

Beyond remittances: Harnessing the African Diaspora Resources for the Development of Africa

Master of Arts in Law and Diplomacy Capstone Project

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Abstract

This paper is an attempt to explore the contribution of the African diaspora, which goes far beyond personal remittances, and understand the various avenues – investments, trade links, skills and technology transfers – through which the diaspora’s resources can be further mobilized for the development of Africa. These worthy endeavours require a supportive business climate, an economic context that is permissive to investment and most importantly a legal framework that encourages the movement of people. To that extent, the paper will also identify the role of African countries in promoting a sound political and institutional framework, the importance of co- development strategies and the facilitation of bilateral and multilateral agreements between western and African countries. The essay will strive to demystify perceived institutional barriers and the mainstream view that Africa cannot reverse its “brain drain”, offering instead a vibrant account of the impact that diasporas could be induced to have both from outside and inside their country of origin.

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Acknowledgment

To my parents, Gerard and Christiane Barba

Chapter 1. Contextualization of Issue and Trends in African Migration

Despite limited opportunities for migration, Africans remain today amongst the most mobile population groups in the world. Transatlantic slave trade, and decades of post-colonial administrative mismanagement, fuelled by the onslaught of natural disasters and political instability have orphaned Africa of its most vital elements: human capital. This outflow of human skills has taken a toll on both public institutions and private institutions, especially in fields such as health and education.

Considering the extent to which the African diaspora is spread out all over the world, it is perhaps best to first review the state of African migration and examine its recent trends so as to predict its envisaged growth. Since 1990, the number of Africans living in a country other than the one in which they were born has increased by 18% to reach 32 million (2013 estimates). According to the World Bank's latest Migration and Development Brief, about two-thirds of migrants from Sub-Saharan Africa, particularly poorer countries, go to other countries in the region. In West Africa, it is estimated that 70% of intra-African emigration was within the sub-region.¹ Conversely, more than 90% of migrants from North Africa travel to countries outside the region. One in every nine people who are born in Africa and have a university degree is a migrant in one of the 34 member states of OECD – the world's most developed countries.² Why is this so? In Sub Saharan Africa, cultural, geographical and language barriers act as a formidable deterrent for most while regional hubs have attracted the bulk of migrant workers in search of higher economic gains. Ivory Coast stands as the leading destination for emigrants from Africa, followed by South Africa, United States and the UK.

¹ Leveraging Migration for Africa: Remittances, Skills, and Investments 2011, Ratha, D., Mohapatra, S., Ozden, C. et al. The World Bank, 2011

² <http://www.universityworldnews.com/article.php?story=20131011121316706>

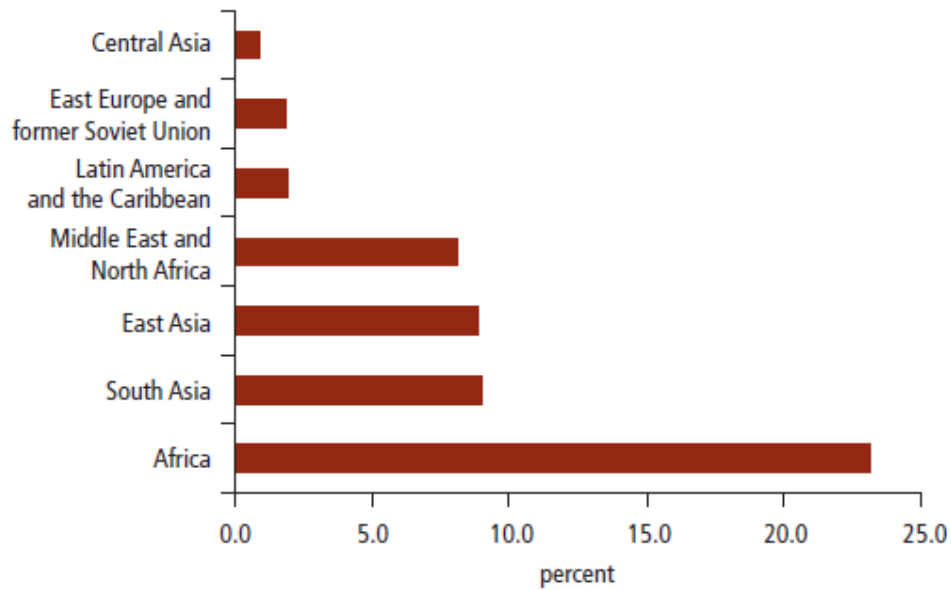
Owing to the aging population in Europe and the rest of the developed world, the demands for continued skills replacement especially in the service industry is set to continue unabated. If we compare the median age in sub-Saharan Africa of 18 to its counterpart in Europe standing at 45, we would be hard pressed to deny that the emigration trend results in a mutually beneficial situation for both sending and receiving countries. While the evidence is substantive, it does not address the gains for development of the emigrant-sending countries, apart from the migrants improving their own economic and social prospects. Thus, rather than advocating an approach to curtail the brain drain, this paper explores solutions that would mitigate the perverse effect of emigration, with an aim to propose alternative means of engagements that skilled workers can harness beyond remittances.

Table 1-1 Evolution of emigration rates (%)

Countries	2000		2006	
	Total	Highly-educated	Total	Highly-educated
All numbers are recorded in %				
Africa	1.4	9.2	1.6	10.2
Morocco	7.3	13.0	9.0	15.3
Sub Saharan Africa	0.8	10.2	0.9	13.2
Asia	0.6	3.3	0.7	3.7
China	0.2	1.8	0.3	1.7
India	0.3	3.2	0.4	4.2
Philippines	3.9	6.8	4.4	7.9
Europe	3.9	6.6	4.5	8.6
EU27	4.6	7.0	5.1	8.0
Turkey	4.2	3.2	4.7	5.0
North America	0.8	0.7	0.8	1.2
South America & Caribbean	5.0	7.0	6.0	9.2
Mexico	11.1	6.1	13.1	7.1
Total	1.6	3.7	1.9	4.8

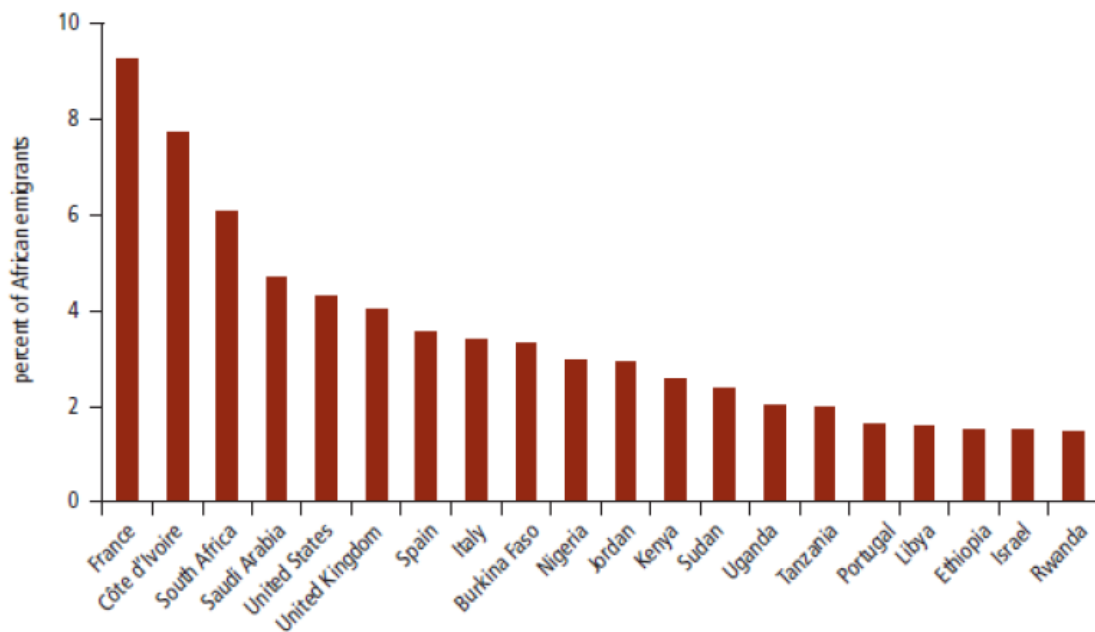
Source: DIOC 2005/06, Barro and Lee (2010), UN WPP 2006

