



## Migration and Development: Building Migration into Development Strategies

Migration DRC Conference, Royal Society, London, 28–29 April 2008

# Session Four: Approaches to Diaspora

### Overview

*A number of developing countries have begun pursuing policies which attempt to engage with their diaspora populations, backed by a growing understanding of the skills and resources that members of such groups often possess. Examples of such innovative policies include facilitating return or circular migration, and providing investment incentives for members of the diaspora. States have also begun supporting the growth of transnational networks which encourage the exchange of skills and ideas between diaspora members and their country of origin in coordination with partners in private or civil society. Research conducted by the Development Research Centre on Migration, Globalisation and Poverty (Migration DRC) suggests that the success of these policies depends upon a number of factors, including the size and investment capabilities of the diaspora population, and the political climate, investment prospects and institutional efficiency in the country of origin.*

### Mobilising diaspora populations

Research carried out by the Migration DRC on diaspora policy loosely defines 'diaspora' as a transnational group of emigrants who maintain varying economic, political and social ties with their country of origin, regardless of whether they have taken up citizenship in their current country of residence. The integration of the global economy and advances in communication technology have increasingly allowed people to pursue personal and professional lives in more than one country simultaneously, making the activities of diaspora populations potentially more relevant for development strategies in their countries of origin. In response to this, countries with large diaspora populations such as Bangladesh, India and the Philippines have established ministries whose sole purpose is to address the needs of their respective diaspora populations. Bangladesh's Ministry for Expatriates' Welfare and Overseas Employment, for example, which was created in 2001, supports members of the Bangladeshi diaspora who work overseas, while also promoting policies which attempt to integrate migrants' skills and resources into development strategies in Bangladesh.

### Creating incentives for expatriate investment

One strategy governments have pursued in an attempt to mobilise their diaspora populations in support of development is to create more favourable conditions for investment by diaspora members. For example, in 2003 India eliminated restrictions on Indians living abroad purchasing property in India; withdrew obstacles to opening bank accounts for the repatriation of international migrants'

remittances; provided tax incentives for investment by diaspora members; and introduced special bonds which non-resident Indians can invest in. These policies – aided by substantial economic growth in India more generally – have helped to attract large-scale investment by members of the Indian diaspora in the areas of information technology, electronic media and airlines.

Bangladesh, meanwhile, has developed diaspora-friendly economic policies such as special-price incentives aimed at encouraging members of its diaspora to buy recently denationalised state enterprises. Members of the diaspora were offered as much as a 40 percent reduction in the price of such enterprises if they purchased them with foreign currency. Like India, the Bangladeshi government has also introduced special investment bonds aimed at its diaspora members in both the US dollar and Bangladeshi *taka*. The country has also pursued major housing projects facilitated by investment from Bangladeshis who live abroad. However, a Migration DRC study found that the Bangladeshi government's policies to engage its diaspora, despite successfully attracting investment in bonds and housing, have encountered some setbacks. Bureaucratic hindrances, including unnecessary paperwork and other formalities, have resulted in the breakdown of some large-scale investment ventures by members of the Bangladeshi diaspora.

### Providing rights for expatriates

Some countries have also begun to introduce laws which allow expatriates within their diaspora populations to re-acquire full or partial citizenship rights. Bangladesh was one

of the first countries to create such a policy, offering dual-citizenship status to members of its diaspora residing in Europe, the United States or Australia beginning in 1978. Members of the Bangladeshi diaspora who hold dual-citizenship possess full economic and political rights, with the sole caveat being that they must renounce their citizenship in other countries if they are elected to public office in Bangladesh.

In 2003, the Philippines created an even more expansive return policy for its expatriates, offering dual-citizenship rights to members of the Filipino diaspora residing in any country in the world. Under this legislation, Filipino expatriates can re-establish full civil, political and economic rights, including the right to own property in the Philippines, engage in business or commerce, and vote – even if they remain simultaneously based overseas. India, meanwhile, introduced a policy in 2003 which extended full economic rights to members of its diaspora living in 16 countries in Europe and the Americas. However, the policy does not extend the provision of any political rights to Indian expatriates.

### Beyond the public sector

International organisations and private institutions can also be pivotal in mobilising diaspora populations through encouraging return or circular migration. In Albania, for example, the United Nations Development Programme launched an initiative in 2006 designed to create opportunities for members of the Albanian diaspora who have the training and skills necessary to work in the country's education, health and agriculture sectors to return to the country. Bangladesh, meanwhile, has witnessed the temporary as well as semi-permanent return of an increasing number of university teachers, bankers and other professionals. In addition to government policies making return migration easier, Bangladeshi universities, banks and hospitals are playing catalytic roles in facilitating such returns.

However, the exchange of skills and knowledge is not necessarily limited to return or circular migration among members of countries' diaspora populations. For example, the Alb-Shkenca Forum is made up mostly of Albanian



### Diaspora and skills exchange

Tomy Miah, left, a celebrity chef who is part of the Bangladeshi diaspora in the UK, runs a hospitality training institute in Bangladesh.

Photo courtesy of Tasneem Siddiqui.

scholars who reside both inside and outside the country. The forum's members discuss solutions to current problems facing the country and look for ways to promote progress in the areas of science and technology in Albania.

### Key findings

The Migration DRC's research suggests a number of important considerations for governments seeking to link diaspora populations with development strategies.

- Diaspora populations are often interested in contributing to development strategies in their countries of origin, but they may choose varying forms of engagement based on their capacity and the political and economic environment of the state concerned.
- Pro-active policies of origin countries are important, but if the investment climate is not good then incentives alone will not produce desired outcomes.
- Diaspora communities are not homogenous and, in response to this, some states have chosen to target specific sections of their diaspora populations.
- Dual citizenship on its own does not enhance diaspora contribution, but it does ease regulations and increase efficiency once a diaspora member has invested.

### For more information

To find out more about Migration DRC's research please email us at [migration@sussex.ac.uk](mailto:migration@sussex.ac.uk). Access to Migration DRC's working papers is available at [www.migrationdrc.org](http://www.migrationdrc.org).

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