Expatriates and Agricultural Development

A study on Expatriates’ contributions to agricultural development in their home economies.

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Executive Summary

This report examines the ways in which expatriates have impacts on agricultural development, focusing on the financial, knowledge and labour effects, in their home countries. This is done by first studying expatriation and agricultural development over time through current trends and considering current issues affecting both. Drawing all these areas together, the effects of expatriation on agricultural development are examined, mainly discussing financial effects such as remittance, knowledge transfer such as through multinational firms, and labour transfer such as farmers. Migration has also been studied critically to account for different schools of thought. This study contributes to a deeper understanding of channels of international knowledge and skills transfer as also indicating how to improve and strengthen them for agricultural development.

This study indicates that there is very little public information available on expatriates and their contribution to agricultural development in their home countries. The study indicates that remittances by expatriates reducing rural poverty in their home countries result in agricultural development. Another channel is of family connections between expatriates engaged in farming in both the country they have migrated to and relatives in their home countries. Expatriates returning and investing again in agriculture in their home countries is also a channel for agricultural development. These channels also lead to knowledge, skills and technology transfers. However, the impact of these channels is largely anecdotal and needs deeper study. Multinational Corporations employment also contributes to knowledge transfers through exposure and training. Expatriate scientists, technologists and professionals in fields related to agriculture have also been documented to contribute to agricultural development.

However, research has shown that repatriates face a number of obstacles when they return to their home countries e.g. India, such as the local work culture, resistance to change, lengthy bureaucratic processes, and a lack of suitable infrastructure. There are however some countries, including India and China, that have initiated action to utilize repatriate skilled professionals in agricultural development in their home countries.

Even with the limited information available, suggestions can be made for home countries of expatriates to make more efficient use of expatriation for agricultural development. Home countries can encourage use of remittances more productively in rural economies and expatriates to invest in rural infrastructure and education through lesser taxation, special bonds and other such instruments. As for expatriate professionals engaged in agriculture related activities, home countries can recognise and use more formally through short and medium term assignments their knowledge, skills and technologies for development. Home countries of Diasporas could contribute to formally channel and strengthen professional expatriate associations and similar bodies for development in their home countries. Home countries can
also offer employment to professional repatriates and offer employment to retired repatriates with proven contributions in their fields to continue to contribute to the country’s development.
Introduction

The impact of expatriation and migration on agricultural development, and as a consequence, on poverty in their home countries, are amongst the least researched and explored topics in agricultural research. This is interesting considering that most migration happens from rural areas with high levels of poverty (Taylor, 2001). Changes in agricultural development now also have an impact on economic growth outside of rural areas due to an increased integration of markets. Expatriates in the form of immigrant labour entering into local production activities, such as North African labour arriving in Europe, influences the level and distribution of income in migrant-host economies and poses both opportunities and threats for the local labour. Migration of labour away from rural areas and farm jobs in the migrant’s native country is also significant in assessing native agricultural and economic growth.

Globalisation

Globalisation has now played a major role in realising the movement of people around the world. It has allowed for knowledge to be exchanged between people, communities and countries, largely due to spectacular advancements in technology. It has resulted in shifts within countries towards market-driven systems of production and increased international economic integration (Glyn, 2004). Internationalisation has led to a growth of transactions and interdependence between countries. Liberalisation has occurred, which has resulted in the officially imposed restrictions on movement of resources between countries being removed forming the “borderless” world economy we operate in. Universalisation has meant that various objects and experiences are now a part of people all across the globe. It is debatable whether westernisation has been beneficial to society as western modernity has spread across humanity, making people more curious and innovative, but simultaneously destroyed more traditional values and cultures (Scholte, 2008). We can therefore see that globalisation is not necessarily viewed in a positive light.