Table 1-2 Stock of Migrant Physicians in OECD Countries as Percentage of Locally Trained Physicians in Source Region, by World Region



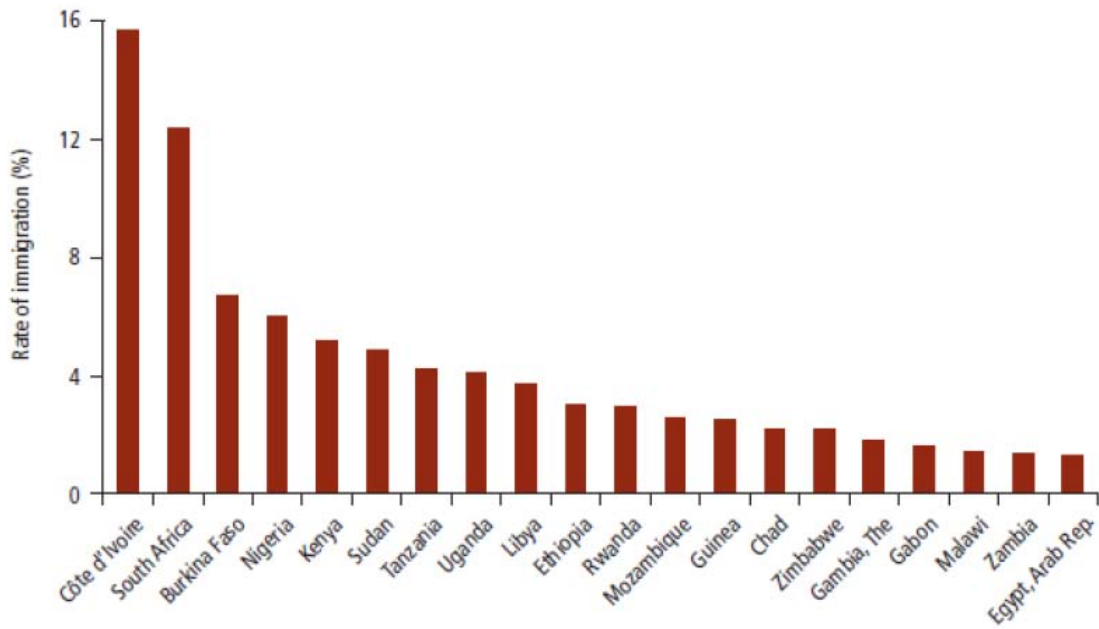
Source: Authors, based on data in Bhargava, and Docquier 2008 and the Medical Skilled Migration database (described in Bhargava, Docquier, and Moullan 2010).

Table 1-3 Major Destination Countries of African Migrants (2009)



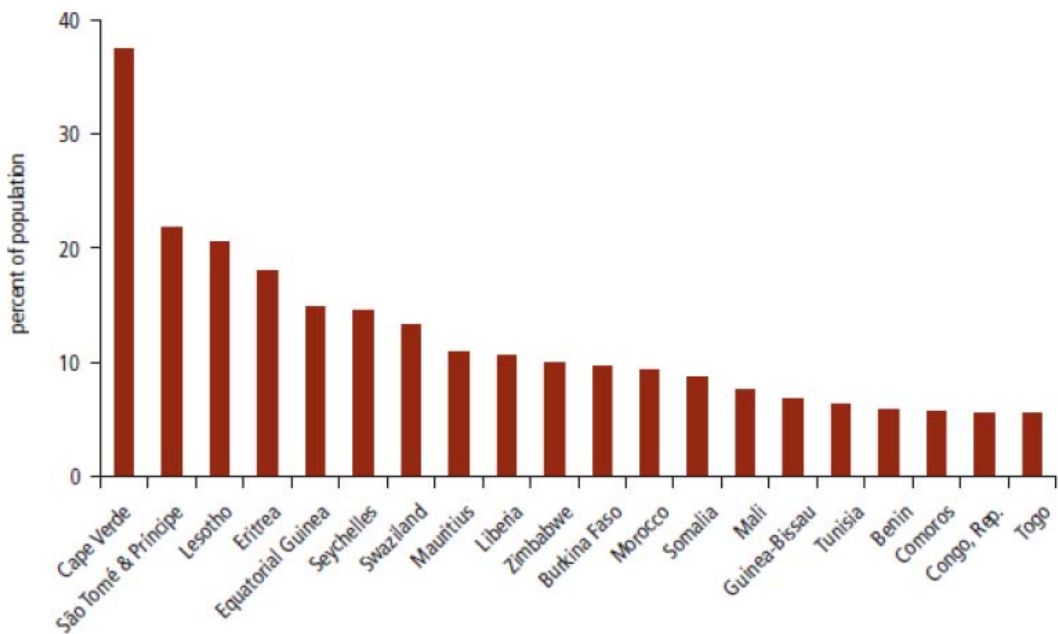
Source: Payment Systems Development Group, the World Bank

Table 1-4 Major Immigration Countries in Africa (2009)



Source: Payment Systems Development Group, the World Bank

Table 1-5 Ratio of Emigrant population of Total Population



Source: Payment Systems Development Group, the World Bank

Chapter 2. Migrant Remittances and Investment Flows

The migration and development nexus is often discussed in terms of the contributions migrants make to their home country via financial transfers known as remittances. Much literature has been assembled on the subject and this chapter will only touch briefly on the matter before delving on alternate mechanisms available to migrant networks to benefit their country.

2.1 Scope of remittance flows

There are different types of remittances: financial and social, each exerting a specific impact on the home country. Private financial transfers from migrant workers and diaspora communities have increasingly marked a prominent feature of modern globalisation and are now the largest source of net foreign inflows after foreign direct investment (FDI).³ Under this growing trend, the United Nations, the World Bank, and the International Monetary Fund (IMF) have formed an intergovernmental technical group to improve remittance statistics⁴ and the Sea Island G-8 summit in June 2004 committed to halving the cost of remittance transfers through international banking channels. Whether this initiative has born fruits is questionable as the cost of remittance transfer remains high.

Financial remittances are expected to reach \$414 billion in developing countries in 2013, up from about \$40 billion in 1990 (International Organization for Migration), of which \$32 billion concerns Sub-Saharan Africa, almost double the amount received in 2005 and more than four times the \$9.1 billion received in 1990. In 2012, for the first time, remittances became the largest external financial source to Africa, ahead of FDI and ODA.⁵ Nigeria

³ Leveraging Migration for Africa: Remittances, Skills, and Investments 2011, Ratha, D., Mohapatra, S., Ozden, C. et al. The World Bank, 2011

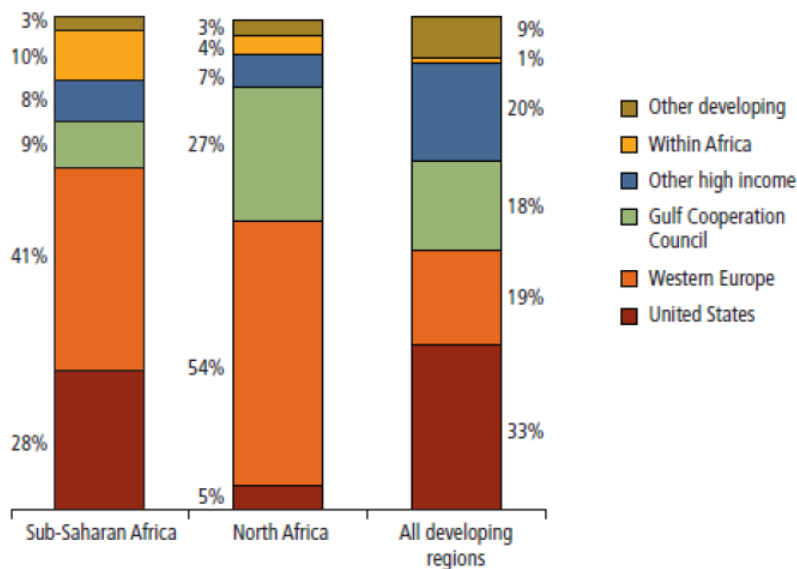
⁴ Can Remittances Spur Development? A Critical Survey. Brown, Stuart

⁵ http://www.africaneconomicoutlook.org/en/outlook/financial_flows/remittances/

accounts for more than half of total remittances in the region. However, as a share of GDP, the largest recipients are Lesotho, Togo, Cape Verde, Senegal and The Gambia.

