



Migrant Networks as a Development Resource: Remittances and Beyond

Kathleen Newland
Director
Migration Policy Institute
Washington, DC



International migration remains very much the exception rather than the rule of human behavior. About 175 million people today are estimated to be living in a country other than the one in which they were born. Another way of saying this is that approximately 97 percent of humanity has stayed home. Why then does international migration suddenly loom so large on the international policy agenda? Much of the answer lies in the domestic politics of migrant-receiving countries, where immigration has become a wedge issue exploited by right-wing parties; part lies in the abrupt demographic transition that the major countries of destination are going through. Another element is concern about the loss of human-capital, or “brain drain”. More positive reasons for the interest in migration include growing optimism about the developmental potential of financial flows associated with remittances and investment from emigrant populations. These and other factors add up to a greatly heightened consciousness about the importance of migration as a force of economic growth and social change.

Although migration is an intrinsic part of human behavior, from the very origin of our species, many people argue that, today, migration is different from the movements of the past. In many ways I would agree. One of the distinctive characteristics of international migration today is that it does not necessarily represent so dramatic a break with the home country as it did before the second half of the 20th century. The advent of the jet plane and the communications satellite have put long-distance transportation and communication within the reach of even relatively poor people. Cheap flights and telephone calls allow international migrants to maintain their ties with the families and communities they left behind. Scholars now study the growth of “transnational communities” as social spaces uniting two or more countries where migrants may establish themselves in a new country without leaving the old one behind. The dense networks of interactions between countries of origin and migrant-receiving countries is a significant feature of international migration in our time.

My discussion here today will focus on one aspect of the growth of international migrant networks: their potential as a powerful resource for development. The interest of policy-makers in the links between migration and development has become intense in the last four or five years. The new policy interest in migrant communities, or Diasporas, may be seen as a facet of a broader concern with globalization, and specifically with the very recent appreciation of the sheer volume (and the even greater potential volume) of money directed toward developing countries in the form of remittances by emigrant workers and their



descendants.¹ Balancing the interest in this positive potential is a concern about the loss of skills and talents as a result of emigration—the so-called “brain drain”.

Remittances are hard to measure accurately, in part because the money often moves through informal channels and therefore is not captured in financial statistics. But we know enough to appreciate that remittances represent a very important resource both for the households that receive them from relatives working abroad, and for the countries that have significant numbers of emigrants. The World Bank estimates that in 2004, remittances substantially exceeded \$100 billion dollars, and may be almost \$150 billion. This amounts to more than twice the total amount of official development aid provided by the richer countries.

Remittances have a direct impact on poverty reduction, since they tend to flow directly to poor (although not necessarily the poorest) households and are used primarily for basic needs such as food, shelter, education and health care. The common observation that remittances are not used for “productive” investment misses the point that poor households rationally give priority to these basic needs, which represent an investment in human capital as well as needed consumption. Spending on basic needs also has a multiplier effect in the community.

Remittances, however, are far from being the only vehicle for Diaspora influence on the incidence of poverty in their home countries. For many countries, the Diaspora are a major source of foreign direct investment (FDI), market development (including outsourcing of production), technology transfer, philanthropy, tourism, political contributions, and more intangible flows of knowledge, new attitudes, and cultural influence. The quality of information, much less hard data, about Diaspora influences in these dimensions is in general very poor, posing a serious challenge to policy development.

Generalizations about Diasporas are perilous, given the tremendous variation in historical experience, relations with authorities in the home country, levels of prosperity and education, religious background and ethnicity both within and among Diaspora communities. The experience of living outside the homeland may exacerbate the differences within a group, or forge new common identities among disparate members. No matter how heterogeneous or homogeneous, Diaspora communities do form a living link between their countries of origin and their countries of settlement.

Despite these numbers, many experts believe that labor migration does not significantly improve the development prospects of the country of origin. Source countries have had great difficulty in converting remittance income into sustainable productive capacity. In addition, most states are able to exercise little control over the composition of their labor exports—rather, it is determined by the foreign labor markets, and may bear no relation to ‘surplus’ labor at home. A few countries have focused quite deliberately on “producing” skilled labor for foreign markets—Philippine nurses and Indian computer programmers come to mind—but most are passive in the face of international supply and demand.

In addition, it is argued that remittance income is rarely used for productive purposes. Remittances go in small amounts to poor people (the average size of a transfer from the United States to Latin America is about \$200)¹, and are used mostly to support direct consumption as well as some housing, health care and education. A very small proportion of remitted funds seem to go into income-earning, job-creating investment. Moreover, remittances may increase inequality, encourage consumption of imports, and create

¹ Roberto Suro, summary of the study “Billions in Motion: Latino Immigrants, Remittances and Banking”, Migration Information Source (www.migrationinformation.org), February 2003 edition.



dependency. They are often delivered with stunning inefficiency; as much as 20 percent of their value is said to disappear commonly through high transfer fees and poor exchange rate offerings.

The benefits of remittance income to source countries do not necessarily explain the full impact of remittances on poverty. Remittances may not constitute a rising tide that raises all boats, but they do have a very important effect on the standard of living of the households that receive them, constituting a significant portion of household income. A review of the literature on remittances by Deborah Waller Meyers reports a fairly strong consensus on their use, across countries. “For the most part, remittances are used for daily expenses such as food, clothing, and health care...Funds are also spent on building or improving houses, buying land or cattle, and buying consumer goods such as washing machines and televisions.”² Families also spend remittance income on education. Meyers concludes that remittances are spent in the same ways that income from other sources is spent by people in similar situations.

Remittances are an important social safety net for poor families, possibly reducing additional out-migration in particularly difficult times. Studies in the Dominican Republic showed that residents at all economic and social levels received remittances, but that the poor relied on them most heavily, as one would expect. In a 1991 study, 33.8 percent of Dominicans received remittances, which provided on average 60 percent of family income.³ Governments in Central America recognize the safety net aspects of migrant remittances. In the aftermath of the devastating Hurricane Mitch in 1999, the government of El Salvador asked the United States government not for additional humanitarian aid, but for extended permission for Salvadoran immigrants to stay legally in the United States so that they could send money to storm-affected relatives back home.

The relatively small portion of remittances that are used for investment (apart from human capital investment through education and health spending) reflects not only the immediate consumption needs of poor families, but also the discouraging investment climate for the poor. Until problems such as poor infrastructure, corruption, lack of access to credit, distance from markets, lack of training in entrepreneurial skills, disincentives to savings and so forth are tackled, it is unrealistic to expect remittances to solve the problem of low investment in poor communities. In the meantime, remittances lift many recipients out of poverty, if only for as long as the transfers continue.

Brain Drain

If remittances are the major benefits of migration from the point of view of the source countries, the loss of human resources—particularly highly skilled people—is the most serious cost. The market for advanced skills has become truly a global market, and the most dynamic industrial economies are admitting—sometimes even recruiting—significant proportions of the highly trained professionals from poor countries.⁴ The Economist in a September 2002 article about emigration assembled the following random snapshots of the brain drain:

- About 30 percent of all highly educated Ghanaians and Sierra Leoneans live abroad
- 12 percent of Mexico’s population with higher education is in the United States, and 30 percent of its PhDs

² Deborah Waller Meyers, “Migrant Remittances to Latin America: Reviewing the Literature”, paper commissioned by the Inter-American Dialogue and the Tomas Rivera Policy Institute. Washington DC, 1998.

