
UNIT 8 SOCIAL COST AND BENEFITS

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8.1 LEARNING OBJECTIVES:

After studying this unit, you can:

- Understand the meaning and concept of Social Cost and Social Remittance
- Understand the gaps in the positive relationship between the diaspora and economic developments
- Know about the contributions of Indian diaspora to the Indian economy
- How diaspora communities boost home-country growth.

8.2 INTRODUCTION

There is no definite definition of the word 'diasporas,' and its meaning has evolved dramatically over time, making it extremely difficult to measure. IOM describes diasporas as "migrants or descendants of migrants whose identity and sense of belonging have been influenced by the experience and history of migration." The term diaspora stems linguistically from Greek terms for dispersion, sowing, and movement, although the notion was historically used mainly to describe Jews living outside Palestine or modern Israel. Today, the word diaspora captures the dynamics of people leaving their homeland, living in their land, and shows the geographical locations where they live.

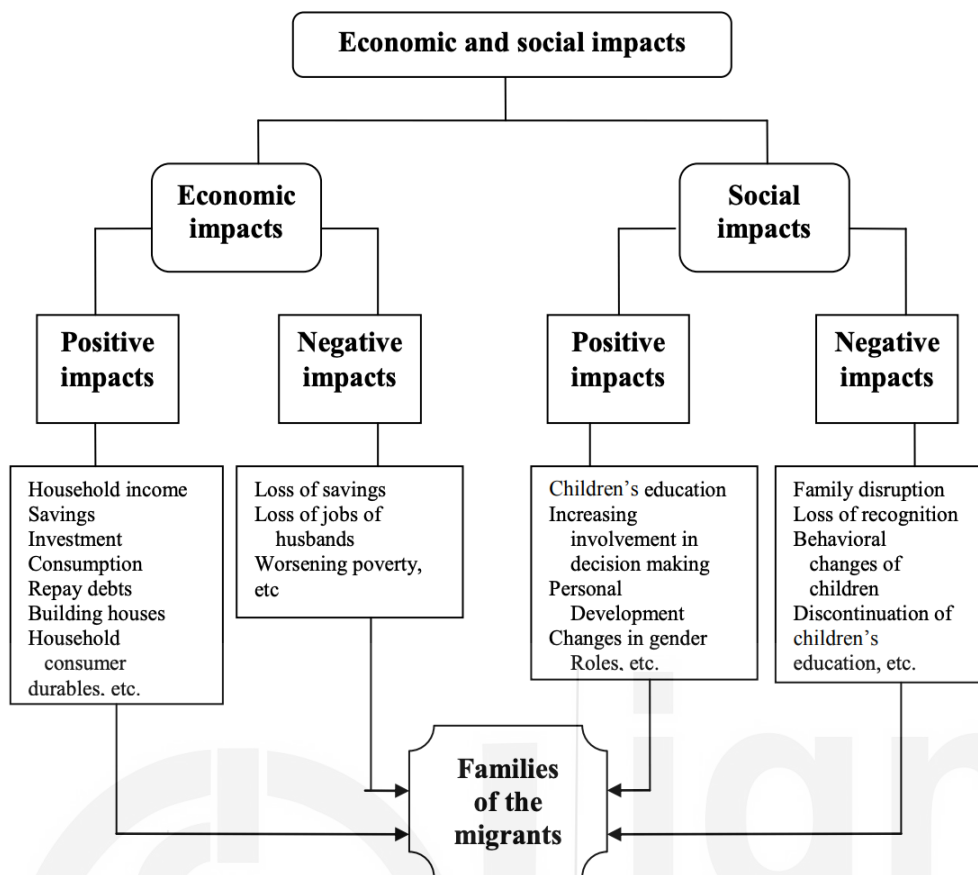
Earlier, it took a long time to exchange messages when it was possible to connect with letters or to rely on costly telephone calls to stay in touch with family and friends in their homeland, which left migrants largely uprooted from their origins. Recent innovations in low-cost airlines, social media and affordable long-distance telecommunications services allow migrants to establish transnational diaspora and home-country touch connections. The role of diasporas in development policies, poverty reduction and economic growth attracts significant political attention, including diasporas, host countries and home countries. It was only in the last decade, in particular, that India began to take a serious look at the

strategy of the diaspora, which is very late, considering that it has had a vast diaspora for centuries. Ethnic networks began to be seen as value-free networks that could act as a resource during the period of economic liberalization and globalization in the 1990s. Around the same time, the economic and political condition of the diaspora has significantly improved. This resulted during a dramatic shift within the government's view of its migrants by praising their successes with great pride. Since diaspora and digital communication channels are both distinguished by paradoxical space and time compression processes, social media offer an incredibly exciting entry point to explore diasporas. The ties between the two approaches have only gained increased attention over the last few years only, although the current total number of transnational migrants is massive. Online diasporas raise questions about the core dynamics of cultural globalization promoted by the emerging World Wide Web and international migration flows.

