

Diaspora Roles in Development: *Opportunities, Challenges & Models*



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Diasporas & Development

Country of
Origin

MIGRATION + MONEY + IDEAS =
TRANSFORMATIVE CHANGE



Country of Residence

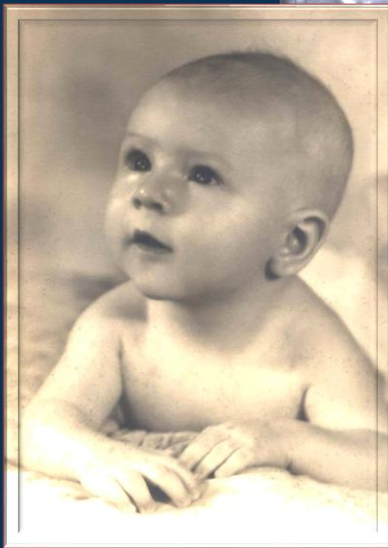


Marcus Lee Hansen's *Law of Migrants' 3rd Generation Return*



Origin
Culture

Destination
Culture



21st Century Migration Process

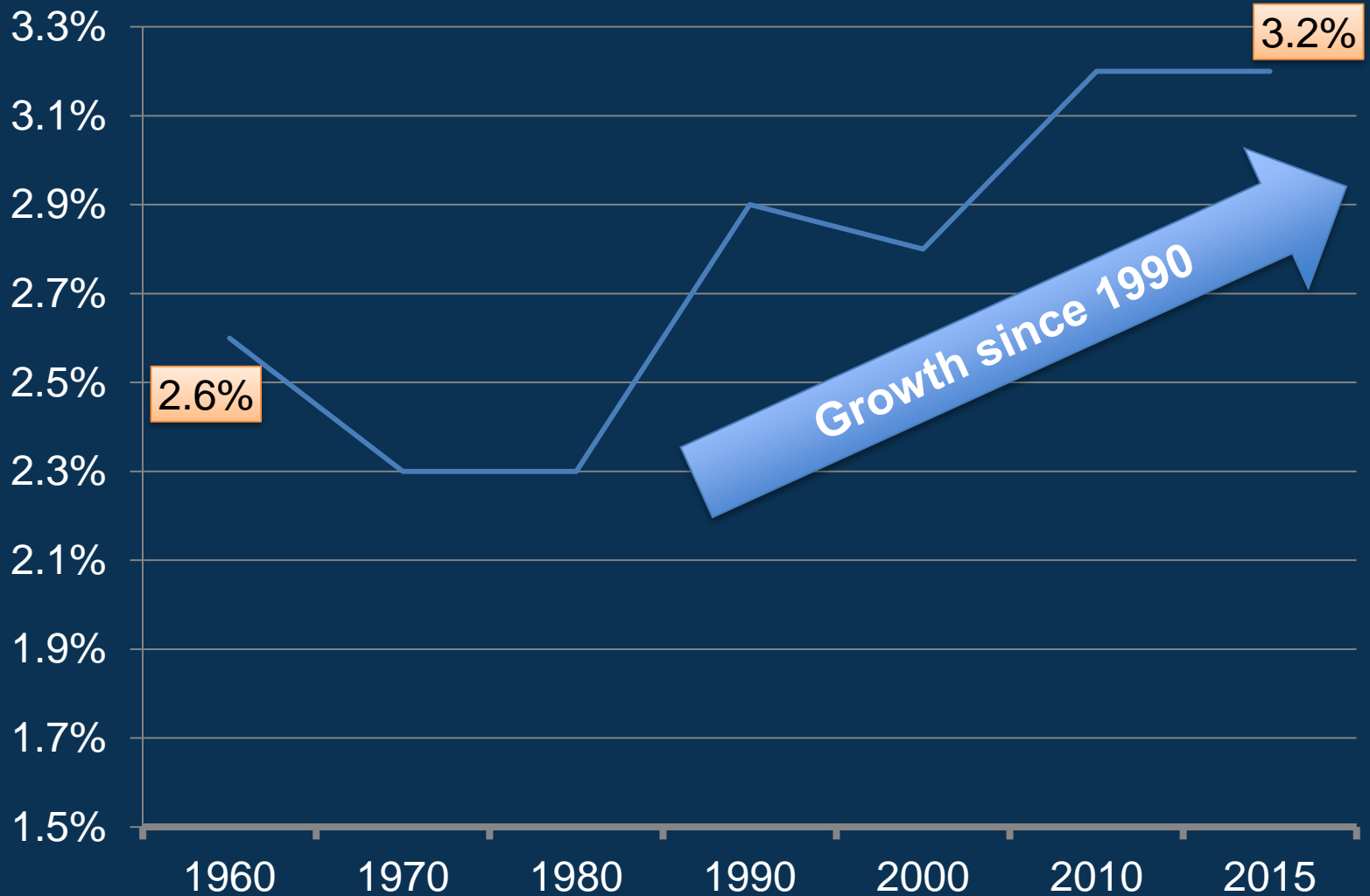


Migration by the Numbers

- Number of international migrants **more than doubled** 1975-2000
- ~200 million migrants worldwide; ~ **population of Brazil** (5th most populous country)
- **1 in 10 persons in developed countries** is a migrant



Migrants as % of Total World Population



Diasporas

The word, DIASPORA, is from the Greek (διασπορά), meaning "a scattering or sowing of seeds"



1990 AMERICAN HERITAGE DICTIONARY ADDITION

Di·as·po·ra (dī-ăspər-ə):

- n.1.** The dispersion of Jews outside of Israel from the sixth century BC, when they were exiled to Babylonia, until the present time.
- 2.** often **Diaspora** The body of Jews or Jewish communities outside Palestine or modern Israel.
- 3. diaspora.** A dispersion of a people from their original homeland.
