

## Indians in the UK: Migration and Remittances

Dr Harris Dousemetzis<sup>1</sup>, Dr Majid Taghavi<sup>2</sup>

<sup>1</sup>Tutor of politics at Durham University, England.

<sup>2</sup>Economist and retired university lecturer

### Abstract

This paper is an attempt to demonstrate the potential contribution that the Asian community in general, and the British Indians, in particular, can make to their respective home and host economies via remittances. It is well documented that migrants have proven to provide the host country with invaluable human capital enabling the achievement of economic growth and development. We argue that a large majority of such inflow of remittances is directed to the poorer communities in Asia, hence providing the means of eradicating poverty. An examination of the relevant data coupled with the application of economic theory has led the authors to recommend the policy makers in the western economies to encourage further recruitment of Asian workers. Furthermore, we have made a detailed reference to the political economy aspects of *voice* and *exit* in relation to remittances. On the whole, we have concluded that remittances can also help countries to enhance democracy and socio-economic reforms. On examination of our case study, we argue that enhancement of remittances by Indian workers can act as a viable alternative to development aid and any other forms of assistance. Furthermore, unlike development assistance, remittances go directly to the deprived masses and hence are more efficient and equitable means of assistance. Equally, we demonstrate the highly significant contribution that the British Indians have made to all aspects of the UK economy since their arrival back in the 1950s. The paper concludes by stating that policy-makers in the UK should be encouraged to promote and facilitate means of attracting foreign workers to different sectors of the economy, particularly those from Asia.

**Key Words: Migration, Remittance, FDI, ODA, British Indians**

### Introduction

Over the past twenty years or so there has been a marked rise in the value of world-wide remittances. The increase in the stock of international migrants and the reduction in the cost of transferring money have been regarded as the two major factors behind such significant surge in the international flow of migrant's remittances. Recent estimates by the World Bank indicate that, based on official estimates through Central Banks and other monetary agencies, remittances flow by the end of 2018 have exceeded \$600 billion.<sup>1</sup> The monetary transfers that are not channelled through financial institutions and other formal channels (such as Western Union) go undocumented. Therefore, the official values are generally an underestimate of the actual remittances. According to a report published in 2015 by the World Bank Group in the UK, nearly 20% of foreign workers declared

that they sent their remittances in the form of cash-in-hand and hence not accounted for by the official channels.<sup>2</sup> On the basis of this finding, it is fair to argue, the total world remittances may currently be in the region of \$800 billion per annum, of which 80% has channelled into low-medium income countries.<sup>3</sup>

The rest of the paper is devised as follows. Part 2 presents an overview of economic and political economy issues arising from remittances. In support of the importance of inflow of remittances to developing economies, part 3 offers a detailed set of data and other relevant information. Part 4 presents the case study of outflow of remittances from the UK by the British Indians. Finally, part 5 offers a short conclusion.

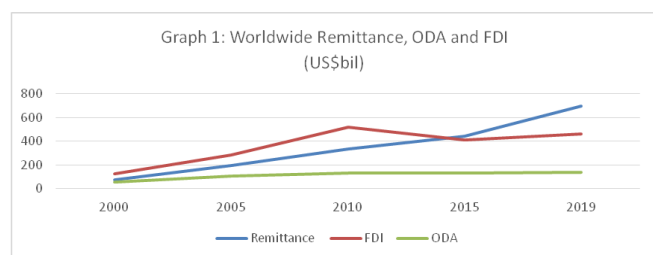
<sup>2</sup> *Developing Market Associates and World Bank*, "Migrants' Remittances from the United Kingdom: A Greenback 2.0 Report", 2015.

<sup>3</sup> *OECD*, "Worldwide flows of Foreign Direct Investment Data", 2020.

<sup>1</sup> *World Bank*, "Migration and Remittances Data", 26 September 2019.

## The Economic and Political Economy of Remittances

As the economic theory suggests, the long run net benefits from the employment of foreign workers is expected to be positive for all parties involved.<sup>4</sup> Remittances generate a number of positive contributions to economic development of the recipient countries by reducing poverty, as well as encouraging small businesses, increasing aggregate investment and promoting growth. This is because remittances resulting from migration constitute reliable sources of foreign exchange earnings, and cushion households' income during bad times. According to the latest statistics, remittance inflows to developing countries have now exceeded official development aid (ODA) by more than three times; and even bigger than foreign direct investment inflows once China is excluded. This is demonstrated in Graph 1. Remittances have been growing steadily, showing their resilience to global cycles, while other types of capital flows to the developing economies sharply respond to fluctuations of interest rates in advanced economies or growth prospects in developing countries.<sup>5</sup>