8.3 SOCIAL COST AND BENEFITS

In neoclassical economics, the social cost is the total of the transaction's private costs plus the costs imposed on consumers because of being exposed to the transaction for which they are not rewarded or taxed. In other words, it is the total of internal and external expenses. As difficult as calculating immigration's economic and intellectual contributions is, quantifying the social costs and benefits is even more complex. Because they have fewer observable repercussions than taxes, jobs, state assistance, or copyrights, estimating the exact size of social contributions is more challenging. People instinctively grasp the societal value that immigrants provide—in cuisine, arts, culture, and sports, among other things—but quantifying the worth of these contributions is challenging.

One of the primary issues that women migrants confront is the emotional impact of being separated from their family, particularly their children, which they say stops them from providing good maternal care to their kid. Furthermore, employers of migrant domestic employees often block them from connecting with their relatives. Furthermore, the majority of women migrant workers and caregivers who leave their homes to care for people overseas have their own children and seniors to care for at home. Migrant women often delegate this task to other female relatives or employ lower-income domestic helpers to run their own homes with their greater overseas earnings. This is known as the 'global care chain,' a transnational system of care provision stratified by class and, in some cases, ethnicity.



Source: Economic and social impact of migration of Sri Lankan transnational domestic workers on families and children left behind. By Swarnalatha

Migrants and their family members adjust not only to the influences of "the newly acquired money, goods, ideas, and innovations transmitted back to home" (Hugo 1994, p.15), but also to the temporary absence of the "light of the home" for several years through economic and social remittance transfers. This brief separation has the potential to alter the gendered roles of migratory women as well as other family members at home. It may also cause difficulties in the migrant's home, such as family disturbances, changes in children's behavior, suspension of children's education, drug addiction and drunkenness by migrant spouses, and so on.

8.4 EVIDENCE OF THE DEVELOPMENT OUTCOMES OF DIASPORA ENGAGEMENT

Diasporas can play an essential role in the economic development of their countries of origin. Beyond their well-known position as remittance senders, diasporas may also facilitate trade and foreign direct investment, build businesses and encourage entrepreneurship, and transfer new knowledge and skills. The effect of diaspora engagement is challenging to measure, considering the difficulty of assessing the impact of intangible resources such as skills and information transfer. There are strong ties between the involvement of the Diaspora and increased trade. Members of the Diaspora may build relations between producers and consumers in the countries of origin and destination.

Several countries of origin have sought to improve the presence of Diaspora policies to utilise their overseas communities as a resource for growth. Such systems range from securing better welfare conditions for migrants abroad to encouraging investment and development contributions.

Also, several success stories seem to suggest that it's not the number of remittance inflows that matters, but the standard of engagement. Recent reports indicate that the social rate of return to the investment unit of the Diaspora (mostly as remittances) may be higher than that of the foreign direct investment unit from non-Diaspora sources. (Afram, 2012). According to a World Bank study on the Remittance Market in India from the Indian Diaspora noted that remittance inflows to India accounted for some 4 per cent of GDP and exceeded both foreign aid and foreign direct investment (FDI) flows, (Source Reserve Bank of India (2010) as quoted in IBID). Still, India is undergoing a substantial economic boost by diaspora investments. Apart from the financial gains for their countries, many nations are beginning to consider their Diaspora's soft influence for national branding. Before 2002, for instance, India had no relationship with its Diaspora, but that changed after the establishment of the Indian High-Level Committee of the Indian Diaspora and the creation of a separate Ministry of Overseas Indian Affairs. In getting to know their Diaspora, the government took crucial measures to establish an action plan to leverage the involvement of the Indian Diaspora in India. In addition to introducing significant legislative amendments, among other improvements to its venture capital laws, and providing long-term visas to diasporas, it introduced a system of awards to honour the most influential Indians in the world. Both of these initiatives helped promote the concept of 'International Indianness' and establish an Indian brand.

A. Economy and Trade

Trade may be a crucial feature of the diasporic economy, alongside skills transfer and investment (Newland and Plaza 2013). The literature on trade and migration suggests that there's a positive relationship between bilateral migration and bilateral trade. The primary reasons for this impact are:-

- (1) immigrants from their home countries need goods and services;
- (2) introduce new products and services to host countries;
- (3) Immigrants introduce new goods and services in their home countries;
- (4) Impact of data and concepts on business development (Mundra 2005).

