

## **Nativism, Decentralization, and the Political Economy of Internal Migration**

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Increasingly, developing countries are being politically decentralized. Many countries are simultaneously promoting integration of internal markets for goods, capital, and labor. Within-country migration, particularly to cities, is higher than ever before. Development professionals, scholars, and local political elites have all tended to downplay the tension between political decentralization and internal economic integration. These two trends are, in fact, on a collision course due to the widespread use of regional ethnic preferences in markets for capital, land, and labor for natives of particular regions (so called “sons-of-the-soil” laws). The acrimonious politics of domestic nativism has created tumult and even civil war in the past (Fearon and Laitin 2011; Weiner 1978). Such conflict is likely to increase in the future because of the dilemmas posed by simultaneous political decentralization and market integration in large, diverse countries.

Political decentralization strengthens actors in favor of regional preferences at the same time as governments, and economic and demographic trends, are undermining such policies. Locally-responsive subnational governments can be expected to cater to regional ethnic majorities and to non-migrants. At the same time economic dynamism threatens to destabilize the livelihoods and political power of the sons of the soil. Migrants raise the prospect of changing the demographics of the local electorate. New flows of capital and internal trade displace regional firms. These stresses boost sub-national nativist politics and make sons-of-the-soil violence more likely.

In a new book project, we build on our existing work on migration, fiscal federalism, and conflict to examine the paradoxical political economy of migration in developing countries (Bhavnani and Lacina 2015; 2017). The book will (1) advance a theory of the interaction between political decentralization; internal economic openness; and sons-of-the-soil laws. (2) Show the wide applicability of our framework with cross-national analysis showing correlations between decentralization, internal economic openness, and internal nativism. Finally, (3) use detailed subnational evidence from India to suggest that national political parties can promote stability by shaping both central transfers and inter-state cooperation.

### 2. Decentralization, migration, and sons-of-the-soil laws

Few social scientists realize how common sons-of-the-soil laws are in developing countries. Unlike the archetypical United States federation, in many countries subnational jurisdictions limit trade, regulate capital flows, curb land sales, and restrict labor mobility. The stated rationale is to give priority access to citizens who are (more) indigenous to a region. Subnational jurisdictions like Tamil Nadu, India; Aceh, Indonesia; or the Oromia region of Ethiopia are

thought to *belong* to particular ethnic groups who should not be pushed aside in favor of newcomers.

In countries with multiple, regionally-based ethnic groups, there are substantial tensions between national integration of markets for labor, goods, and capital, and the creation of locally-responsive subnational governments with substantial autonomy. Briefly, ethnically-defined subnational units that are responsive to their citizens often work to curb migration, trade with the rest of the country, and capital inflows at the behest of natives. The subnational government spends disproportionately on the regional ethnic majority and often institutes or reinforces sons-of-the-soil preferences for them. Migration poses a particular threat to these preferences if migrants can join the regional selectorate and tip power away from natives. Powerful ethnic subnational governments work to exclude migrants or prevent them from exercising political power. The movement of firms poses a similar threat of displacing politically powerful actors in the business community. Here, too, native firms may insist on protectionism.

After laying out these dilemmas as a matter of theory, our book will show the global relevance of these insights. In the second portion of the book we will review the prevalence of sons-of-the-soil laws in a variety of developing countries, especially some of the largest and most important countries in Asia such as India, China, Vietnam, and Indonesia. We contrast these laws with trends toward political decentralization, increased internal migration, and policies aimed at integration of domestic markets. We show suggestive evidence that this is a destabilizing confluence, tracing relationships between policies that undermine sons-of-the-soil protections and internal violence. To supplement the global case, we draw on published work (Bhavnani and Lacina 2015) to show that positive migration shocks due to natural disasters can lead to rioting. The book will have additional analyses of the effects of natural disaster-induced migration on secessionist violence in India.

The third portion of our book will review India's experience as a case study in the management of economic integration and migration in the context of subnational democracy and strong regional nativism. Peaceful management of economic integration, especially migration, is more likely when political parties help to align local and central governments. Subnational governments that are politically-aligned with central governments (i.e., they are co-partisans, from the same political party or coalition) can obtain concessions from the center to offset nativist grievances. Subnational rulers drawn from the same political party have partisan incentives to cooperate in lowering barriers to trade and migration between jurisdictions and state-sponsored discrimination, showing the mitigating role of partisan considerations. To make this case, we rely on our published work on Indian fiscal federalism (Bhavnani and Lacina 2017) as well as new data on internal barriers to migration and trade.

### 3. Audience

Our book should be of interest to a wide variety of social scientists studying decentralization, migration, urbanization, discrimination, federalism and nativism. We particularly contribute to the study of the political economy of decentralization and federalism. Our focus on the prevalence and importance of subnational nativism is in sharp contrast to traditional questions of the distribution of fiscal and regulatory powers.

For policymakers, our focus on migration is critical and timely. Migration is soaring in the developing world and with it concern over migration-related conflict. One indicator of the policy interest in our work is that we have been invited to the Pacific Basin Research Center's Working Group on Governance and Internal Migration.

Finally, this book will cover a variety of material that would be useful to present in an undergraduate setting: a review of global trends toward decentralization, internal economic integration, and urbanization; facts about the prevalence of sub-national nativist policies around the world; and a review of theoretical literature on decentralization. The Cambridge Elements series emphasizes electronic supplemental materials for teachers of undergraduates and graduate students. Our book would lend itself to an online atlas of sons-of-the-soil politics and violence and to case study lesson plans based on simple analyses of our India data.

## References

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