



## Beyond Remittances – A strategy to unlock the potential of the Bangladeshi Diaspora

- The impact of the overseas Chinese, Indian and more recently Vietnamese communities in their respective economic transformations in the last 15 years cannot be overestimated, especially in the technology/outsourcing sector in the case of the India and FDI in the case of China.
- Bangladesh has been one of the most successful nations in recent years in growing its overseas remittances which are set to reach around \$ 10-12bn in 2008.
- However, Bangladesh it has been much less effective in leveraging its diaspora in terms of knowledge and skills transfers and improving its global commercial interface.
- In this paper, we review the extensive research on leveraging Diaspora networks in different countries around the world to have a clearer sense of how to develop a more effective strategy for Bangladesh.
- We also outline the initiatives taken in Bangladesh to date in encouraging NRB investment and knowledge flows. We also review the role of governments of both the host and home countries, donor/multilateral agencies in encouraging the development of DKNs.
- We see major opportunities to increase the economic impact of Bangladesh's Diaspora in the following areas:
  - i) By offering more transparent and credible investment mechanisms to increase the flow of overseas capital towards productive sectors;
  - ii) Diaspora Knowledge Networks (DKNs) that see greater skills transfers from NRBs in host countries back to Bangladesh.;
  - iii) A Transnational Approach to leveraging Diaspora: Encouraging both the return of NRB entrepreneurs back to Bangladesh as well as more JVs between NRB entrepreneurs in the host country and local BD companies.
  - iv) Leveraging the credibility and global interface of the Diaspora as part of the Bangladesh Re-branding Strategy;
  - v) Improving the effectiveness of NRB policy advocacy not only to ensure to encourage and positively influence on the Bangladesh economic reform agenda.
- We hope this report can make a modest contribution in catalyzing the debate and encouraging the establishment of more effective Bangladeshi Diaspora networks.

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## RESEARCH

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## Beyond Remittances – A Strategy to Unlock the Potential of the Bangladeshi Diaspora

*“Members of expatriate communities have three resources that position them to make a unique contribution to the development of their home countries: unusually high motivation to have a significant influence on the course of events in spite of and against all odds; knowledge and expertise of both global opportunities and local particulars; and, frequently, financial resources to act on new opportunities. When these resources combine, usually as a matter of pure luck, the contributions of diasporas can be spectacular, as the experiences of China and India indicate.”Kuznetsov (2006)*

The role of the diasporas in development strategies and potentially increasing economic growth has attracted growing policy interest for host countries and home countries. Modern diasporas can be defined as “ethnic minority groups of migrant origins residing and acting in host countries but maintaining strong sentimental and material links with their countries of origin—their homelands”

In this paper, we review the extensive research on leveraging diaspora networks in different countries around the world to have a clearer sense of how to develop a more effective strategy for Bangladesh. We also outline the initiatives taken in Bangladesh to date in encouraging NRB investment and knowledge flows. We also review the role of governments of both the host and home countries, donor/multilateral agencies in encouraging the development of DKNs. Finally we outline some suggestions for a new approach to diaspora strategy in Bangladesh in the diaspora debate, there is little doubt that Bangladesh has already been a major beneficiary of the growing trend towards global migration. With some estimates putting the combined remittances from overseas workers through official and unofficial channels at around \$ 12bn in 2008, this dwarves official foreign aid of around \$ 2 bn. In an \$80bn economy, the contributions of the overseas community are clearly significant.

By 2015 revenues in the manpower sector could reach USD 30bn according to a recent Danida report. This will require a focused and targeted strategy on vocational training along with investment in HR consultancies. The recently established of the National Skills Development Council will play an important role in ensuring we have a focused and market-driven vocational training strategy that will hopefully maintain the ongoing growth in remittances flows.

That being said, some caveats from a number of academics have noted economic remittances do not automatically have as large a contribution to national development as they might potentially have. According to the International Organization for Migration (IOM), remittances tend to follow three spending phases, with attention to: (i) family maintenance and housing improvement, (ii) conspicuous consumption, and (iii) productive activities. A large percentage of remittances does not extend to the third factor and hence has a potentially reduced impact on economic growth.

However, this paper is less about maximizing the volume of remittances. Rather we focus on developing a strategy to unlock the hidden potential of the Bangladeshi diaspora in areas such as knowledge transfer and greater FDI.

De Haas (2006) distinguish four periods in the post-WWII thinking on migration and development (see table 1). In the 1950s and 1960s it was widely assumed that through a policy of large-scale capital transfer and industrialization poor countries would be able to jump on the bandwagon of rapid economic development and modernization. In the same period, large-scale labour migration from developing to developed countries began to gain momentum. Many developing countries became involved in the migration process amidst expectations of the ‘dawning of a new era’.

After the Oil Crisis of 1973 Europe experienced a massive economic downturn, industrial restructuring and increasing unemployment. This more or less coincided with a turning point in thinking on migration and development issues. As of the late 1960s, prevalent optimistic views on migration and development were increasingly challenged by views of migration as a mechanism provoking not only a ‘brain drain’. As de Haas(2006) notes: “Against the background of a long period of pessimism and near-neglect, the sudden ‘rediscovery’ of the migration and development issue and the rapid shift from pessimistic to optimistic views of ‘migration and development’ among multilateral organisations, governments and development agencies in the first half of the 2000s is a remarkable phenomenon.”

Table 1. Main phases in migration and development research and policies

Period	Research community	Policy field
until 1973	Development and migration optimism	Developmentalist optimism; capital and knowledge transfers by migrants would help developing countries in development take-off.
1973-1990	Development and migration pessimism (dependency, brain drain)	Growing scepticism; concerns on brain drain; after experiments with return migration policies focused on integration in receiving countries. Migration largely out of sight in development field.
1990-2001	Readjustment to more subtle views under influence of increasing empirical work	Persistent scepticism and neglect; tightening of immigration policies.
> 2001	Boom in studies: mixed, but generally positive views.	Resurgence of migration and development optimism and a sudden turnaround of views: brain gain, remittances and diaspora involvement; further tightening of immigration policies but greater tolerance for high-skilled immigration.

As De Haas underlines, this near-euphoria seems to have been instigated by a strong and unexpected increase in remittances. Remittances suddenly seem to have been rediscovered and have become a subject of unprecedented optimism and euphoria. The money remitted by migrants to developing countries rose from \$31.1 billion in 1990 to \$76.8 billion in 2000 to no less than \$116.0 billion in 2003.

Remittances to developing countries more than doubled during the 1990s, whereas official aid flows showed a declining trend. Remittances have proved to be less volatile, less pro-cyclical, and therefore a more reliable source of income than other capital flows to developing countries, such as foreign direct investment and development aid<sup>35</sup>. It is claimed that remittances are close to tripling the value of the Official Development Assistance (ODA) provided to low-income countries, and they comprise the second-largest source of external funding for developing countries after Foreign Direct Investment.

Indeed although the official data has yet to be published, for 2008 it seems likely that for Bangladesh remittances will more than twenty times FDI. Dale Wescott, a specialist in Migration theory at the ADB notes that “beyond remittance-related efforts, diasporas contribute to the economic development of their homelands through foreign direct investment and transnational entrepreneurship, including support for entrepreneurs and small businesses in the homeland. The Commission on Private Sector Development of the United Nations Development Programme notes that diasporas are “supporting entrepreneurs in their homelands with remittances, informal financing of small businesses, and business advice and mentorship” (Commission, 2004: 30). In fact, Diaspora members may be much more effective than other foreign investors. First, they may be more likely to invest in economies that others would consider high risk, simply because they have better knowledge and relationship opportunities that other investors lack. Second, they can combine this knowledge with the skills, knowledge, and networks they have cultivated abroad, yielding important synergistic advantages. Recent Migration research has highlighted that the repeated waves of emigration have led to the creation of vibrant diasporas that possess cutting-edge technology, capital, and professional contacts. For example, developing countries accounted for three-quarters (approximately 2.5 million) of the 3.3 million immigrant scientists and engineers living in the United States in 2003. In addition, migrants have often played a valuable role in the transfer of market-based institutions, such as venture capital, entrepreneurship, and corporate transparency, to their countries of origin. Since the late 1990s, a “transnational” thinking gained popularity. The thinking recognizes that, in the current era of globalization,

global links may be more important than human capital “stock” in a particular country. A professional thus can contribute as much to the home country by residing overseas than by returning permanently. Expatriate knowledge networks have been created to foster regular contacts; transfers of skills; and opportunities for business with researchers, scientists, and entrepreneurs in the country of origin. The impact of the overseas Chinese, Indian and more recently Vietnamese communities in their respective economic transformations in the last 15 years cannot be overestimated, especially in the technology/outsourcing sector in the case of the India and FDI in the case of China. The return of highly qualified Vietnamese professionals has also likely played an important role in making Vietnam such a fertile ground for the avalanche of FDI it has seen (growing from \$ 2bn in 2000 to in excess of \$ 45bn in 2008). Returning Korean, Taiwanese and Chinese diaspora have played a critical role in both technology transfer and the development of a venture capital industry.

As Agunias (2006) notes, the discourse on “brain circulation” has also extended beyond the Asian continent to other parts of the developing world. One example is the returnees’ role in Ireland’s economic miracle. From 1993 to 2001, the Irish economy grew at a staggering annual pace of 8.4 percent, three times that of the rest of the European Union, thus, transforming the country from a “perennial loser to a Celtic Tiger.” It is estimated that from 1995-2000, a quarter of a million people immigrated to Ireland, half of whom were returning Irish. The return wave peaked in 1999 at over 26,000 returnees before declining to just over 18,000 two years later.

Barrett and O’Connell’s study based on Ireland’s labor force survey data from the mid-1990s confirmed that the returning Irish were relatively highly educated. About 58 percent of the returnees had a third-level degree compared with only 29 percent for non-returnees in the labor force. Barrett and O’Connell’s study concluded that “the returned migrants accumulate skills and competencies while away that are rewarded on return to the home country.” Kapur and McHale reached similar conclusions. For them, the software sector in particular and the Irish economy in general were fueled by returning Irish with augmented skills. They write: The Irish experience shows how one decade’s lost human capital can become a skill reservoir that can be tapped to ease resource constraints and sustain economic expansion as domestic labor markets tighten. The Irish experience also suggests a positive productivity effect of time spent abroad that is especially pronounced for the computer sector.

Bangladesh has so far seen little of this kind of benefit from the near 4mn overseas Non-resident Bangladeshi (NRB) community. The NRB (Non-Resident Bangladeshi) Conference that took place in Dhaka in December 1 2007 was a welcome start but among some participants who have been interviewed, there is a sense of a missed opportunity in terms of a lack of follow up. There is a regular stream of NRB groups from Europe and North America visiting Dhaka and Sylhet that features prominently in the Bangladeshi media. But the translation of such trips into a substantial number of new investment projects, or having a sustained and ongoing impact and interface with the Bangladesh economy appears to be lacking. It might be argued that the missing link is an effective diaspora platform within Bangladesh to leverage the NRB groups and networks globally. The potential impact of the diaspora as partners with development agencies has likely been underestimated. One observation from a well known Diaspora academic is that “Regarding development objectives more generally, diasporas also organize philanthropic activities targeted to the homeland, either through diaspora organizations, or less formally and individually. Diasporas represent important opportunities for more formal development organizations to recruit expertise and solicit information for development programs, and to disseminate information about priorities and programming, potentially reducing duplication and cross-purpose efforts (Brinkerhoff, 2004).

Clay Wescott of the ADB noted that Diaspora organizations can act as important intermediaries between traditional development actors, and between diasporas and local communities, for example, identifying needs and priorities of local communities and communicating those to donor organizations, nongovernment organizations (NGOs), and Diaspora members to solicit funding and expertise. However, the integration of the diaspora into development programs has so far been relatively limited. One factor may be the lack of research and data on the most effective means of collaboration and contribution. As Ionescu (2006) notes: “programmes are developed without sharing knowledge and resources. For instance, very few national development strategies include expatriate networks as formal partners. Few studies assess the real impact of the influence diasporas have on development through trade, investments, business exchanges, social networks and human capital transfers, thus limiting data on the economic and social contributions of diasporas. Besides, even fewer studies articulate the interests that host and home country have in transnational populations or analyze possible conflicts of those interests.”

According to the Parliamentary Assembly of the Council of Europe (PACE), “the interaction between migration and development could be most successfully achieved through co-development policies” and that “co-development policies aimed at involving migrants as actors of development who strengthen cooperation between home and host societies should be actively promoted at the European level”.

De Haas (2006) in his comprehensive survey of the interaction between development agencies and the Diaspora he noted that “It is generally true that the ‘Diaspora’ and ‘development’ sectors are weakly interconnected and that a cultural gap and even a certain level of distrust often stand in the way of successful alliance building between governments and development agencies on the one hand and Diaspora organizations on the other. However, the implication should not just be that Diaspora organizations should be trained to find and fight their way to development funding or should transform themselves into development agencies. This would testify to a myopic, development agency-centred or government-centered view. Successful alliance building also implies that the established development actors should recognize the actual developmental role and not only the potential of diasporas. If development actors truly believe that involving diasporas has an added value, this also implies that they should be open to learn lessons from them so as to establish a genuine two-way working relationship.

### Acknowledge the diversity of Diaspora interests and strategies

As a number of Diaspora theorists have noted, Diaspora(s) is usually understood as a collective notion, implying organized groups and collective identities. However, the collective facet of the term should not lead to considering diasporas as a homogeneous entity. The heterogeneity of the individuals forming diasporas and the diversity of goals pursued by them are one of the greatest challenges for Diaspora policies. This diversity should be fully acknowledged by decision makers, who otherwise run the risk of estranging many individuals willing to contribute to the development of their homelands. Narrow and uniform diaspora approaches run the risk of facilitating only one type of diaspora contributions and failing to harness the full potential available in diasporas. For instance, remittance focused policies can contribute to making the transfer of private funds safer and more efficient but will not maximize the potential of highly skilled diasporas or of second generation expatriates eager to invest, transfer know-how to home countries or encourage transnational exchanges.

In the case of Bangladesh, the diversity of NRB groups is self-evident when one considers the various associations in the UK and US such as the caterers, doctors, academics, lawyers, students. The needs and expectations of these various sub-groups as well as perspectives on the expectations of their engagement with the home country will in many cases be very different. The type of engagement with the migrant working communities in the Middle East will again be very different. Clearly the challenge for any NRB strategy will be to have certain core objectives that can resonate with as broad a number of these sub-groups as possible while at the same time allowing diversity in the diaspora strategy to accommodate and engage as many different Expatriate Bangladeshi (EB) segments as possible.

Kuznetsov (2006) notes that successful diaspora networks combine the following three main features:

- Networks bring together people with strong intrinsic motivation.
- Members play both direct roles (implementing projects in the home country) and indirect roles (serving as bridges and antennae<sup>2</sup> for the development of projects in the home country)
- Successful initiatives move from discussions on how to get involved with the home country to transactions (tangible outcomes). Ionescu (2006) outlines four main areas that government policy can have a positive impact on diaspora engagement:
  - An enabling role: Interviews with diaspora members show that although they are interested in getting involved in development projects, major obstacles impede their engagement. Policymakers can identify and address these obstacles by, e.g. lowering transfer costs, alleviating the bureaucratic burden, simplifying procedures, allowing dual citizenship, identifying investment projects, offering security for business transactions or ensuring the portability of rights. This also implies raising public awareness on these obstacles, as well as clearly defining development priorities and strategies requiring diaspora involvement.
  - An inclusionary role: Studies on diasporas often deal with issues of image, perception, identity and trust. However, if the symbolic inclusion of diasporas does matter, real inclusion, such as through access to rights, status and provisions is necessary. Policies can ensure the recognition of diasporas as full citizens, recognize their inputs, address major image problems, build trust, favour institutional change and build leadership. To do so, governments and local authorities need appropriate

capacity to put in place policies engaging Diasporas for development.<sup>1</sup>

- A partnership role: Partnership appears to be a key word referring to many types of joint actions: support and recognition of existing diasporas initiatives, collaboration between home and host countries, alliances with associations, cooperation with regions and municipalities, collaboration with private institutions, academia, public enterprises and other development stakeholders. Policy can play a key role in building such partnerships.

- A catalytic role: Governments, regional and local authorities promote and favour a positive consideration of diasporas as development actors. Policy management is needed to avoid conflicts of interests at international level (between the host and home country) and at national level (among different stakeholders) in order to achieve policy coherence and good use of available resources.

We discuss the strategies taken by other Governments in more detail later in this report, but it is worth outlining below the key initiatives taken by the Indian and Chinese Governments to foster stronger and more effective diaspora links.

In September 2000, the Ministry of External Affairs in India constituted a High Level Committee on the Indian Diaspora. The role of this committee was to examine the role of PIOs and NRIs in India, the rights and facilities to be extended to them in India and to recommend a broad and flexible policy framework to encourage their participation in the Indian economy. Among the major objectives of the committee were:

- (1) To review the status of PIOs and NRIs;
- (2) Examine laws and rules applicable to them, both in India and the countries of their residence;
- (3) Study the characteristics, aspirations, attitudes, requirements, strengths and weaknesses of the Indian diaspora and its expectations from India;
- (4) Study the role PIOs and NRIs could play in the economic, social and technological development of India; and
- (5) Examine the current regime governing travel and residency along with investment constraints for PIOs in India.

As Chanda (2008) notes, the High Level Committee took a very broad remit of all the major issues pertaining to Indian Diaspora, such as culture, education, media, economic development, health, science & technology, philanthropy, and dual citizenship. Based on this study, it brought out a

<sup>1</sup> By antennae Kuznetsov mean a capability for sensing new windows of opportunity (global technology trends, new projects) and the ability to fit them into local circumstances asset.

report in January 2002 in which it recommended measures to forge a mutually beneficial relationship with NRIs and PIOs and to facilitate their interaction and participation in India's economic development, in an institutionalized manner. Some of the recommendations included: (1) observation of Pravasi Bharatiya Divas (Overseas Indians Day) on January 9th of every year (the day Mahatma Gandhi returned to India from South Africa) in India and abroad, to recognise and appreciate the role of Indian Diaspora in the promotion of India's interest and (2) the institution of Pravasi Bharatiya Samman Awards for eminent PIOs and NRIs.

In line with the recommendations of the High Level Diaspora Committee, the government has been celebrating the Overseas Indian's Day (Pravasi Bharatiya Divas-PBD day) to express its gratitude to Indian migrants based abroad for their contributions to the economy and to motivate them to participate more actively in India's future development.

These events have been attended by over a thousand overseas Indians from 61 countries each year. Eminent Indians from all over the world, including Nobel Laureates, business leaders, scientists and innovators, academicians, and political leaders attended the conference. Representatives at the highest level from the government of India, including the President, Vice President, Prime Minister, Deputy Prime Minister, Cabinet Ministers, and Chief Ministers from different states have interacted with the delegates.

