

# **Operationalising the Highly-Skilled Diasporic Transnational Family: China and India's Transnational Governance Strategies**

## Introduction

The rise of the BRIC countries on the global political scene has led to growing interest in their economic development, but also in their global diasporas, and in particular, the potential of highly skilled diasporas to contribute to development in their country of origin, as well as influence policy in their countries of settlement. Among the BRIC countries, India and China stand out for having two of the oldest, largest and most geographically extensive overseas populations in the world. India and China consistently top the list of countries receiving remittances internationally, in absolute terms. They also have the distinction of being the leading source countries of foreign students and 'knowledge workers' in a number of Western countries. The Ministry of Overseas Indian Affairs (MOIA) estimates the overseas Indian population at over 25 million (2013). A 2007 report by the Chinese Academy of Social Sciences estimated the number of overseas Chinese at 35 million (Li: 2007).

Generations of migration poses both governance challenges and opportunities for China and India. While migration upsets the territorial foundations of the modern nation-state, it has the potential of introducing more flexible forms of citizenship that enables the nation-state to retain a form of sovereignty over their overseas populations- even if a 'thin one' (Gamlen 2006: 5). The examples of China and India show that while rational choice can broadly be seen to be guiding both nations' current diaspora engagement strategies, the significant historical variation in diaspora policy reveals that a strict rational choice approach cannot be applied. 'National interest' varies with regime change, economic crisis, and shifts in conceptualisations of national belonging.

China and India have long recognised the importance, both strategic and economic, of their overseas populations. However, diaspora engagement has intensified since they embarked on economic reforms in 1978 and 1991 respectively. I argue that although India and China share common goals when engaging their highly-skilled diaspora, such as the desire to capitalise on economic resources and promote knowledge transfer, India has predominantly pursued a 'long-distance' diaspora policy centred on promoting greater ease of travel, whereas China has adopted a 'short-distance' diaspora policy focused on return and settlement. Both countries seek to cultivate 'emotional citizenship', but have operationalised the concept of the transnational ethnic family differently; China has sought to vigorously reverse the brain drain by giving its elite overseas population privileged access to the job market, whereas India has until now been reluctant to fully open its job market to highly skilled ethnic Indians abroad, leaving the public sector out of their reach.

The institutional apparatus for diaspora outreach is now extensive, but it poses the often thorny question of how the diaspora is to be defined, categorised, managed, and ultimately, given a place in the national family. China and India are two excellent examples of countries that have chosen to sub-divide their diasporas into different administrative categories for effective transnational governance. This enables the state to leverage different diasporic groups separately, as well as justifies their differential treatment.

This paper will evaluate the diaspora policies of each country, and discuss the similarities and differences between the two Asian giants' transnational governance strategies, as well as the reasons for the divergences, by tracing the historical evolution of the state's relationship to the diaspora, and analysing current diaspora policies, such as 'flexible citizenship' and talent

recruitment. While each country has an overall different emphasis in diaspora policy, China and India are broadly converging in terms of policy aims, ideology and content.

## **INDIA**

### Historical Background: From Nationalist Allies to Ambivalent Family Members

During its early independent history, one could characterise the historic Indian government attitude towards the Indian diaspora as one of ambiguity; during this time, few systematic attempts were made to exploit their knowledge and efforts to capture their financial resources were not successful due to the closed and extremely bureaucratic nature of India's economy. This policy contrasted sharply with the previous close links the nationalist Congress party cultivated with associations in the Indian diaspora, following the example of Gandhi, who campaigned in favor of the Indian community in South Africa (Kapur 2010: 189). At successive Imperial Conferences held in the early 1920's, the Indian Delegation consistently expressed its concern at the treatment of Indians abroad, lobbied for equal rights with the British population in the British Dominions (Canada, New Zealand, Australia), and raised the issue of the discrimination of Indians in South Africa (Lall 2003: 123). In 1929, the Congress Party went one step further and established an overseas Indian department in order to keep track of legal developments and monitor the welfare of the overseas Indian community, particularly that of indentured labourers (Kudaisya 2007: 83). Before Independence, therefore, India saw its role as 'Mother India' to all Indians, regardless of their place of residence, and the nationalist movement recognised the diaspora as being part of the Indian nation (Lall 2003: 122, 125). What explains the radical change following Independence? Various reasons have been offered for this official neglect: preoccupation with regional enemies such as Pakistan and China, and greater strategic importance attached to its relationship with the 'Great Powers' (Kapur 2010: 188). In addition, the initial nationality policy of independent India was founded on *jus solis* (nationality based on country of birth) and Nehru favoured a territorial basis of national identity, which precluded intervening on the basis of ethnic ties on behalf of Indians living in other countries (Kapur 2010: 189). The trauma and aftershocks of Partition is another strong reason: India could not be sure it was indeed helping its own nationals or those of the newly created state of Pakistan. Finally, some argue that the relationship of India to its diaspora during the early Independence period was configured by underlying resentment and distrust towards those who had abandoned India for financial gain overseas (Lall 2003: 133).

