THEORIES OF DIASPORIC PHILANTHROPY
A REVIEW OF LITERATURE

Introduction
This chapter provides a review of literature relating to diaspora philanthropy. As may be expected, diaspora philanthropy is by no means an unambiguous term. It has several shades of meaning and has been interpreted differently by various authors. Besides discussing theoretical issues involved in the study of diasporan philanthropy, this chapter reviews empirical literature especially in the Asian countries, of which China and India are the largest recipients. While recognising how diaspora philanthropy has become a major phenomenon in the world, in keeping with the focus of this study, this chapter reviews various studies relating to Indian diaspora philanthropy. Within the overall portrait of Indian diaspora philanthropy, it first gives an account of Indian government’s changing policies towards its non-resident population abroad and then scrutinizes existing studies on Indian diaspora philanthropy. Then studies on Punjabi diaspora philanthropy are discussed and the last section reviews studies on Canadian Punjabi philanthropy.

Diaspora Philanthropy as a Global Phenomenon
The subject of diaspora philanthropy has become an important area of study by sociologists and other experts in a relatively short period. In recent decades, many poor countries have been receiving increasing amount of funds from its foreign settled population in the form of remittances and philanthropic funds. Indeed some of the poorest countries have depended on this source which constitutes a high proportion of their total national income. Among Asian countries, China and India are two of the largest recipients of philanthropic funds. The importance of diaspora philanthropy is underlined by the statistics provided by the World
Bank which lists almost all the countries of the world as recipients of diaspora philanthropy. It estimates global remittances US $346 billion by 2011 (Mohapatra, Ratha and Silwal 2010). However, most of the authorities agree that migrants on average send only around half of remittances through official banking channels because they are discouraged by high fees and poor rates of exchange (el-Qorchi, Maimbo and Wilson 2002). Others suggest that informal remittances amount to ‘at least as much again’ or that ‘more than half of the total flow of remittances goes through informal channels’ (DFID and the World Bank 2003). This would effectively double the global estimated value to US $700 billion by 2011. In a review of Sikh diaspora philanthropy, Dusenbery and Tatla note how:

international development agencies, scholars, and governments themselves have begun to look more closely at remittances as a source of funding for community development, social investment, and charitable or philanthropic work (Dusenbery and Tatla 2009: 3-4).

The rise of philanthropy is also underlined by the formation of various philanthropic forums and websites aims to analyse it for e.g. Eldis, INSP (The International Network on Strategic Philanthropy), Global Envision, Arbella, TPI (The Philanthropic Initiative), Asia Pacific Philanthropy Consortium, Asian Development Bank, Asian Philanthropy Forum, and Global Philanthropy Forum were established to explore the subject of diaspora philanthropy. The beginning of the subject as a new branch in sociology can be seen through the establishment of the first specialist journal Voluntas: International Journal of Voluntary and Nonprofit Organizations in this field in May 1990, and newly established centres for the study of diaspora philanthropy in New York, and at some US universities. Among them Center on Philanthropy and Civil Society, New York, Sillerman Center for the Advancement of Philanthropy at the Heller School for Social Policy and Management at Brandeis University
and Rockefeller Institute at Harvard University were set up. Harvard University also began
‘Global Equity Initiative’ project in the new millennium in this field and as a result, Harvard
University Press issued the first titles in this new academic discipline as a series.¹ Several
conferences, seminars were held and research projects were undertaken to investigate the use
of diaspora philanthropy especially in the Middle Eastern countries.² New journals and
magazines such as *The Chronicle of Philanthropy*, *Foundation News and Commentary*, *The
Nonprofit Times*, *Philanthropy Journal*, and *Philanthropy News Digest*, etc. reflect how
philanthropy has become a worldwide phenomenon.

All of this new found public interest in diaspora philanthropy has, naturally enough, directed
scholarly attention to the subject as well. It has invited increasing attention of sociologists as
well as policy makers. Dusenbery and Tatla have noted:

Economists have increasingly had to factor remittances into their calculations of the
available sources of global capital for local investment. Political scientists have had
to take into account how remittances from the diaspora may figure into financing
local politics or political movements and into refiguring power relationships beyond
the local or the national. And other social scientists (sociologists, anthropologists,
geographers, and historians) have begun to assess how remittances may be
transforming social relationships, opportunities, and imaginations (Dusenbery and
Tatla 2009: 5).

It is also probable that the emergence of this new subject was facilitated by a major political
event in the United States. Following the terrorist attack on the World Trade Center Towers
on 11 September 2001 in New York, urgency to undertake research in the field of diaspora
philanthropy was partly prompted by the security concerns of the United States. Alarmed by
popular newspaper reports that American Muslims were sending money to ‘terrorist
organisations’ which could be redirected to finance attacks on the mainland USA, several legal and administrative measures were enacted to control and account financial flows to religious organisations.

But there are other sound reasons which have made this subject topical. Due to the impact of globalisation, the pace of international migration began to accelerate in recent decades. Correspondingly, flow of remittances or philanthropic funds by ‘foreign settled workers’ are increasingly recognised as an important component of national incomes of many ‘home countries.’ Governments in developing countries are now concerned with the lack of developmental funds and are looking to utilize funds from abroad for developmental purposes. For this they are turning toward their ‘diasporic populations’ by encouraging patriotic ties and devising incentives aimed to attract their investment in commercial and philanthropic projects. Indeed, for many countries of the South with large diasporas settled in rich countries of the North, remittances sent by their overseas population make more sense compared to borrowing from the World Bank and other international agencies whose funds usually come with ‘strings’ attached.

Due to transportation facilities and cheap fare globalisation connections of diasporic populations with their home countries have become much easier. Partly this is due to the globalisation process, but there are other contributory factors which have meant a distinct lack of trust in government organisations. Generally, people want to be less dependent on the government, and this has seen the rise of numerous NGOs around the globe. Moreover, government has failed to provide public goods, especially in the case of education. Thousands of private educational institutions in India now cater to the elite, the middle class, and even to the poor. Moreover in recent years, Indian has seen large involvement of several
NGOs in the development process – this is partly a result of shifting policies of the Indian government towards private enterprises and public bodies.

Some of these NGOs have become very powerful and are playing multifaceted role in social welfare services – many of these are patronised by large philanthropic organisation based abroad. These and other factors have prompted social scientists to study international flow of funds and in the process they have ‘discovered’ the study of international philanthropy alongside much studied economic remittances by economists.

The diaspora philanthropy has also been strengthened in the last century by the rise of what Dusenbery and Tatla (2009: 5) call as ‘traditional philanthropic community’ - the large private philanthropic foundations (such as Ford, Rockefeller, Gates etc.) and international non-governmental organisations and private voluntary organisations (such as World Vision, Rotary, Oxfam etc.). These philanthropic international organisations have historically played a major role of giving for the public good and have thus contributed to the phenomenal growth of diaspora philanthropy. The further expansion of this ‘traditional philanthropic community’ – various philanthropic foundations (PFs), non-governmental organisations (NGOs), and private voluntary organisations (PVOs) have encouraged diaspora philanthropists and in recent decades had to decide whether to set up their own philanthropic vehicles and/or to partner with other established international organisations such as USAID (United States Agency for International Development), CIDA (Canadian International Development Agency), etc. and international lending agencies such as the Asian Development Bank, World Bank, etc. These large international agencies and foundations have evolved procedural guidelines to finance public goods and thus assisted in the evolution of diaspora philanthropy as part of increasing trade and commercial transactions among various countries of the world.
From Remittances to Philanthropy

The flows of funds are now classified in various different ways. World Bank data now distinguishes between remittances, financial aid, foreign direct investment and private individual transactions and so on. Economists agree that remittances means money and/or goods sent or brought by migrants from one’s current country of residence to the ancestral homeland or country of origin. At the empirical level, diaspora philanthropy is distinguished from other remittances. It is considered as a special kind of remittance.

Accordingly, data on philanthropic flows are now becoming available, while earlier accounts of remittances included all such data. Although there is also some complexity between the remittances for commercial purposes and philanthropy for charitable works, as remittances may also fund such projects that range from family consumption to religious charities or to be used for some public services or causes. However, one should note that diaspora philanthropy is more than simply an economic phenomenon. It could be in form of money, goods, services, knowledge, technology, skills and fresh ideas given for the public benefit (Johnson 2007). Thus diaspora philanthropy can be considered as ‘social remittances’ – including ideas, practices, identities, and social capital that flow from receiving to sending country communities.