Based on a meta-analysis of several studies on bilateral migration and trade, it's estimated that 'an increase within the number of immigrants by 10 per cent could also be expected to extend the quantity of trade on the average by about 1.5 per cent' (Genc et al. 2001).

Diasporic exchange is increasingly recognised as encouraging entrepreneurship and investment, thereby generating employment, sparking innovation and supporting growth. The main focus has been on 'migration management' where the primary focus is on political and social integration, labour market and border control questions. Furthermore, the 'migration and development' perspective is dominant in policy circles because of the many economic impacts of migration,

Intra-Commonwealth diasporic trade highlights the rising importance of economic flows. For instance, products targeted at the Indian diaspora within the UK have had strong crossover appeal and generated major market success for companies within the food and beverage sector. A vital example of this has been Kingfisher beer from India, which has gained significant market share within the UK and in mainstream metropolitan markets in Europe, North America, Africa and therefore the Middle East where the Indian diaspora is found.

From the viewpoint of merchandise trading, the relations between the diasporic economy and trade have primarily been examined. Due to the transversal aspect of flows, the broader influence of diasporas on exchanges outside goods and services is unknown. The argument is that, given the dynamic interrelationships embedded in contemporary international trade, traditional approaches to categorising and differentiating trade-in silos, such as goods and services and intellectual property, are outdated and misplaced. Figure 1 illustrates an alternate method that explains how the diasporic market applies to main fields of trade, such as commodities, services, intellectual property, banking, entrepreneurship and technology transfer. These flows are directly affected by conditions in the sending countries, the receiving countries and the diasporic communities.

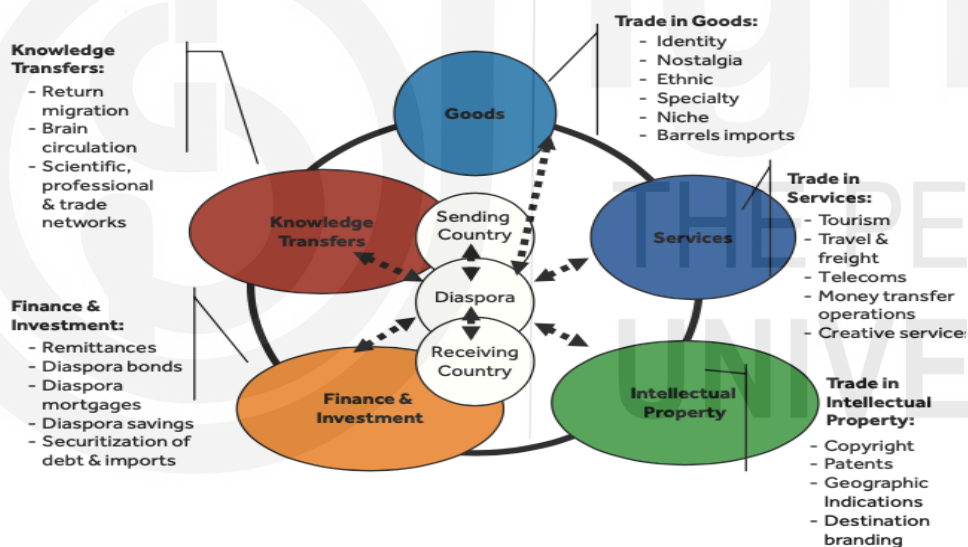


Figure 1. Diasporic economy and trade (source International Trade Working Paper 2016/09)

Diasporic trade also includes the monetisation of intellectual property through copyrights within the creative industries even as geographic indications embedded in goods. Countries also enjoy diasporas by tapping into knowledge networks of scientific and professional diasporas that enable brain circulation (e.g. return migration, mobility of professional services) that redress the challenges associated with brain drain (i.e. the emigration of the tertiary educated) (Blouin and Debnath 2011, Kuznetsov 2006). The diasporic economy also facilitates investment by diaspora communities in diaspora bonds, mortgages and saving schemes that have been utilised to securitise debt and import coverage (Terrazas 2010)

B. Investment

Entrepreneurship and investments in the Diaspora are frequently hailed as drivers of economic growth and positive change. Indian diasporas in the United States have played a role in building up India's IT industry and establishing a second 'Silicon Valley' in India. Engagement in the Diaspora is a rising component of regional economic growth and investment policies, especially in developed countries. Realistic assumptions on the effect of an active diaspora are essential for any intervention, recognizing that it provides benefits where the priorities of the home country are evident, institutions are improved, and general socio-economic conditions are hospitable.