The ambiguity of successive Indian governments towards the diaspora was evidenced during the 1972 'Ugandan crisis', in which all Indians, regardless of their nationality, were summarily expelled from the country under Idi Amin. The foreign policy needs of the Indian state, which sought to curry favour with the newly independent African states, saw India advise East African Indians to either integrate into African society or return to India (Gupta 1974: 317). The Indian government at the time oscillated between viewing the Indian East African population as an impediment to their policy goals in Africa, and useful business partners in helping India export its goods to the continent (Gupta 1974: 319). Nehru believed that India had a strong moral responsibility to support other nations who had suffered under British colonialism, and actively backed the freedom struggle in East Africa, despite the resistance of some Indian entrepreneurs in

the region (Lall 1974: 125). During the Ugandan crisis, the Indian government responded by instituting a visa system for Indians affected by the expulsion order, fearing a wave of India-origin refugees from East Africa (Gupta 1974: 321). Most Indians living in Uganda at the time possessed British nationality and were repatriated to the UK, despite the passage of the Commonwealth Immigration Act of 1968, which sought to restrict the right of Indian East African British passport holders from entering the UK. Although approximately 5000 persons of Indian origin were given temporary residence in India, India insisted that the UK government honour its commitment to its British passport holders (Gupta 1974: 321). This event demonstrates that Indian diaspora policy was (and is) shaped by broader geopolitical interests, such as the desire of newly Independent India, and particularly Nehru, to forge new alliances with other formerly colonised countries, and its aspiration to lead a new anti-imperialist bloc of nations.

#### Current Policy Framework: New Categories of Citizenship

This initial lukewarmness towards the Indian diaspora, changed with India's balance of accounts crisis and subsequent implementation of economic reforms in 1991. Although the Indian government had introduced as far back as 1970 the first Non Resident India (NRI) deposit accounts designed to attract foreign exchange, (Kapur 2010: 108), these enjoyed limited success, and were not accompanied by other measures to promote NRI foreign investment. The economic crisis of 1991 marked a turning point in India's engagement with its diaspora, particularly its highly skilled diaspora concentrated in the West. India issued three rounds of Indian Development Bonds exclusively aimed at the Indian diaspora, in 1991, 1998 and in 2000, which met with an enthusiastic response, raising a total of 11.3 billion US (Ketkar & Ratha 2011: 157). These economic initiatives were complemented by the establishment of an institutional apparatus and policy framework for creating a place in the national family, albeit limited, for members of the Indian diaspora.

The Ministry of Overseas Indian Affairs (MOIA), established in 2004, was set up to serve as the main institutional link with the Indian diaspora, sharing (and also competing with) the Ministry of External Affairs in this area. Initially called the Ministry of Non-Resident Indians' Affairs, its rapid name change within a year of its inception is instructive. The name change reflects the desire of India to tap the resources of its entire ethnic diaspora, and not just Indian passport holders resident abroad. This is mirrored in the discourse of the Indian government, which stresses ethnicity in its efforts to court diaspora support, as well as in its changed nationality law, which in 1987 shifted from *jus solis* (nationality based on country of birth) to *jus sanguinis* (nationality based on blood). The services of MOIA are therefore directed at both NRI's or Non Resident Indians and PIO's or Persons of Indian Origin. Its two flagship schemes have been the introduction of a form of 'flexible citizenship' that approximates the benefits of full dual nationality, giving a whole range of benefits to two different categories of Indian origin individuals living abroad, stopping short however of conceding voting rights or access to employment in the public sector.

The PIO or Person of Indian Origin Card was introduced in 2002 and grants visa free travel to India for a period of 15 years, property rights, and access for their children to Indian universities under the Non Resident Indian category. The card is designed for foreign passport

holders of Indian origin up to the fourth generation settled throughout the world except for those who possess Afghani, Bangladeshi, Bhutanese, Chinese, Nepalese, Pakistani or Sri Lankan nationality. In 2006, a further scheme was launched that accords more extensive benefits known as Overseas Citizenship of India (OCI), whose eligibility criteria is more restrictive, being aimed at foreign passport holders of Indian origin (except Pakistan and Bangladesh) up to the third rather than fourth generation, effectively excluding older waves of Indian colonial migration. The OCI card gives visa free travel for life, access to employment in the private sector, and entitlement to appear for professional qualifying examinations.

The Ministry of Overseas Indian Affairs has also instituted two different cultural programmes aimed at Indian origin youth born and raised abroad in an attempt to cultivate 'emotional citizenship' among young people who might otherwise ignore their cultural roots. Among these programmes are 'Know India' (launched in 2004) and 'Study India' (2012), whose participants are selected by Indian missions. Although these programmes reach a very small number of university students, their very existence reveals the desire of the Indian government to instill an Indian identity in ethnic minority diaspora youth, in a clear departure from previous government policy. Indeed, a strategic focus on youth is becoming increasingly prominent, as the Indian government sees them as key to achieving superpower status. The most recent *Pravasi Bharatiya Divas* (Non Resident Indian Day) gathering in 2014, was dedicated to Overseas Indian Youth.

#### Almost equal kin

The current policy framework for engaging the Indian diaspora reflects the highly contentious nature of incorporating the diasporic population into the Indian national family, as well as the competing visions of the Indian nation that seek to influence diaspora policy. During the early independence period, Nehru's brand of Indian nationalism shaped both domestic and international policy, with a secular, territorial vision of the Indian nation predominating. In this vision, allegiance to a secular nation founded on 'unity in diversity' and the modern nation-building project was more important than ethnicity (Chemouni 2009: 31). The strong territorial character of Nehruvian nationalism meant that the diaspora was seen as peripheral to the Indian nation, both physically and emotionally. Indeed, many Indians viewed the diaspora with suspicion, and considered them culturally 'corrupted' (Lall 2003: 133). The Nehruvian nationalist narrative is increasingly being challenged by right-wing Hindu nationalist ideology, which embraces a global Hindu nation and sees the diaspora as a potential ally in realising its vision of Hinduising India. In deterritorialising Indianess from Indian territory, Hindu nationalists view Hindus living abroad as part of an exclusionary Indian family founded on Hinduism. The rise of Hindu nationalist parties such as the BJP has led to new efforts to include the diaspora. It was the BJP that introduced the PIO Card, proposed full dual nationality for Indians living in certain Western countries, and established an Overseas Indian Day. Although the Nehruvian legacy is still strong, there is a general shift (including in the Congress Party), towards an ethnic, as opposed to a territorial, conceptualisation of the Indian nation that has made diaspora management a key aspect of government policy. However, the clash of Indian nationalisms and domestic political concerns has meant that the extent to which the diaspora is incorporated institutionally has been hotly debated. The failure of the 2003 Dual Nationality Law is indicative of this- OCI cards are in

