

2001), in part because the Indian diaspora is much smaller (20 million), and, resented for its success, it has been much less willing to send money home. But New Delhi, which has backed away from micromanaging the economy in recent years, has provided “a more nurturing environment for domestic entrepreneurs,” say Huang and Khanna. Indian companies such as software giants Infosys and Wipro and pharmaceutical and biotechnology powerhouses Ranbaxy and Dr. Reddy’s Labs “now compete internationally with the best that Europe and the United States have to offer.” The *Forbes* 200 ranking of the world’s best small companies last year included 13 Indian firms but only four from mainland China.

“Democracy, a tradition of entrepreneurship, and a decent legal system have given India the underpinnings necessary for free

enterprise to flourish,” write the authors. And entrepreneurs there—such as Narayana Murthy, the founder of Infosys, who is often compared to Microsoft’s Bill Gates—have become folk heroes.

“India soon may have the best of both worlds,” say Huang and Khanna, for it is poised to reap significantly more foreign direct investment in the coming years. After decades of standoffishness, New Delhi is embracing the Indian diaspora. Not only are expatriates being encouraged to open their wallets, but many engineers and scientists are being lured home.

“With the help of its diaspora, China has won the race to be the world’s factory,” the authors conclude. “With the help of its diaspora, India could become the world’s technology lab.”

The Arab Democracy Deficit

“An ‘Arab’ More Than a ‘Muslim’ Democracy Gap” by Alfred Stepan with Graeme B. Robertson, in *Journal of Democracy* (July 2003), 1101 15th St., N.W., Ste. 800, Washington, D.C. 20005.

Not one of the world’s 16 Arab countries is a democracy, and many Western analysts say it’s because Islam is inherently antithetical to democratic forms. Stepan, a political scientist at Columbia University, and Robertson, a graduate student, beg to differ.

They looked at the Arab countries—including Algeria, Egypt, Morocco, and Saudi Arabia—and at the 31 non-Arab nations in the world with Muslim-majority populations. Using data for 1972–2000 from Freedom House’s annual survey of political rights around the globe, and from a similar undertaking called the Polity Project, Stepan and Robertson tried to identify the “electorally competitive” countries, those whose governments derived from “reasonably fair” elections.

Twelve of the non-Arab countries with Muslim majorities sustained “relatively high levels of political rights for at least three consecutive years,” the authors found. Eight of these—including Bangladesh, the Gambia, Malaysia, Mali, Nigeria, and Turkey—did so for at least five consecutive years. Of the Arab nations, in contrast, only Lebanon passed the three-year test (in the period be-

fore the 1975–90 civil war), and it failed to reach the five-year mark.

It’s conventional wisdom among social scientists that prosperity makes nations more inclined to hold meaningful free elections, yet seven wealthy Arab nations did not pass the rights test, while seven non-Arab, Muslim-majority countries with low gross domestic product per capita did. These political “over-achievers” were Albania, Bangladesh, the Gambia, Mali, Niger, Nigeria, and Pakistan.

The Arab “democracy gap” obviously can’t be blamed simply on Islam, the authors point out. But if “Arab political culture” is at fault, it’s not because of anything intrinsic to it, they believe. People in Arab countries have not developed the strong attachment to their nation-state that usually fosters democracy. Many Arab states, carved out of the defunct Ottoman Empire after World War I, have “relatively new and arbitrary boundaries.” Efforts to promote pan-Arabism and pan-Islamism, as well as the fact that Arabic is spoken in many different lands, have further weakened the nation-state’s appeal. Yet the authors believe that “internal pressures and initiatives” will eventually produce democracies in the Arab world.