Social remittances, a term first used by immigration expert Peggy Levitt in her book *Transnational Villagers*, are seen as just as important as money. The author qualifies social remittances as ideas, practices, identities and social capital that migrants send back to the communities they come from, creating important catalysts for change. Social remittances can take the form of money transfer when they are directed to a cause that benefits the social status of the recipient e.g. organizing a wedding, running a political campaign, offering a decent burial to a family member.

Table 2-1 Major Sources of Remittances/Region (2009)



Source: Payment Systems Development Group, the World Bank

Table 2-2 Remittances Flow trends in Africa (2009)

Region/country	2006	2007	2008	2009	2010e	Growth (percent)		Share of GDP (percent)
						2008–09	2009–10e	2009
Sub-Saharan Africa	12,668	18,584	21,359	20,575	21,490	-3.7	4.4	2.6
Nigeria	5,435	9,221	9,980	9,585	9,975	-4.0	4.1	5.5
Sudan	1,179	1,769	3,100	2,993	3,178	-3.5	6.2	5.5
Kenya	1,128	1,588	1,692	1,686	1,758	-0.3	4.3	5.7
Senegal	925	1,192	1,288	1,191	1,164	-7.5	-2.3	9.3
South Africa	734	834	823	902	1,008	9.7	11.8	0.3
Uganda	411	452	724	694	773	-4.1	11.3	4.3
Lesotho	361	451	439	450	525	2.6	16.7	28.5
Mali	212	344	431	405	385	-6.1	-4.8	4.5
Ethiopia	172	358	387	353	387	-8.8	9.7	1.2
Togo	232	284	337	307	302	-9.0	-1.7	10.7
North Africa	13,945	18,267	19,815	17,489	18,163	-11.7	3.9	3.3
Egypt, Arab Rep.	5,330	7,656	8,694	7,150	7,681	-17.8	7.4	3.8
Morocco	5,451	6,730	6,895	6,271	6,447	-9.0	2.8	6.9
Algeria	1,610	2,120	2,202	2,059	2,031	-6.5	-1.3	1.5
Tunisia	1,510	1,716	1,977	1,966	1,960	-0.5	-0.3	5.0
Djibouti	28	29	30	28	28	-6.8	-0.3	2.7
Libya	16	16	16	14	16	-10.1	9.3	0.0

Source: Payment Systems Development Group, the World Bank

2.2 Impact of remittances

Unlike most capital flows, remittances are stable and relatively acyclical (immune to economic fluctuations), providing intra-community safety nets and cushioning societies in dire economic situations. Studies point to their effects in alleviating extreme suffering at the household level, where they serve immediate needs in education, health and food. In war torn societies, they provide the life support aid left otherwise interrupted by a disrupted government and failed market policies. Evidence from Ghana indicates that remittances, over time, help smooth household consumption and welfare, especially for crop farmers.⁶ An IMF study conducted in 2007 using data from 233 poverty surveys in 76 developing countries

⁶ Making remittances work for Africa – Finance and Development, IMF, June 2007

including 25 in Sub Saharan Africa, confirmed the poverty-reducing effect of remittances a 10 percent rise in the remittances-to-GDP ratio is associated with a fall of a little more than 1 percent in the percentage of people living on less than \$1 a day and the poverty gap (which measures how far below the poverty line the average poor person's income is).⁷

A study on the impact of remittances in Africa found that a “10 percent increase in remittances as a portion of GDP led to a nearly 3 percent decline in poverty from 1990 to 2003.”⁸ Usually modest sums of money, remittances enable low-income households to access formal financial services. The growing interest of micro finance institutions in this segment of the market raises possibilities for remittances to serve as collateral for small business start-up capital for individuals previously excluded from the formal sector. In countries where there is a large presence of migrants, associations often help to widen the scope of remittances and leverage resources to address community development. For example, hometown associations comprising nationality-based migrant groups pool and target funds toward public infrastructure projects in their home communities (Orozco 2003).⁹

2.3 Challenges with remittances

The remittances flows are by far the most popular method of money transfer that migrants have at their disposal and account for a seemingly major contribution in the country’s economy. Yet, these financial transfers call for a wider interrogation as to whether they diminish or entrench poverty, or whether their impact remains significant beyond the social safety net they provide. The micro-economic effects of remittances have been shown to generate adverse effects on the quality of institutions in the recipient countries. Abdi et Al show how an increase in remittance inflows can lead to deterioration of institutional quality—specifically, to an increase in the share of funds diverted by the government for its

⁷ Ibid

⁸ Global Knowledge Partnership on Migration and Development (KNOMAD), concept note

⁹ Ibid

own purposes. They further argue that remittance inflows may expand the base for other taxes and make government's corruption less costly for domestic household to bear and consequently such corruption is likely to increase.¹⁰ Besides, remittances create a culture of dependency, especially when they discourage home labour effort, encourage ongoing migration and, in general, fail to close the development gap. The macro-economic effects of remittances carry the risk of real exchange rate appreciation and could hurt export competitiveness in the recipient country, a phenomenon called Dutch Disease. The distributional effects of brain drain through the remittance channels is uncertain and certainly not optimal for resources reallocation, as evidenced above. While not dismissing the relative gains of remittances, the next sections will explore additional modes of engagement that have the potential to yield additional sustainable economic and social returns.

Chapter 3. Return migration: Skill and Technology transfer

Talent plays an important role in helping a country develop. Countries in Sub-Saharan Africa have lost a tremendous amount of their educated and skilled populations as a result of emigration to more developed countries, which has harmed the ability of such nations to get out of poverty. To counteract the effect of the brain drain, a number of policies at the international and national level have been taken up recently, and brain circulation is increasingly seen as a solution to ensure the even distributional gains of globalisation. The following section will first review the context of the African brain drain before investigating novel initiatives from the multilateral sector aiming at returning diaspora and facilitating exchange of technology and skills.

¹⁰ Remittances and Institutions: Are remittances a curse? Abdih et al

3.1 Impact of brain drain

Since the wave of African countries attaining independence in the 1960s, Africa has been losing its human capital at an unprecedented rate and this effect has exacerbated the deterioration of public institutions, stifled innovation, and interrupted intergenerational links that are necessary to build a healthy society. In an effort to mitigate the impact the exodus is having on development, the international community has heartily embraced different models of capacity building to stem the effect of brain drain and engage actively the members of the African diaspora.

The most promising models dwell on information sharing and dissemination of best practices through skilled individuals from the diaspora being placed in positions of power in their country of origin where they can be used as catalysts and agents of change. Skill transfer models endeavour to solve a pressing problem of our modern times and go against the mainstream migratory flows that have factually dictated over the last two decades that international migration is a phenomenon that describes commonly a south – north trajectory.

This “haemorrhagic” status causing Africa to lose its workers, whose numbers could by some account be equivalent to the forced exodus of Africans during the slave trade, is quickly and adversely shaping the positive dynamics of development formed after the decolonization, and threatens to weaken struggling economies especially those among the least developed countries. This trend in turn could be yet another factor responsible for the increase in global insecurity and mushrooming of conflicts since the local authorities in place have to contend with state institutions which cannot be efficiently run due to skills gaps at all levels. The dearth of expertise in critical political and economic sectors is a time bomb and recipe for disaster if not addressed.

3.2 Multilateral Organisations: Enlisting the skills of Diasporas

Multilateral agencies have realized the importance of fostering effective consultative arrangements and cooperation between diasporas and home and host communities. Temporary and circular mobility of skilled migrants is now seen as a goldmine that African states need to exploit.