They are also referred to as 'diaspora entrepreneurs,' describing the community of migrants or those of migrant descent who are entrepreneurs, living outside their home country, but remain active. It implies a transnational aspect of entrepreneurship between one or more destination countries and countries of origin. Contributions from the Diasporas go well beyond monetary investment, including the increase in mutual remittances to promote philanthropic programs in the area of technology transfer, sharing of information, strengthened access to foreign capital markets, and enhanced trading relations, to name a few. When it comes to designing the best blend of diaspora participation policies and initiatives, three significant issues always arise:

- 1) who are the primary players to bring over those reforms,
- 2) how to overcome current hurdles to getting in more Diaspora investments, and
- 3) what kind of benefits should be placed in place to encourage Diaspora investments.

In particular, to create physical resources and competitiveness and eventually help to fuel job development, living standards, and higher growth, Diaspora communities may make a unique contribution to the growth of their home countries. How are they doing this? First, in the form of remittances, they send money home. In 2015-2016, migrants from emerging and developed countries sent home \$430 billion, three times more money than their home countries are receiving from other countries or foreign financial institutions and contributes to a large portion of their GDP in financial assistance. They automatically boost economic development as these remittances are spent on goods and services. When these remittances are used for investment, the wealth of the home country can be improved. Families back home, for example, can use this money to fund their own enterprises, or they can save it, growing the funds that banks have to lend to businesses. In their home countries, diasporas also invest directly in business opportunities and government bonds. Diasporas also foster growth by financing schooling, training, and healthcare, in addition to promoting capital investment.

Secondly, diaspora networks transmit information and experience by way of their education and training, increasing competitiveness across a number of platforms. Diasporas will improve the standard of education in their home countries by contributing to the design of the educational curriculum and training. They can also have comprehensive professional growth and leadership training programs directly. Diasporas help home-country companies resolve barriers,

improve productivity, and grow into new markets by integrating their expertise, connections, and know-how with their insights into global opportunities and local customs. In the same way, governments may also be good advisers to help boost the efficiency of public institutions and advocates for multinational companies seeking to grow.

In recent years, India has seen steady growth in remittances, rising from \$62.7 billion in 2016 to \$65.3 billion in 2017. Last year, its vast diaspora helped it sustain its place with migrants sending back home to India a whopping \$79 billion. Only when it is followed by a detailed study of the diaspora—who they are, where they are and how we can meet them—can the adoption of a particular diaspora investment instrument achieve the desired results. The diaspora's potential contribution should be supported by sound mapping of its profile and critical features, including, but not limited to, its scale, position, position, remittance flows and degree of integration within destination countries.

C. Skills and Knowledge Transfer

Diasporas also acquire useful talents, skills, and connections abroad that can be "transferred" back to their country of origin by seeding companies and entrepreneurship, educating and mentoring local workers, and boosting developing industries. The diaspora acts as a brain trust for many nations, linking vital elements of the public and private sectors to information that is not available within the country and compensating to some extent for the departure of highly qualified emigrants. Some skills and knowledge transfer programs depend on the temporary (and often permanent) return to the country of origin of qualified diaspora members to educate and train. The examples of particular sectors of developing economies that have benefited from diaspora engagement are too numerous. For instance the role of the Indian diaspora in helping to develop the information technology sector in India, led by the success of Indian engineers and entrepreneurs in Silicon Valley. India's domination of the worldwide diamond-cutting and diamond jewelry industry, during which the diaspora based in Antwerp, Belgium played the key role, is less documented.

The private hospital sector is another area in which the Indian diaspora has stimulated growth, including in medical tourism. A 150 bed hospital, started in Chennai in 1983 since then, Apollo Hospitals group has grown to 8,500 beds in 50 hospitals and is one among the most important healthcare groups in Asia.

In each of those areas of diaspora initiative, the government of India has been a secondary actor, although most of the enterprises took off once India began its economic liberalization program in 1991. The govt has taken steps to facilitate diaspora investment generally, for instance creating

a "one-stop shop" to simplify the bureaucratic and administrative requirements for diaspora investors. India may be an example of the role that diasporas can play in promoting global industries, and of the observation that diasporas don't always await government policy to be perfect before taking initiative. But India also illustrates that governments can promote development by taking specific actions to support diaspora investment in economic sectors with high growth potential.

