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***Why has the Indian Diaspora been shunned by successive
Indian governments?***

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I. Introduction

“Few of these overseas Indians wish to return to their country of origin because the financial and professional inducements of their host countries are generally stronger than the emotional attachments to the motherland.”¹

In an analysis about overseas Indians in Fiji, Ramesh Thakur claims that emotional attachments with the Indian motherland have vanished due to the economic opportunities in the host countries. From the Diaspora point of view, we can identify two important factors here, which could explain why the Indian Diaspora was shunned after India’s independence from successive Indian Governments: a change in identity and different economic objectives.

The main thesis in this paper is that Nehru, India’s undisputed leader in its early years, had crucial influence on India’s development and set up the guidelines for his successors on how to deal with the large overseas population. So, I will try to explore whether his policies were continued thereafter.

In view of this, I will approach the question, why successive Indian governments have shunned the Indian Diaspora from independence onwards, from three different angles, each with a strong theoretical framework. After showing that a so-called “Indian identity” could arise with the creation of Indian nationalism, I will discuss how it has changed after India’s independence. The second approach will be Nehru’s ideological foreign policy, which prevented India from interfering in matters “which were not of its concern”, i.e. the fate of the Diaspora. The third side will be the economic strategy India has chosen to promote development, which excluded the Diaspora from any participation. These issues will thereafter be covered in light of Nehru’s successors.

I do not see any necessity to talk in extent about Governments from PV Narashima Rao onwards. The rise in Foreign Direct Investment after the 1991 liberalization policies is an indicator that the Diaspora was not any more shunned by those governments.

¹ Thakur (1985), p. 357.

In my eyes, it is extremely important first to discuss the issue of identity, because it has been neglected in political science approaches despite its substantial relevance. And we will see that the three parts seem to be distinct at the first instance, but throughout this paper one can discover that they will build a complex entity, which helps to explain the policies of the Indian Government.

II. Is there something like a mutual Indian identity?

What is an Indian identity? How could such a collective Indian identity be created in a country, which shelters so many diverse cultures? Isn't identity something, which refers to each individual?

A collective identity does not necessarily have to be a contradiction to the individual identities of every society. We should understand collective identity not as the sum of all identities but as the least common denominator of all identities. What is the least common denominator of all identities in the Indian society?

Referring to this question, the phenomenon of Indian nationalism can help to explain how India could create a collective identity. The traditional Indian society was based on community life. This decentralized concept of society implies that social interaction took place within each community,² which developed its own identity. Hence, we should note that prior to the British rule, identity was created in each community. The unfeasibility of communicating between all communities made it impossible to create an identity for India as a whole.

The British Raj therefore had to develop a structure within the fragmented Indian society in order to espouse its claim of authority. They had to create a public sphere from which they could impose their power. From then on, India was governed by a strong

² See Kaviraj (1997), p. 147.

centralized, technologically effective apparatus,³ which consequently linked the different Indian communities. The colonialists had laid the foundation on which a collective Indian identity could be created. The constructed publicity facilitated the formation of Indian nationalism, which gathered the mutual desire of a majority of Indians to achieve independence from the British Empire.

How is the phenomenon of Indian nationalism related to the Indian Diaspora? The new public sphere enabled a communication link between all Indians, which indeed went beyond India, because many Indians were forced by the British rulers to leave India for economic reasons. Nationalism and the fight against the British took place in other parts of the British Empire with the involvement of the Diaspora.⁴ The Indian collective identity can therefore also be applied to its Diaspora, because Indians in India and abroad were unified through Indian nationalism.

However, after accomplishing independence, it seems obvious that the identity of Indians at home and Indians abroad developed differently. They had no common enemy to fight against any more. In India, there was the urgent need to design a post-colonial society. The Diaspora meanwhile faced its own problems. Were Indians abroad no longer compatible with modern India? Is this one reason why India did not want its Diaspora to take part in the creation of a new modern India?

III. India's early years under Nehru

The early years of Indian independence were very crucial for its further development. India's first Prime Minister Nehru, who can be considered as India's undisputed leader in the early years, provided the guidelines for India's future. He started to implement a strong state as the basis for a modern India.