Following the endorsement of the International Organization for Migration *Migration for Development in Africa* (IOM MIDA) strategy and the adoption of the New Partnership for Africa's Development (NEPAD, AU 2001), the African Union (AU) began to focus on the expertise and resources of the African Diaspora Development agents and as Africa's "sixth region" (IOM 2009). It is in this context that the IOM MIDA strategy – outcome of an initiative of African countries and their Diasporas – aiming to strengthen Africa's institutional capacities through the involvement and mobilization of the continent's large diaspora, was launched nearly a decade ago. This project not only seeks to engage the diaspora in contributing to the development of the country of origin through remittances, but also by introducing the novel approach of transferring knowledge and expertise through the actual return of skilled expatriates or resources (for instance technical equipment) to government institutions.

Table 3-1 Example of IOM MIDA programmes

Program	Funder	Date	Outcome
MIDA Great Lakes	Belgium Government	2001	Building capacities of + 200 public and local institutions
MIDA Ghana Health	Netherlands	2004	
MIDA Italy	Italian MFA	2004	Socioeconomic development in Ethiopia, Senegal and Ghana

QUEST MIDA	UNDP/ USAID	2009	175+ Somali from diaspora returning home
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In contrast to the IOM MIDA framework, the United Nations Development Programme’s (UNDP’s) Transfer of Knowledge through Expatriate Nationals (TOKTEN) projects support three-week to three-month development assignments for expatriates, at much lower costs than hiring professional consultants. The programme was introduced in 1977 in Turkey to help reduce adverse effects of the “Brain-Drain” phenomena or "reverse transfer of technology" in many developing countries. TOKTEN offers a window of opportunity for expatriate nationals with lengthy experiences in their fields of specialization to return to their home countries, for an agreed period of time and on voluntarily basis. It focuses on a wider scope of socio-economic development through transfer of knowledge and technical know-how to the country of origin on the basis of voluntary short term service from highly qualified expatriate nationals from abroad. TOKTEN modality is considered as an efficient development intervention as TOKTEN Experts can merge their acquired learning with their familiarity of local culture and language in order to effectively transfer their knowledge and skills. Also, pioneering programmes mobilizing the diaspora aim to support reconstruction efforts in various post-crisis environments, often through temporary assignments in key sectors, such as in Somalia.

Besides the foray of initiatives vying to put high skilled members of the diaspora on the ground for catalytic change, there has been a growing body of active forums on the interconnection between migration and development, both in practical and action oriented ways. The Global Forum on Migration and Development (GFMD) is a recent initiative of the United Nations Member States. Established in 2007, it provides a venue for policy makers and high level policy practitioners to informally discuss relevant policies and practical

challenges and opportunities of the migration-development nexus.¹¹ Additionally, it acts as a conduit to form partnership and cooperation between countries and other stakeholders, including international organizations, diaspora, migrants, academia, to foster synergies and greater policy coherence at the national, regional and international level. The GFMD's strong link with the United Nations is maintained through the Special Representative of the Secretary General on International Migration and Development and the inter-agency Global Migration Group (GMG).¹² The GMG consists of fourteen UN agencies, the World Bank and the International Organization for Migration that work in cooperation to address global migration issues. It was created in 2006 by then UN Secretary-General Kofi Annan in order to better coordinate multilateral migration governance initiatives.¹³ The Group's primary aim is to improve the management of cross-border migration, to promote further research and to develop international norms relating to migration.

The World Bank initiated a 5 years program in May 2012: Global Knowledge Program on Migration and Development (KNOMAD) to address migration challenges by filling the knowledge gap on the impact of migration and remittances in sending and receiving countries and to generate a menu of policy options for policy makers and other stakeholders (researchers, institutions, civil society) in different aspects of migration and development.¹⁴ It is intended to complement, but not to replace or replicate, migration activities of existing institutional mechanisms, and supplement a growing agenda on migration and development within the World Bank, in the Global Migration Group (GMG) agencies and international processes such as the Global Forum on Migration and Development (GFMD). The Knowledge Partnership on migration will also build on and strengthen existing knowledge

¹¹ <http://www.gfmd.org/>

¹² <http://www.gfmd.org/process/united-nations>

¹³ http://en.wikipedia.org/wiki/Global_Migration_Group

¹⁴ Ratha et al, Concept notes, KNOMAD

networks on migration, foster South-South knowledge exchanges and deepen collaboration with external think tanks, research centers, universities and professional networks.

3.3 Impact of Return Migration

On the whole, these policies of repatriation or relocation produce mixed results as long as domestic policies of development have not addressed the underlying cause of emigration of skills. Firstly a frank assessment highlights that in many instances, the conditions that sparked the emigration of professionals and highly-trained Africans have deteriorated rather than improved in their countries of origin. Some returning doctors and nurses find run-down health programmes with obsolete equipment;¹⁵ teachers return to schools with poor learning environments or grossly lacking in basic facilities; and returning migrants with capital and entrepreneurial skills cannot afford to invest in a risky economy. Secondly, public service governments, supposedly benefiting from return migrants, need to adhere more strictly to the provision of the agreements they sign with the International Organizations. Thirdly, those returning often have a shocking homecoming where relatives merely awaits gifts from them and do not necessarily want to collaborate with them in initiatives they propose.

In an evaluation of the Rwandan UNDP TOKTEN programme in 2005–07, which involved the visit of 47 technical experts to train personnel and build human resource capacity in a number of critical areas such as health, education, and information and communication technologies (ICT), the reviews are mixed. Findings point to an average stay of less than two months and that the variety of responsibilities constrained the transfer of knowledge to counterparts in their host institutions.¹⁶ In addition, the project secretariat was thinly staffed and the project was underfunded, attracting only 49% of what was initially budgeted for. On

¹⁵ International Migration within, to and from Africa in a globalized world. Aderanti Adepoujou

¹⁶ <http://erc.undp.org/evaluationadmin/downloaddocument.html?docid=1814>

the positive side, the volunteers were highly motivated by nationalism and nine of them out of forty seven returned permanently to Rwanda after serving as volunteers.

Easterly and Nyarko¹⁷ make the point that the brain drain is good for Africa because, among other things, it helps channel innovation and skills back to Africa through brain circulation. While I would agree on the latter part, I find it hard to justify a process that has created skills gaps at all levels over the past 40 years, and the evidence that brain circulation alone can reverse decades of lost opportunity is yet to be proven. As compared to remittances described in chapter 2, whose impact remain marginal beyond the short term effect they provide at the household level, the return migration impart measurable impacts in skills transfer, ideas generations, and circulation of best practices. Yet these policies stand inefficient in the long term, uncertain in some circumstances and definitely not optimal for resources reallocation, if these do not fully take advantage of the fuller network but only rely on the contribution of sole experts, as evidenced above. Essentially, they need to be supplemented by a dynamic and proactive diaspora network, infusing resources and knowledge from abroad back home. This is the focus of chapter 4.

Chapter 4. Migrants Networks, Trade and Investment

Transactional networks are significantly underrated. Business and social networks that operate across national borders can help overcome informal trade barriers and influence policies in the home country. Does preferential access to developed markets through trade liberalisation hold the potential to unlock dormant economies? Can Diaspora network tap into trade agreements to reverse information asymmetry? One proposed solution to integrate African economies into the global economy was the AGOA legislation which, when launched

¹⁷ Is the brain drain good for Africa , William Easterly, Yaw Nyarko Brooking Global economy and development Working paper 19 March 2008

a decade ago, held most prospects to infuse economic trade revitalization between the US and Africa. The section will review its effectiveness and also touch on other networks (political, cultural and social) that diaspora members have garnered to sustain the economies of their countries of origins.

4.1 Transnational Migrant Networks

On the subject of trade, migrants are in a unique position to influence the supply of trading goods and services from the country of origin to the destination country, a practice commonly referred to as “nostalgic trade”. The effect is uncertain as data on the subject is scarce, yet the potential for good transnational agricultural sales is certainly facilitated when traders at home can leverage a clientele abroad. Migrants can increase the availability of market information essential for trade by helping origin-country exporters find buyers, improve their knowledge of the market, and comply with government requirements and market standards. Dilip Ratha, senior economist and manager in the Migration and Remittances Unit of the World Bank,¹⁸ refers to the establishment of diaspora trade councils and participation in trade missions and business network as catalytic activities to encourage this type of trade. One example is the Ethiopian, Kenyan and Ugandan embassies in London and Washington that support business and trade forums to “attract investors and to match suppliers with exporters”.

