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## WORKSHOP REPORT

UNITAR/UNFPA/IOM KEY MIGRATION ISSUES WORKSHOP SERIES<sup>1</sup>:

### CONTRIBUTIONS OF DIASPORAS

11 May 2006, United Nations Headquarters, New York

#### BACKGROUND

On 11 May 2006, the United Nations Institute for Training and Research (UNITAR) in collaboration with the United Nations Population Fund (UNFPA) and International Organization for Migration (IOM) hosted a workshop on Contributions of Diasporas as part of the “UNITAR/UNFPA/IOM Key Migration Issues Workshop Series”.

The event was held in Conference Room E at United Nations (UN) Headquarters. The attendees included 50 delegates representing 43 countries; 19 staff from UN Secretariat, agencies and other international organizations; and 7 members of civil society.

#### OBJECTIVES

This workshop’s objectives focused on: receiving more information on the various forms of non-financial contributions of diasporas and on the transfer channels used; identifying factors in home and host countries for the creation and success of various forms of diaspora initiatives; discussing policy options and best practices with regard to engaging diasporas in home country development; learning more about the actual impact of diaspora contributions to development and poverty reduction in countries of origin; exploring ways in which the international community may facilitate the engagement of diasporas in development cooperation; and looking at roles of diasporas in conflict and post-conflict situations, identifying conditions for their engagement in reconstruction and peace-building processes.

More generally, this Series is intended to provide participants with greater knowledge on key migration issues, and offer a forum for discussion and awareness-raising prior to the General Assembly’s High Level Dialogue, which will focus on International Migration and Development on 14-15 September 2006.

Information on upcoming briefings and workshops in this Series is available from [info@unitarny.org](mailto:info@unitarny.org) or at [www.unitarny.org](http://www.unitarny.org)

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<sup>1</sup> This Series is financially supported by UNFPA

## SUMMARY OF INTERVENTIONS

### *Introduction: Diasporas and Development*

In his introductory address, **Professor Ronald Skeldon** from the University of Sussex, looked at the evolution of the notion of ‘diaspora’. He distinguished it from international migration per se. He offered a number of related observations.

First, while the concept of diaspora is no longer restricted to the notion of expulsion, it still draws attention to looking back, to linkages between origin and destination. Second, often used synonymously, the term ‘transnational community’ refers to people working and living in two or more states. Mr. Skeldon emphasized that speaking of diasporas is more encompassing than speaking of migration. So, third, it also touches upon ethnicity and questions of identity, nationality and loyalty. Fourth, different models of integrating migrants, from assimilation to multiculturalism assume that migration is a movement from origin to destination. However, what is common in the 21<sup>st</sup> century, are circular movements and exchanges. Diasporas thus have profound geopolitical and security implications. Finally, diasporas are likely to represent a certain sector of the migrant population, as those with more resources and innovative capacities are often the first to migrate. Therefore, the diaspora tends to be composed of the best and brightest. Whereas in the past, the lack of economic and political development in countries of origin led to migration, the situation today is much more complicated, as it seems that rising living standards and an increase in wealth and development also stimulate migration.

Looking at the contributions of diasporas to development in their home countries, Mr. Skeldon highlighted the critical role that returning students have played in the development of the ‘Little Tigers’ in East Asia. Return migration also seems to have contributed to democratization in these economies. However, “there must be something for migrants to return to”. **Diasporas can contribute to development, but they do not cause it.** What is critical is the state of structures ‘on the ground’. The concept of diasporas must not be “essentialized”. **Diaspora groups are not homogenous.** Further, diaspora groups may pursue their own political agenda, which may be different from political agendas in countries of origin and destination. Their role is thus complex.

### *Session I: Engaging Diasporas: Policies and Best Practices*

The first session looked at policies that home and host countries have adopted to reach out to diasporas and engage them in development cooperation. It also presented best practices from diaspora organizations involved in community development, the promotion of entrepreneurship and trade with the home country. Finally, it highlighted IOM’s experiences in working with diasporas.