b. The community formed by such a people: "the glutinous dish known throughout the [West African] diaspora as ... fufu" (Jonell Nash).
- 4. diaspora** A dispersion of an originally homogeneous entity, such as a language or culture: "the diaspora of English into several mutually incomprehensible languages" (Randolph Quirk).

Investment Motivation

Financial

Emotional

Social-
Status

Political

Diaspora Investment Interest is Complex, Often Simultaneously Motivated by Pecuniary & Non-Pecuniary Drivers

Gillespie, Riddle, Sayre & Sturges (1999, 2001)

Nielsen & Riddle (2007, 2008, 2009, 2010, 2011, 2012)

Riddle, Hrivnak & Nielsen (2010, 2011)

Riddle & Graham (forthcoming)

Remittance

1. The sending of money, checks, etc. to a recipient at a distance
2. Money or its equivalent sent from one place or another

**WESTERN
UNION**
MONEY TRANSFER

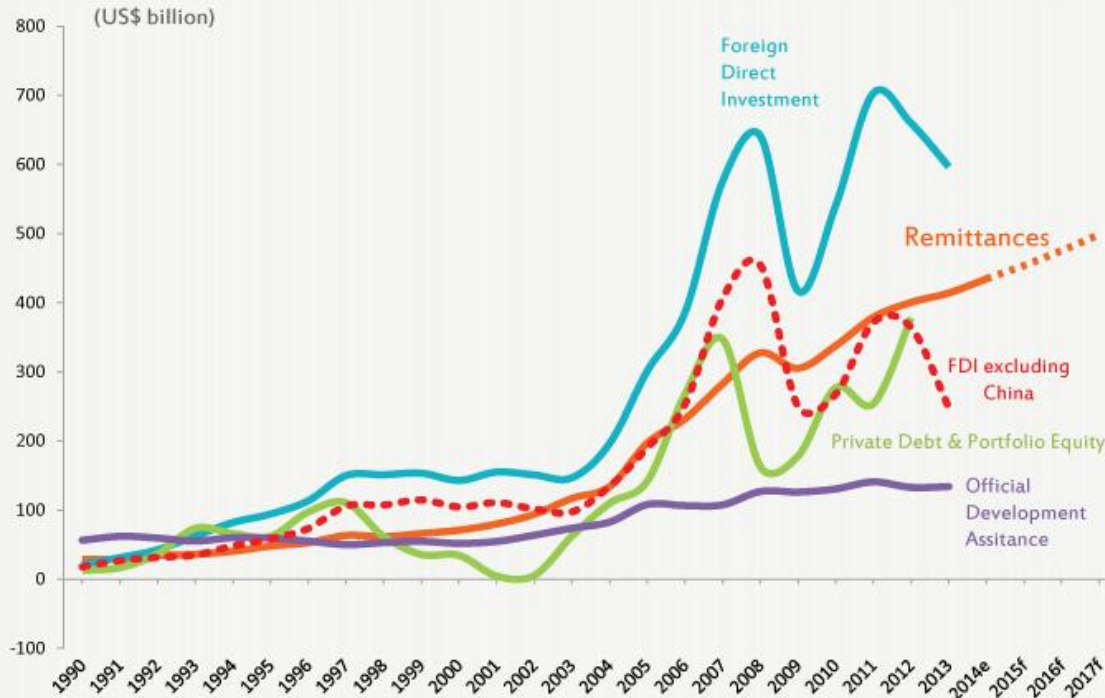



MoneyGram
money transfer

MIGRATION AND DEVELOPMENT BRIEF

OCTOBER 2014

REMITTANCES ARE REBOUNDING IN 2014, FROM SLOWER GROWTH IN 2013



Officially recorded remittances to developing countries are expected to reach **\$435 BILLION** in 2014, an increase of 5 percent over 2013.

