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US Government Shutdown and the South Asian Diaspora

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At first sight it may seem a bit of a stretch to link the United States Government's shutdown with the size of the South Asian Diaspora in America. But the connection between the two becomes clear once it is noted that the right-wing of the Republican Party has taken a long step towards exhibiting its distaste for immigration. It was when the country was more receptive to receiving foreigners that the South Asians built large communities in various parts of United States. The South Asians benefitted particularly from this openness since they brought into America the skills that the "natives" did not have in the needed quantity. There are now about 6-8 million people of South Asian origin living in North America. Since most of the South Asian immigrants are highly qualified and are working in the occupations that pay well, their per capita income is 20 per cent higher than the overall American average – or US\$ 60,000. The American income per head is slightly more than US\$ 50,000. In other words the total South Asia Diaspora income in America is about US\$ 400 billion. This is equivalent to about one-fifth of the total national income of the sub-continent. With such high incomes the Diaspora has begun to contribute significantly to the development of the countries they left behind when they moved to America.

In so far as new migration is concerned there are two contributing factors working in opposite directions. For much of today's rich world there will be significant decline in the rate of fertility resulting in reductions in the size of its population. On the other hand most

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developing nations in Asia and Africa will continue to see large increases in their populations. Some global demographic balancing would be of advantage to both groups of countries. Poor countries will benefit from an increase in the size of their Diasporas in several different ways. For instance, a significant amount of the remittances that flow back from the Diasporas to the countries of their origin will help to alleviate poverty by adding to the incomes of the poorer segments of the population. Rich countries will be rewarded by a slowdown in the aging of their populations with the infusion of young people by way of immigration from the developing world. But there is an opposing factor: the growing anti-immigration sentiment in many rich countries. In his new book *Exodus*, the economist Paul Collier addresses the question: how much new migration is beneficial and for whom? ²

‘Unabsorbed Diasporas’ Argument

He answers the question from three perspectives: the migrants themselves, the countries of their origin, and the countries to which they move. The migrants clearly benefit. If they do not, they would go back home. After they move, the migrants’ “productivity rockets upwards”, writes Collier, because they are “escaping from countries with dysfunctional social models”. However, he believes that continued mass immigration threatens the cultural cohesion of rich countries. A large unabsorbed Diaspora may cling to the cultural norms that made its country of origin dysfunctional and spread them to the host country. Collier, writing from Britain, must have had in mind the perverse behaviour of some of the Muslim youth in his country. They failed to assimilate host-country values even after the Muslim Diasporas were several generations old. Some members of these communities resent the culture of the adopted land so much that they have used violence as a form of expression.

What about the countries that have received large numbers of migrants? These include Britain, Canada, the United States and the oil-exporting nations of the Middle East. All these have large South Asian Diasporas. Collier believes that they have benefited from past immigration, but will probably suffer if it continues unchecked. According to a review of the Collier book by *The Economist*, “furthermore when a society becomes too heterogeneous, its people may be unwilling to pay for a generous welfare state. Support for redistribution dwindles if tax payers think the benefits will be for people unlike them”. ³

US Right’s Obsession

For a good example of this kind of response we may look no further than the shutdown of the US government on 1 October 2013, the start of that country’s new fiscal year. The American political right is obsessed with what it sees as the cost to the society resulting from the welfare demands of the new class of immigrants. This is the class that will benefit from the

² Paul Collier, *Exodus: How Migration is Changing Our World*, Oxford University Press, London, 2013.

³ *The Economist*, “Migration: The Mobile Masses”, 28 September 2013.

Affordable Care Act, also known as *Obamacare*. The right sees it as a giant welfare programme for the poor who can't afford health insurance unless it is subsidised by the state. In light of developments such as these it may no longer be possible for the worker-surplus countries to send many more people to today's rich world.

If those who oppose large-scale immigration were prepared to go to the extent of shutting down their government, it is clear that the “welcome” mat the United States had put out at the many entry-points at which foreigners came into the country is being removed. This means that the South Asian Diaspora will no longer grow as fast as it has done in the past three decades. Given that as the likely outcome, will the South Asian Diaspora continue to contribute to the sub-continent's economic, political and social development? The answer is ‘yes’, even if no additional large-scale migration takes place from South Asia. The current South Asian Diaspora, even with no addition to its numbers through migration, will continue to grow at the rate of at least 1.5 per cent a year – the rate of natural increase corresponding to that in what were once their homelands. And, their economic base estimated by the author in an earlier ISAS work at US\$ 1.3 trillion,⁴ will continue to increase but at a slower rate since the new South Asian migrants heading towards the US will be fewer now. However, individual immigrant incomes in the host countries will increase as the members of the Diaspora move up the economic scale in their adopted countries. Their impact on the countries they have left behind will continue to increase but certainly not as rapidly as before the US political right acted with such anti-immigration sentiment.

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⁴ Shahid Javed Burki, “*South Asian Diasporas: Agents of Change in a Poorly Integrated World*”, ISAS Special Report No. 03, 19 July 2011.