**Ms. Kathleen Newland**, Director of the Migration Policy Institute (MPI), presented an overview of various policy approaches in home countries to engage diasporas in poverty reduction and economic development. The overall message was that many approaches exist and that these do not necessarily arise spontaneously; government involvement is often at play. In the case of China, the government has adopted a very proactive approach, emphasizing the maintenance of a Chinese identity within the diaspora and seeking to foster trade and investment through preferential policies. The Indian government has started only recently to actively seek involvement of the Indian diaspora. As in the case of China, India’s approach to engaging the diaspora is business rather than remittances oriented. In Eritrea, an aggressive mobilization of the diaspora took place during the conflict with Ethiopia. The diaspora has also played a role in

the reconstruction of the country, notably through an ongoing policy of taxation of the diaspora and extended citizenship. The Philippines, rather than having an explicit policy towards the diaspora, has focused on the management of temporary migration and the pursuit of a policy to maximize remittances, while providing extensive protection and services to its citizens abroad. Since 2000, Mexico has conducted an active outreach policy towards Mexicans living abroad, offering the possibility of dual nationality, the facilitation of remittances and the development of linkages with Mexican home town associations (HTAs) in the United States, which often are primarily social clubs, whose first purpose is not necessarily to promote development. Ms. Newland referred to Taiwan's approach as the 'brain trust model'. It has upheld close ties with highly skilled overseas students and professionals focusing on attracting technology and knowledge transfers from the diaspora.

**Mr. Vincent Adams**, Chairman of the Linden Fund USA, presented the activities of this Guyanese diaspora organization, which also has chapters in Canada and Guyana, and was created to foster and support the revitalization of its hometown community Linden, Guyana. As Mr. Adams explained, one of the founding principles of the Fund is to provide for an engagement that is sustainable, with a focus on long-term fundamental growth, e.g. through investments in education, health care and the diversification of the economic base. Mr. Adams underlined that diaspora organizations, which usually function on the basis of voluntary engagement, above all must have credibility in order to be accepted and successful contributors to their home communities. Therefore, he emphasized the importance of being non-political in the engagement in the home community and to seek a cooperative relationship with home country officials and the government. **Credibility is also won through imminent passion, commitment and financial accountability.** So far, achievements of the Fund include the creation of eight scholarships to the University of Guyana, the launching of a school furniture manufacturing project, involving local students, the organization of shipments of medical supplies and the provision of flood relief aid. In cooperation with local business, the Linden Fund is also working on a strategic development plan for the region.

**Mr. Carlo Dade** from the Canadian Foundation for the Americas (FOCAL) shared lessons from the experiences of host countries that have been trying to integrate diasporas in development cooperation policies. Five years ago, very little attention was paid to diasporas. Initiative in the US and Canada emerged from an exchange of views on community development involving municipal governments, local domestic community development agents, aid agencies and diaspora representatives. A number of recommendations for policy makers were highlighted. First, **migration policies should be separated from diaspora policies** – migration concerns the movement of people while Diaspora issues concern what happens once people move and also include second and third-generation immigrants. The point here is that even if all migration were to be stopped tomorrow there would remain a host of issues including remittances, transnational crime and trade linkages that would persist for generations. Second, governments should focus on financial transfers first, as they can add the greatest value by facilitating and enhancing flows. However, it is also the area in which they can do the greatest damage by regulating flows, e.g. for national security reasons. Thirdly, governments must take into account the transnational character of diaspora groups. **Policies and funding practices must overcome the division between domestic and foreign issues, moving to a truly transnational vision.** Further, identifying a number of challenges facing donors, Mr. Dade warned that working with diaspora organizations is expensive in terms of funds and staffing. However, what is equally important and overlooked by donors is the fact that the benefits of these investments have development impacts both abroad and domestically. The calculation of return on investment

from working with diaspora communities for donors has to include acknowledgement of the domestic returns. He criticized the idea of ‘leveraging’ migrant remittances and diaspora contributions. Any kind of paternalism from development agencies would be misplaced given that diaspora groups own the funds they contribute. **When it comes to private sector development and diasporas, the market should pick the ‘winners and not development agencies’.** Development agencies should thus adopt a ‘light touch’, focusing on facilitating interventions that benefit all such as improving access to capital and export development services, as opposed to picking specific projects and providing support to individuals and pilot projects. Mr. Dade also underlined that, working with diaspora groups cannot replace foreign assistance and ODA.