Moreover, remittances are less volatile and more stable than all other external flows. Therefore, remittances help counter-balance fluctuations caused by weakening of capital flows to developing countries. Finally, small developing economies tend to show remittance dependency and need to upgrade their human capital to insulate themselves from external turbulence. For instance, remittances in 2019 accounted for 40 percent of GDP in Tajikistan, 34 percent in Haiti, 30 percent in Kyrgyz Republic, and 29 percent in Nepal.<sup>6</sup>

On the measurement of costs and benefits of remittances to the host economy, several views

<sup>4</sup> Majid Taghavi, "The Impact of Workers' Remittances on Macro Indicators: The case of the Gulf Cooperation Council", *Topics in Middle Eastern and African Economies*, Vol. 14, September 2012, p. 49-73.

<sup>5</sup> OECD, "Worldwide flows of Foreign Direct Investment Data".

<sup>6</sup> World Bank, "Migration and Remittances Data", 26 September 2019.

have been expressed. On examination of the extent of remittance flows upon the six Arab countries of the Persian Gulf, Razgallah<sup>7</sup> has used the Dutch Disease framework to argue that remittances contribute significantly to lowering the appreciation of the host nation's real effective exchange rate. This has in turn produced a number of complications in the host economies by having forces the Central banks to re-adjust money supply and for the governments to re-plan spending to return to macro equilibrium. On the other hand, Naufal and Termos<sup>8</sup> show that in consideration of massive size of economic activity of the large host economies, relatively small monthly remittances tend not to be significant enough to disturb the macro indicators in such countries. Finally, having examined the pattern of outflow of remittances from Middle East, Taghavi<sup>9</sup> has found no clear cut as how the host economies macroeconomy can be adversely affected. In short, in consideration of immediate economic implications, Taghavi concludes that the net benefits of remittances to all parties involved is positive, and in most cases, highly significant. Similarly, among many, Piteli *et. al.*<sup>10</sup> have examined the role of remittances in a number of emerging economies, and reported that in most cases such remittances have led to economic development. However, they have concluded that success or failure in achieving economic development via remittances appears to be dependent on a number of cultural and political factors.

Although the economic benefits of remittances seem to be clear, the political implications from them are not so. This is to say that the political impacts of remittances could be either a blessing or a curse for developing countries. One of the most appropriate political economy tools of analysis which could embody the contrasting nature of remittances has been offered by

<sup>7</sup> Brahim Razgallah, "The Macroeconomics of Workers' Remittances in GCC Countries", [Working Papers](#) 410, *Economic Research Forum*, revised 06 Jan 2008.

<sup>8</sup> George Naufal and Ali A. Termos, "The Responsiveness of Remittances to Price of Oil: The Case of the GCC", [OPEC Energy Review](#), Vol. 33 No. 3 – 4, p. 184 – 197, September/December 2009.

<sup>9</sup> Taghavi, "The Impact of Workers' Remittances on Macro Indicators: The case of the Gulf Cooperation Council", p. 49-73.

<sup>10</sup> Eleni E.N. Piteli, Peter J. Buckley and Mario Kafourou, "Do remittances to emerging countries improve their economic development? Understanding the contingent role of culture". *Journal of International Management*, [Volume 25, Issue 4](#), December 2019, p. 1-15.

Hirschman's concepts of *voice* and *exit*.<sup>11</sup> In the language of political economy, *voice* is viewed as the case where the voter becomes engaged in political participation. On the other hand, the concept of *exit* is translated as the case where the voter becomes disinterested and disengaged from any political participation or arena. In application of the Hirschman's tools of analysis, one optimistic view which may emerge is that the recipients of remittances will be able to have more time to spend on political participation and hence *voice* their views and demand for democratisation.<sup>12</sup> Furthermore, the recipients will no longer need to rely on any local or national governments for financial support or benefits, and hence concentrate more on new political and economic reforms and demands. Therefore, from the optimists' point of view, remittances can encourage the recipient to become engaged and to enhance their *voice*. On the other hand, those who believe that remittances can bring a curse to developing countries argue that reliance on remittances will lead recipients to disengage and *exit* from any political participation, as they may feel being independent of their local or national governments. If this scenario appears to be valid, then one may argue that it will lead governments to deviate from any democratic move and hence behave more autocratically.<sup>13</sup>

