

Diaspora, Development, and Democracy: The Domestic Impact of International Migration from India. By Devesh Kapur. Princeton and Oxford: Princeton University Press, 2010. Pp. xv, 325. \$35.00. ISBN 978-0-691-12538-1.

JEL 2010-1232

As the subtitle of the book indicates, this is a study of how emigration from India has affected India. The coverage of the book is global as well as historical, although much of the focus is on the recent past and on Indian migrants to the United States. The book has a solid analytical framework, drawing on politics, economics, and sociology for its conceptual underpinnings, and it is rich in data, including a significant amount of innovative new empirical research. The breadth of literature that the author draws upon is impressive, and the writing is clear and accessible to a wide range of readers, despite its scholarly approach.

Kapur begins by framing his study as dealing with the relatively neglected third leg of globalization—international migration. Movements of goods (and services) and capital flows are the other two legs, of course. A significant contributor to this imbalance is the paucity of data on international migration, compared to what we know about movements of goods and capital. Within the area of international migration, research has been stronger on the impacts of immigration on a receiving country, rather than on sending countries. Again, data is inherently more difficult to come by, and the counterfactuals associated with absence rather than presence are trickier to formulate. Kapur argues that the economic, political, social, and cultural consequences of international migration imply a richer framework for thinking about globalization and related ideas such as “openness.” He asks, “Is a country with substantial trade, but with few citizens who move around the world, really more “open” in a broader . . . 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?” (p. 11).

As indicated, Kapur is interested in a wide range of impacts of international migration, and his analytical framework is therefore crucial for his presentation. Even with this framework, the

breadth of considerations that are dealt with in the book require concentrated attention. The author postulates four channels through which international migration affects sending countries: prospect, absence, diaspora, and return. The prospect channel addresses the ways in which prospects of emigration affect decisions such as human capital investment and the exercise of political voice. The absence channel looks at the economic, political, and social consequences for those who are left behind when others emigrate. The diaspora channel examines how migrants influence their home country, through impacts on flows of goods, capital, and ideas, and the resulting consequences of those flows. The return channel considers what happens when emigrants return to their home countries, with new resources, preferences, and networks.

Clearly, as the author notes and discusses, the four channels influence and interact with each other, possibly in complex and nonobvious ways. Their effects may overlap (e.g., both the diaspora and returnees may introduce similar ideas to their home country) and, with increasing mobility, even the definitional boundaries may erode (some successful Indian American entrepreneurs regularly move back and forth between the two countries). Nevertheless, the framework is conceptually useful, as well as serving as an organizing principle for the book.

The book is rich in empirical analysis that draws on five unique data sets that were constructed specifically for the project. The creation of these data sets in itself represents a monumental achievement. Two of the data sets are very large databases of households. One surveyed 210,000 households in India to understand migrant characteristics, household migration preferences, and migrant links with India. The second constructed a database of 410,000 Indian American households. The third data set was based on conducting a survey of 2,200 households from the latter database. The fourth data set used existing information from sources such as *Who's Who in India* to create a database of India's political, administrative, business, and scientific elites. The final data set was a survey of Indian diaspora non-governmental organizations. Several appendices describe the data and data collection systematically and in detail.

The data are used to provide new insights and understandings, as well to sharpen or quantify findings from previous work. Chapter 3 provides rich data on the selection characteristics of emigration from India. In contrast to the late-nineteenth century, more recent migration has been skewed toward richer and more educated socioeconomic groups, and from more prosperous parts of India. With the exception of a large migration to the Middle East, recent migration has been to industrialized countries.

Chapter 4 documents four main economic impacts of emigration from India on India. First, it argues that the diaspora has played a significant catalytic role in the development of India's information technology and diamond cutting sectors. This conclusion draws on the author's survey of Indian Americans, as well as others' case studies, and identifies reputational and network effects as channels of influence. Second, the Indian diaspora has been an important source of foreign exchange for India for several decades now, and Kapur documents this trend, as well as bringing out his third conclusion, that remittances have been concentrated in faster growing southern and western states of India, possibly amplifying interstate inequalities. Fourth, Kapur argues that emigration's diaspora channel has reinforced the skill- and capital-intensive nature of Indian growth. The chapter also discusses conventional brain-drain effects, as well as effects on human capital investment through the prospect channel.

More novel influences of migration are explored in chapter 5, which mainly uses the database on elites, as well as qualitative analysis, to examine flows of ideas, and their impacts through the diaspora and return channels. Kapur documents the foreign educational experiences of different segments of India's elite and then uses several individual examples, ranging from the generation of leaders that won independence from the British to the modern technocrats who have overseen economic reforms in the last two decades, to argue that international migration has been an important mechanism for "the diffusion of ideas that have shaped India's institutions and policies."