³ Ibid.

⁴ Emigration of the highly skilled is not a problem reserved to poor countries. Australia, Canada and the United Kingdom among others lose highly trained people to the United States.



- 75 percent of Jamaicans with higher education are in the United States
- Albania lost on-third of its qualified people in the decade after the fall of communism
- Half of all foreign students who get PhDs in the United States are still there five years later

Ironically, emigrants from countries in which a very small proportion of people gain tertiary education are not only better educated than their compatriots, but also tend to be much more highly skilled than the people of their destination countries. A study of new legal immigrants to the United States found that 21 percent have at least 17 years of education—a level reached by only 8 percent of U.S. native born.⁵

The loss of skilled people imposes several different kinds of costs on their countries of origin. The most obvious is perhaps the cost of the education itself, which in almost all cases has been heavily subsidized by the State. The emigration of the educated thus represents a transfer from the poor country to the rich. There are also fiscal costs associated with the brain drain, in that the country of origin loses the tax revenue that these potential high-earners would have paid into the national exchequer. A study by Mihir A. Desai, Devesh Kapur and John McHale examined the direct fiscal losses associated with the emigration to the United States from India of a key element of the tax base. Estimating what highly skilled professionals would have earned and paid in taxes if they had stayed in India, it concluded that the net fiscal losses ranged (depending on the methodology employed) from 0.24 percent to 0.5 percent of India's GNP. Indian expatriates are high earners even compared to their US contemporaries. Their aggregate income abroad is equivalent to 10 percent of India's national income, although they comprise only 0.1 percent of India's population. The study also demonstrated that it is "the best and the brightest" who tend to emigrate: the proportion resident abroad was higher among graduates of the most prestigious Indian institutions, among those graduating higher in their academic classes, and among those in the most sought-after fields of specialization.⁶

The net developmental losses of the brain drain are more difficult to estimate. Losses of highly skilled professionals may, in the extreme case—in which dire economic mismanagement, conflict, poor working conditions and low levels of reward conspire with opportunities abroad—be the final blow that cripples institutions and sectors of an economy. A Communication from the European Commission on Migration and Development reports that "three-quarters of doctors with Zambian nationality left the country, in just a few years. Nigeria saw 21,000 medical doctors emigrating to industrialized countries".⁷

The developmental impact of the brain drain is most severe in source countries with weak human resource bases, where educational systems are not capable of replacing those who emigrate. A "musical chairs" game of replacement migration from other countries is captured by Jonathan Crush's description of the impact of emigration on South Africa's health sector. He quotes the South African High Commissioner to Canada: "The cycle, as I understand it, is that your (Canadian) city doctors go to the States for richer pickings. And then your rural doctors come here (to urban centers) and our doctors go to your rural areas. And we get Cuban doctors."⁸ In Crush's account, the mystery is not South African doctors' emigration (spurred by recruiting from Canada among other places), but why South Africa has not in turn engaged in

⁵ The Economist, "Outward Bound" September 28, 2002.

⁶ Mihir A. Desai, Devesh Kapur, and John McHale, "The Fiscal Impact of the Brain Drain: Indian Emigration to the U.S." unpublished paper prepared for the Third Annual NBER-NCAER conference, December 17-18, 2001.

⁷ Commission of the European Communities, "Communication from the Commission to the Council and the European Parliament: I. Migration and Development". Brussels, 3.12.2002 COM (2002) 703 final, p. 24.

⁸ Jonathan Crush, "The Global Raiders: Nationalism, Globalization and the South African Brain Drain," in *Journal of International Affairs* Vol.56, No.1 (Fall 2002)



replacement recruiting. Political obstacles to immigration in an otherwise open economy expose South Africa to the stings of globalization but impede it from enjoying the potential benefits.

Sub-Saharan African countries such as Zambia, Liberia, or Zimbabwe represent an extreme. For countries in crisis, the brain drain is only one manifestation of a more general problem of an economy in free-fall. Many other countries that are seeing high levels of skilled immigration are beginning to think in terms of labor—and even skills--export as a comparative advantage, and to think of ways to maximize its benefits. (See Box 2.)

Box 2 The Philippines: Labor Export as Official Policy

In the Philippines, labor export has been an explicit part of the government's economic plan. The government's policy goals have been consistent: migration should be temporary and it should be done through official channels.

All employment abroad must be approved by the Philippines Overseas Employment Administration (POEA), which also contracts directly with foreign companies and government to provide temporary labor of all types. Through POEA, workers can receive health and insurance benefits for themselves and their families, pre-departure briefings and counseling, an ATM card that can be used to send remittances, and the right to make claims against their employer through an adjudication process. In addition, POEA makes some effort to verify the work conditions of official workers: it recently suspended labor migration to Hong Kong in response to the persistent abuse of Philippine domestic workers. The government also tries to thicken the social and political links tying Filipinos to their homeland by allowing migrants to vote from abroad and sponsoring Philippine cultural events in host countries.

It is difficult to judge the impact of this activist policy in making emigration from the Philippines more temporary, legal, humane, and productive. The government estimates that 2.9 million temporary workers were abroad via official channels in 2000. However, an estimated 1.8 million Filipinos were abroad having moved irregularly, and 2.5 million Filipino citizens were permanent residents of another country.⁹

Labor migration has become an important industry, with official remittances amounting to about 8.9 percent of GDP.¹⁰ Other industries, such as education and tourism, derive a large part of their revenues from serving would-be and current migrants. But the return of temporary workers has been disappointing as a development tool. Although studies show that migrants often return with useful new skills, they generally stay unemployed until their next deployment abroad.

Kevin O'Neil

In the right circumstances, the employment abroad of skilled people may bring benefits to their countries of origin. Once they have migrated, highly skilled people do not necessarily abandon their home countries. Given the right opportunities, they will invest in their home countries or outsource production to it. They will also contribute expertise—Silicon-Valley-based Taiwanese migrants earned the name “astronauts” in the 1980's because they “lived in the air” commuting between California and Taiwan. (See Box 3.) Associations of migrant professionals, such as the South African Network of Skills Abroad contribute expertise and help keep researchers in the source country abreast of international advances. And highly skilled migrants sometimes return permanently, particularly if change in their home country

⁹ Philippines Overseas Employment Administration, web page <http://www.poea.gov.ph/>, April 2, 2003.

¹⁰ International Monetary Fund, *Balance of Payments Yearbook 2002*, Washington, DC: IMF, 2003.; World Bank, *World Development Indicators 2002*, Washington, DC, 2003.



(democratization or growth of the economy, for example) presents them with real opportunities to use their skills. “Brain circulation” is the other side of the coin to “brain drain”.

Developing countries lament the emigration of highly skilled people because it robs the domestic economy of the rewards to publicly subsidized investment in education. The case of Taiwan, however, shows that high skill emigration can play a more benign, and even positive, role in development.