effect a compromise scheme aimed at meeting some of the Western-settled diaspora's demands, while assuaging domestic fears about granting voting rights to economically well-endowed Indians abroad. Giving voting rights would not only impact upon national elections, but also elections in a number of states with large diasporic populations, such as Kerala, Gujarat and the Punjab, many of whose diasporas are politically active and whose money already flows towards a number of political parties. The state of the Punjab, for example, has a highly vocal Jat Sikh diaspora that has in the past lobbied for the creation of the separate state of Khalistan (a dwindling section of the Sikh diaspora continues to do), and strongly supports the Sikh nationalist party the Akali Dal. Giving voting rights to the diaspora could therefore shift the political balance of power in a number of states. Resistance to the full incorporation of the Indian diaspora has also come from domestic economic elites, who fear international competition after decades of protectionism. Leading domestic industrialists in the past have sought to block diaspora investment in the economy (Lall 2003: 132). Unlike Israel, India does not issue annual diasporic bonds, making India Development Bonds an emergency finance tool (Ketkar & Ratha 2011: 155). Despite the recent rhetoric on liberalisation, large sections of the Indian public and political class view foreign investment (including NRI investment) with distrust, and it is clear that the Indian government does not wish to become too financially dependent on the diaspora. Indeed some scholars argue that India had to 'swallow its pride' in asking for financial help from its diaspora (Lall 2003: 136). The fundamental ambivalence towards the Indian diaspora that existed during the early Independence period thus persists, and can explain why the business expertise of specific diaspora communities, such as Gujarati motel owners in the US, is not exploited, despite the underdeveloped nature of the budget accommodation industry in India.

#### Not all diasporic categories are created equal

The current policy framework for managing India's very diverse diaspora has also created a whole new bureaucratic language for referring to and categorising the diaspora. There are three administrative categories, which accord different rights and responsibilities, for Indians living abroad. Non Resident Indians (NRI's) are Indian passport holders that in 2010 were granted the right to vote in Indian elections as long as they are present in their constituency on polling day (postal voting is not contemplated). Overseas Citizens of India (OCI) are generally people who went abroad in the post-independence period. Persons of Indian Origin (PIO) are Indians who migrated under colonialism. This latter diaspora is often considered more emotionally distant, with a 'diluted' Indian identity, and weaker overall ties to India. The PIO category is also considered more problematic, since it can potentially include individuals that migrated from areas that are now part of Pakistan or Bangladesh, which the Indian government is keen to weed out. The Indian government engages with each diasporic category differently. Although there is a clear bias towards courting the highly-skilled diaspora in each category, an attitude that is also reflected in the Indian press, whose 'NRI sections' are replete with NRI success stories, the remittances weight of the low/medium skilled diaspora in the Middle East has meant that the NRI category is especially reached out to in this region. There are a number of special welfare programmes aimed at them, and a range of benefits that other diasporic categories do not enjoy, such as scholarships for their children in Indian universities and exemptions from paying NRI tuition fees. The low-skilled NRI category in other regions is relatively neglected, as witnessed by the plight of Punjabi Sikh Indians living in France (largely first-generation migrants), on whose

behalf the Indian government has not intervened despite the passage of legislation affecting the wearing of Sikh symbols in public schools. Among those who have given up Indian nationality, it is the OCI category of foreign passport holders that is engaged most intensively, as many of them have settled and achieved economic and political influence in Western countries such as Canada, the US and the UK. In countries such as the US, the Indian diaspora is highly self-selected, with upper-class and upper-caste professionals overrepresented (Kapur: 2010). Their potential to act as positive reputational agents in business and as lobby groups through political caucuses' has been recognised and increasingly leveraged by the Indian government. An excellent example is the role that the American Indian diaspora played in easing tensions between the US and India following India's first nuclear test. Segments of this diaspora are also strongly critical of the Indian government, such as the Sikh diaspora mentioned previously, which continues to press the Indian government to bring to justice the instigators of the 1984 riots against the Sikhs, which means that even within administrative categories, regional diasporic groups are managed differently. Institutional links are weakest with the PIO category, a colonial migration wave in which large numbers of low-caste and unskilled workers emigrated to other parts of the British Empire. PIO's are even relatively absent in annual reports from the Ministry of Overseas Indian Affairs, which proudly reports on the number of OCI cards granted to date (1, 029 131 in 2012), but is silent on the number of PIO cards issued. The economic and social capital of this older diaspora is thus at risk of being underutilised, for this initially poor diaspora is now well-integrated and highly successful in a number of countries, Trinidad and South Africa being leading examples. There are plans to merge the PIO and OCI cards (yet to be formalised), which would significantly enhance the rights of the 'older' Indian diaspora and do away with the current 'two tier' diaspora policy. It is significant that most of the participants in the 'Know India' study program are PIO youth from historic migration destinations, which could represent an attempt on the part of India to cultivate emotional links among this previously marginalised segment of the diaspora. The two separate and unequal categories of OCI and PIO show how Partition continues to cast a long shadow on both domestic and foreign policy. As long as doubts remain about the origin of ethnic Indians abroad, there is likely to be some differentiation in diaspora categories, especially concerning citizenship rights.