Defining Diaspora Philanthropy

Philanthropy is an ancient phenomenon and in most religious traditions, it is lauded as a virtue. According to Oxford English Dictionary, philanthropy is defined as ‘active effort to promote the welfare of others,’ or ‘goodwill to one’s fellowmen’; in other words, the term refers to non-selfish service/s rendered. According to US History Encyclopaedia, ‘philanthropy is private action for the public good.’ A distinction can be made between philanthropy and charity. The word ‘charity’ derives from the Latin ‘caritas’ meaning
unconditional love. Charity often refers to short-term relief, while philanthropy is normally applied to attempts at investigating and reforming underlying causes. According to Taplin (2002) ‘Charity’ is thought of as small donations, mostly private family practice of giving whereas ‘Philanthropy’ refers to the established and bureaucratic foundations.

Diaspora philanthropy is a form of global/international philanthropy. Global philanthropy refers to the investment of private philanthropic resources without regard to national boundaries. Often, it refers to strategic investments that address issues of world poverty and social injustice – e.g., health, education, environment, human security and human rights. Philanthropy is a medium to change the way things are, so as to reduce poverty and inequality and to build strong civic communities. Diaspora philanthropy is the transfer of resources from citizens or residents of one country back to families and communities in their country of origin. Johnson (2007: 5-6) defines diaspora philanthropy has many variations, which include homeland philanthropy, migrant philanthropy, and transnational giving. Like other forms of philanthropy, diaspora philanthropy is expressed in several forms, such as charitable giving from individuals who reside outside their homeland directly to others who have remained behind and giving to causes or charitable organisations in the homeland country. Opiniano (2005) defines diaspora philanthropy as the ‘process in which migrants or immigrants abroad, in forging and sustaining their relations with their origin societies, allocate a certain portion of their remittances to fund development projects in the country of origin.’ Dunn (2004: 2) defines ‘diaspora philanthropy’ as ‘a value-based philanthropy that connects the diaspora member to his or her community, religious group, or country of origin.’ Johnson and Sedaca note that although their reasons for going vary, most overseas migrants maintain affinity with and keen interest in matters related to their countries of origin as:
When this interest becomes engagement, whether collective or individual, émigré and diaspora communities can use their financial, time, and intellectual resources to help reduce poverty, contribute to the expansion of the private sector, and enhance global competitiveness of their countries of origin (Johnson and Sedaca 2004: 1).

According to Khan (2003: 34-5) philanthropy is defined as the ‘private, voluntary transfer of financial and non-financial (italics in original) resources (non-financial resources would include transfers such as in-kind support, intellectual property, knowledge, technology, and volunteerism) for the benefit of the public.’ According to Khan, the elements that constitute diaspora philanthropy are: 1) charitable giving from individuals who reside outside their homeland; 2) who maintain a sense of identity with their home country; 3) give to causes or organisations in that country; and 4) give for public benefit.

During the last two decades, there is growing concern among Indian scholars regarding diaspora philanthropy. They have discovered a long tradition of such terms and practice in Indic religious traditions. Thus, terms such as daan, dakshina, annadana, bhikhsa, zakat, wakaf, infaq, sadaqa, fitrana, kaffara and other words have been long used in Hindu, Buddhist, Islam, Sikh and other religions. In Punjabi language, three words express this phenomenon: daan (charity or alms-giving), seva (selfless service or serving), and dasvandh (a tenth part). While daan comes originally from Sanskrit with extensive reference within the Indian religious tradition, seva has also pregnant ancestry within Sanskrit, while dasvandh is exclusively a Sikh term evolving from the community’s history.3 Dasvandh is more like zakat - an Urdu term derived from Persian-Arabic etymology with its historical origin in Islamic theology and history, just as dasvandh derives its substance from Sikh theology and history. Both zakat and dasvandh are parallel terms, conveying religious duty or obligation, with prescriptive undertones of binding a proportion of income for ‘selfless’ or a ‘social cause.’4
Thus diaspora philanthropy generally means ‘selfless giving’ or ‘investing in non-commercial welfare projects’ by persons who are settled abroad. In the sociological literature, migrants who have left their native lands, regions or countries are now often called diasporas; hence, diaspora philanthropy means sending money or increasingly assistance in other forms as well to their countries or region of origin or their homelands. While this definition is by no means universally accepted but most would agree with Young (2004: 29), who defines philanthropy as ‘private giving for public good’; and, correspondingly, ‘diaspora philanthropy’ may be defined as ‘global private giving for local or homeland public good’. Dusenbery and Tatla further explore this term as:

Diaspora philanthropy by its very nature, involves the transnational flow of capital, goods/technologies, people, images, and ideas between globally dispersed actors and the locality from which they or their ancestors emigrated. When diaspora philanthropists give for projects in the ancestral homeland, they do not just make capital indiscriminately available for local use; rather, they fund particular kinds of activities that they consider to be necessary and valuable. In so doing, through their priorities in giving, they may transmit new ideas and create new images of what constitutes ‘the public good’. Thus, the study of diaspora philanthropy becomes an ideal site for the analysis both of material outcomes and of the work of the social imagination involved in this transnational interaction between givers and receivers (Dusenbery and Tatla 2009: 5-6).

These experts are then confronted with the problem of how to define or distinguish the two terms involved; namely ‘private giving’ and ‘public good’. The ‘public good’ might have an element of commercial use or motive. For instance, a Canadian Punjabi financing a public school in Punjab might be motivated to provide free education for poor pupils—surely a
philanthropic project; but if the school’s administrators start to charge fees for a share of pupils who can afford to pay, then the purely philanthropic intention does not remain as neat. However, it may be necessary to raise funds for sustaining long term projects in the future. If money raised from the project goes back into the project, a new term ‘social entrepreneurship’ is used for such investments. According to Taplin (2002) there are two main parts of social entrepreneurship: one is grants given to individuals and organisations for grassroots social change; the other would be investing in economic empowerment by creating jobs, thus creating a higher standard of living. This is a new model that stems from the immigrant experience often with little money, and then building wealth. There are so many similar cases which furnish difficulties in describing those projects. Similarly, ‘private giving’ might also include some government share, e.g. ‘Mera Pind Initiative’ (scheme CD 2.35) of the Punjab Government which offers matching grant on 50:50 basis to overseas Punjabis investing in certain welfare investments in Punjab villages.

For this study, diaspora philanthropy is defined as such transactions or financial flows facilitated by individuals or groups settled abroad for non-commercial purposes which are invested in one’s homeland or country of origin. Punjabis settled abroad have been investing in many non-profitable projects in Punjab for almost a century now – the ways they have implemented these projects in Punjab provides valuable data in assessing these projects as to their impact on local communities as also on the overall Punjabi society. Thus in order to understand the role of Canadian Punjabi philanthropy in Punjab, we need to discuss relevant issues concerning diaspora philanthropy.

**Diaspora Philanthropy Studies: Emerging Issues**

As the subject of diaspora philanthropy is becoming part of sociology, studies of diaspora philanthropy are very recent additions to sociological investigations. The first systematic
study of international philanthropy can perhaps be dated with the Harvard University’s ‘Global Equity Initiative’ project in the new millennium. In this study, editors underlined the immediate challenge of faith-based philanthropy as the most urgent area of study as:

The most obvious arena of concern is faith-based philanthropy that supports or fuels religious extremism. Controversy has recently erupted over Indian American contributions to organizations with ties to Hindu fundamentalism. Some have even charged that diaspora giving to militant Hindutva groups fueled the recent ethnic riots in Gujarat (Geithner, Johnson and Chen 2004: xx).

Among major contributors to this field, Seddon has noted, in a wide ranging essay, essential issues involved and the urgency to study it as follows:

The global flow of value now amounts to trillions of US dollars a day. It takes many different forms. Much of the flow is official (registered, legal, above board) and recorded in national accounts, balance-of-payments statements and statistics compiled by international agencies. Much of it however is not. Some, but by no means all, of the unregistered or informal flow of funds is strictly illegal, escaping change controls and taxation, and some is directly linked to criminal activities (Seddon 2004: 404).

