

## CHAPTER 1

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# The Missing Leg of the Globalization Triad: International Migration

## INTRODUCTION

IN RECENT YEARS, the analysis of globalization—its multiple causes, manifestations, and complex consequences—has become a staple of discussion within academia and public discourse. The innumerable facets of globalization have given the term a certain elasticity and made it difficult to reconcile its multiple complexities. There is little disagreement regarding the reality of the unprecedented growth (at least since World War II) of cross-border flows of capital, goods, and services. However, there is less agreement as to the relative importance of the various factors and mechanisms that are facilitating and driving these flows. On the one hand, many agree that technological changes, which have resulted in a sharp decline in the transaction costs of global goods and services trade, whether containerization (in the case of manufactured goods) or information technologies (in the case of services), have undoubtedly played an important role. There is less agreement, however, as to how technological changes have interacted with other driving or intermediary variables, such as the role of ideas (particularly the triumph of so-called neoliberal economic ideas), the role of international organizations (especially the Bretton Woods institutions and the World Trade Organization [WTO]), the role of major powers (particularly the United States), and last, changes within countries themselves. There is least consensus on the welfare implications of globalization, both among and within countries, as well as its links with contemporaneous complex phenomena such as climatic changes and terrorism.<sup>1</sup>

<sup>1</sup>The literature on this subject is vast. For some of the more lucid (and contentious) analyses, see Jagdish Bhagwati, *In Defense of Globalization* (New York: Oxford University Press, 2004); Nayan Chanda, *Bound Together: How Traders, Preachers, Adventurers, and Warriors Shaped Globalization* (New Haven, CT: Yale University Press, 2007); Dani Rodrik, *Has Globalization Gone Too Far?* (Washington, DC: Institute for International Economics, 1998); Jeffrey D. Sachs and Andrew M. Warner, “Economic Reform and the Process of Global Integration,” *Brookings Papers on Economic Activity* 26, no. 1 (1995): 1–118; Joseph E. Stiglitz, *Globalization and Its Discontents* (New York: W.W. Norton & Company, 2002); Martin Wolf, *Why Globalization Works* (New Haven, CT: Yale University Press, 2004).

However, whatever the debate regarding the causal mechanism of globalization and its normative consequences, few would question the reality that cross-border flows of products (goods and services) and financial capital have transformed the global economic and political landscape over the last half-century. Yet the burgeoning literature has paid limited attention to the third leg of the globalization triad: the flow of labor. The premise of this book is that cross-border flows of human capital are likely to play an equally influential role in shaping the political and economic landscape over the next fifty years. While a variety of factors—demographics, technologies, economic structures, domestic politics, institutional structures, and national security concerns—will mediate the specific characteristics and magnitudes of these flows, there is little doubt that these flows will have a profound and transformative impact on both sending and receiving countries.

The consequences of such potentially large immigrant inflows have prompted much debate and analysis in advanced industrial countries. There is also substantial literature (especially in sociology and cultural studies) on diasporas themselves and the phenomenon of transnationalism.<sup>2</sup> But another reality has received short shrift: what will be the consequences on the *sending* country of large cross-border flows of people? This book seeks to understand the political and economic consequences of international migration and diaspora formation on the *country of origin*, focusing on India.

### *What Do We Know about International Migration?*

The last few centuries have witnessed four significant waves of international migration: the forced migration from Africa to the Americas in the seventeenth and eighteenth centuries; the transatlantic migration from Europe to the Americas in the late nineteenth and early twentieth centuries; the labor migrations from China and India to other parts of Asia, Africa, and the Caribbean (and from China to the Americas); and the mass movements of populations in the aftermath of World War II.

In more recent years, three significant migrant streams have been reshaping the global landscape. First, there were the forced migrations resulting from civil war and ethnic cleansing, as in Afghanistan, Africa, and

<sup>2</sup> Journals such as *Diaspora, International Journal of African and Black Diaspora Studies*, and *Chinese Southern Diaspora Studies* examine the cultural and social aspects of diasporas. On transnationalism, see Arjun Appadurai, *Modernity at Large: Cultural Dimensions of Globalization* (Delhi: Oxford University Press, 1997); Thomas Faist, *The Volume and Dynamics of International Migration and Transnational Social Spaces* (Oxford, UK: Oxford University Press, 2000); Peggy Levitt, *The Transnational Villagers*. (Berkeley: University of California Press, 2001).

the Balkans. Second, we must count the multiple streams of unskilled and semiskilled labor migration: from South Asia to the Middle East; from Central America and Mexico to the United States; from Indonesia and Myanmar to Thailand and Malaysia; from the Maghreb to Southern Europe; and so on. Third, there is skilled migration from lower income countries, particularly within Asia and Africa, to industrialized countries in Europe and the Americas.

International migration in the latter half of the twentieth century has been strikingly different from the great migrations of a century earlier in one crucial respect. From a hemispherical perspective, in the nineteenth century, there were two separate streams of international migration—North–North and South–South—exemplified by the migration from Europe to the “New World” and from China and India to other countries in the South. In the more recent period, while international migration also has two main streams—South–South and South–North—the migrants in both cases are from developing countries. As a result, the foreign-born population in industrialized countries has increased significantly from 1965 to 2000 (table 1.1). It has more than doubled in North America (from 6 to 13 percent) and increased by a third in Australia and New Zealand (Oceania). Across industrialized regions, the sharpest increase has been in Europe (from 2.2 to 7.7 percent), and even more in Western Europe (from 2.2 to 10.3 percent).

TABLE 1.1  
World Migration, 1965–2000

	<i>Africa</i>	<i>Asia</i>	<i>Latin America</i>	<i>North America</i>	<i>Europe</i>	<i>Oceania</i>	<i>World</i>
<i>Migrant stock (millions)</i>							
1965	8.0	31.4	5.9	12.7	14.7	2.5	75.2
2000	16.3	50.0	5.9	40.8	56.1	5.8	174.9
<i>Percentage of world migrant stock</i>							
1965	10.6	41.8	7.9	16.9	19.6	3.3	100.0
2000	9.3	28.6	3.4	23.3	32.1	3.3	100.0
<i>Migrant stock as percentage of population</i>							
1965	2.5	1.7	2.4	6.0	2.2	14.4	2.3
2000	2.1	1.4	1.1	13.0	7.7	19.1	2.9

Source: Timothy J. Hatton and Jeffrey G. Williamson, *Global Migration and the World Economy: Two Centuries of Policy and Performance* (Cambridge, MA: MIT Press, 2005).

