Human beings have long used migration as a means of survival and renewal and in their search for new beginnings. Indeed, the term “diaspora,” meaning “dispersed people,” originally referred to Jewish people and their historically tragic condition of displacement and longing for their own homeland. The term diaspora is used here in its more generic sense to refer to any group of people with a shared sense of identity and a connection to a real or imagined place or sense of origin and “home” elsewhere. Given that Africa is the birthplace of humankind, without migration, today’s world of continents with diverse peoples and cultures is unimaginable.

In the past 200 years of human history, we have clear instances in which the African diaspora has played a pivotal role in the affairs of Africa. One example is freed slaves, such as Olaudah Equiano,1 who found their way to 18th century London and played a leading role in the abolition of the Atlantic Slave Trade and in setting the sail of the first ship of people hoping to resettle back in Africa, starting with what became known as Freetown, today the capital of Sierra Leone.

Similarly, in the aftermath of World War II, activists from various parts of the British Empire used the 1945 Fifth Pan-African Congress in Manchester, England to make a clarion call for independence. The struggle against
apartheid in South Africa was another rallying point for the African diaspora, particularly among African-American students, whose campaigns for divestiture supported internal efforts to weaken the apartheid regime and bring about momentous change.

Today, if there is a big rallying point for the African diaspora, it is probably the fight against poverty. As early as the 1970s, Jamaican reggae singers such as Bob Marley and Dennis Brown were lamenting the replacement of the chains of slavery with the bonds of poverty.

These facts place today’s development challenges in Africa in a historical context that might make sense to many Africans in the diaspora. They also remind African governments, especially, that while their quest to engage their own citizens abroad—the so-called neo-African diaspora—is understandable, African identities are complex, and that the challenges and opportunities of engaging the older, wider African diaspora are important and potentially rewarding, and the children and grandchildren of even contemporary African migrants represent an important resource to address and engage.

The purpose of this chapter is to help African governments identify ways to capitalize on the asset that the African diaspora represents and to better systematize the diaspora’s contributions to Africa’s development. The chapter:

- Outlines four key principles that underpin sound engagement with the African diaspora
- Focuses on enterprise development and the creation of jobs as one key outcome to which the African diaspora can contribute
- Provides an overview of a policy framework that might shape engagement with the diaspora
- Considers the different forms of capital that the diaspora brings to the table and specific policies and mechanisms that African governments can deploy to harness this “capital”
- Discusses the motivations that shape the African diaspora’s engagement with Africa
- Presents an overall strategic framework that African governments might adapt to their specific needs and contexts
- Offers a number of recommendations for African governments and regional bodies such as the African Union
• Provides suggestions about what African governments can do on the proverbial “Monday morning,” given the capacity constraints that hamper most of their efforts.

The chapter draws on the author’s experience as cofounder and first executive director (1999–2009) of the London-based African Foundation for Development (formed in 1994), and as a consultant helping development agencies and governments devise engagement strategies with the African diaspora and harnessing the African diaspora’s resources for private sector development in Africa. In its first 10 years of operation, the African Foundation for Development (a) helped raise awareness of the African diaspora’s actual and potential contributions to Africa’s development; (b) helped inform and shape policies aimed at tapping into the diaspora’s resources in flexible ways that do not require permanent return; and (c) helped build the capacity of U.K.-based African diaspora organizations. More recently, the African Foundation for Development has focused on harnessing the African diaspora’s resources to support entrepreneurs in creating and sustaining jobs in Africa and has developed innovative programs in several African countries to that end.

Principles of Engagement

African governments would be wise to pay attention to the following four principles when trying to engage the African diaspora to contribute to their home country development:

• Principle 1: Not only be inclusive but be seen as inclusive
• Principle 2: Orient engagement efforts around clearly defined development outcomes and results (as opposed to indulging in tokenism, propaganda, or public relations)
• Principle 3: Know and understand the diaspora and meet members half way
• Principle 4: Be strategic in focusing on needs and priorities; that is, insist on being demand driven, not supply led, and focus on both the country’s and the diaspora’s strengths while avoiding exacerbating the weaknesses and capacity constraints of both.
Inclusiveness

As mentioned, diasporic identities are complex and multifaceted. At the same time, for many African countries, nation building is a work in progress. A key difference between the old and new African diaspora is the unit of Africa with which members of the diaspora relate. Africa’s old diaspora, now to be found in the “New World” of the Americas, the Caribbean, and Europe, (through multiple waves of migration, for example, from Africa to the Caribbean and then onto the United Kingdom), tends to relate to Africa as a whole, because there is usually no known point of departure or reference (although recent trends in DNA testing demonstrate the demand that exists to know specific places of origin). In contrast, those who left Africa in more recent times have specific countries, regions, towns, villages, schools, and so forth with which they can and do relate. Given that patterns of migration often correlate with a country’s political and economic turmoil in the postcolonial period, Africans in the diaspora often have complex and ambivalent relationships with their home countries.

