



# Maximising Diasporas' Development Potential: Remittances & Beyond (Are We There Yet?)

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# Aims

- Provide **a** diaspora perspective on migration & development nexus
- Help chart a clear way forward from thinking/talking about engaging with diasporas to doing it
- Address fears & anxieties normally associated with engaging with diasporas



# Structure [1]

- Post-UNHLDIM reflections
- Are we beyond thinking about engaging with diasporas yet?
  - Brief historical overview of “diaspora & development” policy initiatives (UK)
  - Are we there yet?!
  - Why the hesitation? What’s stopping us?



# Structure [2]

- Menu of policy options
- Overcoming real & perceived pitfalls of diaspora-government engagement



# Post-UNHLDIM [1]

- Secretary-General's report was visionary & had good ideas (came out before the dialogue!)
- Member States sought to focus on areas of common ground – slightly stilted “dialogue” – many issues avoided for now
- Useful to listen in
- “Civil society” mainly focused on rights issues less on concrete ideas to move forwards on ***migration & development***



## Post-UNHLDIM [2]

- Under-representation of migrants & diasporas
- Will we correct this in Belgium, 2007?
- Strong appetite for concrete action **NOW!**



# Brief recap...

- **Some DFID-diaspora *engagement* policy developments**
- **1997:** *Eliminating World Poverty – A Challenge for the 21st Century* (White Paper) commits DFID to “build on the skills and talents of migrants and other members of ethnic minorities within the UK to promote the development of their countries of interest.”
- **2000:** *Eliminating World Poverty – Making Globalisation Work for the Poor* (White Paper) comments briefly on the need to rethink approaches to mobility of people and committed DFID to undertake further research into brain drain-related issues.



## Brief recap...

- **2001:** DFID commissions *Getting It Right Together: Black and Minority Ethnic Groups and DFID's Development Agenda – Scoping Study* which made far-reaching recommendations on engaging with BME communities.
- **2003:** Connections for Development (CfD) forms and signs a Strategic Grant Agreement with DFID.





# Brief recap...

- **2004:** House of Commons International Development Committee issues a report into its inquiry: *Migration and Development: How to make migration work for poverty reduction*. The report identifies several ways in which DFID might work more closely with the diaspora.
- **2004:** DFID commissions *Beyond Remittances: The Role of Diaspora in Poverty Reduction in their Countries of Origin* and *The UK diaspora contribution to development and poverty reduction* that make further recommendations on engagement with the diaspora.



## Brief recap...

- **2005:** DFID launches [www.sendmoneyhome.org](http://www.sendmoneyhome.org) to introduce more transparency & market effectiveness in money transfer services
- **2005:** DFID commissions AFFORD & AFP to make recommendations on engagement between DFID & diasporas
- **2006:** DFID launches BME Remittance Survey Report



## In summary...

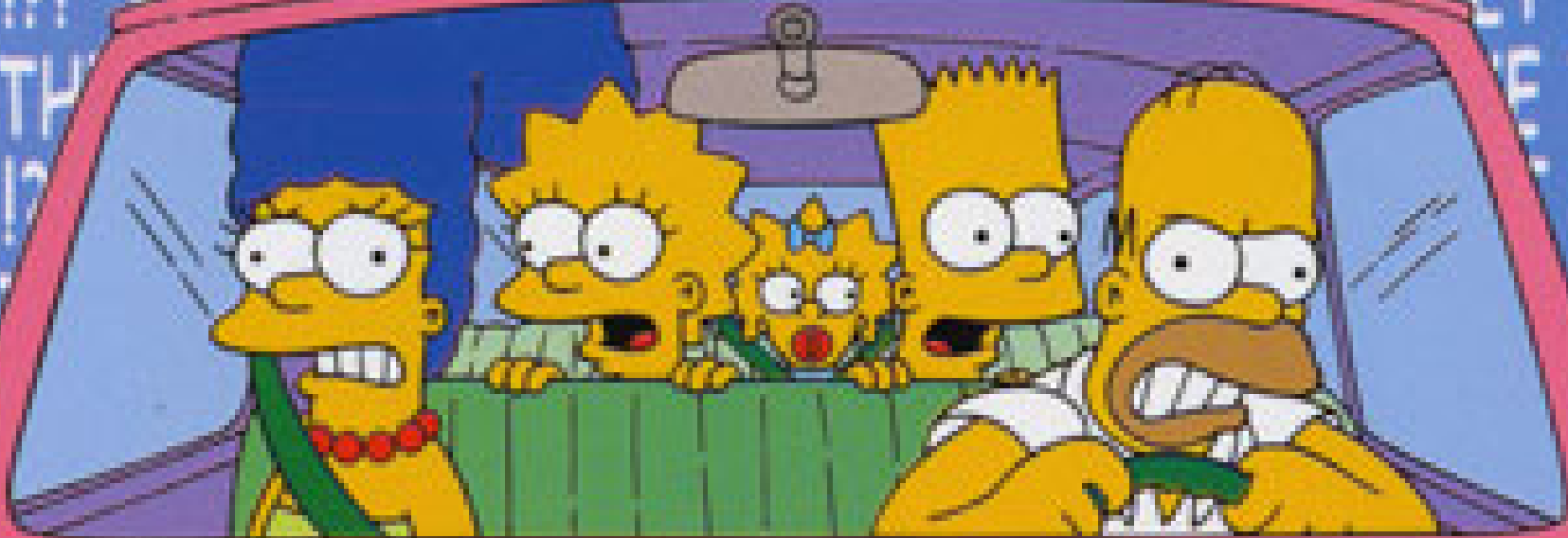
- We've had lots of studies about engaging with the diaspora
- Lots of action on remittances
- No policy paper on migration & development yet
- But remittances are just one form of diaspora engagement with their regions of origin
- What about skills, hometown associations, policy input...?