During the last ten years or so, experts have deliberated on issues ranging from definitional problems (how to distinguish philanthropy from economic remittances) to practical issues of preparing a classificatory scheme for philanthropy from ‘pure’ to ‘mixed type’ and to investigate the uses of diaspora philanthropy in its destination regions or countries. Second issue addressed by several studies concern individual philanthropists’ motivation to give, and causes they choose. Case studies also point out a possible clash between equity goals and donors’ preferred projects. Thus for example, Kapur et al state this issue as:
It is rarely the case that philanthropic contributions are made on abstract notions of the nation state. Individuals are much more easily persuaded to contribute on the basis of narrow specific identities, for example, regional and sub-regional identities, or particular interests, such as alumni associations that have potential network payoffs . . . . However, such an approach has one major risk: It may exacerbate inequities and even channel resources to cause with negative welfare consequences . . . . (Kapur et al 2004: 196).

For example, in the Indian context, it has been alleged that Hindu fundamentalism is being fanned by diaspora funds especially from the US settled Hindu diaspora (K. Rekhi 2002) and such funds are used in funding anti-Muslim projects and generally encourage the rise of Hindu militancy. More generally, diaspora philanthropy can distort public priorities by imposing other preferences – an issue that needs further probing.

Another important issue concerning philanthropy shared by foreign aid for developing countries is the equity question. The Global Equity Initiative at Harvard University was especially established to understand this particular question; i.e. the role of philanthropy in developing and promoting global equity. In a workshop of May 2003 arising from this Initiative, Lincoln C. Chen set out the agenda as:

There is the pressing need to engage diaspora philanthropists in a dialogue about how their giving could help bring about more social justice and equity. To do so requires greater understanding by all of the complexity of both development and philanthropy. A good starting point is to ask: Who does what? Who gets what? Who decides? (GEI 2003:10).
Similarly, Geithner, Johnson and Chen (2004: xix-xx) in their contribution note; ‘funding that directly reached the poor is rare’ and ‘the implications of diaspora philanthropy for social equity and justice in China and India are uncertain.’

This equity issue concerning diaspora philanthropy has immediate relevance for developing countries where governments are short of developmental funds. Many developing countries are devising policies to utilize diaspora philanthropy and remittances from its diasporic population. The utilization of diaspora philanthropy for public utilities and as additional resources for development projects has meant new package of policies and incentives to woo its respective diasporas. Thus for example, both China and India have in the last decade evolved many policies to invite overseas Chinese and Indians respectively and channel their funds from abroad into desirable projects of social welfare.

A few studies try to appraise such policies pursued by different countries as to their effectiveness and response to their diaspora populations. Thus Paula D. Johnson (2004) explores deliberate efforts to increase philanthropy, identifying obstacles and suggesting new approaches and strategies by various states. Similarly other scholars have undertaken surveys of particular communities regarding their philanthropic activities. Thus Gregory (1992) has brought an account of philanthropy by Asians of East Africa. Gordon and Gupta (2004) have undertaken response of non-resident Indians to specific policies pursued by Reserve bank of India in attracting overseas Indian funds. Similarly, a case study of Pakistani donors based in the United States clarifies some valuable issues regarding donors’ aims and motives (Najam 2006). Some other studies which address different issues in diaspora philanthropy are by De Haas (2006), Lev (2006), Newland and Patrick (2004), Solimano (2004), Lethlean (2001). In addition, there are several working papers or research reports available on various websites.7
Indian Diaspora Philanthropy

There have been several attempts to provide reasonable statistics of Indian diaspora philanthropy funds flowing into the country. Several reports and bulletins of the Reserve Bank of India (RBI) have discussed the flow of philanthropic funds, attempting to separate them from remittances. Still, it is difficult to give accurate figures for diaspora philanthropic funds as these continue to flow through both formal and informal channels. Due to the greater fraction of diaspora inflows from NRIs through informal channels, those funds remain undocumented. As many studies on India diaspora philanthropy have pointed out, the Indian diaspora has a great mistrust of official institutions and formal organisations (Kapur et al 2004). The Table 2.1 below shows the inflow of remittances to India during selected years.

<table>
<thead>
<tr>
<th>Year (billions)</th>
<th>US dollars (billions)</th>
<th>Year (billions)</th>
<th>US dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-1997</td>
<td>$10.3</td>
<td>2006-2007</td>
<td>$37.2</td>
</tr>
<tr>
<td>1997-1998</td>
<td>$9.4</td>
<td>2007-2008</td>
<td>$49.9</td>
</tr>
<tr>
<td>1998-1999</td>
<td>$11.1</td>
<td>2008-2009</td>
<td>$49.2</td>
</tr>
<tr>
<td>1999-2000</td>
<td>$12.8</td>
<td>2009-2010</td>
<td>$55</td>
</tr>
</tbody>
</table>

Note: Remittance data include inward remittances from Indian workers, local withdraws/redemptions from non-resident Indians, gold and silver brought in passenger baggage, and compensation of employees.

According to available statistics, India was receiving just $3 billion in remittances in 1990-91. Progressively, India emerged as the largest recipient of total diasporan philanthropic funds across the world. Estimates provided by the World Bank (2010) for philanthropic funds flowing into various countries show that India is at the top with $55 billion, overtaking China.
with $51 billion in 2009. Thus amount of remittances are almost a three times of net Foreign Direct Investment (FDI) inflows to India which is estimated at US$19.7 billion during financial year 2009-10 (RBI, 2010) or nearly four percent of India’s Gross Domestic Product (GDP) during 2009-10 estimated at US$1.31 trillion (World Bank 2010).

Table 2.2: Overseas Remittances to India and its Composition: 1990-2008

<table>
<thead>
<tr>
<th>Year</th>
<th>Inward remittances for family maintenance</th>
<th>Local withdrawals/ redeemptions from NRIs Deposits</th>
<th>Gold and silver brought thro’ passenger baggage</th>
<th>Personal gifts/donations to charitable/religious institutions in India</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-1991</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>417</td>
<td>3,289</td>
</tr>
<tr>
<td>1991-1992</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>344</td>
<td>2,897</td>
</tr>
<tr>
<td>1992-1993</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>445</td>
<td>3,522</td>
</tr>
<tr>
<td>1993-1994</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>838</td>
<td>5,857</td>
</tr>
<tr>
<td>1994-1995</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>587</td>
<td>6,223</td>
</tr>
<tr>
<td>1995-1996</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>1,359</td>
<td>8,766</td>
</tr>
<tr>
<td>1996-1997</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>726</td>
<td>10,331</td>
</tr>
<tr>
<td>1997-1998</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>526</td>
<td>9,480</td>
</tr>
<tr>
<td>1998-1999</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>650</td>
<td>11,124</td>
</tr>
<tr>
<td>1999-2000</td>
<td>7,423</td>
<td>4,120</td>
<td>13</td>
<td>734</td>
<td>12,290</td>
</tr>
<tr>
<td>2000-2001</td>
<td>7,747</td>
<td>4,727</td>
<td>10</td>
<td>581</td>
<td>13,065</td>
</tr>
<tr>
<td>2001-2002</td>
<td>6,578</td>
<td>8,546</td>
<td>13</td>
<td>623</td>
<td>15,760</td>
</tr>
<tr>
<td>2002-2003</td>
<td>9,914</td>
<td>6,644</td>
<td>18</td>
<td>613</td>
<td>17,189</td>
</tr>
<tr>
<td>2003-2004</td>
<td>10,379</td>
<td>10,585</td>
<td>19</td>
<td>1,199</td>
<td>22,182</td>
</tr>
<tr>
<td>2004-2005</td>
<td>9,973</td>
<td>8,907</td>
<td>27</td>
<td>2,168</td>
<td>21,075</td>
</tr>
<tr>
<td>2005-2006</td>
<td>10,455</td>
<td>12,454</td>
<td>16</td>
<td>2,026</td>
<td>24,951</td>
</tr>
<tr>
<td>2006-2007</td>
<td>13,561</td>
<td>13,208</td>
<td>27</td>
<td>2,155</td>
<td>28,951</td>
</tr>
<tr>
<td>2007-2008</td>
<td>20,950</td>
<td>19,019</td>
<td>n.a</td>
<td>n.a</td>
<td>42,589</td>
</tr>
</tbody>
</table>


Note: There is difference in total remittances for some years in Table 2.1 (by World Bank) and Table 2.2 (by RBI).

n.a = not available
We can see from the table below remittances through Foreign Contribution (Regulation) Act (FCRA) are quite small as compared to total remittances to India.