African governments are caught between these two reference points. In theory, at least, they bear responsibility for national development, while segments of their diaspora may wish to engage in subnational development in ways that might even risk exacerbating patterns of internal regional inequality. Nonetheless, recent trends in democratic governance in Africa have greatly enhanced the legitimacy of regimes across the continent and the goodwill that the African diaspora feels toward them.

Postconflict countries face particular challenges and opportunities in engaging their diasporas in the task of rebuilding and developing the country. Identity and who really belongs is often a subtext of many contemporary conflicts in Africa. In such polarized contexts, diasporas can fuel divisions through their own intense experiences of identity. At the same time, populations that remained at home during the conflict often feel that, having borne its brunt, they should enjoy the lion’s share of any peace dividend, such as jobs. Resentments often build up between returnees and “stayees” when, for example, the former, who often have more financial and other resources and more recognizable skill sets, land the plumb jobs and occupations in the postconflict rebuilding phase. Liberia, Sierra Leone, South Africa, and Southern Sudan all have examples of such tensions between returning exiles and those who remained at home.
In engaging their diasporas, African governments must be sensitive to these tensions. In many cases, it is the perception that only certain diaspora groups are being courted or are attractive that governments must counter. For instance, studies (Lubkemann 2008) point to the heterogeneity of the Liberian diaspora, many members of which have been returning since the conflict ended. Yet, the general perception among certain segments of the population has been that the Liberian government is paving the way for only a privileged elite wishing to return and reclaim lost assets, positions, and status. Similarly, the Government of Sierra Leone has proactively engaged the Sierra Leone diaspora (the president, elected in 2007, established an office for diaspora affairs within the presidency). However, years of diaspora citizen mistrust of their home government means that the government has an uphill task to reassure members of the diaspora that the engagement is intended to include everyone, not just the politically connected, and that efforts are not just propaganda aimed at maintaining the government’s popularity.

African governments need to pay close attention to the retention of people at home while wooing those abroad. They need to couch the development challenge in ways that appeal to those who may feel most passionate about specific locations or subgroups while holding the whole nation together. At the same time, for historical reasons, some countries have special appeal to a wider African diaspora (Ghana, Liberia, and South Africa are examples), and those countries have the opportunity to reach out to these groups to include them in the pact for development.

**Outcomes and Results Orientation**

In the 1990s, some host country governments in the developed world (especially Europe) sought to engage migrants in development mainly to achieve the goal of immigration control (return of unwanted migrants). To achieve that goal, governments emphasized the potential role of immigrants to contribute to development in their countries of origin. These efforts were a dismal failure. Many of these same countries have recently “discovered” the diaspora (with less emphasis now on migrants) as a potential development resource. In the United Kingdom, for example, the first postdiscovery phase focused on diaspora engagement almost as an end in itself (not least because so little of development practice up to that point involved diaspora or ethnic minority input or involvement).
Now, however, the need to make clear distinctions between immigration and development policy is recognized, and it is understood that subjecting the latter to the demands of the former is counterproductive (Argunias Rannveig and Newland 2007) (although tensions remain because immigration and development concerns tend to pull in different directions). At the same time, there is a growing recognition that engaging members of diasporas as an end in itself is unhelpful. Many diaspora individuals and groups act precisely to achieve specific development outcomes, even if they do not necessarily frame their actions in terms of the Millennium Development Goals or other such purposes (Ndofor-Tah 2000).

Members of diasporas are, for example, typically interested in achieving poverty reduction goals through enterprise development and job creation, and in achieving socially oriented goals in the areas of health and education (although many diaspora actors are more likely to be inspired to engage around wealth creation and achieve more aspirational goals than are conventionally expressed by mainstream development actors). This chapter does not argue that African governments should limit their focus to development outcomes in these particular areas but that it is advisable for the goals of governments to be oriented toward developmental and results-oriented outcomes. There are three reasons:

- Africa faces clear and pressing development challenges
- Having measurable objectives and targets will help African governments undertake the necessary cost-benefit assessments to justify effort and resource expenditure in relation to returns on investment
- A results-oriented focus will help sustain and legitimize such efforts and thus create a virtuous cycle of development.