The PBD days have also been held in collaboration with industry associations to encourage industry government academic linkages. There have been discussions on Education, Knowledge-Based Industry, Science and Technology, Healthcare, Rural Development, Ethnic Media and Entertainment, NRIs in the Gulf, Finance, and Tourism, as well as interactive parallel sessions with State Governments. The Indian Prime Minister and President have conferred special awards to expatriate Indians to recognize their contributions. Some institutional initiatives have also been taken to oversee work relating to the Indian diaspora. In line with the High Level Committee's recommendations, an autonomous and empowered body, similar to India's Planning Commission and a Standing Committee of Parliament has been instituted. The latter would introduce interested diaspora members to the country's Parliamentary procedures and practices and would serve as a mean to reach out to influential persons in the diaspora and convene biennial conventions of PIO Parliamentarians. A lesson from the academic research as well as the practical experiences of diaspora networks around the world is that some keys to success for Bangladesh to replicate the effectiveness of its diaspora strategy include:

- 1) Have a strong home country institution to facilitate diaspora exchanges with a comprehensive global database of NRBs both individually and groups. This needs to be structured by region and professional associations;
- 2) Ensure engagement is mutually beneficial to both NRBs and the home country. This will entail ensuring that NRBs have access to mechanisms to insure. But qualitative recognition at the head of state level is also critical;
- 3) Host governments and the multilateral agencies can play an important role in both funding and facilitating the growth of vibrant diaspora networks. But there is no reason over the longer-term not to expect them to become self-sustaining as the commercial benefits become more firmly established, most notably in the case of The Indus Entrepreneurs (TIE), a key global Indian technology/business diaspora network and AFFORD, an African Diaspora organization in the UK.

Indeed, if governments and development agencies are serious about involving diasporas in development policies they should show a serious commitment to giving them a real say in policy formulation and access to substantial funding. This should also be a long-term commitment, which should not be given up after the first disappointment. Considerable time is needed for projects to bear fruit, but this is the only way to gain credibility.

In his comparative study of the South Asian diaspora (India, Pakistan, Bangladesh, Sri Lanka), Chanda (2008) notes that Even policies regarding remittances and advisory support are geared more towards low skilled workers while policies concerning the skilled diaspora seem more loosely structured and largely privately driven. The relatively better information available for India has to do with the large numbers of overseas Indians in high profile occupations such as IT and medicine and the relevance of these groups to host countries for capturing the contribution of overseas professionals in their labour markets. But similar information is not captured by official statistics on the sending side. Thus, if the governments in this region want to really utilise their diaspora resources, they will need to invest in creating diaspora databases which provide information on the total diaspora stock, its geographic and skill wise decomposition, and accordingly frame policies. Governments also need to gather information on existing diaspora networks and organisations from their countries and to create links with concerned government agencies and departments. Industrial associations and overseas professional groups can also help their home country counterparts.

Chanda (2008) re-iterates that : "While there have clearly been some efforts at tapping the diaspora in terms of their financial, intellectual, and social capital, for the most part, these efforts seem to have been rather piece meal. They



have lacked a holistic framework or a proper institutional structure. There do not appear to have been clearly defined roles across government departments and agencies. Even in the case of India, which seems to have been the most pro-active among the four countries in promoting networking, knowledge and skill transfer, and investments by its skilled diaspora, the efforts are quite nascent, without much evidence on outcomes, and there has been a lack clarity in terms of implementation mechanisms and organizational frameworks for carrying out the various recommended policies. Such institutional structures have to be provided both in the home countries and overseas through the network of consulates and embassies and through networking with diaspora organizations and associations to expand the reach of the government. “

He concludes that individual enterprise and social capital available with the diaspora community has not been given the kind of organisational support and encouragement required for sustained large scale contributions to the home countries. Overall, there has been a sort of benign neglect of the skilled diaspora, information wise, policy wise, and attitude wise, until recently. This has only now begun to change. But without some concerted measures on the data front, without the establishment of institutional structures to deal with the diaspora, and without better integration of the diaspora to the local economies through concrete development projects and opportunities, the potential contribution of the skilled South Asian diaspora to their home countries is likely to remain underutilized.

Governments and private sector associations and diaspora networks in this region should also explore opportunities for cooperation in at least some of these areas, given basic similarities in destination markets and in the occupational and skill profiles of their diaspora.

In conclusion, as will become clear throughout the rest of this paper, while Bangladesh has seen major benefits from remittances, the potential contribution of NRBs to moving the country more rapidly towards Middle Income Status has yet to be fully utilized.

We see major opportunities to increase the economic impact of Bangladesh's diaspora in the following areas:

1. Increasing the impact of NRB remittances on the economy by offering more transparent and credible investment mechanisms to increase the flow of overseas capital towards productive sectors.
2. Diaspora Knowledge Networks (DKNs) that see greater skills transfers from NRBs in host countries back to Bangladesh.
3. A Transnational Approach to leveraging Diaspora: Encouraging both the return of NRB entrepreneurs back to

Bangladesh as well as more JVs between NRB entrepreneurs in the host country and local BD companies

4. Leveraging the credibility and global interface of the diaspora as part of the Bangladesh Rebranding Strategy.
5. Improving the effectiveness of NRB policy advocacy not only to ensure to encourage and positively influence on the Bangladesh economic reform agenda.

We hope this report can make a modest contribution in catalyzing the debate and encouraging the establishment of more effective Bangladeshi diaspora networks.



## A History and Profile of the Bangladeshi Diaspora

The Bangladeshi diaspora is diverse across destination countries. While the Gulf plays host to mostly unskilled migrant labor, the United Kingdom and the United States are home to second and third generation persons of Bangladeshi origin. According to Bruyn (2006), the Bangladeshi Diaspora is of three major types. It includes well educated, high or middle income earners, mainly settled in the United Kingdom and the United States, diaspora of Bangladeshi origin in various industrialized countries who belong to the low-income or unemployed segments of the population, and a major group of migrant laborers, residing for a specific period in Middle Eastern, South- East Asian and some industrialized countries. Over half the Bangladeshi labor migrants are unskilled or semi-skilled. The proportion of professionals and skilled is around one third, with professionals constituting a very small part.

Over the last 25 years, 44 per cent of all recorded temporary labor migrants were unskilled, 22 percent were semi-skilled, 30 per cent skilled, and only 4 percent were professionals. But the figures mask differences in the profile of the Bangladeshi expatriates across different host nations. In the United Kingdom, the educational level of this community is lower in comparison with that for the ethnic white, Chinese and Indian communities. Sixty six per cent are engaged in manual work, 16% in managerial jobs; and 20-30% is in the catering industry. In the United States, in contrast, the expatriate Bangladeshi population shows very high levels of education. This is explained by the fact that many of them came to the United States to pursue higher education. Many Bangladeshi Americans occupy professional or technical positions. Thus, as in the case of Sri Lanka, while the professional and skilled categories are not predominant in outflows, they tend to be prevalent in certain host countries over others.

The following section outlines the numbers, migration, geographic background and profile of the Bangladeshi diaspora. It draws heavily on the excellent and comprehensive survey done by Professor Tasneem Siddiqui of Dhaka University in her 2004 Report "Institutionalizing Diaspora Linkage" sponsored jointly by the Ministry of Expatriates Welfare and Overseas Employment (MEWOE) of the Government of Bangladesh and the Institute of Migration (IOM).

**Table 3.1: Number of Bangladeshi immigrants in industrialised countries.**

Country	Number of Bangladeshi Immigrant
UK	500,000
USA	500,000
Italy	70,000
Canada	35,000
Japan	22,000
Australia	15,000
Greece	11,000
Spain	7,000
Germany	5,000
South Africa	4,000
France	3,500
Netherlands	2,500
Belgium	2,000
Switzerland	1,400
Total	1,178,400

Source: Siddiqui (2004)

The table above from Siddiqui (2004) presents the estimated number of Bangladeshi migrants in those countries. It provides estimates of fourteen countries. In these countries there are about 1.178 million Bangladeshis now living abroad permanently either as citizen or with other valid documents.<sup>5</sup> South Africa is the only country of the African continent that has some information on expatriate Bangladeshis. On the other hand, though Japan does not admit long-term residents officially, there is a good segment of Bangladeshi diaspora population living in Japan.

All the countries except Japan and South Africa are from Western Europe and North America. The population census data of the UK and the US put the figure of EBs around 300,000 each. However, ethnic Bangladeshi press and also those who have information, claim that there are 500,000 Bangladeshis in each of these countries making them the two largest emigrant Bangladeshi receiving countries.

Organized migration to UK of course was connected to British colonialism. Bengalis in particular, gained the reputation as 'Lashkar' or seamen over the late nineteenth and early twentieth century. Within Bangladeshi seamen mostly originated from the southeast part of the country, i.e., Chittagong and Noakhali, which face the Bay of Bengal. People from those areas found jobs in British ships, which carried goods from Kolkata to all over the world. People from Sylhet region that was not adjoining the sea also joined the British merchant navy as 'Khalashis', cooks, cook-mates and cleaners. Experts on Sylheti migration speculate



that, this group did not have much experience with the sea and they jumped ship at the first opportunity. Due to the 'ship jumping' tendency of the seamen, small settlement of the Bengalis, especially Sylheti persons have been established in port vicinities in a number of countries including Burma, Singapore, Hong Kong, US and UK. Those who jumped ship in UK ended up settling in London, Liverpool and Bristol. These Sylheti seamen are identified as pioneer migrants of Bengal. Literature on Bengali migration to the US also shows that in the 1920s and 1930s a small number of Bengalis jumped ship in Detroit and Michigan port cities.

Sylhetis and people from Swandip constitute a large segment of the current Bangladeshi communities in US. The early migrants to the UK found jobs as labourers in different industries. Those in the US got employed as shopkeepers and security guards. Early migrants both in UK and US were mostly illiterate. They represented landless peasantry and all of them were male.

As Siddiqui (2004) notes, the second wave of migration to the UK started in the 1950s; in case of the US it gained momentum in the 1960s. The British Government adopted a policy to encourage labour migration from its erstwhile colonies, as there was acute labour shortage after the World War II. Once the British Government introduced its new immigration policy, a section of the sea faring migrants who had by then settled in the UK, sponsored their relatives from their villages. Arriving as young men in the post war period, most lived and worked in the northern cities such as Birmingham and Oldham. They found employment in heavy industries. Some went to London, worked in the garment trade as pressers or tailors. During the 1970s, the heavy industry sector of the UK was in decline and a large number of Bangladeshis lost their jobs.

This brought many Sylhetis to London from the north of UK. In the 1980s they started bringing their wives and children to the UK on a large scale. A small number of highly educated people representing the upper and middle class of Bangladeshi urban society, also migrated to Europe even before the Second World War. They came to UK for higher education. Gradually they entered into professional life in UK and changed their legal status into citizens. Nonetheless, the number of those who came as non-economic migrants is relatively small.

Siddiqui (2004) also notes that the nature of Bangladeshi migration to the US during the second wave is significantly different compared to that of UK. Professionals and skilled migrants dominated the second wave of migration. Students started arriving in US in the 1960s. A large number of students, after finishing their studies, did not return to

the then East Pakistan. Rather they chose to remain in the US by changing their immigration status from student to permanent residents. According to the 1986 immigration data, 61% of the Bangladeshi aliens who adjusted to the permanent resident status were students.

By the year 1992, it was estimated that 90% of the total population of Bangladeshi immigrants were professionals (Mali 1996). However, one must remember that people who migrated up to 1971 from the territory that now comprises Bangladesh, were not counted here. Up to 1947 they were counted as Asian Indian and during the period from 1947 to 1971 they were counted as Pakistanis. Since 1990s Bangladeshis are entering the US also under 'Opportunity Visa' (OP-1 1990-91) and Diversity Visa (DV 1995-96).

### Geographical Coverage

The Bangladeshi population of UK is overwhelmingly located in England (97 per cent). Again in England, the bulk of the Bangladeshi population live in the largest urban centers of Greater London, the west Midlands and Greater Manchester. Nearly half of the London Bangladeshis are found in the single Borough of Tower Hamlets, which hosts a quarter of the total Bangladeshis living in the UK. (Source: 1991 census). Tower Hamlets and the neighboring London Boroughs of Newham, Hackney, Haringey, Islington and Camden together contained 37 per cent of the Bangladeshi population of Great Britain in 1991. (Wrench & Qureshi, 1996). According to the census of 2001, 144,000 Bangladeshis are residing in London, making up just fewer than two per cent of the total city population. The numbers are projected to increase by over a third by 2011 (Kenny, 2002). The next largest concentration is in Birmingham. The first wave of EBs in the US located itself mainly in Detroit and Michigan. By the time the 1980 census took place, the Bangladeshis were geographically dispersed throughout the United States. They were found in all states of the US except seven. New York received the largest clusters of EBs i.e. 29%. In the 1991 census, the geographic location of the EBs changed significantly. Over 64% of the new immigrants chose to live in New York. Currently in the US, the largest concentration of Bangladeshis is in New York and in surrounding areas. These include New Jersey, Connecticut, Massachusetts, Pennsylvania, Maine, Washington DC, and Delaware. Ali estimates that in 1996, 50 percent of the total EBs were living in New York alone. The second concentration is in Florida and Texas, while the third largest concentration is around Los Angeles, Arizona, Oregon and Colorado. The following section looks at the socio-economic profile of EBs in the UK and US.



## Associations of EBs

Both in the UK and US, EBs have organised themselves in different associations and organisations. There is a wide range of associations. These include (a) associations of communities residing in particular geographical locations such as cities or states, (b) associations formed on the basis of district, thana, union or village of origin, (c) professional bodies, and (d) spiritual and religious bodies. Associations Based on Geographical Location at Country of Residence:

Associations centring a city or state is usually formed with membership of persons residing in those geographical locations. In fact almost all the cities and states in the US with a significant Bangladeshi population have an association of Bangladeshis. In the US some of the examples are, Bangladesh Society of New York, Bangladesh Association of Washington etc

**Professional Bodies:** Both in the UK and US, many associations are formed by EBs to fulfill specific vocational and professional needs. These associations are formed to help each other in their professional advancement through sharing knowledge, organising technical seminars, training etc. In the UK some of the organizations that belong to this category include Caterer's Association of Bangladesh, British Bangladeshi Chef Association, British Bangla Chamber of Commerce, Doctors Association of Bangladesh and Collective of Bangladesh School Governors. In the US the examples include, American Association of Bangladeshi Engineers and Architects, American Association of Bangladesh Pharmacists and American Association of Bangladeshi Travel Agencies. It is estimated that there are 4,000 Bangladeshi taxi drivers in New York alone. They have also formed their own association.

## Media

As Tasneem (2004) notes, both in the UK and US various forms of Bangladeshi ethnic media have developed. These include Bangla and English weeklies, radio stations and television channels. There are six Bengali newsweeklies in the UK: *Janamat*, *Natun Din*, *Shurma*, *Patriaka*, *Sylheter Dak*, and *Euro-Bangla*. Recently one English daily, *Dainik Bangladesh*, has begun publishing. Young EBs have also begun publishing another English weekly, *Bangla Mirror*. It targets the second and third generation Brit-Bangladeshis. Besides, various organisations have their own publications. Greater Sylhet Welfare Council publishes annual souvenir, the *Shurmar Dak*. It also publishes a newsletter named bulletin. In the US, *Probashi* was the pioneer publication of the Bengali community. Initially it was published as a bi-weekly, now a weekly. The other weeklies published from New York are *Shaptakhik Thikana*, *Bangali*, *Bangla Patrika*,

*Shaptahik Parichoy*, *Shaptakhik Darpan*, *Shaptahik Bangladesh* and *Ekhon Shomoy*. One of the EBs stated that "although these are weekly publications, as they are published on different days of the week, we use them as daily newspapers with added benefit of varied perspectives". *Jogajog* of Los Angeles, is the only weekly that is published from outside New York.

## Survey Results on Patterns of NRB Investments:

The Tasneem (2004) survey provides a valuable perspective on NRB attitudes towards investment. A majority of UK NRB investments were small-medium scale. But there was one large UK NRB group that had developed a project in Bangladesh named 'Nandan' which has undertaken two large-scale projects in Bangladesh. Both of them are being implemented in Dhaka. Under the first project a theme park has been developed in Chandra in a sixty-acre property. It is a joint collaboration of EBs from the UK and an Indian enterprise. Under the project a super market has been constructed in Gulshan which has subsequently spread to three other outlets within Dhaka. The Dhaka Regency hotel has also been developed by NRBs since the Tasneem survey. In addition, a number of NRBs have gained prominence as the sponsor directors of some of the leading private-sector banks and insurance companies. The most popular form of investment of EBs both from UK and US is the real estate sector. Most of the EBs had purchased apartments, and a few had constructed shopping complexes.

## Scope of Investment:

Tasneem (2004) reported that even those who did not make any investment in Bangladesh felt that there exists a major market in Bangladesh for making different kinds of investment by the expatriate Bangladeshis. 77 of the 113 respondents responded affirmatively. Only 9 from US did not think that it is possible for the EBs to invest in Bangladesh. Response of six UK interviewees is interesting. They stated that from economic point of view, they did see a lot of potential for investment.

Tasneem (2004) noted that those who answered affirmatively identified economic and psychological reasons why the EBs will be interested to invest in Bangladesh. These are,

- investment provides opportunities for maintaining a link with the country of origin;
- it creates alternative options to fall back when required;
- it makes provision for self after retirement;
- it creates opportunity for being recognised in a person's own society;

- it gives satisfaction of being able to do something for the people of the country;
- It is possible to maximise latent opportunities by investing in Bangladesh;
- it has potential for offering reliable and good return;
- it provides opportunity to maximise benefits due to low interest rates in the country of residence;
- it has cheaper operating cost;

The respondents identified some of the sectors where EBs can invest. These are real estate, trade, business and manufacturing, transportation, Information Technology, textile, agro-based small-scale industries, buying industries from Government under privatisation scheme, tourism, savings, health sector, leather industry, small-scale food processing etc. Opportunities identified by the expatriates for investment in Bangladesh can be divided into 4 broad categories. Firstly, investments that require large scale resources and major negotiation with the State. In some cases this investment may also require joint ventures with multinational or other international partners. Telecommunication and energy sectors are the two major areas identified by the respondents. Interestingly, those who identified these sectors of investment are from the US. Investment opportunities that requires relatively large investment yet it is much smaller than the first type constitutes the second group. Individual investors or joint stock companies along with local partners would be able to manage the fund requirement. Borrowing facilities from the country of residence or Bangladesh will suffice their capital needs. State owned industries, which are currently being privatised, make one such investment sector. Tourism, leather and pharmaceutical industries are three other areas of such investments. Need for interaction with the State for development of such industries is also quite high.

The State plays a major role in privatisation decision although privatisation board is there. The highest number of interviewees as an area of investment mentioned development of real estate. This can be treated as a separate category with some overlapping with the second category. Investors can operate with relatively less interactions with state machineries. Role of the State is mainly at the level of granting permission. Purchase of land and construction of multistoried building with the purpose of selling or renting, construction of shopping complexes or purchase of flat or individual shops are some of the examples. There are some specific investment options particularly mentioned by the UK respondents that also fall into the third.

#### Solutions Suggested by the Expatriates:

One suggestion from the Tasneem survey respondents was that the Ministry of Expatriates' Welfare and Overseas Employment needs to institutionalise a process for maintaining a liaison with the Privatisation Board.

