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Q10

Indian diaspora has scaled new heights in the West. Describe its economic and political benefits for India.

UPSC Civil Services Mains 2023 · GS II · 10 marks · Diaspora and Developed Countries

Effect of policies and politics of developed and developing countries on India's interests, Indian diaspora.

Core demand of the question

- The Indian diaspora has scaled new heights in the West
- Describe its economic and political benefits for India

Revision summary

Indian-origin communities in the US, UK, Canada and Europe now occupy firms and public office.

Remittances, venture links and services exports are the main economic benefits.

Political benefit is access to host legislatures, visa lobbying and consular reach in a crisis.

OCI and circular migration multiply both streams.

Gains shrink if India ignores return conditions or treats every community dispute as state policy.

Introduction

Indian-origin communities in the United States, the United Kingdom, Canada, and parts of continental Europe now sit in firms, universities, and elected offices, not only in labour niches. That height yields **remittances**, investment, knowledge, and political access that India can use if it treats the diaspora as a two-way public.

Body**Economic benefits**

- **Remittances** from the West and from the wider diaspora are a stable current-account support; India has been among the world's largest remittance recipients in World Bank series.
- Indian-origin executives and founders in technology, medicine, and finance ease market access, venture links, and the hiring of Indian talent under work visas.
- Diaspora savings and **Global Capability Centres** connect Indian services exports to Western clients more cheaply than a cold commercial campaign.
- Knowledge networks in universities and hospitals feed research collaboration, philanthropy for Indian institutions, and return or circular migration of skilled professionals.
- Tourism, education exports, and OCI (**Overseas Citizen of India**) travel multiply ordinary foreign-exchange and soft-power gains.

Political benefits

- Indian-origin legislators and officials in the United States Congress, in the UK House of Commons and Cabinet, and in Canadian politics give India a hearing on visas, campus security, and trade that a distant embassy cannot buy.
- Community organisations lobby on issues such as H-1B and skilled-migration rules, which affect India's services exports.
- During crises - evacuation, student safety, or attacks on temples and gurdwaras - diaspora networks speed consular reach.
- A successful diaspora also supports India's image as a democratic partner in Western capitals, which helps on plurilateral forums even when governments disagree on a file.

Cautions that still belong in a description

- **Political benefit is not automatic:** diaspora groups can divide by faith and State origin, and host-country politics can turn against immigration.
- Dual loyalty smears and campus polarisation can become a foreign-policy cost if New Delhi treats every diaspora dispute as an official bilateral.
- Economic gain is largest when India keeps education, urban amenities, and research jobs that make return rational, not only when it celebrates overseas CEOs.

Flow diagram

Indian diaspora in the West -> Remittances investment skills
 Indian diaspora in the West -> Legislators and lobbying
 Remittances investment skills -> Indian economy
 Legislators and lobbying -> Access in host capitals
 Access in host capitals -> Indian economy

Conclusion

The Western Indian diaspora benefits India through **remittances**, investment and skill networks, and through political access in host legislatures. Those gains hold when India services OCI and consular needs and does not reduce the diaspora to a cheering gallery.

Facts & figures

Overseas Citizen of India

Registration scheme that gives eligible persons of Indian origin lifelong visa and specified economic rights, short of full political rights.

Remittances

India ranks at the top of World Bank remittance-recipient lists; Western and Gulf corridors both matter, with the West strong in high-skill transfers.

H-1B and skilled visas

United States specialty-occupation visas that shape Indian IT and professional presence; diaspora lobbying is a political-economic link.

Pravasi Bharatiya Divas

Government of India platform for diaspora engagement and recognition of overseas Indians.

Global Capability Centres

India-based units of Western firms, often staffed and championed with diaspora managerial links, supporting services exports.

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