Knowing the Diaspora

It is a maxim of good marketing that you must know and understand your customers in order to win their business and serve them. The same principle applies for African governments reaching out to their diasporas. It is impossible to engage effectively or meaningfully with the African diaspora without first understanding what their strengths are and how to communicate with them, a subject that will be discussed in greater detail below.
Strategic Approach

African governments typically face certain capacity constraints within state structures and institutions, and these constraints frame the development challenge they face. African diaspora groups also face a number of organizational constraints. Most operate on a purely voluntary basis, so members must balance family and work obligations; organizations are not necessarily formally constituted as development organizations; and they often have multiple agendas. Yet, African governments and the diaspora have their respective strengths, needs, and priorities. It is important, therefore, as explained below, that African governments embark upon this venture in a sustained, systematic way that enhances capabilities and delivers tangible benefits.

Critics of previous development efforts have often complained that they have been too externally driven, overlooking or undermining Africa’s own internally generated ideas and solutions to the continent’s problems. It would be a mistake, therefore, not to take to heart this lesson in engaging with the African diaspora. In their enthusiasm to contribute, members of the African diaspora might imagine that they have all the solutions to Africa’s problems. However, while fresh ideas and approaches are an essential ingredient in Africa’s development, it is vital that countries focus on their needs and insist on being demand driven, not supply led. Moreover, it is now understood that solutions need to take firm root among the people they are meant to benefit, if they are not home grown, to secure wide ownership and legitimacy.

In keeping with these principles, the remainder of this chapter will focus on ways that African governments can harness the African diaspora’s resources to enhance enterprise development outcomes in Africa.

Focus on Jobs

In October 2007, the United Nations General Assembly adopted a new target for the first Millennium Development Goal, which aims to halve the number of people living in poverty by 2015: “Achieve full and productive employment and decent work for all, including women and young people.”
This presents a useful context for a discussion on the African diaspora’s role in contributing to poverty reduction in Africa. Indeed, the Economic Commission for Africa has argued that Sub-Saharan Africa must create 8 million jobs a year every year to satisfy the growing number of job seekers (ECA 2006a). At the same time, focusing on the least developed countries (LDCs), the United Nations Conference on Trade and Development points out that:

\[I\]n almost all the LDCs there is an imbalance between the rate of growth of the labour force, which is very rapid owing to population growth, and the rate of capital accumulation and technological progress, which is generally slow. As a result, most workers have to earn their living using their raw labour, with rudimentary tools and equipment, little education and training, and poor infrastructure. Labour productivity is low and there is widespread underemployment. This is the basic cause of persistent mass poverty in the LDCs. (UNCTAD 2006:x)

The quest for productivity improvements is relevant for both developed and developing countries. In the United Kingdom, the Department of the Treasury (finance ministry) has identified five drivers of productivity: (a) skills, (b) investment, (c) innovation, (d) enterprise, and (d) competition. In Africa, in addition to infrastructure, good governance might also be added, drawing on the way, for instance, postelection violence in Kenya in 2008 destroyed productivity and wealth creation prospects almost overnight.

In recognition of the pivotal role that the private sector must play in tackling poverty in Africa, many African governments have developed or are developing private sector development strategies at the core of their efforts to transform their countries. Most likely, any such strategy will incorporate some variation of the five drivers the United Kingdom has identified, tailored to the specific country’s circumstances.

The key message is that this is the starting point for any discussion about tapping into the African diaspora’s resources to develop the country—there has to be some sense of what the country needs, what its own framework is, what it is seeking to achieve, what its demands are, and so forth.2 This is the necessary antidote to drifting into being supply-led and possibly pursuing a number of unfocused agendas that do not deliver useful results.

With this clear sense of purpose and direction, it then helps to understand what members of the diaspora bring to the table and what motivates them, which is the focus of the next section.
Understanding the Diaspora

Diasporas are most celebrated for the remittances they send “home” to their countries of origin. However, it is useful to think of multiple forms of diaspora capital with implications for development.