Table 2.3: Registered Associations under FCRA and Remittances to India: 2004-09

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Registered Associations</th>
<th>Prior Permission in the year</th>
<th>No. of Associations receiving foreign funds in the year</th>
<th>Receiving Amount in the year (Rupees in crore / US dollars in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>30,321</td>
<td>369</td>
<td>18,540</td>
<td>6256.68 / 1.39</td>
</tr>
<tr>
<td>2005-06</td>
<td>32,144</td>
<td>513</td>
<td>18,570</td>
<td>7877.57 / 1.75</td>
</tr>
<tr>
<td>2006-07</td>
<td>33,937</td>
<td>522</td>
<td>18,996</td>
<td>11336.97 / 2.51</td>
</tr>
<tr>
<td>2008-09</td>
<td>34,803</td>
<td>367</td>
<td>18,796</td>
<td>9663.46 / 2.14</td>
</tr>
</tbody>
</table>

Note: US$1 = Rs 45

The rapid increase in diasporan philanthropic funds and remittances to India in the last decade were due to government of India policies towards its overseas population. A short review of such policies is necessary before examining empirical studies of Indian Diasporan philanthropy.

Indian Government and Overseas Indians: Changing Attitude since the 1990s

Until early 1990s, it is almost certain that the Indian diaspora was more or less ignored. Taking stock of Indian government’s policies since 1947, Lall (2001) has reviewed the government of India’s attitudes towards people of Indian origin settled in far flung places. He suggests that government policies towards its overseas population were formulated around the general notion that ‘since they have abandoned their mother country once, it is likely that they have only returned for their own benefit and not that of India’ (2001: 207). It was implied that the people who had migrated to other countries are not contributing to India’s struggle, are selfish enough to earn their livelihoods only. As Lall states:
The (Indian) diaspora is viewed as a group of people who abandoned India for their own and their family’s economic benefit. They did not contribute to India’s struggle or to India’s growth . . . . Whatever reasons makes them or their money come back is to be mistrusted, as they will not do anything for the sake of India, but only for the sake of financial gain (Lall 2001: 207).

From then onwards, the Indian government undertook a series of concerted policies to woo its foreign settled population to re-connect them to India and draw upon their financial wealth for developmental purposes. First concrete step to revise the attitude towards Indian diaspora came as the Indian Government through coined two terms ‘Non Resident Indians (NRIs)’ and ‘People of Indian Origin (PIOs)’. In September 2000, the Government of India appointed a High Level Committee (HLC) under Dr. L.M. Singhvi, M.P. with a remit to ‘make a comprehensive study of global Indian diaspora and recommend measures for building constructive relationships with it’ (Government of India 2002). The HLC submitted its Report to the Prime Minister on 8th January, 2002 underlining neglect or ‘hands-off’ policy until the early 1990s and recommended complete overhaul of its policies towards the Indian diaspora. The HLC Report notes the philanthropic potential of the Indian diaspora and emphasised how ‘State policies can play a significant role in leveraging diaspora philanthropy.’ It suggested ‘to set as one goal strengthening, leveraging and facilitating contributions from overseas Indians for development and philanthropic projects’ and also recommended changes in the Foreign Contribution (Regulation) Act (FCRA) of 1976 stating that ‘a plethora of rules and regulations, indifference and even hostility of the government machinery frustrate the efforts of genuine NRI/PIO philanthropists’ (Government of India 2002: 484).
On the recommendations of the Commission, changes were made to FCRA, 1976 and Ministry of Overseas Indian Affairs (MOIA) was established in 2003 to deal with affairs related to Overseas Indians. The Ministry of Overseas Indian Affairs drew upon several professionals from the Silicon Valley of United States to advise new policies to attract overseas funds especially from very wealthy Indians settled in the United State. An Overseas Indian Facilitation Centre (OIFC) was launched by Ministry of Overseas Indian Affairs (MOIA) - a not for profit public private initiative in May 2007. As part of its drive to attract overseas Indian funds, OIFC has commissioned several publications and reports on remittances, comparing statistics on remittances to China and India and other related matters. Indian residents in the United States were considered a special target of the government’s financial package, when it opened a separate mission in New York with an ‘Ambassador-at-Large’ appointed to relate to the Indo-American community on a continuous basis. The Ministry of External Affairs has established a ‘Non-Resident Indian and Persons of Indian Origin’ Division. It also provides an information service available to all potential investors on the state of various industries in India and profile of industrial projects soliciting investment. The Investment Information Centre (IIC) is a free ‘single-window’ agency for advice on nearly all issues associated with investing in India. It works with Indians, foreign investors and NRIs and is considered the ‘nodal agency’ for promoting investment in India by NRIs. It provides ‘all necessary services’ for NRIs in setting up their investments, including explaining government policies and procedures, available incentives, necessary data for project selection, and assists in obtaining government approval.

Following the recommendations of High Level Committee, further incentives were provided. Then the Indian government started thinking of economic liberalisation due to the deteriorating economic situation. The crisis of foreign exchange in the early 1990s forced the
Indian government to undertake a radical departure from its previous policy of neglect towards the Indian diaspora. Shortly after India’s first nuclear test in 1998, the Indian government launched a huge sale of 5-year bonds guaranteed by the State Bank of India made available only to non-resident Indians (NRIs). Launched as ‘Resurgent India Bonds,’ its proceeds were used to offset economic sanctions imposed by the US following India’s nuclear tests. Though appealing to ‘patriotic fervour’ the government also added significant benefits to make the bonds attractive: an interest rate two percent higher in dollar terms than the US bond market, with an option of redemption in US dollars or German marks, and exemption from Indian income and wealth taxes.

The Reserve Bank of India (RBI) offered attractive return on foreign deposits by overseas Indians, which immediately augmented India’s foreign reserves. The RBI also granted general permission to NRIs/PIOs for undertaking direct investment in Indian Companies. The new rules offered several routes to the NRIs for making investments. The RBI has also offered various incentives in the form of tax exemptions and liberal repatriation schemes. Thus, income from the investments made by NRIs/PIOs out of convertible foreign exchange in their Non Resident External Rupee Account (NRE) and Foreign Currency Non Resident Account (FCNR) were exempted from tax. There is considerable exemption to the NRIs and PIOs from the gift tax too. Any sum of money (gift) received by a citizen of India from NRIs/PIOs to any relative or on the occasion of the marriage of the individual or under a will or by way of inheritance or in contemplation of death of the payer are exempted from any form of gift tax. The RBI has also liberalised NRI investment in India through indirect channels as they are entitled to get loans from Authorised Dealers (ADs) against the security of shares or immovable property in India for personal or business purposes and for acquiring residential accommodation in India.
The government has also tried to streamline flow of transnational resources for philanthropic and charity works. It issued a liberal framework for the NGOs, in the forms of Societies, Trusts and Non-Profit Companies, to receive contributions from overseas to carry out charity/philanthropic work in India. All Indian NGOs that receive foreign contributions need to get a clearance from the Ministry of Home Affairs in the form of a permanent FCRA registration or prior permission on a case-to-case basis.\textsuperscript{11} Any NGO that receives foreign funds under FCRA is required to open and use an exclusive bank account for foreign funds. Moreover, income received by any religious and charitable trust or institutions (an area of significant contribution from the Indian diaspora) registered with the income tax authorities is not taxable as long as the income is utilized for the set objectives of the organisation. More recently, the government has established an India Development Foundation (IDF) to promote philanthropy amongst the Indian diaspora. Apart from promoting philanthropy, IDF is supposed to align diaspora philanthropy with the national development goals and to provide a platform to the diaspora for channelizing their philanthropic initiatives through creditable NGOs and institutions.

Along with financial packages, the government of India has placed an institutional framework to foster overseas Indians ties to their motherland. Among various measures since late 1990s, first was to confer the title of ‘Non-Resident Indians’ (NRIs) then ‘Persons of India Origin’ (PIOs) and finally a form of dual citizenship through ‘Overseas Citizen of India (OCIs).’\textsuperscript{12} These symbolic attachments were offered with progressive rights to hold property and some measures to participate in the Indian public life including a current proposal to allow OCIs to vote.\textsuperscript{13} The Ministry started celebrating ‘Pravasi Bharatiya Divas’ annually since 2003 to publicise policies and incentives for overseas NRIs as well as seeking a network of top businessmen. At the annual conventions Pravasi Bharatiya Awards were
instituted which are conferred on prominent overseas Indians. These policies have resulted huge gains for India in terms of increasing amount of diasporan philanthropic funds.

