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Roundtable 2
Remittances and other diaspora resources: increasing their net volume and development value

Session: 2.4
Working with the diaspora for development

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1. Introduction

At the start of the century, the United Nations estimated that about 175 million people – roughly 3 percent of the world population – lived and worked outside the country of their birth. Together with the descendants of those migrants who remain linked with their parents' country of origin, they constitute diasporas[1].

Diasporas have an important impact on relations between the developed and developing countries. Both remittances (which now by far exceed total official aid to the developing world) as well as the mobilization of material goods, know how and networks to the benefit of home countries have a profound impact on the living standards of people in developing countries

While diasporas' development potential has attracted increased international recognition over the past decade, attention should be given not only to remittances, but also to other developmental assets of the diaspora. This paper therefore aims at identifying how local and national governments of destination and origin countries can forge sustainable and mutually beneficial **partnerships** with diasporas to increase the development impact of their philanthropic, business, social, and other activities concerning the country of origin. It will also examine **tools** that should be developed both in countries of origin and host countries to increase the development impact of diaspora activities.

2. Preliminary remarks

Creating the right conditions to work with the diaspora for development requires, as a precondition, that some principles be agreed on and that all stakeholders consider some general reflections.

First, any governmental collaboration with diaspora for development has to be clearly dissociated from policies of migration control. Government authorities should also keep mind that when diaspora members are given special incentives for home investment, the local population of the countries of origin may interpret this as an encouragement to migrate to benefit from those measures designed for diaspora.

Moreover, diasporas are not development-oriented by nature and it is important to identify those players that have a direct concern with their home community development. Strong incentives to push diaspora organisations into development activities run the risk of inducing opportunistic (or even adventuristic) and superficial diaspora engagement that is unsupported by sufficient skill or knowledge.

Finally, while diasporas have the potential ability to adapt and move between cultures, they can also be agents of conservatism, especially regarding gender issues. Indeed, women's participation in projects engaged by diaspora may be limited due to social, cultural and economic reasons. Diaspora networks may reinforce traditional gender roles and responsibilities of home communities and increase women's time burdens in voluntary community roles. Decision making about development projects may also be gendered, with many projects not benefiting women but oriented towards generated male employment in countries of origin.

[1] For the purpose of this paper, we define diaspora as « Individuals originating from one country, living outside this country, irrespective of their citizenship or nationality, who, individually or collectively, are or could be willing to contribute to the development of this country. Descendants of these individuals are also included in this definition." This definition is only intended to serve as a common working definition for session 2.4. As the GFMD is an informal non binding process, this definition does not involve any commitment from the governments and agencies participating in the session, nor does it substitute for the usual terminology they may use in their regular practice. Also, along with the focus of the first meeting of the GFMD, this definition should be perceived as global and included in the migration and development context.

These remarks emphasize the fact that there are not automatic positive links between migration and development and governments must create the necessary environment to reach mutual benefits. Migration may have negative outcomes for home country development (for example through brain drain), and diasporas do not *per se* have a positive influence on the country of origin. Additionally, if diasporas often have an important and positive impact on home country development, their contributions will be enhanced if they are integrated in home country development strategies. Recognizing this is necessary for the design of adequate policies to enhance diaspora's contributions in a global context in ways positive for home country development.

3. Attitude and recognition

Working with diasporas for development is primarily a question of attitude. Formally acknowledging their existence and recognizing that their double belonging can be enriching for both origin and destination countries, are the first steps that both home and host countries should make. While host countries should consider that fostering full socio–economic integration of diasporas could have a positive impact on their development activities, countries of origin should consider that diasporas' involvement in home development may well compensate for the loss of human resources.

Such an approach could lead both home and host countries to relax rules on access to citizenship and permitting double citizenship, ease the acquisition or maintenance of voting rights and facilitate movement of diaspora (multiple entry visas, long-term residence permits, entry concessions for diaspora with host country nationality…). Alternative solutions can also be developed, as is the case with India's 'Overseas Citizens of India (OCI) card' that extends a host of benefits on par with Indian Nationals to its Diaspora without providing dual citizenship.

Home countries can strengthen further the development potential of diasporas by gathering information on nationals living abroad and allowing them to have their own representation in domestic politics, through the creation of ministries or representation for diaspora. Embassies and Consulates abroad can also play an active role in building confidence with diaspora through the provision of specific services and useful information.

