

# Economic Nationalism in the US and India

## Comparing Strategies and Impact

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The governments of both India and the United States are encouraging economic nationalism. However, there are differences in their respective strategies and their impact, including on the daily lives of workers in both countries.

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The current governments of the United States (us) and India are both promoting economic nationalism strongly. In this article, based on our long-term ethnographic research in both countries, we compare the economic nationalist policies of the two and how these are related to the everyday lives of workers. Economic nationalist rhetoric by the leaders of both nations similarly invokes symbolism originating with independence from British colonialism (almost two centuries apart) and both the us and India offer marginalised workforces to produce the “American-made” or “Indian-made” goods. There are differences, however, in the economic nationalist strategies of the two nations. The us emphasises domestic consumption and lowered tax incentives for its businesses to remain in or return to the us, while the Indian government’s strategy has been to attract multinational corporations based in other countries to produce goods in India, promising a newly trained workforce through the associated Skill India programme. National branding

features prominently in the economic nationalism of both countries, but for different sets of consumers. After illustrating these points of comparison, we discuss the Boeing Corporation’s use of economic nationalist policies in both countries and the role of social media in promoting both administrations’ power and economic nationalist agenda.

### Symbols of Economic Nationalism

President Donald Trump’s red hat with the label “Make America Great Again” is not only a campaign fundraiser (available for \$25 on his website), but has become the symbol for his economic nationalist policy. In July 2018, for example, the White House proclamation declaring 17 July 2018 as Made in America Day featured the administration’s economic nationalist policy position, saying:

On Made in America Day and during Made in America Week, we celebrate the importance of American manufacturing, construction, agriculture, mining, and entrepreneurship to our Nation’s prosperity and economic vitality. Made in America products represent the global gold standard for quality, innovation, and craftsmanship and the output of a highly skilled workforce that is second to none. American workers and job creators sustain and inspire the American Dream, while enhancing both our economic and national security, which are inextricably linked. (Trump 2018)

Shortly after taking office in 2014, Prime Minister Narendra Modi had launched his Make in India campaign, stating in his Independence Day speech on 15 August:

I want to tell the people of the whole world: come, make in India. Come and manufacture in India. Go and sell in any country of the world, but manufacture here. We have skill, talent, discipline and the desire to do something. We want to give the world an opportunity to come make in India. (Modi 2014)

Two symbols characterised Modi's "Make in India" campaign: an iconic lion made of industrial cogs, and a photograph of Modi with a spinning wheel. The first represented the productive power of the Indian population, which Modi promised would be skilled by the millions (with a target of 400 million newly skilled for manufacturing jobs by 2022) to serve as a workforce for the corporations he hoped to convince to build factories in India. The leader's pose with a spinning wheel (mirroring the national flag) invoked the *swadeshi* policies of M K Gandhi at the time of independence, represented by his symbolic practice of rejecting British textiles in favour of homespun cotton. Modi's Make in India represents more of a break than a parallel with Gandhi's policies. However, given the individualistic neo-liberal framing of today's economic nationalism with the collective appeal of Gandhi's *swadeshi* (produce your own) and *swaraj* (empower yourself) projects, "Make in India" is now more of a sales pitch than a collective nationalist project, and Indian handloom textiles do not hold nearly the share of the world market as China's.

While the homespun symbolism of independence from British colonial rule (over both politics and trade) is not as close to living memory in the us as in India, it also features in the rallying cry for economic nationalism echoed by today's leadership. As Dana Frank (1999: 11–18) describes, the leaders of the American Revolution also wore homespun in defiance of British imports and taxation, but, unlike Gandhi's cotton spun famously by his own hand, their homespun linen suits were mostly woven by their enslaved African workers, and they secretly went around the boycott and imported European goods for their own households. This is very similar to Trump's public advocacy of American-made products, while importing goods (including textiles) from

many countries for his name-brand hotels (Gabbatt 2017).

### Economic Nationalist Strategies

The primary economic nationalist strategy articulated in the us is to attract American business investment back to the us, or keep it from leaving: "Last year, I signed into law historic tax cuts and reform, which have unleashed a flow of investment and jobs back into America from overseas" (Trump 2018). In contrast, Modi's Make in India strategy is to attract foreign investment by offering more rights to keep intellectual property than China offers, and a plentiful, inexpensive workforce. The two nations have in common, actually, both the strategy of attracting foreign corporations and advertising a cheap labour supply, although in the us this is done much more quietly (in the national arena, anyway) than in India, as in the case of foreign trade zones (FTZs).

The us FTZs are often located in rural areas, with economic development organisations and state governments advertising a rural labour force with low mobility, no access to labour union representation (breaking the unions is one of the Trump administration's legislative goals, as it was a signature priority of the Reagan administration in the early 1980s), and a willingness to work for low wages. Staffing agencies are increasingly being used to provide labour to foreign and us corporations doing final assembly in those FTZs for us corporations, which—resulting from that practice—are released of obligations to workers for providing basic benefits and long-term employment (Kingsolver 2016).

