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Borderless Economics: Chinese Sea Turtles, Indian Fridges and the New Fruits of Global Capitalism, authored by Robert Guest (Palgrave Macmillan: New York), 2011; pp 250, US\$ 27.00.

In the economic history of last 100 years, international migration is a topic of unsettled debate among economists, policy makers, leaders, *etc.* There is a group of academicians, which views that international migration will lead to decline in overall welfare of poor countries and it will be beneficial to rich countries only. Their line of argument is that migration of scarce human resource to developed economies will reduce the supply of skilled manpower in underdeveloped economies. They argued that poor countries have to invest very large amount of financial resources in training the local labour. However, due to migration, fruits of their knowledge are reaped by the developed economies, which are in a position to pay higher prices for their skills / capabilities. Another view is labour migration does not augur well both for source and destination economies for a number of reasons. In destination economy, critics say that migration increases the burden on ongoing social welfare schemes; it replaces domestic labour with cheap imported labour and hence effectively increases the unemployment among the youth. It also creates tension in the established social fabric of the country. There is, however, a second line of thought which claims that migration has proved very beneficial to source as well as destination economies. In fact, a number of supranational organisations, like the World Bank, have established specific divisions to conduct research on this topic.

Like any other topic of economics, research on migration is also based on the analysis of past data, which attempts to make an inference on the behaviour of important macroeconomic variables, *viz.*, production, wages, prices, inequality, *etc.* The book, “**Borderless Economics: Chinese Sea Turtles, Indian Fridges and the New Fruits of Global Capitalism**” by Robert Guest provides a new insight on the multidimensional impacts of migration on global economy. Author of the book is the business editor of the weekly magazine “The Economist”. During his association of more than two decades with ‘The Economist’, he had the opportunity to work in about 70

countries. The content of this book is an imprint of his vast travelling around the world and understanding about the subject, *i.e.*, “global migration”. In this book, the author has used stories of individuals and their ideas to illustrate the phenomenal changes which have been occurring in global economy. Author seem to emphasise that globalisation actually means migration of people which can have economic and political implications as well.

Use of statistics in the book is limited to corroboration of stories only. Title of the book also resonates this fact. Chinese ‘Sea Turtles’ is a term which is used for those Chinese who migrate to developed countries for higher education and after completing their studies return to China and occupy higher positions in the society. Similarly, the term “Indian Fridges” symbolises the innovative spirit of Indians. According to the author, two Indian students of Harvard University have made the cheapest fridge in the world, which costs only US\$ 69 and that can be run without electricity. They are trying to commercialise it with the help of an Indian consumer goods manufacturing behemoth. The book has made very strong comments about the social and political systems prevailing in some of the very important countries of the world. It says that migrants are helping China’s smooth transition to democracy. The book has also tried to paint the emerging scenario in social and political arena of the global geo-politics

In addition to introduction and conclusion chapters, the book has eight chapters. Every chapter consist a number of stories. Overall theme of the book may be divided into some broad frames, *viz.*, theoretical platform, impact on emerging economies, impact on developed economies, particularly on the United States of America and ill-effects of migration.

Theoretical Platform

Migration from the country of birth to other countries is a very old phenomenon in the evolution of human civilisation. It was fuelled by economic inequality prevailing among countries, risk taking appetite of migrants, improved means of transportation and communication, wars and social strife, *etc.* At times migration was forced by the political masters also, like British Masters forced large numbers of Indians to migrate to East Africa and East Asia to work as coolies and in other low paying jobs. In recent period, due to a number of technological breakthroughs, it has become very easy to migrate from a country without breaking the native contacts. Technology has made

it easier to send remittances, share knowledge, and make networks. These developments have very dramatic impact on both source and destination economies. Networking makes it easy for new entrepreneurs to search for new avenues of investment and raise cheap finance to fund their activities. This reduces the cost of due diligence while recruiting staff, as in general, people have more confidence while dealing with people of their own tribe *vis-à-vis* strangers.

Economic impact of migration is direct and very effective unlike foreign aid which is marred with unwarranted leakages and wastages. According to the author, countries like China and India have benefited immensely from their diaspora. A few important examples of trading diasporas are the Chinese in Southeast Asia, Indians in East Africa and Lebanese in Latin America. These networks have emerged stronger in the last three decades due to reduction of tariff and non-tariff barriers. Developments in technologies of transportation and communication have led to one very significant difference in the pattern of migration, it has become circular unlike linear migration, *i.e.*, from developing country to developed country only. People are going to one country for education and then to another country for job and finally they go to another country for doing business and investment.