The international migration of skilled labour is a brain gain for countries that

extract their skills, information and brain loss from their countries of origin. In order to attract the kind of international workers and students they like, countries are increasingly looking at framing their immigration policy on the sidelines of the split. On the brain drain line, the effect of the lack of skilled professionals is measured in both immigrant and receiving countries alike. In India, brain drain has gone through a number of stages and has affected various classes of Indian culture. Even as a British colony, India has seen a lot of its upper classes and affluent members of society leave for higher education in professions such as pharmacy, law and applied sciences in the United Kingdom. In the 1970s, this trend continued to develop, and the Indian government considered a number of ways of trying to minimize or reverse migration without success. It was during this period that Jagdish Bhagwati, an Indian economist, proposed that some Indian immigrants living abroad be taxed in their country of residence to compensate for India's sum spent on their schooling. This was known as the Bhagwati Tax (Bhagwati and Partington, 1976; Scalera, 2009). The plan was an ambitious one, but it encountered significant logistical and political difficulties and was abandoned later.

The brain-drain pattern seems to have undergone a major turnaround only recently. Unsubstantiated data suggests that Indian professionals are returning to their home country in growing numbers, with a plan to take advantage of new prospects for development and jobs. Some of the largest corporations in the world, such as Google, Microsoft and Yahoo!, are setting up manufacturing and offices in India. Therefore it can be concluded that brain drain has historically been an important concern and hindrance to India's growth, but in the recent globalization, brain-circulation has proven to be very useful to India.

A second concern is that policymakers too frequently assume that interaction with the diaspora is not susceptible to policy intervention. It is true that the dense network of links between diasporas and countries of origin is the result of individuals and groups acting on their own initiative, rather than a result of government interference, in the vast majority of instances. Governments can do far better than most diaspora groups if they concentrate on eliminating barriers and creating opportunities rather than directly controlling the wealth of the diaspora, making it easier for diaspora members to participate in economically beneficial activities.

D. India's economic engagement with its diaspora

We are well aware that the Indian Diaspora is today the largest in the world and consists of a variety of people scattered in more than one hundred countries in terms of class, caste, area, religion. They are divided broadly into the Old Colonial Diaspora and the Post-Colonial or Modern Diaspora. We divided them into Non-Resident Indians (NRIs) and People of Indian Origin (PIOs) in terms of formal categorization. Over the years, India's political approach to the Diaspora has grown mainly in line with other policy goals. The mission has always been to address the needs and desires of different communities within the Diaspora through specific and responsive policies.

After a time of apathy and confusion, the phase of a symbiotic and long-lasting relationship began with the start of India's engagement with the Diaspora. Even before this policy change, Indian Diaspora was involved with their families,

towns, regions and even with India as a whole. The remittances were sent through customized networks (see Bates, 2000; Carter, 1992) by overseas Indians, and the dynamics of global influence were at work. Indians abroad were successful representatives of 'soft power' even during the 'passive participation' period, spreading Indian culture and spirituality far and wide. The Indian Diaspora has also been the indirect carrier of India's other soft resources such as Bollywood movies, food, music, yoga, democracy, the IT industry, the concept of diversity, unity, cricket, etc.

- Brain recovery and skill transfer have emerged as one of the most critical domestic diaspora contribution fields (refer to Kuznetsov, 2011; Saxenian, 2004). The Government of India has introduced some independent programs to draw Indian academics and professionals from abroad temporarily. Knowledge transfer via expatriate nationals (TOKTEN) is also in service. The Global Indian Network of Information (Global-INK), a dynamic electronic forum for knowledge transfer through an online web portal, is another significant initiative.
- The experience of India's IT industry can be cited as one of the best attributes of a mutually beneficial relationship with the Diaspora. Over the decades, both India and the Diaspora have enhanced each other's quantitative and qualitative development in the IT sector. On the one hand, the Indian Diaspora gave the IT industry a multilayered benefit in terms of enhanced skills; capital formation (human, social and financial); inward remittances; flows of foreign direct investment (FDI [Foreign Direct Investment]); growth of markets; and a boost to the image of India. Other effective models worth saying in this regard are the healthcare and education sectors. The Diaspora may also be a vital participant in the campaign 'Make in India'.
- Remittances are another significant source of diaspora contribution for India, which began to expand significantly from the mid-1990s, mainly due to the increasing emigration of highly skilled migrants to the United States and the transition to formal networks due to more liberal foreign exchange policies (Tumbe, 2012, p. 7). India is the world's top remittance-receiving country. However, in India's case, many of the negative impacts of remittances are also clearly evident. A break-up of remittance usage figures in India shows that they rarely go for productive investment, such as creating new businesses and industries (Pande, 2014a).
- India has not been able to draw significantly from the Diaspora in terms of FDI. In reality, concerning short- and medium-term investments, diaspora investments may be more critical, workable across networks. The Overseas Indian Facilitation Centre (OIFC), which has been in operation since 2007 and focuses on sectors such as real estate, wealth management, taxes, legal, health care, education and infrastructure (MOIA), is one of the significant initiatives to promote NRI investments, knowledge networking in India.
- Diaspora tourism is one of the largest diaspora collaboration areas. With more than 20 million strong Indian Diaspora, a vast tourism market boom happened. Tourism in the Diaspora is an essential instrument for strengthening ties with the Diaspora, particularly the younger

generations. Diaspora tourism can have distinct categories (Newland, 2011), and Indians in the Diaspora require tailor-made travel packages for maximum gain in this sector.