³ See Kaviraj (1997), p. 148.

⁴ See Lall (2001), p. 207.

A. The development of Indian identity under Nehru

Nehru's policy approach had a profound influence on the Indian society. Within the Indian borders, dynamic changes of society could be witnessed. At the same time, there was the ultimate need to support the formation of a new uniform identity to face the problems newborn India had in its early years.⁵

The rapid and dynamic changes in identity and hence society were central for India's future. Thus, postcolonial India's objective was to solve the identity problem within the Indian borders. The destiny and the problems of its overseas community were not its main concern.⁶

Obviously, since Nehru hardly showed any concerns for Indians overseas,⁷ there was no direct impact of Nehru's policy on Indians outside of India's borders, who had the own need to define themselves within a foreign environment. Some traditions unified the isolated Indian Diaspora, because emigrants leave a part of their identity in their home country once they leave.⁸ The Indian Diaspora distinguished itself from the Indians "at home", because they were not affected by the changes in India.

While years passed, as India transformed and its society adapted to the changes, the differences between India and its Diaspora enlarged. The Diaspora grew in number, but not only through new migration. Today, it consists of many so-called second generation Indians. Doubtlessly influenced by the cultural heritage of their parents, growing up in a "strange" environment contributes to the confused identity. Radhakrishnan raises the question about the relation of ethnic and national identity. He brings it to the point by saying that although Diaspora communities can be traditional societies, it is wrong to say that the second generation grows up in a little India.⁹ Due to the different channels of cultural inputs they

⁵ See Parekh (1999), p. 58.

⁶ See Ray (1993), p. 270.

⁷ See Ray (1993), p. 270.

⁸ See Ray (1993), p. 269.

⁹ See Radhakrishnan (2003), pp. 120-123.

constantly experience, their identity becomes more and more diverse, which makes it difficult to solely be identified with people in India. Sometimes, the second generation receives the local passport at birth (*ius soli*), which is no longer attached to their ethnic identity. Indeed, Indians in India were afraid that the Diaspora could have too much influence and dominate and corrupt the Indian culture,¹⁰ which partly explains why India did not reestablish the relationship to its Diaspora.

To sum it up: Indian nationalism was a unifying force for all Indians during the colonization period. The mutual struggle against colonial rule helped to create an Indian identity. After India gained independence, the Indians in India and Indians overseas had different problems to tackle. Nehru's policy neglected the needs of the Indian Diaspora. He indeed argued that an Indian identity could only emerge from within India's territory.¹¹

Next, I will talk about some aspects of Nehru's foreign policy. The question about dual-citizenship will be mentioned, because it is closely related to the question of identity.

B. Some aspects of Nehru's foreign policy

On 15 August 1947, India emerged as an independent state and gained sovereignty over its people and its territory. All Persons of Indian Origin (PIO) have thus far been British subjects.

After independence, another distinction happened. Indians inside India gained an independent government, which has the authority to arrange the right of the Indian citizenship, whereas the Indians overseas continued living in British colonies and hence were still British subjects and legally not subordinated under the effective power of the Republic of India. Now, it was upon India to regulate whether to integrate the Diaspora or not in terms of the citizenship. In other words, the Indian government had to decide whether PIOs were allowed to acquire an Indian passport or even to have dual-citizenship.

¹⁰ See Lall (2001), p. 167.

¹¹ See Khilnani, The Idea of India, as quoted in: Lall (2001), p. 211.

I have to reiterate the importance of this point regarding the earlier discussed issue of identity. A passport has a profound influence of the identity of each person. It allocates to what community one legally belongs to and sets up a legal framework for each individual. In other words, having an Indian passport can convince Indians overseas that they have not abandoned their ethnic roots and are allowed to participate in the development of post-colonial India. Giving up the Indian citizenship means that one has legally become part of another nation, but it does not change the matter of fact that one has other ethnic descents.¹² Here we see that tension between the ethnic origin and national status can severely influence identity.