As Scholte (2008) explains, globalization can be seen as the trans-planetary connections between people, as a result of reductions in barriers to trans-world social contacts. As a result, globalization has four main drivers: trade, foreign direct investment, flows of financial capital and international migration. Therefore globalization now entails not just trade of physical products but also cultural integration and intra-firm movements. However as Glyn (2004)
argues, sometimes the extent of economic integration is exaggerated, as migration was only at 2%-3% in 2004 and at 3% of the world’s population in 2010 with 214 million people living outside their country of origin (UNFPA, n.d.). Although migration may have not increased substantially, it is possible that expatriation has, particularly as a result of multinationals sending individuals abroad for knowledge transfer. The changes brought about by globalization in terms of the transfer of technology and relocation of multinationals’ activities abroad has consequences such as those who are less educated to lose out heavily in terms of job opportunities. It is becoming increasingly easy for companies to relocate some of their functions abroad, thereby causing the ‘threat effect’ of potential relocation on union wage bargainers. More developed countries are gaining from globalization due to a policy of reducing protectionism which is encouraged in more developed countries. Results of this can be seen in the increased trade in the north. Similarly, expatriation is also encouraged relatively more in developed economies, which may lead to negative effects on agricultural development in developing economies.
Expatriation

Defining an expatriate

In order to examine the trends present in expatriation and what it brings back to host countries in terms of agricultural development, we must understand what the term “expatriate” means. A common interpretation of the word is that of an expatriate being a professional sent abroad by the government or an organisation, such as the United Nations. Unlike an immigrant, expatriates still work and get paid by a body in their home country, whereas immigrants look to settle into the country they move into (Milusheva, 2012). While immigrants or emigrants emphasise movement, the concept of expatriation focuses on living somewhere else, and therefore also on challenges they face while adapting to a new culture, as well as challenges they face while repatriating. However, at times expatriates moving out of their home economy might decide to settle in their host country at a later date; examples include farmers travelling from the east to the west, as well as international students being employed in a host country once having studied there. For the sake of simplicity we will therefore interpret an expatriate as someone living out of his or her country of birth for an undetermined period of time, with the possibility of repatriating to his or her home country. They can be thought of as a type of immigrant and therefore members of a diaspora. This report discusses the ways in which expatriates form in different communities and the ways in which expatriates can and have contributed to their home economies in terms of agricultural development. The effects they have on agricultural development (and how this concept can be interpreted) are discussed later.

Recent Migration Trends

Based on the UN Population Division’s mid-2013 estimates, the number of emigrants greatly outnumbers the number of immigrants in countries such as China and India, as well as the West African countries. For example, a large proportion of immigrants originating from India have moved primarily to the United Arab Emirates, a total of 2,852,000 in 2013 as well as the United States which hosts 2,061,000 Indian
immigrants. Other countries being home to many Indians have included the United Kingdom, Pakistan and Nepal. On the other hand, countries of emigration have consisted of those in Europe, with a high number of immigrants, such as in Italy, Switzerland, Spain and Germany. It is worth pointing out that a general worldwide trend that prevails is the movement of immigrants to neighbouring countries, possibly in attempt to minimize the cultural and language barriers they could face. For example, a large proportion of immigrants in France originate from North African countries such as Algeria in Morocco, as well as countries on Africa’s western coast such as Cote d’Ivoire and Senegal, all in which French is the primarily spoken language. Spain has a large number of migrants originating from Morocco and Romania, both with more than 700,000 migrants, as well as migrants from within Europe from countries as the UK, Germany and France. The figures displaying an inflow of people from South American countries such as Columbia, Ecuador and Argentina further supports the claim of selective migration to minimize language barriers (MPI, 2013). There is also migration of more skilled professionals from Europe to North America and Australia. Historically, the Americas, Israel, Australia and New Zealand agriculture have been developed by European migrants.

Migration has particularly increased since around the mid 20th century. In 1960, the main destinations for migrants were: the United States of America, which had 10,826,000 immigrants contributing to a total population of 186,326,000, followed by India with 9,411,000 immigrants out of 448,314,000 people, and Pakistan with 6,350,000 immigrants out of 48,778,000 people. Amongst these, Pakistan had the largest migrant share of its total population of 13%, however
Israel and Hong Kong SAR possessed the largest proportions of migrants in their population in the world, with 56.1% and 52.9% respectively. There are also noticeably a higher number of male migrants than female migrants in most cases. This could be due to a transfer of labour across borders.

By the 1990s, migrants had spread across the world. There was an increase of immigrants particularly in the Russian Federation, rising to 11,525,000 immigrants out of a population of 148,149,000. This is a significant increase from 1960 in which there were a total of 2,942,000 immigrants out of 214,322,000. On the other hand, India’s inflow of migrants slowly decreased, although its population almost doubled by 1990, relative to 1960. Its migrant share of its total population had dropped from 2.1% to 0.9%. By 1990, Pakistan’s number of immigrants had only increased slightly relative to 1960, although its population has more than doubled in these 30 years. Its migrant share of population had fallen from 13.0% to 5.9%.

