

“Afghan Refugees in California: Unilateral Transfers and its contribution to Afghan’s life outside the U.S.”

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Afghanistan, serving as the U.S. focal point in South Asia during Soviet Invasion of Afghanistan (1978,) is on the top priority list of President Barack Obama (2009), today. The U.S. as a refugee receiver nation has welcomed thousands of Afghans during three decades of Afghanistan's political turmoil; bringing about brain drain in case of Afghanistan, partially. According to UNHCR's online population database, "149911" Afghans settled as refugees in the U.S. during timeframe of 1988-2007. Studying this Afghan diaspora in its economic, social, religious, and political arenas, can help in better understanding of its potentials as an asset for the U.S. foreign policy regarding Afghanistan, for this diaspora and their relatives are going to form the elite and middle class of future Afghanistan. Due to this reason, a small-scale research project as named in title (the first of its kind) was executed in Fremont city of California State during month of January 2009. In as much as California State has well pronounced Afghan-American communities including the very early batches of Afghan refugees, this fact helped in logistical and statistical matters.

Since remittances constitute the biggest portion of total "U.S. economic engagement with developing countries (\$71.5 billion out of \$192.1 billion in 2006)", this research project aimed at finding nature of unilateral transfers (remittances) sent by Afghan-Americans in Fremont to their relatives in Afghanistan. Totally, 7 groups (a representative of family or business) were interviewed as opposed to a planned number of 15 groups. Indeed, finding families and businesses for remittance-focused-interviews was a difficult task. Most Afghan-Americans had a hidden fear that perhaps some kind of Intelligence Agency is interviewing them, as the general Muslim population in the U.S. is cautious after 9/11 attacks.

Besides field interviews, this research encompassed a literature review of the U.S. giving to developing world. A strict lack of literature regarding Afghan-Americans' remittances due to absence of research in this field propelled research findings to rely heavily on field interviews. Interestingly, during literature review of the U.S. giving to developing world, it was found that most literatures do not draw a clear line between remittances and philanthropy. Nonetheless, such literatures should treat them as separate economic concepts with equal weights. There is a pronounced difference between

both of them. First, remittance is a positive economics concept, while philanthropy is a normative economics concept. Second, remittance happens on perpetual basis; however, philanthropy depends on degree of morality and social awareness of an economically capable individual. Third, remittance involves the play of economic forces i.e. demand and supply but philanthropy is a one sided economic play where the philanthropist or philanthropic organization assumes demand for their supply (cash, in kind, time). Fourth, remittance is not an institution; however, philanthropy had been an institution in the past and is getting into mainstream, today.

Coming back to our study findings, the following paragraphs will describe some of findings regarding nature of Fremont's Afghan-Americans' remittances.

Almost all of our interviewees had their first arrival in the U.S. as refugees in the 80's. This is consistent with massive migratory movements of Afghans after Soviet Invasion. Not even a single family was found coming to the U.S. illegally because it was totally an impossible job. Ease of coming to the U.S. in case of Afghan refugees was mainly due to the favorable policies of the U.S. government toward Afghan refugees. Some arrived via applying to asylum; others arrived through support of relief organizations like International Rescue Committee (IRC). Interestingly, two of our interviewees arrived on a scholarship for academic goals and such groups are given noticeable attention after toppling of Taliban regime in 2001.

During initial settlement period of interviewees in the U.S., most of them acquired ordinary jobs like working in a workshop, being a waiter in restaurant, or working in a gas station. Only two of our interviewees were studying in school as teenagers. Reason for such ordinary jobs was not lack of academic backgrounds; however, professional skills varied a lot from those required in Afghanistan. Nevertheless, given the opportunity-rich climate of California State in specific and the U.S. in general, almost all of our interviewees had a dramatic change in their professional life. It usually took them a couple years to set up a successful business. Numerically, 5 of our interviewees had their own prosperous businesses like restaurant, graphics store, motor vehicle workshop, and mortgage

company, in 2009. Two of our interviewees who were working in federal and private offices were in search of opening their own businesses (2009). Only one interviewee was pursuing an academic life with an intention to have a career in journalism and international relations (2009). In short, our interviewees' labor-spirit revealed that Afghan-American community in Fremont is a very competitive one and moving parallel with American mainstream free-market values. Interestingly enough, it was found that Afghan-Americans of Fremont city had a sense of lively competition between themselves in the first stage, then with the others. This explains the undeniable fact; Afghans can efficiently harness resources in a society, if given political and economic stability. This fact is consistent with seven-year period after 2001 in Afghanistan, where major cities like Kabul, Mazar, Ningarhar witnessed a dramatic economic growth of double digits during first years, and this was made possible through private sector.

