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**International Migration from Gujarat:
An Exploratory Analysis**

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Abstract

This paper gives an overview of international migration from the state of Gujarat, the state with a long history of international migration and a significantly large migrant population abroad. Mainly people from Gujarat have migrated for trade and better economic opportunities though migration for manual labour - unskilled or skilled- has also been an integral part of the international migration from the state. International migration from Gujarat, by and large, has been gainful in terms of flow of remittances and garnering investment. Gujarati diaspora has been a significant force for socio-economic-political and cultural milieu of the communities both at the places of origin as well as destination. Even as systematic efforts are on for generating reliable estimates for international migrants from the state, this paper tries to provide a broad profile of the nature, direction and likely impacts of international migration from Gujarat.

Keywords : International Migration; Diaspora; Remittances

JEL Codes : F22, O15

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International Migration from Gujarat: An Exploratory Analysis

**Biplab Dhak
Amit Shah**

1. Introduction

Out-migration, since time immemorial, has been an important economic endeavor for a number individuals and communities the world over. Long distance migration, especially overseas, has been associated with positive outcomes among the migrants in terms of economic opportunities, socio-cultural and, at times, political representation. Sustained out-migration from a region, particularly, of the cumulative type is likely to contribute substantially over time to the economies and communities at the place of origin through multiple channels viz., remittances, business collaborations and chain-migration, and socio-cultural integration into the globalizing world.

Although the discussion on international migration has been overshadowed by concerns over the phenomenon of ‘brain drain’ (Docquier and Marfouk, 2006), there is no denial of the fact that population mobility abroad brings into its fold a range of positive impacts both at the place of origin as well as destination (Stark, 2005; Taylor and Martin, 2001). Therefore, international migration of late has received importance in India as also across the globe as it has numerous economic, political, social and cultural influences for both the origin and destination countries (UNDP, 2009). It has been noted that out-migration may accompany inflow of remittances that help the development of the stay put population. Migrants may return home after having acquired skill and knowledge contributing to economic growth of the home country. Further, diaspora stock may help develop global network and facilitate inflow of foreign investment to the origin countries.

While there are no firm estimates international migration from India has a long history (Ballard, 1978). Gujarat, like Kerala, Tamil Nadu, Andhra Pradesh and Punjab, is a front runner in the arena of international out-

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migration from India. According to some sources, around 6.5 million people of Gujarati origin stay abroad at present¹. The pattern and outcomes of international migration, however, vary significantly across states and communities therein. For instance, the series of systematic surveys carried out by the Centre for Development Studies on international migration suggests that a large proportion of emigration from Kerala till recently consists mainly of labour migration (Zachariah and Rajan, 2010) concentrated in the countries in the middle east. Similarly, migrants - mainly unskilled labour - from Punjab have been spread over a number of countries, especially, in the developed economies of the north. Compared to these, emigration from Gujarat depicts a fairly different pattern with respect to the extent, the outcomes, especially, remittances, and the long term implications for the societies and communities in the place of origin. Emigration from Gujarat over centuries seems to have been driven by traders and those intending to set up business overseas. The pattern, of course, is subject to changes over time and space.

The existing literature focusing on international migration from Gujarat like most other parts in India is scanty. By and large the studies undertaken in the past have focused mainly on socio-cultural aspects and are often confined to specific segments of emigrants with respect to the place of origin and/or specific caste or ethnic groups within the state as also with respect to the country of destination. As a result, these studies, notwithstanding the richness of information as well as insights, do not help create the larger picture of emigrants from the state. This paper is an attempt to bring together the existing information on international migration from Gujarat with a view to provide a comprehensive account of the extent, nature and outcomes of the international migration from the state. The profile of emigrants from Gujarat has been presented in the backdrop of some of the important features of international migration from India.

The paper is structured in seven sections. Section 2 presents an overview of international migration from India, followed by a brief discussion on the historical context of international migration in section 3. The next section presents overview of international migration from Gujarat. Section 5 presents empirical estimates of international migration from Gujarat using secondary

¹ www.expresshealthcare.in/201003/market01.shtml.

data from the National Sample Survey Organisation (NSSO). Section 6 highlights some of the important features of the diaspora's link to Gujarat. The last section presents main observations of the paper and outlines future research.

2. International Migration from India

An International migrant is a citizen who has migrated to another country, a person of origin who is born outside country, or a person of origin who resides permanently outside country². As noted earlier, India has a long history of its citizens migrating to other countries temporarily or permanently. Estimates for 2010 (UNDP, 2010) indicate that with around 25 million people staying outside the country, India comes second after China with an emigration rate of 0.8 per cent. Close to the UNDP estimates, Ministry of External Affairs of India (2001) has also pointed out that 20 million people to be the size of Indian diaspora.

In the era of globalization and revolutionary changes in information and communication, international migration has increased substantially in recent years. Given the huge stock of skilled and educated workers such as engineers, medical practitioners, management experts and experts in computer or social sciences, the number of immigrants from India has been fairly large as compared to most other developing economies (World Bank, 2011). Table 1 presents the estimates of the people of Indian origin (PIO) in different countries. Of these, six (out of 23) countries have more than 0.1 million PIOs. These include Malaysia, Myanmar, Saudi Arabia, South Africa, United Kingdom and United States of America. Among the Gulf countries,

² Section 2 of the Foreign Exchange Management Act, 1999 (FEMA) deals with various definitions. It defines a person resident in India and a person resident outside India. However, it does not define the term 'non-resident' nor does it define the term 'non resident Indian (NRI)'. However, Notification No. 5/2000-RB (dealing with various kinds of Bank Accounts) defines NRI as a person resident outside India who is either a citizen of India or a person of Indian origin (PIO). PIO means any person (a) who at any time held an Indian passport; or (b) he/she or either of his/her parents or his/her grandparents was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955(57 of 1955) or (c) the person is a spouse of an Indian citizen or a person referred to in clause (a) or (b) (Ministry of Overseas Indian Affairs, 2007). Other terms with the same meaning of NRI are overseas Indian, expatriate Indian or emigrant.