The Malian Government, through the organization of a diaspora forum, has developed an interesting initiative to connect and build confidence with its diaspora. In the first event organized in 2003, diaspora members were invited to discuss with the government the existing situation, expectations, measures to be taken and priorities. In another meeting that will be organized in 2008, the Malian diaspora will be invited to assess progress made in implementing the different engagements before engaging in other exchanges with the Malian government.

Publicizing positive images of diaspora contributing to home country development can reduce the often-prevailing negative perceptions of immigration in host countries. The French government's Co-development policy, currently defined as "any development cooperation activity, of any nature and in all sectors, to which immigrants living in France participate (whatever kind of participation this may be)" is interesting as it labels immigrants as development actors bridging home and host countries, as ambassadors facilitating the development of bilateral relations.

4. Maximizing diasporas' development impact.

On their own initiative, diaspora have been able to collectively mobilize their financial, human and social capital to set up and implement development projects that are most often directed at their communities of origin. How can governments maximise the beneficial impacts of such diaspora involvement?

Coordination and planning: it is important that home countries integrate diaspora development initiatives in development planning and national poverty reduction strategies, both at the national level and local level. Host countries' development policies or "country strategy papers" should be in line

with home countries' development strategies, highlight the government's options in linking migration and development and specify strategies towards diasporas. More ownership, more alignment, and more coherence between different department's policies, should go hand in hand with more coordination between different donor or host countries, especially those harbouring diasporas of the same origin.

Identifying partnerships: an important issue for host countries is to identify which diaspora organisation to work with in a development context As mentioned above, not all diaspora organizations are development oriented and there is no reason that they should all be. It is therefore important to start by identifying diaspora organizations and/or diaspora leaders that are engaged in development activities or that are willing to do so. It is also necessary to acknowledge that diaspora organisations are diverse in objectives, size, capacity and experience, as different categories of diaspora organisations need differentiated partnerships. While there could, for example, be consultations with experienced diaspora members in the drafting of development strategies targeting their home countries, or they could be considered as experts for consultancy, others diaspora organisations need capacity building, networking facilities or organizational support (starting with an access to associative facilities and the possibility to acquire an NGO status). Lastly, in dealing with diaspora organisations, governments should apply criteria of efficiency, as they usually do for other civil society actors, while representativity should not be a key criterion.

Diaspora organisations that have the ability to set up development projects should also have access to development funds, as do other non-professional development actors from civil society. In this area, the now familiar experience of matching funds (whereby governments or development organisations contribute double or triple the funds collected by a diaspora organisation for a development project) should be looked at closely, to draw lessons from their successes and failures, and assess in what measure they could be replicated or extended.

Such identification and dialogue with diaspora is easier with the existence of diaspora networks or diaspora platforms, which can also play an important role for inter-diaspora dialogue and capacity building. While governments can facilitate this process, they should not initiate it, to avoid the risk of having an interlocutor that does not have the necessary strength or legitimacy with its peers.

Women and (co-) development: Although women in diaspora can play an important role in development, this potential is often diminished when they are discriminated against and marginalized in diaspora organizations. This has prompted women to create their own associations addressing women's specific needs and priorities.

Initiatives aimed at strengthening diasporas development potential should consequently take into account the gender roles within the associations and the specific strategies and expectations of the members. Countries of destination can, for example, ensure freedom of association, encourage the formation of migrant associations and provide legal and social protection for vulnerable categories of work, where women are often concentrated. Countries of origin can ensure that women are able to maintain stronger ties with home communities through technology, print and broadcast media and internet, using these channels to provide information about investment opportunities and development projects. Allowing greater mobility, visibility, representation and networking of women migrants can considerably empower women to play a greater role in diaspora movements, to engage in development efforts, and to utilize their skills, knowledge and expertise for gender equality.

Role of local authorities: although this background paper's suggestions address mainly States, local authorities should be encouraged to apprise themselves of the potential benefits of global linking between regions in host countries where diaspora groups live and their regions of origin. Experience shows that town twinning and decentralized cooperation projects often arise from the presence of a migrant population originating from one same area, serving as a link between two regions and cultures. Furthermore, partnerships with the local authorities may be more efficient than with national structures for the coordination of diaspora development projects with other initiatives at the local

level. For this, the establishment of local development plans is an important step to encourage diasporas to engage in coherent and concerted local development strategies.

Integration: a significant and innovative issue comes with the relationship between diaspora's transnational involvement and integration in the host country. Although there is still a need for further research to lay out the conditions for the occurrence of a positive, negative or neutral correlation, it would not be too optimistic to think that well integrated migrants are better equipped to invest in home country development. Conversely, diaspora involvement in home country development may facilitate integration in the host country, especially if those activities are developed in partnership with other actors in the host society.