By the year 2013, there is a significant increase in the spread of migrants across the world in different countries. India and Pakistan’s immigrants have fallen greatly possibly due to living standards and the quality of life being greater in the more developed economies, which can be measured by the Human Development Index (HDI). According to 2013 statistics, countries such as the United States, Germany, Italy, Spain and France have a very high HDI growth, India has a medium human development and Pakistan falls under low human development. This supports the trend of immigration due to higher living standards in Europe. However, this does not explain China’s higher emigration figures despite it having a high HDI index (Human Development Reports, 2013).
United States immigration figures remain high throughout the years; it has the largest number of immigrants even though this figure declines in most countries. In the 1960s the annual inflow of immigrants was of about 330,000 people and by the 1970s this figure increased to 450,000 people and to 600,000 in the 1980s. During the 1960s the immigrants were primarily from Europe whereas towards 2000 they originated largely from Latin American and Asia (Martin and Midgley, 1999).
Agricultural Development

Defining Agricultural Development

Agricultural development is defined as “the development of the agricultural sector of the economy”. Although it is important for local food and livelihoods, international public financial support has greatly diminished for agriculture. Agriculture is a main source of income in developing countries, not only in India, but also in other booming economies such as China’s, where about 70% of the work force was in the agricultural sector in 2001 (Taylor, 2001). The proportion of those working in the agricultural sector has also significantly declined over the last 10 years, from 49.1% to 31.4%. Similar trends have taken place across the world, as displayed below.

China: Distribution of the workforce across economic sectors from 2003 to 2013 (in percent)

India: Distribution of the workforce across economic sectors from 2000 to 2012
Agricultural development can be interpreted in a large variety of ways, also due to the fact that it involves a great deal of culture and history, which cannot be explained by statistics. Due to this, and the effects of globalisation, which make the impact on these aspects greater, it is increasingly difficult to quantify. We will therefore not only look at the financial effects of expatriation on agricultural development, but also knowledge transfer and labour and skills transfer.

**Issues in Agricultural Development**

Agricultural Development is facing a number of issues today relative to the past, predominantly in rural areas. There are issues with land tenure; meaning inherited land is divided over generations. Basic amenities lacking in rural areas causes a shift in numbers towards urban areas, reducing the working population for agricultural production. Problems in storage have implications for perishable crops, while pest and diseases increase costs for farmers. Poor marketing systems mean farmers do not receive full profits in the first place, due to middlemen who create artificial scarcity. Smuggling and corruption also boost prices of agricultural products and lead to monopoly power forming. We will first discuss some of the issues in more depth, to then later review how expatriation has impacted some issues in agricultural development.

According to research by the International Fund for Agricultural Development, one major issue to focus on is the decrease in the aid for agriculture, as well as public investment in agriculture by developing country governments. In 1980, agriculture spending as a percentage of total spending was 6.4% in Africa, 15% in Asia and 8% in Latin America. By 2002, these respective figures dropped to 4.5%, 5.6% and 2.5%. Official development assistance in terms of agriculture in Africa was 18% in 1979, but only 3.5% in 2004. Such decline occurred for a number of reasons. One reason found, has been that of donor priorities shifting to issues such as social
protection, health and education, anti-corruption and AIDS. Agricultural projects failed to be priority of Ministers of Finance, also due to their high costs of preparation.

Poverty is primarily in rural areas and around 70% in developing countries, and in addition to this, agriculture is also the leading sector in low-income countries, particularly in Africa. However, agriculture has a high economic pay-off, which means that that the profession is 2.5 to 3 times more effective in increasing income of the poor, than non-agriculture investment (IFAD, 2007). It has also been found that “agricultural growth, as opposed to growth in general, is typically found to be the primary source of poverty reduction” (IFPRI, 2007). However, for Africa, there is perception that aid being ineffective in African agricultural development and that has resulted in a “green revolution” not occurring there. Reasons for this, other than ineffective aid, include less government taxation of agriculture in countries within Asia and Latin America, while in Africa taxation was up to 40% of agriculture GDP. Asia also has effective local governance, in which government resources are allocated to agriculture and this is evident in the success of their projects. In addition, past projects for agricultural development have not been as successful in Africa as the rest of the world, which leaves little hope for the future. However recently, more effect government policies such as agricultural taxation falling to 10% and increased spending on agriculture by the government are promising in Africa’s agricultural growth. The increases in prices of commodities also make agriculture a profitable profession. Remittances also play a key role here, which prove to be an increase in private investment within rural areas of some countries. According to the Summary of World Food and Agriculture Statistics conducted by the Food and Agricultural Organization (FAO), agricultural growth has increased particularly in Sub-Saharan Africa. However, issues such as under-nutrition, food security and low crop productivity remain. The high tariffs faced by trade in agriculture in the manufacturing business reduce the trade of agricultural goods. This is particularly high in South Asia.