The EBs also suggested involving their representatives in the Board of Investment (BOI). Large-scale investors also pointed out that the Government has to facilitate access to stable infrastructure to the investors. But on top of everything the Government has to ensure healthy law and order situation and put a leash on extortionist and rent-seeking activities.

In order to encourage the investment of the EBs, various incentive structures have been implemented. In consultation with concerned authorities steps have been taken to introduce regular remitter card (RRC) to encourage expatriates to remit through the official channel. During the period of 1 July 2002 to 20 June 2006 expatriates can invest any amount of money in commercial and industrial sectors and in these cases the Government will not enquire about the sources of funds. The following incentives will be given to the expatriates who are interested to set up agro-based industries in Bangladesh.

- Interest earned from foreign currency will be tax free.
- Wage Earners Development Bonds purchased will be tax free.
- There is no need to produce income tax paid certificate during departure from Bangladesh by the expatriates and his/her family members holding foreign passports.

In Government housing projects, sufficient numbers of plots (1,000) have been reserved for expatriates. Opportunities have also been created for expatriates to avail low cost housing. Expatriates will get preference to purchase dollars. Special incentives are also being planned for those expatriates interested in the communication and transport sector. EBs will enjoy cheaper rates while purchasing denationalised industries. Further incentives offered are:

- 40 percent reduction in the price for expatriates will be given if they pay 100 percent price at a time within thirty days.
- 20 percent reduction of price will be given if 75 percent of the total price is paid at a time within thirty days.
- Extra 5 percent reduction of price will be offered if the payment is made in foreign currency. The Government has decided to honour Important Non-Resident Bangladeshis (INRB) who will invest in the country. A committee has been formed to frame a policy under the chairmanship of the Minister for EW&OE. Expatriates who invest equivalent of US\$500,000 in foreign currency, expatriates who remit equivalent of US\$750,000 will be honoured as INRB. However, it may be stated that bestowing honours on the

EBs should not necessarily be restricted only to those who are investing in Bangladesh. It should be more broad based incorporating all kinds of contributions ranging from role in war of liberation to community development.

### Examples of Bangladeshi Diaspora Initiatives

As Chanda (2008) has highlighted, there is evidence of technology and knowledge transfer by the Bangladeshi Diaspora in the health sector. The Bangladesh Medical Association of North America (BMANA) have organised workshops on specialised topics in Bangladesh, donated latest technology, and trained specialists. Some specialist Bangladeshi doctors and medical professors from the United States have performed 41 interventionist procedures and trained doctors in various medical institutions in Bangladesh. Training has also been arranged for visiting surgeons from Bangladesh in United States hospitals. One well known Bangladeshi cardiologist in the United States has established a cardiac Electrophysiology centre at the NICVD in Bangladesh, arranged and hosted few weeks training of NICVD staff in the United States, and has also arranged seminars on cardiology for general practitioners in Bangladesh. Some diaspora have arranged major international seminars such as the second infection control seminar in July 2006, which was organised and attended by several Bangladeshi health care professionals based overseas. In other professions too the Bangladeshi diaspora has made contributions. The American Association of Bangladeshi Engineers and Architects (AABEAT) has set up the Bangladeshi ICT Business Centre, which is a shared business office in Silicon Valley, which offers the services of over 30 innovative information and communication technology companies from Bangladeshi under a single umbrella. This office was set up in partnership with the Commerce Ministry of the Bangladesh Government and is a good example of a collaborative venture between the Bangladeshi diaspora and the government. This association has worked with the Intel Bangladesh Association for the disbursement of funds towards knowledge transfer and education projects in Bangladesh. One major project undertaken by this association is the establishment of a fully furnished education lab and curriculum development for engineering courses. TechBangla, which is a non profit organisation registered in the United States and in Bangladesh helps in the transfer of technology to Bangladesh. It facilitates technological collaboration between resident and non resident Bangladeshis, through joint ventures and foreign direct investment. The TechBangla IT research Cell aims at fostering IT related research in Bangladesh and to enhance its impact on economic development in that country.

Chanda (2008) also highlights several examples of philanthropic contributions by the Bangladeshi, especially in the context of the healthcare sector. There are also examples of charitable contributions made by non profit and mission driven organizations by the Bangladeshi diaspora. The Bangladeshi American Foundation provides support to the poor and destitute in Bangladesh. The Bangladeshi diaspora in the United Kingdom has facilitated collaborative intergovernmental projects on issues such as waste disposal, local governance, and traffic management. The Bangladesh Environment Network gathers and disseminates information about environmental problems in Bangladesh and tries to facilitate the adoption of environment friendly policies and solutions to environmental problems in Bangladesh by connecting residents and non residents. Surveys of overseas Bangladeshis reveal that there is considerable willingness on the part of the country's diaspora to invest in community development initiatives for altruistic reasons.

Their main areas of interest are community development, disaster relief, orphanages, and religious institutions and their upkeep. Chanda (2008) also notes that the Bangladeshi diaspora has likewise played some part in influencing public policy and opinion in their host countries. The Bangladeshi-American Foundation for example, works with the United States Department of State to facilitate meetings and interactions between United States government officials and Bangladeshi organizations to mobilize support for home country causes and interests. The American Public Affairs Front that was set up by Bangladeshis not only mobilizes the diaspora Bangladeshis in political activities in the United States but also lobbies with the United States government and Congressmen to enact policies in favor of Bangladesh. This group has taken up issues such as the access of Bangladeshi garments to the United States market, arsenic pollution in Bangladesh's ground water, and other environmental problems in their home country.

On the investment front, remitter cards have been introduced to encourage expatriates to remit through the branches of five nationalised banks and through exchange centers in Bangladesh. The government has also made it easier for expatriates to purchase denationalized industries, offering them price discounts. The government has also decided to honor important nonresident Bangladeshis who invest US\$500,000 in foreign currency and who remit the equivalent of US\$750,000 in the country with special Important Non-Resident Bangladeshis status. For those setting up agro based industries in Bangladesh, various tax exemptions will be granted on interest earnings from foreign currency and on Wage Earners Development Bonds.

## Brain Drain, Gain and Circulation Theories of Migration

A traditional analysis of migration focused on the fact that the source country loses their skills and output, especially in the case where migrants are disproportionately made up of skilled workers. Educational investments in the source country become subsidies to the destination country. These effects constitute the much maligned "brain drain."

Yet other forces at work where skilled migration leads to "brain gain" help to build capacity in source countries. As has noted, case studies suggest that skilled migration can prompt families to invest more in education, both because of the prospect of securing an overseas job and because the skill prices are pushed up in the source country as skilled migrants leave. Source countries also benefit from the return of migrant professionals, bringing back increased skills and knowledge.

Some evidence suggests that these return flows are significant, and that many of these return migrants have received further education and training (Meyer, et. al., 1997). Education and training in destination countries benefit source countries when skilled migrants return. When skilled migration estimates are adjusted for such return migrants, the net brain drain can be sharply reduced.

### Transnational and Diaspora Knowledge Networks

As Wescott (2006) has noted, "there is also emerging evidence that overseas professionals can benefit their home countries even without returning to them. Factors conducive to such diaspora contributions include: (i) their ability to mobilize (e.g., the existence of social capital or networks that link diaspora members to each other through formal or informal associations); (ii) opportunity structures (policy frameworks and related incentives in the home and host country, opportunities to develop skills and knowledge, and the existence of intermediary organizations); and (iii) motivations, both those deriving from opportunity structures, and migrants' own interests in expressing their identity, perhaps as they seek prestige and economic benefits."

### Social Capital and Diaspora

As Wescott and Brinkerhoff (2006) note the most commonly identified factor necessary for effective mobilization is the creation of a sense of solidarity and community identity. That is, a dense network of relationships, or bonding social capital, can engender trust

and generate the shared identity required for collective action. Furthermore, "the more intense the Interaction, the higher the likelihood of participation" (Dutton and Lin, 2001: 196). Community identity is the foundation for acting collectively, as opposed to individually, and it enables the harnessing of diverse resources and capacities. These include material resources, skills, and organizational resources. To effectively mobilize, diaspora members must possess capabilities (personal and interpersonal skills, and experience) and confidence. Diasporas' specific skills and capacities (whether as individuals or associations) inform both the mobilization process and the nature and impact of their contributions to the homeland. Bringing these material resources, skills, and capacities together requires an organizational or networking base (see Klandermans and Oegema, 1987), which enables diaspora members to contribute their perspectives, skills, and resources to the collective effort

### Role of Information Technology

Information technology (IT) has emerged as an essential enabler of diaspora knowledge transfer and exchange (see, for example, Pellegrino, 2001). Among other things, it holds great potential for providing the information system proposed by Meyer and Brown (1999b), which would include a searchable database of diaspora members and their skills on the one hand, and opportunities/needs in the homeland on the other. It also supports less formal bridging social capital by fostering networks that encompass a broader range of potential actors (including skilled individuals outside of the diaspora), directly connecting diaspora individuals and organizations, with homeland resources and organizations—both public and private—beyond national governments. Less formally, IT can be used to cultivate bonding social capital and community, which fosters will and ability to mobilize for homeland contributions (see Brainard and Brinkerhoff, 2004; Brinkerhoff, 2004; Brinkerhoff, 2005c; see also Pellegrino, 2001). Through IT, knowledge transfer and exchange projects can be proposed, designed, and vetted. IT also enables diaspora knowledge contributions without necessitating short-term return or repatriation. This further challenges the human capital approach to brain drain, which assumes that knowledge moves only with the physical body (see Meyer, 2001). It also enables the sustenance and continued development of the sociocognitive networks that yield and potentially maximize valuable knowledge. In fact, the Internet is the main tool of the intellectual/scientific diaspora networks studied by Meyer and Brown (1999a). It is IT that has enabled diaspora connections to the homeland to evolve from "sporadic, exceptional and limited links" to "systematic, dense and multiple" ones (Meyer and Brown, 1999a: 6)

### Strategies to capture Diaspora Knowledge

Some academic theorists see skilled diaspora as an asset to be captured (Meyer et al., 1997), and is the primary focus of this volume. Gamlen (2005) further distinguishes three types of related diaspora engagement strategies: remittance capture, discussed above; diaspora networking; and diaspora integration. Diaspora networking refers to the bridging social capital discussed above, specifically networking that links the homeland to the diaspora. The diaspora integration strategy recognizes the diaspora as a constituency that is marginalized from the homeland. Thus, related policies include, for example, the extension of citizen rights such as voting, and the organization of diaspora summits and diplomatic visits to diaspora organizations in their host countries. Mexico, a leader in the diaspora option generally, has even created positions for elected diaspora representatives in state parliaments. Diaspora integration policies confer social status, political influence, and legitimacy to the diaspora and its potential efforts to contribute to the homeland.

### Commercial or Career Motivations for Diaspora Engagement

Kuznetsov (2006) notes that However, intrinsic motivation is not the only factor, often not even a central factor, in spurring people to become involved with their home countries. The more traditional external motivation of professional advancement is also crucial. High-profile members of the Indian diaspora took the risk of convincing their U.S. bosses to establish research operations in India because doing so was a smart career move. In general, in the early stage of personal development of expatriate talent, the motivation of professional advancement predominates; this overarching motivation makes a migrant forget where he or she came from. Migrants are usually concerned with getting ahead individually and are not concerned with collective diaspora identity, and those personal ambitions drive the nature of the projects they sponsor at home, which are often limited to unpublicized sporadic and individual efforts. This embryonic stage of diaspora involvement is apparent in many postsocialist countries, such as the Russian Federation and Ukraine.

### Diaspora Role as Investment Pioneers

Kuznetsov (2006) also highlights the critical role expatriates have played in accelerating technology exchange and foreign direct investment in China, India, and Israel. Expatriates frequently took on the role of pioneer investors at a time when major capital markets regarded these economies as too risky. Some of these investors were

prompted to undertake early-stage participation because of nonfinancial intrinsic motivation and some had access to effective mechanisms for risk mitigation that were not available to other investors.

### Turning Diaspora “Discussions” into “Transactions”: Producing Tangible Outcomes

Kuznetsov (2006) also makes the important distinction between words and action and highlights the importance of the latter in an effective expatriate strategy. He notes that: Diaspora members can be useful to their home countries in two broadly defined modes of involvement: discussions and transactions. Discussions include Web sites, conferences, workshops, online communications, and other activities that help diaspora members get to know one another, connect, and define how they can contribute to the development of their home countries. Transactions involve actions that usually require a time commitment. They can, although they do not have to, also involve monetary contributions.

### The Challenge of Sustaining the Initial Enthusiasm in Diaspora Projects

A key challenge in diaspora network building is ensuring longevity. Kuznetsov (2006) notes that “Diaspora activities are easy to initiate, but difficult to sustain. Enthusiasm about getting involved is enormous and manifests itself in diaspora Web sites, conferences, and other meetings—activities that do not require major commitments of time or money. But initial enthusiasm tends to evaporate as easily as it emerges: people get tired of meetings and discussions alone. The most common mistake in trying to harness a diaspora is to be carried away by discussions without turning them into tangible outcomes. People like to see tangible outcomes, such as the initiation of joint research projects with home country scientists and the provision of assistance to a start-up in the home country so it can find new markets. These tangible activities can be referred to as transactions or projects. Thus a project is a set of discrete activities and outcomes that can be measured. A project can be as small as the visit of a professor to a home country, but does require active commitment in terms of time and money.”

Diaspora programs need to elicit commitments from diaspora members. The commitment can come in terms of the time associated with developing a project or the money needed to finance it. A project can be commercial or philanthropic.

Kuznetsov (2006) goes on to note that “Most diaspora initiatives run out of steam, and thus eventually fail,



because they fail to transform discussions into projects. Many diaspora initiatives naively assume that initial enthusiasm will spontaneously result in something tangible and that the early enthusiasm will last forever. Too often results are expected quickly; an understandable desire, because demonstrable outcomes are what keeps the process going. Thus a central issue is the long gestation period from initial discussions to commitments, particularly when large commitments are involved. A recommendation is to start with small commitments and small projects, increasing the scale and scope of projects gradually with the accumulation of trust and experience, thereby winning over skeptics who may have had unsatisfactory experiences in the past. Commitments may start with occasional lectures at a home country university or the supervision of a talented student's project and eventually move on to a large research or business project."

Trust and experience build credibility, which must be earned by all participants. Diaspora members may have been involved in activities that started with good intentions, but failed because a key actor (usually the government) was unable to keep its commitments. Once small projects have achieved tangible outcomes, these outcomes can serve as demonstrations that can be celebrated at meetings, conferences, and workshops. Thus the proposed sequence is from small discussions to small transactions and only then to large discussions convened to generate larger transactions. This differs from the usual sequence, which begins with large discussions that gradually devolve into small discussions because of the absence of transactions to focus the participants' energy and maintain the momentum of the process.

Developing diaspora networks is a long process during which the network gradually earns credibility within the diaspora and at home. As the network's credibility strengthens, diaspora members move from negligible contributions ("feel good" engagement) to exploration mode and then to large-scale engagement (table 11.3).

#### Initiating and Sustaining the Process: The Role of Individual Champions and Institutions

Another valuable contribution of the Kuznetsov analysis is to highlight the bell curve within the diaspora, that is, the need to identify the change agents or champions. He notes that "Before the credibility of the network is developed, individual champions initiate the process by investing their own social capital, bringing people together for a cause. One cannot overestimate the role of individuals in mobilizing the diaspora. When little else is available or can be trusted, they are the key institutions. Individual champions make connections, allay skepticism, and

propose project ideas. They move the process forward against all odds. Such champions usually combine their commitment as individuals with a high position in a formal hierarchy, using resources and organizational "weight" to initiate the process."

Many diaspora initiatives were unsuccessful because they failed to identify such champions or to ensure that they stayed involved for a sufficiently long time. In the absence of individuals with high personal credibility, little can lend credibility to an insipid diaspora process, particularly because governments begin with little credibility.

He makes the additional analogy "The alumni model has considerable relevance for developing countries and the organizations that support them. While all alumni are asked for support, actual support is highly concentrated. For 1 percent of the alumni base, which often includes 100,000 or more members, to provide 90 percent of contributed resources is not unusual. The universities are highly skilled at identifying this group of alumni and maintaining contacts with it through individually crafted programs."

#### The Importance of Strong Home Country Institutions

While individuals are crucial to initiate the process, home country organizations are what sustain it. The quality of home country organizations appears to be the single most important determinant of diaspora initiatives. Even where diasporas are massive, rich, entrepreneurial, and enthusiastic about getting involved—as in the case of Armenia—they often run up against the binding constraint of home country organizations. This is why Chile and Scotland, with their effective home country organizations, have had much more success in interactions with their diasporas, even though their diasporas are small and less wealthy than the diasporas of Argentina and Armenia.

Huge variation in the quality and diversity of home country organizations creates a tremendous number of organizational paths for generating credible commitments of diaspora members. In induced development, the government program serves as a trigger; the evolution is from individuals to government organizations to nongovernmental organizations. In spontaneous development, the evolution runs from key individuals outside the government to professional diaspora associations to government organizations, which gradually assume a larger role. Spontaneous development tends to be sufficient in large countries with large diasporas (China and India are two examples), while a more proactive effort is necessary for small countries with small diasporas.



### Synergy between Project Development and Project Implementation in Diaspora Engagement

Commitment	Level of engagement		
	Negligible	Relatively small	Relatively large
Low: seed money	"Feel good" philanthropy: small, occasional donations, private transfers	<ul style="list-style-type: none"> <li>• "Let's try it" engagement</li> <li>• Self-financed visits to the home country</li> <li>• Self-financed participation in diaspora conferences</li> <li>• Activism in diaspora organizations</li> <li>• Consistent investment of time to develop useful projects</li> <li>• Investment in community infrastructure and development of small and medium enterprises through projects based on collective remittances</li> </ul>	<ul style="list-style-type: none"> <li>• Development of major projects</li> <li>• Mobilization of resources for major research projects</li> <li>• Engagement with start-up firms in the home country to help firms enter foreign markets</li> </ul>
Large: investments and donations	'Showcase' philanthropy: large and highly visible projects (such as sponsoring local orphanages and schools), private transfers, painting churches	<ul style="list-style-type: none"> <li>• Venture philanthropy and venture investments</li> <li>• First-mover projects: development and financing of new types of projects, such as organizing distance learning events to bring cutting-edge knowledge to the home country</li> <li>• Venture investments: developing and local financing projects (venture capital networks in China and the Republic of Korea)</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of cutting-edge educational institutions in the home country (business school in India, university in Turkey)</li> <li>• Collective diaspora investments (setting up a bank or business incubator in the home country)</li> <li>• Return migration of talent (teaching at a local university, setting up a modern hospital)</li> </ul>

*Source:* Kuznetsov (2006)

Where home country institutions are weak, donors, who are already engaged with the country despite its institutional weaknesses, can play an important role in mobilizing the diaspora. Using the diaspora as a partner for development provides donors with an additional tool and can be a cost-effective channel through which to provide development assistance, with a considerable upside gain if things turn out well.


