regarding the remittances is taken from the NSS report and these do not consider the temporary Emigrants.

Conversion rates used:

\$1=Rs.50.6127 (<http://www.x-rates.com/d/INR/USD/data120.html>) and

1GBP= 79.5507 (<http://www.x-rates.com/d/INR/GBP/data120.html>) (accessed on 24.03.2012)

Remittances play an immensely important role in Punjab’s rural development, by increasing household consumption, raising living standards, enhancing the availability of health care services and education.³⁷ It has been found that in the context of Punjab, remittances have helped in ensuring the availability of funds to rural areas in the wake of budgetary cutbacks and fiscal constraints. Remittances have had significant welfare effects on several villages in Punjab. One major contribution has been to facilitate the Green revolution in Punjab and more generally to help the villagers in Punjab to carry out their agricultural activities, such as by acquiring more land and providing resources to buy new advanced machinery and agricultural implements as well as new

³⁷ Thandi (2006)

varieties of seeds. Remittances have also helped ease the credit constraints faced by farmers. Helwig's study of the village Jandiali highlights how outmigration has helped reduce the pressure on land and raised per capita output. Kessinger's detailed ethnographic account of one village (Vilayatpur) similarly highlights the fact that migration (especially of young men) has reduced the pressure to subdivide agricultural land in smaller and smaller plots.

A study carried out in central Punjab (where migration is more prevalent within the state) consisting of Jullundur, Ludhiana, Kapurthala, Hoshiarpur and Nawanshahr districts revealed that the UK was the second most preferred destination for migrants, after Canada and followed by the US. Most of the Punjabi migrants to these main destination countries are engaged in occupations such as manual labour, office workers, taxi/truck drivers, running small businesses, etc. Around a quarter of recipient households receive remittances of around \$10,000. However, there are also cases of households which have received remittances to the tune of \$5 million (8% of households). The remittances are mainly used for repaying household debt, meeting consumption needs, and for buying tractors and other agricultural equipment. The aforementioned study also found that remittances contribute significantly to the family income of Punjabi NRI farmers back in Punjab. Families of Punjabi NRI farmers earn between \$3953 to \$5930 per year whereas those of non-NRI Punjabi farmers earn much less, at around \$1976 to \$3953 per year, thus highlighting the income augmenting role of remittances. The study also revealed that 71% of these funds went to religious places, around 15% was used for the development of schools and libraries and around 10% was used for the improvement of hospitals. These funds were also used for the development of village infrastructure such as roads, water supply and sewerage systems and for recreational activities such as organising sports events.³⁸

4.2 Foreign Direct Investment (FDI)

FDI is another channel through which the Indian diaspora have contributed to their home states and to India. Between 1991 and 2003, the share of diaspora FDI in total FDI was around 4%. Though the IT sector attracts a considerable amount of FDI from the Indian diaspora, in general, India has failed to attract significant FDI flows from the Indian diaspora. Punjab exhibits the same pattern in terms of FDI inflows from its large diaspora community.

³⁸ I. Kaur Kullar and M.S.Toor (2009), G.Singh and S. Singh (2009)

Table 3. FDI flows to Punjab and Haryana

Year	FDI Inflow to Punjab (in million \$)	FDI Inflow to Haryana (in million \$)
	Punjab	Haryana
2001-02	164.6	4913.5
2002-03	0.3	1035.4
2005-06	191.1	575.4

Source: The Financial Express.

<http://www.financialexpress.com/news/industrial-corridor-paves-the-way-for-fdi-inflow-to-punjab/263233/0> (accessed on 19.04.2012)

Table 3 clearly indicates that Punjab has received limited FDI inflows. In 2011 estimated FDI inflows to Punjab accounted for only 2.3 percent of India's total FDI.³⁹ According to the UK based entrepreneur, Mahendra Khari, Punjab has received a meagre amount of FDI during the 2007-11 period, estimated at around Rs. 5000 crores.⁴⁰ During the April 2000-May 2010 period, total FDI into Punjab, Haryana, Himachal and Chandigarh combined was estimated at US \$0.8 billion with 46 percent of this directed to the services sector, around 14 percent in construction and less than 8 percent in manufacturing.⁴¹ The low volume of FDI into Punjab is explained by Punjab's poor infrastructural facilities, which have been a repeated complaint of NRI investors in this state and also the lack of industrialization. NRI Investors have identified real estate, education, services and IT as the potential sectors for investment. However, in the absence of proactive steps by the state government (unlike the Gujarat government) to attract NRI Punjabi investors and in the absence of streamlined procedures for investment, very little FDI has materialized in Punjab, overall as well as diaspora specific.

Although the UK ranked fourth among all source countries for FDI and contributed to around \$8 billion in FDI inflows to India between April 2000 and November 2011 according to the Ministry of Commerce and Industry,⁴² Punjab did not feature among the top recipient states in India for FDI inflows. The latter fact would suggest that notwithstanding Punjab's significant diaspora stock in the UK, it has not been an attractive destination either for overall FDI or for NRI-specific FDI, thus implying that the Punjabi diaspora in the UK has not contributed significantly to Punjab's economy through FDI inflows. However, as highlighted earlier, this diaspora has contributed to Punjab's economy through remittance inflows.

³⁹ Ministry of Commerce and Industry, indiastat.com (accessed on April 19, 2012)

⁴⁰ <http://www.indianrealtynews.com/real-estate-india/delhi/nri%E2%80%99s-look-for-better-policies-for-more-fdi-inflow-in-punjab.html> (accessed on 21.02.2012)

⁴¹ India Brand Equity Foundation (November 2010)

⁴² http://dipp.nic.in/English/Publications/FDI_Statistics/2011/india_FDI_November2011.pdf (accessed on 21.02.2012)

NRI Lord Swaraj Paul entrepreneur of Caparo Group, UK is well known for his significant economic contribution. In 2007, Lord Swaraj Paul acquired 100 acres of land in Bawal in Haryana, about 70 kms from Gurgaon for the development of six new engineering plants. These plants are meant to support the growth of automotive including Honda Cars, Honda Scooters and Motor Cycles, Hero Honda, Swaraj Mazda and New Holland Tractors. The total investment made by him is more than \$ 99million. He has also hired over 2000 people for this project. In India, Caparo's Group is focused to manufacture components of automotive that include forgings, tubing and tubular components, pressings, fasteners and aluminium castings. In March 2007, Caparo also signed a memorandum of understanding (MoU) with Tamil Nadu government to invest \$68 million in manufacturing parts, composite materials, testing units, fasteners, tubular and braking systems for vehicle and aerospace.

4.3 Network Externalities

Another important channel through which the diaspora can contribute to their native country is through their “social capital”. Diaspora networks and associations enable the transfer of knowledge, expertise, ideas and technology.⁴³ Diaspora networks also work as ‘reputational intermediaries’ and ‘credibility enhancing agents’ for developing countries by providing assurance about the quality, quantity, and timely delivery of products and services.