# Meanwhile, elsewhere...

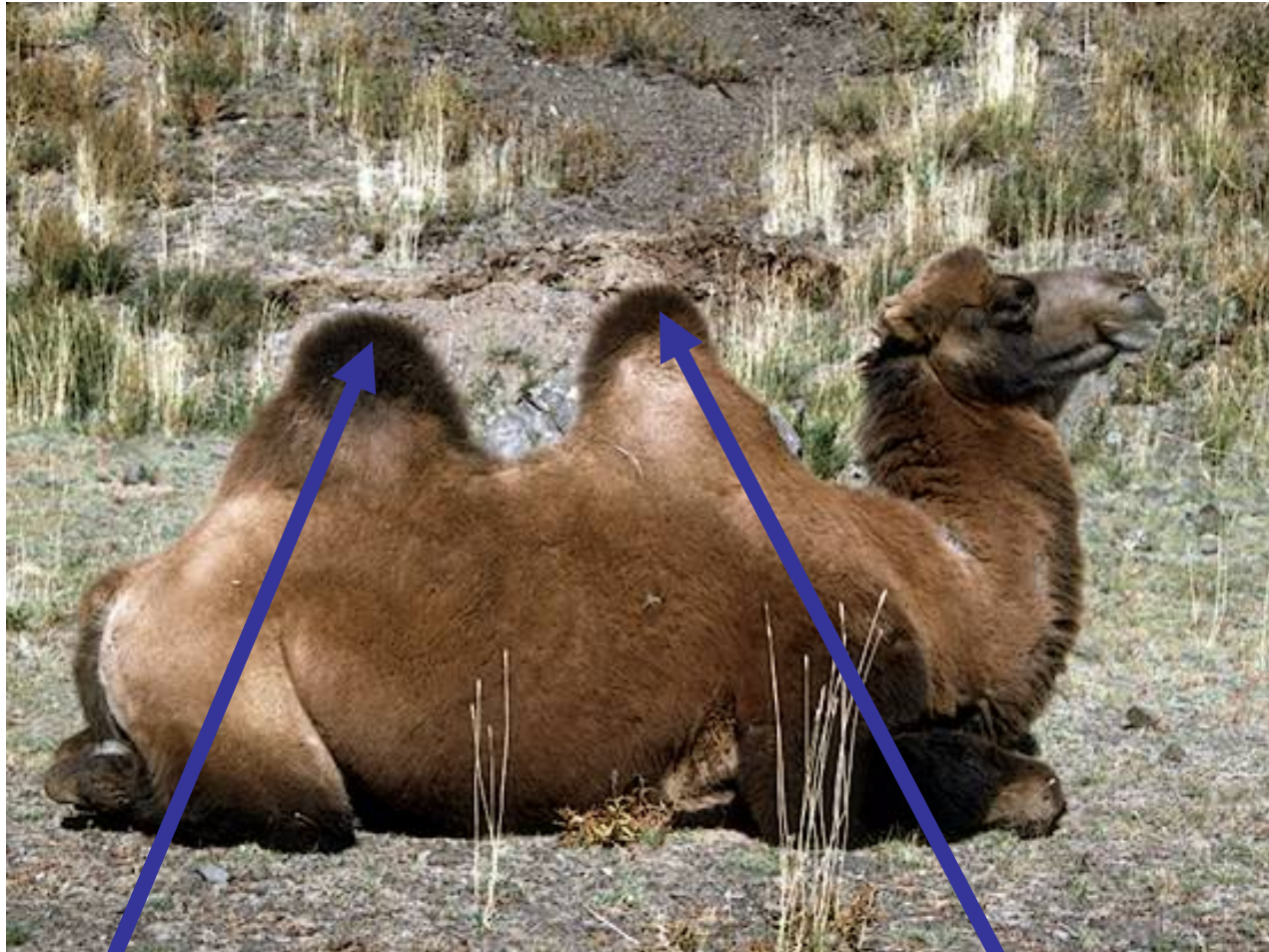
- Netherlands
  - Piloted tax relief on remittances
  - Working with IOM to facilitate Ghanaian doctors circulating their skills with hospitals in Ghana
- France
  - Offers tax relief on remittances for development
  - Substantial “co-development” initiatives with Mali, Senegal, etc