**Level of Diaspora Engagement Based on Country Conditions and Characteristics of the Diaspora**

	<i>Country conditions</i>		
	<i>Unfavorable</i>	<i>Moderately favorable</i>	<i>Favorable</i>
<i>Characteristics of the diaspora</i>			
<i>Relatively large, mature, and well organized (sophisticated diaspora networks)</i>			
Role of expatriates	Antennae and role models	Launching pad to move to knowledge-intensive value chains Form brain circulation networks; encourage return migration	Key resource in transition to knowledge-based economies
Activities	Engage diaspora in dialogue about reform and engineer visible demonstration projects		Encourage return migration; form sophisticated brain circulation networks
Country examples	Armenia, Bangladesh, Sri Lanka	El Salvador, India, Vietnam	China, Korea, Rep. of, Taiwan (China)
<i>Relatively disengaged (emerging diaspora networks)</i>			
Role of expatriates	Antennae and role models	Gradual engagement	Entry point to knowledge-intensive growth
Activities	Engage diaspora in dialogue about reform and engineer visible demonstration projects	Create expatriate networks; initiate activities to encourage return of talent	Establish brain circulation networks; encourage return migration
Country examples	Colombia, Comoros, Nigeria, Russian Federation, Ukraine	Brazil, Mexico, and Croatia, Chile, other Latin American countries; Pakistan; South Africa; some transition economies	Croatia, Chile Hungary, Slovenia, smaller Asian tigers (Malaysia, Thailand)

*Source: Kuznetsov (2006)*

## Diaspora Data Collection and Definition Issues

### Data collection on diasporas

Reliable data and information are essential for governments to engage diasporas in practical programmes for development.

The most effective way to collect data on diasporas is to combine domestic and external resources, as well as data from the sending and the receiving country. The domestic resources are consulates, ministries of foreign affairs, education and justice, the national statistics offices, and population registers and censuses and employment agencies can also provide data. External resources include statistics divisions of international organizations and international census bureaux. Sending countries keep records of exit data that can be compared with the entry data in receiving countries and compilations of foreign-born statistics.

Data are also available from a number of non-governmental diaspora organizations, such as AFFORD which has undertaken a profiling exercise on first and second generation diasporas. The Organisation for Economic Co-operation and Development (OECD) has created a database (2004) aiming to offer comparable data on foreign-born populations, covering 227 countries of origin and 29 receiving countries within the OECD area. The database also differentiates between foreign-born and non-citizens. This database is of great interest to sending countries to improve their knowledge on their own expatriates abroad. The largest numbers of expatriates in the OECD area are from Turkey, central and eastern Europe, and migrants from North Africa are concentrated in France, Spain and the Netherlands, with Spain hosting over 740,000 expatriates from Latin America.

Five main levels of useful data on diasporas can be identified:

#### a) Individual data

In order to register the members of diasporas abroad it is first of all necessary to define the target population. This raises major issues, such as citizenship and residence definitions, as well as practical registration problems. Data on diasporas involves, among others, demography, location, country of destination, gender, age, qualification, occupation, length of stay.

The sources of information concerning the size of the diasporas can be very diverse. Censuses can measure stocks of residents abroad through censuses in the home country (measuring residents temporarily overseas) and more

rarely censuses abroad, such as undertaken by Chile in 2003. Consular registers, such as those kept by Colombia offer information on expatriates. Identification cards delivered at home for expatriates or abroad are also a useful data source, such as in the case of India (PIO and NRI, cf. supra.) and Mexico (*Matricula Consular* in collaboration with the United States). Other sources can be databases, such as the Filipino Overseas Information System related to the Commission on Filipinos Overseas and Statistics and to the National Registry of Overseas Absentee Voters. A number of developed countries keep special databases of their citizens abroad. For instance, the Database of Italians Abroad, where citizens staying abroad for more than 12 months register with consulates abroad and the information is transmitted to one single national database. Other indications are obtainable through voter evidence and the number of voters abroad, when countries do allow voting outside the home country.

#### b) Collective data

This type of data includes statistics on a variety of associations, networks, community organizations, clubs and societies, including non-profit, religious, political, human rights, educational, professional, scientific. El Salvador has registered 400 associations abroad in a database, which is combined with a database of local institutions in El Salvador interested in diasporas. Collective data offer a good insight into the level of organization of diasporas and their priorities for action. This information is most useful to identify partners for collaboration among diasporas.

#### c) Transnational flows

One of the major policy interests in diasporas is driven by the transnational links created and facilitated by such expatriate populations between their home and host countries. Accurate information is key to inform policymakers willing to collaborate with diasporas on existing flows of goods and funds and to define priorities for action.

Remittances, defined as transfers of private funds from expatriates abroad to their home country, are an example of such transnational flows that attract significant policy attention today. Although an important number of initiatives aim to measure and analyse these flows, they are limited by the important volume of informal transfers that escape statistical measurement.

Less attention is devoted to other types of transfers and transnational flows, and statistics are therefore still missing on trade and foreign direct investments driven by diasporas. To make these figures available, business and trade reporting should be adapted in order to register the proportion of diaspora contributions.



#### d) Qualitative data

Qualitative data are important for the design and implementation of policies targeting diasporas. Information on stocks and flows is insufficient in respect of policies concerning returns. The decision to return, be it temporary or permanent, will depend on a number of factors that can be evaluated through surveying diaspora groups and analysing their personal strategies. Surveys on specific diasporas collect specific information through questionnaires and face-to-face interviews. Improved access to information on circular and temporary migration can also provide relevant guidance to involving diasporas for development purposes. Longitudinal studies are needed for the long-term monitoring of diasporas and to understand the evolution of their interests, attitudes and strategies.

Knowing the root causes of migration and the history of migration flows that led to the formation of diasporas are important to understand the status and strategies of diasporas, and the development of appropriate policies. For instance, Arab migration, in particular Moroccan migration to Europe, has undergone major changes (IOMLAS, 2003) during the last 20 years. The number of people heading enterprises and in leading professions has increased leading to new areas of exchange between countries of origin and destination. This type of information cannot be obtained nor assessed through the mere counting of expatriates.

A Strategy for Leveraging the Diaspora Ionescu (2006) outlined a Diaspora Policy Roadmap that is reproduced below. Key elements include:

## Diaspora policy roadmap

### Define and identify diasporas

1. Gather existing data on diasporas: size, geographical distribution, gender, age, education, skills, occupational and residence status, contributions to trade, FDI and remittances flows, belonging to networks, groups, organizations and associations with a development objective.
2. Identify knowledge and data gaps as well as limitations to the registration of populations abroad. Improve quantitative and qualitative knowledge on diasporas through population census and registration abroad, questionnaires, surveys, exchange of data between host and home countries, analysis of exit and entrance flows.
3. Acknowledge the diversity of diaspora strategies, backgrounds and interests and refrain from adopting homogenizing definitions and approaches in order to be able to define a large range of areas for collaboration.

### Identify key development priorities and concrete projects to build a common agenda with diasporas

4. Undertake a comprehensive assessment of development needs and priorities in the home country. The link between diasporas and development has to be well defined from the start in order to avoid unrealistic plans and unfulfilled expectations.
5. Invite diaspora representatives, associations and representatives and integrate their contributions into existing endogenous development strategies: home countries to involve representatives of diasporas in the preparation of their annual development strategies or the making of their poverty reduction schemes; host countries to work with representatives of foreign diasporas to contribute to the making of development strategies targeting the diasporas' countries of origin.
6. Match diaspora resources with genuine development needs and facilitate cooperation between diasporas and existing development institutions (investment projects, microcredits, mutual funds) and innovative development practices (business incubators, clusters of enterprises, social enterprises, women networks, business services, activities of chambers of commerce, training, etc).
7. Support the participation of diasporas in partnerships with the private sector, academia, the public sector (hospitals, schools, etc.), international organizations, NGOs,

recruitment agencies, business development services or chambers of commerce that can relate diaspora inputs to identified development needs.

8. Take existing macro and micro socio-economic factors in the home country into account during the policy design process that can offset or enhance the success of policy initiatives.

#### **Identify partners among diasporas and recognize their own agenda**

9. Build databases listing diaspora initiatives: community programmes, networks, associations, professional and business clubs and other grassroots organizations.

10. Support already formed and active diaspora networks and organizations and assist them in the realization of their own agendas.

11. Define and take into account gender specificities, interests and strategies among diaspora members as these can lead to differentiated expectations and contributions.

#### **Identify how and where diasporas will add value to the development agenda**

12. Profile diasporas according to professional categories, qualifications and skills; undertake an assessment of skills and qualifications obtained abroad. The focus on the highly skilled should not lead to a neglect of other aptitudes and skills vital for home and host countries.

13. Adopt a sector-based approach: provide responses according to the particular challenges of professional sectors such as information and technology, the medical professions, education, police and so on.

14. Identify what contributions are already being made by diasporas in terms of trade shares, investments and business creation in the home country.

15. Support regional, municipal and local projects that can provide specific and targeted opportunities for diasporas who are often interested in investing in their region of origin or one they know well.

16. Capitalize on existing diaspora social capital networks with a view to facilitating and lowering the cost of transfers.

17. Explore the potential negative impacts of pro-diaspora policies in the context of the home country.

#### **Adopt incentives that will attract diasporas to participate in development programmes**

18. Relate measures targeting diaspora contributions to the granting of rights for diasporas, such as dual citizenship,

voting rights, property rights, social rights, national or special identification cards, etc.

19. Relate measures targeting diaspora contributions with the provision of services for diasporas: access to credits and microcredits, business registration services, remittance transfer services at low rates, etc.

20. Favour the transferability and portability of social rights, pensions, savings schemes, invalidity rights, etc. between the host and the home country.

21. Promote and advertise the simplification of bureaucratic procedures as an incentive to attract and channel resources from the diaspora towards development projects.

22. Define, where appropriate, special schemes for diasporas offering financial advantages, fiscal incentives and tax breaks while keeping in mind that these measures may be unpopular with the population in the home country.

#### **Identify major obstacles to diaspora contributions**

23. Explore which structural, macro and micro-economic settings, cultural, social (education, health, housing) and political contexts may hinder policy success and offset the effects of technical arrangements.

24. Identify the obstacles that diasporas perceive as barriers to their contributions: lack of an appropriate transport or banking infrastructure, bureaucratic burdens, weak partnerships, corruption, lack of support networks, unclear interlocutors at governmental level, poor consular services, etc.

#### **Choose appropriate policy tools**

25. Analyse the policy context to determine which tools will be appropriate and effective in a given environment.

26. Select from a broad range of measures: direct (tax breaks, matching funds, human capital programmes, information campaigns, homecoming events for diasporas, scholarships, etc.) and indirect (developing infrastructures, alleviating bureaucratic burden, building partnerships, developing general financial and business facilitation instruments, etc). A mixture of direct and indirect measures ensures a balanced approach.

#### **Build governmental capacity to work with diasporas**

27. Ensure that policy engagement is clear, well known and secured at senior governmental level in order to build dialogue with diasporas and the legitimacy for the policy targeting diasporas.

28. Ensure that resources devoted to diaspora policies match objectives.

29. Promote institutional change to help public servants collaborate effectively with diaspora representatives and contribute to leadership building.

### The Key Bangladesh Diaspora Strategy Recommendations from the Siddiqui Report

The IOM sponsored report by Siddiqui (2004) included a number of specific recommendations. We summarize some of the key ones below. But what is noteworthy is the extent to which relatively few have been effectively implemented. This suggests the need for an additional private sector diaspora organization based in Bangladesh to act as an interface between the Government of Bangladesh and the various NRB organizations globally. Such a new institution also needs to be motivated to perform an ongoing catalyzing impact of the diaspora strategy.

Some of the Siddiqui (2004) recommendations made include.

#### Reserved Seats

In order to create opportunities for young EBs to interact with Bangladeshi students of similar age group, the study recommends reserving a few seats for the wards of EBs in the medical colleges, engineering universities and selected departments of public universities. Access to these reserved seats should be determined on the basis of competitiveness. The candidates have to meet certain minimum standards. The fees for the reserved seats should be calculated on the actual cost basis without allowing any subsidy that the local students receive. A brochure has to be prepared which will detail the system of education, courses offered, faculty strength and examination procedures.

#### Bangladesh Study Programme

In the UK it was found that EBs were concentrated in greater London, particularly in the East End area. In the US, one half of the EBs live in New York and surrounding areas. Again their major concentration is in few areas of the New York city. The study recommends that two universities in those two localities may be approached to introduce Bangladesh study programmes.

Under the auspices of the Cell in mission offices, sub-committees may be formed. University EB teachers and senior representatives of the Bangladesh missions will be the members of the sub-committee. The sub-committee will facilitate introduction of courses on Bangladesh in the programmes of the university that offer courses on South

Asia. The committees will identify two local educational institutions, one each in the UK and US, to provide support in this respect. Two Bangladesh Chairs may be created in the hosting institutions with Government and private sponsorship. The holders of Bangladesh Chairs will be responsible for steering through the Bangladesh study programmes.

The sub-committees will be preparing the outline for the course through a needs assessment process. The history of Bangladeshi migration to the UK and US and their contribution to the economy of Bangladesh should be an important part of the course. It will also look for sponsors or convince the university authority to incorporate that in their curricula. Such Government intervention will go a long way to demonstrate the commitment of the Government.

The study programmes will enable the young EBs and others to generate interest in Bangladesh. They will also help the universities to serve communities where they are located. At the same time it will also result in development of an informed group of people who will be able to help explain Bangladesh's position to the policy makers and people of those countries. The Singhvi Report on the Indian diaspora time and again highlighted the role of intellectuals and university students in explaining Indian Government's position during crisis situations like Kargil conflict and in the aftermath of Pokhran nuclear test.

#### Diaspora Research Centre

An interdisciplinary research centre may be developed in one of the public universities to specialise in diaspora and migration studies. Given the importance of remittance for the Bangladesh economy and the need for maintaining link with second generation EBs, the University Grants Commission may be requested to generate necessary resources for such centre. Close linkage should be established between the Ministry of EW&OE and the Centre to chart out the research and policy agenda. Young professional EBs should be the target for involvement in research.

#### Student Exchange Programme

It was seen that a very large segment of EBs brings their children to Bangladesh to generate an interest with their roots and develop bondage. These trips are highly valued by the young EBs that help them in getting to know the Bangladeshi culture and tradition. However, such individual interaction at family level needs to be supplemented through institutional efforts to provide a wider cultural identity to the EBs. Both developed and developing countries treat student exchange programmes as an important avenue to generate cross-cultural knowledge.



### Encouraging Investment of EBs

It was seen that the Government has introduced different schemes to encourage investment from its diaspora. All the information however are not available to the targeted population. This report also demonstrated that a section of EBs is interested to invest in Bangladesh for different reasons. These include: low rate of interest, great potential of profit margin, cheap operating cost, alternative option for falling back if need arises and maintaining links with home country. The study showed that a large number of EBs have already made different types of investments most of which is through personal initiatives. The majority investment however was made in real estate, housing and in financial instruments. A few large-scale investments were also made. All groups of EB investors face certain problems. In order to reduce those problems and widen the investment the following recommendations are made.

*Information:* In order to attract the EBs to invest in Bangladesh under the leadership of the Ministry of EW&OE, a sub-committee has to be formed. Ministries of Commerce and Planning, Chambers of Commerce and Industry and the Privatisation Board will be represented in the sub-committee. The sub-committee will commission a report covering information on the current industrial policy, investment guidelines, future investment opportunities particularly for the EBs and the list of industries that are being disinvested. The report will also offer information on infrastructure development initiatives that are likely to materialise in the foreseeable future. The report should be updated every three months.

*Dissemination of Information:* The report has to be made easily accessible to the potential investor EBs through following methods. It should be made available at the Ministry of EW&OE. Adequate copies of the report should also be made available at the Bangladesh missions in the UK and USA. Under the guidance of the Mission head, the trade commissioner or any other person responsible should organise meetings on a bimonthly basis with the EBs, business bodies and brief them about the changes in the industrial policies or on future privatisation schemes. To facilitate EBs access to the information, the Ministry of EW&OE will create a website and all information pertaining to investment should be made available on the website. The press wing will publicise information about investment opportunities and the web address through ethnic print and electronic media.

*Encouraging Other Bodies:* The inter-ministerial committee needs to encourage the business organisations of Bangladesh, such as the FBCCI, BGMEA, Bangla- American Chamber of Commerce, to set up committees or cells

within their respective organisations for promoting business with EBs.

*One Window Service:* Under the guidance of the sub-committee, one window set up should be created which would provide consultancy services to the EB investors and be a liaison point for getting various clearances. From the receiving end, cells proposed in high commissions of York and London will provide necessary support. Procedural problems identified by EBs have to be eased by this body.

*Organising Talks and Workshops:* Successful and renowned EB business persons, industrialists and entrepreneurs make personal visits to Bangladesh every now and then. The trade wing of the missions should keep track of such visits and inform the sub-committee about their visits. The subcommittee with the help of concerned business bodies and research centers will organise talks and workshops

where interested Bangladeshi businessmen, industrialists and entrepreneurs may be invited. Similarly during their private visits to Bangladesh, the members of Bangladeshi associations of the UK and US, chambers and business forums should be invited for intensive interaction with trade and investment promotion bodies in Bangladesh. *Improvement in Law and Order:* To attract investment from the diaspora, the overall law and order situation of the country has to improve.

### Utilisation of Skills and Expertise of EBs

EBs have achieved considerable success as academics, doctors, engineers, IT experts and other professionals. They have earned names for themselves. Some EB academics hold senior faculty positions, surgeons have made significant contributions in medical sciences, engineers and architects were involved in large scale infrastructure projects and young professionals have also made their mark in business management. It is obvious that these groups of scholars and experts are extraordinary assets for Bangladesh. Bangladesh can gain a lot from the experiences of these expatriate professionals. If Bangladesh wanted to attain such trained human resource it would have required a lot of investments. Along with its own trained manpower, if Bangladesh links the expatriates in its development process, a considerable brain gain can be achieved. EBs have also shown their keen interest to take part in the development processes of their home country in their own areas of specialisation. Under the auspices of private universities and medical colleges they are sharing their expertise through imparting knowledge. Many doctors have conducted operations by participating in eye camps on their own initiative. This study strongly recommends that the initiative of private universities and individuals should



*Website:* A website should be developed that may be accessed by EBs from different academic and professional background who show interest and volunteer their time and service in Bangladesh. They will be requested to post their particulars on the site. Different ministries of the Government, private and public academic institutions, business sector will be able to easily access information on such expertise according to their own needs. The data bank can also be of immense help to Bangladeshi academics who are interested to pursue higher studies and research abroad. In some parts of the world such data bank has resulted in facilitating collaborative research and projects. Data bank can also be a source of information exchange between the EBs living in different parts of the world.

