#2016-042

Diaspora economics: New perspectives
A.F. Constant and K.F. Zimmermann

Maastricht Economic and social Research institute on Innovation and Technology (UNU-MERIT)
email: info@merit.unu.edu | website: http://www.merit.unu.edu

Maastricht Graduate School of Governance (MGSoG)
email: info-governance@maastrichtuniversity.nl | website: http://www.maastrichtuniversity.nl/governance

Boschstraat 24, 6211 AX Maastricht, The Netherlands
Tel: (31) (43) 388 44 00
Diaspora economics: New perspectives

A.F. Constant
UNU-MERIT and IZA and
K.F. Zimmermann
Harvard University and UNU-MERIT

Abstract

Purpose – Introduce a new field and suggest a new research agenda
Findings – Diaspora economics is more than a new word for migration economics. It opens a new strand to political economy. Diaspora is perceived to be a well-defined group of migrants and their offspring with a joined cultural identity and ongoing identification with the country or culture of origin. This implies the potential to undermine the nation-state. Diasporas can shape policies in the host countries.

Design/methodology/approach – Combine ethnicity, migration and international relations into a new thinking. Provide a typology of diaspora and a thorough evaluation of its role and the roles of the home and host countries.

Originality/Value – Provide a new understanding of global human relations.
Keywords – Diaspora economics; ethnicity; migration; nation-state

Paper type – Research paper

JEL Classification: F22, F24, F66, F68, J61

1. Introduction

The meaning and understanding of diaspora has evolved and broadened over the years to reflect the many different cases of diasporic people. As a word, diaspora entered the parlance of the economics of migration only in the last five years. We recognise diaspora economics as much more than a new word for migration economics. It opens a new strand to political economy. We perceive diaspora to be a well-defined group of migrants and their offspring with a joined cultural identity and ongoing identification (active or dormant) with the country or culture of origin as they envision it. However, diaspora are heterogeneous and complex populations. We allow for the potential of diaspora to undermine the nation-state, since diasporas can shape policies in the host countries and remain deeply related to the politics and economics of the origin country.

In this paper we provide new insights into diaspora economics and expand the literature by combining the political and diplomatic elements of diaspora with the economic ramifications of diaspora for the host and home countries. We aim to answer the following questions: How can we define diaspora economics, how is this term different than the economics of migration, how do ethnic and national identities enter the diaspora equation, what are the economic ramifications of diaspora’s actions for the home and host countries?

We contemplate diaspora economics as referring to all activities of the diaspora with regards to the group itself, the home and host country. Regarding the group, we include activities that keep the ancestry alive among group members such as ethnic schooling, cultural events, and ethnic trade that affords ethnic goods to the diaspora, mobilisation of
group members to help the home country financially (through remittances, Foreign Direct Investment, diaspora bonds or investment funds), and volunteering as humanitarian actors during health outbreaks or natural disasters at home.

Regarding diaspora’s relationship to the origin, besides the well-known powerful effects of remittances to individual recipients, we include in diaspora economics all in-kind remittances (toys, jewellery and housewares). Undertakings to assist the public sphere by sending money for specific economic development projects (building roads, schools, clinics or parks) are also part of diaspora economics. Likewise, FDI, imports-exports, buying “diaspora bonds” to help the macro- and monetary conditions in the home country, as well as political movements such as voting from abroad for a new government and campaigning either for or against the home country government are diaspora economics. Lastly, diaspora as vectors of knowledge transfers, cultural expressions and impacts on social norms are diaspora economics.

Finally, all actions that the diaspora actively undertakes to convince the host country to change or start new bilateral relationships with their home country, petitions to ask for protection of the home country during a war, a natural disaster or a genocide, qualify as diaspora economics. Diaspora can be a savvy diplomatic intermediary between the host and home countries. They can influence migration policy-making as they work with host governments to facilitate return migration. They are important channels through which the economic gains of migration can be hugely increased, especially for the sending countries.

At the same time, both home and host governments have their own motivations and may want to enlist diasporas in furthering their national interests abroad. Home governments’ actions and policies to make diaspora remit more, alter public opinion abroad about the country, engage diaspora in spreading their culture abroad, empower diaspora and protect their rights, as well as offering them dual citizenship are also diaspora economics.

