

REVIEW ESSAY

The Diaspora and India

SRINATH RAGHAVAN

The Domestic Abroad: Diasporas in International Relations. By Latha Varadarajan. New York: Oxford University Press, 2010. 254 Pages. Hardcover, \$49.95.

Diaspora, Democracy and Development: The Domestic Impact of International Migration from India. By Devesh Kapur. Princeton, NJ: Princeton University Press, 2010. 344 Pages. Hardcover, \$35.00.

When future historians of ideas and intellectual trends look back at the two decades following the end of the Cold War, they are likely to identify one theme as dominating the interests and inquiries of social scientists during this period: globalization. Indeed, over the last twenty years economists, sociologists, anthropologists, historians, and political scientists alike have sought to analyze and explain this central feature of our world. The idea of globalization has launched hundreds of books and many more scholarly articles. Most of these have focused on the movement across borders of capital, goods, and services. The empirical base and conceptual sophistication of this literature is impressive indeed. Not surprisingly, these studies have set the stage for ambitious attempts at theorizing the phenomenon of globalization.¹ Another dimension that has attracted attention, particularly of International Relations (IR) scholars, is the impact of globalization on world politics. The notion of global governance, its various forms and implications has triggered several fecund debates in the barren landscape of IR hitherto dominated by “paradigm wars” and meta-theoretical battles.²

In this profusion of literature on globalization, the one issue that has been least addressed is the movement of people across borders. The global flow of labor and the consequent presence of numerous diasporas is a notable feature of contemporary politics and economics. And yet, it remains curiously understudied. To be sure, there are numerous studies of particular diasporas—Mexican, Sri Lankan, Russian, and so forth—and their engagement in certain kinds of activities—lobbying to influence policy, electoral participation, and sponsorship of militant nationalism. But, the existing literature has not done adequate justice to the complex and multifaceted relationship between diasporas and their nation-states. Much of the available work is empirically and theoretically weak and has tended to shy away from tackling the big and tantalizing questions on this aspect of globalization.

Srinath Raghavan is a Senior Fellow at the Centre for Policy Research, New Delhi.

By a welcome coincidence, we have two books on diasporas and states that not only attempt to fill this gap but do so by focusing on India and the Indian diaspora. The books by Latha Varadarajan and Devesh Kapur differ in their focus, orientation, and approach. But, together they succeed in underscoring the importance of the diaspora to the study of Indian politics and of India to the study of diasporas.

The Domestic Abroad: Diasporas in International Relations, by
Latha Varadarajan

Latha Varadarajan rightly observes that much of the literature on diasporas tends to view and explain them as political subjects whose existence and behavior transcends and challenges the importance of nation-states. This is entirely consonant with the larger body of work on globalization, which sees this phenomenon as leading to the attenuation of the nation-state and reducing its importance in global politics. Contrary to these views, Varadarajan argues that the contemporary relationship between nation-states and their diasporas is actually driven by the states themselves. She introduces the concept of “domestic abroad” to make sense of “this new widespread form of transnationalism, produced through state policies and initiatives aimed at institutionalizing the relationship between nation-states and their diasporas.” These include measures such as creating a special ministry to deal with diaspora affairs, allowing forms of dual citizenship for members of the diaspora, and so on. Such steps serve to acknowledge both the rights of the diaspora and the duties of state toward them. In short, they are aimed at “extending the boundaries of the nation beyond the territorial limits of the state.”

The “domestic abroad,” according to Varadarajan, is the product of two simultaneous processes currently underway. The first is the “neoliberal restructuring” of the state. And, the second is the “diasporic reimagining of the nation” in a specific historical and political context. In analyzing these processes, she contends, the existing theoretical frameworks of IR, especially liberal constructivism, are of limited utility. Instead she harks back to an older tradition of historical materialism. To comprehend the role of the state in creating the transnational phenomenon of “domestic abroad,” “we need to understand it [the state] as a dynamic and historically evolving structure linked to the development of capitalism on a global scale.” In a classical Marxist vein, she holds that the production of new diasporic flows cannot be understood merely in terms of the economic logic of state actions. We must move beyond purely economic issues like remittances and balance of payments and come to terms with the underlying alignment of social forces and the class struggles between the bourgeoisie and other classes.