This significant shift in the levels and selection characteristics of immigrants has created deep concerns in industrialized countries. There is growing literature on the effects of international migration on labor markets,<sup>3</sup> national security,<sup>4</sup> and social security and welfare systems.<sup>5</sup> Immigration has had increasingly significant effects on domestic politics in industrialized countries, demonstrated, for instance, through the revival of extreme right-wing nativist parties in several European countries. All this has contributed to deep uneasiness about the implications of immigrants on the “core” national identity of the receiving country, an uneasiness reflected, for example, in Samuel Huntington’s analysis<sup>6</sup> of Hispanic migration to the United States and the furor over the banning of headscarves worn (mainly) by Muslim schoolgirls in France.

In contrast to the scholarship on the countries that receive migrants, discussions of the implications of migration for sending countries and societies have been relatively limited. These include studies in economic history examining the effects of the large outflows of labor from Europe in the late nineteenth century on labor markets in source countries;<sup>7</sup> the celebration of international diasporic networks as the “commons of mutual interest” divorced from the “commons of place and local resources”;<sup>8</sup> the effects of diasporic networks as channels of influence for “values”;<sup>9</sup> the role of the Chinese diaspora (the “bamboo network”) in channeling trade and investment into China; and a burgeoning literature on the effects of financial remittances.<sup>10</sup> A small but emerging literature has begun focusing on the political effects of international migration on countries of origin.<sup>11</sup>

<sup>3</sup> George J. Borjas, Richard B. Freeman, and Lawrence F. Katz, “Searching for the Effect of Immigration on the Labor Market,” *American Economic Review* 86 (1996): 247–51.

<sup>4</sup> Charles King and Neil J. Melvin, “Diaspora Politics: Ethnic Linkages, Foreign Policy, and Security in Eurasia,” *International Security* 24, no. 3 (1999): 108–38.

<sup>5</sup> Devesh Kapur and John McHale, *The Global War for Talent: Implications and Policy Response for Developing Countries* (Washington, DC: Center for Global Development, 2005).

<sup>6</sup> Samuel Huntington, *Who Are We? The Challenges to America’s National Identity* (New York: Simon and Schuster, 2004).

<sup>7</sup> Kevin H. O’Rourke and Jeffrey G. Williamson, “The Heckscher Ohlin Model between 1400 and 2000: When It Explained Factor Price Convergence, When It Did Not, and Why,” National Bureau of Economic Research Working Paper No. 7411 (1999), <http://ideas.repec.org/p/nbr/nberwo/7411.html>.

<sup>8</sup> Joel Kotkin, *Tribes: How Race, Religion, and Identity Determine Success in the New Global Economy* (New York: Random House, 1993).

<sup>9</sup> Yossi Shain, *Marketing the American Creed Abroad: Diasporas in the U.S. and Their Homelands* (Cambridge, UK/New York: Cambridge University Press, 1999).

<sup>10</sup> Murray Weidenbaum and Samuel Hughes, *The Bamboo Network* (New York: Free Press, 1996). James E. Rauch and Vitor Trindade, “Ethnic Chinese Networks in International Trade,” *Review of Economic Studies* 84, no. 1 (2002): 116–30.

<sup>11</sup> Some examples include Devesh Kapur, “The Janus Face of Diasporas,” in *Diasporas and Development*, eds. Barbara J. Merz, Lincoln Chen, and Peter Geithner (Cambridge,

A recent analysis of a specific segment of this migration—namely, the consequences of skilled labor flows on developing countries—argues that mounting demographic pressures in industrialized countries and resulting increases in dependency ratios will put unsustainable fiscal pressures on the social security systems of industrialized countries.<sup>12</sup> This, in turn, will increase the demand for labor from developing countries and is likely to translate into immigration policies designed to draw the “fiscally attractive” section of the population—specifically, individuals in the midtwenties to midforties age group who have higher education and demonstrated skills. Additionally, for cultural, political, and economic reasons, immigration policies in industrialized countries will favor temporary migration—where migrants are likely to return to their country of origin—especially for less-skilled laborers. Last, national security and neighborhood concerns will affect which sending countries are favored and which are not. Industrialized country decision makers face the prospect of either allowing more immigration from culturally heterogeneous countries or looking on as skilled, white-collar jobs move outside the country. For firms within industrialized countries, the degree to which services are tradable, lower-cost skilled labor is available overseas, and international contracting is feasible will lead them to contract overseas; the more this happens, the greater the pressure will be in industrialized countries to target selective immigration.

### *Why Is Emigration Understudied, and What Are Its Implications?*

In contrast to the substantial literature on the political economy of financial flows and trade, discussions on the political economy consequences of international migration for the country of *origin* are virtually absent. The key reason appears to be the absence of data on international migration. Unlike the other two legs of the globalization triad, international migration data are woeful. In the case of capital flows, the past few decades have seen huge leaps in the quantity and quality of data, which now include duration (maturity), type (debt/portfolio/foreign direct investment

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MA: Harvard University Press, 2007); Silvia Pedraza, *Political Disaffection in Cuba's Revolution and Exodus* (New York: Cambridge University Press, 2007); David Fitzgerald, *A Nation of Emigrants: How Mexico Manages Its Migration* (Berkeley: University of California Press, 2009); Jonathan Fox, “Exit Followed by Voice: Mapping Mexico's Emerging Migrant Civil Society,” in *Alternative Visions of Development: Rural Social Movements in Latin America*, eds. Carmen Diana Deere and Fred Royce (Gainesville: University Press of Florida, 2009).

<sup>12</sup> Devesh Kapur and John McHale, *The Global War for Talent: Implications and Policy Response for Developing Countries* (Washington, DC: Center for Global Development, 2005). The pioneering work in this area was Jagdish Bhagwati, *International Factor Mobility* (Cambridge, MA: MIT Press, 1983).

[FDI]), and conditions (interest rate, currency structure, etc.), and distinguish between stocks and flows and sources and destinations. International organizations (the Bretton Woods institutions, the Bank for International Settlements, the Organisation for Economic Cooperation and Development [OECD], and the United Nations Conference on Trade and Development [UNCTAD]) have played a key role in data access, comparability, and comprehensiveness. In the case of trade flows, the data are equally good, although data on trade in services are weaker compared to data on trade in goods. Once again, international organizations such as the United Nations, Bretton Woods institutions, and more recently, the WTO have played a key role in developing high-quality, comparable, cross-country data.