A further point to discuss with regards to Africa’s development in the direction of agriculture is its strategy if or once it obtains the necessary resources. Examples of strategies it could undertake are: water resource development, improving infrastructure such as roads, increased use of fertilizers, increased public-private partnerships for input supply, improve basic food staples, include cash crops due to the increase in exports and to handle farm inputs through investments in smaller input systems. Innovation in agriculture has also been best in areas that are agriculturally well endowed, while less favored lands and unfavorable climate areas are left behind, many of these found in Africa. IFAD believes it is important to invest in these areas by providing research and development for various strategies that can be undertaken, by building infrastructure and through irrigation. IFAD also works to reduce risk and vulnerability for local farmers, build capacity for farmer organisations and building the capacity of the local government.
Contributions by Expatriates

Financial

One way through which contributions of migrants is measured is through remittance flows. Remittances are the “portion of migrant workers’ earnings sent back home to their families (IFAD, n.d.). Remittance has been a principal method of financial support throughout history. The World Bank estimated international migrants to remit more than $550 billion in earnings in 2013, of which $414 billion would flow mostly to rural areas within developing countries. In 2011, remittances formed more than 10% of GDP in 24 countries, and 20% of nine countries’ GDP. Remittances have been hidden in the past, in particular amongst developing countries. However, over recent years migration has increased and has corresponded in greater remittances. Remittances now reach about 10% of the world’s population. This is due to 150 million migrants abroad that sent US$300 billion to their families in developing countries, through various financial transactions (IFAD, n.d.). It is clear that remittances have effects of alleviating poverty in developing countries, as well as economic growth due to multiplier effects. Nonetheless, as identified by the International Fund for Agricultural Development (IFAD), development in rural areas can be increased through improved data collection, reduced transaction costs and leveraging remittance flows to greater development impact.

The main issue with recording remittance flows is the high number of senders and receivers being outside the economic mainstream. Remittance studies in Latin America have been present from a number of years, however for countries in Asia, Africa and the Middle East these studies have been relatively recent and new, giving light to the high number of informal channels present which account for almost half the remittances in the world. This is especially the case in rural areas, where the means to keep track of financial transactions are lacking. A better understanding of the volume of remittance flows would attract more actors to the market. Increased competition also results in a decrease in prices of transfers, which will play a significant role in alleviating poverty. The main issue with reducing transaction costs is the number of factors that influence them such as large volumes, monopolies and informal channels of transfer. Monopolies are most likely to result from the lack of competitiveness in rural areas with regards to remittance channels, which leads to the presence of informal networks. New technologies are also emerging to decrease transaction costs, such as mobile phones or prepaid cards. In India and the Philippines the use of mobile technology as a means of transferring money has become extremely diffused, and has meant many more people have the means to transfer money at a low cost. Assessing the impact on development of remittances is also challenging due to the high number of players being outside the formal channels to transfer money.

In 2012 (most recent information available), the country with the largest remittance inflow was India, with $67.3 billion (possesses a very small unstated outflow figure). This accounts for 3.7% of their GDP. Even after the rupee depreciated in 2013, this did not lead to great remittance
outflow (Rejimon, 2013). Following it is China with an inflow of $57.8 billion, and the remittance sent in 2012 was $4.3 billion. Following China are the Philippines with $24.6 million being sent and $162 million received. There seems to be a majority of inflow of remittance across the globe, particularly in South Asia, East Europe and the North of South America. Countries in Africa that have a large inflow of remittance, are, Egypt with $19.2 billion inflow and $292.7 million outflow, as well as Nigeria with $20.6 billion inflow and a $38.9 million outflow. The country with the largest remittance outflow is the United States, with a total of $51.1 billion. Russia is second in this regard with $31.6 billion sent and $5.8 billion received. Tajikistan has the largest inflow of remittance as a share of its total GDP of 48.1%. In addition to this, Kyrgyz Republic has 31.4% of its GDP covered in this way. Such countries for which remittance contributes significantly to GDP, indicates a substantial dependence on migrants and expatriates to transfer money back home to their families. This trend appears to be of particular significance amongst countries of war and conflict.