#### The public sector: the final frontier

Although India has been progressively opening up its economy to foreign investment, and has allowed visa-free employment in the private sector to ethnic Indians, its public sector has until very recently been firmly closed. Employment in this highly coveted sector, which includes universities, has no doubt been kept out of bounds due to a number of overlapping domestic interests. Traditionally the preserve of upper caste elites, decades of affirmative action for the Scheduled Castes/Tribes (former untouchables), known as 'reservations' in India, is slowly democratising the public sector, despite stiff resistance from 'General Category' Indians (as upper caste Indians are referred to in both government and popular parlance). The public sector thus serves as a vital reservoir of guaranteed employment and avenue of social mobility for members of disadvantaged caste communities. All the more so since lower-caste communities continue to face social and structural barriers in accessing the private sector. Opening up this sector to the diaspora will therefore have a direct impact on quotas for various caste categories in public employment, and hence domestic politics, which is strongly caste-driven. India has yet to

implement a comprehensive national policy to encourage its highly educated elite to return, although three different programmes to attract Indian-origin scientists have been introduced in recent years. The OCI scheme does not formally give its cardholders access to the public sector such as central and state universities and does not recognise overseas professional qualifications. However, under pressure from the prestigious Indian Institutes of Technology (IIT's), who are facing an acute faculty shortage, the Ministry of Human Resources Development in 2011 permitted IIT's to hire OCI's and PIO's as permanent faculty. This decision has faced internal opposition from other ministries, such as the Home Ministry, showing how the rhetoric of diasporic inclusion continues to face many practical obstacles in reality. Encouraging a consistent higher return rate will require cross-ministry cooperation and a dedicated effort to truly internationalise India's universities. At the moment, such efforts continue to face institutional resistance and need to be extended to India's public university system as a whole, which continues to remain closed to international recruitment in an era of globalisation. India's highly skilled diaspora strategy is currently based primarily on 'long-distance' engagement that privileges travel and knowledge transfer from abroad over employment and settlement.

## CHINA

### Historical Background: From Traitors to Patriots

China's treatment of its diaspora, like India's, has varied over time, although the changes in diaspora policy have been more extreme, reflecting China's turbulent political history. China has gone from viewing its emigrants as criminals to industrious, even privileged, patriots. The Song and Yuan dynasties banned emigration, seen as disloyal to ancestors, and levied severe penalties for it (Nyiri 2002: 208). During much of the Ming (1368-1644) and Qing Empires (1644-1914), emigration was restricted or forbidden, and for a time even made a capital crime (Barabantseva 2011: 22). During the last decades of the Qing Empire however, the Qing started to actively court the Chinese living in Southeast Asia, motivated by the financial resources of the diaspora, and hence the contribution they could make towards its modernisation program. In order to rekindle loyalty towards the Chinese Empire, the Qing sent missions abroad, and attempted to unify the disparate Chinese diaspora (divided linguistically and by place of origin), into one pan-Chinese cultural and ideological community (Nyiri 2002: 209). The term *huaqiao*, generally translated as 'overseas Chinese'<sup>1</sup> entered into the official vocabulary at this time, replacing the previous derogatory term *yumin*, or 'unproductive vagabonds' to refer to persons of Chinese origin living outside of China (Barabantseva 2011: 24). In 1909 the Qing Empire adopted an *ius sanguinis* nationality law in which blood ties alone granted automatic Chinese citizenship, and dual nationality was possible (Guerassimoff 2007: 250). During the Republican period (1912-1949), the overseas Chinese played a key role, both in toppling the Qing dynasty through financing the uprising against their rule, and in the new life of the republic, in which they were represented politically, had voting rights, and benefited from the creation of the Overseas Chinese Affairs Commission, as well a network of overseas Chinese schools and consulates (Guerassimoff 2007:

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<sup>1</sup> Currently, the *huaqiao* are administratively defined by the Overseas Chinese Affairs Office as Chinese passport holders possessing permanent or long-term residence abroad. Chinese students studying overseas are not formally included in this term. The term *huaren* refers to all Chinese origin individuals living abroad, regardless of their nationality.

251f). The Republican government was closely involved with overseas Chinese organisations, to the extent that it even sent leaders from China to run them, leading to a degree of diasporic control never attempted by India (Nyiri 2022: 210). The ethos of this era can be summed up in the nationalist slogan 'where there are Chinese, there is China' (Barabantseva 2011: 29).