In terms of the number of emigrants, Taiwan has suffered from “brain drain” as badly as any developing country. Over 90,000 Taiwanese left for study abroad in the second half of the last century, and in some years returns were less than 10% of departures¹¹. But these emigrants didn’t carry large amounts of publicly subsidized education with them—Taiwan invested mostly in primary, secondary, and vocational education and heavily subsidized higher education only recently, as the domestic economy began to demand those skills. This forced Taiwanese students who wished to continue in university to migrate, but their education abroad was financed privately—and often subsidized by the governments of their host countries.

Once gone, these emigrants were not forgotten. As Taiwan’s high-tech sector grew and demanded more skills, emigrants abroad contributed their considerable expertise, experience, and business connections. They began to return, sometimes with the help of a government database that tracked skilled migrants and matched them with job opportunities in Taiwan. Many returned to start businesses, particularly in places like the Hinschu Industrial Park, where the government built Western-style housing and sponsored international conferences in order to build a critical mass of well-educated returnees. The lesson: good public policy can be a catalyst for “brain circulation” when combined with a healthy economy that can make real use of the skills highly educated migrants have to offer.

In the Philippines, labor export has been an explicit part of the government’s economic plan. The government’s policy goals have been consistent: migration should be temporary and it should be done through official channels.

All employment abroad must be approved by the Philippines Overseas Employment Administration (POEA), which also contracts directly with foreign companies and government to provide temporary labor of all types. Through POEA, workers can receive health and insurance benefits for themselves and their families, pre-departure briefings and counseling, an ATM card that can be used to send remittances, and the right to make claims against their employer through an adjudication process. In addition, POEA makes some effort to verify the work conditions of official workers: it recently suspended labor migration to Hong Kong in response to the persistent abuse of Philippine domestic workers. The government also tries to thicken the social and political links tying Filipinos to their homeland by allowing migrants to vote from abroad and sponsoring Philippine cultural events in host countries.

It is difficult to judge the impact of this activist policy in making emigration from the Philippines more temporary, legal, humane, and productive. The government estimates that 2.9 million temporary workers were abroad via official channels in 2000. However, an estimated 1.8 million Filipinos were abroad having moved irregularly, and 2.5 million Filipino citizens were permanent residents of another country.¹²

¹¹ Luo, Yu-Ling and Wei-Jen Wang. “High-skill migration and Chinese Taipei’s industrial development.” In: OECD, *International Mobility of the Highly Skilled*. Paris: OECD, 2002.

¹² Philippines Overseas Employment Administration, web page <http://www.poea.gov.ph/>, April 2, 2003.



Labor migration has become an important industry, with official remittances amounting to about 8.9 percent of GDP.¹³ Other industries, such as education and tourism, derive a large part of their revenues from serving would-be and current migrants. But the return of temporary workers has been disappointing as a development tool. Although studies show that migrants often return with useful new skills, they generally stay unemployed until their next deployment abroad.

Other examples of the benefits of what in earlier times would have been called a brain drain were reported in Science Magazine last year:

Geneticist Bruce Lahn has studied and worked in the United States for more than a decade, but a piece of his heart remains in his native China. He wants to help it compete in science at the highest levels, and he's decided that the best way to do that is to stay in the United States.

At 35, Lahn is an assistant professor at the University of Chicago and a Howard Hughes Medical Institute (HHMI) investigator. But he's also serving as chief scientific adviser to a new primate research facility in Guangzhou. The \$1 million Center for Stem Cell Biology and Tissue Engineering comprises a laboratory at Sun Yat-sen University and a primate-breeding facility an hour's drive away. Directed by Lahn's former postdoc Peng Xiang, the center aims to develop transgenic primates and isolate hundreds of lines of monkey and human stem cells.

Chinese scientists have tremendous potential, says Lahn, who came to the United States in 1988 as an undergraduate. But "they lack vision. I thought that the way to change that was not to go in as the director of some institute, but to demonstrate a new approach by being a role model." The new center, he says, will "serve as a cultural messenger of how to do science."

Lahn is part of an apparently burgeoning international phenomenon. Although the numbers remain small, foreign-born researchers are reaching out to colleagues back home while remaining anchored in the United States. Many of these researchers are united by a desire to repay the countries that gave them their starts by transferring some of the methods, standards, and culture of science found in the United States. The key is the connection: Researchers say they can contribute more by retaining their positions and influence in the United States than by going back home.

Anecdotal evidence suggests that such down-home collaborations are also growing more formal and ambitious. Decades ago, well-established researchers might simply invite others from their countries to work in their labs for a couple of years. Now, even junior faculty members fly back and forth several times a year to help start institutes and businesses in their homelands. Such efforts have undoubtedly improved the quality of science in up-and-coming nations. Obstacles abound, but most researchers say such bridge-building is well worth the hassles.

After receiving his doctorate from New York University in 1971 and joining Cornell the next year, shocked Tong Hyub Joh, a neuroscientist at Cornell University's Weill Medical College in New York City, decided to help other Koreans gain the research skills he had lacked. He began hosting Korean researchers for 2- to 3-year stays in his lab. Three decades later, he has trained more than 50 of them, and many hold prominent academic positions in South Korea.

¹³ International Monetary Fund, *Balance of Payments Yearbook 2002*, Washington, DC: IMF, 2003.; World Bank, *World Development Indicators 2002*, Washington, DC, 2003.



To forge such connections, many researchers are willing to make significant sacrifices professionally. Alash'le Abimiku, a virologist and immunologist at the University of Maryland's Institute of Human Virology in Baltimore, says that fighting the spread of AIDS in her native Nigeria at times means placing her academic ambitions on the back burner. "If I'd been in my lab full-time, I could have published much more," she says. "But I don't regret it at all."

Abimiku received her doctorate in 1988 from the London School of Hygiene & Tropical Medicine and came to the United States in 1991 to work with AIDS pioneer Robert Gallo, then at the National Cancer Institute in Bethesda, Maryland. That year the two founded the International Center for Scientific Culture-World Laboratory AIDS Research Center in Jos, which is funded primarily by the Plateau state government. Abimiku, who is director of the center, intended to focus on isolating the particular strain of HIV then emerging in Nigeria. But she soon found herself concentrating on basic screening and education to combat the epidemic. In the beginning, Abimiku spent nearly half her time in Nigeria.

Over the years, Abimiku's focus has turned back toward science--her group isolated the strain of HIV prevalent in western Africa. Funding from the Bill and Melinda Gates Foundation has helped her expand her efforts in Nigeria. "The academic contacts over here have catalyzed a lot of the things we've been able to do there," she says.'