In Hirschman's language, *voice* or engagement with politics may be defined as either voting, using public services or demanding for transparency and accountability of the public sector. Alternatively, the use of *exit* or disengagement can come in forms of either not voting, and nor demanding for public services. The contrasting views expressed here are primarily based on the assumption that the remittance receiving countries are either undemocratic or at the early stages of democracy. It is further assumed that the citizens (voters) in these developing countries deem to demand for more democratisation and institutional reforms. In essence, the inflow of remittances provides a

testing ground for the individuals to either choose *voice* or *exit*, in so far as political engagement is concerned. The choice between *voice* and *exit* becomes relevant if it is assumed that the remittance receiving country is ruled by a government that offers channels upon which the individuals become involved in political decision-making process. Under this condition, and in consideration of welfare and income redistribution, Lupa and Pontusson<sup>14</sup> have offered two outcomes vis-à-vis the choice between *voice* and *exit*. First, if remittance is assumed to constitute a continuous and substantial stream of the recipient's income, then the individual is expected to *exit* from political participation as he/she will not need to rely anymore on government's financial support or re-distributional reforms. In this case, as the authors have stated, *exit* occurs once the recipient realises that his/her income has approached that of the rich voter. Secondly, if the amount of remittances is either small – i.e. the recipient's income falls closer to the low-income voter - or inconsistent, then the individual recipient may still rely on the government's financial support and hence continue to *voice* his/her view vis-à-vis political and welfare reforms.

One may think of a third scenario whereby significantly large inflows of remittance can still turn the individual to further extend his/her political engagement, and *voice* for greater changes and reforms in all aspects of social, economic and political objectives. This situation appears to have happened in a number of emerging Asian and South American economies, where inflow of remittances has led to improved education and health of large majority of households and hence improvement in economic development.<sup>15</sup> As the final words, it is of our view that whatever the size of remittance in relation to income per capita, the choice between *voice* and *exit* – i.e. engagement or disengagement in political arena – is primarily based on the individual's cultural and socio-economic backgrounds and the social, economic and political characteristics of the

<sup>11</sup> Albert O. Hirschman, *Exit, voice and loyalty: responses to decline in firms, organisations and states*, (Harvard, USA: Harvard University Press, 1970).

<sup>12</sup> Lauren Duquette-Rury, "Collective remittances and transnational coproduction: the 3X1 program for migrants and households' access to public goods in Mexico", *Studies in Comparative International Development*, 49(1), p. 112-139.

<sup>13</sup> Jesse Acevedo, "Move, Work, Save, Send: the political economy of migration and remittances", (PhD Thesis, University of California, Los Angeles, USA, 2016)

<sup>14</sup> Noam Lupa and Jonas Pontusson, "The structure of inequality and the politics of redistribution". *American Political Science Review*, Vol. 105, Issue 2, (May 2011), p. 316-336.

<sup>15</sup> Gary L. Goodman and Jonathan T. Hiskey, "Exit without leaving: Political disengagement in high migration municipalities in Mexico", *Comparative Politics*, Vol. 4, No. 2 (Jan., 2008), p. 169-188.

country.<sup>16</sup>

### 3. Remittance Inflows: Corridors and Recipients

Table 1 presents the top ten developing countries recipients of remittances and the top ten corridors of remittances for 2018/19. Since 2008, India has been the top recipient of remittances, and these have been provided by over 140 countries<sup>17</sup>. Back in the late 1990s and the early 2000s China was consistently at number one position, remitting primarily from USA and Hong Kong. As shown in Panel A, the USA, Saudi Arabia and the UAE have for the last few years been the main providers of remittances worldwide, with the UK appearing on the fourth position. On the whole, the top ten corridors are responsible for around 60% of total inflow of remittances worldwide. The last column of Panel A gives the average remittance cost (ARC%) in different corridors, with the UK, Saudi, and Hong Kong offering the lowest average cost of 4% compared to the rest. According to the World Bank, the overall world average remittance cost is 6%, well above the recommended rate of 3% or even lower. The difference between the recommended and the actual ARC means that extra \$20 billion of administrative cost could have gone to the developing nations. Most importantly, with the exception of China, as shown in Panel B, remittances appear to represent a significant proportion of GDP of these developing countries. Excluding China and Indonesia, remittances, as shown in panel B of table 1, represent between 3 and 9.8 percent of GDP in these developing economies.