The next Section 2 is devoted to investigating the many definitions of diaspora, providing a typology, and highlighting the differences with migration. Section 3 provides a narrative about ethnic and national identities and discusses their difference and importance for diaspora in the host country. Section 4 outlines the importance of diaspora for the home country and brings to light home governments’ novel strategies towards their diaspora. Section 5 introduces and evaluates the lesser-known lobbyist role of diaspora in the host country and its ramifications for all parties involved through empirical evidence. Finally, Section 6 summarises and concludes.

2. The many shades of diaspora
2.1 What is diaspora?
Etymology traces diaspora to the Greek verb διασπείρω (diáspεírō), which means scattering seeds, or sowing across. Much like in agriculture, it denotes the uprooting and transplanting of people in a new area, their making new roots, their spreading out and cultural development. In the ancient times, the word was mostly related to colonisation, but also exile, uprooting, and misplacement as in the Hellenic diaspora. Herodotus (Hdt. 7.91) referred to the “Trojan diaspora” in 5th century BC.
The word is found in the Septuagint around 200 BC referring to the Jewish exile (see Deuteronomy 28:25 and Psalms 146(147).2). Diaspora was used again to describe the fleeing of Greeks mostly to Europe, after the Ottoman Empire occupied Greece in 1453. It entered the Oxford English Dictionary in 1876 referring to the “extensive diaspora work (as it is termed) of evangelizing among the National Protestant Churches on the continent”. However, for diaspora to exist there should have passed at least two generations of immigrants along with a sense of a permanent exile (King and Christou, 2008).

Finch et al. (2010) employ an apparent no strings attached definition of the British diaspora as “the total population of British nationals living overseas.” While this definition, per se, excludes the naturalised and foreign-born in an ius soli country, it assumes the following strong characteristics about Britons abroad: “(i) They are a clearly identifiable and self-identifying national group; (ii) They have a sense of empathy and connection with other Britons in their country of residence and in other countries overseas; (iii) They retain an attachment to the UK and an interest in its affairs; (iv) They demonstrate at least some ‘diasporic consciousness’, through setting up British clubs or business networks; (v) They mobilise collectively or show a willingness to be mobilised” (p. 6).

“Diasporas are immigrants who maintain a connection, psychological or material, to their place of origin,” writes Birkenhoff (2011, p. 116), while Safran (1991) sets up four criteria for their existence: (i) are expatriate communities that preserve a collective memory of the homeland; (ii) perceive the homeland of the ancestors as their true home, hoping to return one day; (iii) are dedicated to restore the homeland; and (iv) feel with the homeland that shapes their identity.

The word keeps broadening through the years and different disciplines. In economics, the few who used diaspora made it synonymous to immigrants (Taylor et al. 2014). Plaza and Ratha (2011) define diaspora as 1st generation immigrants, while Beine et al. (2011) perceive diaspora as migration networks formed by 1st generation immigrants.

The wide range of definitions notwithstanding, implicitly, diaspora has to have three elements: (i) result from migration, due to economic reasons, natural or manmade disasters, or to avoid persecution; (ii) migration has to be dispersed to more than one host country with different socio-cultural norms; and (iii) migrants preserve their norms and ethno-religious identification personally or vicariously and idealise the homeland. Diaspora includes the descendants of migrants.

Besides the scholarly and lexicon definitions of diaspora, governments of home countries, realising the economic power of diaspora for economic development, also came-up with definitions. Interestingly, these definitions are tied to the geopolitical and geoeconomic strategies of the countries of origin, often becoming part of their foreign policy. The African Union Report (2005) defines the African diaspora as consisting: “... of peoples of African origin living outside the continent, irrespective of their citizenship and nationality and who are willing to contribute to the development of the continent and the building of the African Union.” In the same spirit, individual African countries define diaspora emphasising identity links to the homeland and adding economic contributions clauses. Rwanda, for example, defines its diaspora as all Rwandans who left the country by their own will or were forced to emigrate to other countries and are keen to contribute to the development of Rwanda (http://www.rwandaglobaldiaspora.org/about-us/diaspora/).
The European Commission (2005) proposes that diaspora include first generation migrants, those naturalised, and their born-abroad offspring who retain some commitment and interest in the home country. The project “A Europe of Diasporas”, understands “diasporas of Europe” to be enduring human networks and communities [...] While the individuals are citizens of the European Union and consider themselves part of Europe, of its culture and destiny, they also have important formal and informal links with fellow ethnic or religious communities with whom they share a past, present and future. Diaspora communities are thus a part of several overlapping identities, alongside national, European and other layers of belonging” (http://europeofdiasporas.eu/sites/default/files/-ProjectOutline.pdf).

