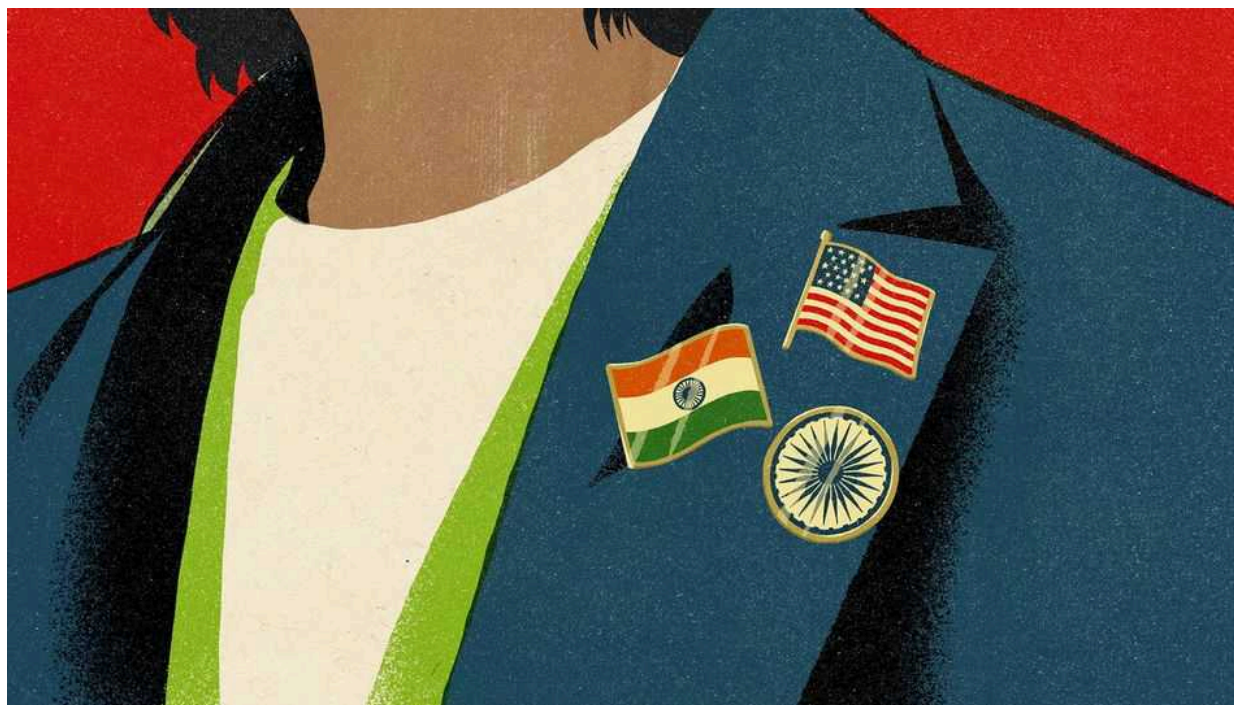


The limits of India's diaspora power

As the West closes its doors, India must make staying home more attractive



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THE INDIAN diaspora, which numbers around 37m, is the world's biggest. It may also be the most successful. It has a compelling case to make, especially in America, home to more than 3m people born in India. The median Indian-American household earns \$151,000 annually, around 75% more than the figure for America as a whole. And many Indian-Americans occupy top jobs in business, technology and politics—think of Sundar Pichai, Satya Nadella, Zohran Mamdani and Kash Patel.

Such achievements are celebrated back in India, not just by relatives but also by a proud nation. Newspaper reports and WhatsApp forwards diligently catalogue the accomplishments of anyone with an Indian connection, however remote. Recent examples include Navi Pillay, the South African judge awarded this year's Nobel peace prize, whose ancestors left India in the 19th century, and Anil Menon, the world's first Malayali astronaut, a reference to his parents' origins in the south of India.

The state encourages such enthusiasm. For years after independence, India tended to look down on its diaspora, disparaging emigrants for deserting the homeland and contributing to a brain drain. But as their numbers grew and the economy boomed, the relationship changed. In the 2000s, during the Bharatiya Janata Party's (BJP) first term in power nationally, the party sought stronger ties with Indians abroad as a way of advancing India's interests and boosting its own coffers (overseas Indians are believed to be enthusiastic donors to the party). Under Narendra Modi, those efforts have become more intense. The prime minister's foreign trips often include rallies in stadiums packed with adoring non-resident Indians (NRIs).

To the BJP and indeed to many Indians, the success of NRIs is yet another indicator of India's inevitable rise. But, viewed differently, it is also an indictment of the country's inability to hold on to its talent. A study in 2023 found that of the 1,000 highest scorers in the 2010 entrance exam for the Indian Institutes of Technology, the country's top engineering colleges, 36% were living abroad eight years later. Among the top 100, the share was 62%.

Similarly, the accomplishments of Indian-origin bosses abroad reveal dysfunction at home. Given the size of India's economy, its businesses punch well below their weight. Of the world's 500 biggest firms by market capitalisation, India is home to only eight. China has 41, America 234. One reason is that many Indian companies, whether small or large, are run as "lala" operations, [family fiefs](#)

lacking professional management. Another is that the state has failed to create the conditions—from infrastructure to regulation—needed for them to flourish.

Emigration makes up for some of these failures. Remittances amount to 4% of India's GDP (compared with 0.2% in China) and support millions of households. During crises, including the recent shock from the Iran war, [diaspora cash](#) has been particularly helpful. Migration has served as a social safety-valve, easing pressure on the labour market by giving educated Indians a chance of outward mobility.

It may now be shutting. The Trump administration has clamped down on migration. On October 8th it suspended tech firms, including several Indian ones, from sponsoring workers for permanent residency, accusing them of immigration fraud. Australia and Canada are restricting student visas. And it is not just potential migrants who are being targeted. Racism and resentment are fuelling hate campaigns on social media, especially in America.

The diaspora can do little to stem the hate, let alone advance India's interests. In America it has failed to persuade the Trump administration to adopt policies favourable to India. Indeed just last month Congress in Washington passed legislation allowing 100% tariffs on India for buying Russian oil. The diaspora may be large and even influential, but it is no diplomatic corps.

Mr Modi has hailed his overseas audience as *rashtrodoot*, or emissaries of India. But for all their attachment to India, few in the diaspora want to return to a country where decent jobs are scarce and cities unliveable. Those are the same factors contributing to frustrations among youngsters in India who are increasingly expressing their anger on the streets. Celebrating success abroad may feel good, but a real reason for national pride would be for Indians to flourish at home. ■