The creation of the People's Republic of China (PRC) in 1949 did not initially usher in a new policy regarding the overseas Chinese population. The first years of Communist rule were marked by the Communist Party's desire to gain overseas Chinese support, and the desire to capitalise on overseas Chinese resources in order to build a new socialist China. Competition with Taiwan for legitimacy meant that the PRC was keen not to alienate overseas Chinese investors. The PRC therefore could not afford to neglect the diaspora as India did at this time. A system of Overseas Chinese Investment Corporations was devised in order to regulate overseas remittances, although a number of overseas Chinese and their relatives were subject to forcible extortion (Barabantseva 2011: 54f). Following the Republican period's ethnic conceptualisation of the Chinese nation, the early Communist government encouraged the overseas Chinese to return to contribute to the 'motherland' and launched a campaign to recruit skilled overseas Chinese youth to serve the nation, convincing over 9000 of them to return (Barabantseva 2011: 57). The regime's early enthusiastic courting of the overseas Chinese led to tension with several Southeast Asian states, who feared that their Chinese minorities could become a fifth column for communism. The need for diplomatic recognition, and in particular the desire to reassure Southeast Asian countries of their intentions, led the Communist government to adopt a new nationality law that abolished dual nationality in 1955 (Barabantseva 2011: 58). This policy shift marked the beginning of an increasing disengagement from the Chinese diaspora, who were now no longer officially included in the 'People's United Front' (Barabantseva 2011: 58). The overseas Chinese in Southeast Asia were essentially sacrificed to the PRC's overarching foreign policy goal of achieving global diplomatic recognition in a battle for legitimacy on the world stage played out with the nationalists.

It was the Great Leap Forward (1958-1961) and the Cultural Revolution (1966-1976) that produced a profound rupture in China's policy towards its diaspora. From being viewed as useful socialist nation-builders, the overseas Chinese were denigrated as class enemies and 'bourgeois capitalists'. The Overseas Chinese Affairs Commission was shut down, its work termed anti-revolutionary, and the relatives of the overseas Chinese were now required to carry out manual labour (Guerassimoff 2007: 253). All privileges previously accorded to the overseas Chinese and their relatives, labeled as 'reactionary elements', disappeared, and the Chinese diaspora was abandoned abroad. The Communist government failed to intervene during the massacre of the ethnic Chinese during Pol Pot's regime in Cambodia (Barabantseva 2011: 61). Students were no longer sent overseas and those who had studied abroad were criticised and punished (Wang 2012: 6). The Cultural Revolution thus constituted a period in which the overseas Chinese were both symbolically and materially excised from the nation and accused of embodying non-national values. For the first time, a conceptualisation of the nation rooted in class outweighed China's traditional emphasis on a common ethnicity as the glue that binds all Chinese together.

Current Policy Framework: Nation-builders once more

The end of the Cultural Revolution marked the end of China's isolation from the world and the beginning of renewed ties with its diaspora. China can now claim to have instituted one of the most comprehensive diaspora engagement policies in the world. Having begun its process of economic reforms earlier than India, China has developed a more extensive institutional apparatus for managing its diaspora. In 1978, the Overseas Chinese Affairs Office (OCAO) was re-created at the national level, provincial and district levels. These institutions work in concert with the All-China Federation of Returned Overseas Chinese (ACFROC), which serves as an important link between the Chinese state and returnee civil society. Local units of ACFROC have been active in strengthening the ties of the overseas Chinese with their *qiaoxiang* or hometowns, with a view to attracting their donations and investment. In 1982, the constitution was amended to recognise the overseas Chinese and returnees as special social groups, and in 1990, a Protection Law was passed to guarantee the economic interests of the overseas Chinese and to encourage their return through granting them a variety of legal and economic privileges (Chemouni 2009: 8). In Communist Party rhetoric, the overseas Chinese and their relatives have been fully rehabilitated and are now extolled as patriots who can drive the 'socialist modernisation' of China. This rehabilitation has included the gradual returning of property confiscated during the Cultural Revolution (Thuno 2001: 916).

Unlike India, China has not introduced visa-free citizenship schemes for the overseas Chinese. Its recently launched Green Card scheme has highly restrictive eligibility criteria that has resulted in low numbers of Green Cards issued to date.<sup>2</sup> Rather, the primary focus of Chinese government policy has been to stem its brain drain and encourage its highly skilled diaspora to return. China's flagship programme for attracting overseas talent is known as the '1000 Talents' scheme, launched in 2008. This programme offers high-level academic positions to senior overseas Chinese scholars possessing the title of full professor at salaries up to 20 times higher than what local faculty make. In large cities, salaries reach 1,000,000 RMB or 122,000 Euros annually (in comparison with around 200,000 RMB or 24,000 Euros for locals), enhanced by a one-time relocation payment of 1,000,000 RMB (122,000 Euros), generous research funding, housing allowance, employment for their spouses, social security benefits, access to prestigious university-affiliated schools for their children, and permanent residence or long-term multiple entry-exit visas. A second strand of the 1000 Talents programme seeks to draw innovators, for example patent holders, in specialist engineering and high technology sectors who will create companies in China. Their salaries are even higher, at 3,000,000 RMB (363,330 Euros). A third strand of the scheme is aimed at recruiting senior management staff to work in state enterprises and banks (Zhao & Zhu 2009: 327). The emphasis on return and serving *zuguo* or the mother country is emphasised across the board: a condition of PhD scholarships granted to Chinese nationals for study abroad is that they return to China after the completion of their studies for a minimum of two years. The emphasis on return extends to the children of overseas Chinese who wish to study in China: they benefit in a number of universities from receiving additional scores in the highly competitive *gaokao*<sup>3</sup> or national entrance examination (OCAO Guangdong website).

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There are also special benefits on offer for those who do not occupy senior level positions abroad: in 1992, the Ministry of Human Resources created job centres and adopted preferential hiring and housing policies for returnees. It is common for entry-level foreign PhD

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<sup>2</sup> Only 4, 700 Green Cards have been issued since the scheme's inception (Zou: 2012).