Indian diaspora networks have served all these functions. Indian diaspora communities settled overseas have managed to earn goodwill given their reputation as hard working, talented and sincere migrants⁴⁴ and thus enabled new immigrants from the native country to get access to employment opportunities in the overseas market.⁴⁵ Indian IT professionals, for example, enjoy a high positive externality due to the success of the Indian diaspora in the Silicon Valley (Kapur, 2010). Indian diaspora networks have helped promote the diamond cutting and software industries, by facilitating the flow of investments and venture capital to companies in India. The Indus Entrepreneur (TiE) network for instance has provided venture capital fund start-up companies in US and India, with additional benefits in terms of employment creation and transfer of knowledge and practices.⁴⁶ Indian diaspora networks have also helped in raising funds and managing infrastructural facilities for development projects targeted at the grass-root level in areas such as education, healthcare, and vocational training. It is thus not surprising that Indian diaspora networks have played an important role in changing the attitude towards migration of skilled professionals from developing countries, from that of ‘brain drain’ to ‘brain gain’.

⁴³ A network can be defined as a ‘regular set of contacts or similar connections among individual actors or groups. See, Granovetter (1992)

⁴⁴ Kapur (2010)

⁴⁵ Sanyal (2010)

⁴⁶ Saxenian (2005)

The following discussion highlights the case of two Indian diaspora organisations based in the UK which have contributed towards development work in India, including in the state of Punjab.

4.3.1 Guru Ravidass Educational Assistance Trust

Guru Ravidass Educational Assistance Trust is an educational charity organization established by the Ravidassia community members (Charity founder Dr. Charan Bunger) of the Punjabi diaspora. The organisation is named after Guru Ravidass Ji, a prominent Saint and Guru of fifteenth century India, who played a leading role in the 'Bhakti Movement' (a social reform movement to remove oppressive religious and social practices). The trust is based in Birmingham, UK and has been in operation since 2005. Its prime objective is to provide education to poor students back in India, particularly in the states of Punjab, Andhra Pradesh, Karnataka, Uttar Pradesh and Bihar. The organisation supports poor children by providing text books and scholarships for paying school and college fees. It helps provide education for deprived children and youth, irrespective of religion and caste. The patron-list of the Ravidass Educational Trust features a considerable number of Punjabi NRIs, many based in the UK, as well as British persons. To date, the trust has provided about 275 yearly scholarships to 175 students, ranging from \$98 for basic school education to \$790 for higher professional education such as a degree in medicine.

4.3.2 Kamaleshwar Valmiki Education Trust

The goal of Kamaleshwar Valmiki Education Trust is to attain full literacy. This trust mainly targets the non-literates in the 15-35 age group which is seen as the most productive phase of life. Disadvantaged groups like women, scheduled castes and tribes and backward classes are also integrated into the programme. The trust aims to sensitize deprived people to complete not only basic education but also higher education. The trust distributes learning materials as part of its literacy mission. At present, the trust is building a school of international standards at Daburji village on 8 acres of land. The trust enjoys heavy patronage from UK based Punjabi members of the Valmiki community.

4.4 Diaspora Philanthropy

Diaspora Philanthropy better known as 'private giving for public good' often acts as a substitute or complement to other public and private investments. It plays an instrumental role by enhancing the flow of capital, new technologies and new ideas, in turn fostering economic development.

Diaspora philanthropy has been important for Punjab in many ways. According to a 2004 World Bank Report, 'Resuming Punjab's Prosperity: The Opportunities and Challenges Ahead', in spite of being

one of the richest states, Punjab has had high levels of debt and low tax revenues. It has not had a good record in terms of providing social services, even basic ones such as public education, health care and infrastructural facilities such as power, water and sanitation. The report notes that NRI Punjabi philanthropists have helped in bridging the resource gap by providing funds for social welfare schemes. A survey of 477 villages located in 7 tehsils of the Doaba region, conducted by a Jalandhar-based organization, Vichar Manch in 2002 found that NRI Punjabis had contributed more than \$40 million to the villages at an estimated \$0.08 million per village.⁴⁷ These contributions were made for setting up educational institutions, dispensaries, hospitals, crematoriums, sports stadiums, street lighting, sanitation, and clean drinking water projects. A more recent survey conducted in 2007 showed that Punjabi NRIs have increased their contributions towards social development projects with the help of enterprising individuals in the villages who have facilitated their development initiatives. In certain villages of Punjab, where as much as 80 percent of the people have emigrated overseas, NRI contributions through monetary and other channels are significant

Diaspora contributions for philanthropic activities have not only provided some basic services to needy people but have also helped to generate economic activities that support a section of society. Punjabis based in Canada, the UK and the US have been involved in diaspora philanthropy activities since the early part of the 20th century. The Punjabi Sikh diaspora is particularly known for its philanthropic activities, given its strong cultural beliefs in 'daswandh and daan' (sharing the fruits of labour), seva (selfless service) and sarbat da bhalla (welfare of all mankind). Funds for charitable purposes are channelled through post, personal visits, friends and religious intermediaries such as saints or Granthis. Gurudwaras, Hindu mandirs and ashrams of pirs, babas and saints are highly involved in channelling these funds towards social services. Gifts of money, commodities and labour received from NRIs are distributed among the followers through langar, medical camps and special functions.

The following discussion highlights a few cases of Punjabi diaspora philanthropy in sectors such as education and health. These cases are drawn from philanthropic activities undertaken by the Punjabi diaspora across the globe, and where evidence is available, the charitable contributions of UK based Punjabis are specifically highlighted.

4.4.1 Diaspora Philanthropy in education

As noted earlier, the charitable contribution of the Punjabi diaspora dates back to the 20th century and continues even today. It was at the beginning of the 20th century when Punjabis felt the need for formal education, especially in the rural areas of Punjab. They sought funds from the NRI Punjabis

⁴⁷ Chana (2009) and www.nrirealtynews.com/news/oct08/global-crisis-may-impact-nri-investments-in-punjab.php (accessed on 24.02.2012)

for this purpose. Punjabi NRIs in the UK, Canada and the US have helped support many educational institutions, including engineering colleges, vocational and technical training colleges and computer and information technology programs. Funds from Punjabi NRIs have also helped support education and training programs for vulnerable sections of Punjabi society. Some examples highlight these contributions.

Box 1: Philanthropy in education by NRI Punjabis

Examples

1. In 1904, Bhai Vir Singh of Singh Sabha, Amritsar, Harbans Singh Atari-a descendant of the Sikh ruling family and Sunder Singh Majithia opened the Central Khalsa Orphanage at Amritsar. In 1913, the orphanage managers started an innovative scheme of fulfilling overseas Sikhs' orders by supplying special items like biscuits made by inmates at the orphanage, karhas and kangas from Amritsar, books in Gurumukhi and English and Punjabi learning books.⁴⁸ The orphanage has grown from one rented room and housing one orphan to housing 32 blind children and 200 orphans aged between 6 and 18. It consists of a gurudwara, meditation room, guest room, etc. The students are trained by qualified instructors to sing hymns. Over the years, the orphanage has received substantial funds from its UK-based Punjabi patrons.
2. Punjabi NRIs have funded the Sikh Kanya Mahavidyalaya which was established by Bhai Takhat Singh in 1892. This school, which had to struggle initially to get established, has benefited from financial support mainly from Punjabi NRIs in Canada and the UK, who have helped set up its infrastructure and attracted more students.⁴⁹
3. Nanak Kohli's project funded by the Sundar Amar Sheel Trust provides computer and technical training to rural women, so as to empower them through employment.⁵⁰
4. The Baba Sang Khalsa College for Women at Dhesian Kalan was built with the help of funds from Punjabi NRIs in the UK, US and Canada.