*Education Project:* Since 1990s due to proactive policies of successive Governments of Bangladesh enrollment of students in primary and secondary schools have increased significantly. Now the Government and donors are looking deeply into the issue of increasing the quality of primary and secondary education. The Ministry of EW&OE in collaboration with Ministry of Education can design a project where qualified school teachers from abroad can come for a stipulated period and teach in Bangladesh. The current study has demonstrated that many Bangladeshis have made their mark in the education sector of the countries of their residence. A section of this group of scholars is willing to render their services to Bangladesh educational institutions and share their expertise. Participation of EBs rather than foreign experts not only will create an opportunity for the latter to re-bond with their home country, it will also reduce the cost of the programme<sup>43</sup>. The current Minister for Education himself was an expatriate Bangladeshi. Therefore he is likely to be favourably disposed in pursuing such innovative projects. The Ministry of EW&OE and the Ministry of Education can jointly seek fund from international financial institutions and other donors for funding such projects. NGOs who are involved in non-formal education can also develop projects in similar lines. EBs can be involved in conceptualising and preparing the project and also pursuing donors in their respective countries of immigration.

*Health Project:* The Ministry of EW&OE, in collaboration with the Ministry of Health, can also envisage developing programmes to facilitate voluntary work of medical and professional EBs through organising health camps in different parts of the country. Both the Ministries can jointly request affiliated health NGOs to look after the organisation of such programmes.

*Training on Catering:* A joint project may be developed in collaboration with Bangladeshi catering associations of UK and BMET for training of chefs. Members of catering

associations should be involved in designing the project and providing training of the trainers. Instead of administering the project on its own, the Ministry may situate itself in the role of matchmaker between catering industry of the UK and interested private sector partners.

### Influencing Public Policies in the Host Country

Diaspora population is increasingly playing an important role in mobilising political support for their country of origin in the country of their residence. The Singhvi Report on the Indian diaspora highlighted that the academics, intellectuals and professionals of Indian origin had an important role in promoting India's bilateral relations with countries like United States, Canada and the UK. It also noted that during the Kargil conflict and after math of Pokhran nuclear tests, they played a crucial role in explaining the Indian perspective to the opinion makers of their countries of residence. There is a sizeable number of people of Bangladeshi origin in London and New York. In order to mobilise political support in favour of Bangladesh's interest following steps are suggested: The Ministry of EW&OE needs to develop a database of EBs who are involved in mainstream politics in their country of residence. A database of associations and professional groups also need to be created. Regular interaction with these organisations will help the Ministry understand what needs to be done in respect of helping these groups in successfully lobbying. Steps must be taken to help broaden the membership of Bangladesh caucus in the US Congress. The study noted that the Bangladeshi community organisations in the UK and US are divided along partisan lines. This hinders the process of effective political participation of the community. The inter-ministerial committee headed by the Ministry of EW&OE should devise ways and means to minimise the conflict that exist between the groups and highlight the need for upholding national interests.

## APPENDICES

### Appendix 1 – International Diaspora Case Studies The Indian Diaspora

The Indian Diaspora constitutes an important and a unique force in the world economy. Indians have been migrating for centuries. However the most massive emigration among Indians took place in the nineteenth and the twentieth centuries.

There are more than 20 million people of Indian origin settled in 70 countries across the globe, constituting over 40 percent of the population in Fiji, Mauritius, Trinidad, Guyana and Surinam. Further, they constitute prominent minority communities in Malaysia, South Africa, Australia, Sri Lanka, Uganda, the United Kingdom (UK), the United States of America (US) and Canada.

As Abishek (2004) notes, Asian Indians in the US may be the most successful immigrant community in the US history. A recent survey by Merrill Lynch found that despite the economic slump, Indians in the United States not only retained their wealth, but also added to it. Of the 1.7 million-strong Indian Diaspora in the US, 200,000 families are millionaires and the median annual income of Persons of Indian Origin in the US (PIO-US) is USD 60,093, which is substantially higher than the US median income of USD 38,885. Further, 67 percent of foreign-born Indian Americans have college degrees, three times greater than the US average, and out of these approximately 44 percent hold managerial or professional positions.

A majority of the Persons of Indian Origin (PIOs) in the US seems to be engaged in medicine, engineering, management and managing businesses. During 1960s and 1970s, a majority of Indians who migrated to US were engineers, doctors and lawyers. After moving to the US, many went to US schools, many earned a PhD or Masters or an MBA, and then started working on critical projects in the US government owned labs or in private research laboratories such as IBM, Boeing, Bell Labs, and DuPont.

The Indian Diaspora of more than 1.2 million has become particularly prominent in the UK with significant presence in various businesses and high skill professions such as Information Technology (IT) and medicine.

The medical professionals from India are in great demand in the National Health Services (NHS) in the UK. According to the NHS, of the total 100,000 doctors in the NHS, nearly 6 percent are of Indian origin. Out of the 18,250 emigrant IT professionals who entered the UK in 2000, 11,474 were from India.

#### The High Level Committee on the Indian Diaspora

As Chanda (2008) outlined, in September 2000, the Ministry of External Affairs in India constituted a High Level

Committee on the Indian Diaspora. The role of this committee was to examine the role of PIOs and NRIs in India, the rights and facilities to be extended to them in India and to recommend a broad and flexible policy framework to encourage their participation in the Indian economy. Specifically, the terms of reference of the committee were: (1) To review the status of PIOs and NRIs in the context of the Constitutional Provisions; (2) Examine laws and rules applicable to them, both in India and the countries of their residence; (3) Study the characteristics, aspirations, attitudes, requirements, strengths and weaknesses of the Indian diaspora and its expectations from India; (4) Study the role PIOs and NRIs could play in the economic, social and technological development of India; and (5) Examine the current regime governing the travel and stay of PIOs and investments by PIOs in India. The aim was to benefit from the network of migrants abroad and to give them a greater say in the country's economic and political decision making process.

The High Level Committee examined major issues pertaining to Indian Diaspora, such as culture, education, media, economic development, health, science & technology, philanthropy, and dual citizenship. Based on this study, it brought out a report in January 2002 in which it recommended measures to forge a mutually beneficial relationship with NRIs and PIOs and to facilitate their interaction and participation in India's economic development, in an institutionalised manner. Some of the recommendations included: (1) observation of Pravasi Bharatiya Divas (Overseas Indians Day) on January 9th of every year (the day Mahatma Gandhi returned to India from South Africa) in India and abroad, to recognise and appreciate the role of Indian Diaspora in the promotion of India's interest and (2) the institution of Pravasi Bharatiya Samman Awards for eminent PIOs and NRIs. The report also suggested that the Central and state governments remove all obstacles for promoting philanthropic and voluntary or welfare activities of NGOs that the members of Indian Diaspora wish to pursue in India.

Some institutional initiatives have also been taken to oversee work relating to the Indian diaspora. In line with the High Level Committee's recommendations, an autonomous and empowered body, similar to India's Planning Commission and a Standing Committee of Parliament has been instituted. The latter would introduce interested diaspora members to the country's Parliamentary procedures and practices and would serve as a mean to reach out to influential persons in the diaspora and convene biennial conventions of PIO Parliamentarians.

## The Indian Diaspora's role in the IT/Outsourcing sector

As Abishek (2006) has noted by 2000 the Indian diaspora, especially in the United States, began to play a vital role in developing the IT and business process outsourcing industry in India as follows:

- To meet the needs of Indian IT companies, as well as those in other sectors, for project management and business expertise, the Indian diaspora established the International School of Business (ISB). Many Indian professors teaching in the United States, the United Kingdom, and Canada take one- or two-term sabbaticals to teach at the International School of Business.
  - Many Indians living in Canada, the United Kingdom, and the United States returned to India to join large companies such as General Electric, Intel, and IBM or to start their own companies. Returning Indians have already started more than 200 IT and business process outsourcing companies.
  - The Indus Entrepreneur and the Silicon Valley Bank have already taken two delegations of venture capital companies (which have collectively invested more than \$40 billion in the United States) to India to explore potential investment opportunities. Many of these companies are actively considering investing in Indian companies, and some have already done so.
  - With the rise of the Indian IT industry and the additional push by the Indian diaspora, many venture capital companies in the United States now require their start-up companies to have a back end in India in order to save on R&D costs. According to Evalueserve, as of March 2004, more than 150 start-ups had some form of their back end in India and front end in the United States, and this number is likely to have doubled by March 2006.
- Some venture capital companies in the United States—particularly those run by people of Indian origin—are actively funding Indian companies that are likely to produce intellectual property and innovative products in wireless technology, semiconductor design and technology, and new business models for conducting R&D. Examples include Westbridge Capital, Kleiner Perkins Caulfield & Byers, and Norwest Venture Group. However, Abishek (2006) believes that the Indian Diaspora's impact on the home country may be difficult to replicate for the following reasons:

- India has a long tradition of mathematics and science education, as well as a tradition of intergenerational mentoring that does not exist in most countries.
- Indian leaders injected large amounts of money in higher education in India, in most cases at the expense of primary education. Although India currently produces about 2.45 million graduates every year, including 200,000 engineers, 73,000 IT professionals, 117,000 doctors, and 40,000 with a masters in business administration, 59 million children

between 6 and 14 receive no primary education. This dichotomy would be hard to find in other countries, and especially hard to find would be the high number of educated people that are graduating every year.

- Few governments are likely to maintain a hands-off policy toward services such as IT, business process outsourcing, knowledge process outsourcing, and medical tourism, especially once their potential has been demonstrated.
- Large-scale migration of labor from developing to developed countries has become more difficult since September 11, 2001.
- Few diaspora communities other than the Chinese will achieve the critical mass necessary to produce substantial numbers of influential people in any given sector.
- People of Indian origin in Canada, the United Kingdom, and the United States have friends and colleagues who studied with them in India and did not emigrate. This allows Indian expatriates with innovative ideas to contact friends and colleagues in India to help them execute them. In other developing countries, most good professionals migrate to developed countries, leaving too few behind to take innovative ideas forward.

Despite these differences, many other countries have the combination of low-wage graduates and successful expatriates living in the West. Some form of mentor sponsor model may work for some countries in a limited set of industries and sectors if it is mobilized effectively. Although replication of the Indian experience is beyond the reach of other diaspora communities, India's experience nevertheless has far-reaching implications for them. Smaller diaspora communities can help transform their home countries. Such transformations may not be significant from the global economic perspective, but they may have a substantial effect on the home country. In Armenia, for example, just 200 dedicated expatriates could constitute the critical mass needed to become role models for local businesses and nongovernmental organizations and to forge business linkages with the rest of the world. More important than the size or the strength of the diaspora is the creation of disciplined, dedicated, value driven, visionary diaspora organizations, such as TIE. Such organizations can provide good networking platforms for diaspora executives, as well as local players, facilitating the mentoring and limited sponsoring of local players.

## The Chinese Diaspora

With its rapid economic growth and opening up its market to China has realized the growing importance of the worldwide Chinese Diaspora for its own economic development. To tap into this valuable asset, the Chinese government and industry has designed and implemented

various policy incentives. These policy incentives are provided at both central and provincial/local levels.

Chanda (2008) has summarized a number of the key initiatives. At the central level, in 2002, the Ministry of Personnel decided to allot 200 million Yuan (i.e., approximately 24 million USD) for the period 2003-2017 for aiding the scientific research of 4,000 returned (long-term) overseas students and 3,000 short-term overseas students. At the provincial/local levels, the most important means of attracting overseas Chinese is creation of technology parks. So far 53 technology parks have been set up all over the country to encourage the development of technology ventures, especially those by overseas Chinese. Some parks are even explicit with names and titles as 'Pioneering Park for Overseas Chinese'. Typical preferential policy incentives for these parks include:

- Financial Incentives: Some local governments are providing venture capital funds to provide seed money (such as Suzhou in Jiangsu Province), whereas other local governments are providing grants. For example, in Xi'an - capital of Shaanxi Province in China's Northwest - the government is providing 10 million Yuan (or 1.2 million USD) each year to support returned overseas Chinese for setting and running enterprises and in Shenzhen, the municipal government has decided to allocate 30 million Yuan (or 3.6 million USD) worth of subsidies and start-up funds to support returned Chinese entrepreneurs. Meanwhile, banks and financial organizations, such as the China Trust and Investment Company, the Chinese Commercial and Industrial Bank, and the Transportation Bank, are also providing loans to small private firms with dynamism and flexibility.
- Infrastructure building. Most parks are already equipped with the necessary infrastructure for start-ups to operate their business, such as an incubation site with Internet connections, conference rooms, multimedia room, technical trading room, information centers, product testing centers, and laboratories. Some parks, such as the one in Suzhou, also provide additional resources such as an accounting office, a law firm, a business planning space, and other services so that they can reduce the upfront burden of various start-ups.
- Import-export service. Some parks provide free import-export services, including customs declaration and warehousing facilities.
- Human Resources (HR) support. Many parks have human resource database and an HR office that holds recruiting events on a regular basis. In addition, some recruiting firms also help the new ventures to identify qualified people.
- Management consulting services. Often, university professors and successful entrepreneurs are invited to give the professionals in various startups management and business training, including seminars and case studies. To

promote products, some parks have even set up networks to help the relevant companies introduce their products to the market. Good examples in this regard are the Beijing Zhongguangcun High Tech Park, Shanghai Pudong HighTech Park and Suzhou Technology Park.

Knowledge-user institutes have also devised their own policies to lure OCPs, offering special financial packages, housing subsidies, and research facilities. One university in Beijing that we interviewed went so far as to almost guarantee a job, often of a undeservingly high pay and status, for the spouses of returned OCPs, though the university now may have to stop this, because it has exhausted its the resources.

Lastly, the Chinese government has resorted to its time honored working method, "setting up models" (shu dianxing), to acknowledge and publicize the achievement of returning OCPs, and thus to encourage more to come back. The national government made awards to a total of 939 returned outstanding OCPs (the "models") at honoring conferences in 1991, 1997, and 2003, for their work performance in China. Fund-based programs are mainly initiated by three types of agencies: government ministries (e.g. MoE and MoP), government or private foundations (e.g. the National Science Foundation, Lee KC Foundation, KC Wong Foundation) and knowledge- user institutes (mainly the Chinese Academy of Sciences).

### **To Set Up Special Chairs for OCPs on a Contract Basis**

Programs in this category aim to recruit outstanding professionals to work in strategic areas, and they are often backed-up by substantial funding. The Distinguished Young Scholars Program set up by the National Science Foundation grants RMB 550,000-800,000 (US\$ 66,000-96,000) to scientists below 45 years of age, for four years. The One Hundred Talent Program of the Chinese Academy of Sciences offers each selected scientist RMB 2 million (US\$ 240,000) for three years.

In 1999, the OCAO initiated "One Hundred PhD Holders Homeland Visit Delegations", and subsequently turned it into an annual event. The delegations were organized according broad themes. For example, in 1999, a delegation consisting of specialists in agriculture visited 512 institutes in eighteen provinces, gave 136 academic lectures, 115 seminars, proposed 52 suggestions, and transferred 1 technology. In the end, 32 OCPs were appointed as advisors to local government.

The importance of the Internet for transnational network building is self-evident, and websites specifically catering for OCPs have become another important institutionalized

measure for contacting OCPs. Among the 55 OCPs that we surveyed, 51 are using Chinese language websites to follow information in China, and for those who left China after the mid-1990s, websites became an almost unsubstitutable means

However informal, uninstitutionalized connections are essential for network building, and particularly for maintaining networks. At the end of the day, knowledge exchange must be carried out by individual scientists, and the exchange must become part of the scientist's daily work in order to be effective. The importance of informal networks can be further appreciated when we differentiate knowledge from information. While information can be codified and disseminated through impersonal means, knowledge is closely associated with meaning and understanding, and personal communication is indispensable for its transfer. In the times we now live in, when communication technology is highly developed and information is widely available, interpersonal connections have become more, rather than less, important for the exchange of knowledge.

When examining the specific patterns of informal networks, which differed from our original hypothesis, overseas associations remain an important part of their life, and more importantly, a key means for transnational network building. It is estimated that there are currently more than 10,000 overseas Chinese associations, including more than 100 global organizations (i.e. not confined to any particular country).

### **Incentives for attracting back the Diaspora**

Agunias (2006) has provided a useful summary of some of the incentives used to attract back diaspora in different countries. Among other carrots used are:

#### **1. Direct Policies**

##### *Reverse Brain Drain Model*

To attract the return of the highly skilled, several governments have adopted a range of policies with striking similarities. Indeed, most of these governments, apart from offering material and non-material incentives, establish a lead coordinating body, research institutes, and/or science parks as well as networks and a database to connect expatriates to local employers and colleagues.

##### *Offer of Material and Non-Material Incentives*

Some governments have offered an array of incentives to entice potential returnees. Taiwan and Korea's return programs identified "high flying individuals," using criteria

such as number of years since PhD, current position, number of published papers/citation score, and relevance to national priorities. The selected individuals are not only offered research autonomy and the opportunity to establish their own firms but also a variety of incentives including moving costs (which was dropped in the 1990s), salary top-up, subsidized house-purchase mortgages, and the like. There are also programs aimed at attracting back nationals for shorter "testing the waters" visits of perhaps one year.

Similarly, in China, a new service center for returnees was set up in 1989, providing allocations for the housing of returnees, duty-free purchases of computers and automobiles, and offers of return airfares for self-financed students.

Between 1994 and 1998, Jamaica implemented a "Return of Talent Programme," which offered an array of generous financial incentives to lure returnees. Incentives include a one-time reentry subsidy, a monthly salary subsidy, one-way air fares for the candidate and his/her immediate family, up to 50 percent of the cost of shipping of household goods, two years of full medical and accident insurance, and even equipment including machines and literature needed for the candidate's work.

Likewise, in Uruguay, the Sectorial Commission of Scientific Research (CSIC) was founded in 1990 at the University of the Republic. Specific initiatives include a program for the hiring of scientists with preference given to returnees, as well as an economic support program to facilitate the returnee's reinsertion into the university environment.

Following the end of the dictatorship in Argentina, governmental measures were also initiated to encourage the return of exiles and to build links with expatriates who could help in the country's development efforts. In addition to this general policy, the National Council of Scientific and Technological Research (CONICET) also implemented specific return-related efforts such as subsidizing airfare, moving and set-up costs of returnees and their immediate families.

### ***A Lead Coordinating Body***

As can be gleaned from Table 1, some governments also assigned or created a lead coordinating body to organize these initiatives. For example, efforts have been coordinated by the Ministry of Science and Technology in Korea and by the National Youth Commission (NYC) in Taiwan. These offices enjoy consistent budgetary and administrative support from the very top of government. Uruguay likewise created the National Commission for

International Organisation for Migration (IOM), which contributed to the reintegration of all types of returnees, though it played an especially important role in the reintegration of scientists and professionals with ties to the academic world. Similarly, El Salvador adopted Executive decrees creating a Vice-Minister for Salvadorians Abroad as well as an interinstitutional network dealing with expatriates. In India, a Non-Resident Indian and Persons of Indian Origin Division was created under the Ministry of External Affairs.

Likewise, the Ethiopian government established the Ethiopian Expatriate Affairs General Directorate in the Ministry of Foreign Affairs, and the Ethiopian Expatriate Support and Coordination Office as part of the country's capacity-building efforts. Similarly, Ivory Coast established a department at the Ministry of Foreign Affairs to deal specifically with nationals living abroad.