These trade council ought to take advantage of existing bilateral and multilateral trade agreement (e.g. AGOA) to provide the African business sector with concrete ideas. Owing to the significant impact on trade that AGOA has played since 2001 between African countries and the US, a brief, yet careful review of its effectiveness should be undertaken so as to determine whether diaspora networks should continue fostering hopes in its mechanism.

¹⁸ Diaspora for Development in Africa, edited by Sonia Plaza and Dilip Ratha and published in 2011 by the World Bank.

The African Growth and Opportunity Act (AGOA) was signed into law by the US Congress on May 18th, 2000, with the broad objective of boosting exports from Sub-Saharan Africa to the US by eliminating tariff barriers on a large number of their exports. AGOA was initially due to expire in 2008, however it was subsequently extended and it is now set to expire in 2015.¹⁹

If one judges by its history alone, the legislation record is mixed. Although having played an important role in boosting apparel export from a relatively small group of sub Saharan African Least Developed Countries (SSA) LDCs to the US market, its broader economic impact has been much more modest. In the apparel sector, linkages with the local economy are weak and there has been little transfer of capital or skills. Moreover, most of the rent from apparel preferences goes to Asian investors and importers in the US.²⁰ Looking beyond the apparel sector, the marginal preferences are low and AGOA has consequently had little or no impact on exports. For example, tariffs on products excluded from AGOA, especially on agricultural goods, remain high and AGOA's broader economic impact could be improved if preferences were extended to all products. In this sense, the Diaspora can mobilize to change the current arrangements: remove the 35% value added on non-apparel goods, and fixing the preferences for a longer period of time. Mobilization is a crucial element, and the following examples illustrate how it has been effective.

Diaspora members are active in cultural and political advocacy. For example, in Nigeria and Ghana charity organizations and cultural exchange programs help new arrivals adapt and insert themselves into labour markets abroad.²¹ Diaspora members overseas also mobilise members' capital for community development projects at home. A group of Nigerian doctors in the USA planned to establish state-of-the-art hospitals in Nigeria to cater for the health

¹⁹ r4d.dfid.gov.uk/PDF/Outputs/SystematicReviews/AGOA-Report.pdf

²⁰ The effectiveness of African Growth and Opportunity Act (AGOA) in increasing trade from Least Developed Countries. A systematic review 2011

²¹ International Migration within, to and from Africa in a globalized world. Aderanti Adepoujou

needs of local people who would otherwise have had to seek treatment abroad at exorbitant cost (Adepoju 2004). Another example is the IOM MIDA Ghana Health project that aims to connect resources of the Ghanaian diaspora with needs, opportunities and policy in the health sector in Ghana. Building networks with their colleagues at home enables diaspora scientists to contribute to the development of home countries without residential relocation, but the stiff immigration policies of rich countries preclude many scientists the flexibility to relocate. Networking between professionals in the diaspora and their home country counterparts in training, technology transfer, information exchange and research projects – principally via the internet – is another avenue that is gaining prominence.

Migrants may have a positive effect on politics or institutions from abroad. Diaspora networks have in some instances exercised political clout to change or alter foreign policies affecting their countries. Their sheer effect can prove instrumental in steering a course of action. The relentless lobbying of Dr Dennis Mukwege, a Congolese gynaecologist, founder of the Panzi hospital in Bukavu, eastern Congo, who specializes in the treatment of women who have been gang raped by rebel forces, has been one of the many factors that compelled the international community, and in particular the UN to revise its mode of engagement with armed groups in DRC.

In her book, Aderanti Adepoju highlights the Ghanaians' Homecoming summit held in Accra in 2001, which encouraged the diaspora to return by offering incentives, including favourable local investment opportunities and tax-relief for returnees.²² Nigerians in diaspora organizations in Europe, the Americas, Asia and Africa mobilise and promote cooperation and networking among their fellow professionals and countrymen in diaspora to promote national development. Additionally these organizations are building a database of diaspora Nigerians with professional skills. In addition, organizations such as the diaspora Openhouse

²² International Migration within, to and from Africa in a globalized world. Aderanti Adepoju, 2010

in Washington DC, the Development Marketplace for African diaspora in Europe, Africa Recruit, and many more national and sub-national diaspora organizations have vital agendas that should attract African diasporas to sharpen their poverty reduction undertaking in Africa.²³ The Homecoming Revolution²⁴, a non-profit online initiative begun in 2004, encourages and assists South Africans living abroad to return home, and offers a range of practical help and advice, including financial and business services.

4.2 Foreign Direct Investment

FDI to Africa is projected to increase by more than 10% in 2013, bringing it close to its record levels of 2008.²⁵ Market-seeking investment to Africa is likely to become more prominent. The continent's decade of strong growth has given households a growing purchasing power. This income increasingly attracts investors to Africa. The rapid move of populations into cities also drives demand for new types of services and goods.

Mimi Alemayehou, Executive Vice President of the Overseas Private Investment Corporation (OPIC), a U.S. government's development finance institution, explains that "they [the diaspora] have a better understanding of the risk assessment capability of their country, which makes them less risk averse to the opportunities that appear very risky to the average investor."²⁶ She further argues: "In 2011, we provided \$250 million in political risk insurance to Belstar Development in its Ghana National Medical Equipment Modernization Project, a partnership with the Government of Ghana, which is providing medical equipment to hospitals throughout Ghana."²⁷

Mohammed Ibrahim, mobile communication entrepreneur from the UK, and founder of Celtel's telecommunication is a case in point. Educated in Britain, earning a PhD, his story

²³ Ibid

²⁴ <http://www.homecomingrevolution.co.za>

²⁵ http://www.africaneconomicoutlook.org/en/outlook/financial_flows/outlook-for-direct-investment-in-africa/

²⁶ <http://diasporaalliance.org/investing-in-development/>

²⁷ Ibid

epitomizes how diaspora can harness their education, networks, and resources acquired abroad to create a long lasting change in their home country. Everyone is aware of Celtel's and Mohammed Ibrahim's success by investing early in African mobile technology when most others did not think Africans could really afford cell phones.

Ethiopia, Ghana, Kenya, Nigeria, and Rwanda, among others, are looking to embrace their diasporas for investments. Governments and the private sector both have supported business forums to attract diaspora investors. African investment promotion agencies in Ethiopia, Ghana, Nigeria, and Uganda, for example, are providing information and linkage opportunities to investors, including those from the diaspora community. Some private firms and African diaspora associations also provide information on investment opportunities and sourcing in their homeland countries and facilitate contacts between traders in destination and origin countries. A number of online initiatives have lately been created to promote Foreign Direct Investment. One of them, Homestring,²⁸ is an investment platform that facilitates diaspora investments into their communities. Projects and funds are selected for their prospective positive impact on the communities back home and their potential for positive investment returns.

The examples cited in this chapter highlight that an area of growth is to be seized by the Diaspora. Cultural affinities that have remained, on balance, extremely strong between the Diaspora and their home country and are helping entrepreneurs, investors, and most importantly believers that there are gains to be made home. The recent economic crisis, which left Africa mostly untouched, acted as a catalyst for many to realize the opportunity looming on the continent. The African countries need to seize the momentum and aptly develop a context where the investment of ideas, talent and skills is optimal.

²⁸ <http://www.homestrings.com>

Chapter 5. Mobilizing African Institutional Resources

A discussion on diaspora engagement for development would be incomplete without investigating the instrumental role of African governments in promoting sound political and institutional frameworks. These range from availing credits and investment tools to facilitating co-development strategies to creating diaspora's outreach institutions.

5.1 Spurring Credit transfer and Investment

As a key stakeholder in the development of its country, the governments are compelled to seize opportunities and adopt policies that can increase diaspora investment in their countries of origins.