Saudi Arabia leads with 1.5 million, followed by United Arab Emirates (0.9 million), Kuwait and Oman (0.3 million each) and Qatar and Bahrain (0.1 million each).

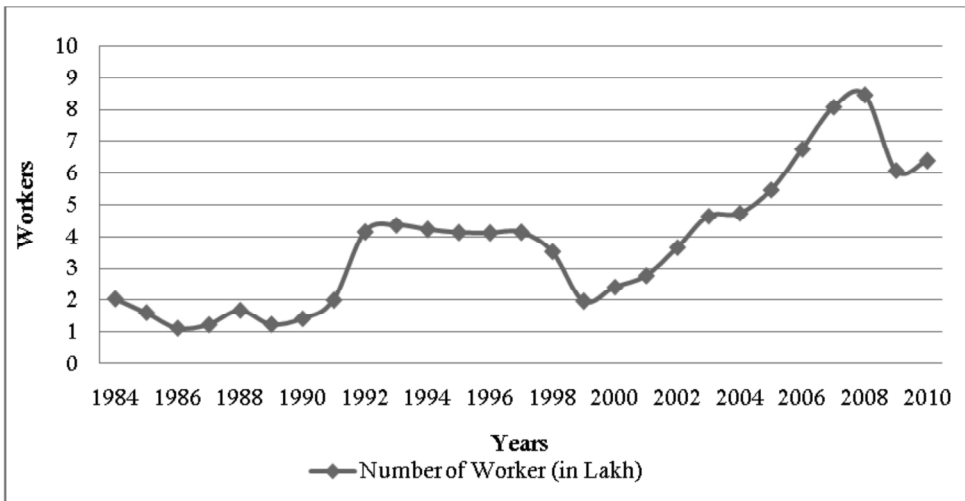
Table 1: Countries with Estimated Indians above 100,000 (2001)

Country	Immigrants	Country	Immigrants
Australia	190,000	Qatar	131,000
Bahrain	130,000	Reunion Islands	220,055
Canada	851,000	Saudi Arabia	1,500,000
Fiji	336,829	Singapore	307,000
Guyana	395,350	South Africa	1,000,000
Kenya	102,500	Suriname	150,456
Kuwait	295,000	Trinidad and Tobago	500,600
Malaysia	1,665,000	United Arab Emirates	950,000
Mauritius	715,756	United Kingdom	1,200,000
Myanmar	2,902,000	United States of America	1,678,765
Netherlands	217,000	Yemen	100,900
Oman	312,000		

Source: Ministry of External Affairs, 2001.

The Ministry of Labour maintains records of individuals who obtain immigration clearance to work abroad. Figure 1 shows the trend of outflows of labour from India between 1984 and 2010, the period that witnessed a sharp increase of labour outflow from 1.14 lakh to 6.5 lakh.

Figure 1: Trend of outflows of labour from India between 1984 and 2010

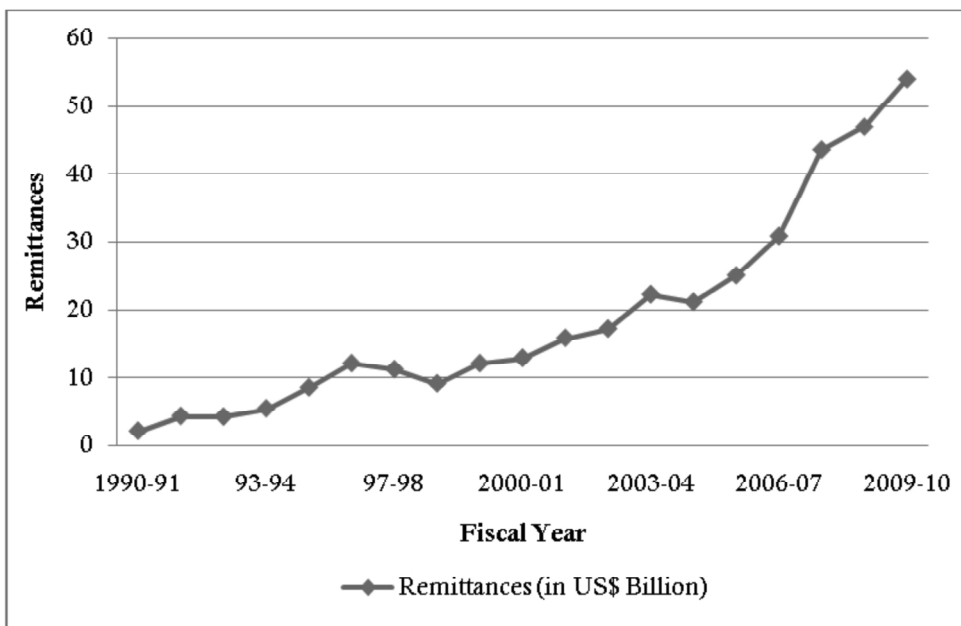


Source: Ministry of Labour, 1996; Ministry of Labour, 2006; Ministry of Overseas Indian Affairs, 2011.

