

## **Indian Diaspora in Australia as Strategic Actor in India-Australia Relations**

**Yeshpal**

Research Scholar,  
Department of Political Science,  
Maharshi Dayanand University, Rohtak, Haryana, India.  
&

**Dr. Pardeep Kumar**

Assistant Professor,  
Department of Political Science,  
Maharshi Dayanand University, Rohtak, Haryana, India  
**Email id: pardeep.polsc@mdurohtak.ac.in**

### ***Abstract***

*India and Australia share growing strategic, economic and cultural relations marked by their converging geopolitical and economic interests and expanding people to people linkages. Their relationship was upgraded to the level of comprehensive strategic partnership in June 2020. Their mutual understanding and shared vision of a peaceful, stable and prosperous Indo-Pacific is the staple of their relationship. Among the many factors playing role in their partnership, the Indian diaspora in Australia is an important strategic actor. This paper examines role of diaspora in diplomacy, economic relations, education and people-to-people engagements. An attempt has been made to highlight role of diaspora in shaping bilateral relations and strengthening soft power.*

**Key Words:** Indo-Pacific, Quad, Strategic, Diaspora, Cultural Relations, Soft Power.

Traditionally Diaspora groups were culturally important but today they are equally strategically important. Diaspora has emerged as a bridge of trust between governments. They are economic contributors through investment and entrepreneurship and also plays role in policy formation regarding migration rules, education pathways and trade. Diasporas act as knowledge carriers by facilitating academic exchange, research partnership and startup ecosystems; act as soft power agents by promoting Indian culture and values. Hence diaspora is a strategic actor in shaping international relations beyond state-centric diplomacy.

India's rise in the world in last two decades is not only by its economic growth and geopolitical initiative but also by strategic influence of its diaspora. Over 30 million Indians living abroad form one of the world's most dynamic Diasporas. Their interactions, achievements and networks of overseas Indians sanction India's evolving position in the global order. The role of Indian diaspora in Australia has stretched beyond cultural exchange covering economic, political, diplomatic, educational and geopolitical engagements. Their relationship has grown remarkably after early 2000s with deepening bilateral economic and security relations. The Indian diaspora in Australia has emerged as a key strategic actor in India-Australia relations.

Indian community in Australia has grown rapidly, second largest and fastest growing diaspora in Australia. "Indian students are the second largest group of foreign students in Australia numbering 1,22,391 in the year 2023". An attempt to trace the commencement of this number takes us to the year 1800-1816 when a small group of Indians was sent as convict labourers by British authorities. Indians recruited as labourers later on settled there and worked as agricultural labourers, hawkers and traders. When India got independent in 1947, there were around 6500-7000 Indians in Australia. Migration of Indian teachers, doctors and other professionals was seen post 1966 and influx of software professionals was noticeable in 1980s after the end of White Australia Policy.<sup>1</sup> Indian diaspora in Australia has emerged as Australia's fastest growing diaspora with a fivefold growth in past two decades and is estimated to reach 1.07 million by 2035. India is Australia's largest source of migrants and second largest source of international students.

Indian diaspora in Australia has significant presence in STEM, healthcare and research sector, majority is under age of 40. They are economically active and culturally vibrant. Their rising electoral participation defines their emerging political significance. Indian community in Australia is dynamic and diverse, reflecting Indian diversity and ready to contribute their expertise to their economic relationship. India-Australia trade almost doubled between 2014 to 2019 and their relationship reached the level of comprehensive strategic partnership in 2020. India was Australia's seventh largest trading partner, with two-way trade valued at \$24.3 billion, and our sixth largest goods and services export market, valued at \$16.9 billion. India was Australia's third largest services export market. Australian Government's roadmap for deeper integration with India, An India Economic Strategy (IES) to 2035 identified India as high potential growth opportunities for Australia. With increasing influence of Indian

Australian community across business and politics, IES recommended diaspora focused connections in India-Australia trade and investment.<sup>2</sup>

Diaspora members facilitates trade and market knowledge being business owners, consultants and professionals, they help Australian firms in understanding market regulations and consumer tastes. Presence of diaspora network is associated with higher bilateral trade flows specifically in service sector like IT, education and professional services. Diaspora entrepreneurs and investors act as a bridge for two way foreign direct investment (FDI). Indian-Australian entrepreneurs have launched start-ups that connect Australian innovation to Indian market pools.

Indian diaspora in Australia is a source of human capital, skill networks and knowledge transfer. High concentration of Indian skilled migrants have enriched Australia's human capital in STEM and technology sectors. Alumni networks and research collaborations connects Australian universities and firms with Indian counterparts.<sup>3</sup> Demand for goods and services is rising with growing Indian Australian populations, increasing trade flow in food, cultural services, travel, remittances and specialty services encouraging development of Indian-oriented products and services in Australia.<sup>4</sup> While remittances from Australia to India are smaller in absolute terms than flows from some other countries, diaspora financial ties help sustain entrepreneurship and family-level investment that indirectly support bilateral economic networks.