Chapter 6 presents another novel and, in this case, provocative, argument. The author notes the

paradox or exceptionalism of India's democracy. Theories of democracy would have suggested that India was not fertile ground for a democratic system to grow and flourish, but it has, despite imperfections and challenges. Kapur argues that elite "exit" has allowed numerically larger, but previously marginalized groups in Indian society to gain political and economic power without provoking levels of conflict that would have led to breakdown of the political system. Alternative explanations are considered and found wanting, and Kapur's story in this chapter seems to be particularly interesting and valuable. He also makes the more general point that Hirschman's classic formulation, in which exit accompanies a loss of political voice, may not be an adequate description of possibilities in the modern world. India's diasporic elite has amplified its influence at home through its economic success abroad. Kapur closes the chapter by reiterating the importance of studying the mobility of human capital as well as financial capital.

The theme of flows of ideas and resulting influence on policies, treated broadly in chapter 5, is reprised in chapter 7 in the context of Indian foreign policy. The author examines the Indian diaspora as an instrument of "soft power" (Joseph S. Nye 2004), particularly with respect to Indo-U.S. relations. The theme of elite network ties across borders, from chapter 6, is also woven into the analysis. Other issues that are discussed in the chapter are separatism and ultranationalism among the Indian diaspora. This last issue is the subject of an innovative empirical analysis in chapter 8. Using a technique introduced by James H. Kuklinski, Michael D. Cobb, and Martin Gilens (1997), the survey of Indian Americans was able to infer levels of prejudice among different regional and religious groups within the Indian diaspora in the United States. A battery of statistical tests was used to show that prejudice against Muslims (the focus of the analysis) exists, but its pattern does not match the regional pattern of anti-Muslim violence in India. Hence, simple chains of causality from diasporic activities abroad to religious violence at home are not supported by the data on attitudes collected in the survey. The survey also examined attitudes toward affirmative action and nuclear policy, documenting how these varied with the

characteristics of the respondents. Finally, an analysis of separate data on diaspora philanthropy is included in this chapter, and finds that money flows have been relatively insignificant in contributing to ethnic violence in India, buttressing the point made with respect to prejudices among the diaspora.

The book's final chapter provides a lucid summary of the findings of various components of the study, organized by economic effects and political effects. Remittances, flows of ideas, and reduced pressure on some labor markets have helped. On the other hand, brain drain effects, not just in specific skills and professions, but perhaps even more so in the withering of India's higher education system, have been a strong negative. On political effects of migration from India, the author is more sanguine, based on the flow of ideas and reduced pressure on political competition for power and resources. He finds that the negative impacts of the diaspora on domestic ethnic or religious conflict are likely not as great as sometimes feared.

The chapter goes on to consider changing policies of the Indian government with respect to its diaspora, and then more broadly to changing conceptions of citizenship. In India's case, the resurgence of an idea of citizenship based on ethnicity rather than territorial residence is, in a sense, a recovery of an older form of group identity, one that much predates the modern nation state. The challenges faced by Europe and the United States in reconfiguring the norms of citizenship in the face of much greater ethnic, cultural, and religious diversity than in the past, mirror the issues raised by Kapur in this book. While much of the specific study pertains to recent Indian emigration to the United States, the book also contains rich historical material, data and information about Indian migration to other places (especially the Middle East), and comparisons to other migrations and migrant populations. At a higher level, therefore, the book provides general insights into a sorely neglected facet of globalization. To the extent that people, knowledge, and ideas matter above all else, the global flows of goods and money have to be understood in the context of international mobility and migration of people. This book is a valuable research contribution, both

for its findings and for its setting of a research agenda for future work.

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Emerging Markets: Resilience and Growth amid Global Turmoil. By M. Ayhan Kose and Eswar S. Prasad. Washington, D.C.: Brookings Institution Press, 2010. Pp. xiv, 205. \$26.95, paper. ISBN 978-0-8157-0564-2.

JEL 2011-0092

Globalization has woven tight linkages between emerging market and developed economies over the last two decades. Understanding how these linkages have shaped the characteristics of the macroeconomic fluctuations of emerging market and developed countries is of interest to academic research and important for policy formation. Existing theoretical studies offer ambiguous predictions about how globalization should affect output fluctuations in each country group and the synchronization of business cycles across them. Predictions also depend on the level of development, the nature of shocks, the degree of market frictions and the pattern of specialization. Instead of relying on the subtleties of theory, Kose and Prasad focus on the data.

The book offers an in-depth empirical analysis of globalization and synchronization of business cycles between emerging and developed economies. For this purpose, the authors construct a comprehensive dataset that includes many macroeconomic and financial variables for twenty-three advanced economies, twenty-four emerging markets, and fifty-nine low-income countries. The dataset covers the years from 1960 to 2009 and includes the recent global financial crisis. The main message of the book is that greater trade and financial integration of emerging market economies has not translated into greater synchronization of their real economic fluctuations with developed countries. Specifically, the empirical evidence suggests a convergence in