2.1 Flow of Remittances

Apart from many other socio-cultural exchanges and business tie ups, the direct benefit of international migration is the inflow of remittances (Rutten and Patel, 2007). The remittances are important not only to the families of the emigrants, but also to the balance of payments of the economy. Also in a number of countries such as Tajikistan, Tonga and Nepal the remittances constitute a significant proportion of the gross domestic product (World Bank, 2011). The immediate impact is the recipients' increase of incomes, savings as well as investment leading to GDP growth. The World Bank estimates of remittances for 2010 put India in the lead at \$55 billion, with China and Mexico close behind at \$51 billion and \$22.6 billion, respectively. As shown in Figure 2 receipt of remittances has been on the rise for India since 1990-91. And the data presented in Table 4 shows that there has been sharp rise in the share of remittances to country's GDP from 0.7 per cent in 1990-91 to 3.41 per cent in 2008-09.

Figure 2: Remittances to India - 1990-91 to 2009-10



Source: *RBI Bulletin* (RBI 1993, 1999, 2001); Ministry of Overseas Indian Affairs, 2011.

Table 4: Remittances to India as Percentage of GDP-1990-91 to 2008-09

Year	Remittances(US\$ billion)	Percent GDP
1990-1991	2.1	0.7
1995-1996	8.5	3.22
1999-2000	12.07	2.72
2000-2001	12.85	2.84
2001-2002	15.4	3.29
2002-2003	16.39	3.39
2003-2004	21.61	3.69
2004-2005	20.25	3.03
2005-2006	24.55	3.08
2006-2007	30.8	3.50
2007-2008	43.5	3.86
2008-2009	46.9	3.41

Sources: *RBI Bulletin*, 2008.

Taking note of the increase in remittances, the survey conducted by the RBI in 2006 showed that of the total NRI funds remitted to India around 20 per cent was in the form of bank deposits, while 13 per cent each went into real estate and equity markets. A mammoth 54 per cent was spent by the families of the NRIs residing in India on consumption. The huge inflow of foreign currency had significant positive impact on the Indian economy.

3. International Migration from Gujarat: The Historical Context

The state has a long history of international migration spread over several centuries; M K Gandhi, later called as Mahatma Gandhi, was one among a large number of migrants from Gujarat who had gone to different parts in Africa in search of trade, job, and other business opportunities.

Eversince the pre-historic period Gujaratis are recognized as great sea farers and merchants. Proximity to the Arabian Sea and a number of ports developed on the sea coast have been responsible for the mercantile and maritime activities in the state. People from all backgrounds began to move away from their native places in the state abandoning their traditional caste occupations. In the process they developed profitable ties with East Asia, East Africa, and Central Asia in pre-colonial times, and such networks helped the future flow of migration. At the same time the pressure to emigrate has also been fuelled by the conditions within Gujarat like the plague outbreaks in 1899-1902 and 1916-18, the influenza epidemic in 1918-19 and the famine of 1899-1900. There were also the perennial problems of adverse agro-climatic conditions and low productivity of agricultural employment, exacerbated by the decline of local textile industry (Ballard, 1978). Climatic adversities such as frequent droughts in districts like Kachchh and other parts of the Saurashtra region have also been noted as important factors causing migration within and outside India (Shah, 2002). International migration from Gujarat, thus, is a combined outcome of both aspirations and distress.

At the turn of the 19th century, many Indians including from Gujarat were imported to East Africa by the British to work as bonded labourers in the construction of East African railways. At the same time many Gujaratis, particularly communities of *Patel, Lohana and Visha-Oshwal*, began migrating to East Africa and Madagascar where they established themselves in business. Gujaratis in Madagascar were moved mostly for trading during

the 19th century for greater profit. In South Africa, people migrated from labour community who were brought by the British in the 19th century, mostly to work in the sugar cane plantations; few migrated for setting business.

Within a couple of generations, they became very rich, lived by their caste and kinship ties, and facilitated others in their origin to migrate. After independence of several African states, a deliberate policy made life difficult for Gujaratis and forced them to migrate to Britain in the 1960s. Further, racial attacks, harsh economic conditions and the imposition of more stringent immigration laws in England resulted in many of them moving to Canada, the USA and Australia and settled with jobs in sales, insurance and real estate. Some, with the advice and financial help of their kinship networks, were able to set up small businesses. Later on, this process expanded and reached to such a level that 30 per cent of hotel business in the US is run by Gujarati people. Other migration streams took place during the 1970s and 80s when many people from Jain community migrated to Antwerp in Belgium to engage in diamond trading. More recently, especially over the past 4-5 decades, many students, professionals, doctors, lawyers and businessmen from Gujarat have been migrating to the US for seeking better jobs and higher wages (Magocsi, 1999).

It is pertinent that Gujarati's presence in some of the important destinations such as Africa, the UK and the USA have been marked by significant influence in the place of destination; several Gujaratis have played important role in the political movements in those countries and have also exerted significant impact through local media³.