Translating this idea into action leads to initiatives that link up projects directed towards home development with citizenship issues and social mediation in the country of residence. The French Codevelopment introduces this idea by "supporting initiatives by young people of immigrant origin", a policy that enables youth associations of immigrant descent and youth associations in the parents' countries of origin to be co-financed for socio-cultural activities that are deployed on both territories. These projects should foster citizenship and socio-economic integration in France, and contribute to development initiatives in the regions of departure.

Ownership: in this context, the issue of ownership can be raised at three levels. First, concerning state-to-state relations, knowing that the achievement of development goals is the main objective, ownership by the countries of origin has to be ensured. For this reason, it is important to ensure integration of the diaspora development initiatives in home country development planning.

Second, while home and host governments have an important role to play in coordinating different development initiatives and giving more scope to diasporas' development initiatives, they must be careful not to impede diaspora's autonomy in deciding and prioritizing their development actions.

Third, if they wish to ensue sustainability of their projects, diasporas themselves, may want to make sure that the local population benefiting from their development initiatives remains at the centre at all stages of the project: identification, setting up and follow up. Interests between diaspora and local population may diverge, and a lack of ownership of the local population often leads to the failure or dysfunction of diaspora development initiatives.

5. Promoting entrepreneurship

Entrepeneurship is another interesting sphere in which diasporas often get involved, or wish to do so. However, it should be remembered that not all migrants are predisposed to entrepreneurship, and the very nature of economic activities developed by diasporas relies on their status in the receiving country (illegals, long-term resident, second generation or more), on the reasons behind the initiative (investment, preparing return, helping the family…) and on existing opportunities in the home country. Yet if diaspora members happen to have acquired means, knowledge and networks that they wish to use in their home country, home and host governments can provide them with useful help.

Home countries willing to promote diaspora entrepreneurship can provide them with customs/import incentives, give them access to special economic zones and to foreign currency accounts, and more generally inform them on investment opportunities. For example, through the use of internet and web sites. Besides, as research has shown that the diaspora get most home country information from families, government and development stakeholders should provide quality information on investment opportunities through media used by local populations.

Access to land and property is a sensitive issue, especially in post conflict situations when diaspora demand to recuperate property. In other cases, reforms on land ownership may be an important step to encourage the diaspora to invest in agriculture or in real estate. Finally, home governments should

guarantee the rule of law, which particularly important for emigrants who are frequently targeted for their money, and whose investments are often misappropriated.

These different measures will be used in accordance with the specific situation of each country, knowing that there will be important differences between them, in terms of business environment.

Host countries should not link their support to diaspora entrepreneurship with any conditionality upon return. Diasporas wishing to set up such a project should even have the possibility to leave for a test period, after which they could re-migrate to their former country of residence with a valid residence permit. Provisions for sabbatical leave and for the portability of social rights can also have a crucial impact on the decision to attempt return in the country of origin. As an example, Belgian doctors of Moroccan origin took the initiative to build a private hospital in Tanger in which visiting Moroccans from Belgium can benefit from quality medical care that is refunded by the Belgian social security system. This can be seen as an incentive for permanent return of retired migrants, and as a way for the migrant and the Belgian social security to spare some money, medical care in Morocco being about 30% cheaper.

Support to migrants in setting up enterprises occurs at four stages of the project:

- The reception stage, encompassing the provision of information and guidance, an evaluation of the project leader's technical and financial abilities and motivation, and technical training;
- the support stage, involving help with project preparation, a feasibility study, preparation of an investment plan and the financial support itself (the principle being that the project leader must not be supplanted);
- Linking the project holder with other technical and financial partners;
- Providing technical follow-up once the project is under way.

They should also see that they develop specific policies in support of entrepreneurship by women, who tend to invest more in informal trade.

A recent and innovative experience began this year with the creation of a « cellule d'accueil pour les projets d'entreprises en Afrique émanant de la diaspora africaine [reception unit for African diaspora investment projects in Africa]», with support from the Belgian Development Cooperation. Created to meet the demands of the African diaspora in Belgium, this initiative aims at: advising diaspora in submitting project proposals, before redirecting them to organisations such as the CDE (Centre for the Development of Enterprise) for feasibility studies, technical assistance and field assistance, and to BIO (the Belgian Investment Company for Developing Countries) for feasibility studies and funding. When proposals are not considered as viable projects, their promoter is reoriented to other activities.