Table 1: Remittances: Corridors and Recipients

PANEL A: Top 10 Remittance corridors (ARC%)			PANEL B: Top 10 recipient of remittances		
	(\$bn)		(\$bn)	(%GDP)	
USA	148.5	6	India	82.7	3.0
Saudi Arabia	46.7	4	China	70.3	0.6
UAE	32.9	5	Mexico	38.3	3.1
UK	26.8	4	Philippines	35.0	9.8
Germany	24.7	6	Egypt	26.4	8.8
Canada	24.5	7	Nigeria	25.1	5.7
France	21.7	6	Pakistan	21.9	7.9
Spain	17.9	5	Bangladesh	17.6	5.5
Italy	17.4	7	Vietnam	16.7	6.4
Hong Kong	17.2	4	Indonesia	11.6	1.1

Sources: World Bank; OECD

It should be further noted that although the contribution of remittances to GDP, according to table 1, varies between 1.1% in Indonesia and 9.8 in Philippines, the real positive impact is much greater to the recipient households. In demonstrating this, instead of the conventional examination of per capita income, we are of the view that income per household does make more sense as it is assumed that incomes are generated by the head of household. The real GDP per household and the Gini coefficient<sup>18</sup> for the main recipients of remittances are given in Panel A of table 2. Panel B of the table presents the adjusted GDP per household based on incorporation of Gini coefficient and taxation, to give a proxy for the true (or near true) incomes received by the average household. As it is noticed, the people in countries with poor income equality (high values of Gini) receive lower than expected per capita. The adjusted household income in comparison to the remittance incomes received by households, as shown in the last two columns of Panel B, demonstrate that in real terms remittances can make significant contribution to incomes. Such contribution can vary substantially from one country to another: from 16.5% of per capita in India to 55% in Egypt and Indonesia.

Table 2: GDP per capita, Gini Coefficient and Adjusted per capita

Country	Panel A:		Panel B:*		
	GDP/hhld (\$)	Gini Coeff (%)	Adj GDP/hhld (\$)	Rem/hhld (\$)	Contribution (%)
India	4,125	37	2,600	430	16.5
Mexico	9,600	46	5,370	1,300	24.2
Philippines	6,250	44	2,810	1,460	51.7
Egypt	3,800	30	1,800	1,000	55.3
Nigeria	6,700	43	3,100	830	26.7
Pakistan	5,400	33	3,050	625	20.5
Bangladesh	3,500	34	1,950	560	28.6
Vietnam	4,800	35	2,450	650	26.5
Indonesia	6,600	38	3,430	1,900	55.0

Sources: UN and World Bank. \*Columns calculated by the Authors.

It is further noted that most of the remittance inflows tend to find their way into the poorer regions, hence acting as a means of poverty reduction in these developing countries. In particular, as has been reported by the World Bank, the poorest regions (Sokoto and Katisna in Nigeria, Giza and Beri Sud in Egypt, Baluchistan in Pakistan, and rural areas of Kerala, Andhra

<sup>16</sup> Piteli *et al.*, "Do remittances to emerging countries improve their economic development? Understanding the contingent role of culture".

<sup>17</sup> Soutik Biswas, "Why India remains top of remittances league". *BBC*, 26 February 2013

<sup>18</sup> A measure of income equality: for perfect equality, Gini coefficient is assumed zero; for perfect inequality it is 1. Most countries in our sample here have Gini ranging from 0.25 to 0.47.

Pradesh, Punjab and Tamil Nadu in India) have been the main recipients of remittances. In the light of this information, it is fair to argue that the contributions made by remittances to households in these countries, as shown in Panel B, tend to underestimate the true values.

**4. Indians in the UK: Migration and Remittances**

As stated earlier, Indians working in 140 countries are responsible for remitting a massive \$83 billion annually to India. As table 3 shows, the top ten corridors for such remittance constitute around 70% of India’s total inflow of remittances. The UAE, USA and Saudi Arabia are the top three corridors of remittances to India, together making a massive contribution of just over \$35 billion. The last column of table 3 shows that 39.3%, 41.9% and 43.4 of Kuwait, UAE, and Qatar total remittances, respectively, are attributed to the Indian workers. The table also shows that the staggering 71.1% of Oman’s and 90.9% of Nepal’s total outflow of remittances have found their way to India. The UK, according to this table, is the sixth remittance corridor for Indian workers with \$4.0 billion annually, representing 15% of the country’s total outflow of remittances. The UK’s highest outflow of remittances of \$4.2 billion is earned by Nigerian workers and British-Nigerians living in the UK. According to the data for 2019, the British-Pakistani and British-Bengali citizens remitted around \$2.5 billion to their respective countries.