Beyond remittances vs. brain drain

Trying to net out the benefits of remittances and the costs of the brain drain is seen by a growing body of analysis as too limited a framework for assessing the impact of migration on development. Other kinds of financial flows may have more concentrated developmental impact than remittances, which, as we have seen, are used primarily for current consumption. Foreign direct investment from emigrants back to their countries of origin has tremendous potential, and is already important for some countries. Chinese emigrant communities, for example, numbering about 55 million worldwide, invest about \$60 billion in China. By contrast, India's 20 million expatriates invest only about \$1 billion.¹⁴ Tourism from immigrant communities to the "old country" is a major earner for countries from Ireland to Vietnam. Philanthropy by "Home Town Associations" (Mexico), Returnee Associations (Jamaica), charitable foundations (Egypt) or by individual expatriates provides significant resources for community development at the local level. Fundraising for political candidates or causes targets Diaspora communities. Nostalgia for the foods and products of the country of origin creates markets for those products in the immigration country, fostering local production and international trade. All of these interactions are fostered by the growth of transnational networks that sustain deep and thick relations among migrants, their countries of origin, and the countries in which they have settled. In an age of swift and cheap transportation and communication, emigration no longer represents the break with the home country that it once did. And in this context, social and economic capital can no longer be neatly segregated analytically. Many students of migration agree that these transnational networks are today the most important developmental resource associated with international migration.¹⁵

Transnational networks are not a new phenomenon, but they are relatively new as objects of interest to development analysts and policy-makers. Jagdish Bhagwati suggests, "A realistic response requires abandoning the 'brain drain' approach of trying to keep the highly skilled at home. More likely to succeed

¹⁴ Amy Waldman, "India Harvests Fruits of Diaspora", New York Times, 12 January 2003.

¹⁵ Alejandro Portes, "'Introduction: The debates and significance of immigrant transnationalism", in *Global Networks*, Vol. 1, No. 3 (2001), pp. 181-194.



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.”¹⁶ Increasingly, the governments of countries of origins are seeking to cultivate ties with the Diaspora, seeing them as a source of investment, overseas market openings, foreign exchange, expertise, and political support (in domestic campaigns as well as vis-à-vis the governments of their new countries of residence). The Government of India, for example, collaborated with the Federation of Indian Chambers of Commerce in January 2003 in sponsoring a conference of “non-resident Indians” and “people of Indian descent”, which was attended by nearly 2000 people.¹⁷ The government is preparing to offer dual citizenship to overseas Indians in the United Kingdom, United States, Canada, Australia, New Zealand, and Singapore, and to relax constraints on overseas investment by Indian nationals. Other governments are following similar courses of action, seeking to encourage close transnational ties within the Diaspora.

I would like to explore now some of the many ways ‘beyond remittances’ that migrant networks engage in the social and economic development of their home countries.

The dense web of ties between Diaspora and country of origin is, in the overwhelming majority of cases, the creation of individuals and groups acting on their own initiative, rather than a product of government intervention. Diaspora engagement takes so many different forms and occupies so many different spheres that it is difficult to generalize about it. It ranges from the purely personal level of family ties to the level of international financial markets. Beyond the individual and family level, Diaspora organizations include associations of migrants originating from the same locality, ethnic affinity groups, alumni associations, religious organizations, professional associations, charitable organizations, development NGOs, investment groups, affiliates of political parties, humanitarian relief organizations, schools and clubs for the preservation of culture, virtual networks, and federations of associations. Locating the level and the kinds of Diaspora engagement that are most conducive to poverty reduction requires an awareness of the time dimension of impacts, as the most immediate may not be the most effective over the long run.

The most direct and immediate impact on poverty comes out of Diaspora engagement at family and community level. To give just one example, in Tajikistan, a country whose economy was thrown into chaos by the break-up of the former Soviet Union, 50 per cent of the households are dependent on remittance income, according to the International Organization for Migration.ⁱⁱ Cash remittances, of course, are the most obvious, although remittances in kind are also important. Nimal Fernando, rural finance specialist for the Asian Development Bank, notes that in-kind transfers are often under-valued or excluded entirely from official remittance estimates.ⁱⁱⁱ

Home Town Associations.

Perhaps the most-studied form of Diaspora engagement is the Mexican “Home Town Association.” Residents of the same town or village in Mexico commonly migrate to the same locality in the United States. The Home Town Associations they have formed serve the dual purpose of providing social support to the migrants and economic support to their places of origin –as did similar associations with Irish, Poles, Italians, and other immigrant groups that came before. Today, immigrants from Central American and Caribbean countries are forming similar associations in the United States; Ghanaian and Nigerian immigrants to the UK have also done so.

¹⁶ Jagdish Bhagwati, “Borders Beyond Control,” in *Foreign Affairs* (Jan/Feb 2003)

¹⁷ Waldman, op. cit.



According to one of the many studies by Manuel Orozco, the Mexican Home Town Associations vary considerably in the kinds of support they send home, including charitable contributions, infrastructure improvements, funding for human development projects (health, education and recreational projects), and capital investment in income-generating activities.^{iv} By late 1998, more than 400 such clubs were operating in the United States, with the largest and most active networks from the Mexican states of Zacatecas and Guanajuato. These clubs have formed associations that pool their efforts and experience, and have leveraged cooperation from the state and federal level, as described earlier.

A study of Bangladeshi Diaspora communities in the UK and US (conducted by the Government of Bangladesh's Ministry of Expatriates' Welfare and Overseas Employment and the International Organization for Migration) found similar associations formed around villages or cities of origin in Bangladesh. The associations collectively raise funds for the building or support of schools or mosques, infrastructure repair, providing scholarships for students and to organize relief and reconstruction activities in the aftermath of natural disasters.^v Two such organizations in the UK are the Bianibazar Association of London and the Baniachang Association of the East End. The growth of many smaller community organizations eventually led to the creation of federating bodies, such as the Greater Sylhet Development and Welfare Council (GSDWC), founded in Birmingham in 1993. The goal of the federating bodies is to create a common platform for particular Bangladeshi communities in the UK, providing leadership on issues such as emigrant voting rights in Bangladesh and racial discriminations issues in the UK. The GSDWC, for example, has regional offices throughout the UK and Ireland as well as four branch offices in Greater Sylhet. However, the report also notes that, as such associations are organized around particular religious or ethnic communities, they often become divided and weaken the very community they are attempting to support.^{vi}

Home Town Associations and variations on that kind of structure are for many migrants the first step into active citizenship of transnational society. They help to preserve ties and identity for the migrant and to build social and physical infrastructure for the home towns. But they are not without problems. The goals that emigrants set for their communities of origin may not reflect the priorities of the residents who stayed behind, giving rise to tensions in the selection and implementation of projects. Gender roles are often very conventional within the Home Town Association, although such roles may have changed dramatically as a result of migration. Most important, perhaps, the perspective of the Home Town Association is local, whereas the obstacles to poverty reduction may be regional, national, or even global.

Business networks.

Business networks are common among Diaspora. Some are well established, acting as long-standing ethnic Chambers of Commerce within a single country of settlement, while others are new and truly transnational. Many are using information technology to create and maintain ties among participants. The Lebanese Business Network, for example, is a non-profit "business development vehicle" with an online marketplace and business matching database. Its goal is to create links between Lebanese entrepreneurs, expatriates and international businesses, by identifying business opportunities and potential areas of partnership.^{vii}

Indian information technology (IT) entrepreneurs and professionals have established a number of business networks. One of the most powerful is TIE (The IndUS Entrepreneur), which has grown from its core in North America and India to 25 chapters, including Singapore, Switzerland and the UK. It matches experienced entrepreneurs and start-up managers in a mentoring relationship, and backs up promising enterprises (in the United States and India) with venture capital from a core membership of investors.