Which possibilities did the Diaspora have? To simplify, we can identify three options for the Diaspora. They could either acquire the (1) British citizenship¹³, the (2) Indian citizenship or (3) the citizenship of the country they were residing in. We shall only discuss points (2) and (3).

The guiding principles for acquiring the Indian citizenship are stated in the Constitution of India (COI). The systematic interpretation of *Article 5, 8 and Article 9 COI* shows some ambiguity towards the legality of dual-citizenship.¹⁴ But in accordance with *Article 11 COI*, the Indian Parliament passed the *Citizenship Act of 1955*. Section 8 explicitly states that Indians are not entitled to dual citizenship. What did this mean for overseas Indians?

According to the *British Nationality Act of 1948*, the Diaspora had the choice of which country to be a citizen of. In other words, a large part of the Diaspora had to decide either “for or against” India. What were the recommendations of newborn India for the Diaspora community?

¹² See also Thakur (1985), p. 356. He describes this argument at the example of ethnic Indians, who are now citizens of the Fiji Islands.

¹³ Until 1962.

¹⁴ See Master, Singhvi et al. (1970), pp. 8-19.

After the Indian independence, Nehru's foreign policy consisted in large parts of anti-imperialist and non-interference policies. His politics were additionally expressed through his belief in non-alignment, which indicates his neutrality towards the Cold War. He wanted to support the anti-colonial struggle in other colonies without interfering in internal matters. Hence, he recommended overseas Indians to acquire the local citizenship and work towards independence and a better future at their actual domicile from inside the country.¹⁵

Representing Diaspora interests through a strong Diaspora policy implies that there is interference in local policy. Nehru was caught in a dilemma, because on the one hand he realized that Indians abroad had problems and needed help, but in regard to his anti-imperialist stand he did not want to get involved in the fate of the Indian Diaspora. So, in the beginning, his "response was ambivalent since he was involved in the concerns of overseas Indians but did not want to infringe upon the sensitivities and sovereignties of other countries"¹⁶.

Reviewing this citation, Thakur points out that for Nehru it was important not to vitiate the sovereignty of other states. This policy was even enforced in the following years of Indian independence. In his address to the Lok Sabha, he said that India was interested in the destiny of its Diaspora, because they share a mutual history with India. But he clarified that Indians overseas had previously been given the option to either vote for the Indian or another citizenship. Once they opted for the latter, then "we have no concern with them, [... because] politically they cease to be Indians"¹⁷.

This is evidence that Nehru considered the issues of those Indians overseas, who had decided to naturalize to other countries, thus were no longer the concern of India. But what is with Indians who actually retained the Indian citizenship and were legal aliens abroad?

¹⁵ See Lall (2001), pp. 89f.

¹⁶ Thakur (1985), p. 357.

¹⁷ See Nehru (1961), pp. 128-130. Citation on p. 130.

Nehru expected from every Indian settler, no matter if Indian national or not, to adapt to the country they live in and respect the local environment there. So, he refused to assist them, regardless of the issue. He said: “If you cannot be, and if you are not, friendly to the people of that country, come back to India and not spoil the fair name of India”.¹⁸ In other words, he kept the door open for expatriate Indians to come back to India but rejected to intervene in their concerns.

I have tried to show that Nehru had a very determined anti-imperialist stand. He recommended the Indian overseas community to accept the citizenship of the country they lived in and to assist the decolonization process. At the same time, he considered Diaspora issues to be no longer the concern of India. The citizenship issue shows that Indians abroad had to make a basic decision to which community they wanted to belong to. But he expected all expatriate Indians to assimilate or to return. Additionally, Nehru did not want to question the sovereignty of other countries, thus he decided not assist the Diaspora.

In the next step, I want to introduce India’s economic policy in the early years of independence and try to explore whether it provides an additional reason why the Diaspora could not participate in the creation of postcolonial India. Keeping in mind that a big part of the Indian Diaspora is quite successful abroad, their noninvolvement, for whatsoever reasons, seems obscure.

