

International Organization for Migration (IOM)

Policies engaging diasporas for development

Stimulating investments

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Outline

- **IOM Programmatic Responses**
- **Lessons Learnt**
- **A Comprehensive Diaspora Policy**





Definitions

- **No one common definition...**

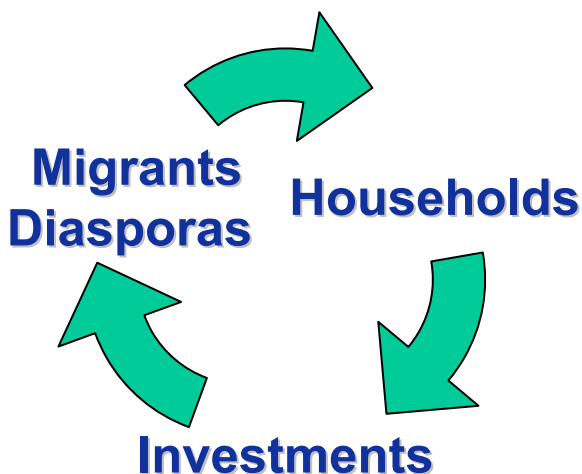
- ✓ **DiasporaS**

- ✓ Increase in policy interest (institutions, programmes)
 - ✓ African Union 2005 : “ The African Diaspora consists of peoples of African origin living outside the continent, irrespective of their citizenship and nationality and who are willing to contribute to the development of the continent and the building of the African Union”
 - ✓ India: PIO (People of Indian Descent) and NRS (National Residents Abroad)
 - ✓ The **definition influences the shape and direction of policy**

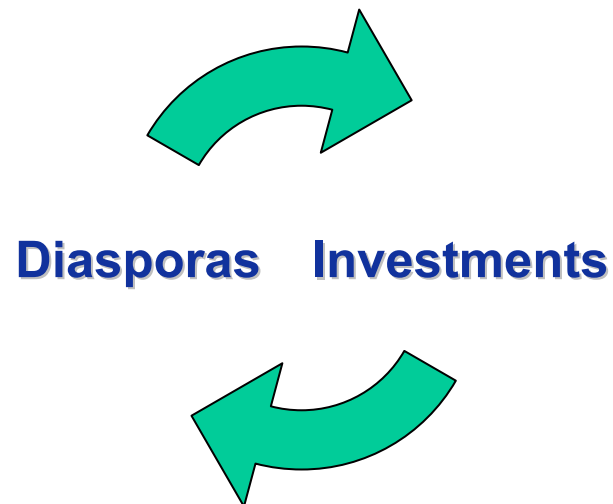


Diaspora investments

Remittances and Investments



Diasporas and Investments



- FDI, Trade, Entrepreneurship, Social and Economic Development, Social and Community Investments?
- Correlations between different financial flows



IOM Programmatic Responses





Migration for Development (MIDA)