However, in the case of the third leg of globalization—international migration—data comparable to that for goods and capital flows simply do not exist. The sending country cannot capture data on migrants since they are no longer in the country, and data on migrants in receiving countries are limited by the variables of interest in that country. Most economic studies of international migration focus on labor market effects; hence, the selection variables they are interested in include education, gender, age, and earnings. These data are often available from sources similar to the census. However, even these data were not available cross-nationally until very recently, and they remain imperfect even now.<sup>13</sup> For instance, only a very gross reading of education data is possible, as the data set tracks only levels of education—there are no data on the type or quality of education. The loss of a migrant with a tertiary education could potentially be much greater if she studied medicine as opposed to a more general liberal arts program (depending on the definition of “loss”). Similarly, the data cannot distinguish between an individual who graduated from an extremely selective educational institution from another who went to a mediocre one. Consequently, the only way to gauge the loss of the quality of human capital to the country of origin is to impute it from earnings, a very imperfect measure for migrants, which in any case is often unavailable.<sup>14</sup> Equally (if not more importantly), the real significance might be in the unobservable characteristics of the migrant, such as whether the individual is a risk taker, is an institutional builder, or has leadership qualities. In the aforementioned example, while the loss of a

<sup>13</sup> For an excellent overview of what needs to be done on international migration data, see the recommendations of the Commission on International Migration Data for Development Research and Policy, *Migrants Count: Five Steps toward Better Migration Data* (Washington DC: Center for Global Development, 2009).

<sup>14</sup> Migrants face numerous employment barriers arising from a lack of the requisite language skills, weak access to informal networks, barriers posed by trade unions, or because their educational credentials are not recognized.

doctor will have a more negative impact on public health, the loss of a liberal arts graduate, who may have gone on to shape public policy or had the leadership potential to build institutions, might have more deleterious effects for the sending country more broadly. As you will see in chapter 2, the effects on the sending country depend critically on the selection effects: *who leaves, how many leave, why they leave, the legal basis on which they leave, where they go, how they fare, and how long have they been gone*. Thus, the political effects of migration from Nigeria on that country may depend on (among other variables) the religion, ethnicity, and region from which migrants are drawn and whether they left through legal or illegal channels. Unfortunately, however, there simply do not exist any data at that level of detail.

I argue in this book that the absence of analytical attention to the third leg of globalization has severe consequences for our understanding of the political economy of developing countries and encompasses a wide range of questions. Goldberg and Pavcnik's survey of the effects of trade liberalization on inequality and poverty in developing countries is compromised by a severe attribution problem: during the 1990s, as Latin American countries were undertaking drastic trade liberalization, they were also receiving increasing amounts of migrants' remittances, most of which were accruing to lower income groups.<sup>15</sup> Drawing causal links between trade liberalization and changes in inequality and poverty, while ignoring inflows of tens of billions of dollars to relatively poor households, can result in a severe attribution problem.

In addition to these economic effects, the political implications of migration can also be substantial, but the precise effect depends on who leaves, how many, and why. One explanation of the extension of the franchise in Western societies in the nineteenth century attributes the move to strategic decisions by the political elite to prevent widespread social unrest and revolution.<sup>16</sup> However, this was also a period of unprecedented emigration from these societies, a trend that increased stability in these countries by lowering population pressures, raising wages, and removing troublesome groups (ranging from convicts to minorities). Following the massive workers' uprising in Paris in 1848, the Assembly voted to "clear the capital of subversive elements." The solution? Provide free land grants to such elements in Algeria.<sup>17</sup> In the absence of these "vents for surplus

<sup>15</sup> Pinelopi Goldberg and Nina Pavcnik, "Distributional Effects of Globalization in Developing Countries," *Journal of Economic Literature* 45, no. 1 (2007): 39–82.

<sup>16</sup> Daron Acemoglu and James A. Robinson, "Why Did the West Extend the Franchise? Democracy, Inequality, and Growth in Historical Perspective," *The Quarterly Journal of Economics* 115, no. 4 (November 2000): 1167–99.

<sup>17</sup> David B. Abernethy, *The Dynamics of Global Dominance: European Overseas Empires, 1415–1980* (New Haven, CT: Yale University Press, 2000).

populations,” would the gradualism in the extension of the franchise have been undermined by more severe instability?

In more recent times, the pressures of “incidents of voice, actual exit and exit’s politicising influence” precipitated the collapse of the German Democratic Republic.<sup>18</sup> An analogous argument has been made in case of Bulgaria. The flight of more than a quarter of a million Bulgarian Turks to Turkey in 1989, a response to years of discrimination, is often cited as a factor contributing to the fall of the communist regime later in that year.<sup>19</sup>

In other cases, such as in Cuba and Zimbabwe, authoritarian regimes have sought to maintain political stability through the deliberate use of a strategy of “venting disgruntled groups” through emigration. Between 1959 and 2004, Cuba lost between 12 and 15 percent of its population in four waves of emigration, beginning with upper-class white elites in the earliest wave, to the largely black working class in the final one.<sup>20</sup> In Zimbabwe, the iron grip of Robert Mugabe and the sharp deterioration of the economy led to a hemorrhaging of the country’s middle class, which fled to South Africa. The result, according to an opposition politician in Harare, “makes [Mugabe] a very, very happy dictator. . . . He gets rid of his opponents and they in turn send back money to their families in Zimbabwe and that keeps things ticking over.”<sup>21</sup> Zimbabwe’s loss has been South Africa’s gain, which needs the middle-class professionals (especially after losing much of its own, largely white, middle class to emigration) for its growing economy, one reason perhaps why South Africa has not been particularly interested in putting pressure on Mugabe to reform.

History is replete with examples of the political consequences of non-voluntary migration—from the African slave trade to the numerous instances of forced migration and ethnic cleansing in the twentieth century.<sup>22</sup> Nunn’s study of the impact of forced migration—the slave trade—found significant negative long-term political and economic effects for Africa. The parts of Africa from which the largest number of slaves were taken are today the poorest parts of Africa, and this could not be explained by selection effects. The least developed societies were not the ones selected

<sup>18</sup> Jonathan Grix, *The Role of the Masses in the Collapse of the GDR* (Basingstoke/New York: Macmillan/Palgrave, 2000).

<sup>19</sup> Mary Neuberger, *The Orient Within: Muslim Minorities and the Negotiation of Nationhood in Modern Bulgaria* (Ithaca, NY: Cornell University Press, 2004).