There has, however, been a shift in the pattern of funding for educational institutions by the diaspora. The Punjabi diaspora are increasingly more interested in investing in private schools which are 'philanthropic in intent, but commercial in practice'. They have helped fund lavish schools such as

⁴⁸ Tatla (2009)

⁴⁹ Initially, Takhat Singh raised funds from students and teachers. Later, in 1905, the Maharajah of Nabha provided some financial assistance. In order to collect more funds, Takhat Singh also went to Burma and raised around \$1000. He also persuaded the Sikhs staying there to send their daughters to school for education.

⁵⁰ Tatla (2009)

Kirpal Sagar Academy in Rahon and the Miri Piri Academy in Amritsar. These schools have higher standards than public schools in these towns. However, they are quite different from the aforementioned educational institutions in that they do not always give scholarships and may not have a 'reduced fee' structure for poor students.

(i) Philanthropy in education by UK-based Punjabis

The earlier discussion regarding the Ravidass Educational Trust and the Valmiki Educational Trust has highlighted the role of UK-based Punjabi community networks in supporting the case of education in rural Punjab. There are also several examples of individual diaspora philanthropy towards education specifically by Punjabi NRIs in the UK.

Box 2 Philanthropy in education by UK-based Punjabis

Examples

1. UK PIO businessman Raj Loomba, who recently received the 'Commander of the British Empire'⁵¹ (CBE) award from Prince Charles, has promoted education not only in Punjab but also in other parts of India. He started a Shrimati Pushpawati Loomba Memorial Trust in memory of his mother. This trust has financed the education of 200 children in Delhi and Orissa and 100 such children whose mothers were widowed in quake hit Gujarat. The Trust presently educates 4,000 children of widows in India and provides scholarships worth around \$10 per month to 3,600 fatherless students all over India. Mr. Loomba was named Asian of the year in 1997 for his community services. In 2008, he announced a grant of \$0.10 million for the renovation of his native village school Dhilwan, district Kapurthala in Punjab. The state government contributed an additional \$ 0.10 million towards this project⁵².
2. Guru Nanak National College (with separate campuses for boys and girls) at Nakodar was mainly funded by Resham Singh Sandhu from the UK.
3. A liberal arts college has been set up at Mukundapur by Gurucharan Singh Shergill of the UK.
4. In 2007, UK-based NRI brothers, Harry Gill and Avatar Gill contributed Rs, 5 million to set up a school in village Muksudran near Ludhiana city, supported by an additional grant from the state government.⁵³
5. UK-based NRI businessman, Lord Swaraj Paul has opened a School of Excellence at Jullundur. This school specializes in providing manufacturing, engineering and management education. Lord Paul has also set up the Ambika Paul Foundation.

⁵¹ http://www.nriinternet.com/NRIcharity/UK/A_Z/L/Raj_Loomba/2_Award_CBE.ht (accessed on 12.12.2011)

⁵² [nriinternet.com/NRIcharity/UK/A_Z/L/Raj_Loomba/index.htm](http://www.nriinternet.com/NRIcharity/UK/A_Z/L/Raj_Loomba/index.htm) (accessed on 12.12.2011)

⁵³ http://www.nriinternet.com/NRIschool/India/2007/6_NRI_village_school.htm (accessed on 12.12.2011)

4.4.2 *Diaspora Philanthropy in the health sector*

Another sector which has seen considerable diaspora philanthropy from the Punjabi NRIs is healthcare. There are a variety of large superspeciality hospitals as well as small even one room dispensaries funded by Punjabi NRIs in the Doaba region. According to one estimate, investment in health care establishments has exceeded \$8 million and about 75 percent of this funding has been provided by Sikh diaspora. One of the earliest instances of diaspora investment in the health sector was the setting up of a hospital in Aur village in the 1950s by a Canadian Punjabi doctor. This has been followed by several other hospitals which have been set up with NRI funding. The Guru Nanak Hospital at Dhahan-Kaleran was built by the sole effort of Sardar Budh Singh Dhahan, a return migrant from Canada in the late 1970s. At present, it includes a 110 bed hospital, a public school and a nursing college affiliated to the University of British Columbia and a trauma centre. A medical college is also proposed to be established. Dhahan also established the Guru Nanak Mission Medical and Educational Trust (GNMET) which runs the charitable hospital, nursing college and school.⁵⁴ There are NRI funded hospitals in several other towns such as Bilga, Bundala, Palahi, Mahilpur, Rahon and Jalandhar.

(i) Philanthropy towards healthcare by UK-based Punjabi NRIs

Although Punjabis based in Canada have been the biggest contributors in the health sector, there are contributions by Punjabis based in the UK as well. In addition to donating to hospitals and medical colleges, UK-based NRI Punjabis are also involved in other kind of social service and outreach activities, such as organizing medical camps and eye camps where poor people get free medical advice or eye treatment and subsidised hearing aids.

Box 3 Philanthropy by UK-based NRI Punjabis in healthcare

- The Guru Nanak Mission Hospital at Jalandhar has attracted support from the Guru Amar Das mission based in Oxford, UK.
- At Rahon, the Kirpal Sagar Academy which receives funds from Punjabis in the UK and other countries is an integrated development project with a hospital, old people's home and school.
- At Sarabha village, the Ayurvedic Medical College and Hospital is run by the Shahid Kartar Singh Sarabha Charitable Trust, which receives financial assistance from the UK (in addition to receiving funds from US-based Hoshiar Singh Grewal and Avtar Singh Grewal of Canada.

⁵⁴ Margaret Walton-Roberts (2009)

4.5 Other contributions

The Punjabi diaspora has also benefited the local economy in Punjab in many different ways. It has helped generate demand for goods and services in the local economy and help sustain many businesses. For example, with the arrival of the Punjabi NRIs, including the UK-based NRIs during the winter season, between November and March, all tourist related businesses witness a boom. The travel agencies advertise heavily during the winter months, using their contacts with the diaspora in order to attract customers.⁵⁵ There are also examples of environment-related initiatives by the Punjabi diaspora, though mainly by those based in Canada.⁵⁶ Some other areas in which Punjabi diaspora contribution is felt are as follows:

⁵⁵ Tatla (2009)

⁵⁶ Dr Gurdev Singh Gill from Canada and Dr. Raghbir Singh Basi from the United States took the initiative of converting a small village in Hoshiarpur district, Kharaudi into a modern, environmentally- friendly place. They established a Village Life Improvement Foundation with whose help they raised \$0.10 million. They brought some development in the village with this money by installing a sewerage treatment plant, covered pavements, solar power streetlights and a clock tower in the midst a small park which lies at the centre of the village. They have succeeded in making the village environment disease free. Another Canadian Sikh, Anant Pal Singh from Vancouver has transformed his native village of Brahmapur in Ludhiana district. He has raised funds through the Indo- Canadian Friendship Society of British Columbia, with a substantial grant sanctioned by the Canada International Development Agency. He started a sewerage treatment plant in the village and also helped build covered roads. Herb Dhaliwal, a NRI staying in Canada plans to launch a development scheme for six villages. If the plan becomes successful it could have a large welfare effect on Punjab. See, Satnam Chana (2009)

Box 4 Other contributions of UK-based NRI Punjabis

Sports:

The Punjabi diaspora in the UK provides financial support for the development of sports, including funding of kabbadi.