The 5Cs of Diaspora Capital

The 5Cs of diaspora capital are:

- **Financial capital:** As noted, remittances are probably the most tangible “currency” of the migration-development debate. Recipients put remittances to a variety of uses. Some studies indicate that the bulk of remittances are used for basics such as food, clothing, housing, health, and education (Boon 2006). Other studies also point to investment in entrepreneurship. For instance, a survey of small firms in Mexico found that remittances account for 20 percent of total capital invested in urban microenterprises (World Bank 2006). In this chapter, we also consider the consumer spending power of diasporas as a form of financial capital with relevance for development.

- **Intellectual capital:** Another topic that has generated significant interest in the migration-development debate is the so-called “brain drain” of skilled personnel from developing to developed regions and various strategies to mitigate the effects, given the purported skills deficits that now hamper development efforts. However, in more recent times, focus has shifted to prospects for circular migration and tapping into the know-how and skills of members of the diaspora in more flexible ways that do not demand permanent return.

- **Political capital:** Members of diasporas also deploy political influence on a range of issues with a bearing on development. These might be local, domestic issues; issues of national import; or even global issues, as the struggle against apartheid became with the considerable engagement of African-American activists.

- **Cultural capital:** Often, members of diasporas acquire a set of values, norms, and perspectives while abroad that differ markedly from those dominant in their countries of origin. In some cases, members of diasporas blend two sets of values to produce a unique “insider-outsider” perspective. New ways of seeing, being, working, and doing are arguably
central to the quest for needed innovation. At the same time, imposition of completely alien values on people is counterproductive. To the extent that new ideas or norms are needed, somehow refracting them through already legitimated norms may be necessary. Members of diasporas are often well placed to serve as a bridge between old and new ways of seeing and being.

- **Social capital:** This is not a resource per se that members of diasporas deploy; rather, social capital includes “the ties that bind,” the glue, rationale, obligations, feedback, satisfaction, and even the channels and networks.4

Table 9.1 illustrates the correlation of the drivers of productivity identified in the previous section with the diaspora’s different forms of capital.

As we can see, there is a good potential fit between what the African diaspora can bring to the table and what is required to enhance productivity and create widespread wealth. Below, we will examine specific initiatives and policies that can help harness the African diaspora’s resources to contribute to enterprise development in Africa. First, however, we consider what motivates the African diaspora.

**The 3Ps of Diaspora Motivation**

While some people engage in development activities for ideological reasons, it is neither helpful nor necessary to assume that members of diasporas do so for similar reasons. Experience suggests that diasporas are broadly motivated to engage in development-related activity by a mix of the “3Ps”:

- **Pecuniary interests:** Many diaspora members intend to return to their countries of origin and are motivated by the desire to ensure that they

<table>
<thead>
<tr>
<th>TABLE 9.1</th>
<th>Correlating Productivity Drivers with Forms of Diaspora Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Productivity driver</strong></td>
<td><strong>Diaspora capital</strong></td>
</tr>
<tr>
<td>Skills</td>
<td>Intellectual</td>
</tr>
<tr>
<td>Innovation</td>
<td>Intellectual, financial</td>
</tr>
<tr>
<td>Investment</td>
<td>Financial</td>
</tr>
<tr>
<td>Enterprise</td>
<td>Financial, intellectual</td>
</tr>
<tr>
<td>Competition</td>
<td>Political</td>
</tr>
</tbody>
</table>

*Source: Author’s compilation.*
have remunerative activities adequate to sustain themselves. This is especially true for temporary migrants or migrants whose status in the host country is irregular. Another reason for pecuniary interest may be to reduce, over the long term, the dependency of family and friends in the country of origin upon the finite resources of the sender.

- **Private interests**: Beyond immediate pecuniary or financial gain, diaspora members might also direct their resources to the private sphere of the immediate household or narrowly defined community.

- **Public philanthropic interests**: Diaspora members also engage in resource transfers and activities aimed at the public sphere for which there is no prospect of tangible personal gain or reward.

Thus, altruism is only one motivating factor explaining why some members of the African diaspora may choose actions that produce development outcomes. The key point is that the payback that members of the African diaspora may be seeking might be measured in financial, social, or emotional terms. Efforts to mobilize the diaspora must take account of these different motivating factors and their interaction.

In the next section, we look at the specific ways African governments can translate African diaspora resources into development gains.