4. Gujarati Emigrants

According to some sources, around 6.5 million people of Gujarati origin stay abroad at present⁴. This works out to be more than one fourth of the

³ There are pockets of concentration of Gujarati emigrants several parts of the world, especially the UK and the US. For example, Charotar Patel, a community in Gujarat, has become a renowned community in the world, particularly in the UK, where Patel comes 20th among the top 500 British surnames. In Leicester, Patel comes 1st, and in London it comes 3rd. 123,452 people with the surname Patel live in the country (<http://www.14gaam.com/history-of-charotar-patel.htm>).

⁴ www.expresshealthcare.in/201003/market01.shtml

estimated number of Indians residing abroad (UNDP, 2010). In Table 2 we have presented some data which covers selected clusters of Gujaratis in various countries. As per this source, there are about 15.4 million persons of Gujarati origin residing in different countries. The UK and the US are the two major destinations for Gujaratis, besides Kenya, Tanzania and Uganada. The information pertaining to Gujaratis living in the clusters in the UK and the US are not available for the earlier periods, making it difficult to trace the changes over the past decade.

Table 2: Numbers of Gujarati Emigrants in Selected Countries, 2000

Country	Population	Country	Population
Bangladesh	67000	Myanmar	36100
Iran	29900	Tanzania	249100
Kenya	134900	Uganda	225700
Madagascar	55200	Zambia	18400
Malawi	36100	United States	150000
Malaysia	22300	United Kingdom	500000
Mozambique	19000		
Total	1543700		

Source: World Evangelization Research Centre; www.sil.org/ethnologue/www.littleindia.com as cited in Sahoo (2008).

4.1 Labour Migration from Gujarat

Table 3 shows state-wise break up of the number of workers who have been granted immigration between 1993 and 2010. It can be seen that there has been continuous decline in the immigration of workers of almost all the states after 1993, and it started increasing from the year 1997. As far as the state of Gujarat is concerned, immigration clearance reached the highest - 49923 - in 2004 and afterwards it started declining and came down to 8245 in 2010.

Table 3: State-wise Number of Workers Granted Immigration (1993 to 2010)

State	1993	1994	1995	1996	1997	1998	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Andhra Pradesh	35578	34508	30284	29995	38278	30599	29999	37331	38417	65971	72580	48498	97680	105044	97530	69233	72220
Bihar	7518	6785	5867	5816	6369	14569	6726	9711	19222	17104	21812	9366	36493	51805	60642	50227	60531
Gujarat	13742	112802	12182	11991	12792	8528	5722	10294	11925	17,012	22,218	49,923	13274	20066	15716	9185	8245
Goa	1702	157	969	962	1024	945	1331	2255	3,545	3,494	7,053	1,627	4063	3102	2210	1659	8380
Haryana	833	745	794	892	929	1692	52	154	424	1,246	1,267	2,313	193	1852	1779	1052	958
Karnataka	34380	32266	33496	33761	40396	11535	10927	10095	14061	22,641	19,237	75,384	24362	27014	22413	18565	17295
Kerala	155208	154407	65629	167325	156102	91720	69630	61548	81,950	92,044	63,512	125075	120083	150475	180703	119384	104101
Madhya Pradesh	6542	5815	4248	4141	3897	6429	1706	5035	7411	10,651	8,888	5312	7047	3616	2321	1897	1564
Maharashtra	35248	32178	26312	25214	25146	24657	13346	22713	25477	29,350	28,670	29289	15356	21496	24786	19128	18123
Orissa	3528	3612	3685	3441	3511	2079	576	3014	1742	5,370	6,999	1258	4114	6696	8919	6515	7344
Punjab	14212	12445	11852	11751	12414	26876	10025	12422	19638	24,963	25,302	24088	39311	53942	54469	27291	30974
Rajasthan	25243	27418	28374	18221	28242	19824	10170	14993	23254	37,693	35,108	21899	50236	70896	64601	44744	47803
Tamil Nadu	70313	70525	65737	64991	63672	69793	63878	61649	79165	89,464	1,08,964	117050	155631	150842	128791	78841	84510
Uttar Pradesh	25115	22815	18932	18962	17754	33728	9157	13912	19288	24,854	27,428	22558	66131	91613	139254	125783	140826
West Bengal	2821	2020	2278	2377	2254	3765	1940	4830	8338	8,906	8,986	5102	14929	24817	26094	21187	28900
Total	438338	425385	415334	414214	416424	355164	212846	278664	367663	466456	474960	548853	676912	809453	848601	610272	641356

Source: Same as Table 1.

5. Emigrants from Gujarat: Analysis of NSS data

Since the year 1955, National Sample Survey Organization (NSSO)⁵ has been collecting information on migration, particularly on inter-state and inter-district migration. But information on international migration was collected for the first time in the 64th round of the NSSO for the period 2007-08 (NSSO, 2010). Any former member of the household, who had left the household for abroad, any time in the past, was considered as international migrant, provided he/she was alive as on the date of survey.

This section, based on unit level data from the NSS 64th round of the NSSO provides a brief profile of the extent, reason for migration, basic background characteristics, and nature of sending remittances by the international migrants from Gujarat. The analysis is based on the region-wise data obtained at the household level.

It may, however, be noted that the analysis in this section is subject to some data limitations. Whereas NSSO data provides some basic information about international migrants, the sample size - 5157 households - is not large enough for getting reliable estimate of international migrants for Gujarat at the state level considering that international migration is a rare event as compared to internal migration (while internal migration rate is 30%, international migration rate is as low as 1% in India). Further, the data does not provide detailed information on emigrants' socio-economic background such as level of education and skills, destination (specific country), social network and social remittances.