Two of the most prestigious events, the Lodhi Cup and the Guru Govind Singh Gold Kabaddi Cup, which are held at Ludhiana receive financial support of Punjabi NRIs.

Harjinder Singh Dhanoa from the UK provides financial support for kabbadi as well as funding for the provision of all-round facilities to athletics at his village Parsrampur. He also sponsors several rounds of sports events at Jalandhar and other stadiums.

Humanitarian assistance:

The Punjabi diaspora in the UK have on many occasions provided humanitarian assistance to India in case of major natural disasters.

Sewa International of the UK, established in 1989, which raises money to help Indians who are affected by natural disasters and humanitarian tragedies, has helped build schools, fund educational projects and improve healthcare services. It raised a huge amount of funding for the people of Gujarat following the 2001 earthquake. It also helped the families of the Kargil veterans. Recently it has appealed to the people of the UK to help those affected by the 2011 earthquake in Sikkim.⁵⁷

Renovations and Restructuring:

NRI Punjabis in the U have funded the building of Gurudwaras and temples in rural areas and in their home regions in Punjab. Diaspora contributions have helped transform some religious places from “small bamboo huts” to “large structured buildings”, from Dharamsalas into Gurudwaras (e.g., Gurudwara Uchhi Dharamsala as far back as the 1920s).

NRI Guru Dutt Bharadwaj contributed a huge amount for renovating the Nath Mandir at Takhar Patti.

NRI Punjabis have contributed three fourths of the construction cost for the new structure of the Bhai Hajari Ram Mandir in Takhar Patti and beautification of this temple.

NRI Punjabis have donated an amount of Rs, 5 million (of a total construction cost of Rs. 6 million for the Mast Shivgiri Shankaria Maharaj Mandir.

⁵⁷ <http://www.sewauk.org/>(accessed on 22.02.2012)

These different instances of Punjabi diaspora philanthropy portray the concern NRI Punjabis have for their native places. Among the 12,000 villages of Punjab there is hardly any village which has not enjoyed the benefits of diaspora philanthropy. Of late, the government has also initiated policies to help overseas Punjabis to invest in India and more specifically Punjab. The Punjabis, specifically the Sikhs consider it as their moral responsibility to contribute and develop their own source regions. The concept of 'seva' inspires them to contribute to charitable cases. Thus, through a mix of contributions driven by economic and charitable motives, the Punjabi NRIs have made a significant contribution towards the development of Punjab.

5. Primary Evidence on Punjabi diaspora contributions from the UK

As highlighted above, there is considerable secondary evidence on the contributions of the Punjabi diaspora from around the world. However, it is often difficult to find evidence that highlights the distinct contribution of the UK-based Punjabi diaspora. Hence, in order to get a qualitatively richer understanding of the nature and modalities of this contribution and also to corroborate the findings from the secondary literature, discussions were carried out with several Punjabi NRIs residing in the UK, with persons involved with implementing diaspora projects back in Punjab, and with researchers working on the Punjabi diaspora. These discussions were carried out during the September 2011 through February 2012 period over telephone. The questions covered issues such as the preferred areas and forms of contribution by the diaspora, impact, problems encountered by the NRIs in engaging with their home state and country and views regarding government policies to engage the diaspora. An online questionnaire was also posted and attempts made to circulate this questionnaire through various diaspora associations. However, this approach failed to elicit responses and thus only the findings from the telephonic discussions are summarized below.

5.1 Key findings on characteristics

The discussions regarding the profile and characteristics of the Punjabis in the UK corroborated the secondary information presented earlier. The main source districts for the Punjabi diaspora in the UK were those of Hoshiarpur, Nanasheher, Jullundur, Kapurtala, Moga (a newer NRI district). These are mainly Doaba districts. Two main characteristics that emerged from the discussions are highlighted below.

The first concerns the long history of the Punjabis in the UK. Several respondents mentioned that the UK-based Punjabis have a longer history than those based in Canada or the US. Hence, their role in Punjab's society and economy has to be seen in a historical context. When Punjab was annexed by

the British in 1848 (the last state to fall), and once taxes were put on agriculture, the Punjabis started to emigrate. They first went to the UK and only later to Canada and the US. Some made money in the UK and then returned to India to fight in the independence struggle. After independence many Punjabi families fell into debt. In order to release their lands back home, Punjabis migrated to the UK in the 1950s and 1960s and worked hard to pay off their loans. As their children grew up, they brought their families over to the UK and once they became better off, they started contributing to their villages. The long history of the Punjabis in the UK also means that the first generation is very old and may no longer be alive. The subsequent generations have maintained their contacts with their villages and towns/districts, but these ties have tended to weaken over time, especially since many have sold off their agricultural land and are no longer involved in supporting agricultural activities back home. In contrast, the Punjabi diaspora in Canada is relatively younger and thus their connection is much more alive with their source regions. Several respondents pointed out that these differences do influence the nature and extent of involvement that the UK-based Punjabis have with their home region.

The second noteworthy characteristic highlighted by the discussions was that of fragmentation within the Punjabi diaspora community in the UK. There is a lot of caste consciousness which has hurt the cohesiveness of the community. This has resulted in the breaking up of religious organizations and the establishment of different gurdwaras for different sections of the Sikh community and a decline in harmony among the Punjabis in the UK. There are also rivalries among these different sections.

5.2 Key findings on diaspora engagement: Selected examples

The discussions indicated that the diaspora primarily contributes to health, education and religious purposes and that most of this contribution is aimed at their source regions and districts within their home state. Several interesting examples were highlighted for diaspora activity by UK-based Punjabis in their home state.

5.2.1 *Health sector*

The health sector emerged as one of the most preferred areas of contribution by the UK-based Punjabi diaspora. Several respondents noted the capital and current expenditures made by these NRIs for setting up and running state-of-the-art hospitals in Jullundur, Ludhiana, Amritsar and the Doaba area.

One such example that was cited by several respondents was the charitable 100 bedded Bilga General hospital at Bilga. The latter was set up by an UK-based Punjabi NRI with an initial investment of \$3.59 million for establishment costs. The land for the hospital was donated by the village. The hospital has a staff of 10 doctors which includes surgeons (general and specialized), gynaecologists,

deontologists, physiotherapists, orthopaedists, eye specialists, and lab technicians. The hospital operates on nominal charges with a mere entry card fee of 0.20 cents or Rs. 10 which covers all costs for the patient. The latter can meet all the doctors and specialists with this one payment. The hospital provides a 24 hour ambulance and emergency service and also provides medical facilities at the primary and secondary levels. It also provides free services at the mortuary where the dead body can be kept for three to four days till the NRI relative can come for the last rites. The hospital is run by the Bilga General Hospital Charitable Trust. Many UK-based Punjabis as well as some villagers are members of this trust. Hundreds of thousands of pounds have been donated by the Punjabis in the UK for the running of this hospital, with some single individuals contributing more than \$100,000. The trust uses innovative ways to raise money for the running of the hospital, including holding annual fundraisers where NRIs are invited.