<sup>3</sup> Native residents in possession of a *hukou* or permanent local residence status are also entitled to privileged admission scores in their municipality (Beijing or Shanghai) or province. One can only sit the *gaokao* in the province in which has *hukou* or permanent residence.

<sup>4</sup> Overseas Chinese Affairs of Guangdong, Online: <http://gocn.southcn.com/english/qa/> (02.03.2013).

holders to automatically earn a higher salary than their local counterparts. China has also created an extensive national network of entrepreneurship incubation centres for returnee entrepreneurs, as well as Special Economic Zones with special investment terms for the overseas Chinese business community.

Finally, China has also been very active in the cultural realm when engaging its diaspora. Since 1980, thousands of 'Roots Seeking' programmes for overseas youth have been held throughout China, encouraging overseas youth to connect with Chinese culture and history, and ambassadors for Chinese culture abroad. During the 1990's alone, 'roots seeking' camps received almost 100,000 participants (Thuno 2001: 924). Many 'Roots Seeking' camps specifically focus on discovering one's ancestral village, and are organised collaboratively between overseas Chinese cultural associations and local units of the Overseas Chinese Affairs Office. Recognising the vital importance of language in promoting 'emotional citizenship' among the overseas Chinese, the provinces of Guangdong and Fujian in particular (from where the majority of the overseas Chinese originate), have established a number of language schools that cater specifically to the language needs of the overseas Chinese.

### The three different strands of Chinese diaspora management

Despite the extremes experienced in Chinese diaspora policy, with the exception of the Cultural Revolution, there has been one constant: the overwhelming economic motive to engage with the diaspora, although this is always couched in a language of patriotism and racial solidarity. In contrast with India, there has been no reluctance or feelings of pride in exploiting the diaspora financially. On the contrary, local authorities in China closely monitor and send delegations to visit successful community leaders and associations overseas, as well as invite leading businesspeople to China, so that their financial contributions can be sought (Nyiri 2002: 225). The drive to attract Chinese overseas investment intensified particularly after the Tiananmen Square incident, as China faced a drying up of Western investment (Nyiri 2002: 213). The response of the overseas Chinese has been impressive: they are estimated to have contributed over 70% of FDI between 1985 and 2000 (Wang 2012: 2).<sup>5</sup> The overarching economic and modernisation imperatives of PRC diaspora policy has had implications for the administrative management of the diaspora. Like India, China has three main diaspora categories, which are managed and engaged with differently, according to the perceived benefits they will bring to the nation. The *huaqiao* are PRC nationals with long-term or permanent residence abroad (although at the local level there is some debate as to whether long-term residence permits are necessary for *huaqiao* status); the *huaren* are ethnic Chinese who hold foreign passports, and the *xin yimin* or 'new migrants' are Chinese nationals who have migrated since 1978, and particularly since 1985, when the PRC liberalised its travel laws. This latter category includes the hundreds of thousands

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<sup>5</sup> In the FDI literature it has been pointed out that China's FDI figures are inflated due to the 'round tripping' of funds from Hong Kong, Macau and Taiwan, and similarly, that India's FDI figures are underestimated because of how the Indian government measures FDI (which diverges from the IMF standard). Round tripping refers to the process whereby mainland Chinese firms clandestinely transfer funds into Taiwan, Hong Kong and Macau to then re-invest them back into mainland China as 'FDI' in order to benefit from the preferential tax and labour conditions afforded to FDI investors.

of Chinese students who have flocked to the West for university studies (Thuno 2001: 925). The *huaren* are an old overseas Chinese community, roughly equivalent to the Person of Indian origin category in India. The *huaren* migrated from the Southern provinces of Guangdong, Fujian and Zhejiang, at a time when those provinces were impoverished. However, unlike in India, the unifying discourse of Chinese nationalism, which stresses a common blood and ancestry and an immutable connection and loyalty to the 'motherland', means that the *huaren* (historic emigrants) are intensively courted economically and are very publically honoured for their contributions to China's development. Some people in the PRC's diaspora apparatus feel that they should be the primary targets of Overseas Chinese policy, due to their superior financial capital in comparison with the *huaqiao* (Nyiri 2002: 220). The emphasis on return via the 1000 Talents and similar programs has focused particularly on the new migrant category. It appears that the PRC has tacitly assigned its diaspora different nation-building goals: the ethnic Chinese are expected to contribute economically to nation-building from afar, whereas new migrants and the *huaqiao* are expected to return and directly apply their knowledge and skills to the PRC's modernisation. Although in theory all three categories are equal, in practice, the PRC is particularly concerned with managing the highly skilled new migrants, a mobile and strategic group, who are viewed as capable of raising China's profile abroad, strengthening the ties of the older overseas Chinese communities with China, promoting foreign investment in China, and finally, through their return, directly contribute to the PRC's prosperity and success (Nyiri 2002: 225). It is therefore especially important that they remain emotionally connected to China, identify with China's goals, and are linked to the Chinese economy- such a large and influential group must be cultivated as allies so that they do not potentially pose a political threat. Thus while refusing to re-introduce dual nationality (a demand expressed by some sections of the Chinese diaspora), the PRC has managed to incorporate into its national identity and fabric three broad diasporic categories, with each one reminded through patriotic and ethnic rhetoric of its moral duty to serve the motherland, and for the *huaqiao* and new migrants, the duty to 'return to serve'.