Recognising that the pattern of emigrants from Gujarat is likely to be different from some of the other states in India, a more nuanced understanding on the important features may deserve further probing. Given this context we present some of the important features of international migration from the state.

⁵ The NSSO is a premier institute of the Government of India under the Ministry of Statistics and Programme Implementation, has been collecting household level data on various issues on a regular basis since 1950.

5.1 Extent of Emigration

According to the estimates for the year 2007-08, the incidence of international migration in the estate is higher as compared to All India. The rates of international migration (per 1000 population) from Gujarat and India were estimated to be 14 and 9 respectively.

Table 5 presents percentage distribution of out- migrants and emigration rate by type of out-migration and region of the state. It is observed that international migration accounts for about 3.5 per cent of the total migrant population during the year. The pattern of international migration, however, varies significantly across regions in the state. It is found that the proportion was comparatively higher in regions like Plains Northern (5.6 per cent) and South Eastern (4.5 per cent) than the Saurashtra (1.4 per cent) and Kachchh (3.2 per cent) regions. It is noteworthy that no international migration was found in the region of Dry Areas. The rate of emigration of all types taken together (per 1000 population) for the state varies from 18.73 to 7.83 of the Plains Northern and Saurashtra regions respectively.

Table 5: Percentage Distribution of Out-migrants by Type and Region

Type of out-Migration	Gujarat State						India
	South Eastern	Plains Northern	Dry Areas	Kachchh	Saurashtra	Total	
Intra District	58.9	44.7	55.0	25.6	52.2	52.6	43.0
Inter District	31.2	42.5	37.2	44.2	42.6	37.9	29.8
Inter State	5.4	7.1	7.7	27.0	3.7	6.1	23.2
International	4.5	5.6	-	3.2	1.4	3.5	3.8
All	100	100	100	100	100	100	100
N	1729	1708	532	97	1079	5145	130796
Emigration Rate/ 1000 Population	16.29	18.73	-	10.36	7.83	14.0	09

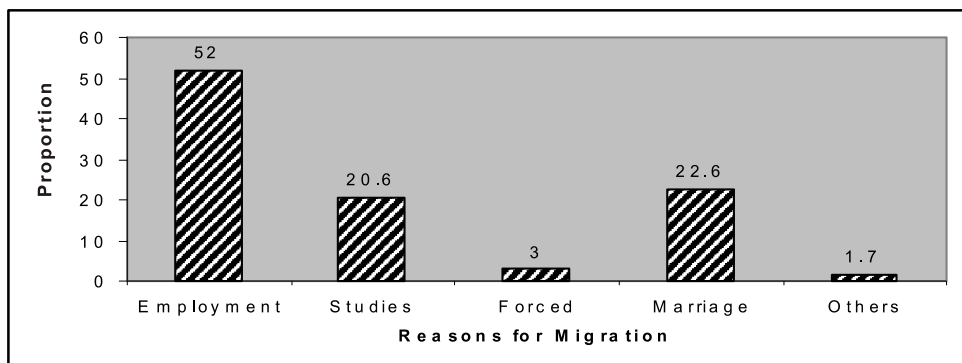
Source: NSSO (2010).

5.2 Reasons for Emigration

Information about the reason for out-migration was collected for each of the out-migrant of a selected household. The reason for migration was recorded in terms of 17 different reason codes. However, based on availability of cases for each code, 17 codes have been re-classified into five broad reasons keeping symmetry with the NSS report (NSSO, 2010). These are employment related, studies, marriage, 'forced migration', and others.

Employment related migration combines six different reasons: (1) in search of employment; (2) in search of better employment; (3) business; (4) to take up employment/better employment; (5) transfer of services; and (6) proximity to place of work. Forced migration combines three different reasons: (1) natural disaster; (2) social/political problem; (3) displacement by development projects.

Figure 3: Percentage Distribution of Emigrants by Reasons for Emigration



Source: Same as Table 5.

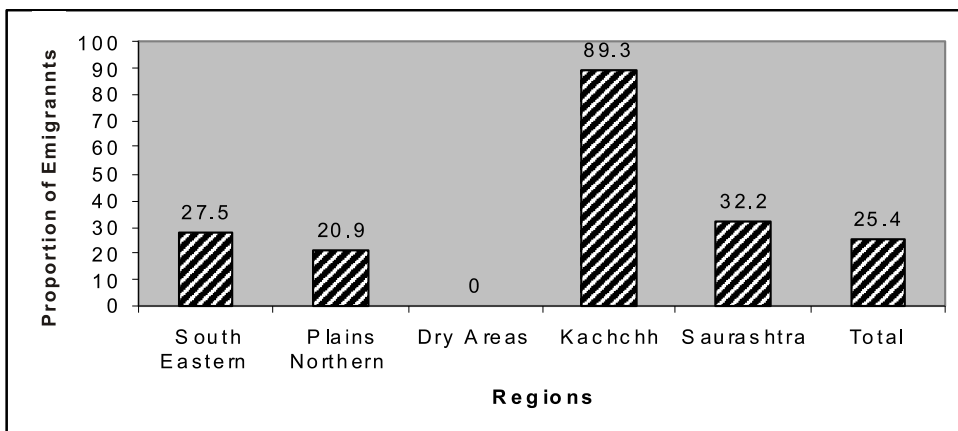
Figure 3 presents percentage distribution of international migration by five broad reasons. It can be seen that majority of people, expectedly, had emigrated out for employment related reasons (52 per cent) followed by marriage (22.6 per cent), studies (20.6 per cent), forced migration (3 per cent), and others (1.7 per cent). It may however, be noted that 14 out of 52 per cent of the migrants covered under the broad category of employment had reported business as the main reason for out migration. This is fairly substantial. This is expected considering Gujarat's long history of emigration for business and people's interest over business.