The respondents in the above case, some of whom also included persons managing the aforementioned hospital as well as some diaspora individuals who are members of the trust that runs this hospital, were asked about the latter's operating model and also how and in what capacity the diaspora were involved in its functioning. The responses indicated that although Bilga hospital has been running for 5 years, it is not yet self sustaining. The running expenses of this hospital, which are in the range of \$10,000 to \$20,000 per month mostly for costs pertaining to electricity, water, maintenance, and staff, continue to be paid by the Punjabi NRIs from the UK. The hospital incurs a loss of \$2,000 or so per week according to one of the respondents involved in managing the hospital. The UK-based Punjabi NRIs send around 8 to 9 thousand dollars per month to cover these losses. Moreover, some consultants and doctors in the UK have over the years raised around 600 to 800 thousand dollars in the UK in order to sustain this hospital. Hence, this one example highlights the fact that although the diaspora do contribute to establishing and running hospitals, these may just remain as charitable ventures and may not be viable without continued support from the diaspora community.

Another case that was highlighted in the discussions was that of the Gur Nanak Dev Hospital in Pasla. This is a 40-bed hospital which has been in operation for over 10 years now. This hospital has been entirely funded by the NRIs and is located on 4 acres of land donated by the diaspora. Around 5-6 persons settled in Birmingham and London, all of them from this village, set up a charitable trust and raised money to fund the establishment of this hospital. The hospital has very good infrastructure, including an operation theatre, scanners, and specialists in gynaecology, dentistry, cardiology, a surgeon, a general practitioner and several support staff.

The UK based Sikhs continue to provide funds for running the hospital. They raise funds through dinners, local advertisements, and general appeals for donations. In this manner, around GBP 2.5 million has been raised by the Sikh community in the UK. Contributions have also been raised from

persons in India. The hospital receives an estimated amount of Rs. 50,000 from the NRIs in the UK every month. Often the expenses for purchase of costly equipment are covered by the NRIs. Discussions with the doctor based in India who runs this hospital indicated the dependence on competent and ethical local professionals to operate these diaspora funded establishments. This professional, who is also a partner at another hospital in Jullundur has been running the Pasla hospital on a contract basis for the last 7-8 years. Local doctors provide the services. There are no NRI doctors. There are strict conditions for running this hospital. No more than Rs. 10 can be charged per patient and the maximum fee for operations is Rs 5,000, with an average charge of less than Rs. 100 per operation (whereas the charge in other similar hospitals could be as high as Rs. 20,000 for the same operation). However, due to such restrictions on pricing, which limit the scope for profiteering, it was pointed out that such diaspora ventures which insist on transparent, ethical practices in accounting and operations face a challenge in finding persons to manage their establishments. Very dedicated and honest persons are needed locally to run these ventures successfully.

Thus, these examples of hospitals funded by the diaspora provide some useful insights. The first concerns the importance of local presence and competent management of diaspora initiatives and the second relates to the likely differences in standards and codes of conduct between diaspora ventures and those present locally. Several respondents highlighted the support needed from local officials and Panchayats in raising funds and in implementing such schemes given the difficulties in operating such institutions long distance and in rural areas. It is important to have reliable local partners to run these establishments. (It was pointed out that in some cases the difficulties faced by doctors in making money in some of these charitable hospitals had led to problems of work effort and management). However, respondents were quick to note that although the diaspora individuals who are involved with these projects may have party affiliations and even state government officials may be members of the committee or trust running these hospitals, politics does not come in the way of their work for the community. Politics and bureaucracy are largely kept out of the day to day running of these social service ventures as the primary interest is in running them well, raising funds, and ensuring the welfare of the persons they are meant to serve.⁵⁸

The discussions also indicated that in addition to contributing money for the construction and operation of health centres, the UK-based Punjabis are also involved in other outreach and extension programmes to provide health services in the rural areas. The diaspora are often involved in conducting some of these programmes. For example, several of those interviewed mentioned the health camps that are organized over 15 to 20 days each year by UK-based Punjabi doctors. Groups

⁵⁸ Examples of other charitable hospitals funded or set up entirely by NRIs were also highlighted in the discussions. These are mainly in the Jullundur area, such as the Sant Pritam Das Charitable Hospital in Jaura which is on the Jullundur and Pathankot highway.

of doctors, most of them from the UK, come to provide free services and to hold seminars on themes such as cancer, orthopedics and eyes. About 22 top surgeons have been brought by these NRI Punjabis from the UK to India. These surgeons are from different backgrounds and they conduct camps over 4 to 5 days in places like Jullundur and Ludhiana. Some 150 lenses are provided free of cost, OPD services are provided to around 700-800 persons and around 5-6 operations are performed each year at these camps. The Punjabi diaspora community in the UK bears their costs while the affiliated hospitals contribute towards the purchase of equipment. Around Rs. 500,000 to 600,00 are donated by the Punajbis in the UK each year for conducting these camps. These funds are raised by the diaspora in the UK through a variety of means. The latter hire halls and put advertisements in local newspapers and establishments and in local cash and carry stores in the UK. They invite business persons to an evening banquet and charge an amount of around \$800 per table. They raise additional funds by appealing to people to donate money. In this manner, they have been able to raise around \$4 million over the years.

The Punjabi NRIs from the UK also help spread general awareness on health issues through their outreach activities. They also provide family services. For example, one NGO, Jandiala Lok Bhalai Manch, funded by the Punjabis in the UK and operational for the past 12 years, was the first to set up a mortuary for dead persons. Thus, the discussions revealed numerous forms of diaspora engagement in health related activities, from providing financial support to sensitization to the actual functioning of social projects.

5.2.2 Education Sector

Punjabi diaspora support primary and secondary schools and colleges in both general and vocational education. They provide books, school equipment, uniforms, and sponsor the education of children in villages. One person gave Rs. 2 million for setting up a school while many others have given large sums of money. For instance an institution set up by the UK-based Punjabi NRIs was the Guru Nanak Khalsa Women's College in Banga Sangdesia. This college provides nursing and paramedical training on a charitable basis. Over the years, it has provided a lot of help to young girls in this area, many of whom have even gone abroad for further studies. The college also provides PG, degrees in political science, history and economics. Several of the respondents noted that this college not only provides a good quality of education but also provides good job opportunities. The NRIs continue to provide financial support for running this college. However, most respondents noted that the diaspora are mostly involved in supporting the running of these institutions rather than their set-up.

5.2.3 Social infrastructure

The Punjabi NRIs in the UK also contribute towards the development of social infrastructure in the rural areas. In Phagwara, these NRIs helped put in place a sewerage system and a solar heating

system. The UK-based Punjabis have also funded a potable water project worth \$190,000. This project is managed by the Nandi Infrastructure Foundation of Karnataka, which allows villagers to collect the water from the plant or delivers the water at a cost of \$0.20 per litre. Another example that was cited is of a Punjabi NRI from the UK who has invested his own money along with a supplementary grant from the government to set up a plant in Ludhiana for cleaning sewage water. This project came into operation in October, 2011. Its total cost is \$400,000. It is aimed at improving the quality of rural life. There are also welfare societies and associations based in the UK which have been set up by the Punjabi diaspora. These work towards the upliftment of selected villages by upgrading hospitals, building libraries, running schools, constructing and paving roads, greening projects, etc.