**Major Studies on Indian Diaspora Philanthropy**

Among developing countries, it is China and India that saw serious academic interest in diaspora philanthropy. Interest in such studies arose from the sheer magnitude of funds as China and India are the largest recipients of total diaspora philanthropy flows across the world. In view of such large remittances, Indian diaspora philanthropy has rapidly emerged on the radar of Indian policymakers. Within a short span of time a number of institutes were established to study it; among them the Indian Centre for Philanthropy, Delhi (ICP), Centre for Advancement of Philanthropy, Mumbai (CAP), Charities Aid Foundation (CAF), the National Foundation for India, Voluntary Action Network India (VANI), Delhi, and Society for Service to Voluntary Organizations can be listed. IGNOU has also started Master’s Programme in Philanthropy from 2009-10 to explore the subject. In 1996, a Centre for the Study of Indian diaspora at the University of Hyderabad was established with the help of University Grants Commission. This centre launched a project on diaspora philanthropy, besides organising conferences on this subject. Among other relevant publications, ICP newsletter for the philanthropic and non-profit sector, published as *Sampradaan*, while CAP issues a bimonthly *Philanthropy*, and VANI publishes its own newsletter *Voluntary Action Pulse*.

As a newly emerging subject, literature relating to India constitutes no more than a score of studies. To be sure, the subject is rather new and its theoretical underpinnings are still being thrashed out. Whether as a global phenomenon or in its Indian manifestation, scholars have begun to venture some general observations about diaspora philanthropy. As part of Harvard
initiative, comparative studies of China, India and Pakistan were undertaken. Some the tasks they addressed were:

a. Taking account of patterns and drawbacks of giving
b. Institutional arrangements concerning philanthropy
c. Legal framework of each country regarding international financial transactions to local NGOs;
d. Listing some large overseas donors/organisations.

Geithner, Johnson and Chen (2004: xvi) compared the pattern of giving of first generation with that of second and third generations. They found the first generation usually donates to their own regional, linguistic or religious groups, while the second and third generation donors tend to give towards ‘national’ needs of their country of origin. Their study also points to a major ‘pitfall’ of philanthropic giving, that its impact is rather weak ‘in terms of sustainable social change’ and this ‘wastage’ is seen largely in terms of high proportion of diaspora giving going to religious institutions.

Along with publications from Harvard, more studies relating to India have appeared. Bangalore Cares and the Charities Aid Foundation have issued the first directory of Indian NGOs, under the title of Profile 300: Selected Voluntary Organisations in India – which are the main organisations receiving diaspora philanthropic funds compiled by Culshaw (1998). A further directory was issued by the Indian Centre for Philanthropy in 1999 with an excellent survey of the Indian diasporic community. The Centre for Advanced Philanthropy has published Management of Philanthropy Organizations by Dadrawala (1998) with technical information on legal and regulatory framework of Indian diaspora philanthropy.
New institutions established to analyse the phenomenon of Indian diasporic philanthropy has seen several scholars’ work such as Mark Sidel, Devesh Kapur, Ajay Mehta, R. Moon Dutt, Priya Viswanath, Shahnaz Taplin, Gopa Kumar and Noshir Dadrawala. This list is growing fast. Priya Viswanath based at the Institute for the Study of Indian Philanthropy, Ahmadabad has listed Indian NGOs abroad with some of the richest Indian diaspora charitable organisations in the US in Diaspora Indians: on the Philanthropy Fast Track (2003). It highlights 'issues' and suggests ideas and solutions to increase the participation of overseas Indians in the development of the country. In another contribution Viswanath and Dadrawala (2004) classify philanthropic resources given by individuals, foundations and trusts, and international foundations and charities as separate categories. A distinction is also made between religious philanthropy from corporate philanthropy while noting the impact of knowledge and information gaps between ‘big philanthropists’ who attract the spotlight, while extensive contributions of small philanthropists remain neglected. In a contrasting study, Anand (2004) highlights the positive as well as negative role of religious philanthropy focusing on some American Hindu groups which promote social reform and development of Indian civil society. She also highlights funding of right wing militant Hindu organisations that promote proselytising or conversion.

Kapur (2001) has focused on the destination of Indian diaspora philanthropy noting that a large proportion has gone to faith based organisations which are usually least transparent and their priorities might not be right. He notes that diaspora funding for extremist groups is hardly a new phenomenon and points towards the Sikh diaspora’s support for Khalistan. According to Kapur ‘the most recent (and arguably most dangerous) phenomenon are contributions to organizations linked to militant Hinduism.’ In more recent study Kapur (2010) examines the multiple effects of financial remittances, which range from increased
consumption to provision for social insurance, at both the household and national level and mitigating the effects of external shocks. Further, he examines the subtle and dynamic effects of ‘social remittances’ which reshape political understanding, expectations, and norms, particularly of the national elites. Another study of the Indian diaspora in the United States, Kumar (2003) discusses the ‘giving patterns’ from early times to contemporary period, finding Indian Americans donating more frequently and in large amounts at times of ‘calamities and wars.’ He also proposed a hypothesis of Indian giving as ‘an inverse relation between the duration of the stay and charitable donations.’

Mark Sidel attached to the Ford Foundation’s office in New Delhi has undertaken a comprehensive survey of diaspora philanthropy in India. Besides offering a general overview, he notes the rapidly growing Indian diaspora in the United States, their organisations, methods, and mechanisms for dispensing funds. Sidel’s study (2004) also considers the effects of US policy and law on diaspora groups’ giving back to India. Sidel particularly notes how Indian diaspora philanthropic organisations are learning from organised philanthropy in the United States and goes on to analyse some of the significant issues and problems in Indian diaspora philanthropy. Finally, he summarises some of the current understanding of the motivations for philanthropic giving by the Indian diaspora and advocates further research in this field pointing out paucity of any general survey, research and especially the lack of reliable data other than the spotty, occasional figures released by organisations raising such funds.

and the possible role of Indian diaspora philanthropy. They provide some estimates of Indian diaspora philanthropy noting its geographical distribution with Gujarat and Punjab as its prominent destinations. However they note (2004: 184) for both of these states ‘number of organizations (NGOs) is surprisingly small’ and for Punjab this is particularly surprising given the strong religious philanthropic traditions in Sikhism and the relatively large size of the Sikh diaspora. Among the characteristics of Indian diaspora philanthropy, their study underlines crucial role of informal family and personal networks especially for faith-based intermediaries. They consider the role of state in leveraging diaspora and investigate channels of transmitting funds to Indian NGOs.

Another study by Taplin (2002) examines the motivations and giving-patterns of Indian American entrepreneurs based in Silicon Valley. She notes Indian Americans’ attitudes towards philanthropy as ‘directly connected to their Indian roots and imbued with a trio of core Indian values, personal relationships, family and religion.’ She finds that NRIs are bicultural; they love their present country but owe a great deal to the homeland and ‘bicultural identity’ is linked to ‘backyard giving.’ (Anand 2004: 52) argues that ‘it is important to accept the notion that immigrants of Indian origin and Hindus in particular will donate in keeping with their religious views and therefore the US will continue to see a growth in non-profit institutions with linkages to religious groups. These groups will, however continue to be dodged by controversies regarding where the funds are channeled and how they are utilized.’

focuses on diaspora giving to the health care industry in Hyderabad, India. Niumai (2009) examines Indian NGOs links with the United States international NGOs.

Most studies conclude how Indian donors are generally reluctant to release public information about their activities, unless government regulations force them to do so. Various studies have focused specifically on the Indian diaspora’s channels and patterns of giving, the implication of philanthropic aid to faith based organisations, and importantly the issue of equity and development. A few studies have also addressed the role of Indian government policies and those of sending countries. Sidel (2004: 247-8) concluded that to better understand this social phenomenon, ‘larger-scale studies seeking to document levels, patterns, and preferences in giving are needed in a variety of Indian religious, ethnic, occupational, geographical, and generational groups.’ However, given the sheer size of Indian diaspora and their giving pattern touching many regions of the country from Kerala to Punjab, along with the diversity of its philanthropic communities, this is a plea for undertaking more empirical studies.