One rural worker described the lack of accountability to workers hired through staffing agencies in us FTZs in this way in 2018 on an employment review site: "I worked thru a temporary agency so to me it was awful. We would get to work only to be sent right back home. No courtesy calls or anything. The pay wasn't great, but it was a job" (Indeed.com 2018). Another worker interviewed by Kingsolver (2016) explained that given the driving distances across the rural region, a worker could spend personal money for gas to drive to the FTZ, having been sent by the

staffing agency, and having paid personally for child care arrangements for that day, only to be told that a shipment had not arrived and no work was available, ending up not only without any wages for the day, but also in further debt. The flexible labour force promised by economic nationalist business promoters ends up meaning that the workers bend themselves in many directions to accommodate unpredictable working conditions.

In India, there have been a number of free skilling initiatives launched with the intention of providing the manufacturing-ready labour force promised by Modi through his Make in India economic nationalist policies. Some of these include the National Skill Development Corporation (NSDC); the Pradhan Mantri Kaushal Vikash Yojana (PMKVY); the Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY), and Ajeevika Skill Development Programme, part of the National Rural Livelihood Mission.

Annapurna Pandey, the second author, followed young women from rural and tribal areas of Odisha through one of these nationally motivated skills training initiatives, this one being focused on industrial sewing skills (attaining SMO, or sewing machine operation, qualifications). The state of Odisha established the Odisha Skill Development Agency, focused on moving labour from the unskilled informal sector to skilled employment in the formal sector, partnering with both publicly and privately owned factories and educational institutions to train young people, in particular, given the high rate of unemployment in that age group. The Centurion Gram Tarang Employability Training (GTET) programme launched a skills training programme in 2010 and has trained over 75,000 young people from marginalised communities in Odisha.

Pandey, in talking with a cohort of these young women as they went through the training programme and then migrated to urban areas to work, found that there were both positive and negative lived effects of participation in these Skill India programmes. On the one hand, they forged social capital quickly during their time together and gained independence in receiving salaries and

learning to send money home, but on the other hand, many of them faced strained relationships with families unwilling to accept their new occupations as respectable and pressuring them to leave the sewing jobs and return to their villages, where it was difficult for many of them to use their newly acquired skills.

One young woman told Pandey that the supervisors in the factory in another state always discriminated against the Odisha workers, saying that they were accused of being slow learners who “can never beat the Kannada people.” Because of its very high rural and tribal population, Odisha workers often face such stereotypes in the urban workplaces and then face challenges at home. Another young woman said that her sisters-in-law called her from her village to tell her she was a cheap, worthless woman who would bring shame to her family and that no one would marry her because of her sewing career. Another, who had returned to her village after pressure from her family to quit her job and marry, said, “Staying away from home and working is taboo for a girl.” She had found it empowering being in the city in her sewing job, telling Pandey proudly that she had been able to send back ₹2 lakh for the construction of a new home for her family and that she had been able to pay for her own healthcare needs and for her brother’s education.

There is a tension between the demand to train new workers to serve the Make in India agenda (Mishra [2014], estimates that 13 million workers would be needed annually to meet Modi’s target) and the fact that twice as many young people are being trained as there are jobs ready for them. Revati Kasturi of Laqsh Skill Training estimated on 7 September 2017 that over 12 million young people were being trained each year but just over six million jobs were being generated. This, along with mixed messages they get from the training programme and from their families, creates an unstable view of the future for young people whose labour is advertised prominently in relation to the image of the Lion made of cogs pushing Modi’s Make in India policies forward.

Economic nationalist branding is very important in both nations, but in different

ways. In the us, the Federal Trade Commission regulates the labelling of goods made in the us. There is a great deal of variation in that labelling, from “Made in us” indicating both us manufacture and content origin, to more ambiguous labelling like the recently challenged “American Made Matters” used by a company to promote its product with the economic nationalist rhetoric, but which was disciplined when it was revealed that the product was neither manufactured nor sourced in the us (Federal Trade Commission 2018). Domestic consumers are the main audience for economic nationalist branding in the us, and that consumption itself has become fashionably commodified, since social media users can promote their “buy American” behaviour (across a whole spectrum of political positions, from local foods activists to white supremacist anti-immigrant groups). In India, economic nationalist branding is often for consumers in the international market, but there is value added to Indian-made branding, as with the symbolic invocation of Ayurvedic traditions in start-up companies selling popular products using neem and moringa.

Corporations can take advantage of economic nationalist policies in their transnational manufacturing strategies; one example is Boeing, currently under scrutiny for its decision-making around over-automation of one of its aircraft. It is a global company, having fragmented its production process across many nations. In the us, it shifted some of its manufacturing from a highly unionised labour force in Washington state to South Carolina, where state leaders promised to suppress union activity and wages and to supply a site and invest in skilling workers who had never worked in the aeronautical industry before. After the corporation had made that move, it took further advantage of both its global range of options and economic nationalist policies by shifting some manufacturing from South Carolina to Tamil Nadu, where Modi promised Boeing a defence sector investment of \$3.1 billion, newly skilled young workers, and the right to keep its intellectual property. The wheel keeps spinning, but it is not Gandhi’s spinning wheel.

The Make America Great Again red hat and the Make in India lion have their own life on the internet, as symbols of national power and pride promoted through social media, but as we have observed, the lived experience of these policies is not as seamless as the narratives within each nation, and the policies also rely deeply on engagement in the global economy which the economic nationalist rhetoric plays down.

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