The following table summarizes the key facts and figures regarding remittance flows in the most relevant areas in the world.

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of migrants</th>
<th>Remittance flow</th>
<th>% of GDP</th>
<th>% of Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>30 million</td>
<td>US$40 billion</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>50 million</td>
<td>US$114 billion</td>
<td>2</td>
<td>15</td>
</tr>
<tr>
<td>Europe</td>
<td>25 million</td>
<td>US$50 billion</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>29 million</td>
<td>US$68 billion</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>Near East</td>
<td>17 million</td>
<td>US$30 billion</td>
<td>4</td>
<td>13</td>
</tr>
</tbody>
</table>

Data: IFAD.

Throughout history, migrants have provided support for their families back home in developing countries, however this has largely gone unaccounted for when the means of technology were less available and accessible. In the past 10 years it has been found that their contribution has exceeded US$300 billion a year (Vasconcelos, 2009). Furthermore, remittances to developing countries go beyond foreign direct investment and development assistance combined, and in nearly 40 countries, remittances make up more than 10% of their GDP. When interpreted as an improvement in living conditions and lifestyle, agricultural development has shown to increase. Families now have a new source of income in order to renovate their house, have access to running water and electricity, and are able to grow more food to support their family members. About 80-90% of the money sent back home is spent on basic necessities such as food, shelter, clothing, health care and education, with is bringing more and more people out of poverty and raising incomes. Many may misconceive remittance to be a source of development however it
is actually evidence of development imbalance amongst communities, which has led to migration.

In order for remittance to be effective, those sending and receiving remittance must have access to basic financial services. The system through which the money is transferred must be efficient and fast, and those receiving must have access to deposit accounts. To enhance the benefits of remittance and ensure they are long term, those receiving money could receive financial education. According to a report by the International Fund for Agricultural Development (IFAD), however, more than 90% of the world’s poorest people do not have access to savings accounts loans insurance or another way to transfer money. In addition, 30-40% of remittances are sent to areas where financial services are not available, and due to this, receiving remittance is costly. IFAD is an example of an international organisation that works with other banks and services to create more efficient and less expensive ways for migrants to send money home to rural areas. They believe that if the money from remittance “is deposited in a bank or a microfinance institute, the money can be mobilized and benefit other entrepreneurs”. This will mean the money can be a way of reducing poverty for the families that receive it, as well as helping local communities to develop. IFAD has introduced online transfers, such as in Guatemala. It has also been found that transferring remittances using mobile phone technology has becoming a cheaper way to transfer money. After studying what the sending and receiving communities require, a marketing strategy was designed to increase membership. The result of this has been more than 1,200 people using the services funded by IFAD, and 87% of the recipients in Salcàjà now have access to financial services and store money in banks. Another example is of the partnerships promoted by IFAD between African financial institutions and those in the United States, to help Ethiopian migrant families. It has also been found that in Uganda and Ghana, remittances have reduced the percentage of poor people by 11% and 5% respectively. Such contribution which increase economic opportunities for poor rural people and promote access to remittance is what is needed in order for contributions by expatriates to be communicated effectively.

However, how much of these remittances go into agricultural development is tough to determine. Nonetheless, judging by the increasing number of farmers moving from India, in states such as Punjab and Bihar, to the West, a reason may be provided as to why India is the number one country with inflows of remittance, as farmers send money back to support their family and village back home. In this case, money is being used to boost agricultural development, especially in regards to rural areas. However the data of total remittance received by and sent to countries also accounts for those who send money back home to developed areas, and where the money is not going into agricultural development. As discussed, knowledge is an important asset which those in agricultural communities may bring back home, which cannot be accounted for numerically.
Farming – Labour & Skills Transfer