**Punjabi Diaspora Philanthropy**

As we have seen above through the statistics provided by the World Bank, India has emerged the world’s largest recipient of diasporic philanthropy in the last decade. While this is widely known and acknowledged, what is little emphasised is that Indian diaspora philanthropy has a unique regional configuration with some states such as Gujarat and Punjab among the top recipients of such aid. Indeed, according to World Bank report for 2004, Punjab is a largest recipient of the remittances of non-resident Indians and persons of Indian origin as annual remittances to Punjab are as high as US$2 to US$3 billion, which amount to a considerable 12-18 percent of Punjab’s gross state domestic product (World Bank 2004: 21). Some
differences in regions are indicated by a state-wise inflow of foreign funds listed by the Home Ministry of the Government of India.

**Government of Punjab: Policies and Incentives since the 1990s**

During the last fifteen years, the state government of Punjab has evolved various polices to involve overseas Punjabis in its development plans. During this period, three government of different parties ruled the state; the Akali Dal-BJP coalition (1997-2002) followed by the Congress Party government (2002-2007) and then again the Akali Dal-BJP coalition (2007-present). During this period, several ministers have gone abroad to interact with overseas Punjabis especially in the UK, Canada, and Dubai. An annual meeting ‘Parvasi Punjabi Divas’ was started in 2002 inviting leading Punjabi businessmen as a new means of communicating with them.\textsuperscript{14} At this and subsequent annual conventions prominent Punjabi NRIs were honoured with ‘Punjab Gaurav Sanman.’\textsuperscript{15}

Among measures taken was a New Industrial Policy to attract NRI investment in large and medium scale manufacturing units. The policy offered various incentives to the NRIs towards the development of agro-based units, tourism, electronic industry and export oriented industrial ventures. An exclusive Focal Point in Mohali was set up for NRI entrepreneurs. The government ensured reservation of industrial plots for NRIs in major cities of Punjab. A Special Cell was created to provide ‘Single Window Clearance’ for investment proposals from Punjabi NRIs.

In 2002, a separate Ministry of NRI Affairs was established with a Secretariat in Chandigarh.. Another proposal ‘Fast Track Revenue Courts’ aimed at ‘speedy disposal of revenue court cases involving NRIs’\textsuperscript{16} is being implemented in four districts in the first instance.\textsuperscript{17} An ‘NRI help line’ was also opened to gather feedback from NRIs - especially Punjabis in Canada, the
United States and UK. During the second tenure of the Akali-BJP coalition government (2007-) further measures were implemented.\textsuperscript{18}

However, a major innovate policy initiated in 2002 by the state government was ‘\textit{Mera Pind Initiative}’ known as Scheme C.D. 2.35) whereby the government offered a matching grant for NRIs and PIOs funds invested in ‘development projects.’ A long list of projects under this scheme was issued by the government under six main headings, revised and extended to ‘social environment projects’ falling under this scheme including ‘socio-cultural’ activities. Targeted ‘to make the NRIs a catalyst in rebuilding rural infrastructure’ Punjab government invited Punjabi NRIs (or Non-resident Punjabis - NRPs henceforth) to invest in their ancestral villages. The government grant was enhanced to 75 percent in 2008 by Parkash Singh Badal, chief minister of Punjab while attending Punjabi Parvasi Samelan –annual gathering of Punjab NRIs and the scheme was later extended to urban areas also.\textsuperscript{19} Procedure for its implementation was simplified with a district level committee, namely, District NRI Committee for Development (DINRICD) headed by the deputy commissioner. All projects were being cleared by a high level committee called the Punjab NRI Committee for Development (PUNRICD) headed by the chief secretary to the government.\textsuperscript{20} A panel of certified engineers, maintained by the concerned deputy commissioner, provides technical assistance to the PUNRICD and DINRICD wherever required. As per the set modality, once NRI/NGO/VDC spends 25 percent of the total cost, it can apply for 25 percent of the government share to be released. Then NRI/NGO/VDC spends the rest of their share to receive the remaining share from the government. The subsequent responsibility of repair and maintenance of the infrastructure was to be carried out by NRI/NGOs through the Village Development Committees.
Besides financial incentives, Punjab government also tried to motivate NRPs through other measures. It has constituted a voluntary organisation of NRIs; the NRI Sabha, Punjab. A high level officer was sent abroad to enrol overseas Punjabis for NRI Sabha. The NRI Sabha has a central office in Jalandhar which maintains a website and provision was made for election of its office-bearers by members.\textsuperscript{21} NRI committees were set up at district level too, though some districts are yet to organise.\textsuperscript{22} The NRI Sabha takes credit in settling property disputes and marital cases, altogether 5,000 cases in six years.\textsuperscript{23} The state government has passed the Land Act, while amending the Rent Act to ensure certain rights of migrants in rural and urban properties.\textsuperscript{24} Some villages could elect an NRI as a Lambardar, and all professional educational institutions could admit a quota of NRI students paying appropriate fees.

Taken together these government policies and incentives have influenced some NRIs’ in undertaking philanthropic projects. These policies have certainly led to an increase in overall remittances flowing into Punjab as seen through the table below. What is noteworthy is the small number of registered NGOs in Punjab compared to some other states of India, moreover of the registered NGOs, a majority are Christian educational charities working in Punjab.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>No. of Registered Associations</th>
<th>Amount Received (Rupees in crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>97</td>
<td>58.11</td>
</tr>
<tr>
<td>2005-06</td>
<td>92</td>
<td>82.28</td>
</tr>
<tr>
<td>2006-07</td>
<td>81</td>
<td>82.93</td>
</tr>
<tr>
<td>2008-09</td>
<td>83</td>
<td>68.99</td>
</tr>
</tbody>
</table>


However, these figures remain conjectures as most of the money remitted to Punjab comes through informal channels. The difficulty in estimating remittances accurately has found wide
comments. Thus, Walton-Roberts (2004a: 62) notes ‘any effort to map the amount of money remitted on a regional level is hampered by both the invisibility of some transfers, and the lack of disaggregated financial data.’ She estimated that rural bankers of Doaba region receive on average, Rs 20–30 crore (roughly US$5–7 million) in deposits annually from NRIs. She calculated such estimates through figures provided by licensed moneychangers. One moneychanger of Phagwara, an important banking and currency exchange node for the Doaba region due to its central location on Punjab’s main Grand Trunk Road, informed her that he changed Rs 5–6 lakh (between US$11,000 and US$14,000) on a daily basis. Across the whole of Phagwara, estimated figure for daily exchange was put at Rs 50 lakh (equivalent to over US$100,000 daily and over $36 million annually). From these figures, one can then roughly calculate money inflow into the whole of Punjab. Another estimate is provided by Business Standard (4 October 2009) that Punjab earns about $15 billion through foreign remittances annually.

An explanation of large amount of money through informal channels has been offered in terms of Punjabis’ distrust of official bureaucracy, but it needs further research. Overall, the Punjab government has provided a basic framework in which NRPs can operate with some advantage; however, most NRPs find bureaucracy a great hurdle. A small number of academics has assumed large amount of funds coming from abroad through informal channels. In an early study, Kessinger (1974) had found that remittances were becoming an increasing factor affecting the local Punjab economy and society from the early part of the 20th century. For the early 1980s, La Brack (1989) estimated that about one billion US dollars were remitted to Punjab annually. He provides some examples of how such funds were used to build social networks, contribute to welfare activities and create political connections.
According to La Brack, motives for such funds are not economic alone; these are mixed with political and other considerations.

**Studies on Punjabi Diaspora Philanthropy**

As yet Punjabi diaspora philanthropy lacks serious analysis. Walton-Roberts (2005) has explored the Sikh diaspora’s role in the education sector. She reviews two cases, both in Nawanshahr district - Khalsa Middle School, Khankhana, and Amardeep Shergill Memorial College, Mukandpur. She makes a number of points: transnational links are important; transnational behaviour such as fundraising and development initiatives encompasses a wide range of actors; historic dimensions of such activities suggest that ongoing immigration creates new cohorts of potential transnational actors. Finally, she looks at the crucial role of government in educational institutions vis-a-vis the strength of immigrant led fundraising initiatives.