<sup>20</sup> Silvia Pedraza, *Political Disaffection in Cuba’s Revolution and Exodus* (New York: Cambridge University Press, 2007).

<sup>21</sup> Sue Lloyd-Roberts, “Zimbabwe’s Precarious Survival,” *BBC News*, September 8, 2007, [http://news.bbc.co.uk/2/hi/programmes/from\\_our\\_own\\_correspondent/6982183.stm](http://news.bbc.co.uk/2/hi/programmes/from_our_own_correspondent/6982183.stm).

<sup>22</sup> John Thornton, *Africa and Africans in the Making of the Atlantic World, 1400–1800* (London: Cambridge University Press, 1998); Chaim D. Kaufmann, “When All Else Fails: Ethnic Population Transfers and Partitions in the Twentieth Century,” *International Security* 20, no. 4 (1996): 136–75.

into the slave trade. Instead, the more developed and more densely populated societies supplied the largest numbers of slaves.<sup>23</sup>

Even where explicit force is not deployed, severe prejudice and bias can create pressures for the selective migration of particular ethnic groups, thereby reshaping domestic politics. If those who leave are more liberal than those left behind, their absence may remove voices for moderation. Alternatively it might affect politics by changing the ethnic and religious diversity of the population. Again, ignoring migration-induced changes in a political culture can lead to the misspecification of causal factors. For instance, the literature on the robustness of authoritarianism in the Middle East<sup>24</sup> does not consider the long-term political consequences of the emigration of Christians from Egypt in the 1950s, Palestine in the 1990s, and Iraq more recently.<sup>25</sup>

A related consequence of international migration is its effects on what constitutes a political community. The debates on democratic transitions and regime change, for instance, have emphasized the importance of the “stateness” variable. Stateness problems, most evident in the application of theories of democratic transition and regime change in post-Communist states, arise when “there are profound differences about the territorial boundaries of the political community’s state and . . . who has the right of citizenship in the state.”<sup>26</sup>

International migration with dual citizenship and voting rights is also likely to fundamentally alter the nature of political communities—but with what implications for democratic processes and practices? Some of the most well known work on the international sources of domestic politics has ignored international migration as an important international variable affecting domestic politics.<sup>27</sup>

<sup>23</sup> Nunn N, “The Long-Term Effects of Africa’s Slave Trades,” *Quarterly Journal of Economics* 123 (2008):139–76.

<sup>24</sup> Eva Bellin, “The Robustness of Authoritarianism in the Middle East: Exceptionalism in Comparative Perspective,” *Comparative Politics* 36, no. 2 (January 2004): 139–57.

<sup>25</sup> The Christian population in present-day Jordan, Syria, Lebanon, Israel, and the Palestinian territories dropped from 26.4 percent in 1914 to 19.1 percent in 1945 to just 8.7 percent in 2007. Don Belt, “The Forgotten Faithful,” *National Geographic*, June 2009, 78–97. The Christian population in Iraq is estimated to have dropped from 1.4 million in 1987 to one million before the Iraq War to 850,000 in September 2004, leading to fears that it was “robbing Iraq of a politically moderate, socially liberal, and largely pro-Western population at a critical juncture.” Yochi Dreazen, “Iraq Sees Christian Exodus,” *Wall Street Journal*, September 27, 2004, A17. On the effects on Palestine, see Charles M. Sennott, *The Body and the Blood: The Middle East’s Vanishing Christians and the Possibility for Peace* (New York: Public Affairs, 2004).

<sup>26</sup> Juan Linz and Alfred Stepan, eds., *The Breakdown of Democratic Regimes: Crisis, Breakdown and Reequilibrium* (Washington, DC: Johns Hopkins, 1978): 17.

<sup>27</sup> Peter Gourevitch, “The Second Image Reversed: The International Sources of Domestic Politics,” *International Organization* 32 (autumn 1978): 881–912, 931.

While the contentious debates surrounding the consequences of Mexican migration into the United States point to the growing importance attached to this phenomenon, they miss out on a critical point. Sam Huntington had famously argued that Mexican immigrants are likely to fundamentally affect the core national characteristics of the United States.<sup>28</sup> However, emigration from Mexico will in all likelihood have profound effects on Mexico itself, from large amounts of financial remittances empowering particular communities to the effects on Mexico's demographics (such as the fertility decline in Mexico that has accompanied the sharp growth in migration to the United States) and democratic processes in the country (from indirectly influencing voting behavior of households with family members abroad to the more direct effects consequent to dual citizenship). Thus, it is not clear whether international migration from Mexico to the United States will remake the American Southwest in the image of the former or whether northern and central Mexico will begin to mirror the latter—or neither. The transborder movement of people may well be one of the most important mechanisms of “soft power,” but for which country—the source country or the destination country?<sup>29</sup>

International migration also leads us to rethink the most basic concepts in the vast literature on international trade. In the classic Mundell-Fleming framework, trade and migration are substitutes, whereas in any political economy model, they are rarely so. Labor flows are critically different from goods in their political effects for the most basic of reasons: people have agency; goods do not. When people cross borders, the one who gains most is the migrant himself or herself; when goods cross borders, it is those who receive and send them that gain. People can vote, reproduce, pay taxes, collect social security, and return home—goods cannot. And when people leave, their departure affects social relationships and the social fabric of a society—goods are incapable of such effects.

Consider the idea of “openness,” which is generally measured by a country's trade-to-gross domestic product (GDP) ratio. Let us take two countries with similar endowments and capital-to-labor ratios, where one exports labor-intensive products and the other exports labor. In the first case, the export earnings add above the line to the trade-to-GDP ratio, supposedly with many virtuous consequences. In the second, the worker sends remittances, which may be greater than the net foreign exchange earnings from his counterpart making and exporting shoes. He may also be exposed to a new world of ideas, changing both his expectations and

<sup>28</sup> Samuel Huntington, *Who Are We?* (2004).

<sup>29</sup> The term “soft power” was coined by Joseph Nye, *Soft Power: The Means to Success in World Politics* (New York: Public Affairs, 2004).

those of his family in the “home” country. Is a country with substantial trade, but with few citizens who move around the world, really more “open” in a broader (perhaps more intuitive) sense than a country where trade is more limited but whose citizens live and travel internationally, thus remitting foreign exchange and ideas to a much greater extent?