ARE WE THERE YET !?!



MATT GROENING

# Two-humped camel theory of migration



Migration hump

Diaspora engagement hump



# Why the hesitation here?

- Harnessing the benefits of migration – what concrete development outcomes might you hope to achieve by engaging with the diaspora?
- What are the obstacles you need to overcome to get there?
- What practical support is needed to get things moving?



# Focus on outcomes

- Areas of strong diaspora concern/engagement:
  - Jobs, jobs, jobs
  - Education
  - Health
  - Gender
  - UK public awareness & development education: building an *inclusive* constituency for international development
  - Shifting public perceptions (especially Africa)





# Policy initiatives [1]

- Individual remittances
  - Linkages between remittance economy & local receiving economies (eg diaspora house-building)
  - Widening access to finance linked to remittances (inc rural areas & microfinance initiatives)
  - Tax relief on remittances for development (eg RemitAid)
  - Productive uses of remittances (eg purchase of insurance, healthcare, microfranchises/"Business Box")
  - Portable pensions



# Policy initiatives [2]

- “Collective remittances” & community development
  - Hometown, alumni, professional, etc associations’ projects
  - Matched-funding schemes (eg Mexican 3+1)
  - Awareness-raising/ development education
- Business development
  - Support for transnational entrepreneurs (eg via BusinessLinks, Chambers of Commerce)
  - Support for migrant entrepreneurs’ startups (eg IntEnt, Netherlands)
  - Investment promotion



# Policy initiatives [3]

- Business development cont'd
  - Diaspora investment funds (eg Diaspora SME Investment Fund)
  - Diaspora sovereign bonds
  - Development banks
  - Remittance-backed bonds (securitized against future remittance flows)
- Knowledge transfer/"brain gain"
  - Short-term visits/virtual mentoring (eg AFFORD SEEDA, UNDP TOKTEN)
  - Professional diaspora networks



# Implications [1]

- Key role for diaspora intermediaries – eg Connections for Development, AfricaRecruit, Asian Foundation for Philanthropy, AFFORD, etc
- Urgent need for diaspora capacity building & infrastructure support (ref CfD mapping study)
- Freedom of movement (ie regularization of undocumented migrants) is key enabler



## Implications [2]

- Seek win/win, genuine mutual gain rather than imposition on diaspora
- What can we achieve together that is greater than the sum of individual efforts?
- Take diaspora on own terms, not as wannabe NGOs
- Value diaspora's involvement/contributions & play to their strengths
- Diaspora does not replace sound partnerships in the Global South



# Overcoming the fears [1]

- Difficult to build trusting relationships
  - High Whitehall staff turnover
  - Fluidity within diaspora community sector
- Lack of clarity on what can be achieved
- Doubts about each other's bona fides & motives



# Overcoming the fears

- No easy answers, but...
  - Need for results-oriented leadership: engagement is a means to an end, not an end in itself
  - Look for god-parents & champions
  - Take measured risks
  - Use CfD
  - “Feel the fear & do it anyway!”

A close-up photograph of a woman with dark hair, smiling broadly while talking on a black mobile phone. She is wearing a red top and a dark jacket. The background is a blurred city street at night, with lights from buildings and cars visible.

Thank you!  
Contact us for more information

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- AFFORD's mission is to expand & enhance the contribution that Africans in the diaspora make to Africa's development