¹⁸ Nehru (1961), p. 131. We have to keep in mind that this is not relevant to South Africa, where the Indian minority was one of the victims of apartheid. Here, India reacted with its unilateral sanctions towards South Africa, and Nehru implicitly relied on the United Nations to take appropriate steps (p. 130).

C. Nehru's policy of economic development

We should start this chapter with some present facts before turning back to Nehru and asking critically: What went wrong?

According to Lall, 80 % of the Foreign Direct Investment (FDI) in China comes from its Diaspora. In contemporary India, the Indian Diaspora has a 7-8 % share in FDI.¹⁹ Compared to China, this is ridiculous. To add up, before 1991, the FDI of the Indian Diaspora was almost zero.²⁰ Was the Indian Diaspora not interested in investing in India? Underlining the huge potential of the Indian market, this seems unlikely. Or was India rather not interested in the involvement its Diaspora?

I want to make a few sentences about economic theory before I refer to India. In the postcolonial era, developing countries had to enhance their industrial performance in order to attain economic growth. Their industrial strategies were mainly divided into two categories: import substitution (ISI) and export promotion.²¹ Countries pursuing an ISI strategy want to protect their domestic industry by imposing tariffs on imports, so that it can develop without being exposed to too much competition. Hence, ISI countries are rather inward oriented in terms of their economic policy, because not too many commodities enter the local market.

India's policy resembles strongly the ISI strategy. It is a well-known example for a country willing to achieve self-sufficiency by strengthening its own state-owned industry through ISI and capital-intensive investment.²² India additionally was rather export-pessimistic.²³ Hence, if we recall India's aversion towards imports, we can conclude that its economy was rather isolated from the world market.

¹⁹ See Lall (2001), pp. 212f.

²⁰ See Lall (2001), p. 211.

²¹ See Krueger (1980), p. 288.

²² As an example, I want to give the huge investment and growth of the steel sector under Nehru's auspices.

²³ See Lewis (1991), p. 379.

But Bhagwati emphasizes that India's economic planning efforts were well perceived among economists.²⁴ Even politicians like Subhash Chandra Bose had applauded earlier to the ideas of redistributing wealth in India through industrialization and making India self-sufficient.²⁵ India's economic policy in the beginnings resembles socialism. But all in all, it is wrong to say that India was a Soviet like socialist state, because there were different perceptions of socialism.²⁶ Lall summarizes Nehru's policy as "a Soviet style economy with western policy"²⁷. In large parts of the literature, this anti-imperialist policy consisting of strong state-owned industry and economic planning is called "Nehru socialism". What was the Diaspora's role in Nehru socialism? Did they play any role in any of the "Five year plans"?

Since the Indian economy was rather isolated, it did not really attract capital from outside. A possible and effective participation of the Diaspora, as we see in the recent times, would have been FDI. Indeed, India's potential made it to be an attractive market, but only theoretically. The barriers and inwardness of the Indian economy, as suggested by Nehru in order to stimulate economic performance, were rather counter-productive to any involvement from outside, i.e. the Diaspora. So, India's hostile position to FDI was one of the reasons why the Diaspora was not considered as a force to assist India's development.²⁸

In the section before, I showed that Nehru did not like to interfere in the politics of other countries. Here, it has been shown that at the same time he expected no interference from outside in matters, which were of India's concern, i.e. the "Indian way of economic development". Since he ideologically did not see the Diaspora as a part of the Indian entity due to the divergences in identity, he considered any participation in the Indian market through FDI as undesirable involvement.

²⁴ See Bhagwati (1993), p. 7.

²⁵ See Chakrabarty (1992), pp. 279f.

²⁶ See Overstreet (1958), pp. 193f.

²⁷ Lall (2001), p. 89.

²⁸ See also Jayasuriya and Weerakoon (2002), p. 376.

Nehru set the guiding principles for India's development. But what happened after Nehru? We shall explore this at the example of Indira Gandhi and Rajiv Gandhi.

IV. Successive governments of Nehru

A. Indira Gandhi

Did Indira Gandhi enforce Nehru's policies and further exclude the Diaspora? Or did she take different approaches?