Indeed, the benefits of international trade accrue not just because of Ricardian comparative advantage and the benefits of competition but also through the flow of new products and technologies. If trade is the principal source of the diffusion of technologies embodied in “hardware”—i.e., new products, especially capital equipment—migration has historically been a critical mechanism for the transmission of ideas and practices. Historically, travel and migration have been the conveyer belts that transmit the more tacit elements of knowledge. For millennia, migration helped diffuse plant species and domesticated animals across the Eurasian landmass, and where this was not possible because of geographical barriers, the diffusion was much less.<sup>30</sup> In the last two millennia, travel helped diffuse transformative ideas and technologies as wide-ranging as the printing press, gunpowder, and the magnetic compass from China, the decimal system from India, and edible plant species such as tomato, potato, and corn from the Americas.

Travelers and sojourners in varying guises—pilgrims, explorers, diplomats, merchants, students, and exiles—have long been agents in the transmission of ideas.<sup>31</sup> Across religions and over space and time, pilgrimages have been more than simply scripturalist imperatives to perform religious rituals. They have played a key role in linking the spatial and the cultural, piety and identity.<sup>32</sup> The intellectual linkages between travel and knowledge are as old as the concepts themselves. The Arabic literary genre of *rihla* is comprised of books that recount travels, particularly those undertaken in the pursuit of knowledge. Comparing the travels of Rifa‘a Rafi‘ al-Tahtawi (a young man appointed *imam* for an Egyptian student mission to Paris in 1826) to Alexis de Tocqueville’s travels to the United States, Euben argues that while the two men differed in “background, genre, discipline, and reception,” they shared a stake in claiming the authority of pedagogical *theoria*, the notion that one may travel to faraway places “in search of political wisdom to bring home.”<sup>33</sup>

<sup>30</sup> Jared M. Diamond, *Guns, Germs, and Steel: The Fates of Human Societies* (New York: W. Norton & Company, 1997).

<sup>31</sup> Nayan Chanda, *Bound Together: How Traders, Preachers, Adventurers, and Warriors Shaped Globalization* (New Haven, CT: Yale University Press, 2007).

<sup>32</sup> Simon Coleman, *Pilgrimage: Past and Present in the World Religions* (Cambridge, MA: Harvard University Press, 1995).

<sup>33</sup> Roxanne L. Euben, *Journeys to the Other Shore: Muslim and Western Travelers in Search of Knowledge* (Princeton, NJ: Princeton University Press, 2006).

Historically, travel played an important role in the cognitive construction of India, especially in the case of pilgrimages.<sup>34</sup> Pilgrimage centers from antiquity continue to thrive, and the spatial patterns of Hindu sacred spaces and basic pilgrim circulatory routes have persisted over two millennia.<sup>35</sup> The pilgrimage sites gave Brahmin priests access to networks of travel and communication, further empowering them within Indian society. The empty spaces in the cultural map drawn up by Hindu pilgrimages, coinciding with its forested plateau regions in the center and east, were the sites of tribal regions—which India is still struggling to integrate. The long-term marginalization of these regions from India’s cultural migration routes also meant the economic and political marginalization of the inhabitants of these regions.

In the nineteenth century, a revolutionary mode of travel was introduced in India by the British. The building of the railways by the British was both a system of imperial control and a driving force in forming a conception of national space.<sup>36</sup> But by sharply increasing the possibilities of travel for Indians, it helped kindle a new cognitive imagination about their political community—and a nascent pan-Indian identity.

After India became independent, it created a large public sector. Although its performance as measured by conventional indicators (such as productivity or financial indicators) has arguably left much to be desired, a critical contribution of the public sector—particularly institutions associated with the central government—may have been its role in creating “Indians.” Government employees, whether in the armed forces, the bureaucracy, or public sector organizations like the railways, perforce had to physically move all over India. The spatial mobility of their children in their formative years diluted their parochial ethnic identities and created a more pan-Indian identity. The lack of congruence between the ethnic identity of the parents (from one part of India) with the region where their children grew up (in another part of India) meant that the identity that became more prominent in the repertoire of the next generation was “Indian.”

Yet while the cognitive effects of a spatial mobility that crosses political and cultural boundaries may be real and substantial, it is much harder to pin down why it occurs in some cases but not others. In 1952, two young men, Alberto Granado and Ernesto Guevara de la Serna, set out on an

<sup>34</sup> For an argument on these lines in the region now known as the state of Maharashtra, see Anne Feldhaus, *Connected Places: Region, Pilgrimage, and Geographical Imagination in India* (New York: Palgrave Macmillan, 2003).

<sup>35</sup> Surinder M. Bhardwaj, *Hindu Places of Pilgrimage in India* (Berkeley: University of California Press, 1973).

<sup>36</sup> Manu Goswami, *Producing India: From Colonial Economy to National Space* (Chicago: University of Chicago Press, 2004).

8000-kilometer motorcycle trip across much of Latin America. The latter wrote about his experiences during the course of that trip, but his journal was forgotten until it was rediscovered in 1993. By that time, the author had been dead for a quarter-century and “Che” Guevara’s iconic status assured that *The Motorcycle Diaries* would become a classic. It is clear that his long journey over the continent was a life-changing experience for the young medical doctor and that sojourns can serve as the crucible from which political understandings emerge. Yet there are difficulties in drawing any broad, generalizing conclusions: Was it the travels that changed Guevara or was the very fact that he was willing to undertake this arduous trip a signal that this was his nature from the start? Travel has often been seen as a metaphor for discovery and exploration. In Henry Miller’s words, “One’s destination is never a place but rather a new way of looking at things.”<sup>37</sup> But as Jawaharlal Nehru noted, this will only occur if “we seek them with our eyes open.”<sup>38</sup> And even if external exposure makes a difference, what type of exposure, and at what age, produces what change? To translate the question about Che Guevara into academic jargon: was there a selection effect at work, or a treatment effect? If this were a controlled experiment (which it clearly was not), the fact that his companion did not become a revolutionary simply underlines the conjoint nature of “travel” and “type.” In this case, two young friends set out: one, a biochemist, changed little; the other, a doctor, became a revolutionary. Surely the cognitive impacts (on Guevara) of traveling mattered more at a time when other sources of information were so meager. In an era awash with information, from print to visual to electronic, would the marginal impact be as dramatic?