**Strategic Framework**

African governments have been proactive in recent years in reaching out to their diaspora communities. Both Ghana and Sierra Leone have organized homecoming summits. Ghana, Mali, and Senegal are just three examples of countries with ministers with portfolios that include diaspora affairs. The Government of Nigeria, under President Obasanjo, established a special presidential advisor for diaspora affairs. Indeed, President Obasanjo went one step further to encourage the formation of the Nigerians in Diaspora Organization. Sierra Leone has an Office for Diaspora Affairs located in the Office of the Presidency. Ruling and opposition parties actively fund raise in the diaspora, and few transnational politicians lack ambitions or reticence in claiming that they could do a better job of running their home countries. In the run-up to the 2007 Nigerian presidential elections, presidential hopeful Pat Utomi launched a “Contract with the Diaspora” tour of the United States and the United Kingdom.
In spite of these encouraging developments, African governments have largely failed to integrate their diaspora-mobilization efforts into their overall development strategies. Even in cases where poverty reduction strategies do incorporate a diaspora element, they do not take account of the local, decentralized focus of most diaspora efforts. An example is Ghana, which operated on the premise that most Ghanaians will rally to the nation-state-building cause. In fact, the African Foundation for Development made an effort to connect the Ghanaian diaspora to development efforts in Ghana and highlighted some unfinished business of the decolonization era:

*Ghana’s venerated chieftaincy institutions enjoy something of a comparative advantage in the diaspora mobilization business, given the appeal and hold of cultural identity, especially for a diasporic community. And yet, diaspora resource mobilization for development via the chieftaincy raises intriguing challenges around accountability, participation and civic rights. These are not necessarily new themes in modern day Africa but both migration and decentralization throw them into sharp relief. How can the expectations of citizenship be reconciled with the constraints of subject-hood? What are the lines of demarcation between the roles and responsibilities of Chiefs and District Assemblies? These are broad constitutional questions of which diaspora is but one part.* (Zan 2004)

In this section, we examine several strands of what a strategy that incorporates a component of mobilizing the African diaspora’s resources might entail. We address a fundamental strategic choice that African governments must make as they consider engaging their diasporas; examine specific strategic options that confront African governments in harnessing the African diaspora’s resources for enterprise development and wealth creation; consider roles, responsibilities, and the place of collaboration in implementing the strategy; and address continuous learning, evaluation, and adaptation.

**Fundamental Strategic Choice: Integrated or Dual?**

Although we have already noted that few African governments have incorporated migration and development perspectives into their overall development strategies, this is, arguably, only one of two fundamental strategic choices open to them. The choices are, in essence, to incorporate diaspora resources into an overall development strategy or to pursue a two-pronged, dual strategy.

Aid-dependent African countries typically develop Poverty Reduction Strategy Papers as a multistakeholder process that aims to build a consensus
around the country’s development priorities and process and to unlock the aid flows to implement the strategies. Some commentators have suggested that Poverty Reduction Strategy Papers are externally driven and lack local ownership in African countries. Given that African diaspora resource flows come with fewer and different conditionalities, it might seem self-evident that African governments should seek to leverage diaspora resources to reduce their aid dependency, to pursue more autonomous policies, or to wrest concessions from their international bilateral and multilateral aid partners. However, the weak state capacity that afflicts most African countries suggests that this two-pronged approach is often a reach too far, and meaningful delivery suffers. Table 9.2 compares the pros and cons of the integrated compared to the dual diaspora engagement strategies.

Specific Strategic Options

Table 9.3 presents options in both policy and programmatic terms. Table 9.4 presents strategies specific to the characteristics of a country’s particular diaspora population. Once again, this reinforces the importance of each country understanding its diaspora and matching these characteristics to its particular needs and priorities.

TABLE 9.2
Pros and Cons of Integrated Compared to Dual Diaspora Engagement Strategies