5.3 Remittances

Owing to the large presence of emigrants and increased remittances in India as well as in Gujarat, it is expected that a large proportion of emigrants from Gujarat send remittances to their relatives back in India. As shown in Figure 4 nearly 25 per cent of emigrants from Gujarat sent remittances in the last one year. This proportion is broadly similar for three regions excepting Dry Areas and Kachchh. In the case of the former no remittance was

reported while in the case of the latter 89 per cent of emigrants sent remittance.

Figure 4: Proportion of Emigrants who Sent Remittances by Regions



Source: Same as Table 5.

The amount of remittances sent in the last one year is also found to be high for the state of Gujarat. On an average, a household in Gujarat receives remittances of Rs. 57,194 per year, and it ranges from nearly Rs. 110,000 for the region of Kachchh and Saurashtra to around Rs. 50,000 for South Eastern and Plains Northern regions (Table 6).

Table 6: Remittances Sent during the Last 365 Days by Emigrants

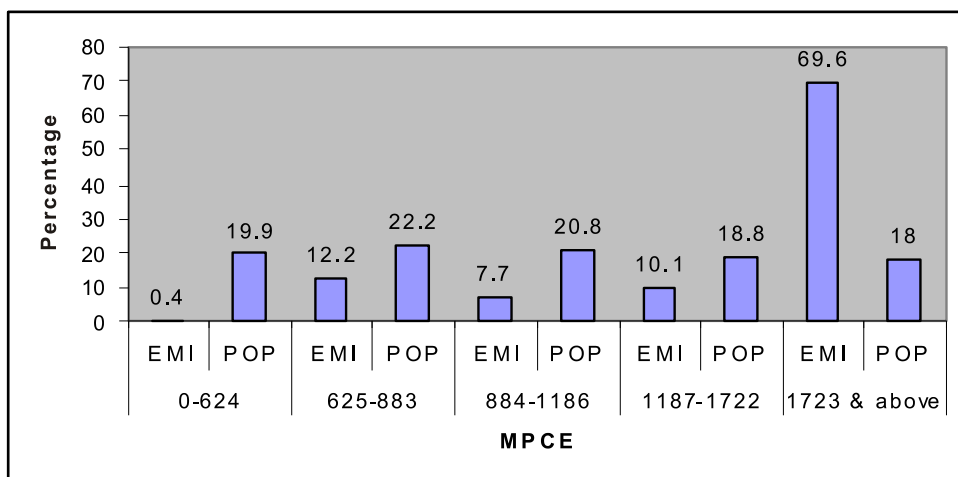
Regions	Remittance (in Rs)
South Eastern	49565
Plains Northern	47908
Dry Areas	-
Kachchh	108931
Saurashtra	109804
Total	57194

Source: Same as Table 5.

5.4 Socio-economic Characteristics of Emigrants

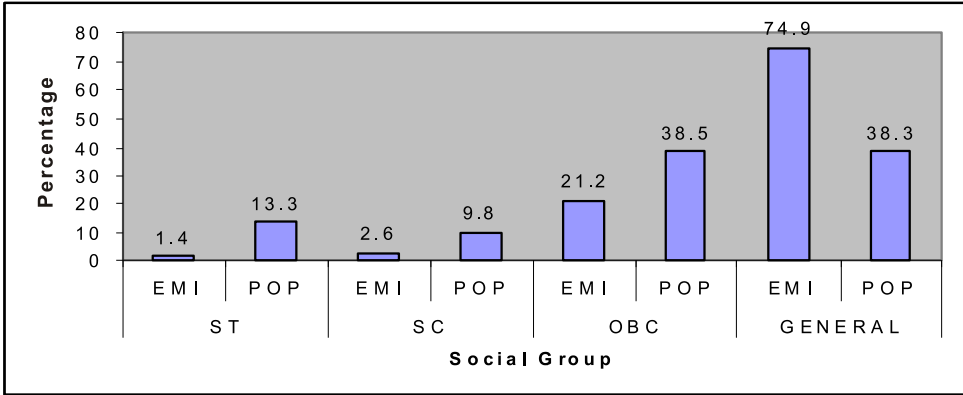
Since international migration involves fairly high financial cost, besides skills and social networks, majority of emigrants abroad are likely to be from the higher socio-economic strata. This is particularly true in a scenario in a state like Gujarat, where international migration is closely linked with business interest and motives, the point noted above. The pattern presented in Figure 5 substantiates this phenomenon. As large as 69.6 per cent of the international migrants belonged to the highest quintile of per capita expenditure (MPCE). Against this only 20 per cent belonged to the middle 2nd and 3rd quintiles. It is likely that the reasons, directions and the outcome for these two sets of emigrants vary significantly.