In so doing, Varadarajan trains her analytical fire not just on “neoliberal” scholarship on diasporas but also on postcolonial and cultural studies. The latter in particular have seen diasporas as a welcome departure from the stifling nationalism of the post-colonial nation-state as well as its earlier anti-colonial avatar. But, Varadarajan argues that the idea of “the emergence of a borderless world populated by transnational diasporas is quite unconvincing.” On the contrary, diasporas are playing “a critical role” in reinforcing the nation-state structure. This process is produced by a host of state policies and initiatives that seek to institutionalize the relationship between the nation-state and the diaspora.

Why do states adopt these steps? Here the author's historical materialist framework comes into play. Varadarajan deploys Antonio Gramsci's concept of hegemony to answer this central question. Hegemony refers to the balance between coercion and consent that constitutes the political power exercised by a ruling class. The use or threat of force alone does not amount to hegemony. It also depends on the ruling class's ability to exercise intellectual, cultural, and moral leadership. This is only possible if the ruling class is able to pass off its particular class interest as the general interest of the entire society. The emergence of the "neo-liberal state"—which emphasizes the importance of private property, free markets, free trade, internationalization of capital while minimizing the functions of the state—poses a challenge to the existing configuration of hegemony within states. The need for the bourgeoisie to reconfigure its hegemony "provides both the logic and the milieu for the production of the domestic abroad."

Varadarajan uses this theoretical framework to probe independent India's attitude and policy toward its diaspora. She rightly argues that decolonization marked a distinct break in the Indian élites' approach to the diaspora. From the 1920s onward, the Indian nationalist movement had acknowledged and lauded the contribution of overseas Indians to the struggle for freedom. After all, the "Father of the Nation," Mohandas K. Gandhi, had been prominent in the diaspora and had begun his experiments with civil disobedience movements while in South Africa. Indeed, the Indian nationalists had linked their case for independence with the discrimination faced by Indians in other British colonies. The plight of overseas Indians continued to be accorded great importance until the eve of independence. In fact, one of the first initiatives of the interim government led by Jawaharlal Nehru related to the position of Indians and people of Indian origin in South Africa.³

Nevertheless, after independence the Indian government refused to assume such responsibility for the diaspora. Prime Minister Nehru made it clear that either overseas Indians should accept Indian citizenship and expect nothing other than "favorable alien treatment" abroad, or they should accept the nationality of the countries they lived in and avoid looking to the Indian government for preservation of their position and rights. Thus, when Indians faced discriminatory treatment and expropriation in places like Burma and Sri Lanka, New Delhi refused to take up cudgels on their behalf. What's more, the Indian government exhorted them to comport as good citizens and abstain from exploiting the native populace.

This dramatic *volte face*, Varadarajan argues, reflected the ideology of the post-colonial nation-state that placed great emphasis on national sovereignty and "called for a certain positioning of the Indians abroad as politically distant from India." This cannot be explained, as postcolonial theorists have sought to, by recourse to arguments about the "cartographic anxiety" induced by the trauma of partition. Rather, it stemmed from the success of the Indian national bourgeoisie in establishing its hegemony in the post-colonial state. Varadarajan contends that the bourgeoisie's success is evident from the fact that the Nehruvian state's political and economic agenda—emphasis on state sovereignty, state-sponsored import-substituting industrialization, protection of domestic economy—"converged remarkably well" with the economic ideas of the Indian nationalist bourgeoisie. This bourgeois nationalism that constituted state ideology "emphasized the territorially limited, legal-judicial aspect of statehood in making the distinction between those who could be counted as Indian and those

who ought not to be counted as such.” Here lay the deeper structural explanation for the sharp shift in policy of independent India toward the diaspora.