Devesh Kapur points out that the benefits of the network go beyond profitable investment and start-up finance:

“It has boosted India’s confidence as well as the confidence of overseas investors about India’s potential despite India’s numerous problems. Companies like Yahoo, Hewlett Packard and General Electric have opened R&D centers in India largely because of the confidence engendered by the presence of many Indians working in their US operations. This points to the cognitive effects arising from the projection of a coherent, appealing, and progressive identity on the part of the diaspora which signals an image of prosperity and progress to potential investors and consumers.”^{viii}

The Silicon Valley Indian Professional Association (SIPA), of Santa Clara, CA (sipa.org), has over 1800 members.^{ix} Its mission is to “provide a forum for individuals interested in meeting with visiting Indian businessmen and women, professionals, and bureaucrats, and to facilitate information dissemination and networking within the professional community” through a speaker series and seminars on issues such as outsourcing, property rights, and service providers in India. Several business associations of the Indian Diaspora function in the UK, including the Indian Development Group (UK) Ltd, the Indian forum for Business, and the India Group based at the London Business School.^x

The Armenia High Tech Council of America (ArmenTech, armentech.org), SiliconArmenia (siliconarmenia.com) and a variety of other similar, smaller initiatives are US-based non-profit organizations aimed at utilizing the experience of their membership – mostly Armenian-American IT professionals – to develop and promote high-tech business and IT education in Armenia. ArmenTech expects to expand its operations to involve the Armenian Diaspora in Europe as well. SiliconArmenia is a web site launched in January 2003, intended to “boost Armenia’s burgeoning high-tech sector through increased exposure to international companies and investors. The site features news, business and investment opportunities, a networking centre, e-learning, on-line training and virtual skills development. SiliconArmenia receives support from a combination of public and private sources, including the World Bank.”^{xi}

An interesting new initiative is the African Diaspora Summit, which was organized in December 2003 by the Dutch-African Diaspora organization AfroNeth. Representatives of the Dutch Ministry of Foreign Affairs, the Netherlands African Business Council and the European Centre for Conflict Prevention took part in the conference. In an interview,^{xii} the organizer of the African Diaspora Summit noted that the creation of AfroNeth and other similar Diaspora organizations was strongly influenced by the creation of the New Partnership for African Development (NEPAD) and its focus on African self-reliance. The participants were acutely aware of the need for skills and resources in Africa to accomplish self-reliant development and the ability of Africans in the Diaspora to provide such skills and resources, and the “unsatisfactory” nature of western development policies in African countries. Combining interests in business and conflict resolution, the Summit initiators looked to Diaspora as a new source of development creativity: “Africans rooted in both African and Western culture could provide the ingredients for a new approach to development cooperation and economic development”.^{xiii}

Another similar endeavour was the GhanaExpo, which took place in London in October 2003. Sponsored by ExpoAfrica Net, which has headquarters both in London and Accra, GhanaExpo was an exhibition fair promoted as an opportunity for Africans in the Diaspora to connect with businesses, goods and services in Africa. More than twenty sectors were represented, included agriculture and raw materials, handicrafts and other retail good, automotive, electronics and travel and tourism. The Expo was heavily promoted and



even attended by the Ghanaian President and the Ashanti King. This was the first event of its kind, though the goal is to extend the idea to other African countries. The Expo also included a strong cultural component, including traditional drum and dance performances, etc., and took place during Black History Month in the UK. The Expo is being repeated in 2004, this time in Atlanta, Georgia (USA).

Interims for Development (interimsFD.com) is a UK-based organization similar to TOKTEN (described in Part IV below), but focused uniquely on Africa. It was founded by UK nationals of African origin committed to assisting the development of their countries of origin. Though the focus is on recruiting volunteers of African, Caribbean or other minority backgrounds, the program is not limited only to Diaspora. The goal of IfD is to “direct the necessary skills and expertise towards Africa that will help support African companies in both the private and public sectors in their efforts to transform their economies for the well-being of their citizens” (from the website). Individual volunteers (well-qualified, experienced professionals called Interim Managers) are placed in approved African companies by IfD. The Interim Managers may choose to participate independently or be sponsored by their (UK) companies – the program is marketed to socially-conscious UK companies and/or companies looking to expand their markets/business into developing countries. UK companies unable to send their own employees as Interim Managers but still interested in participating may also choose to “adopt” an African company and pay for the participation “on the company’s behalf” of an independent Interim Manager. IfD screens all participating companies and Interim Managers and places them in the most appropriate positions.

IfD also strongly promotes the cultural element of their programs, which include pre-departure cultural briefings and housing in family homes for the duration of the participation. Its recruitment literature also focuses heavily on attracting diaspora participants, by asking questions such as: “Are you a British national of African, Caribbean, Asian or other ethnic minority group? Have you ever wished for an opportunity to see what life is really like ‘back home’? Do you have professional skills that you can share with professional colleagues in developing countries? Are you interested in giving back to those less fortunate than yourself?”

Significant investment in the country of origin by Diaspora investors can be a push factor for market reforms and/or strengthening institutions in country of origin. Again, India is an example, as the government has begun to institute reforms as a result of surveys of Non-Resident Indians and Persons of Indian Origin which noted their reluctance to invest in India or even to give philanthropically because of the bureaucratic nightmares involved and the likelihood of corruption. Such reforms may in turn make the country of origin more attractive to (non-Diaspora) international investors.

It is difficult to predict the extent to which particular kinds of industrial development spurred by Diaspora-led initiatives such as those described above will reduce poverty. Higher foreign exchange earnings and more opportunities for IT engineers and investors do not automatically improve the lot of the poor. Robert Lucas reckons that there may be half a million IT professionals employed in India – but he points out that India’s labor force is over 330 million.^{xiv} If the economic policy framework is right, the development of an entrepreneurial middle class and an industrial base should contribute to growth, and growth should lead, over time, to higher demand for the labor of the poor and a stronger social safety net. A more direct and rapid effect on poverty, however, may result from strengthening channels for investment directly into poor communities. It is noteworthy that remittances are responsible for close to 20% of the total capital invested in microenterprise in Mexico.^{xv} Microfinance institutions are increasingly looking to Diaspora as a source of funding for small enterprises.



Building Social Capital.

While it is obviously easier to specify the impact on poverty of economic interventions by Diaspora, their social and political activities may have an even more profound, if indirect, effect on the prospects of the poor. Peggy Levitt defines “social remittances” as “the ideas, behaviours, identities and social capital that flow from receiving country to sending country communities.”^{xvi} Though more difficult to assess than economic contributions, such changes can affect attitudes toward human rights, women’s rights, the value of education for girls, the benefits of women’s employment, or the use of violence to resolve political disputes. Building, or re-building, social capital is particularly important in the aftermath of conflict.