**Ms. Meera Sethi**, Senior Regional Adviser for Sub-Saharan Africa at the International Organization for Migration concurred with the previous speaker, stating that “migration in itself is not a development strategy nor is it an impediment to development”. Ms. Sethi underlined that international migration, already recognized as a tool for development in the IOM Constitution in 1951, should be integrated as such in national, regional and international development strategies. She then focused on the Migration for Development in Africa (MIDA) project, which links European governments and African diaspora communities in Europe to countries in West, Central and East Africa. Ms. Sethi presented some evidence from the MIDA project between Italy and Ghana, which engages the Ghanaian diaspora in Italy, local governments as well as the private sector in both countries, following the principle of decentralized cooperation and community development through local institutions and joint ventures. In the framework of this programme, IOM received 130 proposals for the establishment of small and medium enterprises in sectors such as agriculture, food processing, education and information technology. Lessons learned included the insight that a lack of specialized staff, as well as inadequate coordination with migrant associations leads to a lack of continuity, isolated actions, and excessive sectoralism. The attribution of grants was found to breed corruption and to undermine rather than foster initiative in a context of lacking entrepreneurial and book keeping/accounting skills at the receiving end. Therefore, the provision of training has become central part of the programme. It was also found that **collective initiatives are more likely to bear success than individual ones.** With the MIDA project for the Great Lakes region, which was initiated in 2002, cooperation has been extended to all EU member states. Emphasizing the ownership of Governments, the programme aims at integrating diaspora contributions into national Poverty Reduction Strategy Papers, promotes the creation of national structures in Ministries of Employment, and includes an e-learning strategy, as well as a gender sensitive approach. Drawing from current MIDA experiences, Ms. Sethi outlined a number of initiatives for the future, including: regional and national skill mapping; the promotion of tax reductions on remittances and pooling of diaspora resources; as well as enhanced access to micro-finance and micro-credit for women entrepreneurs.

Finally, Ms. Sethi formulated some policy recommendations for host countries with regard to a broader agenda of engaging diasporas as partners in third country development:

1. taking into account the heterogeneity of expectations within diaspora communities;
2. refraining from producing a unique policy response;
3. creating an environment conducive to civil society initiatives, e.g. by actively pursuing the integration of migrants in the host country.

As Ms. Sethi observed, **the well-being and status of migrants in the host country have a direct impact on strategies and possible contributions to home countries.**

**Mr. Charles Nkuah**, Vice-President of the diaspora initiative Ghanacoop, and **Mr. Alberto Caldana**, representative of the Modena Province government in Italy, presented Ghanacoop as a best practice, which involves the Ghanaian diaspora in the Emilia-Romagna region, a number of public and private stakeholders, including IOM, the Italian Embassy in Ghana, the government of the Emilia-Romagna region and the Province of Modena, several municipalities, associations and cooperatives. Based on a reciprocity, the project engages the Ghanaian diaspora in economic development in the home country, and promotes their active engagement as civil society actors in the host country. The initiative combines profit-oriented components with non-profit, charitable activities in the home country. In cooperation with cooperative credit institutions in Italy and Ghana and the support of one of the biggest regional fruit companies, Ghanacoop invests in organic fruit production in Ghana and created its own fair trade brand for Ghanaian fruit imports to Italy. The project is financed through a special fund, which pools remittances from the Ghanaian diaspora. It fosters development by creating jobs and income in Ghana and promotes community ownership through the diversity of partners involved. As Mr. Nkuah explained, Ghanacoop is designed to stimulate the acquisition and exchange of knowledge and skills among Ghanaian migrants, which is also considered as a means to prevent illegal immigration. In addition, it promotes participatory processes within the migrant community in Italy.

In the discussion that followed, Professor Skeldon recognized that some diasporas are made up of victims who had been expelled from the country of origin, but that diasporas were more than this: they incorporated many of the "best and brightest" who had chosen to leave. Therefore, the debate about engaging diasporas deals with how to incorporate elite networks for development. Mr. Dade offered a working definition of diasporas as being "a totality of people, who reside in one place, but act upon another place they associate with." As such, **diaspora organizations represent an elite, not because of their educational achievements or abundant resources, but because they choose to act**, although they might struggle to mobilize funds, time etc. Asked about existing best practices in home countries, Mr. Dade mentioned the examples of Mexico and the Philippines. As highlighted by Ms. Newland, home countries pursue different policies or 'models'. In this regard, the critical role of consulates in reaching out to diaspora populations was highlighted. However, it was underlined that the initiative must come from diaspora networks themselves and cannot be imposed by governments or development agencies. While it was admitted that the channeling of donor funds through governments entails the risk of funds not reaching beneficiaries on the ground, it was also warned that donors could not entirely go through civil society organizations, such as diaspora networks.

### ***Session II: Diaspora Contributions in Conflict and Post-Conflict Situations***

A second session focused on the role of diasporas in conflict and post-conflict situations. Two different forms of return assistance programmes were presented, as well as a case study on the extortion of financial contributions from the Tamil diaspora.