“By the mid-1950s, India's stature had begun to decline and 1962 was a low point in India's international prestige. With Indira Gandhi, India reemerged on the South-Asian strategic stage in the 1970s: and Indira Gandhi's India revealed its ability and willingness to grasp the opportunities of power politics in a regional context and in a way which distanced India from Nehru's globalism and faith in the friendship of neighbors and great powers.”²⁹

Kapur distinguishes the policies of Nehru and Indira Gandhi. We can call Nehru's policies rather idealistic, while we can determine a return to realpolitik under Indira Gandhi.

During the short period of Indira's predecessor Lal Bahadur Shastri from 1964-66, India and Pakistan fought their second war, which affected Indira Gandhi's strategy. What was already implied during the 1962 war against China was now confirmed. India could no longer rely on the Soviet Union in terms of its National Defense.³⁰ Indira Gandhi continued at the point where Shastri had stopped: to enhance the position of India, in political and military means. National Security was very high on her agenda. She demonstrated India's ambition to be a hegemonic power in South Asia in supporting the secession of Bangladesh 1972 and forcing the Pakistani military to surrender. With the “peaceful explosion” of a nuclear bomb in Pokhran 1974, India's nuclear capability was finally confirmed. Not only was India's nuclear potential ascertained, it was also proved that India was ready to combat any threat from its enemies on its own.

²⁹ Kapur (1987), pp. 184f.

³⁰ See also Kapur (1987), pp. 180f.

Indira Gandhi's aspirations were to make India into a regional power. Since colonialism was declining, her main concerns mainly consisted of India's position in South Asia. Thus, her foreign policy was not really directed towards the Diaspora. To express it clearly, there were more important things for her in the world.

Additionally, socialist policies resurged under Indira Gandhi. She wanted to implement a welfare state, in other words an egalitarian socialist society, which took care of the people within India in accordance with the Indian Constitution.³¹ This implies a prolongation of Nehru's policy and even an enforcement of socialism within India. In general, she wanted core industries to be state-owned. So, to give an example, she nationalized the coal industry.

The nationalization of 14 Banks is another good example for her intended strength of the public sector.³² On 19 July 1969, she addressed the nation and gave reasons for this decision. She highlighted the 1954 decision of the Indian Parliament to pursue a socialist pattern of policy for the sake of India and pointed out that institutions like banks have to follow social patterns, which is most possible once banks are publicly owned.³³

Parallel to her enforcement of socialist policies, she was reluctant towards private sector involvement, which is a potential field the Indian Diaspora could have participated in. She addressed private businessmen several times. On the one hand she tried to ensure that the Government of India was ready to assist their demands, but on the other hand she clearly stated that there is a need of intervention as long as poverty remains a major concern in India.³⁴ Very particular, she stated that it is India's ambition to keep the need of foreign

³¹ See Jawaid (1985), pp.189f.

³² In 1980, even six more banks were nationalized.

³³ See Gandhi (1975), pp. 62-64. See also her address in Parliament (pp.65-73), which consists of the same arguments.

³⁴ Her faith in socialism can be best displayed with the following quote from her speech at the All India Congress Committee on 31 December 1975: "So long as I live no power on earth could take the country away from its chosen path of socialism because socialism was the only way to abolish poverty". As quoted in: Gandhi and Nigam (1984), p. 73.

exchange marginal,³⁵ which indicates her unwillingness in creating an economic model with reliance on FDI.

Socialist policies increased under Indira Gandhi. She justified her policy by saying that state intervention will warrant the needs of the Indian population. Her strong leadership and willingness to control India's destiny prevented the Diaspora from any involvement in India's development. Indeed, the Diaspora was no serious issue for her.

We should now turn to the Rajiv Gandhi administration and briefly to his followers. Did Rajiv Gandhi continue the Nehru-Gandhi tradition of shunning the Diaspora?

B. Rajiv Gandhi and thereafter

Rajiv Gandhi's policy basically continued where Indira Gandhi had stopped, as Gupta analyzes.³⁶ We should concisely bring up some aspects of his foreign policy.