Things began to change with the global economic disruption of the 1970s. The oil shocks of that decade presented the Indian government with a series of foreign exchange and balance of payments crises. To cope with these, the government began easing the restrictions on the inflow of foreign capital, particularly from Indians residing abroad. Now the Indian state began according greater importance to the diaspora. This would culminate, in the aftermath of the 1991 economic crisis, in policies that would actively court and “valorize” the diaspora.

Varadarajan insists that this policy shift, too, reflected deeper ideological changes. Economic crises from the 1970s onward, led the political representatives to question the legitimacy of the Indian capitalist class. This crisis of bourgeoisie’s legitimacy was evident in the uproar over the attempt of a diasporic capitalist, Swaraj Paul, to acquire stakes in two major Indian companies under the new portfolio investment scheme for non-resident Indians. This incident also led to struggles within the Indian bourgeoisie, which ended in the dominance of a faction that supported a liberalized and open economy. This, she argues, “paved the way for the adoption of neo-liberal reforms in 1991.” It was in this context that the government’s policy toward the diaspora underwent a dramatic change and led to the institutionalization of a new relationship that currently prevails.

Varadarajan’s explanation for why states foster the “domestic abroad” is laid out with exemplary clarity, elegance, and assurance. Her theoretical framework is at once ambitious and parsimonious. How convincing is it? Part of the problem with the book is that the arguments, both conceptual and historical, are rather schematic. Varadarajan often proceeds by assertion rather than demonstration. While she differs on substantive matters with postcolonial theorists, her approach is not dissimilar. Eschewing serious engagement with the historical material, she prefers to cherry-pick certain moments in history to illustrate large theoretical claims.

Take for instance the claim that the economic policy of the Nehruvian state reflected the hegemony of the bourgeoisie. To be sure, the thrust of these policies was superficially similar to those advocated by the drafters of the Bombay Plan. But, it certainly did not fit snugly with the ideas of Indian capitalists. While the bourgeoisie did benefit from some of the policies, they chafed against many more features of the institutional framework: permits, licenses, and quotas being only the most widely known. A deeper documentary immersion in the papers of the leading capitalist figures of that period would suggest a rather different picture than that painted by the author. Similarly, Varadarajan’s treatment of Nehru’s policy towards the diaspora gives inadequate attention to the international context and the other strands of Indian foreign policy during this period. The procrustean character of Varadarajan’s framework also stands out in her treatment of the 1970s and 80s. She simultaneously underplays the competing pulls in economic policy making since the 1960s and overplays the alleged crisis in bourgeois hegemony (the treatment of which is rather skimpy on historical detail).

Like many Marxist scholars, Varadarajan exaggerates the linkage between social relations of production and character of state policy, and between domestic political economy and foreign policy. The economic and foreign policy of independent

India cannot simply be reduced to the nature of bourgeois hegemony. Ultimately, Varadarajan's core argument remains unsatisfactory because she refuses to recognize the state as something more than an epiphenomenon to social forces.

Diaspora, Democracy and Development: The Domestic Impact of International Migration from India, by Devesh Kapur

Where Latha Varadarajan focuses on why states have particular kinds of relations with their diasporas, Devesh Kapur examines the economic and political consequences of international migration and diasporas on the country of origin. Kapur advances an analytical framework that identifies four main "channels" by which international migration impinges upon the sending country. The "prospect channel" focuses on the manner in which the prospect or option of moving abroad affects the decision-making of households and the eventual outcome of emigration or staying on. The prospect of emigration, Kapur argues, "affects decisions ranging from skill acquisition to the incentives for the exercise of voice to linguistic preferences."

The "absence channel" captures the effects of emigration on those who are left behind. These effects depend on the characteristics of those who have emigrated. In the case of a multi-ethnic society like India, emigration could affect the ethnic balance, with ensuing social and political consequences. Further, the absence of workers will have important political economy consequences such as a rise in inequality and reduction in capacity for building domestic institutions.