Firstly, government officials are increasingly interested in promoting migrant remittances for investment purposes, and are using their embassies to disseminate information on investment opportunities.²⁹ Dual citizenship regulations are at the top of many African governments' agendas, encouraging greater diaspora participation in their countries of origin by facilitating travel, and avoiding the constraints foreigners face on some transactions (for example temporary work and land ownership). According to Mr Dilip Ratha, only 21 of Africa's 54 countries allow dual citizenship; interviews with diaspora groups and individuals showed that granting voting rights to the diaspora is an important means of encouraging greater engagement with origin countries.³⁰ On the other hand, it is important that residential laws of rich countries be made flexible, to give skilled professionals the opportunity of relocating without losing their residence rights in those countries.

Secondly, governments can also choose to issue a bond to raise enough cash to cover the cost of a large scale infrastructure project. Unfortunately, governments in less developed

²⁹ Diaspora for Development in Africa, edited by Sonia Plaza and Dilip Ratha and published in 2011 by the World Bank.

³⁰ Ibid

countries, and in our case study in Africa, have difficulties raising enough cash to pay for these projects. First, these governments are often unable to access standard international capital markets. Second, mainstream investors may only be willing to lend such governments money at prohibitively high interest rates. One solution for government is to use Diaspora Bonds, which are marketed to members of the diaspora and offer a strong alternative to governments facing such hurdles. The idea builds on the experience of Israel, where the Development Corporation of Israel has raised more than US\$32 billion from such bonds since 1991, much of it at a patriotic discount rate. Writing in *Foreign Policy* magazine, Ngozi Okonjo-Iweala, Nigeria's Minister of Finance, and Dilip Ratha, manager of the World Bank's migration unit, challenge us to imagine that Sub-Saharan countries (excluding South Africa, which doesn't have significant emigration) could raise \$5 billion to \$10 billion a year through diaspora bonds. Countries like Ghana, Kenya and Zambia, which have fairly large numbers of migrants living abroad in high-income countries, have particularly profited from issuing diaspora bonds.³¹

For one thing, diaspora bonds are an instrument that responds to migrants' continuing patriotism and desire to go back to their home countries. As such, they would not demand the same high rate of interest as a foreign investor. Besides, this latter group is usually wary of the government investment mismanagement, fearing that they might default on their debts. Foreign investors are also concerned of possible country macro-economic deteriorating conditions over time, particularly with regards to inflation and fiscal deficits. On the contrary, the diasporan evaluates the risks associated with sovereign bonds differently and exhibit a "home bias" where s/he is expected to take greater risks and accepts lower returns. However, the levels of success of these bonds have been varied, with different take up rates. Recent studies suggest that there remains doubt whether varying degrees of democracy are likely to

³¹ To help Africa, Sell Diaspora Bonds – Nytimes.com
http://www.nytimes.com/2011/03/12/opinion/12ratha.html?_r=0

affect the ability of countries to raise money through diaspora bond. Some preliminary findings indicate that diaspora are less concerned with regime types given their privileged access to information. Another possibility highlights that the diasporas may be motivated to invest or withhold their money based on the perceived legitimacy of the regime, which may be linked whether its leaders are democratically elected.

Table 5-1 State-led Diaspora Outreach: Institutions, Policies and Rights

	Institutionalization	Year initiation	Diaspora Policies	Diaspora Rights
Ethiopia	Several agencies within line ministries	2002	Primarily focused on investment and brain gain	Ethiopian Origin Identity Card (“Yellow Card”)
Ghana	2001 Homecoming Summit; Ministry of Tourism and Diasporean Relations (2006) but dropped DR in 2009; special agency for investments by Ghanaians abroad	2001	Primarily focused on poverty reduction and encouraging investment for economic development	Dual nationality (2001); 2006 law granting expatriate voting rights but never implemented
Kenya	Diaspora reps in Prime Minister’s Office and Ministry of Foreign Affairs; National Diaspora Council of Kenya (proposed)	2008; not clear whether NDCK has been established	Draft state outreach initiative	Dual nationality implemented in 2011; constitutional right to vote from abroad (2010) but only implemented in East Africa (2013)

Table 5-2 The potential for Diaspora Savings in African Countries (2009)

	Emigrant stock (millions)	Potential migrants' savings (US\$ billions)	Potential migrants' savings (% of GDP)
Morocco	3.0	9.6	10.5
Egypt, Arab Rep.	3.7	6.0	3.2
Algeria	1.2	4.2	3.0
South Africa	0.9	3.8	1.3
Nigeria	1.0	3.5	2.0
Tunisia	0.7	2.0	5.1
Ghana	0.8	2.0	7.5
Ethiopia	0.6	1.9	6.5
Kenya	0.5	1.8	6.1
Somalia	0.8	1.8	—
Zimbabwe	1.3	1.6	34.4
Sudan	1.0	1.3	2.3
Congo, Dem. Rep.	0.9	1.1	10.5
Senegal	0.6	0.9	7.0
Angola	0.5	0.9	1.1
Cameroon	0.3	0.8	3.8
Uganda	0.8	0.6	4.0
Mauritius	0.1	0.6	7.2
Liberia	0.4	0.6	66.8
Côte d'Ivoire	1.2	0.6	2.6
<i>Others</i>	10.2	7.1	2.5
Total	30.5	52.7	3.6
<i>Memo</i>			
North Africa	8.7	22.3	4.3
Sub-Saharan Africa	21.8	30.4	3.2

Source: Ratha and Mohapatra 2011.

Note: — = not available.

Finally, governments can leverage the potential of remittances by fostering efforts to reduce transfer fees on money transfer agents, which stands at a discriminatory 15 to 20% of the transaction value.³² Money transfer agents in Sub-Saharan Africa, such as MoneyGram and Western Union, have captured a disproportionate share of the business and evolve in an environment with no competition. A survey of U.K. money transfer operators (MTOs) found that the fee on money transfers was lower between the United Kingdom and India, where volume is high, than between the United Kingdom and Africa. A further factor discouraging the Western banks to facilitate remittances has been the dearth of reliable financial counterparts on the remittance serving side, particularly in rural areas. African countries

³² Can Remittances Spur Development? A Critical Survey. Brown, Stuart

would gain in adopting the “hawala” remittance system, which relies on communal relationship and trust to transfer money. It provides fast (within 24 hours) and anonymous transactions for remitters. Unfortunately, the system traces its roots in South Asia and stands most prevalent in Arabic cultures, which is not widespread in African countries. In addition, the Hawala system is widely investigated in South Asia for enabling money laundering, including potentially of terrorist finances.

5.2 Co-Development Strategies and Bilateral Agreements

Migration cannot be effectively managed by unilateral action: bilateral relations need to be forged between the countries sending and receiving migrants, within and outside Africa, and also in multilateral arrangements between sub-regional economic unions and OECD countries. The African Economic Community and NEPAD (New Partnership for Africa’s Development) both advocate programs to foster labour mobility within and between the countries of the region. Lessons learned from ECOWAS (the Economic Community of West African States) in creating a borderless sub-region should be replicated by other sub-regional organisations. More specifically, ECOWAS member states are working towards the issuances of ECOWAS travel documents, the organization of training for migration personnel, the ratification of UN Convention on Protection of Migrants Worker’s Rights, and the harmonization of labour laws on professionals. Cooperation may be bilateral (between states: for example, on labour supply and demand, conditions of employment, remuneration and social security, management of common borders), regional (multilateral: concerning movement of personnes, RCPs), inter-regional or international.

The seminal of these cooperative engagement was the Cotonou Agreement (2005) between the European Community and its member states, and members of the African, Caribbean, and Pacific Group of States (ACP). The agreement emphasised dialogue, cooperation and development. The Second Ministerial Conference on Migration in the Western Mediterranean

(‘5+5 Dialogue’) involved five North African states on or close to the southern shore. This dialogue explores common principles for cooperation in managing cross-regional flows, while also tackling issues related to migration and development. One salient example is the Spain-Morocco agreement signed on 30th September 1999. Under this agreement, Moroccans are allowed to work in Spain, in agriculture and construction. This bilateral agreement served as a model for agreements with other countries, such as Mali. Under this ‘guest worker’ program, up to 300,000 Moroccan workers a year may enter Spain for up to nine months. After four years of seasonal work, these migrants can become regular immigrants.