**Ms. Rascha Osman**, First Secretary at the Permanent Mission of Switzerland to the United Nations, spoke on how Switzerland, as a host country, facilitates the return and reintegration of returning refugees, enabling them to contribute to the reconstruction of their countries of origin. In cooperation with countries of origin, Switzerland has set up a number of Assisted Voluntary Return Programmes that are carried out by the Federal Office for Migration in cooperation with IOM, the Swiss Development Agency and return counselors. Under these programmes, asylum seekers, temporarily admitted persons and refugees, who choose to return voluntarily to their

home countries, are eligible for counseling, financial and medical aid, training and support for individual (business) projects in the country of origin. In cases where return is mandatory, different sets of incentive packages are offered for earlier return. As a successful example of such a programme, Ms. Osman presented the Return Assistance Programme (RAP) for the Province of Kosovo, which was carried out from 1999-2001 and provided assistance to about 40,000 returnees. As major incentives, it combined financial assistance with a construction kit containing material for the renovation and rebuilding of houses. Return counseling also had a strong influence on individual decisions to return voluntarily. In addition, the provision of education to returning refugees proved helpful for their professional reintegration. Other crucial factors for the success of the RAP were the relatively short stay in Switzerland. Ms. Osman however warned against overestimating the influence of a proactive approach in the host country: thus, the decision to return seemed to depend primarily on an improved situation in the country of origin.

**Ms. Lorena Lando**, Programme Manager for the Return of Qualified Afghans Programme (RQA) of the International Organization for Migration in Afghanistan, presented a case study of the Afghan diaspora and the temporary return of qualified Afghans. The RQA Programme had focused initially on medical personnel and support to the health and education sectors, but has been adjusted since to the evolving needs and priority sectors and reality on the ground. Through the temporary placement of Afghan professionals from the EU and neighbouring countries, mainly in public administration, but also in the private sector, the programme aims at promoting socio-economic development, post-conflict reconstruction and poverty alleviation. It also helps returning professionals to start their own businesses. Seventy percent of the returning professionals stay on afterwards. In this regard, Ms. Lando pointed out that the programme is demand driven, responding to a desire in the Afghan diaspora to contribute to the home country, which goes beyond financial motives. The programme also emphasizes ‘quality rather than quantity’, by facilitating the return of experts, who can share their skills and provide capacity-building. IOM currently has a database of 5,000 Afghan professionals worldwide, who have registered to participate in the programme. According to Ms. Lando, a key to success has been IOM’s close contact with the Afghan diaspora over the last 20 years, which has led to a high degree of trust between the partners.

**Mr. James Ross**, Senior Legal Adviser at Human Rights Watch (HRW), offered a different perspective, presenting findings concerning intimidation and the extortion of funds among members of the Tamil overseas community. As Mr. Ross outlined, the Tamil diaspora is in large part a ‘product’ of the armed conflict that opposed the Sri Lankan Government and the Liberation Tigers of Tamil Eelam (LTTE) between 1983 and 2002, when a ceasefire agreement was signed. Having fled government violence and human rights violations, many members of the Tamil diaspora support the LTTE and view it as their legitimate representative. However, Mr. Ross described a systematic practice of extortion and intimidation targeting those who openly criticize or refuse to financially support the Tamil Tigers, creating a culture of fear within Tamil diaspora communities in Western countries. Extortion practices include ‘housevisits’ in the host country, but also the ‘taxing’ of Tamils, who visit Sri Lanka. HRW reports cases in which visitors from the diaspora were asked to pay a fee for every year they spent abroad. Another way of funding is through the alienation of diaspora community institutions: taking over the administration, the Tamil Tigers have made inroads into Hindu Temples. Intimidation practices included threats against families and businesses, occasional physical violence, defamation campaigns and the confiscation of passports in the case of visiting Tamils to Sri Lanka. HRW reports, there is a lack of response in host countries. As Mr. Ross suggested, protection of

members of the Tamil diaspora would not just require the investigation and prosecution of individual cases, which may put the victim at risk of being isolated within the community, but a proactive approach, including establishing stronger ties with the Tamil community and close monitoring of the LTTE's activities abroad and its channels of funding.