Rajiv Gandhi, like his mother Indira, focused on regional policy. But unlike her, he emphasized on regional cooperation and good relations with India's neighbors.³⁷ He played a leading role in the foundation of the South Asian Association for Regional Cooperation (SAARC).³⁸ There is a slight paradigm shift in his regional policy, which remained his main concern. Large Indian overseas communities did not find any eminent role within his foreign policy.

But under Rajiv Gandhi's aegis, very important changes in India's economic policy happened. He influenced India's *Seventh Five Year Plan* to be an agenda to prepare India for the 21st Century, evidence for economic long-term planning.³⁹ His image of being a

³⁵ See Indira Gandhi's address at the annual session of the Federation of Indian Chambers of Commerce and Industry, in: Gandhi (1975), pp. 50-57. See p. 54 for her statement on foreign exchange.

³⁶ See Gupta (1987), p. 211.

³⁷ See Gupta (1987), p. 11.

³⁸ See also Gupta (1987), p. 230. The section on regionalism (pp. 230-3) gives a good introduction about Rajiv Gandhi's effort to strengthen regional cooperation.

³⁹ See Venkateswaran and Mithani (1989), p. 34.

“technocrat” proved to be valid with his approach to improving education and supporting scientific research and development.⁴⁰

To support these vital major investments, a new trade policy evolved with a shift towards export promotion. The Committee on Trade Policies’ report said: “India has attempted to sell what it produces but has not attempted to produce what it can sell on world markets”⁴¹. The first year of Rajiv Gandhi’s Government was not successful, because such crucial shifts in economic policy demand huge investment,⁴² and the effects are retarded. Since this step implies not only a bigger outward orientation, but also integration into global economy, the acquisition of Foreign Capital through FDI fitted perfectly in the policy.⁴³ So, who could one address?

The tremendous potential of the Indian market cannot be denied and is an attractive place to invest. Inevitably, the Diaspora is a powerful force with an attractive amount of capital. The expression NRI arose and became popular. Recalling the section on identity, we could argue that meanwhile the identity of the Diaspora, now consisting of a big second generation, had altered and lost its contacts to India. But family bonds between the Diaspora and their relatives in India have proved to be maintained over years.⁴⁴ This implies that to a certain level an “Indian identity” within the Diaspora has persisted. India under Rajiv Gandhi had put efforts to spread its wings, to integrate into global economy and to reestablish its contacts to “its rather rich Diaspora”⁴⁵ in order to gain a source for FDI,⁴⁶ which was easier to access due to the existing connections and corresponding similarities in identity with India.

⁴⁰ See Venkateswaran and Mithani (1989), pp. 30-1, 28, respectively.

⁴¹ Committee on Trade Report, as quoted in Venkateswaran and Mithani (1989), p. 89.

⁴² See also Narain and Dutta (1987), p. 187f.

⁴³ See also Iqbal (1998), p. 5, who talks about FDI being a means to transform the economy towards export-led growth.

⁴⁴ See Lall (2001), p. 206.

⁴⁵ Lall (2001), p. 206. Venkateswaran and Mithani (1989), p. 99, point out that the NRIs, about ten million in numbers, found more awareness from Rajiv Gandhi. Just to contrast the number, Ramesh Thakur (1985), p. 357, takes reference to Hugh Tinker and talks about only five million.

⁴⁶ See Venkateswaran and Mithani (1989), p. 106. They say that the NRIs indeed could be a source for the huge investment.

Within the Ministry of Finance, even a “Special Cell”, dealing with the Diaspora investment, was created in 1986.⁴⁷

The successive governments after Rajiv Gandhi’s assassination could build on his new economic model. After the Indian economy almost collapsed in 1991, Prime Minister PV Narashima Rao and his Finance Minister Dr. Manmohan Singh speeded up the reforms and liberalized the Indian economy. FDI from the Diaspora was very welcome, although bureaucracy was still a burden and a reason why the figures did not accelerate. It will be the task for every government in future to facilitate the participation of the Diaspora. FDI by the Diaspora is an indicator for a dynamic relation between them and the Indian Government. Since Rajiv Gandhi was Prime Minister, FDI was no longer abandoned. Hence, it is difficult to prove that Rao shunned India’s Diaspora.