Several interviewees also pointed out that the UK-based Punjabis have been making such social contributions for a long time. Earlier, the Gadar party members would fund villages in Punjab to which the famous Shaheeds of the independence movement belonged, in order to keep the name of the shaheeds alive. The party financed development work such as building pucca houses, financing cars, schools, hospitals, community centres, cremation grounds and building mortuaries, though this was not really done in an organized manner and was mostly at an individual or family level. The Gadar Party has also built a Martyr's Memorial on 4 acres of land in Punjab. There is a library which contains the documents regarding the martyrs, with photos of the heroes. A Shaheed Divas is also celebrated to remember their ideology and what they fought for. There is a 4 day festival from 29th October to November 1st in their honour. Many NRIs come for this event and provide financial support as well.

5.2.4 Agricultural sector

The NRIs have also provided a lot of support for developing the agricultural sector. Ludhiana National Agricultural University and the government received money from the NRIs, mostly those living in the UK, in support of the Green Revolution. In the Doaba area between the Beas and Sutlej rivers, NRI Punjabis from the UK have helped people back in their villages to procure agricultural implements like tractors, trolleys, machines and harvesting combines, to pay off family debt and also provided collateral to banks for loans. Some have funded investments in tubewells and irrigation pumpsets and also provided financial support to the provision of agricultural education. In recent years, however, the contribution of the UK-based Punjabi NRIs and for that matter all Punjabi NRIs to the agricultural sector has been on the decline while funding for health and educational causes has been on the rise. This is largely due to the selling off of agricultural land by the younger generations who are not interested in agriculture and the declining ties of later diaspora generations with their home regions. However, as the later discussion indicates, the diaspora's contribution has not shifted in any significant way from agriculture towards industry due to a variety of reasons.

5.2.5 *Overall rural economy*

Several respondents also corroborated the earlier evidence on the multiplier effect of the Punjabis living in the UK on the local economy through increased demand, sales and economic activity. According to the president of the Jandiala Shopkeepers' Association, although a large part of the traders' business in these districts depends on the spending of farmers, their main business depends on the spending of the NRIs. The latter come and shop for wedding items like clothing, jewellery and gifts when they visit India, typically in the months of November to March. In his view, more than 50 percent of the traders' earnings come from the NRIs and if the latter did not come, many of the businesses would fold up. About 75 percent of the local economy thrives on the NRIs during these months (based on the findings of a study by Prof. Darshan Singh Tatla which examined the impact of emigration and immigration on Punjab). During these months, the diaspora also celebrate many social events such as weddings and this helps local trade to flourish and benefits the local economy.

In Phagwara and Jullundur, which are on the Grand Trunk road, the diaspora have invested in wedding halls, banquets, and event halls, with state-of-the-art infrastructure and rent these out for anywhere between \$4,000 to \$8,000 per day. The potential for economic impact through NRI tourism is also evident from the 7 flights operating per week between Birmingham and Punjab or London and Punjab, thus indicating the extent of travel between the two and related business and activity. The banks in the Doaba region also benefit from NRIs spending on property and houses as well as their remittances. It is interesting to note, however, that respondents did not cite any examples of any large businesses or entrepreneurial ventures by the UK-based Punjabis, noting that most business ventures are in the form of trade and real estate activities rather than investment in actual manufacturing and industrial units (the reasons for which are provided later).

5.3 Problems faced by the UK-based Punjabi diaspora

The discussions revealed that although the Punjabi diaspora in the UK would like to contribute to their home state, many of them face a plethora of problems, both as individuals as well as diaspora associations, when it comes to materializing their efforts. The main problems cited were those of corruption, the lack of support from the state government, and more generally, the absence of a business-friendly environment. Owing to these factors, several respondents noted that they are unable to make contributions in the way they would like to, such as through setting up large commercial establishments and industrial units and instead choose to make small scale contributions at the family level and charitable contributions at the local village level as the latter are subject to fewer implementation constraints.

Several cases were highlighted in the course of the discussions which indeed revealed how governance and administrative problems faced by the diaspora and the lack of a pro-active diaspora engagement policy at the ground level have limited the possibilities for large scale diaspora contributions from the Punjabi community overseas, including from those living in the UK. One case that was cited by more than one respondent was that of a Punjabi businessman in the UK who had wanted to set up a distillery project in his home district. He had to give up his plan as one of the local politicians demanded a 25 percent share in this project in order for it to go ahead, without contributing anything towards it. As a result, the NRI abandoned the project and sold the land. The case of another Punjabi NRI investor from the UK was discussed by some respondents to highlight the problem of corruption. This investor took over a Sikh spinning mill near Ludhiana and spent \$6 million to modernize it. However, he faced many difficulties to get it operational. He did not have 24 hour electricity supply. He made a representation to the Chief Minister but got no help from state officials. Finally, he installed a direct power line. But as he continued to face problems on different issues and as going through proper channels did not seem to work, he was forced to finally close the mill.

Likewise, another case cited was that of an industrial unit that was set up by a Punjabi businessman based in the UK, on Chandigarh Road about 35 km from Ludhiana, at Saurala. The unit consisted of a 14 acre shed for making aero plane parts as this NRI businessman owned a factory for manufacturing such parts in the UK and had prior experience in this business. He also set up two offices in Chandigarh and engaged employees to run this industrial unit. But he could not start his production due to problems he encountered at various stages with government officials. To date, this office remains and the shed is still there but no production has taken place. Hence, this NRI could not get his industry to take off in India even though he was a seasoned businessman who was even exporting his products to China and Japan.

Another example of corruption that was cited was that of a Punjabi NRI in the UK who used to import clothes from India for sale in the UK. He finally discontinued this trade as the inspector in India wanted a share of his profits. He also had problems with the suppliers as he was shown something but the consignment that would arrive would not be of good quality. He started to source from China due to such problems with sourcing and corruption.

Overall, as most of these cases highlight, while many Punjabi NRIs do want to enter into business ventures, they are deterred from doing so because of corruption problems, an inefficient bureaucracy, problems with purchase of property and lack of streamlined procedures for NRI investors. There is corruption at all levels and as the NRIs are used to good and transparent systems, they decide not to invest. Hence, their engagements tend to take the form of small scale investments in hotels, shops, banquet halls and properties and small tailoring and sports goods units apart from funding community

based projects and sending remittances to their households. Several respondents also noted that although politicians and bureaucrats from Punjab do go abroad and seek NRI investment in sectors such as agriculture, industry, education and healthcare, on the ground they offer little help to NRIs. Many NRIs have thought of launching large environmental projects in the areas of water supply, sanitation and rural infrastructure, they are unable to put these initiatives into effect due to administrative and bureaucratic difficulties. There is no special window to facilitate NRI investments. The government officials often take more money from NRIs to give clearances for their ventures.