While most countries have adopted the word diaspora in their own language, the Russian Federation uses the word compatriots instead. The word includes former citizens of the USSR, Russian citizens living abroad, ethnic Russians, Russian speakers along with their families and descendants, foreign citizens with cultural links to Russia, and Russian immigrants from the USSR or Russia (Zakem et al., 2015). In other words, any person with cultural affinity to Russia could be part of diaspora. Similarly, IOM’s (2015a) World Migration Report defines diaspora as “… individuals and members of networks, associations and communities who have left their country of origin, and maintain links with their homelands” (p. 196). Evidently, this definition includes settled expatriate communities, temporary migrant workers, expatriates who have naturalised in the host country, those with dual citizenship, as well as second and third generation immigrants.

In sum, and weighing all attempts to value the phenomenon: we envision diaspora to be a well-defined group of migrants or those with migrant background with a joined cultural identity and ongoing identification (active or dormant) with the country or culture of origin as they perceive it. We allow for the potential of diaspora undermining the nation-state.

2.2 Why diaspora differs from migration

Migration is the movement of people from one country (home) or area to another (host) usually for their economic betterment. While migration is the action and the necessary condition for diaspora to exist as a result, it is not sufficient. Not all migrations become diaspora. A comparison of the Irish and German migrations serves as a heuristic example to elaborate this idea. The 19th century Irish Famine generated a huge Irish migration, where close to 80 percent of Irish migrated to Britain, the U.S., Canada, Argentina, Australia and New Zealand. As they preserved many elements of their culture, they became known as the Irish diaspora. Currently, close to 100 million people around the world claim Irish ancestry and being part of the Irish diaspora. In contrast, while the first Germans arrived in Pennsylvania the U.S. 400 years ago, while close to eight millions came to the U.S. in the 19th century, and while currently those claiming German decent are the largest group of Americans, their mass migration did not become a diaspora due to their low degree of cultural identification.

Migration denotes the mobility of an individual, a family or a community if there is chain migration. It connotes both stocks and flows. Diaspora, on the other hand, is never about an individual, and describes the stock of immigrants in several countries for many years (including subsequent generations of immigrants). It can even describe the descendants
of immigrants, whose ethnic identity toward the ancestral homeland is dormant, but can change into an active one if an intervention occurs.

While immigrants are always coming from a bounded state/county, diaspora can exist even if a homeland ceases to exist. For instance, there is “stateless diaspora,” as is the case of the Kurds and Palestinians. That is, the homeland no longer exists as a state/country, but the diaspora actively keeps the consciousness and culture alive as well as the desire to create the once existing or imaginary country.

Maintaining their ethno-national-religious identity is primordial for the diaspora as a group. Diaspora members do not always integrate into their host country’s culture. Immigrants as individuals, however, can fully assimilate, integrate and incorporate in the host country; they may or may not keep contacts with the homeland.

Another difference between immigrants and diaspora is related to which country is using the term. Home countries always refer to diaspora when they talk about their migrants abroad, mostly because they want to keep the connection alive and emphasise the identity and cultural links, thereby appealing to the ideals and psychic of immigrants. By using the word diaspora home countries may be also insinuating that they have a minority population in other countries. Home countries that observe the *ius sanguinis*, de facto claim all generations of their immigrants abroad as their population.²

Host countries prefer to use the words immigrants, immigrant descendants or people with migration background for the exact opposite reasons. Countries such as the US or Australia that uphold the *ius soli*, perceive the second and higher generations as native-citizens with fully fledged rights. Other host countries that uphold the *ius sanguinis*, also refrain from using the word diaspora to describe immigrants living in their country as the word somehow has the connotation of a foreign body. Vertovec (2005), in fact, argues that because diasporas have dual political loyalties they may be perceived as fifth columns, or enemies within by host countries.