In case of remittances, two groups of interviewees were classified; first, those who arrived in the U.S. as a family and sent remittances to near relatives, and second, those who arrived individually or a family arriving afterwards and sent remittances to both their core family and near relatives. Near relatives mostly included aunts, uncles, and in-laws. The fact that Afghans take care of their near relatives and even sometimes of far relatives is due to cultural and religious values presiding over Afghanistan's society. In case of first group, remittance pattern is not a solid one, instead they are sent perpetually per month, two months, or quarter. However, in case of second group, money-sending pattern was a unified one. Three of our interviewees had been sending money on per month basis. A difference in money sending patterns between two groups shows that core families were taken seriously compared to near relatives due to undetachable family-responsibility link between core family members in an Afghan society.

Another interesting finding was money-amount-variation of remittances with passage of time. In simple words, no matter whether a receiver is core family or near relative, there was a tendency of decreasing amount of remittances by senders after an unspecific interval of time but still sent. This would happen due to accumulation of foreign currency (\$) by receivers in Afghanistan and

then soundly investing in (physical, human, financial) capital, which enables receivers to establish a financially independent life. For instance, one receiver's family reconstructed a ruined home; another family invested on son's college education; two families bought taxi cars; and a widow aunt supported her children's school expenditures. However, such type of accumulation perhaps won't work for all receivers because it depends on factors like political stability and family structures. For example, politically instable environments and families with a single old-age widow decrease the probability of accumulation and investment.

So, how this accumulation of foreign currency works is better explained by economic forces i.e. demand and supply. During initial periods of refugees' settlement, a fixed supply of foreign currency meets with a fixed demand of such currency in receivers' side. Since the fixed supply of remittance constitutes an eminent part of receivers' budget constraint, which is already supported by receivers' domestic income, then both of these income and remittances, collectively, form a budget that exceeds the savings-free budget constraint of a receiver. This results in saving or accumulation of foreign currency. In economic terminology, supply of remittance exceeds demand of remittance, which results in savings on receiver's side; noteworthy that equilibrium of supply and demand of remittances is savings-free budget constraint on receiver's side. Additionally, how long does foreign currency accumulation takes is dependent on the size of intended investment, amount of perpetual remittances, and currency exchange rates.

Finally, interviewees' intentions toward rebuilding of Afghanistan were explored. In all cases, there was a generous feeling toward contribution in Afghanistan's development. Four of our interviewees had plans to open businesses in Afghanistan in their own field of expertise, while three of our interviewees were looking forward to establishing educational and relief organizations. Nonetheless, everyone had grave concerns about security situation. According to one of them, "unless security comes to Afghanistan, I and most of Afghans will invest in foreign cities like Dubai, as it is already happening".

Therefore, this study indicates some interesting potentials of Afghan-American community that are invaluable for both the U.S. and Afghan governments. Afghan-Americans are already supporting Afghanistan through remittances, however, there is much more potential that can be dynamized through generous attention of both governments. Due to profound lack of literature regarding Afghan-Americans' various life aspects, this small-scale study alone can't pin point every potential of Afghan diaspora in the U.S. This study has done its best to avoid any kind of generalizations about the diaspora. Any kind of aforementioned finding, indeed, speaks only and only for Fremont city of California State; however, a random selection of interviewees and hearing various stories of Fremont's' Afghan-Americans during time span of study make our study feel comfortable with its findings. There are vast array of topics that should be studied about Afghan diaspora in the U.S. and before that collecting baseline data is extremely important.

Hudson Institute. Center for Global Prosperity. 2008. The Index of Global Philanthropy 2008. Washington, DC, USA: Author.

"UNHCR Statistical Online Population Database, United Nations High Commissioner for Refugees (UNHCR), Data extracted: 15/01/2009. www.unhcr.org/statistics/populationdatabase