Education functions as both a diplomatic instrument and an economic driver vital to contemporary India–Australia strategic engagement. India and Australia have witnessed substantial growth in education, research, and technology cooperation. Educational mobility and university partnerships form a cornerstone of bilateral engagement.<sup>5</sup> The Indian diaspora in Australia plays an intermediary role by influencing academic mobility, scientific collaboration, and innovation ecosystems.<sup>6</sup> Joint university and research projects have expanded significantly, especially in AI, quantum technologies, clean energy, critical minerals, and cyber security. Programs supported by the Australia–India Strategic Research Fund enhance innovation and researcher mobility.<sup>7</sup> Indian-origin academics, researchers, and professionals facilitate transnational research, mentor students, and contribute to bilateral innovation programs. Their presence enhances India's visibility in Australia's academic and technology sectors.<sup>8</sup> Education supports India–Australia ties as a soft-power channel by

fostering long-term people-to-people links. Academic exchanges enhance mutual trust, and governments increasingly integrate education into foreign policy frameworks.<sup>9</sup> Indian students in Australia contribute to Australia's economy, also supports India's goal of developing a globally competitive workforce aligned with NEP 2020 reforms.<sup>10</sup> Policies such as India's National Education Policy (NEP 2020) and the 2023 Mutual Recognition of Qualifications Agreement emphasize internationalization and mobility. These frameworks strengthen collaboration in education and technology. Diaspora does influence policy dialogues by raising concerns about safe education environments, pathways for skilled migration and equality in research access. Hence education is a strategic enable of India–Australia relations, fostering technology development and building long-term bilateral cooperation. The Indian diaspora acts as a bridge reinforcing knowledge exchange and cultural understanding. Addressing diaspora concerns is crucial for sustained Indo-Pacific engagement.<sup>11</sup>

Deepening of ties under Indo-Pacific framework, cultural diplomacy and soft power projection has a great role to play as central pillars in India-Australia relations. India's rising cultural influence—anchored in civilizational heritage, democratic values, and the presence of a vibrant diaspora—intersects with Australia's multicultural policies and strategic engagement with Asia. India's soft power—rooted in cultural heritage, yoga, cinema, cuisine, and democratic ethos—resonates strongly in Australia, where a rapidly growing Indian diaspora acts as a cultural bridge (Ray, 2020). India's civilizational narratives—spirituality, pluralism, and democratic traditions—carry strong cultural resonance in Australia. Institutions such as the **Indian Council for Cultural Relations (ICCR)** and events like the **Confluence Festival of India in Australia** (2016–present) showcase Indian arts, cinema, and cultural heritage. Yoga has become a powerful diplomatic asset. The International Day of Yoga, celebrated annually across major Australian cities, functions as a public diplomacy platform that enhances India's cultural visibility.

Australia projects soft power through its multicultural policies and promotion of diversity. For Indian communities, the Australian multicultural framework offers space for cultural preservation and exchange, which strengthens bilateral societal trust (Jakubowicz, 2019). Australia promotes cultural understanding through initiatives such as the Australia–

India Council (AIC), funding artistic collaborations, educational mobility, and cross-cultural research. Sports diplomacy is also strategically very significant. Cricket acts as an informal yet powerful diplomatic tool. Shared cricket culture symbolizes mutual affinity, influencing political atmospherics and public perceptions in both countries. Diaspora organizations often engage in policy dialogues, economic networking events, and political advocacy, making them informal diplomatic actors.

The Indian diaspora in Australia has emerged as a critical strategic actor in shaping India–Australia relations. However, despite functioning as a strategic bridge between the two democracies, the diaspora also faces challenges relating to social integration, discrimination, migration policy changes, and identity negotiation. Although Australia well known for its multicultural policies, Indian migrants have reported incidents of racial bias, stereotyping, and discrimination impairing community confidence and damaging diplomatic relations as was evident in student related attacks. ). India-Australia educational and people-to-people linkages are impaired by frequent changes in Australian visa regulations—particularly related to skilled migration, post-study work rights, and permanent residency pathways results in uncertainties for the diaspora and international students Community cohesion and diaspora effectiveness as cultural ambassadors is adversely affected as youth and second generation member face pressure to navigate dual identities and balancing Indian cultural expectations with Australian social norms.<sup>12</sup> Negative portrayals of marginalized communities, although very few occurrences, can hinder social acceptance and limit soft power influence. While India has increased diaspora engagement, coordination between Indian missions, cultural organizations, and community groups remains uneven.<sup>13</sup> Stronger institutional frameworks are required to harness the diaspora’s full strategic potential.

Effectiveness of diaspora contributions depends on enabling policies like mobility agreements, recognition of qualifications, investment facilitation; social cohesion and diaspora heterogeneity. Governments should adopt diaspora engagement strategies that map diaspora skills, sectoral strengths and transnational business networks and then leverage those for trade missions, investment roadshows and innovation partnerships. Easier temporary mobility (for entrepreneurs, researchers, and student exchanges) and recognition of professional qualifications will strengthen knowledge flows.<sup>14</sup> Co-investment instruments,

diaspora angel networks, and bilateral incubator/accelerator programs can turn social capital into sustained two-way investment.<sup>15</sup> Policies must address social tensions and ensure diaspora contributions are enabled in an inclusive environment; otherwise, polarization can reduce the diaspora's economic effectiveness.<sup>16</sup> Indo-Pacific cultural forums are ardently anticipated to build regional soft power partnerships.

## Conclusion

The Indian diaspora is a pivotal soft power and strategic actor in India–Australia relations. Cultural diplomacy and soft power offer powerful mechanisms for advancing India–Australia strategic relations. However, several challenges—ranging from discrimination to migration uncertainties—affect the diaspora's capacity to serve as an effective strategic tool. Addressing these issues through supportive policies and institutional cooperation is critical for strengthening the India–Australia partnership and ensuring that the diaspora continues to function as a resilient bridge between the two nation. As both states navigate emerging Indo-Pacific challenges, leveraging cultural connections can deepen bilateral trust and contribute to a stable, cooperative regional order.

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