A report on the role of exile communities in reconstruction efforts discusses the activities of many Bosnian intellectuals and artists in the UK and the Netherlands, noting that “it is not only people who travel between countries, but also ideas, values, and cultural artifacts.” Some of the interviewees were journalists who continued working for Bosnian newspapers, radio and TV on a freelance basis from their adopted country, with the aim of “promot[ing] ideas of tolerance, a multi-ethnic Bosnia, democracy and freedom of speech.” Others stated that they wanted to produce writing, art or other media that could be distributed in and “change ideas” in both Bosnia and the adopted country.^{xvii}

The particular circumstances of flight can also affect willingness to contribute. The authors of the aforementioned report found that Bosnian refugees who had suffered atrocities preceding their flight and who were now part of the ethnic majority of their region of origin were significantly *more* likely to contribute than those who had not suffered as acutely prior to flight. However, if the individual refugee who had suffered atrocities prior to flight would now be part of the ethnic minority in his or her region or origin, the incentives to contribute to reconstruction were close to zero. Particularly in the UK, there is a strong divide between those refugees who arrived on their own and those who came through UNHCR, with the former being much less likely to participate in any sort of cultural or community organizations, sometimes due to lack of awareness of their existence.^{xviii}

The African Foundation for Development (AFFORD, afford-uk.org) is a London-based registered charity formed to connect Africans and their organizations 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. It has or is engaged with a range of projects and organizations including:

- *africa21*, which is a consortium of 9 UK-based African-led development organizations. Every July, *africa21* sponsors “African Development and Diaspora Day” (*ad3*), which is a gathering of persons and organizations in the UK concerned with development in Africa. *ad3* features workshops, seminars, exhibitions and a “development market,” providing an opportunity for African in the UK to work together to promote development in Africa as well as to meet with various international development agencies, donors, NGOs and others. Each *ad3* focuses on a particular theme; in 2004 the theme is “Transforming the local everywhere,” focusing on “how Africans in the UK are promoting change both in the UK and in their regions of origin...[addressing] the issues that link London and Lagos, Cairo and Cambridge, Mogadishu and Manchester.” Workshops at this year’s *ad3* include mobilizing diaspora resources, raising donor awareness of the work of UK-based Africans, youth and gender issues, and migration and development. It will also feature an awareness-raising campaign on the difficulties caused both in



the UK and in Africa by the closure of traditional money transfer agencies such as Somalia's al Barakat.

- The 2004 *ad3* is also expected to feature the official launch of *African Diaspora Voices for Africa's Development* (ADVAD), which is a coalition of UK-based African organization formed to give Africans in the diaspora the opportunity to “speak with one voice.” In a meeting with the British parliament organized by the Royal African Society, ADVAD members and the broader African diaspora in the UK were recognized for their role as voters, taxpayers, business people providing jobs, and as development actors with a specific concern for the home continent.
- In February 2004, AFFORD teamed up with social justice organization called *Fahamu*, based in Oxford, Durban and Cape Town, to offer an Oxford University-accredited distance learning course for UK-based Africans. The course is on fundraising and resource mobilization, focusing on how Africans in the Diaspora can increase their own fundraising capacities.

Aggregating the efforts and sharing the lessons of the multiple, mostly small-scale efforts of Diaspora organizations may help them to increase their effectiveness. DFID supports a network of Black and Minority Ethnic voluntary and community organizations called “Connections for Development”, whose purpose is to mobilize civil society for action on international development.

Supporting conflict.

Armed conflict or the general violent disruption of public order is strongly correlated with poverty. It disrupts livelihoods and development processes by causing massive destruction, while ongoing insecurity fosters a negative economic climate which makes businesses less likely to invest. Diasporas often provide support (financial, manpower, arms, transport, etc.) to groups involved in violent conflict in their countries of origin. Members of Diaspora communities may also contribute to ongoing conflict by providing skills for insurgent groups, such as computer programming, demolition, fundraising, or financial management. Diasporas contribute to conflicts in nearly all regions of the world, including Sri Lanka, Kosovo, Eritrea, Somalia, Turkey, and Northern Ireland.

Diasporas, sheltered from the daily consequences of violence, are often more uncompromising than their counterparts who remain in countries of origin. As Canadian government executive Margaret Purdy has written: “distance can make the heart grow fonder. Thousands of kilometres of separation and relative safety in a new homeland can generate romanticised notions and can obscure reality about the nature of homeland conflict. ‘Diasporas do not suffer the consequences of violence, nor are they in day-to-day contact and accommodation with the enemy.’”^{xix}

The role and activities of India's Gujarati Diaspora in funding and supporting the rise of Hindu nationalist violence against Christians and Muslims in Gujarat has been called “foreign direct investment in hatred” by *The Hindu* newspaper. An article investigating the ideological and material links between the Gujarati Diaspora in the UK and some of the Hindu nationalist (“Hindutva”) groups (called Sangh Parivar), implicated in the anti-Muslim pogroms in Gujarat in early 2002, found that the “major long-term source of funding” for Sewa International and other Sangh Parivar groups was Britain's Gujarati community. The article asserts that such groups have 1) co-opted the human and resource channels that have existed for years between Gujarati communities in the UK and their families and communities in India for use in funding pro-Hindu nationalist parties in India; 2) channeled Gujaratis' experiences with racism and alienation in the UK into “virulent Hindu chauvinism;” and 3) succeeded in raising money from the



British government by portraying themselves as “faith communities,” and therefore as legitimate beneficiaries of the government’s new approach to supporting ethnic minorities.^{xx}

A study by Indian and French-based organizations found similar links between the US-based India Development and Relief Fund (IDRF) and violent Hindu nationalism.^{xxi} The report was denounced by IDRF supporters in a rebuttal, which claims that Hindutva is merely a “framework for maintaining an identity within societies where Hindus are small minorities.”^{xxii}

The Liberation Tigers of Tamil Eelam organization (LTTE) in Sri Lanka is widely considered to have the most the most well-organized and “productive” Diaspora of any insurgent movement in terms of financial contribution, financial networks for fundraising and arms smuggling (including through people-smuggling), and political influence, often through the use of propaganda.^{xxiii} The Tamil Diaspora is estimated to number roughly one-half million people; the LTTE is known to be present in 54 states and most active in western states with particularly large Tamil diasporas, such as the UK and Canada (large Tamil communities also exist in Norway, Switzerland and South Africa).

The LTTE has three distinct wings, all of which are represented globally – publicity and propaganda, arms procurement and fundraising. There are various reasons that Tamils in the Diaspora work for or donate money to the LTTE, generally: 1). Voluntary contributions based on a strong belief in the Tamil cause, reinforced by atrocities committed by Sinhalese forces; 2). illegal Tamil migrants, asylum seekers or others on the fringes of society in adopted countries see the Tigers as a form of insurance should they ever be forced back to Sri Lanka; and 3). fear, especially for those with relatives still in Sri Lanka. This fear may be compounded by blackmail or extortion on the part of LTTE members in the Diaspora (Swiss police, for example, rounded up over a dozen LTTE members after extortion schemes gone awry resulted in the murders of several Tamils in Switzerland).^{xxiv}

Financial and other contributions to the LTTE from the Tamil Diaspora are estimated to provide around £ 27 million annually; including £823,000 per month in direct contributions alone from Tamil communities in the UK, Canada and Australia.^{xxv} Tamils in Switzerland are estimated to donate roughly £1.6 million annually.^{xxvi} Often this money comes from a sort of “tax” – or an obligation to donate – placed on Tamil residents by the local LTTE. Voluntary contributions to the LTTE, however, are known to greatly increase with the organizations’ successes on the battlefield and on days of celebration, such as Heroes’ Day.^{xxvii} It is estimated that between 90-95% of the funding for the LTTE’s war budget (at least before the most recent cease-fire efforts) comes from overseas.^{xxviii}

Armed conflict almost always harms a country’s economy in the short run, but some Diaspora will argue that their homeland’s lack of self-determination is the greater obstacle to development in the long term. Wars of liberation in Eritrea and Bangladesh, for example, appear with hindsight to lend credence to that argument. The Eritrean Diaspora’s support for the war of independence was discussed above. The Bangladeshi Diaspora in the UK is credited with helping to win Bangladesh’s war of Liberation in 1971. The formations of the East Pakistan House in the UK (1963) and involvement in the student movement of 1969 and publication of the dissenting newspaper *Janamat* were cited as the beginning of such activities. Once the war began in earnest, Bangladeshis in the UK formed Action Committees aimed at mobilizing public support in the UK in favor of Bangladeshi independence, raised funds for the war, “sensitized the BBC,” lobbied MPs and political officials throughout Europe and North America and even organized the visit of a British MP to the India-Bangladesh border during the war.^{xxix}



Moderating conflict.

