

# **Migration policy in a developmental context: Economic interests and the advancement of sustainable development**

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## **Migration and Development: context**

The link between migration and development is now well established. The diaspora community in general provides different forms of capital to their origin countries that have a developmental impact. These include social (networks developed in their host countries), Intellectual (skills and know-how), political (lobbying and advocacy), cultural (vulgarisation of the cultures of their origin countries) and financial (remittances, consumer products, etc..) capital. On the other hand, we are all aware of the damage caused by brain drain on the origin countries' social and economic development prospects.

An unprecedented level of attention was placed on migration in 2006 at national, regional and international levels with Africa being prominent in the discussions. To the extent that, as 2005 was dubbed the “Year of Africa”, we can safely refer to 2006 as the “Year of the African diaspora”. Not less than 5 high level international conferences and even a greater number of workshops, colloquiums, debates etc.. at national and regional levels were organised during the year. Some cynics might attribute this level of attention to the fact that, with the now well established fact that migrant remittances in some cases outstrips overseas development aid, the international donor community have discovered a new instrument to be used to make up for their increasing apathy to development aid. Realistically though, we believe that the heightened attention is due to the increasing migratory pressure in Europe, especially from its southern borders, and the need to seek for solutions to the looming crisis of skill and labour shortages in the continent resulting from the ageing of the population and dwindling birth rates.

It is a matter of social economics that the best and the brightest — especially those from less developed nations — will leave their countries for better pay, a nicer lifestyle or a more interesting job. Similarly, employers will always seek the best-educated workers at the lowest price. Berating those who leave or those who hire them is not going to stem the tide.

The question is how can the developmental impact of contributions from the diaspora be maximised in view of improving the economic and social conditions of the poor populace of their origin countries in a sustainable way?

Making abstraction of other contributory factors, it has now been shown that what will have a lasting impact on the development prospects of a country or region, are measures and initiatives that will lead to the emergence of an enterprising populace. These will lead to the

creation of jobs, an increase in the per capita income of inhabitants and consequently to an improvement in their social conditions as they become productive members of the society.

Obviously, this is only possible through investments in the productive sectors of the country and region.

### **The diaspora: Models of intervention**

The diaspora is a key component of the equation. Not only does it have the potential to invest in its own right, it also has the knowledge, expertise and experience that could be deployed in enabling foreign direct investment into their countries of origin. Different models of intervention are possible. These include:

- **Cross-border investor networks:** diaspora members invest in their origin countries solely or in partnerships. Ex: China
- **Mentoring/Venture capital networks:** Foreign start-up firms established by managers and owners of diaspora origin work with start up firms in their origin countries to develop and finance commercially viable projects. Ex: South Africa, Korea, Taiwan and Israel
- **Outsourcing networks:**
  - Diaspora business owners outsource some of their operations to firms in their origin countries. Ex: Armenia
  - Diaspora executives working for multinationals abroad influence investment decisions to outsource operations to firms in their origin countries. Ex: India and Scotland
- **Brain circulation networks:** diaspora members' skills are mobilized to provide managerial and knowledge expertise to firms and R&D laboratories in their origin countries. Ex: technology parks in China

### **Migration policy in a developmental context**

To enable diaspora contribution to the development of origin countries as outlined above, there is the need to develop policies and initiatives that support the enterprising nature of members of this community. Embarking on a migratory path requires some level of entrepreneurial ability on the part of the migrant. Policy options and initiatives at the both the origin and host countries/regions levels should be designed to leverage, nurture and make use of this ability to contribute to the development of the diaspora community's origin countries.

#### *Origin countries*

The origin countries have to adopt policies and measures that will allow for their diaspora to remain emotionally linked with and to become economically attracted to it. In the case of Africa, the continent has shown a growing will to reconcile with its diaspora. Both the New Partnership for Africa's Development (NEPAD) and the African Union (AU) have formally recognized the African diaspora as a key player in the development agenda of the continent. In 2003, the AU amended its Charter so as to "... encourage the full participation of the African Diaspora as an important part of the continent."

Although a huge effort is still required to improve their investment attractiveness prospects, a number of countries in Africa have created institutions and/or agencies that are designed to leverage the investment potentials of their diaspora community. The Ghana Investment Promotion Agency, for example, has created a diaspora desk aimed at assisting Ghanians in the diaspora to invest and transfer funds into the country.