5.3 Diaspora Outreach Institutions

Government institutions abroad, especially embassies and consulates, can play a key role in reaching out to the diaspora (Ionescu 2006). Several countries are now ensuring that their strategies to attract their diaspora are an integral part of their national development strategies. Guinea has a plan of action specifically to create a conducive business environment to encourage its diaspora members to invest in certain sectors. Mauritius’ circular labour migration agreements are linked to the Government’s sectoral reform efforts that open up more opportunities for jobs or business start-ups for the diaspora. The Government of Ethiopia has been particularly successful in attracting investment from its diaspora through incentives in the housing sector, and the opportunity to benefit from the same incentives offered to domestic investors through the issue of an ID card that grants foreign nationals of Ethiopian origin these benefits. The last ten years have seen some 3,000 investment projects worth approximately USD1.2 billion.³³

Programs vying to synergise the capital of the diasporas into productive assets have also developed recently. One of them is the African Development marketplace, which encourages sustainable economic growth and employment by supporting U.S.-based African Diaspora

³³ <http://www.globalmigrationgroup.org/gmg/sites/default/files/uploads/news/GMG-Issues-Brief-Diaspora.pdf>

and other entrepreneurs through grant funding and technical assistance facilities.³⁴ The Joint Migration and Development Initiative (JMIDI), funded by the EU and the Swiss Development Agency, is a testimony to the growing interest in the strong links between migration and development. The JMIDI³⁵ supports civil society organizations and local authorities seeking to contribute to linking migration and development. It also explores best practices in the area, and helps to set up networks of actors working on migration and development. The Eastern Africa Diaspora Business Council (EADBC)³⁶ is a US-based non-governmental, membership-based organization established in 2013 to promote the Diaspora's role in the delivery of technology solutions for development challenges by leveraging trade and investment partnerships between the United States and the greater East Africa region.

Canada, France, the Netherlands, and the European Commission have funded development projects executed by diaspora groups. The Netherlands has awarded grants to projects aimed at building migrant organizations' capacity. In 2007, France added cofunding of diaspora projects to its menu for codevelopment. At the 25th Annual Africa-France Summit (2010), participating heads of state decided "to place the African diasporas living in France at the center of the migration and development strategies, promoting their involvement in the economic and social development of their country of origin by means of development programs, encouraging migrant business projects, and mobilizing their savings for social and productive investment." In a survey of states participating in the Global Forum on Migration Development (GFMD)³⁷, the authors identify more than 400 institutions in 56 countries that are directly engaging diasporas through various programs and policies.

Table 5-3 Countries with Ministry-Level Diaspora Institutions

³⁴ <http://www.diasporamarketplace.org/about-african-diaspora-marketplace>

³⁵ <http://www.migration4development.org>

³⁶ <http://eadiaspora.org/>

³⁷ Developing a roadmap for engaging diasporas in development, Agunias and Newland, 2012

Country	Institution	Stock of emigrants, 2010	Stock of emigrants as % total population 2010	Top destination, 2010
Benin	Ministry for Foreign Affairs, African Integration, the francophone community, and Beninese abroad	513,000	5.8	Nigeria
Comoros	Ministry of external relations and cooperation of the diaspora	38,600	5.6	France
Mali	Ministry of Malians abroad and African Integration	1,012,700	7.6	Cote d'Ivoire
Morocco	Ministry charged with the Moroccan Community Residing Abroad	3,106,600	9.3	France
Niger	Ministry of African Integration and Nigerians Abroad	386,900	2.4	Nigeria
Senegal	Ministry of Senegalese Abroad	632,200	4.9	Gambia
Somalia	Ministry for Diaspora and Community Affairs	812,700	8.7	Ethiopia
Tunisia	Ministry of Social Affairs, Solidarity, and Tunisians Abroad	651,600	6.3	France

Table 5-4 Countries with External Voting Provisions

Region	Country/Territory
Africa (28)	Algeria, Angola, Benin, Botswana, Cape Verde, Central African Republic, Chad, Côte d'Ivoire, Djibouti, Equatorial Guinea, Gabon, Ghana, Guinea, Guinea-Bissau, Lesotho, Mali, Mauritius, Mozambique, Namibia, Niger, Rwanda, Sao Tome and Principe, Senegal, South Africa, Sudan, Togo, Tunisia, Zimbabwe

Chapter 6. Levelling the playing field with Technopreneurship

There is a limitless opportunity for Africa to capitalise on the advent provided by technological advances, especially the new technology, to address the continent's economic development problems. The following section will point to the emerging field of ICT in Africa, the nascent technology cities and opportunities for diaspora to partake in this changing landscape.

6.1 Silicon Savannah? African Technology Hubs

A wind of change is coming to the African cities, and promises to turn their economies into regional hubs of innovation at the convergence of financial services, clean energy, business processing off sourcing, and technology parks.

In 1993, economist Paul Krugman and two colleagues³⁸ outlined how less-advanced countries might "leapfrog" over more advanced competitors by learning from their mistakes and skipping expensive, antiquated technologies. Since then, the idea of leapfrogging has become all the rage, as nations with no telephone poles "leapfrogged" straight to cell phone towers. Africa's Silicon Savanna is (about 60km southeast of the Kenyan capital Nairobi) a US\$14.5bn mega project to build the Konza Techno City and was officially launched by President Mwai Kibaki at a groundbreaking ceremony on 23 January 2013. The mission of Konza Techno project is to serve as a world-class IT hub with the goal of creating 100,000 jobs by 2030. At the other end of Africa, construction work on Ghana's 'Hope city'³⁹ is started in June 2013. Estimated to cost US\$10 billion, the 'Hope City' techno park will include a tech assembly plant for various products, business offices, an IT university, a hospital, housing and recreation spaces, restaurants, theatres and sports centres. This

³⁸ Leapfrogging in International Competition: A Theory of Cycles in National Technological Leadership

³⁹ <http://allafrica.com/stories/201305260214.html>

ambitious project is also expected to boost Ghana's technology growth, attract world-class IT industry players, house 25,000 residents, and create jobs for 50,000 people.

The outlook for these endeavors is promising, if one notes that ICT is rapidly transforming business in Africa, driving entrepreneurship, trade, innovation and economic growth. In 2000, Africa, excluding North Africa, had fewer than 9 million fixed lines, with penetration of just over 2 per cent.⁴⁰ By 2012, there were more than 650 million mobile subscriptions in Africa, more than in the United States or the EU, making Africa the world's fastest-growing mobile phone market. Few imagined that such demand existed, let alone that it could be afforded. Between 2000 and 2008, Africa's early ICT reformers enjoyed an extra 1.2 per cent in GDP growth over later reformers.⁴¹ Improved connectivity has made doing business easier, and today ICT contributes around 7 per cent of Africa's GDP – higher than the global average.

There are only 6 cities in Africa that have the right make up to be a technology hub as this takes a combination of location, talent, policies, entrepreneurial culture, infrastructure and money: Nairobi, Lagos, Accra, Cape Town, Cairo and possibly Dakar. In East Africa, Nairobi has become a major hub for mobile phone application innovation in Africa, providing a regional centre with a critical mass of quality programmers, universities, technology corporations, and a government focused on information and communications technology (ICT) growth, all of which are necessary for tech entrepreneurs to grow and flourish.⁴²

Kenya's promise has already attracted the industry's key players- IBM, Google, Intel, Nokia and Microsoft all have regional headquarters or research arms in the country⁴³. The

⁴⁰ Economic commission for Africa – Assessing Africa Integration report 2013

⁴¹ Africa's ICT infrastructure Building on the mobile revolution Williams, Mayer, Minges

<https://openknowledge.worldbank.org/handle/10986/2325>

⁴² Mobilizing Tech Entrepreneurs in Africa: Innovations Case Narrative:

iHub MIT press

⁴³ Kenya sees the light with tech, Sunday Times (London, England) (Sept. 15, 2013)

technological landscape is being redefined, spurred by technopreneurship ventures led by recent graduates from the OECD countries. The continent is fraught with opportunities for the diasporas, especially those highly skilled in the areas of IT, engineering and financial services and who have the network and support in their country of origin to make their investment profitable. Africa's rising should not be a term echoed by the Financial Times or a slogan plastered on business conferences all through the United States. Instead it should galvanize the diaspora to look at the possibilities not envisaged before and commit them to collective action to make their mark and bring their knowledge back where it matters most.

