

Does foreign employment in modern farms improve farming at home?



In brief

- This research examines to what extent a unique training program for Nepali farmers in Israel leads them to practice improved agriculture upon their return home.
- It accompanies a program that trains thousands of farmers from over 30 developing countries in Israel every year.
- Researchers found that participants in the program are more likely to engage in farming upon their return home and to make greater investments in their farms.
- They also mention “soft skills” as prominently as technical skills when asked about what they have learnt, and they tend to not make the large investments required to adopt modern technologies such as drip irrigation, greenhouses and mechanisation.
- The training program has substantial potential as an effective tool for agricultural development in interns’ home countries.

This project was funded by the IGC.

Overview of the research

Increasing the productivity of hundreds of millions of smallholder farmers in developing country is widely considered to be key to rural poverty alleviation and economic development. Much of the policy discussion around this goal seeks to identify effective means of transferring improved, profitable technologies and skills to smallholders that have been proven in the context of more developed settings. This research examines to what extent a unique training program of Nepali farmers in Israel leads them to practice improved agriculture upon their return home. The answer can provide new insights on the merit of training and extension programs in general, but also help inform whether this unique program is an effective tool for agricultural development and how it can be better designed to achieve this goal.

Policy relevance

In general, understanding whether high-quality training can lead to adoption of improved technologies and productivity growth is obviously important from a policy point of view. If barriers to adoption are informational, then effectively designed extension and training programs, potentially coupled with appropriate financial services, may catalyse the adoption of modern technologies. On the other hand, if barriers are more to do with the economic and infrastructural environment, then such policies are unlikely to be effective on their own.

Potential impact

An understanding of the extent to which farmers trained in this program in Israel are able to implement what they've been exposed to in their home country, and the barriers that prevent them from doing so, can help the designers and overseers of this program in the Israeli government and partner organizations in Nepal and other countries to improve it in order to enhance impact. It can also help make the case for an expansion of the program in both size and to other countries, which remains a matter of debate in Israel.

The research accompanies a program that trains thousands of farmers from over 30 developing countries in Israel every year. It is focused on trainees from Nepal because admission to the program there is partially determined by lottery, facilitating causal inference, but its outcomes can apply to the entire program. Both the Israeli government inter-departmental committee which oversees the program, and the training centres that implement it show great interest in the outcomes of this research. This is also true for the partner implementing organizations in Nepal, which include the largest rural cooperative bank in the country.

Main outcomes

1. **Participants in the program are more likely to engage in farming upon their return home and to make greater investments in their farms.** This finding suggests that even though the program may not be optimally designed to achieve impact back home, the observed impacts suggest that the mere exposure to technological and business aspects of modern farming environments can lead farmers to become more invested in their farms.
2. **Participants mention “soft skills” as prominently as technical skills when asked about what they have learnt.** This suggests that soft skills such as a more entrepreneurial and business-like approach to farming may be as important a component of agricultural extension and training programs as the more technical components.
3. **Participants do not make the large investments required to adopt modern technologies such as drip irrigation, greenhouses and mechanisation.** Even though participants invest more in their farms, those investments are insufficient to implement the transformative, modern technologies that characterise Israeli farming and have the potential to achieve dramatic increases in productivity. Interns cite credit constraints as the main barrier, which suggests providing graduates of the program with flexible finance not usually available to smallholders has the potential to substantially increase the program’s impacts.

Recommendations

The training program has substantial potential as an effective tool for agricultural development in interns’ home countries. It should be designed with greater focus on this target. This includes a more targeted choice of participants, careful choices of the type of farms in which they will be employed in Israel, a training curriculum better designed to fit needs at home, and greater technical and financial support upon their return home.

The training program should be expanded to cover larger number of farmers and additional countries. It seems to have net positive benefits on participants, when measured in terms of agricultural performance or subjective wellbeing.

The outcomes of this research should only be extrapolated to countries other than Nepal with caution. Introducing a lottery into selection from other countries can help improve fairness and transparency and facilitate better evidence on the impact of the program on those countries.