#### The Talent Strategy: An incomplete success story

The 1000 Talents program (and similar schemes), reflects a significant policy shift on the part of the Chinese Communist Party (CCP) to attract human talent in addition to financial investment. In short, it encapsulates China's desire to shift from 'Made in China' to 'Created in China'. China aspires to develop an innovation and knowledge-driven economy where creativity is valued. Policy documents and CCP leaders repeatedly emphasise the theme of growth and raising its global competitiveness through the recruitment of human talent (Zweig & Wang 2013: 601). The 1000 Talents program is thus just the beginning of a much more ambitious policy goal of transforming China's society and economy by welcoming talent returnees back and by creating a work environment that is "relaxed, tolerant and lenient" so that they stay (Zweig & Wang 2013: 600). The centrality of talent recruitment to China's development strategy, as well as to the reputation of individual CCP leaders, has meant that recruitment quotas have been established for institutions and local authorities across the country, leading to intense pressure to show results (Zweig & Wang 2013: 604). This desire (and obligation) to produce results within a short period of time can explain both the impressive numbers, as well as the hidden story behind the numbers. On paper, the 1000 Talents scheme has been hugely successful, exceeding in a very short period of time its initial goal of recruiting 2000 scholars within ten years: 2, 263 Chinese academics and

entrepreneurs have returned (Yue: 2012). For academics, there was even a rejection rate of 75% (Zweig & Wang 2013: 605). Although 1000 Talents is the star of talent recruitment, it is estimated that previous Chinese government talent schemes have increased the number of academic returnees from 7000 to 30,000 between 1999 and 2005 (Catcheside: 2011). The collective weight of returnees, known as *haigui* or sea turtles, is felt at the highest levels of Chinese academia: 77% of the presidents of Chinese universities, 84% of the members of the Chinese Academy of Sciences and 75% of the members of the Chinese Academy of Engineering have overseas study and/or work experience (Zhao & Zhu 2009: 327). The impressive numbers, however, conceal a number of weaknesses that if not addressed, will compromise the long-term success of China's talent strategy. Research on returnees carried out by Zweig and Wang has revealed that these numbers may in part be inflated, since in some cases institutions have awarded 1000 Talent places to people who had already returned prior to 2008, although this is more likely to be the case in entrepreneurial parks than in universities (Zweig & Wang 2013: 604). A much deeper structural problem concerns the non-tenured nature of 1000 Talent appointments in universities (initially five-year contracts are given), which has meant that tenured professors abroad are unlikely to abandon their secure posts for an uncertain academic environment in China; consequently, the majority of returnees are in fact part-time whereas the 1000 Talent scheme was meant to attract full-time returnees, and indeed being full-time was initially a prerequisite of the award (Zweig & Wang 2013: 607, 610). This also means the best and brightest are unlikely to return permanently, leading more to 'brain circulation' rather than the reverse brain drain to which China aspires.

My interviews with overseas Chinese scholars in Italy belonging to the new migrant category show that in order to ensure long-term retainment and returnee satisfaction, it is important that the academic culture is transformed and the publication and grant-giving process made more transparent. Many Chinese academics rely on *guanxi* (personal connections) and bribes ('journal fees') in order to publish in academic journals and receive grants.<sup>6</sup> Gender discrimination in Chinese academia and society can be deterring talented female academics from returning or staying once they return: unmarried women are stigmatised socially in a number of ways, starting with the negative term that is used to describe them, *sheng nu*, which means 'left-over' women. One female interviewee, after returning to Shanghai for a professorship in economics with a very generous salary, decided to leave due to intense social pressure to get married, and the corresponding stigma attached to her single status.<sup>7</sup> A female postdoc in energy studies stated that she preferred to remain in Europe, not only due to greater academic autonomy, but also because of more flexible gender norms.<sup>8</sup> Female applicants to PhD programmes in China are often asked if they are married, since female doctoral students can face discrimination on the marriage market.<sup>9</sup> In order to attract top female talent as well (there is a paucity of women among high-profile returnees), it is important for Chinese universities (and society) to transform their gender culture. Currently, gender is completely absent from China's talent recruitment strategy, meaning that half of China's returnee talent is not being fully exploited.

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<sup>6</sup> Interviews carried out in Florence on the 14<sup>th</sup> of May, 2013 with a PRC researcher (PhD law student)

<sup>7</sup> Interview carried out in Florence on the 15<sup>th</sup> of May, 2013 with a PRC researcher (economics postdoc)

<sup>8</sup> Interview carried out in Florence on the 15<sup>th</sup> of May, 2013 with a PRC researcher (energy studies postdoc)

<sup>9</sup> Interview carried out in Florence on the 14<sup>th</sup> of May, 2013 with a PRC researcher (Political Science PhD student).

Finally, the proliferation of returnees has meant that there are now different categories of *haigui*, with an elite highly mobile category of *haiou* (seagulls) who spend part of the academic year in both China and abroad (Zhao & Zhu 2009: 332). In contrast, *haidai* (seaweed) refers to unemployed returnees who must compete with a growing number of highly qualified 'domestic turtles' on the job market. One postdoctoral fellow based in Italy stated that domestic PhD's now ironically refer to themselves as *tutubie* (Chinese-trained PhD's),<sup>10</sup> which although not a derogatory term, reflects the increasingly fragmented and unequal nature of the Chinese academic system in the race for talent. China must ensure that its knowledge and innovation policies also make room for non-elite 'sea turtles' and 'domestic turtles' with strong potential in order to facilitate inclusive social and economic development.