There are a number of cases in which farmers in India, especially originating from the northern region of Punjab, have migrated to other countries such as Canada and Australia. One farmer from the district of Hoshiarpur owns a 150-acre farm on which he grows citrus variants such as Malta and Jaffa oranges as well as mangoes and berries. He reports for the business to be generating thousands of dollars, however he feels it is becoming increasingly difficult to farm in Punjab due to power cuts, costs for generators and diesel costs. Security is another issue faced by such farmers. Reasons for moving to a country such as Canada are also family-related, such as opportunities of a better education system for the farmers’ children. They believe a better sense of law and order to be present there. Due to land having a great value in Punjab, selling part of it can mean buying a whole farm in Canada. In such a developing area, real estate developers are eager to buy land from the Punjabi farmers, for which they would receive vast amounts of money. This would also greatly benefit Canada as their rate of growth of their population would otherwise be negative by 2016. Since there is an ageing population, many are too old to continue working on the farms. As for the younger generations, they tend to either move to the city or switch to other careers (Majumber, 2006).

Another similar case is of Punjabi farmers moving to Australia. Almost 85% of agricultural land in Australia is underutilized (Krishnan, 2011), also due to its population of 22.68 million (World
Bank, 2014) despite it being three times the size of India. Therefore buying agricultural land there will also benefit the Australian economy. Once again, a better legal system and greater living standards in such countries is also attractive to farmers as a determinant in migrating out of their home country. In addition to this, due to land becoming extremely valuable in countries such as Australia and Canada, an acre of land in Punjab can be worth a hundred acres of land there. What some farmers have found in Punjab is that due to small holdings not being mechanized, there are large overhead costs. However, there are also cases of farms being bought back in Punjab as an investment. Many farmers in Punjab have also decided to move from farming to agroforestry, producing eucalyptuses leading to earnings of INR 0.8 - 1 million per acre in 5 years. This has been prominent particularly since 1996, after the Supreme Court in India took action to save the forests in the North-eastern states, Himachal Pradesh and Jammu and Kashmir, which were depleting fast. This led to the wood market moving to Haryana, Punjab and Uttar Pradesh. This is due to the growing demand for wood, particularly by furniture manufacturers. The trees they grow can also be used for construction purposes, and do not require the high input costs and labour, which runs short, required by traditional crops. Inter-cropping such as sugarcane and vegetables sees farmers into the first two years of agroforestry through which they receive normal yields. (Krar, 2012)

To assist farmers in making this transition, a number of immigration agencies exist, also to create awareness of the opportunities present. It is also crucial for the farmers to truthfully assess whether the opportunity is suited to them. For example, the management of farms differs from country to country as well as the skills needed. The crops grown will differ. As a result, the Punjab Agricultural University offers courses in farming practices prevalent in the west, and for growing exotic fruit and vegetables. This is also done through material obtained through the Internet. With an increasing number of Punjabis in Canada, migrant farmers will soon feel at home there.

Agriculture is the main occupation of the Punjabi people, and contributes largely to their economy. Punjab’s emigrants may have negative consequences for the state’s economy. It may be partially compensated by remittances, but not entirely.

Knowledge Transfer

Knowledge transfer through expatriates has been a key feature of the operations of multinational corporations (MNCs). Due to globalization, employees of such companies now travel abroad from headquarters and transfer knowledge to subsidiaries across the world. According to a study conducted by Chang, Gong and Peng (2012), three dimensions of expatriate competencies are ability, motivation, and opportunity seeking. However, in addition to this, it has been identified that the “subsidiary absorptive capacity” is also significant in how successful the knowledge transfer is. Subsidiary absorptive capacity is defined as “the ability to recognize the value of external knowledge, assimilate it, and apply it to subsidiary operations” (Cohen & Levinthal, 1990). Therefore, the extent to which knowledge is transferred successfully depends on both the source and recipient in the transfer. However, another variable identified
is the ability of the MNCs to pick individuals with good “soft skills” to transfer knowledge (Peng, 2011), as opposed to individuals being picked according to their technical skills (Tung, 1987). Therefore to best transfer knowledge, it is important for firms to choose expatriates going beyond technical skills, and to increase the subsidiary absorptive capacity.