The words migration and immigrants remind the average person of a host country, of how immigrants fare and what impact they have on natives. Thus, immigration is typically related to economic outcomes and impacts. It is also linked to policies about how many people and with what skills should enter the host county. In Europe, the immigration debate is about assimilation, integration or multi-cultural domestic policies. In the U.S. the debate is centred upon the undocumented; diaspora is never associated with illegal immigrants.

Diaspora, as a group, contains elements of political awareness and activity as well as context. Diaspora may not be politically involved in the host country, although they can be economically relevant and have voting power. Individual immigrants, however, can participate in the civic society. Following the public discourse, the term diaspora is rather related to minorities and ethnic entities and how they relate to the nation-state of the home country.

Traditionally, diaspora is much more associated with home country policies and the economic development of the home country than migration is. Home countries may also use diaspora to support internal political developments or economic interests. A diasporic aspect that is not as much known or researched is the political or lobbying power of diasporas in the host countries. Diaspora can mobilise and lobby in order to change political regimes in home countries. If they succeed, they are then informal actors of shaping the foreign policy of the
host country. At the same time, host countries can appeal to the diaspora for help or mediation in resolving conflicts.

Lastly, while individual immigrants or families may return to the home country for good, diaspora in some shape or form stays in the host country indefinitely and do not intend to return.

2.3 How diasporas and migrants evolve over time?

The crucial difference between migration per se and diaspora economics comes from the role of the “nation-state” and the ethnic identification of the individual and the group. Constant et al. (2009) as well as Epstein and Heizler (2015), present the ethnosizer as a measure of the ethnic identity of immigrants living in a host country. The two-dimensional ethnosizer measures the home and host country ethnic identities and any combination of both. As Figure 1 illustrates, it allows for four possible states: (i) assimilation (A), a state of total identification with the host country and null identification with the home country with respect to language, culture, history, self-identification and future plans; (ii) integration (I), a state of co-identification with both the home and host country; (iii) marginalisation (M), a state of being detached from both countries; and (iv) separation (S), a state of complete identification with the home country and zero sympathy for the host country.

What is novel about the ethnosizer is that a person can be in different states depending on the five elements that compose it. Moreover, immigrants from different countries can have equal scores in assimilation or separation, because this is a measure of ethnic identity vis-à-vis a country and not a measure of ethnicity and attachment to a specific country.

Constant and Zimmermann (2008) expanded the two-dimensional ethnosizer to include all four quadrants defined by the home and host countries. Accordingly, immigrants can be – clockwise from the NW quadrant – in a state of (i) remaining totally ethnic and clung to the home country while undermining the host country culture and values. This would be the case that host countries face currently with ISIL, a self-declared religious-state, that is infiltrating Muslims around the world to create a diaspora; (ii) being alienated and against
both the home and host countries; and (iii) being totally and unconditionally assimilated with the host country while at the same time they turn against the home country (Figure 2).

![Diagram of Four Quadrants of Ethnic Identity](image)

**Figure 2.** Four quadrants of ethnic identity

It is worth noting that as immigrants assimilate or integrate towards natives (considered to be the gold standard), natives can also assimilate or integrate towards the new culture that immigrants bring with them. The openness of natives, host countries and their institutions can make a difference in the integration of immigrants, in the speed of integration and the relations of immigrants with their homelands. For instance, if natives are against immigrants they can unite and change migration policies, which along with the negative native attitudes can make immigrants feel unwelcomed and cling to their origin. A chain reaction may feed back into the perceptions of natives who interpret this as a justification of their actions and become even more xenophobic and take further actions against immigrants, and so on and so forth. However, diaspora should not be swayed by natives’ behaviour and sentiments.