In 2013, remittances were more than three times the size of official development assistance (ODA), and excluding China, significantly larger than foreign direct investment flows to developing countries.



Remittances were more than 3 times the size of ODA

Sources: World Development Indicators and World Bank Development Prospects Group

REMITTANCES =
IMPORTANCE GLOBAL CAPITAL FLOW

Many Challenges

- ✓ Remittance dependencies
- ✓ Business environment and investment-attraction obstacles
- ✓ Structural impediments to physical return for investment
- ✓ Cash-strapped diasporans
- ✓ Asymmetrical information on diaspora-development supply and demand side
- ✓ Trust issues

Migration + \$ + Ideas = ***GREATER FAMILY FINANCIAL SECURITY!***



Diaspora Savings Accounts



Opened Lines of Credit Based on Remittance Flows



Insurance Premium Payment at Point of Remittance Transfer



Bill Payment at Point of Remittance Transfer

Migration + \$ + Ideas = ***BUSINESS!***



Diaspora Direct Investment



Transnational Diaspora Business



Diaspora Portfolio Investment

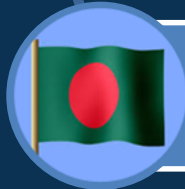


Diaspora Marketing

Migration + \$ + Ideas = ***SOCIAL IMPACT!***



Community/Village Infrastructure Development



Diaspora Impact on Disaster Response



Diaspora Contributions to Healthcare & Education



Diaspora “Voluntourism”

Homestrings

https://www.youtube.com/watch?v=JGqjkIXF_8U



Diaspora Engagement for Development: 3 Key Actions

- ✓ Take a target-market & relationship-management approach
- ✓ Develop a diverse diaspora engagement product portfolio
- ✓ Measure dynamic change and engagement performance through regular assessment and evaluation

**Multilaterals &
Bilateral
Donors**

Diasporas & Development Ecosystem

Bridging Organizations

- Business Incubators, Migration Policy Institute, GW
- Calvert Foundation, Western Union, Homestrings, Thamel.com
- Diaspora media

GW

Diasporans

- Entrepreneurs, MNC/SME Employees
- Investors, Charitable givers
- Diaspora Organizations

COO Governments

- Investment Promotion Agencies
- Ministries
- Embassies, Consulates

GW Diaspora Capital Investment Project



GW Diaspora Capital Investment Project

MAP & LISTEN

- Desk Study
- Diaspora Database
- Interviews
- Focus Groups
- Survey

CONNECT & COORDINATE

- Diaspora & Country of Origin Stakeholder Engagement
- Identify Opportunities for Diaspora Development Supply to Meet Demand

REPORT & DISSEMINATE

- Policy White Papers & Client Reports
- Academic Papers
- Case Studies
- University Courses & Faculty Development Programs,

GW Diaspora Capital Investment Project 2014-15



INTEREST

- **Conducting Surveys of Bangladeshi, Indian & Sierra Leonean Diaspora Communities**
(w USAID & World Bank)

ACTION

- **African Diaspora Marketplace Competition**
(w Deloitte, Homestrings, USAID, Western Union)
- **Homestrings Case Competition**

IMPACT

- **Migration, Identity & International Business Study Abroad Class** *(Ethiopia)*; **Faculty Development in International Business Workshop**

The Migration of Money, People, Ideas in the Global Economy



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Migrant remittance inflows

Share of GDP, 2013

Key | ● Total ● From Russia

Armenia

9.1% | 21.0%

Azerbaijan

1.3% | 2.4%

Georgia

4.5% | 12.1%

Kyrgyzstan

24.8% | 31.5%

Lithuania

0.8% | 4.5%

Moldova

9.3% | 24.9%

Tajikistan

25.1% | 42.1%

Ukraine

2.3% | 5.4%

Uzbekistan

11.7% | 11.7%

**Total Remittances to Georgia
in Jan-Feb 2015 USD
157,437,000, down from USD
203,089,300, or 30%, from the
same period of the previous
year.**