The history of twentieth-century politics in much of what is known as the developing world is replete with examples of political leaders whose exposure to new perceptions in the course of their foreign sojourns sparked a political awakening that would alter the course of their own countries. From Nehru and Nkrumah to Lenin, Ho Chi Minh, and Deng Xiaoping to contemporary leaders like Karzai in Afghanistan and Allawi in Iraq, an extraordinary number of transformative figures have had direct and extensive personal foreign exposure. “Why do nations or democracies rely on the agency of foreignness at their vulnerable moments of (re)founding, at what cost, and for what purpose?” asks Bonnie Honig.<sup>39</sup> Her answer, that “the novelties of foreignness, the mysteries of strangeness,

<sup>37</sup> Miller, *Big Sur and the Oranges of Hieronymus Bosch* (New York: New Directions Publishing, 1957), 25.

<sup>38</sup> Jawaharlal Nehru, *Selected Works of Jawaharlal Nehru*, ed. Sarvepalli Gopal (New Delhi: Jawaharlal Nehru Memorial Fund, 1993), 211.

<sup>39</sup> Honig, *Democracy and the Foreigner* (Princeton, NJ: Princeton University Press, 2001).

the perspective of an outsider may represent the departure or disruption that is necessary for change,” points to the possible effects of living abroad—circulatory migration—even though the nature of the precise mechanisms may be hard to prove.

Furthermore, an inattention to migration also risks significant attribution problems as we discuss the forces behind a range of contemporary political phenomenon, from economic reforms to global governance. “Technopols”<sup>40</sup>—i.e., the often U.S.-trained returning economists—may well be more effective drivers of economic reforms in their source countries than the Bretton Woods institutions. In addition, in focusing on the visible strands of global governance—supplier networks, epistemic communities, network governance<sup>41</sup>—scholars have tended to neglect the informal diasporic networks that are a critical strand of transnational civil society.<sup>42</sup>

This book argues that an important explanation of the development successes or failures of low-income countries lies in the varying effects of international migration and diasporas. International flows of people are critically shaping a range of complex phenomena. The rapid growth of countries allowing dual-citizenship and financial remittances from emigrants are two manifest effects of the growing influence of diasporas. But when are diasporas likely to be more influential, and how does this influence affect the well-being of people in their country of origin? Is the dominance of skilled migration leaching out human capital in countries where it is already scarce (the oft-cited “brain drain”)? Or, paradoxically, does it have beneficial long-term effects, not merely because of transnational “networks” but also by creating increased incentives for people to seek education in order to secure greater expected returns from migration?

How do diasporas shape national identity? What are the effects of long-distance nationalism? Do diasporas amplify or attenuate cleavages in the country of origin—might they even fuel *intranational* conflict (as with the Sri Lankan Tamil diaspora and Sri Lanka)? And similarly, do diasporic networks tend to support more hard-line political parties in the country of origin, thus fueling *international* conflict as well (such as in Armenia, Croatia, and Eritria)? Or do they instead create conditions that provide a

<sup>40</sup> Jorge I. Domínguez, *Technopols: Freeing Politics and Markets in Latin America in the 1990s* (University Park, PA: Penn State Press, 1997).

<sup>41</sup> Anne-Marie Slaughter, *A New World Order* (Princeton, NJ: Princeton University Press, 2004).

<sup>42</sup> Recent scholarship addressing this lacuna includes Michael Smith and Matt Bakker, *Citizenship across Borders: The Political Transnationalism of El Migrante* (Ithaca, NY: Cornell University Press, 2008); Jonathan Fox and Xochitl Bada, “Migrant Organization and Hometown Impacts in Rural Mexico,” *Journal of Agrarian Change* 8, nos. 2 and 3 (2008): 435–61.

countervailing force to nationalism, as is the case with the extensive cross-border business investments that the Chinese diaspora has been constructing throughout Asia and increasingly in other regions of the world?

This study seeks to address these questions by focusing on the impact of international migration and the Indian diaspora on India. The past few decades have seen an upsurge of migration from India, both low skilled and skilled, first to the Gulf and more recently to North America. Until the 1980s, the Indian government's policies and the diaspora's attitudes reflected mutual apathy and even disdain. The Indian government did little to press for better treatment of the diaspora when it faced discrimination or expulsion (as in Uganda). Following independence, India's fears of the outside world were reflected in not only its policies toward international trade and foreign direct investment (FDI) but also an apathy bordering on resentment toward its more successful diaspora. In the 1990s, the transformation of the ideological climate in India and the success of the diaspora, especially in the United States, instilled much greater self-confidence in both, leading to a strengthening of bonds that have transformed relations between the two. In 2003, the Government of India (GOI) organized the first *Pravasi Bharatiya Divas* (Celebration of Overseas Indians), officially sealing India's recognition of its diaspora.<sup>43</sup> In 2005, the Citizenship Act of 1955 was amended to allow for registration of persons of Indian origin holding foreign citizenship as "Overseas Citizens of India" (OCIs). Whether and how this changes the diaspora's self-identity and relationship with India remains to be seen. However, given India's demographics and those of industrialized countries, international migration from India will continue to grow, as will the diaspora's reshaping of both India and its destination countries, lending these questions even greater import in the future.

The title of this book serves as a metaphor and mnemonic for how a key component of globalization—namely, international migration ("Diasporas")—has important consequences on the sending country: its impact on domestic politics ("Democracy") and on its economy ("Development").

## OUTLINE OF THE BOOK

### *Chapter 1. The Missing Leg of the Globalization Triad: International Migration*

In this chapter, I address why it is important to understand the complex effects of international migration on the country of origin. Why is

<sup>43</sup> Devesh Kapur, "The Indian Diaspora as a Strategic Asset," *Economic and Political Weekly* 38, no. 5 (2003): 445–48.

international migration, the missing leg of the globalization triad, again playing an important political and economic role in global affairs, one hundred years after its heyday in the late nineteenth century? What do we understand about flows of human capital and what stills remains poorly understood? What explains the increasing salience of diasporas to their countries of origin, especially in lower income countries? What are the implications of international migration and diasporas for the political economy of source countries and how we study them?

### *Chapter 2. Analytical Framework and Research Methodology*

In this chapter, I first present an analytical framework outlining four key channels through which international migration affects sending countries:

1. The *prospect channel* captures the way in which a prospect or an option of emigration affects the decision-making of households and whether they actually end up emigrating. The prospect of emigration affects decisions ranging from skill acquisition to the incentives for the exercise of voice to linguistic preferences.

2. The *absence channel* focuses on the effects on those left behind (TLBs) in the case when individuals actually leave; this channel clearly depends on the characteristics of those who leave. This is particularly important in a multiethnic society like India, where differential rates of emigration can alter its ethnic balance. The social and political implications in turn will depend on the structure of institutions and cleavages already present in society. The *absence* of workers will also have strong political economy consequences. The more emigrant selection is biased toward skilled workers, the greater will be its effects on skill premiums and fiscal losses with consequent increases in inequality. Most importantly, this might affect a country's capacity to build domestic institutions.