3. **Ethnic identity, ethnic consciousness, and the nation-state**

3.1 *Ethnic or national identity?*

The ethnic identity of immigrants is their sense of who they are with respect to people from other countries, cultures, languages and religion. At the same time, it is their sense of belonging to some ethnicity/country and sharing common values and practices with compatriots at home. Immigrants can have an ethnic identity that is close or far away from the home country, as they often oscillate between home and host countries and their ethnic identity can change. A national identity, on the other hand, is the sense of belonging to a state or a nation with distinct elements of religion, culture, language and politics that apply within this nation.

Similarly, diaspora could have an ethnic identity that is similar to their compatriots at home. They may equally have other elements of ethnic identity, unique to them, formed over the years of living abroad. Broader definitions of diaspora allow for assimilation/integration
in the host country, for dual citizenship, and varying intensities of allegiance to the homeland from purely symbolic to substantial. We allow for possibilities of ethnic identity switching, as well as for some combination of home-host country identity. We conjecture that the actions, behaviour and comportment of diaspora towards their home or host countries are often driven by their perceived identity. Regarding national identity, diaspora can have of the home country, but they may also have a different understanding of the nation-state.

Shain (2002) contends that there may be a divergence of identity and interests between diaspora and homeland. Well-established diasporas resulting from genocide that exist before the homeland became a nation exhibit strong notions about ethnic identity and the nation-state and want to impose them on the newly created home countries with economic and political repercussions. The Armenian and Jewish diasporas are such historic examples involved in the territorial security and sovereign boundaries of their homelands. In fact, their anxiety in maintaining their ethnic identity, as they conceive it, is one reason why diasporas are involved in conflict resolution in their homeland. Peace in the homeland can threaten diasporic identity (p. 129).

How the strong ethnic identity and national ideology of the Armenian diaspora was instrumental in post-Soviet Armenian independence in 1991, its political establishment and the Karabagh conflict with Azerbaijan is documented in Aslanov (2015). While the new Armenian government wanted to make its own political decisions under its own outlook of the nation and its own realistic understanding of identity, the Armenian Revolutionary Federation (an arm of the diaspora) was determined to impose its own romanticist identity, abstract ideology and nationalism, resulting in the resignation of the Armenian President. Such profound involvements in the homeland’s politics provide reinforcement in the ethnic identity, self-worth, and raison-d’être of diaspora.

National identity can be ideology-based and heritage-based (Ditlmann et al., 2011). A very close relationship exists between national identities, immigration in a country and citizenship laws. If the concept of the state is political and existed before people became citizens, as is the case of the U.S., then the evolving national identity is ideology-based, argue the authors. This means that citizens observe transcendent and abstract values such as peace, democracy, freedom, equality, and individualism. This is what glues Americans together while it conforms to ius soli. Other countries, however, such as Germany, developed in historical contexts in which shared cultures, national feelings, traditions and group cohesion existed before the nation-state. Therefore, a heritage-based national identity evolved which is compatible with bloodlines and ius sanguinis.

Constant and Zimmermann (2013) analyse the relationship between the nation-state, national identities and ethnic identities and the state of immigrants using the paradigm of four sovereign nations, that are also paradigmatic migration countries: France, Germany, the UK and the US. It should be noted that it is not only the first generation immigrants who face a cultural shock when they first arrive in the new host country. Depending on their upbringing, the second and even higher generations, especially when they are born and raised in enclaves can experience a constant struggle with the clash of cultures. The French paradigm of “égalité, liberté, fraternité” and ius soli has not been successful in integrating their immigrants. For more than a decade now, French citizens of Arab decent are burning the
streets of French cities, with a culmination in the massacre of November 2015 in Paris. Clearly, the ethnic and national identities of these citizens completely diverge.

The U.S. model is perceived to be the most successful in terms of the socio-economic, political and cultural integration of immigrants. The motto “e pluribus unum” etched on the U.S. Great Seal has shaped many cohorts of immigrants from all over the world. When diaspora experience frustration and psychic pain thinking about their homeland, they may rely more on their American identity for strength (Brinkerhoff, 2011). Yet, after the Orlando carnage in June 2016 and the San Bernardino killings in December 2015 it is obvious that the U.S. model has vulnerabilities.3

3.2 Are ethnic and national identities reconcilable in the host country?
In homogeneous societies and especially in those with a state religion such as Saudi Arabia or Iran, ethnic and national identities are overlapping. In the western world, where host countries have been influenced in some degree or another by their immigrants and globalisation, it is difficult to find homogeneous societies. Countries such as the U.S., the UK, France and others face the questions of how to preserve their profound ideals upon which they were built, how to maintain their sovereignty and national integrity and security, while they respect other cultures in their territory, how to stay away from forcible assimilation, and sustain a peaceful country.