### *Panel Discussion : A Measurable Impact on Development?*

**Mr. Yevgeny Kuznetsov**, Senior Economist with the Knowledge for Development Programme at the World Bank Institute, focused on the contributions of highly skilled diaspora networks. He underlined that when looking at the impact of diaspora contributions, a distinction must be made between poverty reduction and development. **Whereas there seems to be increasing evidence that migrant remittances have a positive impact on poverty alleviation, the transfer of knowledge plays a crucial role in promoting long-term development.** However, the impact of this kind of contribution is more difficult to assess. The central lesson that Mr. Kuznetsov shared with participants was that, in order for diaspora networks to function and to maintain momentum, **there must be transactions and projects and not just talk.** He defended the argument that numbers don't matter, but organization does, comparing the Chilean and Argentine diasporas: whereas the Argentine diaspora outnumbers the Chilean, the latter is better organized and more active in contributing to the home country. Other examples of small, but very well-organized and successful diaspora networks include the overseas Taiwanese community that has played a key role in the emergence of a venture capital industry in Taiwan, and the Scottish diaspora network 'Global Scot'. Mr. Kuznetsov identified different models of engagement of highly skilled networks, distinguishing a "top executives model", based on the outsourcing of knowledge intensive operations, such as research and development and technology to for example, India; a "mentoring/venture capital model" (Taiwan, Korea, South Africa, Israel); and a "diasporas as investors" model (China). Describing the dynamics of diaspora networks, Mr. Kuznetsov stated that, **while it takes "individual champions" to initiate diaspora initiatives, organizations and institutions in the home country are critical to sustain such initiatives.** Therefore, he recommended for policy makers to adopt a pragmatic approach: In the short term, they should rely on individual champions to create and drive diaspora networks and to develop institutions. However, Mr. Kuznetsov acknowledged that the transfer of knowledge often has little immediate institutional impact. Institutional development in home countries therefore requires a long term perspective and a concerted effort by all stakeholders.

**Mr. Pedro de Vasconcelos**, Projects Specialist at the Multilateral Investment Fund (MIF) of the Inter-American Development Bank, focused on the role of remittance as a powerful tool for development. The MIF works to further reduce remittances transfer costs through enhanced competition and aims at increasing the number of beneficiaries. Mr. De Vasconcelos warned however, that remittances cannot substitute for development efforts in recipient countries. The high volume and growth in remittances flows to Latin America and the Caribbean must rather be read as signs of the failure of development in the region, which does not produce sufficient labour opportunities to satisfy the demand. He drew attention to the variety of channels through which migrants contribute to their home countries, referring to Manuel Orozco's "5Ts": trade, transfer, transport, telecom and tourism. Distinguishing between individual and collective remittances, Mr. De Vasconcelos highlighted some of the MIF's findings concerning joint efforts of migrants to support social projects in their home countries through hometown associations (HTAs). Thousands of mostly Mexican and Central American HTAs exist in the US today. Donations from HTAs on average amount to US\$ 10,000 but can go up to US\$ 100,000 in some

cases and generally go to small communities of less than 3,000 people, where they amount to 50-70% of the public works budget. Mr. Vasconcelos underlined, however, that **HTAs are not first and foremost agents for development, although their initiatives sometimes overlap with economic development initiatives. This overlap can and does create opportunities for cooperation.** A best practice in this regard is the Mexican 3 for 1 initiative: every dollar donated by HTAs is matched by a dollar from the State and local governments. The programme serves to channel diaspora resources into the development of local infrastructures, notably in small towns. By promoting the productive investment of individual and collective remittances through strengthening microfinance institutions for example, the MIF aims at increasing the development impact of these contributions. One of the ‘ingredients for success’ stressed by Mr. De Vasconcelos is to give ownership to the communities. He also underlined that it is crucial to guarantee the sustainability of engagement and to make sure that projects really correspond to the socio-economic needs on the ground.

**Ms. Ainalem Tebeje**, vice-president of the Association for Higher Education and Development (AHEAD), an Ethiopian diaspora organization in Canada, pointed to the willingness to go beyond remittances. She also described a feeling of moral responsibility and desire to give back that is prevalent in the African diaspora. The dominant form of engagement is “people to people”, small groups of individuals who engage in sector specific voluntary work, such as HIV prevention in Ethiopia. Commenting on Mr. Kuznetsov, Ms. Tebeje upheld that numbers do matter, because in small voluntary organizations there is a risk of individual fatigue. Therefore, **the sustainability of an initiative depends on the possibility to pass it on and to enlarge the circle of stakeholders.** Speaking about the Ethiopian experience, she observed that it can be difficult to match the agenda of the diaspora with the agenda of the home country. With Ethiopian institutions lacking the capacity to absorb diaspora contributions, much time is actually spent on logistics, blurring the impact of the donations and investments made. **Matching demand and supply is therefore one of the major challenges facing diasporas and home countries.**

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