3. The *diaspora channel* speaks to the impact of emigrants on the country of origin from their new position abroad. Emigrants can be a source of augmented trade, investment, and financial flows, but also of new ideas, practices, and technologies to source country economies. Their transnational social capital may result in strengthening international civil society, manifest in diasporic philanthropy, or result in something very different: long-distance ethnic nationalism. The political effects of the former are likely to be more diffuse and long term. The latter, however, can have a more immediate political impact, whether in shaping the policies of the country of residence toward the country of origin or through the support of more extreme political groups in the country of origin.

4. Last, the *return channel* looks at how returning emigrants can affect the domestic political economy differently than if they had never left. In a narrow sense, they typically return with greater financial wealth, augmented human capital, and access to global networks. In a broader sense, overseas experiences change expectations as well as preferences.

The second part of this chapter lays out the research design. The analysis in the book relies on five unique data sets constructed specifically for this project:

1. The Survey of Emigration from India (SEI). This random survey of 210,000 households was conducted in fall 2003 in India and was designed to understand household migration preferences, migrant characteristics, and links with the country of origin.

2. A comprehensive database of the Asian Indian population in the United States (410,000 households), covering nearly three-fourths of this group residing in the country at the time.

3. The Survey of Asian Indians in the United States (SAIUS) conducted in spring 2004. This phone survey of 2200 households was based on a random sample drawn from the Asian Indian database. This survey was designed to understand migrant characteristics and the intensity and nature of links of the U.S.-based diaspora with India.

4. A database on Indian political, administrative, business, and scientific elites, designed to understand a different facet of “openness”—the degree of foreign exposure of a country’s elites is determined by measuring their foreign education and work experience. This data set was compiled from various individuals in *Who’s Who in India* over the last half-century as well as the backgrounds of all 5000-odd members of India’s elite Civil Service.

5. A survey of Indian diaspora nongovernment organizations (NGOs) in the United States to understand the scale and scope of diasporic philanthropy and the nature of transnational social capital.

### *Chapter 3. Selection Characteristics of Emigration from India*

A central feature of the analytical framework established in chapter 2 is that the consequences of migration depend on the characteristics of the migrant. In this chapter, I first give a brief historical overview of migration from India, drawing on historical analyses of the big wave of late-nineteenth-century migration as well as new evidence on post-independence migration. Subsequently, drawing from a variety of data sources—in particular, the aforementioned surveys—I examine the characteristics of contemporary international migrants from India (including age, gender,

education, occupation, religion, region, ethnicity, destination country, reasons for leaving, political beliefs, and socioeconomic group). Having established the characteristics of Indian emigrants, in subsequent chapters I analyze the consequences and causal mechanisms linking these characteristics to particular effects.

#### *Chapter 4. Economic Effects*

This chapter examines three mechanisms through which the economic effects of emigration and the Indian diaspora are most manifest: financial flows, global networks, and the diaspora's role as reputational intermediaries. I then analyze how these mechanisms shaped the success of India's information technology (IT) sector and the Indian diamond industry, while also affecting interregional and household inequality.

Financial remittances, which emerged as an important part of India's balance of payments (BOP) in the mid-1970s, constitute the diaspora's most visible economic contribution to India. By the late 1990s, remittances were about six times net capital transfers from international capital markets and official sources such as the World Bank, and by 2008 they exceeded \$50 billion, amounting about 4 percent of India's GDP. This is in contrast to the Chinese diaspora, which tends to invest directly in the country of origin through FDI. What explains the different portfolio mix of financial flows from the Indian diaspora compared to its Chinese counterpart?

This chapter first examines the multiple effects of financial remittances, ranging from increased consumption levels to provisions for social insurance, at both the household and national level, by mitigating the effects of external shocks. For instance, remittances enhanced the Indian state's ability to withstand sanctions imposed in the aftermath of its nuclear tests. Financial remittances have also had considerable distributional consequences, affecting income inequalities across states, social groups, and households. In the state of Kerala, remittances account for nearly a quarter of state net domestic product and appear to have had considerable policy incentive effects as well, by reducing pressures for policy change. Using survey data, I examine who receives remittances and the effects of remittances on inequality among communities and regions.

This chapter subsequently examines a second mechanism of economic impact: the role of diaspora networks. The extreme selectivity of recent Indian emigration and the success of migrants abroad transformed the "brain drain" into a "brain bank." Has this resulted in broader spillover effects for India? Under what conditions do diasporic networks act as reputational intermediaries and as credibility-enhancing mechanisms for

domestic Indian economic actors, and with what effects? I analyze these hypotheses by examining the cognitive impact of the Indian diaspora's success in Silicon Valley on global perceptions of India. By the 1990s, India's human-capital-rich diaspora, especially in the United States, emerged to become an international business asset for the country. Its success in Silicon Valley provided broader externalities, including improved perceptions of Indian technology businesses. As reputational intermediaries and as credibility-enhancing mechanisms, this diaspora favorably influenced global perceptions of India, reflecting the reputational spillover effects of succeeding in the most powerful country's leading technology sector.

In addition to information technology, Indian diasporic networks (mostly Gujarati Jains) have also played an important role in India's emergence as a world leader in the diamond industry. Through an ethnographic study of the Indian diamond merchants in Antwerp, Belgium, and their cutting and polishing plants in Gujarat, I demonstrate the critical role of the diaspora in building an industry that employs more than one million people and exports \$10 billion annually.

#### *Chapter 5. Social Remittances: Migration and the Flow of Ideas*

Building on earlier historical work on Italy<sup>44</sup> and more recently the Dominican Republic,<sup>45</sup> this chapter examines the subtle and dynamic effects of migration's "social remittances" on reshaping political understandings, expectations, and norms, particularly of national elites. I analyze this issue both through historical analysis and by drawing on a database I have developed on India's business, intellectual, political, and scientific elite over the past half-century that examines the extent and nature of these elites' overseas experience. I argue that the distinctively elite characteristics of modern Indian emigration have amplified these "social remittance" effects, both because of the diaspora's overseas success and their access to influential institutional channels to transmit these ideas. Consequently, Indian political leaders, both local and national, are paying more attention to the policy preferences of the Indian diaspora.