**Table 3: Top Ten Remittance Corridors for India**

India’s Top Ten Remittance Corridors (\$bil)			
Total	India	Total	% of
UAE	13.8	32.9	41.9
USA	11.7	148.5	0.8
Saudi Arabia	11.3	46.7	24.2
Kuwait	4.6	11.7	39.3
Qatar	4.1	10.6	43.4
UK	4.0	26.8	15.0
Oman	3.2	4.5	71.1
Nepal	3.0	3.3	90.9
Canada	2.9	24.6	11.8
Australia	1.9	16.9	11.2

Source: World Bank.

One of the largest communities of

emigrants in the UK come from the Indian sub-continent. According to the latest figure published by the Office for National Statistics (ONS), according to the latest census of population, there were 1.4 million UK residents originated from the Indian sub-continent, of which nearly 0.8 million have been born in the UK.<sup>19</sup> The UK and India have had more than two centuries of shared history and culture connected through institutions and the English language, and that has meant that British-Indians have for years been well presented across all walks of life in the UK, from business to politics and science to sports. According to the latest figures, the two countries total trade stands at \$12 billion, making the UK as India’s 12<sup>th</sup> biggest trading partner. Tata, one of the world’s largest manufacturing companies of India currently employs more 65000 employees in the UK.<sup>20</sup>

To examine the size and distribution of outflow of remittances from the UK, panel A of table 4 shows the breakdown of the population and households in the UK of the three countries of the Indian sub-continent. Panel B of the table presents the size of remittances in 2018 by these households made to their respective countries of origin, and remittance per household for 2018. According to this table, an average Bengali household living/working in the UK remits \$4,350 per annum to Bangladesh, whilst a typical Pakistani household remits up to \$5,540 to Pakistan. Accordingly, the average Indian household living in the UK tends to remit twice as much as a Bengali household. In relation to the data in Panel A of table 2, it is evident that the size of remittances sent by the Bengali and Pakistani households in the UK either matches or exceeds those of respective GDP per household. On the other hand, as Panel B of table 4 suggests, an average Indian household in the UK remits twice as much as the Indian economy’s GDP per household. A survey conducted in the UK by Greenback in 2015 reports that for every dollar remitted to the three large Indian sub-continent countries, up to 40% allocated to family maintenance and expenditure and the remaining 60% is either deposited or invested in properties or stocks.<sup>21</sup>

<sup>19</sup> ONS, “Indian ethnic group: Facts and figures”, GOV.UK, published 28 October 2019.

<sup>20</sup> BBC, “The links between the UK and India”, 12 November 2015.

<sup>21</sup> *Developing Market Associates and World Bank*, “Migrants’ Remittances from the United Kingdom: A Greenback 2.0 Report”.

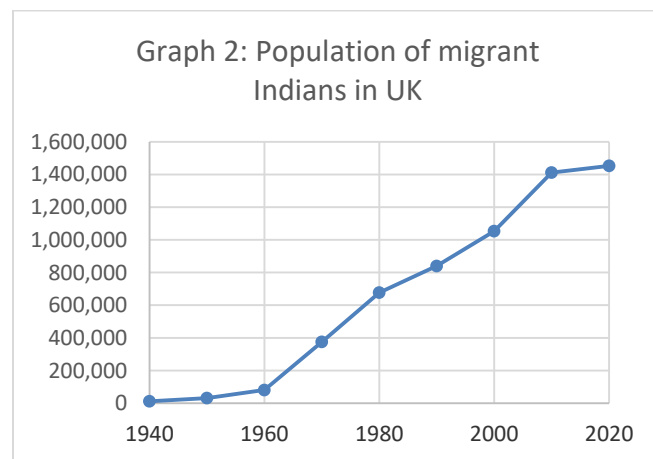
Table 4: British Asian Residents: Demography and Remittances

Country of Origin	Panel A:		Panel B:	
	Population (000)	Households (000)	Remittance (\$mil)	Rem/hhld (\$)
India	1,450	365	3,945	9,300
Pakistan	1,125	284	1,690	5,540
Bangladesh	447	106	470	4,350

As a case study, we focus our attention to the Indian working population in the UK. India is an exceptional case in so far as migration and remittance statistics are concerned. Since the early 1950s Indians have been engaged in working in different parts of the world, generating significant amount of wealth. The recent statistics suggest that Indian workers have been sending remittances home from 140 countries, large or small. Furthermore, India has recently emerged as the fifth largest economy in the world with the GDP of 3.3 trillion dollars and 800 million of potential workforce. India has always been a natural recipient of foreign direct investment as one of the most important sources of income since its independence in 1948. However, similar to the pattern observed in most countries, since 2012 the contributions made by Indian workers abroad through remittances have exceeded foreign direct investment and any other official development assistance.<sup>22</sup> The latest statistics relating to the total remittances sent to India by the 28 million Indian workers abroad suggest that this figure has now reached, as shown earlier, the staggering \$82.7 billion, representing 3% of India’s GDP. Furthermore, as reported by *BBC*<sup>23</sup>, remittances outflow from the UK have found their way to poor regions of India, with Kerala receiving up to 19%, followed by Maharashtra, Karnataka and Tamil Nadu having 16.7%, 15% and 8% of the shares of remittances, respectively.