An interesting point worth noting, however, is the differences that were pointed out by some respondents regarding the Punjabi diaspora across different host countries. It was noted that Punjabis from Canada have been more successful in undertaking larger business initiatives than the UK-based Punjabis. Moreover, the NRI Punjabis in North America are more professionally educated than their counterparts in the US and there are also more instances of leading individuals within the Punjabi community in North America than in the UK. These differences in profile, leadership and organization affect the nature and extent of the diaspora's contribution to Punjab. Canadian Punjabis were cited by some respondents as being more entrepreneurial, more successful and better organized and thus more visible across all types of contributions, charitable or commercial compared to the UK-based Punjabis. The fragmentation within the Punjabi community in terms of caste and sub-caste divides highlighted earlier and the lack of appeal of any one political party across the spectrum of Punjabi NRIs in the UK were also seen as other reasons for the lack of larger scale, business and industrial ventures by this community in Punjab.

Given the various concerns voiced by the respondents regarding the lack of pro-activeness on the part of the state government, the role of the NRI Sabha Punjab was also probed in the discussions. The NRI Sabha Punjab, which was founded in 1996, is meant to act as a bridge between the residents in Punjab and the NRI Punjabis and to help strengthen the latter's ties to their homeland. With the Chief Minister as its patron and the state's finance minister as its vice-patron, the Sabha is the only approved formal body that works towards this cause and helps in bringing together NRIs, the government and locals in one forum. The respondents acknowledged that the Sabha has helped in some respects, such as by lobbying for the amendment of the Punjab Security of Land Tenures Act, 1953 so that NRIs could hold land in the state of Punjab and invest in the state; by pushing for an amendment of the East Punjab Urban Rent Restriction Act of 1949 so that NRIs could easily get possession of their urban properties from tenants; and by helping to set up fast track revenue courts so as to ensure the speedier disposal of NRI cases, all of these efforts being aimed at making Punjab a more attractive destination for NRIs from around the world, not only Punjabi NRIs.⁵⁹ Discussion with

⁵⁹ See, <http://www.nrisabhapunjab.in/>, <http://www.punjablinks.com/1web/NRI/1.html> for further details on the Nri Sabha Punjab.

one of the officials of the NRI Sabha similarly highlighted the many initiatives being taken to support the NRI Punjabis on issues of land, houses, forcible occupation of property, infrastructure for investments and redressal of grievances through their many district level offices. However, the general response regarding the effectiveness of the Sabha in facilitating the Punjabi diaspora's engagement was not very positive.

Several NRI Punjabis living in the UK cited continued problems faced by the diaspora with their families back home due to property related disputes and long drawn out litigations due to the lack of support from the Sabha. It was also pointed out that the NRI Sabha in Punjab is not perceived to be an apolitical and credible institution as it is highly politicized, representing the specific interests of particular political parties. Some respondents also complained that there is no continuity in these institutions as the NRI Commissioner and staff keep rotating. As regards the effectiveness of the Indian government's approach to tapping the diaspora, the response was similarly mixed. Many felt that very little has happened on the ground, notwithstanding initiatives such as the Overseas Investment Facilitation Centre and the Pravasi Bharatiya Divas.⁶⁰

Some of those interviewed also noted the differences across different state governments in India with regard to diaspora engagement. Several stated that compared to Punjab, Haryana is more proactive. They also gave the example of Himachal Pradesh which has started giving incentives to NRIs and the fact that some Punjabi NRIs are choosing to close their manufacturing units and shifting from Punjab to Himachal Pradesh. Almost all respondents acknowledged Gujarat and its chief minister as the most pro-active in incentivizing its diaspora population to invest in their home state, whatever be the politics. According to one respondent who is well placed in the Punjabi community in the UK and has been residing there for a long time, the lack of interest on the part of the Punjab state government is evident from the fact that no minister or high ranking official from Punjab has visited the Punjabi diaspora community in the UK or made presentations to attract investment from them thus far. In contrast, there have been regular visits by delegations from Haryana, Himachal Pradesh, Gujarat, Karnataka and Tamil Nadu to attract investments from these diaspora communities in the UK back to their home states.

⁶⁰ As per the suggestions of the High-level Committee on Indian Diaspora, a number of schemes and programmes have been undertaken by the Ministry of Overseas Indian Affairs. An Overseas Indian Facilitation Centre (OIFC) in a public private partnership between the Ministry of Overseas Indian Affairs (MOIA) and Confederation of Indian Industry (CII) has been established with CII as the host institution acting as a one-stop shop for the Indian Diaspora, OIFC has a mandate to cover broad areas like investment facilitation, knowledge networking and ensuring business-to-business partnerships. In addition the Government has also liberalized a number of foreign investment norms, simplified procedures, and entry and exit regulations and introduced a number of investor friendly policies. See, <http://www.oifc.in/Uploads/MediaTypes/Documents/PromotingInvestmentsFromTheIndianDiaspora.pdf> http://moia.gov.in/pdf/New_Initiatives_1.pdf (accessed on 15.03.2012)

On this issue of state level differences, an interesting point was made by a leading researcher on the Punjabi diaspora. This respondent noted that the lack of diaspora engagement in Punjab through industrial ventures and large scale business units is symptomatic of a larger problem which afflicts Punjab. The state does not receive much public or private sector investment even within India. It is relatively underindustrialized compared to its level of per capita income. It does not have large factories or manufacturing units. Even the MNCs investing in India are hardly present in Punjab. This researcher also pointed out that even at the all India level, there is a “mantra of NRI investment” which is a myth as NRIs account for less than 5 percent of total FDI in India. Within this, Punjab attracts less than 1 percent of total NRI investment as per data provided by the NRI Sabha in contrast to states such as Gujarat and Maharashtra which account for a large share of NRI investment in India. Hence, if other investors are not present in Punjab, why should one expect the NRI Punjabis to invest there? In this respondent’s view, there is a myth of lots of Punjabi entrepreneurs who are willing to invest in Punjab and it is unrealistic to expect this to happen. The NRI Punjabis are more likely to invest where they will find it easier and where their returns will be higher. There is no reason to expect NRI Punjabi businessmen to have any specific loyalty towards India. This respondent also pointed out that the ties between many Punjabi NRIs and India had been affected adversely by the 1984 Delhi riots which had alienated the Sikh community from Punjab and from India. Hence, for many, the affinity today is at the household and individual level rather than to the state or the nation, further compounded by problems of corruption and governance which mar the investment process, as discussed earlier.

Another problem cited by several NRI Punjabis in the course of the discussions pertained to visas and passports. A former President of the Indian Workers’ Association based in the UK pointed out that the diaspora has repeatedly raised issues of unsystematic visa and documentation procedures, corruption, failure to provide updated information, lack of transparency, and poor treatment of applicants at the High Commissions and consulates of the Government of India. Some raised concerns about having to surrender their original Indian passports to the High Commission in order to get a longer term visa or an Overseas Citizens of India card and the restrictions on frequent travel.

Frustrated by the lack of support and incentives to facilitate their contributions back to Punjab, several of those interviewed suggested that the Indian government and individual state governments need to address these ground level problems if they wish to attract large scale diaspora investments. Most of them recommended that the central and state governments set up a single window, one stop investment clearance facility so as to overcome the problems faced by NRI investors due to multiple levels of clearances such as with state electricity boards, environment ministries and planning boards. Some also suggested that the overseas consulates and embassies improve their functioning in terms of

providing correct and timely information regarding visas and provide a smoother interface for the diaspora community.