#### *Chapter 6. International Migration and the Paradox of India's Democracy*

Although most of the attention on the political effects of emigration is given to the diaspora's financial contributions to a range of political actors,

<sup>44</sup> Donna R. Gabaccia, *Italy's Many Diasporas* (Seattle: University of Washington Press, 2000).

<sup>45</sup> Peggy Levitt, "Social Remittances: Migration Driven Local-Level Forms of Cultural Diffusion," *International Migration Review* 32, no. 4 (winter 1998): 926–48.

be they political parties, reactionary social and religious groups, or separatist movements, a systematic empirical verification of this proposition is not feasible. I discuss long-distance nationalism in chapter 8 and argue that while its effects are undoubtedly important in specific regions and time periods, in the Indian case the diaspora has not had *systemic* effects. In contrast, in this chapter I argue that the selection characteristics of who leaves have had systemic implications for Indian democracy: in particular, it at least partially explains the paradox of the endurance of India's democracy despite overwhelming odds.

Indian emigrants are positively selected from the social and economic elite (whether measured by caste, class, or education and skills). This elite emigration has lubricated the political ascendancy of India's numerically dominant lower castes. The introduction of universal franchise in India following independence signaled the death-knell of the political hegemony of India's high castes. In recent decades, as the inexorable logic of numbers has reshaped the political landscape of India and lower and middle castes have gained a greater share of political power, they have sought to use this newfound access to redistribute economic resources. The vast social churning engendered by Indian democracy has led to hitherto socially marginalized groups coming into political power and challenging the entrenched political power of upper castes. The question was not *if* this would happen, but *when* and *at what cost*. No group gives up its privileges without a fight, and the "silent social revolution"<sup>46</sup> in India could have been much more contentious but for the possibility of exit open to India's elites—both to the private sector, and ultimately, outside the country.

In the 1950s, when higher castes in South India were squeezed out of government jobs and higher-education opportunities, they began migrating to other parts of India (often to central government jobs). Since the late 1960s, upper-caste elites began to exit first the public sector, moving increasingly to the private sector, and eventually the country. While the inevitable pressures of democratic politics forced the Indian elite to loosen their grip on political power, palatable exit options made it easier to relinquish their centuries-old privileges. In 1990, India was reeling in the aftermath of a policy decision by a minority government to sharply increase affirmative action in government jobs and education. A decade later, the issue had faded away so quietly that few could recall what the riots had been about. I argue that an important reason for this change was greater exit options for India's upper-caste elites. The exit possibilities inherent in international migration, whether for jobs or education, mitigated the

<sup>46</sup> Christopher Jaffrelot, *India's Silent Revolution: The Rise of the Lower Castes in North India* (New York: Columbia University Press, 2003).

economic insecurities of India's elites—thereby making them less implacably opposed to the political ascendancy of hitherto marginalized social groups. In turn, this has made Indian politics less contentious than it might otherwise have been in the absence of possibilities of exit for elites (and their progeny). It is in this contribution to the strengthening of India's democracy, even if inadvertent, that international migration may have had its strongest impact on India.

However, I argue that contrary to Albert G. Hirschman's famous formulation,<sup>47</sup> actual exit (and not simply the threat of exit) has not weakened in any significant way the political voice of India's upper castes. At the same time, the elite basis of Indian emigration has also had implications for the quality of Indian democracy. Exit has implied a reduced incentive to exercise voice, particularly for public goods such as health and education that have been the very basis for mobility of Indian elites (i.e., human capital). Thus, while international migration has allowed an exit mechanism that has created less contentious political space for lower castes, it has also maintained differences in material well-being among different social groups.

*Chapter 7. The Indian Diaspora and Indian Foreign Policy:  
Soft Power or Soft Underbelly?*

Whereas chapter 6 examines the domestic political consequences of migration, in this chapter I examine its external consequences—in particular, the impact on India's foreign policy. Based on the SEI survey, I examine the preferences of Indian elites regarding the future geographic location of their children in a globalizing world and how this may be reshaping their preferences in areas such as foreign policy. Although preferences are the cornerstone of explanations of state behavior, “scholarly attention to the sources of national or subnational interests—or, as we call them, preferences—is wrought with confusion.”<sup>48</sup> The survey is a novel method to understand how elite preferences in foreign policy might change and test the dominant theoretical approaches (strategic choice, cognitive, and constructivist theories) that seek to explain foreign policy preferences. I argue that the global family portfolios of Indian elites are affecting Indian foreign policy principally because the attention of elites is overly focused on countries where their children are located to the detriment of reduced attention paid to other parts of the world.

<sup>47</sup> Hirschman, *Exit, Voice and Loyalty: Responses to Decline in Firms, Organizations, and States* (Cambridge, MA: Harvard University Press, 1970), 76.

<sup>48</sup> Jeffrey Frieden “Actors and Preferences in International Relations,” in *Strategic Choice and International Relations*, eds. David A. Lake and Robert Powell (New Jersey: Princeton University Press, 1999).

*Chapter 8. Civil or Uncivil Transnational Society? The Janus Face of Long-Distance Nationalism*

Although transnationalism is in vogue, its Janus face presents a puzzle: under what conditions are diasporas a form of international social capital (with its implied positive virtues), and when do they represent a more contentious long-distance nationalism? To put it differently, are diasporas a form of “bridging” social capital that helps strengthen the matrix of international social capital? Or are they more prone to ethnic long-distance nationalism, supporting more extreme groups and political parties? These questions are important because if diasporas are a form of international social capital, they are likely to have, much like their national equivalent, beneficial effects on global governance.

This chapter examines the variance in the intensity and forms of long-distance nationalism, both in the case of Hindu nationalism as well as among some subnational groups. While the evidence that Indian Americans harbor prejudices against Muslims is compelling, the evidence that the Indian diaspora is a primary or even an important factor in fueling religious conflict in India is weak.

*Chapter 9. Spatially Unbound Nations*

This book contributes to our understanding of the political economy of development in several ways. First, it treads new ground by demonstrating the effects of a hitherto neglected facet of India’s engagement with the outside world—international migration—on the country’s political economy. Second, it adds to the comparative literature on the political economy of diasporas, offering insights into why the intensity and form of engagement between diasporas and the country of origin varies across countries and time. Third, it contributes to our understanding of how notions of what constitutes a political community are changing and, with it, the acceptance of dual citizenship in many countries. Last, the book contributes to the literature on globalization by helping us understand the role of migration and diasporas as both a key cause and consequence of globalization.