The population of Indians living in the UK has soared since India’s independence in 1948. As figure 2 shows, with the mere population of just over 10,000 back in 1940, the main influx of Indian emigrants to the UK began in the early 1950s. With the general growth of the UK economy and higher demand for workforce back in 1960s, the population of Indian workers in Britain trebled. The current population of British-Indian citizens of nearly 1.5 million includes

nearly 800,000 who were born in the UK, as the second generation of the emigrants.



Of the total population of British-Indians in the UK, over half million live and work in London, 450,000 reside in the Midlands, 170,000 in East and Yorkshire, and the rest live in Wales, Northern Ireland and Scotland.<sup>24</sup> Since the past 70 years of their arrival to the UK, the Indian community, in particular, has been responsible for making significant contribution to the economy and politics of the country. A comprehensive survey by Lucinda Platt has reported that excluding pension funds, British Indian households are the wealthiest among major British ethnic groups.<sup>25</sup> As shown in table 4, an average Indian household has declared around £180,000 of wealth slightly higher than that of the White British, more than twice that of Pakistani household, and 15 times larger than an average Bengali household. Furthermore, as reported by ONS in 2018 and shown in table 4, the British Indians enjoy a median weekly income of £850, significantly higher than those of Pakistani, Bengali and White British.<sup>26</sup>

Table 4: Income and Wealth among ethnic groups in Britain

Ethnic Group	Wealth (£)	Median Weekly Income (£)
Indian	179,500	850
White	174,000	525
Pakistani	81,000	675
Caribbean	55,000	600
Bengali	13,000	500

Sources: ONS; Platt (2011)

<sup>22</sup> Chinmay Tumble, “Remittances to India: facts and issues”. *Indian Journal of Labour Economics*, 54(3), 2011, p. 479-501; World Bank, “Migration and Remittances Factbook 2016”.

<sup>23</sup> *BBC*, “The links between the UK and India”.

<sup>24</sup> Coalition for Racial Equality and Rights, “2011 Census Data: Ethnicity by Local Authority Area,” 2014.

<sup>25</sup> Lucinda Platt, “Inequality within ethnic groups”. *JRF Programme Paper: Poverty and Ethnicity*, May 2011.

<sup>26</sup> UK Gov, “Household income: By ethnicity”, GOV.UK, published 4 July 2019.

These significant differences in incomes and wealth among these ethnic groups are primarily due to the fact that the Indian community has demonstrated to have much greater propensity to entrepreneurship and setting up businesses than any other community<sup>27</sup>. Despite the financial and job opportunities constraints, the ethnic minorities in general, and the British-Indians in particular, have emerged as the role model of socio-economic success.<sup>28</sup> Furthermore, the British Indians have managed to outperform the other communities and ethnic groups on educational and managerial achievements. As reported in Fernandez-Reino and Creighton<sup>29</sup>, the ethnic minorities in Britain appear to have much greater aspiration and expectation to do well at higher education than the White-British. Based on a comprehensive survey of over 15000 GCSE students in England, the authors found that among the four groups of White-British, British-Indian, British-Pakistani and British-Bengali, there were significant differences in students' achievements and expectations for university entry. The study has estimated the chances of each ethnic group's entry to the UK Higher Education as quite varied with Whites at 54%, Bengali at 72%, Pakistani at 76% and Indians at 83%. Data on educational attainment at university level has also verified that Asian students, particularly the Indians, have consistently outperformed the White-British students in all disciplines.<sup>30</sup>

By the end of 2019, the number of British Asian medical doctors employed by the NHS exceeded 32000, of which over 20,000 (16% of medics in

the UK) were of Indian origin<sup>31</sup>. This means that, among other things, British Indians are the top contributors to the country's national health service. Finally, on the political arena, the Asians, and particularly the British-Indians have demonstrated their willingness and effectiveness in participation and direct engagement in the UK politics. With only one Member of Parliament back in 1895, the British Asians managed to secure 55 seats in the UK House of Commons following the 2019 General Election. Of the total Asian seats, 15 seats are taken by the British-Indians. Furthermore, since 1998, five British-Indians have managed to secure seats in the European Parliament. Moreover, since early 2020, three British-Indian MPs have occupied the top positions of the Secretaries of State in charge of the Home Office, the Treasury, and Business and Industry Affairs.<sup>32</sup>