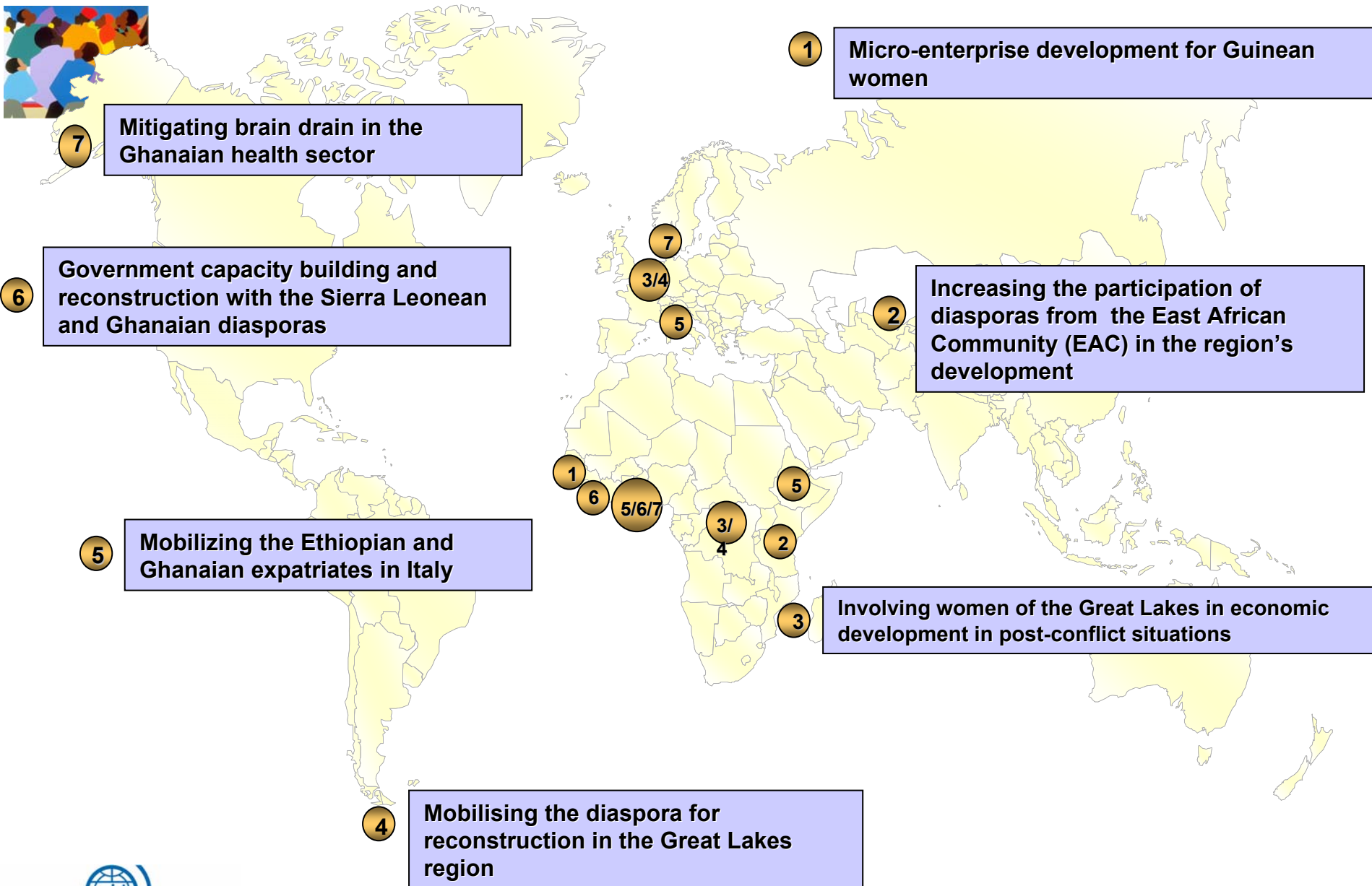
- ✓ Draws on the **skills and resources** of African diasporas
- ✓ **Capacity-building** and not a return programme
- ✓ Demand-driven and aims to fill **priority skill-gaps**
- ✓ **Investment focus**

PROGRAMMES

- ✓ **MIDA Italy**, Mobilization of **Senegalese and Ghanaians** Expatriates and of their hosting communities in Italy, 2004
- ✓ **MIDA Guinea**, Micro enterprise development for Guinean women (mobilization of women from the diasporas) 2003-2004
- ✓ **MIDA Great Lakes**: Mobilisation of African Diasporas in Belgium, Phase I, II and III, 2001-2004-2006
- ✓ **MIDA Ethiopia** Return of Qualified Healthcare professionals from **Sweden** to Ethiopia, 2004
- ✓ **MIDA Health** Options for the **Ghanaian** Diasporas Involvement from the **Netherlands** in Mitigating Brain Drain in Health sector, 2002-
- ✓ **MIDA East Africa** Governmental Capacity Building 2003-
- ✓ **MIDA Benin** Mobilisation of Workers from the diasporas Benin 2004,
- ✓ **MIDA Morocco** (in preparation), **Belgium** Government