#### *Research Institutes and/or Science Parks*

Beneath these coordinating bodies usually are a set of mission-oriented research institutes established in industrial fields dubbed critical to future industrialization. One of the pioneers is the Korea Institute for Science and Technology established in 1966. This was followed by several other R&D institutes and engineering schools concentrated in the Seoul Science Park and Daeduk Science Town. Similarly, the Taiwanese, set out "to improve and strengthen the institutions of higher learning" by supporting centers such as the Hsinchu Science Park. These research institutes track highly skilled nationals abroad and encourage them to return or at the very least, join professional associations of expatriate Korean or Taiwanese scientists and engineers.

Similarly, a number science parks, special development zones, and high-tech zones have been established in China's capital city, Beijing, as well as in most Chinese provincial cities since the 1990s.

Drawing on the experiences in Asia, Hansen et al. noted that in 1995, the Colombian National Council of S&T (Colciencias) established Centers of Excellence to stop emigration and encourage return among the highly skilled nationals abroad. Four centers were selected out of a pool of 150 applicants. The Centro Internacional de Física (CIF), Centro Internacional de Entrenamiento e Investigaciones Médicas (CIDEIM), Corporación para Investigaciones Biológicas (CIB), and Fundación para la Educación Superior y el Desarrollo (FEDESARROLLO) were selected based on their capacity to train researchers and on their contribution to their respective field of science. Hansen et al. contend that, "given the successful outcome of similar policies outside

the LAC region, such an initiative is expected to reduce the current brain drain in Colombia." Set Up and Maintain Networks and Database Governments such as those of Korea and Taiwan have also set up networks and maintained a database designed to help national scholars abroad find public or private employment at home and to help domestic employers identify highly educated nationals abroad. Colombia set up a similar network in 1992, which now has members in 30 countries. It fosters joint research projects, in fields such as biotechnology and robotics, mainly between European and local universities. Uruguay also has the same program in place to involve some of its 400,000 highly educated migrants.

In South Africa, the government established the South African Network of Skills Abroad (SANSA) to connect expatriates with local experts and projects. It is maintained by the National Research Foundation, the government national agency responsible for promoting and supporting basic and applied research as well as innovation. The network is built on a database containing information on the location, qualifications, and other characteristics of highly qualified South Africans living abroad. Participants can take part in the network by receiving South African graduate students in laboratories or training programs, participating in training or research with South African counterparts, facilitating business contacts or initiating research and commercial projects. There are other initiatives focused on specific sectors such as health and law, as well as databases of Diaspora members maintained by particular countries, including Nigeria, Benin, and Burkina Faso as well as in South Africa.

Other policies adopted by some governments have not been so widely imitated. Korea, Taiwan, and Thailand, for example, have gone so far as to help establish professional associations for national scientists and engineers abroad, with branches in the United States, Canada, Europe, and Japan. The government subsidizes these associations by assisting them to organize annual symposia and covering their administrative expenses. Wade contends that "these associations are the central players in the Diaspora strategy. It has been found that scientists and engineers who maintain more active contact with the associations are more likely to return to the home country." Another example is from China. Zweig argued that a "unique quality" of China's efforts to encourage returnees is the active involvement of so many levels of government and organizations. He writes:

Pressures for economic development and a close link between enterprises and their territorial government make the local state aggressive recruiters of overseas talent. Inter-city competition emerged in the early 1990s and has

continued unabated. Preferential policies, such as subsidized home purchasing, tax breaks on imported automobiles, schooling for children of returnees, finding jobs for spouses, etc., are instituted by local governments in order to enhance their level of technical development. Personnel departments in these cities actively pursue overseas scholars, as do education and science and technology officials.

Interestingly enough, Zweig noted that in some cases, “too many organizations engage in this arena, causing difficulties for returnees who do not know which way to turn.” The competition for talent is so stiff that cities send delegations overseas to seek talent without notifying education officials in Chinese consulates. In fact, some consulate officials only learn of these visits when they are reported in the newspaper.

### **Direct Policies: Business Model**

Apart from returnees with human capital, governments have also shown interest in attracting returnees with financial capital. For example, Hsing noted that since the late 1980s, China has offered generous investment packages to overseas Chinese in an effort to combine sentiment and incentives to attract investment from the Diaspora. Hsing also pointed out the key role of local governments in attracting investors from Taiwan. “They have simplified the process and regulation of investment and made concessions in taxes and fees for Taiwanese investors. Such flexibility ... was crucial to the success of Taiwanese investment.” Ostergaard-Nielson also noted how local officials offer a hero’s welcome to investors who come back. India, cognizant of China’s success, recently created the Indian Investment Centre (IIC), a mechanism within the government investment promotion authority that specifically targets potential investors or trade partners in the Diaspora community. The IIC, described as a free “single-window” agency,<sup>144</sup> assists investments, technical collaborations, and joint ventures as well as provide a range of services tailored to attract and assist NRI investors. Another example is the Federal Republic of Yugoslavia, which encourages the return of qualified nationals who bring back capital to invest in productive enterprises, although its focus is on the few wealthy expatriates who could buy entire companies.

### **International Organizations**

Return policies are not solely the realm of governments. The International Organization of Migration (IOM) has also implemented return of talent programs in Africa called the Return of Qualified African Nationals (RQAN), and much later, the Migration and Development for Africa (MIDA)

program. IOM also initiated similar programs in Latin America, called the Reintegration of Qualified Latin American Nationals (RQNLA) and more recently, in Afghanistan, with the Return of Qualified Afghans (RQA) program. The IOM, in collaboration with the governments of the countries of origin, identifies suitable candidates, finds them employment, finances their return, and assists with their reintegration. To entice potential returnees, incentives such as tax exemptions, financial assistance with moving costs, seed capital for starting a business, and even citizenship rights for spouses and children have been introduced. Between 1983 and 1999, the IOM reportedly succeeded in relocating about 2,000 expatriates to 11 African countries. However, as will be discussed later in this paper, the degree of success of such programs is still highly questionable.

A similar example is the UN’s Transfer of Knowledge through Expatriate Nationals (TOKTEN) program. It allows professionals, with a minimum of a master’s degree or equivalent, and a significant amount of professional work experience, to return to their countries for a short period of time to impart skills acquired while abroad. Typically, TOKTEN consultants engage in tasks international consultants might otherwise perform. In lieu of professional fees, TOKTEN consultants collect daily allowances, are reimbursed for travel expenses, and receive medical insurance. TOKTEN is especially active in the West Bank and Gaza. Since its inception in 1994, more than 400 Palestinian expatriate professionals have served in senior advisory and planning positions in various key Palestinian Authority ministries, leading Palestinian institutions, nongovernmental organizations, and private sector institutions. Moreover, about 18 percent of TOKTEN consultants have decided to return to the occupied Palestinian territories permanently.

### **Indirect Policies: Dual Nationality and Flexible Residential Rights**

Governments have also adopted indirect policies aimed at creating a legal atmosphere conducive to return. This is mostly done through the adoption of dual nationality and or flexible residency rights making re-entry to home countries much easier. Considerable evidence reveals that easier re-entry encourages migrants to return, perhaps temporarily, to their countries of origin. A report prepared for the UK’s House of Commons International Development Committee highlighted the tendency of Spanish, Portuguese, and Greek migrants to settle permanently in the countries to which they migrated prior to their countries’ entry into the European Union. Once they had residency rights across Europe, the need to stay diminished. Conversely, Mexican migrants stayed longer

when the United States tightened border restrictions with Mexico, “fearing that if they left they would not be able to re-enter.” Given these observations, the committee concluded that “preserving the freedom to circulate seems to be a condition of workers being willing to return home.” As Bhagwati noted, “more likely to succeed is a Diaspora model, which integrates past and present citizens into a web of rights and obligations in the extended community defined with the home country as the center.” Wickramasekara agreed, arguing that according migrants, special status through dual citizenship and other arrangements for Diaspora recognition would also contribute to more return and circulation. El-Khawas noted that in the past two decades, the IOM has had limited success in recruiting expatriates back to Africa. There is a lack of interest in permanent relocations, and deep concerns about the ability to return to previous occupations and to maintain residency status at host countries. According to El-Khawas, this led to a change in strategy within IOM with the focus shifting to recruiting Africans who have become naturalized citizens.

Indeed, both in the developed and developing world, there is an increasing discussion of the potential benefits of flexible citizenship or residence rights. A number of developing countries have in fact passed some form of dual nationality or citizenship laws. Jones-Correa noted that in 2000, ten countries in Latin America, including Brazil, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Mexico, Panama, Peru, and Uruguay already have such provisions.

Levitt and Sorensen described how other countries recognize dual membership selectively, with specific signatories. Several Latin American countries have agreements with Spain and Guatemala has such an agreement with other Central American countries. Persons born in China are considered Chinese citizens regardless of whether they desire or claim dual citizenship. In 2003, India recently approved selective dual citizenship to non-resident Indians living in wealthy, industrialized countries around the world but withheld it from Indians living in poorer or less developed countries. In Nigeria, the Senate repealed a law that took away the original citizenship of a Nigerian who became a citizen of another country.

Some countries even grant political rights to emigrants while abroad. The expatriate community is allowed to elect representatives to the Colombian legislature. In the Dominican Republic, expatriates can run for office from their home communities even though their primary residence is still abroad. Several countries, including, most recently, Iraq and Peru, allow overseas citizens to vote in national elections.

**Typology of diaspora initiatives**

Ionecu (2006) has summarized a number of the main diaspora initiatives by type as reproduced in the table below.

Business networks	The Lebanese Business Network links Lebanese entrepreneurs abroad and business opportunities in Lebanon. Armenia High Tech Council and Silicon Armenia relate Armenian diasporas in the US to home country projects. Some diaspora networks have played a central role in paving the way to attract foreign investors. The Indus Entrepreneur is one of the most powerful networks, and has built up confidence of overseas investors such as Hewlett Packard transcending the actual Indian diasporas.
Chamber of Commerce	The Caribbean American Chamber of Commerce and Industry, or the Federation of Indian Chambers of Commerce embed diasporas’ activities directly in the business community. For many other countries, diasporas facilitate business exchanges with the support of the chambers of commerce, such as, USA-Bangladesh, UK-Bulgaria. The Network of Colombian Chambers of Commerce and Sierra Leonean Diasporas Council actually have representatives of their diasporas in the chambers of commerce of the host country.
	These represent the interests of developed and developing countries. Advance Australian Professionals in America is a network funded by

<p>Professional Networks</p>	<p>Australian businesses in America. The Global Korean network aims to promote the formation and expansion of decentralized cultural, social, and economic networks among Korean communities overseas. The worldwide Indian Network and the Reverse Brain Drain Project Thailand target all types of skills, whereas the Hungarian Medical Association of America focuses on medical professionals. The Ethiopian North American Health Professionals Association (ENAHPA) is a partner for the IOM project MIDA in Ethiopia.</p>		<p>counts today 3,000, and the African Scientific Network. Scientific networks are often based on university networks: Red de Estudiantes Argentinos en los Estados Unidos, Red Academica Uruguay, the Ethiopian Knowledge and Technology Transfer Society (EKKTS) is a partner for IOM MIDA in Ethiopia. ALAS (Latin American Scientific Association) and ACAL (Academia de Ciencias de America Latina) have been working together since 1987 to identify technicians and scientists from the region and supported by UNESCO and the French Ministry of Foreign Affairs from 1994 to 2000. ECOMED is a network of scientists founded in 1995 in Quito, Ecuador, and brings together the Université de Paris V, the Institut Pasteur, the Universidad Central de Quito and the Colombian University Barranquilla.</p>
<p>Scientific networks</p>	<p>These represent the interests of developed and developing countries. Advance Australian Professionals in America is a network funded by Australian businesses in America. The Global Korean network aims to promote the formation and expansion of decentralized cultural, social, and economic networks among Korean communities overseas. The worldwide Indian Network and the Reverse Brain Drain Project Thailand target all types of skills, whereas the Hungarian Medical Association of America focuses on medical professionals. The Ethiopian North American Health Professionals Association (ENAHPA) is a partner for the IOM project MIDA in Ethiopia. and The Chinese Association for Science and Technology (CAST-USA), which was established in 1992 with 500 members and</p>	<p>Skills Capacity</p>	<p>Africa Recruit is a platform for debate with the African diaspora on how to add value to capacity building in Africa. They organize and support recruitment and career events, operate an employment database/search engine. ABANTU for Development is a nongovernmental association aimed at mobilizing resources and skills among African communities to promote sustainable development in Africa. It also deals with inequalities between men and women in the United Kingdom. The Forum pour le développement de l’Afrique produced an African expert database. The African</p>

	<p>Capacity Building Foundation (ACBF) is an independent, capacity building institution launched in February 1991. ACBF started to develop a Directory of African Development Management Professionals. For the African Foundation for Development (AFFORD), a charity in the UK, the African diaspora is an important stakeholder in Africa's development and it strives to involve Africans in sustainable projects for the promotion of development and job and skills. African Axis is active along similar lines in Belgium. The Jamaican Diaspora Canada Foundation addresses itself to Jamaican police officers in Canada to lend their expertise to Jamaica.</p>		<p>arising from migration dynamics.</p>
<p>Community Initiatives</p>	<p>The Hometown initiatives support local initiatives development, microenterprise and local community projects in Ecuador, Mexico, Paraguay and Uruguay. The Programa de Iniciativa Ciudadana 3 x 1 Mexico matches migrant funds with federal, state and municipal funds; the Catalan Fund for Development Cooperation (FCCD) is a nonprofit organization working mainly in Latin America and supports immigrants wishing to promote local development projects in their home country.</p>	<p>Gender &amp; Development</p>	<p>In France, Femmes et développement en Algérie (FEDA) and FAMAFRIQUE specifically target women in diasporas. Initiatives de Femmes Africaines de France et d'Europe (IFAFE), an association founded in 1993 and constituted in a federation in 1996, brings together 23 associations with both integration and home country development objectives.</p>
<p>Migration and Development associations</p>	<p>The Association Migration Solidarité et Echanges pour le Développement (AMSED) in France, Migration &amp; Development and Alternative for India Development in the UK, focus on the solidarity</p>	<p>Umbrella organizations</p>	<p>Forum des organisations de solidarité internationale issues des migrations (FORIM), France, a national platform created in 2002 brings together 700 networks, federations and associations dedicated to both integration issues in the home country and development activities for the host country. The National Federation of Indian American Associations (NFIA) brings together 250 organizations in the US and aims to unite different initiatives. The National Ethnic Minorities Consultative Committee, Netherlands, brings together seven ethnic minority organizations.</p>
		<p>Diaspora networking</p>	<p>Information networks vary from country to country and by sector. Many lose members over time, are not regularly and consistently updated, and often fail to deliver concrete results. It is unclear whether they receive governmental support, e.g. the Ghana Abroad website which deals with all types of concerns from passports, business involvement back home and even the election of Miss</p>



	Ghana in Holland.
Co-development initiatives	In their aim to contact and collaborate with the expatriate communities abroad, many diaspora organizations offer an additional transnational bridge for both home and host countries by involving expatriate communities and members of the host country. For instance, the Dutch-African diasporas organization, AfroNeth, brings together African and Dutch members, and the German-Serbian Economic Forum German and Serbian members. The Cooperation for the Development of Emerging Countries (COSPE) is a non-profit association operating in the field of international cooperation in Italy that also involves diasporas for development.
Finances	Migrants can earmark a portion of the funds they send back home for a specific project. Opportunity International, for instance, channels remittances for poverty reduction through partnerships with microfinance institutions: Metcare, Ghana, channels remittances into healthcare projects. Some informal transfer mechanisms are used where official channels are either not available, accessible or eschewed for personal reasons. The Hawala is a traditional money transfer mechanism mainly used in East and South-east Asia and muslim countries for anonymous, low cost, speedy and home language services. Jeiqian for China,

	Padala for the Philippines, Phei kwan for Thailand and Hundi for India and Bangladesh are similar informal transfer networks.
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## Appendix 2 –A Summary of International Multilateral and Donor Agencies Diaspora Programmes

This section reproduces the excellent comprehensive summary and analysis by De Haas (2006) of the varied and numerous diaspora support programmes supported by the various multilateral agencies. We first outline the initiatives take by the Department for International Development (DFID) in the UK.

### DFID

#### *Remittances*

The UK has played a leading role not only in designing but also in actually implementing policies to facilitate remittances. This priority is based on the conviction that particularly in this area there is a high degree of coherence between economic (financial markets) and development policies. According to DfID, stimulating remittances fits in with its main objective of poverty reduction, and a 'win-win' situation can thus be easily created: 'Remittances are a fast and effective way of shifting resources to the developing world, thus giving the means for poverty reduction and sustainable development', while 'From a private sector point of view, increasing the value of remittances will increase the size of the market.'

Although the financial sector team at DfID has aimed at improving the developmental *impact* of remittances, this has in practice been mainly implemented through remittance facilitating policies, which concentrate on increasing volumes and speed and reducing costs, but are not related to impacts *per se*. With regard to remittances, DfID's priorities are 'to improve access, transparency and choice for remittance senders and recipients, with lower costs and greater security. Remittances can therefore have an even greater impact on people on low incomes, and can better assist them to improve their livelihoods and take advantage of opportunities. DfID also sees remittances as a key means of reducing financial exclusion.'

Practically, DfID thinks to facilitate remittances through sharing international best practice, technological innovation such as the use of mobile phones for banking purposes, helping governments develop financial regulatory frameworks and policies that improve the operation of financial markets, and helping to build a domestic financial infrastructure in developing countries while providing access to financial services to the unbanked poor.

The flagship initiative of DfID's recent remittance activities is the *Sending Money Home?* programme, comprising the website [www.sendmoneyhome.org](http://www.sendmoneyhome.org), countryspecific leaflets

for diaspora communities in the UK and a market survey report. The objective is to increase transparency of the UK remittance market through providing a central information platform, where the terms of money transfer services are clearly presented. A consumer section on the website was established which allows customers to compare money transfer providers on the basis of cost and speed. The initiative is widely regarded as a success, as is demonstrated by the high website usage statistics and high national and international press coverage and the fact that the example has already been copied abroad through the recent creation of a similar website in the Netherlands. Not only individuals but also organisation such as the UN, EU, World Bank, US Government Accountability Office, central banks, NGOs and providers of money transfer services regularly use the site. Moreover, DfID's country offices in Rwanda, Jamaica, Ethiopia, Kenya, Ukraine, India and South Africa have all signed contracts to add their countries to the initiative, and negotiations with other countries are underway. Furthermore, *Remittance Country Partnerships* have been concluded with the governments of Ghana, Nigeria and Bangladesh and designed with Nigeria and Pakistan. Such partnerships include a range of measures to remove impediments to remittance flows, to improve access to remittances and 'other financial services and to strengthen the capacity of the financial sector to provide efficient and widespread transfer payment services'. The financial sector team at DfID has also recently started working with DfID Pakistan on a financial sector access programme with a remittances (post earthquake) component. DfID has also participated in the *Inter-Agency Remittances Task Force*, which emerged from the major remittances conference in London in October 2003, and in which Oxfam Novib has also been involved and has contributed to data collection.