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Check my progress 1

- Note:**
- a) Write your answer in about 50 words.
 - b) Check your answer with possible answers given at the end of the unit

1. Explain brain drain and brain gain in the context of Indian Diaspora.

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2. Brief of skill transfer of diaspora

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3. What are the issues of diaspora participation in police making?

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8.5 GAPS OR CONTRADICTIONS IN EVIDENCE

While there is some optimistic connection between diaspora and economic growth, there are still some proof gaps. The data required to document diaspora contributions are clearly not accessible regularly, widely and over a long period of time. Many observational data is compiled through ex post facto correlation monitoring, as in many of the studies mentioned above. Case studies such as the Indian industries mentioned above are also suggestive but limited in their capacity to endorse large generalizations of the influence of diasporas. For eg, data on FDI is not divided by diaspora origin; nor is portfolio investment, except that which moves into diaspora bonds or diaspora funds.

Many of the government's financial benefits to draw diaspora investment are comparatively limited, with unpredictable consequences that are difficult to determine. The effect of skills and knowledge transfer, particularly in the short term, is difficult to measure. Another possible barrier to active diaspora participation is that most diasporas are heterogeneous. Policies that privilege the diaspora in isolation from broader national purposes are likely to create discontent from non-diaspora citizens. In order to understand the socio-economic and demographic dynamics of the diaspora, their activities and possible areas of concern for cooperation, the absence of diaspora mapping methodologies for the design of 'diaspora profiles' has been an obstacle.

The main split in diaspora policy is between those policymakers who see diasporas as assets or allies and those who see them as losers or even risks, and even some development agencies continue to see the diaspora as a community that is lost to the country of origin, and concentrate policies on encouraging members to return or persuading people not to leave. In order to encourage their citizens to migrate legally for jobs, some governments seek bilateral agreements with receiving countries and concentrate on securing migrants' rights. However, relatively few governments engage in genuinely knowing their diasporas, maintaining constructive contact with them, and seeking places for realistic cooperation that are of mutual interest. Some nations simply look to their diasporas to provide funds or donate their skills and connections, without worrying too much about creating incentives for them to do so. Out of emotion, some diaspora members would "give back" to their homelands without demanding anything in return, but diaspora policies work better when engagement is a two-way mechanism in which both sides see tangible benefits.

8.6 SOCIAL COST AND IMPORTANCE OF SOCIAL REMITTANCE

In neoclassical economics, social costs are the sum of the private costs incurred as a result of the transaction and the costs levied on customers as a result of their exposure to the marketing for which they are not paid or charged. Social costs can be expressed in the form of intentional and unintentional consequences that have detrimental effects on individuals and the community. In this respect, social costs can be seen at a micro-level in the form of personal difficulties faced by migrants and their family members. Prolonged unresolved problems can be translated into meso level social issues (villages, families, cities) in areas of origin of migrants (UN Women, 2013). In this perspective, the Institute for Labor Studies has argued that migration's social costs are a mixture of issues such as the effect of family-affecting separation, in particular the impact on children's personalities who grow up without fathers or mothers or both (ILS, 2011). Migration has an effect on the movement of remittances at the macro level, poverty reduction and the overall growth of social indicators such as health and education (Islam, 2011). The current framework considers man as either a tool for manufacturing or a tool for consumption. Increased unemployment, degradation of the working environment even in developed countries (absence of policies, health threats, tension, anxiety, accidents), contamination of the natural environment, aggressive promotion of sales and consumption of useless goods are typical examples of social costs. There is an immediate need to redefine the guidelines for social action with human needs as the sole primary

criterion and, subsequently, to choose inputs that satisfy those needs rather than market demands.

As challenging as the economic assessment of immigration is the social costs and benefits, and academic achievements, are even tougher to calculate. At the micro stage, remittances provide recipient individuals with significant economic benefits and can boost their well-being. However, for both the migrant and the family left behind, the social costs can also be immense. The isolation and homesickness that migrants frequently encounter can lead to physical and mental health deterioration, aggravated by the lack of local language skills that can leave migrants feeling lonely. Marriages may break down at home, and children are forced for long periods to live without their father or mother. Besides, migration exacerbates concerns such as the spread of HIV / AIDS and violence. Since they have less substantial effects, the real magnitude of social contributions is more challenging to measure than income, jobs, government benefits, or patents. People understand conceptually the social importance that immigrants have provided, among other items, food, arts, culture, and athletics, but it isn't easy to accurately evaluate the significance of such contributions.