### India and China: Converging and Competing

The global diasporas of the Asian giants are incredibly internally diverse in terms of migration history, regional origin, and socioeconomic profile. The relationship of the state to these diaspora communities has varied greatly over time, influenced by a combination of national ideologies, economic imperatives and geopolitical context. The main difference between India and China throughout their history has been the more active state involvement in and monitoring of diaspora associations on the part of China. China has also sought more actively to unify and homogenise its disparate diaspora, which tends to organise along native-place (*qiaoxiang*) and kinship lines, by sponsoring broad-based pan-Chinese organisations focused on the PRC's development (Nyiri 2013: 219). The Indian diaspora, in addition to organising along regional/linguistic lines, is further divided on a caste and religious basis, but the Indian government has not sought to influence the creation of pan-Indian organisations (although its discourse also attempts to build a pan-Indian diaspora with allegiance to the Indian nation state). As a federal political unit, the Indian Central Government is accustomed to dealing with regional demands and cultural identities. We must bear in mind that India enjoys a state monopoly when offering diaspora benefits, whereas the PRC continues to compete with Taiwan, which no doubts further contributes to its zeal in exercising control over the diaspora. Apart from the more interventionist approach of the PRC, the diaspora policies and the ideology underpinning those policies, are increasingly converging between India and China. While neither country permits full dual nationality (nor is this possibility contemplated for domestic political reasons in India and geopolitical reasons in China), India and China both stress ethnic ties and an ethnic conceptualisation of the nation when reaching out to its diaspora, and cultivate an emotional bond to the 'mother country'. The aims of the Chinese and Indian governments are thus similar: both have sought to expand and deterritorialise the concept of 'Chinese' or 'Indian' in an attempt to promote their economic development. In reaching out to the transnational diasporic family however, the highly skilled diaspora has pride of place, and is engaged with more intensively. The low-skilled diaspora, despite being key contributors of remittances, remain second-class diasporic family members, especially in India. A central aspect of China and India's diaspora policies is therefore the division of their respective diasporas into different administrative categories in order to be able to leverage the benefits of specific diaspora groups. China's talent strategy of development is increasingly being imitated in India, although on a much smaller scale

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<sup>10</sup> Interview carried out in Florence on Nov 4<sup>th</sup>, 2013 with PRC researcher (environmental policy postdoc).

and without the same range of benefits, as witnessed by the recent establishment of scientific fellowships such as the Ramanujan Fellowship and the Nehru Science Postdoctoral Research Fellowship, both of which are designed to encourage Indian nationals to return (the number of people recruited however is small: the Ramanujan Fellowship for example recruits around 15 scientists a year according to the website of the Department of Science and Technology). These Fellowships are currently being administered by different Ministries, whereas in China the CCP has taken the lead role in managing the 1000 Talents policy, which has greatly contributed to reducing inter-ministerial rivalry, overriding competing interests, and ensuring its success at all levels of government (Zweig & Wang 2013: 45). It appears that India has been closely watching China's actions in the diaspora field, for their recently introduced Know India study programmes are also modelled on China's successful Roots Seeking camps. As India and China converge, they are also increasingly competing, for they are both aware that successfully leveraging their highly-skilled diasporas can enhance their profile and standing on the world stage, and is a vital element of their growing 'soft power'. A race for diasporic talent has begun, but its true success will only be able to be measured in the years to come, as more far-reaching domestic reforms to the academic system are carried out.

### Conclusion

Large-scale emigration in many other countries has given rise to institutional apparatuses that can mobilise diasporic populations, extract resources from them, bind them to the state, and promote 'emotional citizenship'. India and China are two leading examples of states that have been developing vigorous diaspora engagement policies that have granted an ever great range of rights and benefits to their diasporic citizens in order to meet their nation-building goals. In China, emigrants have in the past been branded as traitors and criminals, but are today viewed as patriotic citizens uniquely positioned to enhance China's global competitiveness. In India, emigrants have gone from being perceived as status and money hungry individuals who are 'not quite Indian', to role models who have raised India's image and esteem abroad. Diaspora engagement is thus heavily historically and politically context dependent: national discourses change in line with shifting national priorities and development goals. While India and China have now fully legitimated their diasporic populations, and symbolically/discursively incorporated them into the nation, they have operationalised the transnational diasporic family differently. China is pursuing a top-down talent strategy aimed at reversing decades of brain drain. Not content with brain circulation or knowledge transfer, China claims full 'brain ownership'. Its short-distance diaspora strategy links development to return and preferably long-term settlement. The PRC now accepts that its nationals will go abroad, but it wants to ensure that it will be able to harness their improved human capital as fully as possible. India is now similarly pursuing a talent strategy (still in its early stages), but the limited nature of these schemes shows that India is still largely relying on a long-distance diaspora strategy of knowledge transfer and 'reputational brokers', whereby Indians serve as reputational intermediaries that promote investment in key sectors. The lack of a coordinated national strategy across ministries to promote return reveals the still ambivalent place of the diaspora in the Indian transnational family. Nowhere is this more evident than in the Indian landing cards that must be filled out when arriving in India and passing through customs: the section to be filled out by "foreigners" includes OCI and PIO Card Holders, clearly communicated their 'Other' status. Therefore,

despite government rhetoric extolling the contributions and special role of the diaspora, the reality on the ground is often very different and even contradictory. Families are plural institutions with conflicting interests; overseas populations, no matter how 'engaged', are seen as categories to be managed, surveilled, contained, and at times, excluded. Despite these continuing ambivalences on the ground, both China and India are privileging an ethnic conceptualisation of nation and citizenship in order to promote national development. Whether this 'ethnic dividend' will bear all the desired fruits of modernisation only time will tell; embracing a global talent pool will arguably make India and China even stronger in the long-term.

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