

Civil Society Days 2015, 12-13 October 2015

ACTION PAPER FOR WORKING SESSIONS 4.2¹:

Diaspora and migrant action on job creation, social entrepreneurship and public policy

1. INTRODUCTION

One of the key issues in the GFMD Civil Society Days over the past years has been the role of migrants and diaspora in the development of their countries of origin or heritage. Whether it is by sending money, setting up business, social enterprises or advocating for policy change, peace, justice, gender equality and much more. During last year's GFMD migrant and diaspora organizations together with other civil society organizations in particular looked at the need for governments to put in place adequate policy frameworks that facilitate job creation and decent work, by looking at access to justice, property rights, a conducive investment climate and more, as well as the political participation of migrants. This year's Working Session is geared towards looking more deeply into the type of Social enterprises migrant and diaspora set up, and how they can contribute and lead to development, and what prerequisites are required.

Diaspora/migrants and social enterprises:

In that regard a webinar organized by [the MADE Working Group on Diaspora and Migrants in Development](#)² (DMD) in September's, provided a good starting point for this, as some key issues came up. One was of course the issue of **access to finance and investment** for diaspora and migrants, but interestingly it was also concluded that that is not always the main thing that stands in the way of entrepreneurs. In addition to this there seems to exist a significant gap between the desire of potential entrepreneurs and (becoming) actual entrepreneurs. **Technical and business skills** were cited as being just as important. It would be good to unravel what practitioners feel is key or should be key in supporting diaspora and migrant enterprises. Support can include enterprise skills and training as well as access to finance. It is also worth bearing in mind that knowledge based enterprises tend to be less expensive to start as this is based on knowledge and experience of the entrepreneur. This is very relevant for diaspora professionals as this is core to what they contribute.

One question this Working Session will seek to answer is, is there a case to be made for diaspora/migrants and their social enterprises to focus on labour-intensive sectors so as to create access to decent jobs in countries of origin/heritage?

¹ This draft Action Paper has been prepared as input for the 2015 GFMD Civil Society Days by AFFORD with input from BASUG

² <http://www.madenetwork.org/diaspora-and-migrants-development>

Public policy on financing development:

Other evidence suggests that there is also limited public resources available to facilitate diaspora investments and Governments are in a position to develop mechanisms and structures for diaspora investment: this would include schemes such as national diaspora bonds, as well as increasingly municipality bonds, and the opportunity to invest in priority sectors within the national social economy. For example, in the case of the Bangladeshi diaspora organisation BASUG, based in the Netherlands, which has invested in fishery projects Bangladesh.

Just as important is the need for transboundary investment funds and financing schemes particularly for the Small and Medium Enterprises (SME) sector, as well as the need for the development of new policies and legal structures for social enterprises and new forms of cooperative ventures.

Diaspora and migrant enterprises can also prioritise and support workers in the informal economy which is in many countries dominated by women (as well as women trade associations), in a way which makes their businesses grow and become more sustainable and financially independent.

2. PAST CIVIL SOCIETY RECOMMENDATIONS FROM THE “5-YEAR 8-POINT ACTION PLAN” AND GFMD Civil Society Days 2014

Point #2 from the Civil Society 5-year 8-point action plan for follow up, in collaboration with governments, to the 2013 UN HLD on Migration and Development calls for :

‘Models and frameworks that facilitate the engagement of diaspora and migrant associations as entrepreneurs, social investors, policy advocates and partners in setting and achieving priorities for the full range of human development in countries of origin, heritage and destination.’

Following up on this, the 2014 GFMD Civil Society Days recommended three courses of action : Increased cooperation between **diaspora, migrant rights and other civil society organizations** to transform public policies in countries of origin and destination¹ to ensure access to decent work, health, education and rights for all, and set up a **sound regulatory framework** for migrants and diaspora to invest in development and job creation

- Increased harmonization and transferability of education, qualification and training standards
- Creation of an Observatory to collect data that systematically documents and measures the impact of migrant and migration on development and job creation in countries of origin, transit and destination.