DfID is also involved in the *Remittances Principles Task Force*, led by the Bank for International Settlements and the World Bank. This task force was set up to develop principles for countries who want to improve the market for remittance transfers and bring down the price of these transfers. The principles cover the following areas: the market environment, transparency and consumer protection, payment system infrastructure, the role of remittances services providers, and the role of public authorities.

Based on the notion that 'the private sector holds the key to improved access and lower costs', DfID initiated a high level dialogue in June 2004 with banks, money transfer companies and other 'stakeholders' on ways to reduce costs and improve access to low-income senders and recipients. This has led to the formation of the *UK Remittances Working Group*, in which leading banks and

money transfer companies have worked with the government (notably DfID and the Treasury) to improve remittance services to developing countries from the UK. The group released a report into the £2.7 billion UK remittance market in November 2005. The report provided orientations to increase the flow of (regulated) remittances to developing countries from the UK through making remittance cheaper, quicker and easier. The report particularly recommended the creation of a private sector task force to draw together research, information and discussion from the industry and to deliver increased competition and choice for consumers. The working group also supports a new association for small money transfer providers in the UK.

### **Beyond remittances: Connections for Development**

The 1997 White Paper on *International Development, Eliminating World Poverty* committed 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 origin'. However, in contrast to remittances, it has proved much more difficult to put this policy objective into practice. Subsequently, DfID created the Development Awareness Working Group (DWAG) to advise the government on its development awareness, education, and information work in relation to international development issues. Between 1999 and 2000, a number of participants from the DWAG formed a black and ethnic minority (BME) sub-group, ensuing from the concern that, despite the 1997 White Paper commitment, little had in fact issued from DfID in terms of practical steps towards engaging BME groups interested in and supportive of international development. Prior to publication of the second White Paper on international development in 2000, the African Foundation for Development (AFFORD) submitted a position paper stressing the relevance of diasporas for development in countries of origin.

DfID subsequently commissioned a study to increase understanding of the UK's black and ethnic minority (BME) civil society. In 2001, the report *Getting it Right Together: Black and Minority Ethnic Groups* and DfID's *Development Agenda* were published, which identified the need to increase the capacity of the BME community organisations to engage with DfID in policy development, implementation and promoting institutional diversity internally. One of the report's observations was that only a very small percentage of the 6,000 to 15,000 BME organisations define themselves as oriented towards international development. However, it also concluded that many such organisations are unaware of DfID and its goals, while at the same time 'DfID does not have a feel for the sector and its works'.

DfID's perceived lack of success in engaging non-traditional development partners such as BME groups was the basis of a decision to explore the potential for a Strategic Grant

Agreement (SGA) with the BME civil society. This led to the DfID-supported formation of Connections for Development (CfD), a network of BME voluntary and community organisations that aim to mobilise UK BME civil society for action on development. In April 2003 DfID concluded a three-year Strategic Grant Agreement (SGA) with CfD worth £750,000 (£250,000 per year). DfID sees the SGA as a tool to raise awareness within BME organisations of international development issues and to build their ability to plan and deliver effective activities contributing to poverty reduction. Activities are based around raising awareness in the UK and building the capacity of BME groups to become more actively involved in international development. However, the SGA has a UK focus and does not provide funding for projects in the South.

The activities within the SGA include:

- bringing together diverse segments of UK diaspora groups, providing leadership and enabling debate, shared learning and collaboration for action around international development issues;
- facilitating engagement with DfID and other key international players to help proactive engagement on international development issues throughout UK diaspora groups via the networks;
- facilitating engagement of UK diaspora groups into different policy areas of international development across the UK.

CfD's main information and networking vehicle is its website [www.cfdnetwork.co.uk](http://www.cfdnetwork.co.uk). CfD's aim is not to undertake international development projects, but to help its BME members to become actively involved in development through establishing a network, undertaking research, informing about all aspects of development, lobbying for BME participation in policy making and through supporting its membership members and connecting them to training and funding agencies. Currently, CfD is undertaking research to map BME voluntary sector groups across the UK and their involvement in international development. Now, in 2006, the SGA with CfD has been extended to March 31, 2007. No formal evaluation of CfD has taken place. DfID has involved diaspora organisations in the development of a number of Country Action Plans (Bangladesh, Pakistan, Nigeria, India), and has actively consulted African diaspora organisations as part of the Commission for Africa process.

In June 2004, the House of Commons International Development Committee presented its report *Migration and development: How to make development work for poverty reduction*. The report reiterated earlier statements

from the 1997 White Paper that 'The diaspora and its members can be important agents of development.

Governments have much to learn from a deeper engagement with the diaspora, its members and constituent organisations. The diaspora should be involved in discussions on development strategies, voluntary remittances and sustainable return<sup>228</sup>.

DfID's migration team provided funding to support an annual meeting of AfricaRecruit [www.africarecruit.com](http://www.africarecruit.com). This is an initiative launched in 2002 as a mobilisation programme of The New Partnership for Africa's Development (NEPAD), The Commonwealth Secretariat and the Commonwealth Business Council.

AfricaRecruit facilitates the African diaspora towards capacity building in Africa either through skills or investment in areas such as remittances. It provides links to [www.findajobinafrica.com](http://www.findajobinafrica.com) and the IOM's MIDA programme.

However, despite the wealth of studies and policy papers stressing the desirability to support the transfer of skills, knowledge, experience and other resources from migrant communities to their countries of origin, this has, apart from the establishment of CfD, yielded limited practical results, thus scarcely meeting the expectations raised in the 1997 White Paper.

In principle, work through the SGA with CfD runs parallel to work that other sections of DfID might do with BME groups. This means that work through the SGA does not exclude BME organisations applying for other DfID funding schemes, notably the Civil Society Challenge Fund (CSCF). However, relatively few BME organisations have found their way to fundraising from such funds. The Civil Society Challenge Fund (CSCF), which was established in April 2000 and has a budget of £19.6 M, is open for applications from civil society organisations in the UK. As the *Getting it right together* report observed, the CSCF was set up 'to encourage grass roots groups but applications demand a lot of systems and procedures of accountability'<sup>230</sup>; this is quite similar to the reasons the Dutch DGIS set up Linkis.

The same report noted from the total of 742 applications for the CSCF that were submitted between April 2000 and the time of reporting only 19 were from BME groups, and of the 146 accepted applications only one was from a BME group. Equally, no BME groups were among the 11 recipients of the £49.6 M Partnership Programme Agreement (PPA) funding, and only 15 of 293 applications and 3 of 79 approved projects for the £6.5 M Development Awareness Fund (DAF) were from BME groups. Six years

later, this situation does not seem to have drastically changed.

DfID commissioned a number of studies to look at what other steps could be taken to further engage the diaspora. One study on the role of the diaspora in poverty reduction in countries of origin recommended that donors 'should invest heavily in a stronger knowledge base for policy making through research, analysis and rigorous evaluation of diaspora involvement in development and its impact on poverty' as well as recognize 'that successful diaspora projects for home-country development must be led, or 'owned' by the diaspora groups themselves is an important starting point for donors, who are advised to build upon successful endeavours rather than create them from above'. It also concluded that donors should consider providing support to build and strengthen diaspora networks that have a strong developmental potential.

Another study explored more specifically the many ways in which UK-based diasporas contribute to development and poverty reduction in countries of origin. The report observed that 'Migrants' incentives to participate in origin country development or reconstruction depend on the extent to which they feel they have a stake in their home nation-states as well as in the countries that host them'. It recommended securing the rights of migrants, cutting the cost of money transfers and encouraging migrants to invest in community development initiatives in their origin countries as well as 'taking steps to give diasporas a more active voice in the development arena'. Moreover, the study endorsed the proposals made earlier by the African Foundation for Development (AFFORD, see also section below):

- Acknowledge that the diaspora merit as serious an engagement as the private sector with DfID and other relevant government departments with a development brief;
- Draw UK-based diaspora groups into the formulation of Country Strategy or Assistance Plans, Poverty Reduction Strategy Planning, and other instruments of UK development policy;
- Make greater efforts to bridge the UK's two parallel development and relief efforts, one mainstream-led (DfID plus UK-based NGOs engaged in development and relief) and the other diaspora-led;
- Form a dedicated unit within DfID (along the lines of the Private Sector Unit) to engage with UK-based diaspora groups.

In August 2005, two BME (AFFORD and AFP) groups published another report commissioned by DfID providing

orientations for DfID staff to engage with diaspora groups and communities to achieve the Millennium Development Goals. The report emphasized the importance of a sustained two-way dialogue to improve mutual understanding and to avoid a mismatch of expectations. It also identified obstacles to DfID-diaspora engagement, among which the heterogeneity of diaspora groups, DfID's decentralized structure and the regressive attitudes of some diaspora groups towards DfID's development agenda, as well as mindsets among development professionals resisting engagement with diaspora groups. Some DfID staff suggested that colleagues schooled in particular theories and approaches to development may simply find the idea of diasporas and migrants as major stakeholders in development counterintuitive and difficult to assimilate.

In March 2006, DfID issued its draft migration and development paper. Although the paper reiterated the 1997 commitment to build on the skills and talents of migrants to promote the development of their countries of origin, it is not clear from the report to what extent and *how* the initial steps such as CfD and engagement in Country Action Plans will be extended into more concrete steps towards a more intensive and continuous engagement in practical terms.

#### **The AFFORD case**

It is worth paying more specific attention to the African Foundation for Development (AFFORD, [www.afford-uk.org](http://www.afford-uk.org)) as an illustration of the potential strength and influence of spontaneously created diaspora organisations that are not necessarily government supported. AFFORD was founded as a UK-registered charity in 1994 by a group of Africans in the UK, in response to concerns that, despite the vast number of Africans in the UK who organize themselves and contribute to Africa's development, Africans were effectively marginalized from mainstream development activity directed towards Africa.

AFFORD intends to connect Africans and their organisations abroad working for the development of Africa and African people directly with organizations on the continent working toward the same goals. Its mission is to expand and enhance the contribution that Africans in the diaspora make to Africa's development. Its three work programmes are (1) to support UK-based African organisations in their quest to support development in their regions of origin, (2) to support African input into mainstream development policy and practice and (3) to facilitate direct developmental linkages between Africans in the UK and counterparts in Africa.

#### **Conclusion**

In terms of practical action, UK migration and development policies have been characterized by a strong focus on remittances. In coalition with multilateral organizations, in particular the World Bank, it really has pushed the agenda forward in facilitating remittances and channeling them into formal channels through increasing transparency and competition in the remittance market. It forged a public-private partnership in the form of the *UK Remittances Working Group*. The [sendmoneyhome.com](http://sendmoneyhome.com) website symbolises the leading role of the UK in remittance policies. These policies are apparently based on the conviction that there is a strong coherence between the poverty reduction focus of its development agenda and the expansion of the remittances market both in sending and receiving countries.

On paper, the UK approach towards migration and development is much more comprehensive than that of the Netherlands and, as we will see, of France. DfID neither links migration and development to return or temporary migration nor does it suggest a link between development cooperation and migration reduction. In this manner, DfID has apparently kept a position relatively independent of the Home Office, which approaches migration from the perspective of control, safety and security. Instead, DfID is committed to address the (apparently positive) links between migration and poverty reduction and clearly sees a role for diaspora organizations.

However, DfID's often repeated commitment in 1997 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 origin' has shown to be very difficult to implement, despite an abundance of DfID-funded studies on migration and development and diasporas. While the global policy and research community is reaping considerable benefits from these research efforts, DfID's 2006 draft migration and development paper showed an apparent inability to translate the recommendations into practical ways to involve diasporas in development policies, such as expressed in commissioned studies and as expressed by the independent and critical voices of UK diaspora organisations.

#### **World Bank**

Before 2003, 'migration and development' was a relatively minor issue for the World Bank<sup>46</sup>. For instance, the *Policies towards migration* section of the *Globalization, Growth, and Poverty* report, published in 2002, mostly focuses on the implications of migration for receiving countries, and does not mention remittances at all. The scant attention to remittances in the *Global Economic Prospects 2002* report



mainly concerned a couple of warnings that remittances are a vulnerable and stagnant external source of income.

This all changed with the publication of the highly influential Global Development Finance report by the World Bank in 2003, and more specifically the chapter by Dilip Ratha, entitled *Workers' remittances: an important and stable source of external development finance*. This report raised global awareness of the developmental relevance of migration and sent a shockwave through the development community. The chapter stressed the relative importance of workers' remittances as a source of development finance in developing countries and discusses measures that industrial and developing countries could take to increase remittances. It concluded that remittance flows are the second-largest source, behind FDI, of external funding for developing countries and that remittances are often invested by the recipients, particularly in countries with sound economic policies. It also observed that the transaction costs of fund transfers often exceed 20 percent, and that reducing them by even 5 percent could generate an annual saving of \$3.5 billion for the workers sending money home.

In October of the same year the World Bank collaborated with DfID (Department for International Development of the United Kingdom) to organise a major conference on migrant remittances in London. It was apparently the first 'global' meeting of its type on this topic and was attended by 100 participants from 42 countries. The report and the conference signified the definite breakthrough of the migration issue on the global development cooperation agenda. It drew attention to soaring remittances and their developmental role, and reflected the priority given to the issue by global development actors.

This was the kick-off of a major series of World Bank empirical studies and publications analysing remittances, poverty and development issues as part of its ongoing Research Program on International Migration. The 2004 Global Development Finance Report contained an appendix entitled *Enhancing the Developmental Effect of Workers' Remittances to Developing Countries*. It first cited a World Bank study showing that at the individual level, remittances augment the income and reduce the poverty of the recipients; it also argued that, at the macro level, remittances are believed to have a favourable effect on growth to the extent that they are used to finance education and health expenses. Its main policy recommendation focused on reducing remittance transaction costs through stimulating greater competition among money-transfer agents; better access to banking services for migrant workers in remittance-source countries and households in recipient countries; harmonization of the

financial infrastructure supporting remittances; and a better investment climate in the remittance-receiving country, for example, through removal of foreign-exchange restrictions.

The 2005 Global Development Finance Report also stressed that workers' remittances provide valuable financial resources to developing countries, particularly the poorest. Another major World Bank study completed in 2005, entitled *International migration, remittances, and the brain drain*, suggested, amongst other things, that both internal and international remittances reduce the level, depth and severity of poverty. However, one chapter in the study suggested that the size of the brain gain and its impact on welfare and growth is significantly smaller than is often assumed and may even be negative. It also showed that migration could lower the education attainment of children and increase inequality at least in the shorter term, although empirical evidence does not support the view that migration leads unequivocally to higher inequality in sending countries.

The World Bank's *Global Economic Prospects 2006: Economic Implications of Remittances and Migration*<sup>56</sup> analysed the gains and losses associated with international migration and policies to improve the developmental impact of migration, with particular attention to remittances. It showed that international migration generates significant economic gains for the migrants, the countries of origin, and the countries of destination and that the benefits to the countries of origin are especially large in the case of low-skilled migration. The most feasible means of increasing such emigration would be to promote managed migration programmes between origin and destination countries that combine temporary migration of low-skilled workers with incentives for return. It also recommended measures to reduce remittance costs.

In March 2006, the World Bank collaborated with the Belgian government and the International Organization for Migration and the European Commission to organize another major international conference on Migration and Development in Brussels. The conference was attended by more than 400 decision-makers from migrant receiving and migrant-sending countries and by representatives of migrant associations.

In the same vein as the World Bank, the IMF has recently been multiplying remittance studies over the past few years. Although rich in content and scope, the IMF and World Bank studies and policy documents tend to focus strongly on the remittance dimensions, and pay relatively little attention to non-monetary dimensions of the migration and development nexus. Although these

institutions do engage in the 'brain drain vs. brain gain' debate, this does not comprise the often *collective* contribution that migrants can make to development in sending countries by less tangible contributions to democratisation, civil society and knowledge transfer.

### Other agencies

In 2003, the Asian Development Bank (ADB) funded a case study on the Philippines remittance industry, and has extended the study to review overseas remittance flows among Indonesia, Japan, Malaysia, Singapore, Hong Kong, China and Philippines. The aim is to identify factors in the policy and institutional framework that impact these flows. The 2003 Asia-Pacific Economic Cooperation (APEC) Report on Alternative Remittance Systems examined the factors that result in the use of informal financial systems over formal financial systems, and specifically analysed the U.S.-Mexico and Canada-Vietnam remittance corridors.

### UNDP and TOKTEN

Although the United Nations Development Programme (UNDP) does not specifically address the migration-development nexus in its policies, it is worth mentioning that back in 1977 it introduced the Transfer of Knowledge through Expatriate Nationals (TOKTEN) Programme, which is still in force. It is probably the longest standing and most successful programme aimed at a transfer of competencies without being linked to permanent return, and in many ways was a 'brain circulation' programme *avant-la-lettre*.

The TOKTEN programme, which was created against the background of the serious concerns that came up in the 1970s about the brain drain, seeks to bring the knowledge, expertise and experience of qualified expatriates back to their country of origin through a reverse transfer of technology and knowledge through short-term consultancy missions. Between 1977 and 1997 TOKTEN placed about 5000 volunteers on assignments in 49 developing countries. TOKTEN participants work with public or private institutions, including universities or NGOs, in fields ranging from agriculture and manufacturing to health, law, management and technology. TOKTEN is currently running in 35 developing countries.

After completing their consultancies, participants Applicant information is entered into the TOKTEN database and a steering committee consisting of host government and UN officials decides whether the applicant's knowledge and expertise is appropriate. TOKTEN consultants receive no payment, only a per diem allowance, insurance policy and reimbursement for travel expenses.

The fee for an average TOKTEN consultant is about one-quarter that of a traditional international expert consultant.

This feature of the programme makes it popular and financially efficient, but limits participation to those diaspora members who are in a position to forgo their professional earnings for periods of volunteer consultancy.

### IOM

In the field of migration and development, the International Organisation for Migration (IOM) states: 'Properly managed international migration holds enormous potential for the development of countries'. In particular through surging remittances, migration is perceived to contribute to the reduction of poverty and to a reduction in the economic vulnerability of developing countries. In order to mitigate as much as possible the negative effects of 'brain drain' and to encourage the return of qualified nationals resulting in 'brain gain', the IOM focuses especially on stimulating circular and temporary migration, which would imply persistent involvement of migrants with countries of origin. As well as reducing remittance costs, promoting skill transfers and 'brain circulation', IOM promotes policies that facilitate voluntary return and reintegration, either temporary or permanent, particularly of the highly skilled. Partly migration-propelled development is also considered to 'contribute to the management of migration.'

With the UK Department for International Development (DfID) and the Netherlands Ministry of Foreign Affairs, IOM organised an Intersessional Workshop *Mainstreaming Migration into Development Policy Agendas* in February 2005.