The "diaspora channel" refers to the impact of emigrants on their home countries from their new positions abroad. The diaspora could contribute to an increase in the flow of trade, investment, finance, technologies, and ideas to their country of origin. Their activities could also have a political impact their home country. These could be beneficial but diffuse—as with diasporic involvement in philanthropy—or less benign but more immediate—as in the support for extreme political groups back home. Lastly, the "return channel" considers how returning emigrants can have a different impact on domestic political economy than if they had not left in the first instance. These are usually greater wealth, increased human capital, and access to global networks. More generally, the experience of living overseas could change both preferences and expectations.

Kapur emphasizes the point that these channels do not operate in isolation. Their relative importance and interaction could have interesting consequences. He also pits his framework against Albert Hirschman's well-known (and well-worn) treatment of "exit, voice and loyalty" which has been central to previous examinations of the political effects of migration. According to Hirschman's framework, the threat of exit enhances voice; but the fact of exit leads to a loss of voice and political influence. In contrast to this intuitively plausible idea, Kapur argues that "international exit, in contrast to domestic exit, can actually amplify the domestic voice of groups that exit." The extent to which this happens depends on the selectivity characteristics of the migration (who leaves, where, when, and why); the institutional structures of the country from which the exit occurs; and the institutional structures of the country to which the exit occurs.

In applying this framework to study the impact of migration on India, Kapur draws on five data sets that he has constructed for this project. These include a survey of

emigration from India, designed to understand household migration preferences, characteristics, and links back home; a large database of Indian population in the United States, covering almost three-quarters of this group; a survey of Indians in the US drawn from the previous database and designed to understand characteristics of migrants and the nature and intensity of their links with India; a database on the overseas exposure (primarily educational) of Indian political, bureaucratic, business and scientific élites; and lastly, a survey of Indian diaspora non-governmental organizations in the US, designed to gauge the scale and scope of diasporic philanthropy and transnational social capital.

It is impossible to do justice to the wealth of data generated and analyzed by Kapur. For this empirical material alone, the book will be indispensable to every student of the Indian political economy. But Kapur's causal and theoretical arguments are equally interesting and important. The selection characteristics of migrants are central to Kapur's analytical framework. At the risk of over-simplification, his data shows that in the wave of emigration that began in the late 1960s, migrants came from urban, richer and better educated socio-economic groups, from the higher castes, and from the wealthier parts of the country (southern and western states as well as Punjab). With the important exception of migration to the Middle East, they went mainly to industrialized countries. In almost every dimension, this wave of migration differed from the earlier ones that occurred in the late nineteenth century and in the immediate aftermath of the Second World War. We may parenthetically note that this data sheds rather useful light on the theme of Varadarajan's book: the shifts in independent India's policies towards the diaspora.

How has this pattern of international migration impacted on India's political economy? In analyzing the economic impact of migration, Kapur focuses on the mechanisms that transmit and amplify the diaspora's economic effects on their home country. These include the diaspora's overseas network; their role as credibility-enhancing agents for economic actors back home; and their impact through financial flows, especially foreign direct investment and remittances. Using case studies as well as statistical analysis, Kapur identifies four key economic effects of the diaspora on India. First, the reputation and network of the diaspora have catalyzed the development of India's two major export sectors: information technology and diamond cutting. Second, for a quarter of a century from the mid-1970s onward, the diaspora has been an important source of foreign exchange for India. Third, financial flows from the diaspora have mainly ended up in the southern and western states of India. Given that these states were already ahead economically, international emigration has clearly increased interstate inequalities. Fourth, overseas migration has buttressed the bias in the Indian economy towards skill-intensive services and capital-intensive manufacturing. After all, these are the sectors where the diaspora has the most experience.