Measures to give access to meso-credit should also be developed as diaspora could need support for business projects in countries of origin requiring more funds than are available through microcredit but which are below minimal requirements for normal private sector development assistance.

It should be noted that full technical and financial support to diaspora initiatives in the private sector can be expensive when compared to the size of the projects. This brings us back to one of the introducing points, that is, when giving diaspora support that is not accessible to the local population, the latter may begin to see migration as a necessity before they can take advantage of opportunities at home. To avoid this, local population should, as far as possible, benefit from the same opportunities than diaspora for their initiatives in entrepreneurship.

6. Capacity Building

In all cases of diaspora involvement in home country development, there is a need to support home countries governments in establishing, managing and operating country specific diaspora knowledge networks that can best serve development needs and enable them to connect with their diaspora worldwide. This could take the form of "Diaspora Knowledge Networks" (DKN), which would, preferably, make use of an electronic platform to provide and exchange information. Within these initiatives, group discussions with a moderator or communities of interest can contribute to the drafting of sector specific development initiatives, transform ideas into well thought out projects, introduce innovative technology and knowledge led interventions and then enable home countries to replicate it as a national initiative.

As seen above, individuals as well as diasporic groups also need strengthening, both for collective development projects and in private entrepreneurship. Such support, which can be provided in home and host countries, should be adapted to the public it addresses and differentiated in accordance to specific needs. Classical training such as those offered on how to run associations, project management, accountancy, or local authority management can be useful. But more flexible guidance is also necessary, building on diaspora's specific experience, ideas and desires, helping them to connect with other actors involved in their field of interest (for example through internships), encouraging them to engage progressively in concrete actions, and paving the way for innovative business models that engage public-private, north-south partnerships, as well as mixing social and economic preoccupations.

7. Where more research is needed

Although migration and development is now high on the political agenda, there still is a need for analysis and evaluation of diaspora involvement in development and its impact on poverty, especially concerning the non-financial influences of diasporas in home country development. In depth knowledge on these subjects will help in creating policies that take into account different contexts and specific issues.

There is also a need to improve knowledge on the links between diaspora involvement in home development and integration in the host country. Is integration conducive to more engagement in development? This is not necessarily true, as it has been noted that migrants who consider their sojourn abroad as temporary (or unstable) are all the more motivated to invest "back home", at least as far as traditional spheres of investment are concerned (such as housing and household consumption). On the other hand, diaspora with access to jobs that reflect their educational attainment, skills and experience, with the ability to travel freely, and largely integrated within the host society should be able to play more effective and innovative roles as development players than those marginalised and stigmatised by laws, policies and hostile public opinion.

Moreover, is participation in home country development conducive to more integration? This may not be the case when immigrants are involved with home country issues and remain isolated from host society.

Nevertheless, policies are already implemented and it is necessary that governments and development actors engage in independent assessments of diaspora related initiatives. This is important to be able to judge the success of such projects, the major problems encountered and lessons learned. Although it is important to be able to make innovative propositions, it is also essential to assess past experiences and to make sure that previous commitments have been fully realized.

8. Expected outcomes

Based on issues raised in this document and participants' shared experiences on government involvement with the diaspora for development, the discussion session could consider the following outcomes:

Dialogue: Develop models for ongoing dialogue between home countries and the diaspora at the national, regional and international level. Host countries should develop strategies towards diaspora in coordination with home countries and other host countries harbouring diasporas of same origin.

Monitoring: Engage in participative (national, regional and international level) assessments of past engagements with the diaspora for development (what has been proposed, what has been achieved –or not achieved, with what results and what has been learned from it)

At the national level

- Promote **diaspora networks** by drawing up a road map for supporting their establishment, and discuss the ways home and host countries can become active partners with diaspora networks.

- Foster codevelopment projects by developing **models** for individual initiatives and community action to leverage the knowledge and other resources of the diaspora.

- Develop an **inclusive agenda** for the diaspora for home country development based on realistic objectives, tools and timeframes.

- Identify **sectors** in which bilateral negotiations between institutions of home and host countries are most relevant to enhance the development potential of diaspora (such as for the portability of social rights).

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At the international – multilateral level

- **Integrated approach**: ensure coherence between policies promoting diasporas as development actors and other policies on migration, trade, security or other sectors that may limit the scope of action for the diaspora in the development of their home countries.

- Discuss how **multilateral support** can be engaged to develop capacity-building programs in home countries and exchange experiences.

- Draw a **road map** for meaningful engagement of the diaspora in development of their home country.

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