Figure 5: Comparison between Percentage Distribution of Emigrants (EMI) and Population (POP) by MPCE



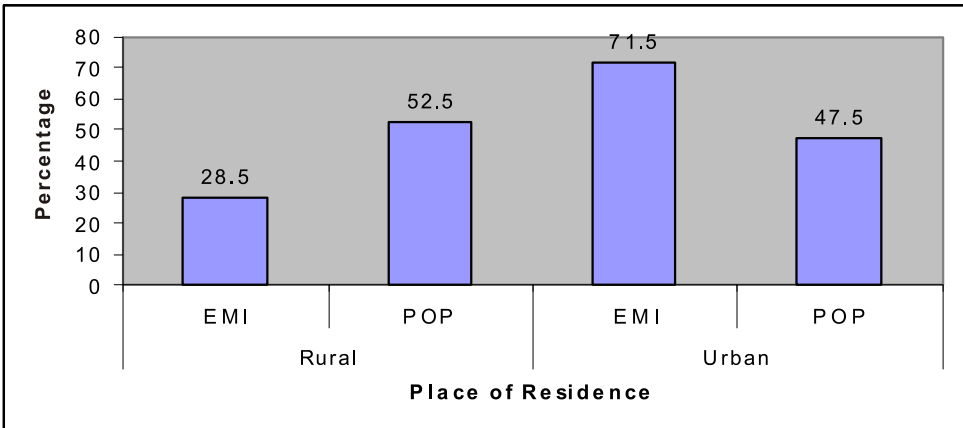
Source: Same as Table 5.

Figure 6: Comparison between Percentage Distribution of Emigrants (EMI) and Population (POP) by Social group



Source: Same as Table 5.

Figure 7: Comparison between Percentage Distribution of Emigrants (EMI) and Population (POP) by Place of Origin



Source: Same as Table 5.

Further, it can also be observed that emigration from Gujarat is very less among socially disadvantaged groups like Scheduled Castes (SCs) and Scheduled Tribes (STs) (Figure 6) and among those from rural areas (Figure 7). Among STs and SCs the distribution of emigrants accounts for only 1.4 and 2.6 per cent against their population share of 13.3 and 9.8 per cent respectively. On the other hand, the distribution of emigrants for Other Backward Caste (OBC) and General Caste stands at 21.2 and 74.9 per cent

against their population share of 38.5 and 38.3 per cent respectively⁶. Similarly, the gap between the distribution of emigrants in rural and urban areas - 28.5 per cent and 71.5 per cent respectively - is found to be wide against their respective population shares of 52.5 per cent and 47.5 per cent.

6. Diaspora's Link to Gujarat

The relation that non-resident Gujaratis (NRGs) maintain with the country of origin has been continuous and very strong. NRGs maintained cordial bonding with relatives, friends in their homeland and other countries. The phenomenon of maintaining closeness has become stronger with the emergence and advancement of communication technology. Given the increasing access to internet facilities, NRGs at present extended their bonding from social to economic spheres. Not only they show bonding in the form of attending marriage ceremony, kinship networks, sending remittances and religious affiliation, they also show interest in investment through various forms. Another type of linkage is manifested through institutional and associational basis between diasporas and the mother country as well as among the diasporas from different countries.

Through these associational linkages, NRGs involve in a number of philanthropic and social service activities. For instance, after the unprecedented earthquake of January 2001, NRGs came together from all over the world and helped in rebuilding economy and infrastructure. They raised funds from individuals and organizations. A number of organizations responded with their support, both human and material. The American India Foundation, which is a well established foundation in the USA, succeeded in persuading the former president Bill Clinton to visit Gujarat for promoting the cause of Gujaratis in their relief and rehabilitation programme. The foundation had also raised \$150 million through various programmes.

⁶ The social group wise distribution of the total population in the state refers to the estimated population for the NSSO-survey.

6.1 *Investment and Remittances*

Apart from keeping social interaction and sending remittances NRGs have found India a lucrative investment destination. They have started opening bank accounts and investing in many sectors like real estate, and other industries (Indian Express, 1999). During the Vibrant Gujarat convention in 2011 held by the Government of Gujarat the NRGs demonstrated their interest in the state by committing investment to the tune of \$ 450 billion. It must be noted that a similar event organized in Jalandhar, Punjab did not attract even a penny worth of investment as many NRIs viewed that they were not yet convinced by the government's claims of having created a congenial atmosphere for investment in that state.

Another development in the recent years is promotion of medical tourism in Gujarat. It is observed that every year many NRGs, NRIs and foreigners visit Gujarat for the purpose of medical treatment which is estimated to be contributing 25-31 per cent of the industry earnings of Rs. 100,000 crore. Gujarat government claimed that a growth of 33 percent has been registered in the number of medical tourists in the state as compared to 20 per cent at the all India level in year 2006-07⁷.

There are more than 8 lakh NRI accounts in Gujarat and the total deposits in 2006 amounted to well over US\$ 40 billion. NRI remittances contribute significantly to the forex reserves of the country and the contribution of Gujarat NRIs to this has been phenomenal. The flow of remittance from NRGs is so substantial that Madhapar, a village in Gujarat, is amongst the wealthiest in the whole of Asia, where remittances come from the USA, the UK, Africa, and the Gulf. Recently, Zachariah and Rajan (2010) have estimated that during 2004-08, Gujarat received Rs. 8004 crore as remittance. Although this is less compared to other states like Kerala, Andhra Pradesh and Uttar Pradesh, the contribution of Gujarati NRIs are substantial in the form of social remittances.