Ongoing MIDA projects in Africa





Other Programmes

▪ Return

- ✓ The Return of Qualified African Nationals (RQN)
- ✓ Return and Reintegration of Qualified Jamaican Nationals for Development
- ✓ Research and Skills Bank Development for Qualified Somaliland Nationals Residing in Nordic and EU Countries

▪ Remittances

- ✓ Household Surveys: Colombia, Guatemala, Albania, Moldova, Serbia
- ✓ Projects: Tajikistan
- ✓ Research: Great Lakes (DRC, Burundi, Rwanda) Kenya, Tanzania and Uganda
- ✓ Feasibility Study: Zambia and Angola

▪ Policy

- ✓ “Ministerial Conference of the Least Developed Countries on Enhancing the Development Impact of Remittances” 2006 Cotonou
- ✓ Regional consultations (African Union, UNECA, NEPAD)
- ✓ Dialogue with Postal Services on Remittances for Development July 2006 Geneva



Lessons learnt





Diasporas and Investments

- ✓ Limited investment capacity among participants
- ✓ Problem of capacities and structures in country of origin
- ✓ Identify priorities and commit
- ✓ Build a climate of confidence
- ✓ Provide credible opportunities
- ✓ Consult with diasporas in host country
- ✓ Allow keeping jobs/benefits in host country
- ✓ Sector based and diaspora driven projects work best

Objective: Shift policy focus towards investments





Remittances and Investments

- ✓ Mainly for **consumption** – 80% Kenya, 90% Colombia, DRC, Burundi and Rwanda, Moldova only 5% saved;
- ✓ **Low earners**
- ✓ Few **large scale** development projects funded by diasporas (DRC)
- ✓ Housing, agriculture, equipment (Tanzania), school fees (Uganda)
- ✓ Remittances increased with liberalization of financial sector (Uganda)
- ✓ Investment agents **reluctant** to develop packages for diasporas (Kenya)
- ✓ **Re-direct remittances**: ex. Central Investment Fund targeting diasporas Kenya Community Abroad (KCA), Ministry of Planning and National Development and Investment Promotion Council; Uganda Investment Opportunities, Tanzania Investment Centre

Objective: Enhance development impact of remittances



Diasporas investment strategies



Cost/Benefit
Self interest
Profit making



Bridges
Ice Breakers
Middle person

- ✓ **General business/ macro economic** environment
- ✓ **Local to local** strategies
- ✓ **Long-term** impacts: changing saving behaviours
- ✓ **Interrelation** between **Host** and **Home** countries
- ✓ Key role of **Chambers of Commerce**
- ✓ **Limitations** of diaspora approach
- ✓ Remittances compensating for brain drain: **misleading**



A comprehensive diaspora policy





Incentives

Indirect

Relate diasporas policies to diasporas rights

- ✓ Dual citizenship
- ✓ Consular support
- ✓ Voting rights
- ✓ Property rights
- ✓ Transferability of pension rights and social benefits
- ✓ Simplification of bureaucratic procedures (One stop shop)
- ✓ Reduced transportation costs

Direct

Key role of the country of origin

- ✓ Political and economic stability
- ✓ Fiscal facilities (importation rights)
- ✓ Transfer costs
- ✓ Market distortion?
- ✓ Negative domestic perceptions?





Key Messages

- Address **heterogeneity** of interests
- Remittances and investments: **differences** in scope
- What is on **diasporas' agenda**?
- Allow diasporas keep **ownership**
- What is on **your development agenda**?
- Integrate diasporas inputs to **endogenous** growth mechanisms
- Provide **gender** specific responses
- Do not underestimate “**soft**” **factors**: trust, perceptions, images...
- Identify **obstacles**: legislative, institutional, bureaucratic...
- **Home and host** countries interests can/should not be divorced





What role for Policy?

- ✓ **“Enabling”** role
- ✓ **“Inclusionary”** role
- ✓ **“Partnership”** role
- ✓ **“Catalytic”** role