Impact on Emerging Economies

Most populated emerging economies, particularly China and India, have largest number of migrants in the world and have received enormous benefits from their diaspora. India is the largest recipient of remittance income, and about three fourth of foreign direct investment in China is made by the Chinese diaspora. However, the author argues that the benefits of diaspora are not limited to the economic benefits only but are also spread to political and cultural arena. Migration empowers individuals and creates networks that are outside the control of the state. The author, in Chapter 3, 'Diaspora Politics', has concluded that Chinese diaspora is helping to bring democracy in China. The author bases his argument on the following reasons, a) the diaspora provides a safe haven for dissidents and a hub for democratic ideas, b) the number of mainland Chinese who study abroad has increased, c) the diaspora helps make China more prosperous through investments and d) links with the diaspora help spread of new communication technology around China.

In case of India also, migrants are changing country in multiple ways. India is a unique country, it is home of largest number of poor in the world. But these poor people, unlike any other country, are highly mobile. Besides that Indian government runs a number of welfare programmes for eradication of poverty. The present circumstances, however, make it literally impossible for poor to prove their identity and avail these benefits. With a determination to improve this scenario, Indian government has launched a world's largest unique identity programme under the leadership of one of the most successful information technology entrepreneurs. Along with political and administrative issues, this programme is a huge technological challenge due to the sheer size of data involved. According to the author, along with helping the Government of India in rolling out of its ambitious unique identification project, migrants are changing Indian economy in number of ways, *i.e.*, by reducing cost of modern health services and by inventing cheaper instruments for use in industry.

In Chapter 5, author has discussed a long debated subject related to migration, *i.e.*, brain drain. The author has concluded that rather than doing harm to emerging economies, brain drain has helped countries to reduce global poverty. Migration makes poor countries better off in many ways, *viz.*, a) the prospect of earning higher salaries working abroad spurs more people to acquire marketable skills, b) migrant workers from poor countries who work in rich ones send money home. Author has provided a comprehensive list of empirical studies conducted in many developing economies of Asia, Africa and Latin America, which concluded that remittance money led to increase in household expenditure on education and health, investment in small businesses and farms, *etc.*

Impact on Developed Economies

An important feature of this book is that it has covered the impact of migration on developed countries also, although it is restricted mainly to the USA. The book does not cover other developed countries may be because USA is the largest recipient of migrants in world. Chapter 7 (A Ponzi Scheme that Works) and Chapter 8 (The Hub of the World) have covered the effects of migration on the US economy. In these two chapters, the author has attempted to answer two very pertinent questions a) why migrants choose USA? and b) why USA will remain still number one? One reason can be the fact that the

USA provides cultural diversity, huge market for selling goods and ideas. In the US, since laws also vary according to provinces so one can choose a suitable state. Present fertility rate in the US is 2.1, which is exactly the replacement rate. This indicates that population of the US will neither grow nor shrink. But if one adds migration, the scenario changes considerably. Author is of the opinion that migration will lead to increase in working age population in the US economy and will save it from the problem of high dependency of old age population unlike China. Besides this, migration provides US a platoon of unofficial ambassadors, deal brokers, and recruiters, *etc.* Diaspora bring to the US not only the best ideas from all over the globe but they serve as vehicles for spreading American ideas and ideals back to their homeland hence increasing the United States' soft power.

Side Effects

Like every economic phenomenon, global migration also has its own pitfalls. Chapter 6, 'Networks of Hate', gives a detailed account of the negative outcome of the global migration. Due to migration and increased means of communication, spreading ideologies of terrorism has become easy. Chapter provides detailed accounts of some of the terror groups, active in India and have links in countries like the USA, Middle East, and Pakistan, *etc.* Economic liberalisation started by the national governments has fuelled the growth of legal trades but it has also provided sufficient ammunition for illegal trading activities. The spread of cheaper and safer mode of communication has made it easier for them to coordinate their activities without being caught by law enforcing agencies. Increase in global financial flows has created a huge opportunity for money launderers also.

The book has concluded that global migration is a boon for emerging as well as developed countries and shall be promoted by the global leadership. The author sees it as more efficient way of tackling the global poverty as compared to foreign aid. It will also help the developed countries to fight the problem of ageing population. Like any other economic phenomenon global migration also has drawbacks, which needs to be overcome globally by joint efforts, as they are equally harmful to all. In short, it can be said that the book celebrates free movement of people, ideas and resources. In fact, to compare this model of free mobility of resources with an alternative model of closed economy, the author has started this book with a very apt

example of North and South Korea. While North Korea has followed a model of closed economy and permitted bare minimum movement of its people outside its borders, South Korea has adopted a liberal outward oriented model of development. Consequences of these models, in terms of developments, are well known to the world. The book gives a good reading experience to reader and has done justice with subject raised. However, it has a few shortcomings. While reading, the reader may become very optimistic and may think that migration is panacea for many of the problems. Furthermore, the book could have covered the impact of migration on Western Europe. But probably, it is not possible for a single book or single author to cover each and every aspect relating to this vast topic. Nevertheless, the book is well reported with facts and provides valuable insights on the subject of migration.

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