⁷ According to a rough estimate, about 1,200 to 1,500 NRI's, NRGs and a few foreigners come every year for different medical treatments, the majority being cardiac patients and a good number of patients coming for joint replacement, plastic surgery and In-vitro fertilization (<http://dSPACE.iimk.ac.in/bitstream/2259/581/1/405-417+Mousumi.pdf>).

The relatively small size of the flow of remittances in Gujarat could be attributed to the specific nature of migration in contrast to states like Kerala and Punjab, a point made earlier. It appears that a large proportion of international migration from Gujarat is initially for undertaking higher studies and/or for joining the family business set up by the relatives already settled abroad. It is, therefore, likely that migrants from Gujarat often belong to relatively well-off families, and hence, pressure for sending regular remittances may be much lower than in the case of other states where a large proportion of migration takes place in the form of labour migration from relatively poorer families who depend substantially on remittances for their day to day needs.

On the other hand, Gujaratis seem to be indulging more in social remittances in the forms of charity, gifts and relief during disasters as noted earlier. Also they contribute towards local economies by way of extravagant consumption expenditure on social functions and cultural activities including tourism. While there are no systematic data available on this aspect, anecdotal evidence suggest that social and personal spending is a major form of remittance coming to Gujarat. To an extent, this may be due to the nature of the international migration, which unlike several other states like Kerala and Punjab is not mainly of labour migration. There are of course important exceptions to this broad pattern. Discerning this aspect is difficult at this stage in absence of the requisite information.

It is this feature of the Gujarati migrants abroad that influences the flow of funds back home. This kind of social spending has been recognized not only by the scholars (Rutten and Patel, 2007), but also by the state (www.nri.gujarat.gov.in) as such flows of fund potentially could contribute towards the overall economic growth and social development of the state. Since a substantial proportion of the emigrants go to countries like the UK, the USA, Canada and Australia, where policies pertaining to permanent residency and ownership of house/land/business are relatively more liberal as compared to that in the middle-east countries, investments, donation, and social capital become particularly more important than remittances *per se*.

However, the pattern of migration has undergone changes over time. Also, there are variations in the attitudes of the second and third generation emigrants abroad not only with respect to the remittances, but also the flow

of investment funds and charity, which may remain within the country of destination rather than in India. Till now, a large proportion of the donation/charity from the non-resident Gujaratis or persons of Gujarati origin has been received in Gujarat/India. Of late there is a new trend, especially in the US where the immigrants from Gujarat (and other parts of India) may gradually shift a part of the donation money to the local communities/organisations in the US. This is likely to be induced by the socio-cultural norms within the US where paying back to the society rather than inheritance is a predominant societal value. Deviating from this may imply not being part of the society/community where the immigrants from Gujarat have lived for more than a generation. This may have adverse consequences in terms of their assimilation into the recipient communities abroad. Return migration, especially, of those with specialized and professional skills is yet another important feature of international migration from Gujarat. This, among others, seems to have taken place in response to the emerging opportunities for professionals in the wake of rapid economic growth in the past decades. Though small in magnitude, a return flow such as this may have positive spin-offs in terms of technology, knowledge, management practices etc. which in turn may contribute towards overall efficiency in certain specific sectors besides opening up new avenues for out-sourcing.

6.2 *Recent Initiatives by the State*

The government of Gujarat has taken many steps in facilitating ties between the state and the diaspora. The government has created an NRI division in the general administration department. There is also a separate minister for the division for non resident Indians. An autonomous NRG foundation was set up in 1998 by the state. The NRI division and NRG foundation perform a facilitating role and help address the problems of emigrants. The NRG foundation issues a Gujarat Card to NRGs regardless of their current citizenship at a nominal fee of US\$ 5 per person. This helps the NRGs to avail the various services such as rebates/discounts on purchase of products and services that have been negotiated by the NRG Foundation (www.nri.gujarat.gov.in). Moreover, the Foundation helps in forging network among Gujarati Samajs/associations in various countries. The World Gujarati Meet held at Vadodara on January 4, 1999 had attracted NRGs from many parts of the world, such as Uganda, the USA, the UK, the UAE, Australia and South Africa. The main purpose was to establish socio-cultural connections with the native places in the state (Indian Express, 1999).

7. Main Observations and Future Research

By and large, the evidence from NSSO-data suggests that the rate of international migration from Gujarat is higher than all India. Much of the migration is for business related reasons and the incidence is relatively higher among the general category of social groups and concentrated in urban areas. Although there are no firm estimates of the people living abroad, Gujarat is known for a fairly large diaspora that dates back to several centuries. International migration from Gujarat is linked extensively to its historical tradition of setting up business in other countries, which is driven through greater aspiration for wealth and better life.

Gujaratis seem to be indulging more in social remittances through charity, gifts and relief during disasters. Also they contribute towards local economies by way of extravagant consumption expenditure on social functions and cultural activities including tourism. This phenomenon, if properly tapped, may have significant pay offs, perhaps better than the flow of financial investments, in shaping up the future path of development in the state. Social networks and state support may go a long way in building such bridges between the sending and the host communities the world over. To an extent, this may help reversing the negative impact of brain drain. There are, however, numerous challenges in appropriately tapping the potential of social networking and charity, as this may also bring undesirable impacts in terms of socio-economic divide within the recipient community. This calls for a deeper analysis based on a systematic data set covering aspects like the extent, motivation, direction, networks, social remittances, and, above all, socio-cultural influences on both the sending as well as the host communities within the state.

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