<table>
<thead>
<tr>
<th></th>
<th>Integrated strategy</th>
<th>Two-pronged/dual strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pros</td>
<td>• Makes more effective use of limited state capacity</td>
<td>• Offers opportunities to pursue sophisticated policies radically different from mainstream approaches</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Potentially creates space for autonomy in policy making</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Scope for move from poverty reduction to wealth creation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Failure to integrate into state structures may undermine long-term institutionalization and sustainability</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• May tend to overemphasize symbolic over substantive initiatives for short-term political gain</td>
</tr>
<tr>
<td>Cons</td>
<td>• Presents challenges for addressing two very different audiences—diaspora and development partners</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s compilation.
<table>
<thead>
<tr>
<th>Productivity driver</th>
<th>Diaspora capital</th>
<th>Policy initiatives</th>
<th>Programs/projects</th>
</tr>
</thead>
</table>
| Skills              | Intellectual     | • Improve linkages among business; vocational, educational, and training providers; and employers to produce workforce with more marketable skills  
                      |                  | • Revise educational curricula to incorporate critical thinking skills, innovation, and entrepreneurship to help nurture a culture of entrepreneurship | Develop schemes to build the capacity of small and medium enterprises nationwide using diaspora skills and know-how |
| Innovation          | Intellectual, financial | • Systematize the purposeful search for innovation in firms and organizations and society at large; create incentives to encourage and reward innovation; send strong message to diaspora that the country is open for innovation | Establish a competition for innovation and entrepreneurship that includes diaspora innovators and entrepreneurs |
| Investment          | Financial        | • Restructure investment promotion agencies to attract diaspora direct investment and foreign direct investment  
                      |                  | • Encourage local chambers of commerce to develop relationships with diaspora chambers of commerce for information exchange, business partnerships, and two-way trading relationships  
                      |                  | • Launch products such as diaspora bonds to attract diaspora direct investment  
                      |                  | • Support innovative products to enable remittances recipients to gain access to financial services and business support where the intention is to use remittances for enterprise endeavors |
| Enterprise          | Financial, intellectual | • Reduce administrative barriers to doing business; reduce registration costs for new businesses; implement tax incentives to encourage enterprise  
|                    |                        | • Amend banking regulations to enable “portable” credit histories to allow diaspora entrepreneurs to access credit in local capital markets  
|                    |                        | • Amend employment laws to facilitate easier hiring of African diaspora employees, even when they are not nationals of the country  
| Competition        | Political              | • Encourage value chain initiatives to promote export of goods and services that target diaspora consumers, particularly where products have the potential to gain wider market access via diaspora channels (e.g., in the same way that “Nollywood” Nigerian movies now enjoy widespread appeal thanks to Nigerian diaspora consumers)  
|                    |                        | • Use public-private dialogue structures to incorporate the views of diaspora investors and entrepreneurs on necessary reforms  

Source: Author’s compilation.
We now consider approaches that African governments might adopt in implementing the above strategies.

### Roles and Responsibilities: Collaborative Approaches

This transnational age of migration demands that migrant-sending and receiving countries cooperate if they want to harness the benefits of

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**TABLE 9.4**

**Strategies for Matching Diaspora Investors and Entrepreneurs with Possible Actions**

<table>
<thead>
<tr>
<th>High finance capital, low nonfinance capital:</th>
<th>High finance capital, high nonfinance capital:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Cash rich, time poor, long-term settled individuals with few links with “home” but some emotional connection (i.e., potential investors)</td>
<td>• Highly skilled individuals in senior positions in management, corporate finance, etc.</td>
</tr>
<tr>
<td><strong>Mechanisms, actions, and policy options:</strong></td>
<td>• Successful owners of well-established medium and large businesses</td>
</tr>
<tr>
<td>• Stock exchange</td>
<td>• Strong links with/interest in “home” affairs</td>
</tr>
<tr>
<td>• Investment/managed funds</td>
<td><strong>Mechanisms, actions, and policy options:</strong></td>
</tr>
<tr>
<td>• Hands-on trade missions and virtual mentoring to harness resources and strengthen emotional bonds</td>
<td>• Venture capital instruments/funds</td>
</tr>
<tr>
<td></td>
<td>• Stock exchange</td>
</tr>
<tr>
<td></td>
<td>• Private equity/managed funds</td>
</tr>
<tr>
<td></td>
<td>• Joint venture investments</td>
</tr>
<tr>
<td></td>
<td>• High-profile, focused networks/think-and-act tanks for action-oriented initiatives</td>
</tr>
<tr>
<td></td>
<td>• Diaspora appointments on government advisory boards</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Low finance capital, low nonfinance capital:</th>
<th>Low finance capital, high nonfinance capital:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Marginalized, trapped in low-skilled/low-paying jobs</td>
<td>• Owners of small enterprises</td>
</tr>
<tr>
<td>• Undocumented migrants (cannot travel back and forth)</td>
<td>• Young/female entrepreneurs</td>
</tr>
<tr>
<td>• Asylum seekers barred from working</td>
<td>• Members of hometown and other associations</td>
</tr>
<tr>
<td>• Refugees unable to secure jobs commensurate with their skills and experience</td>
<td>• Highly skilled individuals in paid employment</td>
</tr>
<tr>
<td>• People remitting significant portions of even meagre income to relatives at home</td>
<td><strong>Mechanisms, actions, and policy options:</strong></td>
</tr>
<tr>
<td><strong>Mechanisms, actions, and policy options:</strong></td>
<td>• Match diaspora entrepreneurs to small and medium enterprise partners</td>
</tr>
<tr>
<td>• Research to understand investment portions of remittances</td>
<td>• Business development support and networks</td>
</tr>
<tr>
<td>• Channel remittances via formal structures</td>
<td>• Trade initiatives linking home and host countries</td>
</tr>
<tr>
<td>• Small-scale business development initiatives, e.g., microfranchising</td>
<td>• Business plan competitions</td>
</tr>
<tr>
<td>• Seek linkages between remittances expenditure and local economy</td>
<td>• Harnessing skills via virtual business peer support/mentoring and hands-on skills-sharing trade missions</td>
</tr>
<tr>
<td>• Tax relief on remittances for development</td>
<td><strong>Mechanisms, actions, and policy options:</strong></td>
</tr>
<tr>
<td>• Negotiate for recognition of rights for migrants in host countries</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Author’s compilation.*
migration for development (GCIM 2005). Geographer Giles Mohan (2002) argues that the following three interrelated aspects of diasporas’ engagement with the world need to be considered:

- *Development in the diaspora*, that is, the circumstances under which diaspora communities operate in the host country (jobs, housing, welfare, and so forth)
- *Development through diaspora*, that is, the ways that globally dispersed diaspora networks support each other, engage in trade, and so forth
- *Development by diaspora*, that is, the support that diaspora communities provide to sending communities, ancestral home communities, or both, through remittances, lobbying, and so forth.

Clearly, there is a symbiosis between conditions in the host countries of diaspora settlement and the capacity of members of the diaspora to contribute to Africa’s development. This provides a context for bilateral and multilateral partnerships and collaboration between African governments and countries of diaspora settlement.

In addition to government-to-government relations and collaboration in the context of mobilizing African diaspora resources for development, African governments should also consider relations with the private sector, particularly where private-sector-led development and jobs are desired outcomes.

The growing consensus surrounding the central role that business must play in the achievement of the Millennium Development Goals is significant because of the evolving partnership between diasporas and business around development.8

Recent deliberations have identified ways in which businesses can contribute to poverty reduction.

First, businesses can contribute to economic growth through:

- Advocacy for improvements in investment climate and business environment
- Investment in infrastructure
- Facilitating international and regional trade.

Second, businesses can also contribute to poverty reduction through their core business activities by:

- Involving small and medium enterprises in value chains as suppliers and distributors
• Creation of decent, productive employment (including transferring skills to Africa through hiring Africans in the diaspora for roles on the continent)
• Provision of goods and services for consumers at the base of the economic pyramid.

Most important, of course, is a collaborative approach with the African diaspora.

If African governments can devote sufficient time and energy to getting their thinking, strategies, and policies right, partners—other governments, the private sector, and members of the diaspora themselves—can take responsibility for much of the implementation. This approach has the potential, therefore, to address one of the key constraints hampering effective development in Africa—that is, inadequate state capacity.

**Learning and Growing**

Engaging the African diaspora in contributing to Africa’s development in the systematic way outlined in this chapter is still relatively new terrain for African governments, and there are many unknowns. That is why clarity of purpose, with clear goals, targets, and milestones, is so important to enable progress to be measured and periodic adaptations made.

African governments, however, are not alone in their journey. Many Asian and Latin American countries have in recent years made significant strides in developing productive relations with their diasporas in an effort to harness their resources for development. African governments could develop agreements to share learning and experiences with counterparts in these regions and to adapt them to the contexts specific to different parts of Africa.

**Conclusion**

While the growing interest of African governments in engaging the African diaspora as a development resource is logical, the diaspora is neither the silver bullet of development nor a panacea for all Africa’s ills. Indeed, tapping into the African diaspora’s resources does not reduce the need for home-grown solutions, sound leadership, effective management, and good governance as the absolute cornerstones of development in the
21st century. Rather, if anything, reinforcing the contributions of diasporas to development and taking them to a new level makes new and additional demands on African governments.

Nonetheless, as democratic governance improves in Africa and elected officials accountable to their peoples for effective service delivery becomes the norm, the outlook for a productive relationship between Africa and its diverse diasporas appears promising.