There have been a number of contributions made by expatriates in the field of agricultural development. Dr. Gurdev Singh Khush, an Indian agronomist and geneticist, received the World Food Prize in 1996, amongst many awards, for his achievements in increasing and improving the quality of the global supply of rice during times when population growth was exponential. After completing a bachelor’s program in Punjab, he studied a Ph.D. in California and served as a faculty member for seven years during which he studied the tomato genome. He then joined the International Rice Research Institute in the Philippines as a Plant Breeder. He has made significant contributions in increasing rice production; in 1966 world rice production was 257 million tons, while in 2006 this figure rose to 626 millions tons. Similarly, another Indian expatriate who has made profound contributions to agricultural development is Dr. Sanjay Rajaram, who was also awarded the World Food Prize. He has contributed greatly to global food security, by developing hundreds of improved wheat varieties, alleviating billions from hunger. He spent many years of his career working at the International Maize and Wheat Improvement Center (CIMMYT) where he held the position of Director for the Wheat Breeding Program. His contributions have had a profound impact on food security for many generations to come.

As a result, the Indian Diaspora has significantly contributed to Science and Technology. Emigration of Indians in the nineteenth century occurred to countries such as Fiji, Mauritius, Africa and Caribbean countries, and in the mid-twentieth century to the US and some countries of the west. Members of the Indian Diaspora, as indicated by Association of Agricultural, Biological & Food Engineers of Indian Origin (AABFEIO) and other such organizations are keen on contributing to their country of origin, and they are therefore key in improving India’s relations with countries of their adoption (Indian Diaspora, n.d.). There are other such diasporas such as Chinese, Korean and West African also active in a similar way.

Recent research has found that there are benefits of expatriates transferring skills and knowledge through diaspora networks, business and entrepreneurial investments, and eventually when they return to their country of origin. However research has shown that repatriates face a number of obstacles when they return to India, such as the local work culture, resistance to change, lengthy bureaucratic processes, and a lack of suitable infrastructure (CODEV-EPFL et al.). There are however some countries, including India and China, that have initiated action to utilize repatriate skilled professionals in agricultural development in their home countries.
Data Collection

After having conducted a number of interviews with people in various sectors of work and nationalities, I found that individuals had contrasting experiences with expatriation and agricultural development in their home country.

It was found that around 70% of the interviewed staff in the Food and Agricultural Organisation headquarters (a sample of 50 individuals) do not currently contribute personally to agricultural development in their home economy. However, as they work to provide technical assistance to developing countries, they may indirectly contribute to their home country through their responsibilities within the organisation.

Looking closely at all the interviews conducted, there have been a number of reasons as to why people migrate from their home country. There are three main categories of individuals that move abroad. Reasons for migrating often depend on the type of country the individual originates from. Therefore, a country with a high rate of economic growth and substantial employment opportunities, significant in the world economy will ensure people are less tempted to move abroad. Indeed, this may be the kind of country emigrants migrate to. The first category of individuals is of those who originate from countries with economic problems such as a crisis and high unemployment rates, also seen as a development issue. This leads to people looking for jobs elsewhere. An example of this is the movement of people from countries such as in Asia, Middle East, Africa and East Europe. This is usually a trend due to political, social and economic reasons. The second category consists of people that originate from wealthy countries. They tend to go to less wealthy countries seeking exposure to a different environment. Modern communication systems now mean that other cultures are discovered, along with a new environment and landscape, creating a diversified experience. In particular, the younger generation is attracted by new culture and environment, also due to a greater exposure to different countries due to globalization. A third category is of people moving due to career opportunities and job postings. This sometimes changes from expatriation to a permanent residence over time, which again makes it difficult to distinguish between an expatriate and an immigrant (not sure about how to phrase this). Another emerging category is of students who maintain contact with their family and generally move for education purposes. Often trends form of students shifting back to the country where they were hosted once they appreciate a new environment they find themselves in.

It is important to emphasise that what expatriation brings back is not limited to agricultural development. Expatriation also brings back more tolerance amongst people, and a greater understanding about other cultures, languages and ways of living. The biggest impact of expatriation is possibly the understanding of the outside world and a better view for integration. It leads to balanced individuals, which ultimately works towards the idea of global peace. Communities of expatriates abroad from the same home country often form which leads to worldwide networks, which facilitate contact amongst people from the same country of origin. Joint ventures are also an example of knowledge transfer in terms of agricultural development.
In Lake Naivasha, Kenya, the Dutch have build greenhouses to grow ornamentals, which are linked to flower marketing in the Netherlands. This benefits both communities. However although expatriates are believed to bring new knowledge regarding agriculture back to their home economy, it is likely there are different management, organizational and operational skills involved due to it being a different competitive world. Countries that have agronomic potential to be successful must have this managed appropriately.