The below table is an extract from the draft *Global Movement Report*, a report presenting progress on Civil Society’s 5-year 8-point action plan³. Through interviews with key civil society actors, a survey completed by more than 330 civil society organisations across the world, and extensive document review, this report aims to reflect the current progress of implementing Civil Society’s 5-year action plan. It specifically looks into civil society achievements, and assesses areas where further and strengthened civil society action could be considered. The below table reflects the findings of progress on implementing the 2nd point of the 5 year 8 point plan:

³ See: <http://www.madenetwork.org/agenda-change>

POINT 2: ENGAGEMENT OF DIASPORA AND MIGRANT ASSOCIATIONS			
Benchmarks	Verification	+ - ⁴	Justification
Has there been increased cooperation between diaspora, migrant rights and other civil society organisations <i>(to transform public policies in countries of origin and destination to ensure access to decent work, health, education and rights for all, and set up a sound regulatory framework for migrants and diaspora to invest in development and job creation?)</i>	Document Review	+	Various initiatives have come off the ground over the past year to increase diaspora and migrant cooperation national, regionally and globally, such as ADEPT (platform of African diaspora and development organization in Europe), and the global working group of MADE on migrants and diaspora in development.
Is there an increase in the number of states with formal mechanisms for engaging migrant/diaspora communities?	Document Review Interviews	+/-	Gamlen (2014) demonstrates a marked rise in the 'number of states with formal offices for emigrants and their descendants' since the mid-1990s (p3). However, while the policy framework is often developed, there are implementation gaps in part due to lacking capacity and resource constraints
Do more countries offer specific services and funding mechanisms to support migrant and diaspora investment?	Document Review	+/-	
Is the role of diaspora and migrants included in the SDGS?	Document Review	+/-	While migrants and migration are clearly integrated in the 2013 UN Sustainable Development Agenda (e.g. target 8.8 and 10.7 and transversally, diaspora engagement as such, particularly in the context of migrant entrepreneurship does not really feature on the Agenda.
Have any international grant funding schemes been launched that specifically target diaspora organisations?	Interviews	+/-	No such global fund seems to exist. At the national level many countries have support diaspora organizations, but in recent years, it seems support is increasingly being withdrawn for diaspora organisations.
Is there an increase in the number of countries that have a tolerant approach to dual citizenship?	MACIMIDE Dual Citizenship Database	+/-	The MACIMIDE Global Dual Citizenship Database shows that, in 2013, approximately 70 percent of countries had a tolerant approach to dual citizenship meaning that, if a citizen acquires the citizenship of another country, they are not required to renounce citizenship in the country of origin. This represented a significant global change in attitudes to dual citizenship (MACIMIDE, 2015).

Table 1: Progress on Point 1 of the 5-year 8-point plan, Global Movement Report, Elaine McGregor, and Maastricht School of Governance

3. SOME PRACTICES AND TOOLS FOR INSPIRATION

There are many practices and actions pertaining to the role of migrants and diaspora in development in general, and as social entrepreneurs in particular. For example the Handbook "[developing a Road Map for Engaging Diaspora in Development](#)"⁵ collects a good number of government initiatives and migrant and diaspora initiatives, Below are just a few examples of programmes and policy areas, to be discussed further during the Working Session.

- **Expanding and strengthening private diaspora enterprises in country of origin / heritage:**
example: Fisheries project which promotes job creation at the community level both for men

⁴ Green (or +) indicates good progress has been made. Orange (+/-) indicates some progress has been made. Red (-) indicates no substantial progress on this point.

⁵ <http://www.migrationpolicy.org/research/developing-road-map-engaging-diasporas-development-handbook-policy-makers-and-practitioners>

and women (example in Bangladesh, a project supported by BASUG, it was initiated by UK based migrant, first year created 19 jobs locally and later more).