Chapter 7. Case Study: IOM Initiative in Somalia and Somaliland

Somalia exemplifies the way in which a refugee diaspora has sustained its motherland, despite the lack of an operational government at home. The International Organization for Migration (IOM) conducted a pilot program from 2010 – 2012 in different areas of Somalia by engaging 100 highly skilled members of the Somali diaspora back into their country and measuring their impact on the development of the country. This case study addresses the example of a program intent to use brain circulation to remedy the lack of government services. The reader will note that the specific target of this initiative was to build good governance and peace in Somalia and Somaliland through the reinforcement of democratic institutions.

Fragile states like Somalia have a limited supply of skilled personnel, and while they may have certain advantages as compared to members of the diasporas, for example as regards to local networks and a more nuanced understanding of the national political context⁴⁴ they may not have been exposed to new skills or developed international networks, as is often found

⁴⁴ OECD. 2010. The Contribution of Diaspora Return to Post-Conflict and Fragile Countries, key findings and recommendations.

among the diasporas. The return of this latter group can be an essential component both in the immediate term for securing a sustainable peace settlement for post-conflict reconstruction, and in the longer term for strengthening government capacities.

7.1 Diaspora as a Vector for Context Specific Skills and Legitimacy

Diasporas are credited with possessing invaluable context-specific knowledge. Their members have great advantages when working towards development or peace building in the country of origin because of their in-depth knowledge of cultural practices, expectations and language. Yet this view ought to be nuanced as some diaspora members may find it hard to readjust to local norms or, in the case of women, have to face the traditional and patriarchal society which severely restricts the level of female emancipation they have been exposed to in western societies. The IOM MIDA programme challenged this point by mainstreaming gender sensitivity into its design with a view to bringing positive change into the democratic institutions of the country. Out of the 54 MIDA experts selected as of June 2011, 8 are women who have been recruited to fill positions that go beyond traditional female occupations in Somalia. Female diaspora experts have been placed in the civil service commission in Somaliland to develop the human resource capacity in line ministries and to assist with policy formulation for the Ministry of Planning and International Cooperation, which works directly with other ministries to promote peace and state-building process' in Somalia.

Another potential benefit of diaspora engagement in development and peace building stems from the fact that diaspora members often have better access to inaccessible areas – both those that are geographically isolated and those that are marked by high levels of conflict.⁴⁵

In Somalia, for example, bilateral development cooperation is not feasible due in part to

⁴⁵ Peace Research Institute. 2010. Participation of Diasporas in Peacebuilding and Development: A Handbook for Practitioners and Policymakers. Oslo.

limited government influence, and international actors almost solely operate out of Nairobi rather than having a presence in South/Central Somalia. The actors in the field of development cooperation and peace building can not only capitalize on the privileged access of diaspora returnees, but can also legitimize their own engagement through the participation of diaspora members.

Research on diaspora involvement in peace building in Somalia indicates that diaspora members can indeed be seen as representatives for the local communities. Indeed, members of the diaspora have also experienced and suffered from the war, which ‘gives them the moral authority to speak against the continuation of the conflict’.⁴⁶

One often overlooked component of transnational contribution that works towards peace building is the involvement of social capital being illustrated by the virtual transfer of knowledge. The 2009 bombing of Benadir University’s graduation ceremony in Mogadishu dealt a terrible blow to the medical community in the country, as the university was the only higher educational institution to produce medical doctors in Somalia. This incident alone directly called into question the ability of the government to protect its people, and its slow response to the event was widely seen as a sign of helplessness. In response, an IOM MIDA project was quickly initiated that mobilized expatriate university professors to contribute virtually, through electronic communication and the provision of online learning opportunities, to the needs of the students.

7.2 Diaspora a Catalyst for Good Governance Leading to Peace Dividends

The Somali diaspora provides an example of a high degree of fragmentation along regional, clan, socioeconomic, religious, gender, generational and political lines. This fragmentation is considered a major obstacle for actors who are thinking about supporting transnational

⁴⁶ Abdile, M. Forthcoming. ‘Examining the Role and Contribution of the Somali Diaspora in Their Homeland’, unpublished paper. Helsinki: University of Helsinki

engagement. Societal division along clan lines have been in the past a major impediment to constructive development because government officials are most often selected based on their affiliation rather than their merit. Oftentimes clan allegiance can prevent Somalis from working in regions other than their own. In order to achieve its target of capacity building and peace sustainability, the IOM MIDA project strives to promote principles of good governance through local ownership and transparency. Ultimately, meritocracy – especially in government positions – is a critical aspect of good governance that IOM MIDA considers very seriously during the selection process. An important priority for capacity building and peace building dividends is the establishment of sound recruitment procedures and employment practices.⁴⁷

Operationally, the project employs a consultative process that incorporates various stakeholders for the identification of needs and the recruitment process. At all times, IOM works with the beneficiary institution to establish transparent criteria for selection, developing terms of reference for appointees, and undertaking regular performance appraisals and evaluations. Developing the institutional capacities of the government is a necessary condition to ensure good governance and service delivery. The robustness of the state institutions is a measure of efficient collaboration at all levels and a legitimate safeguard against political unrest. Initially, IOM MIDA first focused on the recruitment of strategic planning experts to be placed under the auspices of the Ministry of Interior, Ministry of Finance and Ministry of Justice in order to plan, oversee and coordinate work plans and institutional development within the respective ministries. The second round of placements involved human resource experts who were tasked to work closely with senior government

⁴⁷ The MIDA experience and beyond. IOM, 2009

officials to foster efficient relationships among ministry staff, while maximizing employee productivity.⁴⁸

7.3 Diaspora as a Contribution to State's Security

The peace building benefits can also be demonstrated by enhanced security within the Somali government. In the aftermath of the terrorist attacks in the United States on 9/11, the Bali bombing of October , and more recently the London subway attack in July 2005, increasing attention world-wide is being paid to the correlation between migration and security. The last decade has demonstrated strong links between irregular migration on the one hand and regional security and stability on the other. Migration and border control have direct implications for modern security concerns. Immigration policy and border management provide an important vehicle for better application of law enforcement, information analysis and intelligence sharing.

IOM MIDA recently arranged for international experts from the Somali diaspora to be placed in the Ministry of Interior to review the migration policy. This review is a valuable tool for economic policy, ensuring that there is an orderly and predictable process for regulating the flow of people in and out of the country, and that the country's needs for skills, investment, diaspora engagement, and tourism, as well as its labour market and security needs, are met. Well-crafted migration policies supported by appropriate legislation and the necessary administrative structures and systems deliver substantial benefits to the economy, international relations, and peace building.

Porous border control and weak immigration procedures pose a direct threat to national security. It is staggering to note that individuals listed on international terrorist lists can pass through border control posts with relative ease and then join the ranks of insurgents vying to

⁴⁸ Author's experience

destabilize the government. One way to reduce border fraud and tighten security is to establish a well ordered and secure passport and visa issuing system. IOM MIDA has been active in assisting the government to improve their system by providing expertise through diaspora placements. Specifically, IT experts were recruited and placed within the Department of Immigration to link various key ports of entry across Somalia with border management information systems.

Chapter 8. Conclusion

The fate of Africa is of continuing concern and is reflected by the pejorative media coverage, which points to extreme suffering, corruption, and abandon. What these media fail to expose is the reality of the continent, which also tells a story of hope, business opportunities, increasing relevance on the world stage and one that has witnessed over the last decade a renewed interest from its diaspora. To sustain this African renaissance, migrants in the diaspora community, especially highly skilled workers, can leverage mechanisms to contribute to the development of their homeland, beyond the myopic focus on remittances alone. Even though the paper acknowledges the role of this latter tool in providing a safety net for the family and a support to the local community, there remains undisputable and substantial evidence of far more beneficial avenues that the diaspora network can invest in to advance development. African countries have realized that the effective retention and utilization of their manpower is a profound determinant to achieve developmental goals and their recent adoption of policies conducive to its diaspora elements is a testimony that, indeed, migration can be harnessed for development.

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