Some Diasporas or Diaspora members have proven to be a moderating influence on conflict in countries of origin, by disapproving of particular actions taken by insurgent groups or by withholding aid/support in response to such actions, for example. “Removed from the front line of conflict,” writes Margaret Purdy of the Government of Canada and University of British Columbia’s Centre of International Relations, Diasporas “may have a wider and more objective perspective, less influenced by raw emotion and anger. In their new homeland, they may have access to a wider variety of information sources, such as those provided by social and employment contacts, media reporting and internet communications.”^{xxx} For example, many commentators believe that the moderating influence – and decreased financial support – of the Irish Diaspora in the United States played a key role in convincing the IRA to accept the Good Friday Agreement in Northern Ireland in April, 1998.^{xxxii}

Diaspora involvement in political changes may help to avert violent conflict by promoting and funding non-violent forms of opposition. The campaigning of Filipinos abroad played an important role in the successful effort to unseat the Marcos regime. The new President, Corazon Aquino, went to San Francisco, California shortly after being inaugurated to pay tribute to the contribution that Filipino-Americans made to the democracy movement.^{xxxiii} The anti-apartheid movement was organized internationally by a strong network of South Africans abroad, who attracted international support. Such influence can come from grass-roots organizations and also from individual leaders within Diaspora communities, such as religious, ethnic or business leaders, journalists and/or intellectuals, artists and performers able to reach a large segment of the population.

Philanthropy.

Some Diaspora organizations and individuals seek no personal return on investment, but rather pursue charitable enterprises. Such enterprises range from very small-scale, one-off efforts of community groups to more organized and durable efforts; from the donations of single individuals to powerful networks of like-minded donors.

At the smaller end of the spectrum is Action for Children (AfC), which was formed in 1995 by a group of UK-based Sierra Leoneans who wanted to provide assistance to child victims of the war in Sierra Leone. Its members raised £6000 through fundraisers, awareness-raising conferences and other work, but they quickly recognized the difficulty of a small, under-funded Diaspora organization attempting to work in a region of conflict, and sought to partner with a larger, international NGO already present in the country. It found Concern International, to which it initially donated its funds. AfC specified that Concern was to use this donation for its work with child victims. Since that starting point, the AfC/Concern partnership has grown to include advice, training (particularly in reconciliation and rehabilitation), strategic direction and logistical support from Concern to AfC, with AfC providing Concern with a “strong endorsement from Sierra Leoneans abroad for Concern work in country.”^{xxxiii}

The Sierra Leone War Trust for Children (SLWT; www.slwt.org), for example, is a UK-based non-profit organization founded by seven members of the Sierra Leonean diaspora in the UK. SLWT’s goal is to improve the welfare of war-affected children. One of its first major projects, called the Thuan Mathinki Community Rehabilitation Project, is funded by grants and donations. The project will rehabilitate six villages that were completely destroyed during the war by providing primary education, facilitating food security, facilitating economic self-sufficiency through agriculture and addressing trauma through psycho-social welfare programs. The SLWT liaises with the Sierra Leonean government and has worked with



UNICEF, but the primary focus remains on working with the communities to determine needs, projects and strategies.^{xxxiv}

A number of Somali Diaspora organizations work in the UK on substantial projects in Somalia. Oxford House in Bethnal Green, London, was the focal point for Diaspora donations for the establishment of a maternity hospital in Hargeisa, Somaliland.^{xxxv} On a smaller scale, UK-based people from Kwamang in the Sekyere West District of Ghana donated building materials for the completion of a medical laboratory for the Kwamang Health Centre.^{xxxvi} COMPAS reports that Chinese in the UK raise funds for charitable work in China, on a modest scale. They have contributed to flood relief, poverty alleviation, and the battle against the SARS epidemic.^{xxxvii}

Many wealthy Indians residing abroad have established private charities on an individual basis and run health or education or public works projects in their home towns or villages. Some, however, are beginning to pool their resources and think on a larger philanthropic scale. The American-India Foundation, for example, is funded by private citizens of Indian origin in the United States. It is “devoted to accelerating social and economic change in India by connecting communities and resources across the United States and India. AIF’s grants are focused on education and livelihood projects with a particular emphasis on primary education and women’s empowerment.”^{xxxviii} Its programs include a Service Corps that organizes opportunities for Indians in the Diaspora to spend a period of volunteer service in India. Another program, called “Digital Equalizer” is helping to provide information technology at the village level in India.

Reflections

Diaspora engagement in countries of origin is so varied as to defy generalization. From disaster relief to business development, from exporting machinery to importing ideas, from instigating war to searching out paths to peace, many Diaspora groups and individuals are playing significant roles in their countries of origin. Which of their actions are most likely to reduce poverty?

The poorest countries are not positioned to take advantage of many kinds of business investment, but there are hundreds of millions of poor people in countries that are more technologically sophisticated who might benefit from the multiplier effects of Diaspora investment. However, the most wretched countries are in the main countries that have been suffering the effects of protracted armed conflict and bad or non-existent governance. What the poverty-stricken in Sierra Leone, Liberia, Haiti, and Sudan (to name just a few) need, above all, is peace, and then progress toward the construction of an economic climate that will present a reasonable level of risk-taking by emigrants who are willing to make social and economic investments in their countries of origin. Diaspora may have a role to play in peace and reconstruction processes, and governments that host them should carefully consider encouraging the involvement of those who can be seen as honest brokers.

Individuals and groups originating in countries just emerging from conflict or a long period of poor governance have advantages over other potential investors and entrepreneurs. Their contacts and ties in the home country give them access to information about business opportunities, the ability to identify reliable partners, and resources to enforce contracts even in settings where civil law enforcement is weak.^{xxxix}

They may also be in an advantageous position to identify social needs, and understand better how to address them than donors from another culture. This is particularly true in sensitive areas such as the education of girls, reproductive health, or inter-communal relations.



The interests and capacities of Diaspora organizations vary enormously. Some are powerful and capable networks; others have a significant impact in one particular town or village; others operate sporadically on a very limited scale, while still others seem to exist in name only. Many – perhaps most – do not have development or poverty reduction as a priority. For the very poor, direct action to reduce poverty – or at least its most oppressive symptoms – through social and physical infrastructure projects and small-scale income generation projects are probably the most promising avenues for Diaspora activities as for most development actors. The challenge for donors is to identify organizations that have both the capacity and the interest to work with poor communities. Capacity and interest are not often well matched, unfortunately. As we have seen, migrants do not necessarily come from the poorest communities or segments of society.