*Seva* as an indigenous term in Sikh religion and is roughly equivalent to philanthropy. This term is extensively analysed in two books edited by Gurnam Kaur (1998) and Balkar Singh (1998). The Sikh *seva* is further corroborated through a study of Ahmadabad gurdwaras by J. P. Singh (2001) noting gurdwaras function as service distributors for the poor. Wazir Singh
(1995) has also provided some elaboration of another related Sikh concept of *Dasvandh*, while Neki (1998) discusses the antecedents of *seva* in Sikh religion. Murphy (2004) has illustrated how *seva* is a major motivating factor among overseas Sikhs by offering a case study of an NGO receiving funds from abroad. For some diasporan Sikhs, She notes how philanthropy in Punjab has become, since the 1984 tragedy, a necessary 'burden' for their 'nationalist yearning.' In January 2008, the Centre for Research in Rural and Industrial Development (CRRID), Chandigarh organised two-day conference on ‘Indian diaspora's role in development’ where some reference was made to Punjab also.

However, Punjabi diaspora philanthropy is yet to attract a full-length study. A beginning was made with the publication of *Sikh Diaspora Philanthropy in Punjab* by Dusenbery and Tatla (2009). This volume is the first serious attempt to understand the diasporan Sikh philanthropy in Punjab from different perspectives. The volume focuses on the Sikh diasporic philanthropy where Dusenbery and Tatla state their reasons for emphasising Sikhs’ philanthropy element as follows:

This is not unreasonable in view of the fact that Sikhs constitute a majority of Punjabis abroad and that Sikh religious discourses have dominated the villages from which most migrants originate. In any case, for the early 20th century migrants, because they have inhabited a shared social world, the boundaries between Sikh and Punjabi Hindus were not sharply different. And this fuzzy boundary condition is also the case today with regards to Dalits (members of the scheduled castes) who in Punjab and in the diaspora may want to establish autonomy from both major religious communities. Moreover, because government outreach does not distinguish between giving by Punjabi Sikhs, Hindus, or others, it is not always possible or even
appropriate to limit our discussion of diaspora philanthropy in Punjab only to giving
by self-identified Sikhs (Dusenbery and Tatla 2009: 6).

In this volume, two essays deserve notice; first, Dusenbery (2009), seeks to understand Sikh
donors’ motivation to give by analysing ethical and religious injunctions concerning seva, daan and dasvandh as elucidated in Sikh scriptures and tradition. He projects how Sikhs are
socially inclined to fund particular kinds of projects, mainly of religious nature while their
religious sensibilities are also influenced by cultural mores –especially by izzat (honour) and
competitive ethics of maan (pride) or rohb (bragging). A second essay by Tatla (2009a)
provides an historical survey of overseas Sikhs’ contribution to charitable causes and
discusses different channels of giving. He also sees symbolic value of investment in religious
institution, gates, crematorium of subordinate classes and thus points out that it may be
socially productive. He also indicates regional disparities in diaspora philanthropy. In another
concluding article in the same volume, Tatla (2009b) discusses the role of government
incentives, philanthropists’ responses and policy implications. Other studies in the book
include an account of two surveys of Doaba villages that have received substantial diaspora
Punjabi funds (Chana 2009). Two surveys illustrate changes during 2002 and 2007 from
investment in ‘unproductive’ to ‘productive uses,’ from individually funded projects towards
collective projects. Chana classifies non-productive versus productive investments, in the
former category he includes donations for religious institution, gates, crematorium, and
sports; and in the productive investment, projects in medical, education, and development.
The Survey also shows a ‘demonstrative effect’ in diaspora investment and influence of
political factions and local conflicts as factors which hamper diaspora philanthropy. In a
study of Shankar village, Maan and Maan (2009) find diasporic philanthropy aiding the social
groups’ assertion and social mobility within the village hierarchy. In another case study,
Purewal (2009) examines a charity organised by a UK Sikh woman based in Birmingham and emphasises gendered nature of Sikh philanthropy where women’s role is less obvious. Kullar and Toor (2009) discuss NRI’s and non-NRI’s investments on rural development projects and examine different priorities of non-NRIs. Dhesi (2009) highlights how village based informal networks can facilitate or inhabit efficient use of foreign funds for public uses and how associations mediate between formal and informal local institutions. He argues that there is little tradition of civic volunteerism in Punjab.

Ballard (2003) in a study compared the impact of remittances in Jalandhar (in Doaba region of Punjab) and Mirpur (Pothohar/Azad Kashmir region of northern Pakistan). First, he highlights how remittances are used as ‘developmental aid’ in both the regions. Second, he mentions common features of both areas, sending money is by and large through informal system using traditional links which by-pass banks or official agencies even through ‘hawala transactions.’ He concludes that remittances lead to local development, enhancement in social services; but there is differential impact of remittances on the two regions, namely Jalandhar and Mirpur, for which he offers tentative hypotheses. Helweg (1983) in a study of Jandiali village in Doaba whose residents have gone as far as Fiji and the US shows how remittances are used. Some households use funds to buy more land; others donate part of remittances to build a room for the local school or the gurdwara; still others treat such funds as additional incomes for conspicuous purposes.

Thandi (2000) offers a more recent assessment of the Sikh diaspora’s involvement in the Punjab economy, including its philanthropic engagements. Studying the impact of remittances in the Doaba region, for the 1970s, he points out its diverse uses.
Another study of remittances was carried out by Azad and Kaur (2004) of Aujla village of Jalandhar district in the Doaba region. They examine the role of remittances in economic development of rural areas and observe:

The remittances from the out-migrants are likely to raise rural income and consumption. They may also encourage technological change, which can further increase rural income. They may add to the productive investment for the development and diversification of agricultural or of the development of the non-agricultural activities in the rural areas. On the other hand, they may be used unproductively for conspicuous consumption. In fact, the remittances can play a vital role in the development of the rural areas, but it depends upon the pattern of utilisation of these remittances (Azad and Kaur 2004: 28).

Other short studies on overseas remittances and their impact on local economy are undertaken by Kullar (2006) and Amandeep Kaur (2003). However, the issue of Punjabi diaspora philanthropy deserves serious attention. Within the overall Punjabi diaspora, it is Canadian Punjabi diaspora which has emerged a major contributor to philanthropic projects in Punjab –although as seen below there are only a few studies of this subject.

**Studies on Canadian Punjabi Philanthropy**

Canadian Punjabi philanthropy has not received attention either on its own or as part of Punjabi diaspora philanthropy. This is despite the fact that many substantial projects in the field of education, religion, health and sports have been funded by Canadian Punjabis. Even a high profile project at Kharoudi which attracted the visit of Indian President has not attracted many studies; other large projects remain neglected.25
Kharoudi as the first successful project undertaken by the Village Life Improvement Trust led by two overseas Punjabi philanthropists has found ample news and a substantial study. This project at Kharoudi village in Hoshiarpur district was undertaken by Gurdev S. Gill and Raghbir Singh Bassi. As a result Kharoudi has been transformed to a modern village with street lightning, pure water supply, a well-maintained park, and a comprehensive sewage system. The study was undertaken by Singh and Singh (2007) who discuss differential impact of this project on the village population, especially on weaker sections and women. Shiveshwarkar (2004) has also discussed VLIF project in her analysis of diaspora philanthropy in India. Her study discusses regional variations in diaspora giving and impact of Indian diaspora philanthropy during the last twenty years. Dhesi (2009) also discusses results based on his survey in Kharoudi. He suggests that associations negotiate between formal and informal local institutions and are responsible for accountability, transparency and good governance.