Close to one hundred countries and forty intergovernmental and non-governmental organizations attended the workshop. In addition to general measures to facilitate remittance flows through formal channels, particular attention was paid to recognize the desirability to engage diasporas as agents for development. Some of the more concrete measures that were suggested included increasing the transparency of government development strategies and goals; supporting the establishment of migrant networks while respecting their autonomy; and engaging migrants in the process of policy making and in development programmes in a variety of ways, including project identification, implementation and monitoring. Furthermore, measures were proposed to identify diasporas through developing databases (similar to proposals put forward by the European Commission later in 2005). It was also recommended to foster a sense of double belonging among members of diasporas, for instance through introducing dual citizenship and stimulating political participation. Also similar to the 2005 proposals by the EC, stimulating return, temporary and circular migration as well as temporary returns of qualified immigrants were seen as means to stimulate positive

migration-development linkages. IOM also participated in organising the aforementioned migration and development conference in March 2006 in Brussels.

In terms of concrete policies, IOM has been particularly active in 'migration management services', mainly in the form of assisted voluntary return (AVR) programmes. Such programmes are operated in collaboration with governments of destination countries, with IOM being the implementing body. AVR aims at 'orderly, humane and cost effective return and reintegration of asylum seekers, denied asylum seekers and other migrants residing or stranded in host countries, who are willing to return voluntarily to their countries of origin'. Return assistance includes information and counselling to potential returnees, travel arrangements and medical assistance, post-arrival reception, information, referral, onward travel to the home location and reintegration assistance. AVR programmes have been implemented around the world, such as recently in Bosnia, Kosovo and Afghanistan. For IOM, AVR is an area of expertise, developed over more than 20 years of practice. Between 1993 and 2002, IOM claims to have assisted more than 3.5 million migrants return to over 160 countries.

The focus of the AVR programmes, however, has been very much on return rather than on development, and in fact no explicit link with development policies exists. Accordingly, IOM's return policy and programmes are first and foremost seen as 'a contribution to combating irregular migration'. Nevertheless, one area of engagement with the role of diasporas in development has been the attention to 'bridging identified human resource gaps' through the Return of Qualified Afghans (RQA) programme and the Return and Reintegration of Qualified African Nationals (RQAN) programme. However, such programs have had only limited and costly success for countries that were not able otherwise to attract returnees. The RQAN programme, for example, reintegrated slightly more than 100 African nationals per year between 1983 and 1999.

#### **ILO and UNHCR**

The International Labour Office (ILO) has one of the longest established records of studies and policies on migration issues<sup>81</sup>, in which ILO tends to stress migrant workers' rights in contrast to IOM's traditional focus on 'migration management' and return migration. ILO conducted a series of studies under the DfID-sponsored project on *Skilled labour migration (the 'brain drain') from developing countries: Analysis of impact and policy issues*. Within the framework of its Project on Sustainable Migration Solutions, ILO published a series of discussion papers and organised an expert meeting entitled *Migration and Development - Working with the diaspora* in May 2004 with

the German Agency for Technical Cooperation GTZ84. Both IOM and ILO participate heavily in a series of activities preceding the UN High Level Dialogue Meeting on Migration and Development in September 2006.

Although it is not a development agency, nor does it have a mandate regarding international migration, UNHCR recognised that most countries hosting large refugee and IDP (internally displaced persons) populations rank at the lowest levels of the Human Development Index. Moreover, UNHCR has been charged by the UN General Assembly and the Executive Committee of the High Commissioner's Programme with playing a catalytic role in seeking to encourage development-related investments in refugee and returnee-hosting areas, as a means to encourage self-reliance and to prepare for the durable solutions of voluntary repatriation, local integration and resettlement. This makes development issues increasingly relevant for UNHCR's work.

#### **Global Commission on International Migration**

In December 2003, acting on the encouragement of UN Secretary-General Kofi Annan, the Global Commission on International Migration (GCIM) was established.

The mandate of the Commission was to 'provide the framework for the formulation of a coherent, comprehensive and global response to the issue of international migration'<sup>87</sup>. This independent body was an initiative by the governments of Sweden and Switzerland, joined by those of Brazil, Morocco and the Philippines, and supported by a core group of 32 states. Its objective was to provide recommendations on how to strengthen the governance of international migration.

The GCIM report, which was presented in October 2005, offers, amongst a wider range of other migration-related issues, a comparatively comprehensive approach towards the migration and development issue, which also goes beyond the usual focus on remittances. A separate chapter entitled *Migration and development: Realizing the potential of human mobility* recognised the role that migrants play in promoting development and poverty reduction in countries of origin<sup>88</sup>. Four of the report's 33 recommendations directly relate to migration and development issues:

1. Remittances are private money and should not be appropriated by states. Governments and financial institutions should make it easier and cheaper to transfer remittances and thus encourage migrants to remit through formal transfer systems (recommendation 8). Costs of remittances should be reduced, for instance through fostering greater competition within the formal transfer system;



2. In countries of origin, measures to encourage the transfer and investment of remittances must be combined with macro-economic policies that are conducive to economic growth and competitiveness (recommendation 9);

3. Diasporas should be encouraged to promote development by saving and investing in their countries of origin and participating in transnational knowledge networks (recommendation 10);

4. States and international organizations should formulate policies and programmes that maximize the developmental impact of return and circular migration (recommendation 11).

Interestingly, GCIM sees a role for migrant associations and civil society institutions in collecting, analysing and disseminating relevant information on the different transfer services that are available to people who wish to remit. Such increased transparency in the financial services sector would allow migrants to make an easy comparison between the costs of transferring remittances with different service providers.

GCIM also sees an important role for home-town associations and diaspora organisations in collecting and transferring 'collective remittances' to their place of origin, which can be used for infrastructural and other projects that bring benefits to whole communities rather than to individual households. It also recommended combining such collective remittances with matching funds provided from public sources or by development agencies, as has been done in the Mexican two-for-one and three-for-one programmes.

The GCIM report distinguishes itself by the attention given to diasporas and development': 'Diasporas should be encouraged to promote development by saving and investing in their countries of origin and participating in transnational knowledge networks.' This can be done through fund matching by countries of origin such as in the Mexican example, but also by 'mobilizing diaspora networks', in which destination countries can play a role. By supporting the establishment of professional diaspora organisations and other civil society entities that incorporate migrants, programmes can be developed that 'facilitate the transfer of skills and knowledge from the diaspora to their countries of origin. This might entail physical return, by means of short-term secondments or sabbatical visits, but can also involve 'virtual return', using the video-conferencing and internet facilities that are increasingly available in even the poorest of countries A good practice example given by GCIM was the African Human Resources programme of NEPAD (New Partnership for Africa's Development) and UNESCO. The goal of this programme is to create a database of Africans teaching in universities and high schools in Europe, United States of America, Canada and in the world. This database will be

available for African states and any other organisation in the field of education and teaching in Africa. The Economic Commission for Africa (ECA) is co-ordinating activities related to the development of database on African experts and the diaspora, and making them available for access and utilisation by member States, development actors and others. Such databases are believed to constitute an essential information base into which users could tap to identify the trained workforce they require to establish and maintain research networks, virtual learning networks, policy reforms, and so on.<sup>93</sup> Nevertheless, it remains unclear to what extent these programmes have met their objectives in practice.

Although GCIM stressed that if the developmental impact of international migration is to be maximized, countries of origin must first and foremost strive to create a healthy business environment, it acknowledged that individual migrants and diaspora organisations can play an important role in promoting trade and investment in their countries of origin. Specific measures that were proposed are training programmes and business counselling, which help migrants to develop the entrepreneurial skills and business acumen needed to engage in successful trade and investment activities.

### **UN high level dialogue meeting on migration and development**

The launching of GCIM coincided with the decision of the General Assembly of the United Nations in December 2003 to devote a high-level dialogue to international migration and development on 14-15 September 2006. This is allegedly the first major event in United Nations history that focuses exclusively on international migration issues. The stated purpose of the high-level dialogue is 'to discuss the multidimensional aspects of international migration and development in order to identify appropriate ways and means to maximize its development benefits and minimize its negative impacts'. Core topics to be addressed are the effects of international migration on economic and social development; the migration of highly skilled persons; actions to improve the impact of remittances on development; international cooperation to prevent and combat the trafficking in persons; and institutional mechanisms to enhance international cooperation for the benefit of countries and migrants alike. Although the High Level Dialogue on Migration and Development has no formal link with GCIM, it recommended taking into account the recommendations in its final report.

In preparation for the High Level Dialogue meeting, the Population Division of the UN extracted from outcome documents of earlier major United Nations conferences

and submits those parts that relate to international migration as well as to compare these to the recommendations made by the Global Commission on International Migration (GCIM). The ensuing *Compendium of Recommendations on International Migration and Development* shows that past UN events focused mostly on issues like migration management and the protection of the rights of migrants and refugees.

They paid scarce attention to the development dimension of migration, with the exception of the usual declarations to reduce costs and facilitate remittances as well as to implement macro-economic and fiscal measures to channel migrations through formal channels and into productive investment. This is also reflected in the 'core topics' of the High Level Dialogue. These largely correspond to the two first aforementioned GCIM recommendations, but largely ignore its other recommendations pertaining to how to stimulate the role of diasporas in development *beyond* facilitating remittances.

### European Union

As an officially proclaimed 'major strategic policy priority', migration has been at the heart of EU policies towards 'third states' over the past decade. However, the emphasis of these policies has been very much on cooperation in migration control (control of external borders, readmission) rather than *migration and development* per se. EU policies seem to increasingly embrace the concept of 'co-development', which tends to be associated with assisted return, thereby employing a focus on the 'return potential' as a development factor. In light of the growing European focus on migration and border control, the French co-development policies – which were heavily criticized for being too focused on migration prevention – have now become 'acceptable' and have recently been a source of inspiration for recent migration and development policies at the European level. More in general, the EU policies of trade liberalisation and development aid towards 'third countries', such as the Barcelona process and MEDA programme have been based partly on the idea that increased aid and capital flows would alleviate the causes of migration and therefore substitute labour (migration) flows in the longer term.

The only area in which the positive developmental role of diasporas – apart from remittances – is mentioned is in the form of voluntary return of migrants. This would bring back 'accumulated amounts of financial, human and social capital into developing countries. Traditionally, return has therefore been seen as an essential aspect in ensuring a positive relationship between migration and development. This positive correlation assumes that a migrant has spent sufficient time abroad to acquire skills and resources, and

that he or she is capable and willing to dedicate (part of) this capital to new activities in the country of origin. These countries of origin can facilitate a successful reintegration, which is also beneficial to the local society at large, by creating the right social, economic and institutional environment for the returning migrant.

Although it is mentioned that governments of migrant-sending countries can set up active policies to intensify contacts with their diasporas and involve them in the national development process, and that destination countries can also implement 'co-development' schemes to facilitate 'brain circulation' and assist legal migrants to contribute to the development process of their country of origin, no concrete policy measures were proposed. A practical problem here is that since the disappearance of the European Union of Migrants Forum in 1999 the EU has no interlocutor who could represent diaspora organisations at the European level.

As a follow-up, the European Commission presented its draft conclusions on 'migration and development' in May 2003, claiming that they 'reflect a fair balance between migration and development interests and contain a series of short and midterm policy measures for the Commission to follow, with a view to paving the way for increasing synergy between migration and development cooperation'. It reiterated the focus on border control, return migration and readmission of earlier documents.

Partnerships with third countries are primarily seen through the lens of an 'improved joint management of migration flows, including border control, readmission, institutional capacity building and strengthening the safeguards with respect to the international obligations to provide protection for refugees'. Voluntary return is the only concrete measure suggested 'to support local development through the repatriation of skills and resources'. However, one new element is the proposal to facilitate the 'efforts of migrants residing in the EU who intend to contribute to the economic and social development of their country of origin', for instance through 'strengthening of communication facilities between trans-national communities and their country or region of origin.

A second new element is the referral to remittances:

'The flows of remittances should be addressed, with the aim to improve their efficient utilisation in the macro-economic development of countries of origin.

In this respect the Commission is invited to investigate how the transfer of funds from the EU to source countries can be made cheaper and more reliable, and to propose, where appropriate, pilot programmes to channel remittances into productive investment in countries of origin and assess their impact on migratory flows in the long-term .

A final new element is the Commission's intent to elaborate 'a review of development cooperation related job policy and the feasibility and impact of generalising the hiring of staff originating from target countries for development cooperation under financial conditions sufficiently attractive to provide an alternative for emigration

In November 2004, The European Council stated: 'Policies which link migration, development cooperation and humanitarian assistance should be coherent and be developed in partnership and dialogue with countries and regions of origin'. In addition the Council recommended 'to develop these policies, with particular emphasis on root causes, push factors and poverty alleviation, and urges the Commission to present concrete and carefully worked out proposals by the spring of 2005.

In synergy with the presentation of GCIM's final report and as a precursor to the UN High Level Dialogue on Migration and Development, and building on its December 2002 communication, in September 2005 the European Commission proposed a series of more concrete measures in its Communication *Migration and Development: Some concrete orientations*. The communication focused on specific topics that are associated with South-North migration, and 'in particular on possible actions that could be carried out at EU level, in partnership with developing countries of origin.

The EU proposals merit some attention, because it is the first time that an intergovernmental body has proposed such a concrete and more comprehensive set of measures to address the migration and development nexus. These comprise (1) facilitating remittances, (2) the role of diasporas, (3) encouraging circular migration and brain circulation and (4) mitigating the adverse effects of the brain drain.

### 1. Facilitating Remittances

The EC identifies two main areas for policy action on remittances:

(a) fostering cheaper, faster and more secure ways to send remittances through:

- *Improving data* through improving data collection and household surveys on selected bilateral 'remittance corridors'. Such studies should identify possible indicators

of a lack of competition and technical inefficiencies in the remittance industry;

- *Enhance transparency* through a Directive on payment services that will increase competition and enhance transparency. The EC also suggested setting up a Europe-wide website providing information on the various remittance channels;

- *Creating a harmonised legal framework* for money transfer operators throughout the European Union, as well as EU and EIB assistance in improving the financial and economic infrastructure in developing countries to facilitate remittances;

- *Fostering the use of new remittances technologies* (such as the use of debit cards and ATMs) and *improving access to financial services* in developing countries including micro-finance institutions.

(b) *enhancing* the development impact of remittances in recipient countries to improve the incentive and informational infrastructure so as to stimulate productive investments:

- *To enhance financial intermediation* in developing countries through facilitating partnerships between micro-finance institutions and mainstream financial institutions – in partnership with the countries concerned and, where relevant, in cooperation with the EIB.

- *To provide funding for collective remittances and co-funding schemes*: that is, joint projects by diaspora organisations and local organisations so as to support local development.

### 2. Diasporas as actors in home country development

The EC recognises diasporas as 'an important potential actor in the development of countries of origin', and puts forward the following initiatives and recommendations to contribute to a stronger involvement of diaspora members through helping developing countries to map their diasporas and build links with them by

- Supporting developing countries by helping them to *set up databases* where 'members of diasporas interested in contributing to home countries' development can register on a voluntary basis, and more generally to maintain links between these countries and their diasporas, in coordination with other donors.' ;

- Stimulating Member States to *identify and engage diaspora organisations* that could be suitable and representative interlocutors in development policy and/or possible initiators of development projects in countries of origin;

- Encouraging diaspora organisations involved in the development of countries of origin to set up a mechanism that could ensure *appropriate representation* of their interests at EU level;

- Besides existing initiatives, notably by local authorities in the framework of twinning schemes, the EC considers the

feasibility of introducing *youth exchange schemes* focused in particular on migrant communities, based on the experience gathered with existing intra-EU schemes.

### 3. Encouraging circular migration and brain circulation.

This largely reiterates issues raised in the EC December 2002 Communication. It is proposed to increase the role of migrants' return – permanent, temporary or even 'virtual' – in 'fostering the transfer of skills to the developing world, together with other forms of brain circulation'. This objective should be seen in the general context of EC policies towards economic migration, which seem to be heading in the direction of

· *Stimulating the potential of temporary migration* through encouraging circular migration, by

- giving a priority for further temporary employment to workers who have already worked under such schemes and have returned at the end of their contract

- stimulating short-term and seasonal migration;

*Facilitating return migration* through

- the elaboration and management of assisted return programmes

- supporting countries of origin with the successful reintegration of return migrants;

- measures in areas such as the transferability of pension rights, the recognition of qualifications or mechanisms to ensure that researchers or other professionals who have worked in the EU can keep in touch with their former colleagues to facilitate voluntary returns and help them reintegrate successfully;

· *Simulating temporary or virtual return* through

- building upon existing experience in temporary or virtual return programmes (such as TOKTEN and MIDA)

- considering support to e-learning schemes

- facilitating networking between foreign researchers working in the EU and research organisations in their countries of origin

- protecting residence rights in the EU of diaspora members who decide to engage in such activities

- continuing support, under the Aeneas programme<sup>114</sup>, to projects by which diaspora members set up sustainable economic activities in countries of origin.

- involving interested entrepreneurs from migrant communities to contribute to the development of their country of origin

- identifying best practices in areas such as secondments or sabbatical leaves that can facilitate temporary return.

### 4. Mitigating the adverse effect of brain drain, through

· *Improving the evidence base* of interested developing countries in order to improve their knowledge of their labour markets, including shortages or excesses of skills at the sectoral level;

· *Disciplining recruitment* through encouraging Member States to develop mechanisms such as codes of conduct to limit active recruitment ('cherry picking') in cases where it would have significantly negative repercussions for targeted developing countries, especially in the health care sector;

· *Fostering institutional partnerships* between institutions (research institutions, universities, hospitals or other bodies) in the EU and in interested developing countries or regions could play a role in addressing the causes of brain drain, for instance through the elaboration of 'shared work schemes';

· *Encouraging development cooperation as a source of employment opportunities* for skilled professionals in developing countries.

This communication by the EC appears to be a step forward in developing a more comprehensive approach towards migration and development than had been in place until recently. It goes beyond a narrow focus on remittances, which includes the broader developmental role of diasporas. Nevertheless, the underlying objective in particular of the third objective ('circular migration and brain circulation') still seems discouraging permanent settlement rather than the development of countries of origin *per se*. Furthermore, with a few exceptions, most policies are still in their formulation phase.

### Conclusion

Over the past five years there has been increasing international recognition of the development potential of international migration, resulting in a wealth of studies, workshops and conferences. These have made it possible to identify most of the obstacles to reaping the full benefits of migration for development as well as the various policy areas in which interventions are possible. However, in terms of formulation and implementation of *concrete* policies, surprisingly little has been achieved at the international level. Only in the field of facilitating remittances through reductions of costs and increased transparency of remittance markets has a set of relatively concrete and more or less ready-to-implement proposals been developed.

While the initial focus was on remittances, in the past couple of years there seems more renewed awareness of other developmental roles for migrant communities.

Consequently, proposals to 'mobilise diasporas for development' tend towards declarations of good intent and remain vague in terms of concrete policy implementation. Moreover, in particular in EU policies, and to a certain extent also with institutions organisations such as IOM, proposals to promote the involvement of migrants in

development appear to be entangled with and subordinate to policy objectives to reduce permanent migration and to promote temporary migration.

Therefore, it seems useful to look at the practical experience some European countries have in implementing policies that attempt to engage migrants in development cooperation or to strengthen development activities of their organisations. Through studying how governments and development agencies have attempted to enhance the development contribution of migration and to involve migrants in development cooperation, we might learn what types of actions are likely to be successful or not.

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