A twin challenge for donors is to build capacity in Diaspora organizations that originate among the poor, and to work with other groups in ways that will reach beyond the self-interest of more privileged communities.

ⁱ international remittances are monies sent from one individual migrant or migrant household to another individual or household in the migrant's country of origin. Unfortunately, data on the amount of remittances sent from individual countries is not available. Remittance data collected and published by international agencies such as the IMF and World Bank report only the amount *received* by each country. They do not include the amount of remittances *sent* by each country or that amount divided among the individual remittance-receiving countries.

ⁱⁱ IOM Press Briefing Notes, 20 April 2004.

ⁱⁱⁱ Nimal A. Fernando, "Workers' Remittances and Microfinance: The Neglected Nexus," Asian Development Bank Regional and Sustainable Development Department, *Finance for the Poor* Vol. 4, No. 2, June 2003, p.5. See adb.org/Documents/Periodicals/Microfinance/finance_200342.pdf.

^{iv} Manuel Orozco, "Globalization and Migration: The Impact of Family Remittances in Latin America", In *Approaches to increasing the productive Value of Remittances*, papers presented at a conference held at the World Bank, 19 March 2001, sponsored by the Inter-American Foundation, the UN Economic Commission for Latin American and the Caribbean (Washington Office), and the World Bank, pp.19-38.

^v See Government of Bangladesh, Ministry of Expatriates' Welfare and Overseas Employment, and International Organization for Migration, Dhaka, "Institutionalizing Diaspora Linkage: The Emigrant Bangladeshis in UK and USA," February 2004.

^{vi} GoB-IOM report, op. cit., p.65.

^{vii} LBN, see linbusiness.com/LBN/LB_LearnMore.asp

^{viii} Kapur, op. cit..

^{ix} Maggie Shiels, "Asian Exodus from Silicon Valley?" BBC News.com, 17 April 2001

^x Van Hear et al., op. cit., p.13.

^{xi} "SiliconArmenia opens electronic highway between Armenia's technology sector and the world," armementech.org/Main/PreviewScripts/PreviewNews.asp?p_ID=11, 27 January 2003.

^{xii} AFFORD, *Diaspora Developments*, Vol. 1, No. 3, December 2003, p.4

^{xiii} Ibid.

^{xiv} Robert E.B. Lucas, draft paper on international migration regimes and economic development, in progress, for the Expert Group on Development Issues Government of Sweden, accessed at <http://www.egdi.gov.se/pdf/ch.pdf>, Ch. 6, p. 16.

^{xv} Christopher Woodruff and Rene Zenteno, "Remittance and Microenterprise in Mexico," August 2001. Accessed at http://sccc.ucsc.edu/papers/epapers/Remittances_Mexico.pdf, March 2004.

^{xvi} Peggy Levitt, "Social Remittances: Migration-driven, Local-Level Forms of Cultural Diffusion," *International Migration Review* Vol. 32, No. 4, Winter 1998, p.927.

^{xvii} Naje Al-Ali, Richard Black and Khalid Koser, "Mobilisation and Participation of Transnational Exile Communities in Post-Conflict Reconstruction," interim report for the Economic and Social Research Council's (ESCR) Transnational Communities Research Programme, 1999, p.2.

^{xviii} Ibid..

^{xix} Paul Collier quoted in Margaret Purdy, “Targeting Diasporas: The Canadian Counter-Terrorism Experience,” draft working paper for the Centre of International Relations, University of British Columbia, 2003, p.5.

^{xx} Kalpana Wilson, “Foreign Direct Investment in Hatred,” *The Hindu Magazine*, 23 March 2003.

^{xxi} Sabrang Communications Private Limited and The South Asia Citizens Web, “The Foreign Exchange of Hate: IDRF and the American Funding of Hindutva,” 20 Nov 2002. Accessed at stopfundinghate.org/sacw/index.html, February 2004.

^{xxii} “A Factual Response to the Hate Attack on the India Development and Relief Fund (IDRF),” No date given; accessed at letindiadevelop.org/thereport/introduction.html, February 2004.

^{xxiii} See Byman et al., *Trends in Outside Support for Insurgent Movements* (Santa Monica, CA: RAND Corporation, 2001). Chapter 3, “Diaspora Support for Insurgencies,” presents a case study of the LTTE.

^{xxiv} Anthony Davis, “Tiger International: How a secret global network keeps Sri Lanka’s Tamil guerrilla organization up and killing,” *Asiaweek*, 26 July 1996.

^{xxv} Byman et al., p.50.

^{xxvi} Ramachandra Guha, “Tigers in the Alps,” *World Policy Journal*, Winter 2003/4, p.70.

^{xxvii} See Byman et al., op. cit., pp.50-51. Koser and van Hear (“Asylum and Migration: Implications for Countries of Origin,” paper prepared for the UNU-WIDER Conference on Poverty, International Migration and Asylum, Helsinki, Finland, Sept. 2002) note a corresponding increase in remittance flows during times of intensified conflict. They also note that remittances sent to conflict-affected regions are less likely to be invested in “productive” activities, since there are obviously fewer options for such investment. Further, remittances sent to family members may be appropriated by force by parties to the conflict.

^{xxviii} Byman et al., op. cit., p.54.

^{xxix} Gob-IOM report, op. cit., pp.45-46.

^{xxx} Purdy, op. cit., p.16.

^{xxxi} Other commentators note, however, that the various IRA splinter groups that formed or became stronger in the years and months surrounding the GFA, such as the Real IRA and its 32 County Sovereignty Committee, the Irish Freedom Committee and others, have turned to more radical members of the Irish-American diaspora – disgruntled by the peace process – for political and financial support. For example, in “America and the Conflict” for PBS’s *Frontline*, Kevin Cullen writes that “As the republican movement became increasingly sophisticated politically, there was no corresponding political change among most of the IRA’s traditional supporters in the US.” (see pbs.org/wgbh/pages/frontline/shows/ira/reports/America.html)

^{xxxii} Robert E.B. Lucas, draft paper on international migration regimes and economic development, in progress, for the Expert Group on Development Issues Government of Sweden, accessed at <http://www.egdi.gov.se/pdf/ch.pdf>, Ch. 6, p. 16.

^{xxxiii} AFFORD, “Connecting UK-based African organisations with mainstream NGOs,” date unknown. Accessed at www.afford-uk.org/partnerships/connections.html, 06 Jan 2004.

^{xxxiv} See <http://www.slwt.org>, accessed June 2004.

^{xxxv} Nicholas Van Hear, Frank Pieke and Steven Vertovec, “The UK diaspora contribution to development and poverty reduction”, scooping study for the Department for International Development from the Centre on Migration, Policy and Society (COMPAS), 31 March, 2004, p.6.

^{xxxvi} Ibid, p.11.

^{xxxvii} Ibid. p. 18.

^{xxxviii} See <http://www.aifoundation.org>, accessed March 2004.

^{xxxix} Lucas, op. cit., p. 3.