The social cost of requiring migrants to pay to stay away from their families is never compensated for or repayable. Social migration costs are hardest hit among workers because, unlike middle-class and high-class citizens, they cannot call on their families to save expenses abroad. Although technology has played a significant role in bridging this divide, women are still dealing with the idea of doing it all alone. Migration has long been a priority for remittances, but both migrants and the families they leave behind have underestimated the socioeconomic, psychological, and human costs. Migration has ever been overemphasized by remittances, obscuring the efforts and sacrifices of migrants and their families.

There are several externalities linked to the existence of diaspora networks in the host countries, beyond the brain drain/gain question. Diaspora networks, on the one hand, will enable their home countries to incorporate more migrant networks into the global economy by contributing to bilateral trade, investment and other financial flows, as well as to the dissemination of information and technology between their home countries and their host countries. Diaspora networks can have an influence that is not solely economic, but also cultural and political, across a variety of channels that range from the compositional effect of the self-selection of migrants (on education, political opinions, or cultural values) to the participation of diasporas in local politics and conflict. The "social remittances," that is, transfers of behavioral and cultural norms by migrants to their home communities, are one such channel. The concept of social remittances stems from the belief that, while abroad, migrants gain new skills and become exposed to new behaviors, tastes, and behaviors that will first change them and then spread to their home communities through direct and indirect encounters with families, associates, and other members of their home-based social networks. Such social remittances include political ideals, standards of health, religious attitudes, and practices, etc.

The potential of social remittances to spark systemic change attracts many scholars' attention. Because social remittance is a transfer of ideas, beliefs, and behaviours, it occurs in both directions, with mi-grants as the agents of these

transactions. For different reasons, different migrant groups around the world transfer other ideas, and we may group these motives into broad categories of economic, social, and political. For example, Indian migrants are known for their technological and entrepreneurial skills; they remit back home mostly economic skills, along with transmitting their cultural values in their host countries. On a political level, Levitt's work on Dominican migrants in the United States showed that to enhance free speech in the Dominican Republic, they remit the importance of freedom to speak back home.

Check my progress 2

- Note:**
- a) Write your answer in about 50 words.
 - b) Check your answer with possible answers given at the end of the unit

4. What are the benefits of social remittances?

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5. What are the externalities linked to the existence of diaspora?

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8.7 LET US SUM UP

A range of critical elements is in the Diaspora strategy. These include defining priorities, mapping the position and abilities of the diaspora, promoting a relationship of trust with the diaspora, establishing advanced means of communication with the diaspora, and eventually creating opportunities and clearing barriers for diasporas to contribute to national growth. Embassies can also act as a coordination link between the diaspora and potential partners in the country of origin, connecting diaspora investors and entrepreneurs with excellent business opportunities in home countries. In countries of origin, governmental diaspora-focused agencies must play a dual function, whether ministries, departments, or special offices, both promoting diaspora contributions to the homeland and serving the diaspora. The two priorities are compatible, but both have resource implications that can force policymakers to make tough decisions.

To create structured cooperation with diasporas, the actions that governments (both countries of origin and destination) and other stakeholders may adopt include:

- Developing sound methodologies to map and prepare the 'Diaspora profiles,' to underpin the socio-economic and demographic characteristics of diasporas, their attitudes and possible areas of collective interest.
- Implementing policies across a wide range of policy arenas to

facilitate diaspora participation. These include more convenient access to host country legal status, dual citizenship, lower visa costs for accompanying family members, improved consular network capacity and efficiency and support, access to quality transportation between countries, reduced regulatory procedures and administrative hurdles for cross-border transactions, banking services and host and home county facilities.

- Coordinating the work within embassies and government ministries of various departments to increase efficiency in building relationships with diasporas and their networks.
- Engaging with main stakeholders such as chambers of commerce, agencies for investment promotion, trade groups, industry councils, universities, banks, and private companies.
- Designing financial instruments (e.g. diaspora bonds) to attract diaspora savings.
- Capacity building of existing services and institutions dealing with migration and diaspora

While the Global Forum on Migration and Development (GFMD) has kept diaspora participation on its schedule, there is still no coordinating body. In each of its meetings, it offers a forum for knowledge and experience sharing. Meanwhile, diasporas continue to send funds, make investments, and establish ties that help their countries of origin erode their development constraints. Initiatives continue to be founded by the private sector and civil society organizations that bridge countries of origin and destination, and often support both. They can do even better with more systematic cooperation from governments of origin and destination, as well as international organizations.