Others are still grappling with policy options despite the availability of the wealth of knowledge and best practices available today. Thus for example, some countries still do not allow for dual citizenship, a key enabler in attracting diaspora investment and skills.

### *The European Union*

In December 2005, the European council adopted the “Global Approach to migration” that put forth a number of coherent policies and actions to address the vast array of migration issues and brought together various policy areas: external relations, development, employment, justice, freedom and security. One year on, while progress was made in the area of stemming immigration flow (the launch of several joint maritime operations in the Mediterranean Sea and the Atlantic Ocean, the reinforced cooperation of Immigration Liaison Officers (ILOs) of member states in Africa, the set-up of ILO networks along the main migratory routes), the year was spent on “agenda setting” on other aspects of migration.

On the migration and development agenda, the commission in its recent communication at the end of 2006, outlined concrete orientations likely to have positive impact on the link between migration and development. In the case of Africa, one of the key proposals is the desire to launch an EU Programme on Migration and Development with the main aim of “promoting investments in labour-intensive sectors in regions with high outward migration”. Although this is welcome, we believe that this should not only be limited to regions with high outward migration as today’s region of low outward migration could become the source of new migration in the future if no action is taken now.

On the other hand, the commission’s proposal to create **European Job Mobility Portals** (that will provide African countries with information about the job opportunities in Europe) and the development of **Mobility packages** (that will make for easier movement of people and give them better access to the labour market of EU Member States) will only contribute to exacerbate the brain drain from the continent.

### *The diaspora community*

There is a growing awareness among the diaspora of its moral, intellectual, and social responsibility to contribute to development efforts of their origin countries. In recent years, we have seen increasing networking between the members of this community in view of building capacity for effective participation in decision-making at all private and public sector levels in their home countries and internationally. Nevertheless, it is still felt that the community is not being engaged enough at both levels.

Diaspora organisations are now leading initiatives that strive to foster investment into their countries of origin. In June 2006, our organisation, African Axis, hosted the African diaspora investment forum with the objective of providing the African diaspora community with the platform to meet with key stakeholders in view of driving the twin agenda of encouraging it to invest in and to serve as a catalyst for attracting investment into the continent. We are currently working on implementing one of the action points resulting from the event: the establishment of a Diaspora Investment Facility that will make available a €20 million investment fund to enable investments in Africa by entrepreneurial diaspora investors.

### **Conclusion**

The pull factor of economic and demographic challenges in Europe (ageing population, skill and labour shortages, transformations of migratory flows, global competition for the highly skilled) and the push factors in Africa (wage differentials, established transcontinental networks based essentially on family) means that the African diaspora community in Europe

is set to grow. With the new set of initiatives in a number of European countries and at the EU level designed to encourage the migration of skilled migrants, this community will increasingly be made up essentially of skilled work force.

The negative and the relatively positive impact of this on home countries' development prospects have been well documented. The damage caused by the brain drain on the origin countries' social and economic development is hardly offset by the financial and knowledge transfers made by this community.

The emerging diaspora movement to become more active in development efforts of their origin countries (especially through investment), the growing political will in their origin countries and internationally to recognize their potential contribution, and the possibilities created by information technology show that the diaspora is not, after all, a total loss to their origin countries.

For this to be achieved, there is the need for concrete long term collaboration between the diaspora community and the origin and host countries/regions. Initiatives and policies that strive to enable full diaspora participation needs to be developed at all levels.

### **About African Axis**

African Axis is a not-for-profit organisation of professionals of African origin resident in the Benelux region. It was established in 1999 with the mission of harnessing and mobilising the intellectual and financial resources of this community to contribute to public debate and policy making on Africa at the EU level and to the development of capacity building for Africa.

In the past few years, African Axis has facilitated and participated in economic missions by Belgian export promotion agencies to Senegal, Ghana, Nigeria and Cameroun. Following the successful hosting of the African Diaspora Investment Forum in 2006, it is now working to establish a diaspora investment facility to provide information, technical assistance and an investment fund to enterprising diaspora members with investments and investment projects in the continent.

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