### Conclusion

In this short paper, we have highlighted a number of issues relating to the contribution made generally by migrant workers to their home countries via remittances. Undoubtedly, as the data and other official information suggest, remittances have been extremely effective and as an equitable means of economic and social prosperity and development. Moreover, the migrant workers since the end of the World War II have been on the forefront in rebuilding the then shattered UK infrastructure. Undoubtedly, the Asian community as a whole has been the main driver of such change and development in the UK and worldwide. In particular, in this paper we have made a special reference to the effective contributions made by the British Indian community over years in all aspects of the UK social, political and economic activities. Indeed, the second and third generations of the Indian migrants have now managed to outperform the other ethnic groups in the UK in terms of incomes, wealth, educational attainment, and social standing.

The UK population distribution is significantly skewed towards right, indicating that a large proportion being in the range of 65 and over. In the near future the UK may need, once more, to ask for the support of countries with younger population to run its industry, agriculture and services. In the light of this imminence, we wish to conclude that as a nation Britain should be

<sup>27</sup> Among many, see: Basu, A., and Altinay, E. (2002) "The interaction between culture and entrepreneurship in London's immigrant businesses"; Smallbone, D., Bertotti, M., Ekanem, I. (2005) "Diversification in ethnic minority businesses: the case of Asians in London creative industries".

<sup>28</sup> Lucinda Platt and Alita Nandi, "Ethnic diversity in the UK: New opportunities and changing constraints", *Journal of Ethnic and Migration Studies*, Vol. 46, Issue 5, (2020), p. 839-856.

<sup>29</sup> Marina Fernandez-Reino, "Immigrant optimism or anticipated discrimination: explaining the first educational transition of ethnic minorities in England". *Research in Social Stratification and Mobility*, 46(1), (2016), p. 141-156.

<sup>30</sup> Helen Connor, Claire Tyers, Tariq Modood, and Jim Hillage, "Why the difference? A closer look at Higher Education minority ethnic students and graduates", *Research Report 552*, Bristol University, (2004); *SI News*, "Degrees from UK universities boost the careers of Indian graduates". 10 September 2019.

<sup>31</sup> UK Gov, "NHS workforce: Main facts and Figures", GOV.UK, published 6 January 2020.

<sup>32</sup> UK Gov, "Ministers", GOV.UK, 2020.

ready to welcome migrants from all over the world who are willing to help enhance its economy. Given their proven historic and concurrent invaluable contributions, the authors therefore recommend that the UK policy makers ought to be more lenient towards offering much greater job opportunities for the Asian migrants.