Interviews were also conducted of people who have taken initiatives to contribute to agricultural and economic development in their home country (the remaining 30%). One example of this was of about 10% of the individual’s income going towards a school and farm being built in a rural area of their home country. Others teach open hospitals and sports centres in their home country, or offer help to immigrants originating from their home country, within their host country, to deal with the challenges of expatriation.
Conclusions

A number of ways in which expatriates are conducive to agricultural development have been explored, and as a consequence it is crucial to critically analyse the different schools of thought by which migration can be conceptualized in order to understand the way in which migration impacts poverty and agricultural development. The two extremes discussed are the “optimistic” and the “pessimistic” scenarios, as explored by Taylor (2001).

The optimistic scenario described consists of migration reducing poverty as a result of a shift in low-income population of the rural sector to relative high-income urban economies. This can happen only if the income in the migrant-source economy is not highly affected by the migrants leaving, i.e. the capital migrants take with them is not big. This will lead to an increase in the average incomes of those being left behind. However it is important to consider that this view carries a lot of assumptions. As suggested by the pessimistic view, in order for per-capita to rise in the migrant-source economy, it becomes essential for income not to fall when the migrants leave. Studies have shown that migration, more than not, reduces income in the migrant sending countries as migrants take capital, including human capital away from the economy when they move. The optimistic view believes that remittances contribute to the economies that lose migrants (keeping in mind remittances that are also clandestine – international migration is a small share of total migration and it includes internal migration). Remittances are one way in which this lost capital is compensated for, but only partially. However studies have shown that remittances account for an important share of total income in the rural areas of lesser-developed economies and that they account for a large proportion of migrant earnings. This means poverty is reduced in the migrant-source economy, also in the respect that migrants may still be accounted as nationals of their source economy and therefore reduce poverty directly as well as indirectly. Migrants may also have the effect of loosening liquidity and risk constraints on production in the economies they originate from, as well as causing a multiplier effect in terms of expenditure from the increased income per household, boosting aggregate demand and therefore GDP. A greater flow of money in the economy may still benefit the poor indirectly. However, at the same time, due to the “labour export” of migrants (Taylor, 2001) local production will remain with limited labour. When speaking of migrants, it is usually the middle and upper class that is referred to as migrating out of their source economy can be expensive and therefore not affordable by all. Therefore migration out of an economy may cause the economy’s incomes to fall amongst the poor. Such decreases in productivity may lead to a downward spiral in multiplier effects. This results in a negative impact on agricultural development as knowledge of the better skilled labour is transferred out of the economy. However migrants are also a source of economic activity and therefore job opportunities for the economy to which they move. This can lead to economies of scale due to opportunities such as specialization, division of labour and so on. However there are issues in evaluating this claim as the local workers that leave make it complex to evaluate the real effects immigrants have on their host economy.
In reality, the effects of migration, and specifically expatriation, are complex mixes of both the optimistic and pessimistic scenarios, and therefore result in a loss of labour in the source economy as well as positive remittance effects. Research also suggests that there are many indirect channels through which migration occur, which have been investigated more recently. Through the research conducted in this report, and based on the information available, we can therefore conclude that expatriation has an effect on agricultural development in a number of ways, and plays a role in shaping financial, knowledge and cultural aspects of agricultural development. However, information is not readily available, especially with practical examples, on the direct effect of expatriation on agricultural development. More information on expatriation, as opposed to migration, is also needed when looking at trends they display, and when drawing conclusions about how these individuals cause changes in the economies in which they operate.

However, even with the limited information available, suggestions can be made for home countries of expatriates to make more efficient use of expatriation for agricultural development. Home countries can encourage use of remittances more productively in rural economies and expatriates to invest in rural infrastructure and education through lesser taxation, special bonds and other such instruments. As for expatriate professionals engaged in agriculture related activities, home countries can recognise and use more formally through short and medium term assignments their knowledge, skills and technologies for development. Home countries of Diasporas could contribute to formally channel and strengthen professional expatriate associations and similar bodies for development in their home countries. Home countries can also offer employment to professional repatriates and offer employment to retired repatriates with proven contributions in their fields to continue to contribute to the country’s development.
Bibliography