5.4 Some areas of concern

The discussions also highlighted some negative effects of diaspora involvement and presence in Punjab. One such source of concern is the inflow of funds from the NRIs to the local economy and local politics and its impact. Another source of concern is the influence on mindset and culture of the local people. The key issues in the context of the political and social influences of the diaspora (from the UK and also more generally), as voiced by the respondents, are highlighted below.

It was pointed out by several interviewees that there is considerable NRI financing and influence in Punjab's politics by the UK-based diaspora. All the big parties such as Congress and Akali Dal have their overseas branches, cultural organizations and NRI funding links (though the quantum of such financing is not known) in the UK. When the state government officials visit the UK to seek investment from the NRIs, they seek members from their affiliated parties as the funding networks are highly politicized. The case of one politician was cited who had gone to the UK to raise funds. Most of these funds were spent on election campaigning rather than for the welfare of the people. Such financing leads to potential political interference in that the diaspora provide support to their own parties and candidates for causes which may not always be in the interest of the local people. It also leads to a lot of circulation of money and misuse of funds by politicians in the local economy. A case in point which illustrates the negative influence that the diaspora can play is the Khalistan movement.⁶¹ Much of the financial support for this movement came from the Sikh diaspora in the UK, Canada and the US. Activists abroad were able to take advantage of the gatherings at Gurdwaras to rally the diaspora Sikh population to collect funds for the cause. The World Sikh Organization and the Council for Khalistan promoted the cause of Khalistan through public awareness and education campaigns.⁶² More recently, in February 2008, BBC Radio 4 reported that the Chief of the Punjab Police had alleged that militant groups were receiving money from the British Sikh community. Thus,

⁶¹ The Khalistan movement refers to a global political secessionist movement which seeks to create a separate Sikh state.

⁶² After the infamous Operation Blue Star, the diaspora community acted primarily out of compassion and sympathy for the victims of the violence in Punjab and mobilized themselves to help their fellow brethren and not for supporting separatism. Jagjit Singh Chauhan, the president of National Council of Khalistan, travelled to London in May, 1980 and announced the formation of Khalistan. He reportedly raised a fund of millions of dollars from the Sikh diaspora in the USA. See, Tatla (1999), p.43 and http://www.ipcs.org/pdf_file/issue/1787132181IPCS-ResearchPaper12-SimratDhillon.pdf (accessed on 29.03.2012) http://home.comcast.net/~christine_fair/pubs/Diasporas.pdf (accessed on 29.03.2012) http://en.wikipedia.org/wiki/Khalistan_movement#Support_from_outside_India (accessed on 29.03.2012)

there are occasions when the Punjabi diaspora in the UK is seen as having had a destabilizing effect on Punjab.

In the context of inter-country political relations too, some respondents expressed the view that the Punjabi diaspora in the UK may play a negative role. In some constituencies in the UK (e.g., Wolverhampton, Birmingham, West London), MPs have to listen to the Punjabi population who constitute an important segment of the voting population. The Sikh community in these areas has for instance lobbied the MPs for introducing different kinds of policies towards Punjab and insisted on justice for the Sikh victims of the Delhi 1984 riots. The stance of the Punjabi community in the UK or Canada has been largely anti-Punjab government and in some ways anti-Indian. There has been less focus by this community on promoting trade and investment ties between India and the UK and more on promoting religious and ideological causes through their local politicians in the UK. To what extent this community will play a negative communal or extremist role as opposed to a positive socioeconomic and pluralistic role in future remains an open question.

On the social front, several concerns were voiced by respondents. For example, it was noted that there is a negative demonstration effect of the diaspora on the local population in terms of the latter's incentives to study and work hard. Given the large sums of money remitted by the diaspora and their superior spending power, as evident from their purchases in the local economy, many Punjabi youth perceive settling abroad as the only way to social and economic mobility. In districts where migration has been prevalent in the past and which contribute to a large number of diaspora, there is a higher incidence of Punjabi youth who migrate. Many get their passports made much in advance so as to go abroad. Young males do not want to study (the problem being less prevalent among the young women). Moreover, the money that is remitted by their diaspora relatives is often spent by the youth on purchasing expensive mobiles and other gadgets and to engage in bad habits such as liquor and drugs. There are also women who are 35 or 40 years old but are not willing to marry unless they get a NRI spouse as they are desperate to go abroad. There are cases of NRIs coming and marrying young girls in the villages and towns, although they are already married abroad or have no intention to take the bride back with them, thus resulting in the problem of abandoned brides in some districts of Punjab. As expressed by one academic, this peer culture of getting one's daughter married to a NRI has so permeated society in some parts of Punjab that parents are willing to "pawn" their daughter's future in order to secure a better future for their sons or themselves as marriage is seen as a means of migrating and getting employment abroad. The problem is acute enough that one former MP is currently focusing on this issue as a matter of grave social concern.

It is interesting to note that most of these comments regarding the negative consequences of diaspora engagement with Punjab came from those diaspora individuals who are spending long periods of time

in Punjab or those who are local residents but involved with the management of diaspora projects. The latter would suggest that there may be a disconnect between many diaspora individuals and the local population unless the former spend a sufficient amount of time in India to understand the ramifications of their presence on the local society and economy.

6. Concluding thoughts

The discussion in this paper, based on both secondary and primary sources of information, has clearly shown that the Punjabi diaspora in the UK remains connected to its place of origin through individual and organizational initiatives. It is a diaspora that is the result of several waves of migration from India, pre and post independence, direct and indirect, and which is characterized by interesting caste and sub-caste dimensions and intracommunity dynamics. The UK-based Punjabi diaspora's engagement with India and its home state of Punjab is mainly through household level remittances and village/district level social and charitable projects, primarily in the health and education sectors. There is little engagement through industrial ventures and larger commercial initiatives.

An important issue highlighted by the discussion is the need for greater thrust, especially at the state level, to facilitate the Punjabi diaspora's engagement with India and with their home regions and state. From the views expressed by the respondents, it appears that there are initiatives on paper at the national and state levels and there are even organizations and institutional frameworks that have been put in place, but these do not seem to be very effective on the ground as far. Some of the policy recommendations highlighted above illustrate the range of issues that need to be addressed to increase the Punjabi diaspora's engagement with Punjab and to derive greater benefit from this involvement. These include streamlining procedures, improving governance, reducing corruption, creating a more effective NRI Sabha, ensuring continuity in administration and taking an apolitical approach to the diaspora community, among others. However, there are issues of community fragmentation and profile which affect the extent and nature of engagement and to what extent these could be overcome by more pro-active diaspora policies, remains an open question.

But probably the most important issue that is revealed by this study and actually posed by one of the respondents is whether there really is as much potential to engage the Punjabi or Sikh diaspora in a big way as one believes and whether there is a myth that has been created about a Sikh or Punjabi entrepreneurial class which can significantly contribute to Punjab's development. As this respondent put it, "Is this a search for the holy grail?" The conclusion that one can draw from the findings is that the possibilities for large developmental impact through diaspora activities do not depend only on diaspora-specific policies and initiatives. They ultimately depend on the *overall business environment*

and the state and national governments' *overall policies towards investors*. Thus the question of engaging the diaspora and managing their contributions has to be seen within the larger context of creating a business friendly investment environment in Punjab and at the national level. In the absence of such an environment, not only would the diaspora's contributions tend to have limited reach and impact, they could also get diverted into less progressive activities.

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