- **A structured international approach to diaspora investment and entrepreneurship:** example: [PinoyWise Filipino](#)⁶ scheme which supports Filipinos overseas to start enterprises in the Philippines, save and or invest.
- **Skills and capacity development for potential diaspora entrepreneurs,** example: [AFFORD Business Centre \(ABC\)](#)⁷ in Sierra Leone which supports fast-growth SMEs that are likely to create 10 to 15 jobs. It provides high quality office space and facilities, administrative and operational support, accredited business and management training, programme of lectures, seminars and workshops, support for diaspora and migrants direct investments and business outreach and networking activities.
- **Government marketing their national bonds to their diaspora,** example: [Homestrings](#)⁸ which provides a marketing platform to support governments and financial institutions to pool resources from its diaspora.

- **Funding programmes,** example: Comic Relief's Common Ground Initiative, UK, which supports diaspora and migrants in trade and enterprise;
- **Technical business support:** GIZ (Germany) technical assistance programme which provides business skills to diaspora and migrant enterprises - MITOS tool box.
- **Franchising and agent contracts.**
- **Diaspora and migrant community funds for social enterprises and investment funds.**

4. KEY SUGGESTED GOALS AND INDICATORS

The authors of this Action Paper suggest to work towards the following 4 goals and indicators, to be refined and added to during the Working Session:

1. **Goal:** Increase civil society's learning of social enterprises and businesses/private sector more broadly to enable a better understanding of existing and new initiatives, as well as how to support diaspora and migrants social enterprises better. This can be done by increased involvement of diaspora and migrant social enterprises and businesses / private sector (who would otherwise not be part of the migration and development network) within the Working Group / activities

Indicator: Increase in numbers of diaspora and migrants social enterprises and businesses in the database. Increased participation of diaspora social enterprises and businesses in webinars and other activities.

2. **Goal:** Promoting the practice of decent jobs and ethical practice in business. In facilitating job creation by the diaspora it is also important to bear in mind the importance of working towards decent jobs and ethical practice to ensure that by facilitating jobs, a culture of job creation that builds supportive institutions also exists, thus making it sustainable (and not exploitative).

Indicator: Measure against ILO description of decent jobs

⁶ <http://www.pinoywiseinternational.org/>

⁷ <http://www.affordbusinesscentre.org/>

⁸ <https://www.homestrings.com/>

3. Goal: Promoting and strengthening women-led diaspora and migrant enterprises
Indicator: Indicator: Number of existing and new women-led diaspora and migrant enterprises
4. Goal: Strengthen diaspora and migrant access to public contract and public procurement in countries of origin.
Indicator: Number of contracts and business won by diaspora and migrant enterprises.

5. RECOMMENDATIONS AND ACTION STEPS FOR THEIR IMPLEMENTATION

The Working Session will be defining actions to recommend to governments and for civil society to take forward. In line with the goals above, the authors of this Action paper in particular propose to work on these four actions:

1. Government and development institutions to support and effectively fund transboundary investment and financing schemes for social and private enterprises
2. To support grants and co-financing of social and community enterprises, job protection and job creation.
3. Support for training and capacity building in the field of enterprise, business and related management skills.
4. Facilitating diaspora and migrant access to public private partnerships (PPP) schemes and public finance initiatives (PFI).

6. GUIDING QUESTIONS FOR DISCUSSION DURING THE SESSION

1. How do we define diaspora/ migrant social entrepreneurs? What sets them apart from other entrepreneurs? And in what way do they contribute to development?
2. What obstacles do (potential) diaspora/migrants entrepreneurs encounter when setting up a businesses or trying to create jobs in countries of origin/destination? How can these obstacles be removed, what is the role of national governments, local governments, private investors, or other actors in this?
3. Are there examples of alternative partnerships between diaspora/migrant and public, private, third sector that can facilitate more resources for diaspora and migrant enterprises?
4. Are there certain types of businesses that are more conducive for diaspora and migrants to start upes, and that also facilitate decent job creation? If so, what are these?
5. What new innovations are there of pooling diaspora and migrant resources for investment?
6. Is it justified for grant funders to support diaspora/migrant and private enterprises that operate in countries of origin / heritage?