In considering an overall strategic framework, this chapter has highlighted the fundamental choice that African governments face. While many African governments have in recent years reached out to their diasporas as development partners, they have not in general incorporated migration and development concerns into their overall development strategies. Although this might imply that they have been deploying a highly sophisticated dual-pronged strategy of engaging diasporas as separate development partners from their more conventional partners, this does not seem to be the case, not least because of the additional demands on limited state capacity (in most cases) that this makes. Indeed, for relatively weak states, integrating diaspora components into their main poverty reduction strategy may be the more pragmatic choice for many African governments.

Although this chapter has focused on the role of African governments—which still bear the prime responsibility for national development—in reinforcing the African diaspora’s contributions to development, there remains a critical role for regional bodies such as the African Union and even the regional economic communities. As explained, not all of the African diaspora identifies strongly with the nation-state as their primary entry point to development. For some, it is a subnational ethnic or regional identity (or even a gender or professional identity). For others, it is Africa as a whole to which they relate. The African Union, therefore, has a comparative advantage in structuring the symbolic and symbiotic relationship between Africa and its diverse diasporas.

On a more practical level, the African Union could and should do more to help improve standards of democratic governance across the continent. Although all African countries have the right to be members of the African Union based on geographic position alone, the African Union could tier this base-level entry with more nuanced and gradated levels of membership based on, for example, a country’s commitment to principles such as free and fair elections, term limits on elected office, and respect for the rule
of law. This could go a long way toward building a more direct relationship between the African Union and citizens in Africa and the diaspora.

Finally, the limited capacity of state structures within Africa is, arguably, for many countries, the main constraint hampering a more strategic and systematic approach to reinforcing the African diaspora’s contribution to the continent’s development. It requires a reasonably well-organized state to effectively engage its diaspora to achieve development outcomes. What, then, is the overworked African policy maker and decision maker to do on the proverbial Monday morning, in taking forward the ideas outlined in this chapter?

The diaspora itself can serve as a resource to help African governments devise and implement such strategies. While use of such a resource on a pro bono basis is one option, the World Bank has developed its strategy of engagement with the African diaspora as a development resource. Within that framework, the World Bank has developed eConsult, a mechanism for diaspora consultants to register and be available for Bank-funded projects. The Bank has also established the African Diaspora Facilitation Engagement Fund. The Bank is even considering organizing a study tour of India for African officials to learn how that country transformed its relationship with the Indian diaspora for mutual gain. Lack of resources, thus, can no longer be an adequate explanation for not taking a systematic and strategic approach to harnessing the African diaspora’s contributions to Africa’s development.

Notes

1. Olaudah Equiano, also known as Gustavus Vassa, was one of the most prominent Africans involved in the British movement for the abolition of the slave trade (wikipedia.com).

2. Although the focus of this chapter is on enterprise development, the same would be true for other areas of development, such as in the education or health sectors, community development, and so forth.

3. Circular migration is defined as “a continuing, long-term, and fluid pattern of human mobility among countries that occupy what is now increasingly recognized as a single economic space” (Newland, Rannveig Agunias, and Terrazas 2008).

4. Scholars have subjected the concept of social capital to sustained criticism (see, for example, Franklin [2004]), and its meaning is highly contested. Nonetheless, it retains some utility in capturing the messy, fuzzy range of factors at play in motivating diasporas to do what they do vis-à-vis development.
5. See, for example, Nielsen and Riddle (Undated).
6. As the Economic Commission for Africa points out, “The response of African Governments to migration challenges has been very limited and fragmentary. Few countries have implemented international conventions and related policies on migration. International migration barely features in national development plans and strategies, and has not been adequately addressed in any of the regional development frameworks such as the NEPAD [New Partnership for Africa’s Development], MDGs [Millennium Development Goals], and PRSPs [Poverty Reduction Strategy Papers]” (ECA 2006b).
7. Former Eritrean finance minister, Gebreselassie Y. Tesfamichael believes that Poverty Reduction Strategy Papers are aimed at extracting the most aid possible (Tesfamichael 2005).
8. This point was driven home in a report (InWEnt 2006) presented at an Internationale Weiterbildung und Entwicklung (Capacity Building International, InWEnt)-sponsored conference in Bonn, Germany in 2006. The conference was significant not only for its focus on the role of business in contributing to achievement of the Millennium Development Goals, but because it was the first major conference to bring together business investors in Africa and the African diaspora to explore ways of integrating combined efforts in achieving the Goals.

References