## References

1. Acevedo, J. (2016) "Move, Work, Save, Send: the political economy of migration and remittances". PhD Thesis, University of California, Los Angeles, USA. Available at: <https://escholarship.org/content/qt6j9511q/qt6j9511q.pdf>
2. Basu, A. and Altinay, E. (2002) The interaction between culture and entrepreneurship in London's immigrant businesses. *International Small Business Journal*, 20(4), (November 2002), pp. 371-393.
3. Biswas, S. (2013) "Why India remains top of remittances league". *BBC*, 26 February 2013. Available at: <https://www.bbc.co.uk/news/world-asia-india-21570622>
4. BBC. (2015) "The links between the UK and India". 12 November 2015. Available at: <https://www.bbc.co.uk/news/uk-34767180>
5. Coalition for Racial Equality and Rights, "2011 Census Data: Ethnicity by Local Authority Area," 2014. Available at: <https://web.archive.org/web/20160304215917/http://www.crer.org.uk/Census/Census2011LA.pdf>
6. Connor, H., Tyers, C., Modood, T., Hillage, J. (2004) "Why the difference? A closer look at Higher Education minority ethnic students and graduates". Research Report 552, Bristol University.
7. Developing Market Associates and World Bank. (2015) "Migrants' Remittances from the United Kingdom: A Greenback 2.0 Report". Available at: [https://remittanceprices.worldbank.org/sites/default/files/migrants\\_remittances\\_uk.pdf](https://remittanceprices.worldbank.org/sites/default/files/migrants_remittances_uk.pdf)
8. Duquette-Rury, L. (2014) "Collective remittances and transnational coproduction: the 3X1 program for migrants and households' access to public goods in Mexico". *Studies in Comparative International Development*, 49(1), pp. 112-139.
9. Duttagupta, I. (2018) How the matrix of remittances is changing for Indians. *Economic Times*, 1 July 2018. Available at: <https://m.economictimes.com/nri/visa-and-immigration/how-the-matrix-of-remittances-is-changing-for-indians/articleshow/64809196.cms>
10. Fernandez-Reino, M. (2016) "Immigrant optimism or anticipated discrimination: explaining the first educational transition of ethnic minorities in England". *Research in Social Stratification and Mobility*, 46(1), pp. 141-156.
11. Goodman, G.L. and Hiskey, J.T. (2008) "Exit without leaving: Political disengagement in high migration municipalities in Mexico". *Comparative Politics*, Vol. 4, No. 2 (Jan., 2008), pp. 169-188.
12. Hirschman, A.O. (1970) *Exit, voice and loyalty: responses to decline in firms, organisations and states*. Harvard, USA: Harvard University Press.
13. Lupu, N., and Pontusson, J. (2011) "The structure of inequality and the politics of redistribution". *American Political Science Review*, Vol. 105, Issue 2, (May 2011), pp. 316-336.
14. Naufal, G. and Termos, A.A. (2009) "The Responsiveness of Remittances to Price of Oil: The Case of the GCC", *OPEC Energy Review*, Vol. 33 No. 3 - 4, pp. 184 - 197 September/December 2009.
15. OECD (2020) "Worldwide flows of Foreign Direct Investment Data". Available at: <https://data.oecd.org/fdi/fdi-flows.htm>
16. ONS (2019) "Indian ethnic group: Facts and figures", Gov UK, Published 28 October 2019. Available at <https://www.ethnicity-facts-figures.service.gov.uk/summaries/indian-ethnic-group>
17. Piteli, E.N., Buckley, P. J., Kafourous, M. (2019) "Do remittances to emerging countries improve their economic development? Understanding the contingent role of culture". *Journal of International Management*, Volume 25, Issue 4, December 2019, pp. 1-15.
18. Platt, L. (2011) "Inequality within ethnic groups". *JRF Programme Paper: Poverty and Ethnicity* Available at: <https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/inequality-ethnicity-poverty-full.pdf>
19. Platt, L., and Nandi, A. (2020) "Ethnic diversity in the UK: New opportunities and changing constraints". *Journal of Ethnic and Migration Studies*, Vol. 46, Issue 5, pp. 839-856.



20. Razgallah, B. (2008) "The Macroeconomics of Workers' Remittances in GCC Countries", Working Papers 410, *Economic Research Forum*, revised 06 Jan 2008.
21. *SI News* (2019) "Degrees from UK universities boost the careers of Indian graduates". 10 September 2019. Available at: <https://www.studyinternational.com/news/uk-universities-indian-graduates/>
22. Smallbone, D., Bertotti, M., Ekanem, I. (2005) "Diversification in ethnic minority businesses: the case of Asians in London creative industries". *Journal of Small Business and Enterprise Development*, 12(1), (March 2005), pp. 41-56.
23. Taghavi, M. (2012) "The Impact of Workers' Remittances on Macro Indicators: The case of the Gulf Cooperation Council". *Topics in Middle Eastern and African Economies*, Vol. 14, September 2012, pp. 49-73.
24. Tumbe, C. (2011) "Remittances to India: facts and issues". *Indian Journal of Labour Economics*, 54(3), pp. 479-501.
25. UK Gov. (2019) "Household income: By ethnicity". GOV.UK, Published 4 July 2019. Available at: <https://www.ethnicity-facts-figures.service.gov.uk/work-pay-and-benefits/pay-and-income/household-income/latest#by-ethnicity>
26. UK Gov. (2020) "NHS workforce: Main facts and Figures", GOV.UK, Published 6 January 2020. Available at <https://www.ethnicity-facts-figures.service.gov.uk/workforce-and-business/workforce-diversity/nhs-workforce/latest#by-ethnicity>
27. UK Gov. (2020) "Ministers", GOV.UK. Available at <https://www.gov.uk/government/ministers>
28. World Bank, "Migration and Remittances Factbook 2016". Available at: [www.worldbank.org/en/research/brief/migration-and-remittances](http://www.worldbank.org/en/research/brief/migration-and-remittances)
29. World Bank (2017) "Migration and Remittances Data". 16 November 2017. Available at: <https://www.worldbank.org/en/topic/migration-remittances-diaspora/issues/brief/migration-remittances-data>
30. World Bank (2019) "Migration and Remittances Data". 26 September 2019. Available at: <https://www.worldbank.org/en/topic/labormarkets/brief/migration-and-remittances>