A Canadian scholar, Margaret Walton-Roberts (2004b) however, has tried to redress this neglect of CPP. She has undertaken two major studies of CPP and notes what she calls ‘transformation of Punjabi society due to remittances from abroad.’ She focuses on Dhesian Kahna and Palahi villages in Nawanshahr district, calling these ‘global villages’ due to its multi-linkages abroad. She critically evaluates inter-generational issues among donors and underlines the changing intensions and aims of Canadian philanthropists who are highly motivated –though still anchored in Punjabi cultural mores. She notes how a variety of projects at Palahi have been financed from abroad over the years; these include a Miri Piri Community Hall, three schools, community park, a library, solar street lighting, a biogas project while work is in progress on the underground sewage system. The village established an NGO named National Rural Development Society, Palahi which established Palahi’s
Polytechnic College. Also known as the first ‘cyber village’ of Punjab, Palahi reflects how immigrant communities have by-passed the so-called strictures imposed by nation-states in setting up transnational networks and have promoted particular kind of local development. Walton-Roberts (2004b) identifies motivation among overseas donors through a testimony as:

There is no village in Punjab, I search all over (where) there is a park, where the kids can play, have a good health, and in the evening, after the sun, after the hot day, go in the cool air, sprinkling water, all these things, sit there, talk, exchange ideas, look after it . . . we have a school, dispensary, banking, you name it, but there was no park (Walton-Roberts 2004b: 89).

Walton-Roberts (2009) has also written on Guru Nanak Mission Medical and Educational Trust (GNMMET) at Dhahan-Kaleran (Nawanshahr), founded by a Canadian Punjabi and it consists of a hospital, a nursing college and a public school. She raises issues of sustainability of philanthropic projects and the role of charismatic leadership in it; cultural differences between first and second generation in organising/management. She also discusses gendered nature of diaspora philanthropy where she argues ‘males tend to take lead and gain public reorganization’ and offers a preliminary description of mobilisation efforts by Budh Singh, the chief spirit behind the Dhahan-Kaleran project. Elaborating on the idea of ‘charismatic figure’ where a special personality emerges to lead particular social movement, she analyses how such a movement becomes vulnerable as disputes might arise on the succession of new leadership in due time. GNMMET also attracted another small scale study by Kelly (2004: 5) who focuses on ‘one Canadian Sikh who took the initiative to help his people “back home”.’ She finds how the trust’s linkage to the Sikh diaspora becomes stronger or weaker and emphasises the role of ‘in-between-persons.’
Johnston (2009) provides case studies of two further projects, a hospital at Aur and a school at Kultham, funded by Canadian Punjabis. He also gives historical overview of the involvement of British Columbia’s Punjabis in philanthropic projects, discussing the kind of projects they have supported. He also finds that some new Punjabi philanthropic associations are related to Punjabi pioneers of the pre-1947 era. In another study, Verma (2002) has undertaken an in-depth study of Paldi villagers’ connections to Canada and how such links had profound impact upon the caste and social structure of Paldi and surrounding villages in Hoshiarpur district. The scope of Verma’s study was much wider and will be noted again in the chapter on CPP’s impact on Punjabi society.

**Conclusion**

Diaspora philanthropy has emerged as a new area of research in sociological investigation. Of the Indian diaspora, a large Punjab diaspora is attached to Punjab through many social linkages. Of the Punjabi diaspora, the Canadian Punjabi diaspora has become the largest component and is playing a major role in investing and financing many kinds of projects in Punjab. However, there are very few detailed studies of such philanthropic projects. This study aims to fill this void of research and offer an evaluation of Canadian Punjabi diaspora philanthropy. The following chapter undertakes the formation of Canadian Punjabi diaspora through an historical social profile thus setting the stage for a detailed analysis of Canadian Punjabi philanthropy.

**Notes**

1 Harvard University publications include; Geithner, Johnson and Chen (2004), Najam (2006), and Merz, Chen and Geithner (2007).

2 The International Conference on Remittances held in London in October 2003 organised by DFID (the department for International Development) and the World Bank in collaboration with the International Migration Policy Programme on 9-10 October 2003; a Symposium of the Global Equity Initiative on ‘Diaspora Philanthropy: Perspectives on India and China’ was held on 7-8 May 2003;
and a conference on ‘Diaspora Giving: an Agent of Change in Asia Pacific Communities?’ was organised by APPC from 21 to 23 May 2008 at Hanoi, Vietnam.


4 According to zakat, Muslims are required to annually give out 2.5 percent of all wealth above a certain level to defined purposes.

5 A typical example of such projects is Harvest Tennis Academy at Jassowal, which is discussed in detail in Chapter 6.

6 In addition to Geithner, Johnson, and Chen (2004); there are studies by Najam (2006); Merz, Chen, and Geithner (2007); Merz (2005); Dusenbery and Tatla (2009).

7 See for example Global Equity Initiative and APPC websites. Research papers commissioned by the Global Equity Initiative are by Mark Sidel, Ajay Mehta, Devesh Kapur, Nick Young and June Shih, Xiao-huang Yin and Zhiyong Lan. APPC case studies concern different countries; Bangladesh case study is by Safi Rahman Khan; China by Nick Young, India by Shyamala Shivshewarkar, Indonesia by Dede Rusdiana and Zaim Saidi; Pakistan by Zubair K. Bhatti; Philippines by Estrella D. añonuevo and Augustus T. añonuevo, Vietnam by Truong thi Kim Chuyen, Ivan Small and Diep Vuong – while Mark Sidle provides an overview.

8 India Today, 13 May 2002: ‘After decades the Indian Government is taking radical measures to bring the 20 million strong Indian diaspora closer to the country of origin.’; L.M. Singhvi, Chairperson of HLC was quoted as saying ‘Indian diaspora is an important force to reckon with in many countries of the world and should be given pride of place in our cultural and economic policies and in diplomacy.’

9 Among reports published by this institute, for example see (OIFC 2008); (OIFC 2009).


11 As stipulated under Foreign Contribution (Regulation) Act (FCRA) of 1976.

12 Prime Minister Manmohan Singh announced the provision for dual citizenship and Persons of Indian Origins Cards at Pravasi Bharatiya Divas held in Mumbai in 2006.

13 A gazette notification was issued giving voting rights to Non-Resident Indians according to Vayalar Ravi, Minister for Overseas Indian Affairs in a statement to the Indian Parliament in November 2010.

14 See NRI Web Portal, NRI Zone (www.nrizone.in/default.aspx), and a new magazine, NRI Connect.
Ujjal Dosanjh - former British Columbia Premier and Canadian Federal Minister, Herb Dhalwal, and Didar Singh Bains - a wealthy California businessman and former President of World Sikh Organization USA were awarded with Punjab Gaurav Sanman.


For example District Revenue Officer Jalandhar is assigned districts of Jalandhar, Amritsar, Kapurthala, Ludhiana and Tarn Taran; the District Revenue Officer of Hoshiarpur is attached to districts Hoshiarpur and Gurdaspur, District Revenue Officer of Moga to cover districts of Moga, Mukatsar, Faridkot, Bathinda, Mansa, Sangrur, Barnala and Ferozepur while Nawanshahr, Ropar, Patiala, Fatehgarh Sahib and SAS Nagar districts are allocated to District Revenue Officer of Nawanshahr. All cases of NRI petitioners relating to correction of Khasra Girdawari, Partition Contested/ Uncontested Mutations, Registered/Un-registered wills, Numbardari Cases, Chowkidari Cases, Demarcation, Rent Suits and Ejectment Cases under Section 6(3) of Punjab Land Revenue Act which were previously handled by the Courts of SDM/Tahsildars/Naib Tahsildars (as Collectors/Assistant Collectors) were to be handled by new Fast Track Revenue Courts. Notification regarding Conferment of Powers to FTR Courts issued dated 16 November 2006.

Letter no. NRI(S)/14741-60 dated 4 August 2008; S.O.88/P.A.17/1887/S.27/2008 dated 1 December.2008. Further all such cases were transferred to Mail Officers. No 27/06/05-bham 4/9628 dated 5 December.2008.


These committees were constituted vide notification no. 1/18/04-NRI(2)/576-583 dated 14 August 2005 as per the modalities already approved by the Government with the Department of NRI Affairs.

See http://www.nrisabhapunjab.in; Also Parvasi View a monthly NRI newsletter published by NRI Sabha, Jalandhar.

District units of NRI Sabha were established at Jalandhar, Nawanshahr, Ludhiana, Amritsar, Gurdaspur, Tarn Taran, Hoshiarpur, Kapurthala, Ropar, Mohali, Moga and Patiala.

See NRI Sabha annual reports.


Projects at GNMMET at Dhahan-Kaleran (Nawanshahr), Kharoudi (Hoshiarpur), Bahrampur (Ludhiana) will be discussed in detail in the following chapters.

The visit of President of India, Dr. A.P.J.Abdul Kalam to Kharoudi on 23 March 2003 has brought this small village to the attention of the world.