Kapur also examines the patterns of "social remittances" or the transmission of ideas through international migration. A central feature of developing countries, he argues, is the weakness of institutions. In consequence, leaders and élites have a substantial role in designing and shaping the institutional architecture. This, in turn, means that the ideas shaping the preferences of élites matter a good deal. Kapur analyses how élites get exposed to new ideas that mold their policy preferences and how these preferences get

embedded in the institutional landscape. Examining the trends in overseas education of key decision-making élites, he observes that since independence the number of India's élites educated abroad has steadily declined, but since the liberalization of the Indian economy the international exposure of these élites has also grown. Further, focusing on two important junctures in India's recent history—the immediate aftermath of independence in 1947 and the economic crisis of 1991—he argues that overseas education shaped their preferences and policy choices.

This is an interesting if debatable proposition. Take the case of making of the Indian constitution between 1947 and 1949. The drafting committee was certainly populated with lawyers, some of whom had been educated abroad. But, it would be interesting to see how many members of the constituent assembly as a whole had such exposure. Another complicating factor was that the constituent assembly benefited from a fairly systematic study of other democratic constitutions. This comparative exercise may well have had a more direct impact on its deliberations than the educational background of its members.

Kapur's treatment of the diaspora's impact on Indian foreign policy is a pioneering effort. Unsurprisingly, he focuses on the case of the Indian diaspora in the US. Kapur argues that a "triple combination" of economic success in country of residence, temporal proximity, and close links with the Indian élites, gives Indian Americans in the US "the *ability, willingness, and access to mechanisms* to influence policies in the countries of origin and settlement" (emphasis in original). This does not mean that they can set the policy agenda. Rather their influence has been on the pace of change and not its direction. Kapur's case study on US-India relations, however, focuses mostly on actions by the diaspora in influencing the US government. Their impact on Indian foreign policy élites is not examined in detail. This mirrors the trend in the wider literature on this topic, which implicitly assumes that diasporic lobbies are only focused on influencing their host countries' policies. The much-studied Israel lobby in the US, for instance, has played an important yet under-appreciated role in shaping Israeli debates on the Israel-Palestine dispute.

Perhaps the most arresting argument is Kapur's book is about the impact of international migration on Indian democracy. The persistence of democracy in India—contrary to the expectation of numerous observers and scholars—has been a standing rebuke to Western theories of democratic government and a central analytical challenge to political scientists. Arguments about democratic breakdown tend to focus on some form of distributional conflict. Explanations of democratic stability, in turn, focus on the strategies used by the élite to maintain their privileges and prevent the entry of new actors on the political stage.

Kapur, by contrast, emphasizes the importance of exit options for élites. He argues that exit has been an active option for Indian élites owing to their limited hold on immobile physical capital and the relatively greater hold on mobile human capital. This has allowed the social groups constituting the old élite to move abroad without forsaking their economic privileges. This has also created the space for upward political mobility of numerically larger but hitherto marginalized communities—the "silent revolution" in Christophe Jaffrelot's phrase—without triggering the kinds of civil conflicts that could have torn the democratic fabric of the polity. Kapur further contends that

contrary to Hirschman's claim, exit in today's world does not imply a loss of voice; merely a shift in the locus of privilege from political power in the state to economic power in the private sector and diaspora.

Diaspora, Development and Democracy is a brilliant and ground-breaking book. As an examination of the impact of the diaspora on India's political economy, it is unlikely to be surpassed: so thorough and painstaking is the research, and so compelling the analysis. The data and arguments presented by Kapur open up several new avenues for further research on India's foreign policy as well as domestic political economy. Anyone who ventures into the study of the Indian diaspora and the state will have to come to grips with Kapur's fascinating, wide-ranging and landmark study.

NOTES

1. A particularly impressive effort at a social theory of globalization can be found in David Singh Grewal, *Network Power: The Social Dynamics of Globalization* (New Delhi: Oxford University Press, 2009).
2. For an important analysis of global governance and contemporary international relations, see Anne-Marie Slaughter, *A New World Order* (Princeton: Princeton University Press, 2004).
3. Also see Mark Mazower, *No Enchanted Palace: The End of Empire and the Ideological Origins of the United Nations* (Princeton: Princeton University Press, 2009).

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