Current figures show that there has been a sudden drop in FDI, especially from the NRI.⁴⁸ Inevitably, one cannot give any monocausal explanations, because it would be a fiasco for the BJP to turn back the politics of liberalism and economic integration of the predecessor governments, because nonetheless it will be also assessed on its economic performance. Indeed, the BJP has realized the importance of FDI.⁴⁹ But the BJP would rather prefer the Diaspora to be involved in FDI than any other foreign institutions. Thus, I would not say that the BJP shuns the Diaspora. If they did, they would lose one of their bases, because it is large parts of the Hindu Diaspora who supports organizations like the VHP and RSS, which are closely connected to the BJP financially.⁵⁰

⁴⁷ See Venkateswaran and Mithani (1989), p. 102.

⁴⁸ See the Reserve Bank of India Bulletin, November 2003. Online at: <http://www.rbi.org.in/index.dll/40374?OpenStoryTextArea?fromdate=09/05/98&todate=11/13/03&s1secid=80&s2secid=0&secid=2/80/0&archivemode=2> [last accessed 11 December 2003].

⁴⁹ See Lall (2001), pp. 195f.

⁵⁰ See also the interview with Ashutosh Varshney on the Indian Internet portal rediff.com, who blames the rich Gujrati Diaspora for the rise of the BJP and nationalist ideologies: <http://www.rediff.com/news/2002/apr/23inter.htm> [last accessed 12 December 2003]. To have an idea about the support for the BJP from overseas, see the Webpage of the “Oversea Friends of the BJP”: <http://www.ofbjp.org/> [last accessed 12 December 2003].

Thus, I want to finish this analysis at this point, because from Rajiv Gandhi onwards, the Diaspora was not really shunned.

V. Conclusion

The relation of the Indian Government with its Diaspora is not a reciprocal one. During the fight against colonial rule, Indians at home and abroad created a mutual identity and fought together for the same goal, namely independence. Once India became independent, the relations changed crucially. Nehru, who set the guidelines for the next decades, was first concerned about the development within India. He wanted the Diaspora in colonial regions to assist the anti-colonial struggle. After independence of the colonies, he showed sympathy for the Diaspora, but did not want to interfere in other countries' internal affairs. Hence, he was not ready to assist the Diaspora towards a solution of their problems. He wanted them to assimilate to their environment of choice, which shows that he believed the Diaspora to have another identity. His economic policy did not allow the involvement of any foreign actor.

As reaction to India's security concerns, Indira Gandhi's foreign policy focused on attaining India's status as a regional power. The Diaspora was not important. Her economic policy, especially the centralization of power in the state was a reinforcement of Nehru's socialism. While India's economy became more and more isolated, foreign involvement was not earmarked.

Rajiv Gandhi's long-term policies and his radical shift in economic policy were the turning point. He realized that a new world order had originated, and wanted to integrate India in the global economy. He needed sources of investment for the modernization of India and the corresponding consideration of the world market. This was only possible with the acquiescence of foreign capital. Although the Indian Diaspora, which had grown with the

second generation, had experienced a dynamic change of identity, it was ready to participate⁵¹ in the new Indian market. Somehow, the expatriate Indians retained an adequate piece of Indian identity and kept on to be attached to India. Business opportunities in India are quite attractive.

Rajiv Gandhi's policy has started a dynamic process, which PV Narashima Rao could count on, as India's economy was about to collapse in 1991. Although the figures have fallen in recent times, the BJP-led coalition will not be able to shun the Diaspora, because Vajpayee's success can be also explained with the economic growth, partly achieved with FDI. The effort of the BJP-led coalition to introduce the dual-citizenship option is a step towards legally integrating its Diaspora.

I have shown that in young independent India it was believed that there was no need for the Diaspora, and hence no effort to integrate them. Only after India started to modernize, did it realize that the overseas Indians could be a useful entity for India's development.

⁵¹ However, they at first only participated very limited, because reforms were not quick enough and skepticism had not ceased.

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