8.8 KEY WORDS

IOM: The International Organization for Migration is an intergovernmental organization that provides services and advice concerning migration to governments and migrants, including internally displaced persons, refugees, and migrant workers.

FDI: Foreign direct investment (FDI) is an investment in the form of a controlling ownership in a business in one country by an entity based in another country

Meta - analysis: A meta-analysis is a statistical analysis that combines the results of multiple scientific studies. Meta-analysis can be performed when there are multiple scientific studies addressing the same question, with each individual study reporting measurements that are expected to have some degree of error. The aim then is to use approaches from statistics to derive a pooled estimate closest to the unknown common truth based on how this error is perceived.

Bhagwati Tax :A Tax proposed by economist Jagdish Bhagwati for skilled migrants, (i.) to compensate the welfare loss occasioned to their country of origin; (ii.) to discharge for their obligation to the national community when it publicly financed their education; and (iii.) to compensate for the resulting inequality of

opportunities between themselves and their non-migrant compatriots.

Social Cost and Benefits

Soft Power: Soft power is the ability to attract and co-opt, rather than coerce (contrast hard power). In other words, soft power involves shaping the preferences of others through appeal and attraction. A defining feature of soft power is that it is non-coercive; the currency of soft power includes culture, political values, and foreign policies.

Brain Drain : Brain drain can be described as the process in which a country loses its most educated and talented workers to other countries through migration. This trend is considered a problem, because the most highly skilled and competent individuals leave the country, and contribute their expertise to the economy of other countries. The country they leave can suffer economic hardships because those who remain don't have the 'know-how' to make a difference.

TOKTEN: Transfer of knowledge through expatriate nationals (TOKTEN) initiative is a UNDP technical assistance modality that aims at human resource capacity building in countries that suffer from brain-drain.

Meso Level : Meso-level analysis indicates a population size that falls between the micro and macro levels, such as a community or an organization.

8.9 REFERENCES AND SELECTED READINGS)

Global Financial Crisis, Migration and Remittances: India Migration Report 2012 by S. IrudayaRajan (Editor)

Regional Integration and Migration Governance in the Global South by Glenn Rayp, Ilse Ruysse & Katrin Marchand (Eds), Springer, Dordrecht.

The role of Indian Diaspora in the development of the Indian IT industry Amba Pande

Diaspora Engagement in India: From Non-Required Indians to Angels of Development by Metka Hercog and Melissa Siegel

8.10 CHECK YOUR PROGRESS - POSSIBLE ANSWERS

Check my progress 1

1. The international migration of skilled labour is a brain gain for countries that extract their skills, information, and brain loss from their countries of origin. In order to attract the kind of international workers and students they like, countries are increasingly looking at framing their immigration policy on the sidelines of the split. On the brain drain line, the effect of the lack of skilled professionals is measured in both immigrant and receiving countries alike. In India, brain drain has gone through a number of stages and has affected various classes of Indian culture.

2. Diasporas also acquire useful talents, skills, and connections abroad that can be "transferred" back to their country of origin by seeding companies and entrepreneurship, educating, and mentoring local workers, and boosting developing industries. The diaspora acts as a brain trust for many nations, linking vital elements of the public and private sectors to information that is not available within the country and compensating to some extent for the departure of highly qualified emigrants. Some skills and knowledge transfer programs depend on the temporary (and often permanent) return to the country of origin of qualified diaspora members to educate and train.
3. When it comes to designing the best blend of diaspora participation policies and initiatives, three significant issues always arise:
 - 1) who are the primary players to bring over those reforms,
 - 2) how to overcome current hurdles to getting in more Diaspora investments, and
 - 3) what kind of benefits should be placed in place to encourage Diaspora investment

Check my progress 2

4. Because social remittance is a transfer of ideas, beliefs, and behaviors, it occurs in both directions, with migrants as the agents of these transactions. For different reasons, different migrant groups around the world transfer other ideas, and we may group these motives into broad categories of economic, social, and political. For example, Indian migrants are known for their technological and entrepreneurial skills; they remit back home mostly economic skills, along with transmitting their cultural values in their host countries
5. There are several externalities linked to the existence of diaspora networks in the host countries, beyond the brain drain/gain question. Diaspora networks, on the one hand, will enable their home countries to incorporate more migrant networks into the global economy by contributing to bilateral trade, investment and other financial flows, as well as to the dissemination of information and technology between their home countries and their host countries. Diaspora networks can have an influence that is not solely economic, but also cultural and political, across a variety of channels that range from the compositional effect of the self-selection of migrants (on education, political opinions, or cultural values) to the participation of diasporas in local politics and conflict.