Canada is a powerful example of reconciling ethnic and national identities among its population. Since the 1990s, Canada is proud to be “multi-culti” and embraces its ethnic diversity. One in five Canadians is born in another country. Interestingly, Bitran and Tan (2013) state the Mowat Centre Director’s writing: “Diaspora networks— that is, international communities of shared identity— are changing the way we should conceptualize immigration. Canadians have unprecedented depths of connection with every corner of the world. Canada has become a diaspora nation.” p 1. Perceiving a country as a diaspora nation is a powerful statement.

Lastly, diaspora may turn against a specific government or regime in the home country, and while in their mind they have the best intentions and think they help their compatriots, they may end up harming them. This is the case of diaspora having different national identities than the homeland.

The Case of Reverse Diaspora
When diasporas manage to return to their homelands they basically return to space, but not to time. They may face a déjà vu clash of cultures and come to a traumatic realisation that they do not belong home. Searching for new identities as they try to fit in, they may revert to the identity of the country they just left, turning into a reverse diaspora.

The mere fact that they return to the homeland is not sufficient to “unmake” the diaspora experience, identity, and mélange of culture, asserts Hess (2008). The author compares and contrasts the diasporas of 200,000 Greeks and 2.2 million Germans who repatriated to Greece and Germany respectively after perestroika from the former USSR. Both diasporas had common characteristics of previous colonial, labour, and victim migration, they were stigmatised until the mid-1950s, and considered a minority by the Soviets. Being isolated in Russia, these diasporas developed away from contemporary Greek
and German societies, which did not remain static through time. Even when the respective governments officially received them as “homecomers” these diasporas were soon confronted with a clash of cultures. To survive in the new homeland, they identified with and belonged more to the Soviet Union, thus forming a reverse diaspora.

The realisation that ethnic identity is not the same as the national identity of the homeland also happened to the Jews who made Aliyah at the collapse of the USSR. Besides speaking only Russian, they were more secular than natives and brought with them their Russian culture. The process of relocation, interactions with new socio-political realities, and how they are perceived by natives caused their identities to alter. Trier (1996) argues that they became a Russian diaspora in Israel with feelings of “being away” rather than “being at home”.

4. Diaspora matters for the homeland
Diaspora can impact economic development and growth in the home country in various ways. Besides being investors or making financial contributions, diaspora can function as bridges to markets and provide expertise.

4.1 As a force of economic growth
4.1.1 Remittances and urban regeneration
The power of remittances in improving the standard of living of the people back home is well known (Plaza, 2013; Plaza and Ratha, 2011). Remittances help families left-behind have food on the table, and children to stay in school and off of child labour. Diaspora can send remittances as a group or association to help a community or a village. Home Town Associations (HTAs), created by immigrants, are effective in mobilising immigrants for the purpose of investing in infrastructure development of their village of origin. HTAs have built parks, hospitals, orphanages, schools or public-meeting places, have paved roads, or painted and maintained public buildings, made clean water accessible etc.

Diaspora as city-builders and urban regenerators are rapidly increasing in several counties. In Morocco, their investing in urban-based real estate and businesses in their regions of origin not only attracted more investments, but also generated internal migration (IOM, 2015a). In Zimbabwe, diaspora shaped the capital by building diaspora suburbs and environs (McGregor, 2014). While some of them took advantage of the speculative opportunities during the hyperinflation period and the crisis years, diaspora’s investment in real estate transformed the landscape of the capital.

Building transnational ties by teaming home and host country cities is another way diaspora contribute to urban development. A cooperation process to partner Dakar and Venice is underway as the local government in Dakar connects with the Senegalese Confederation for the Promotion of Small and Medium Enterprises and Entrepreneurship among Migrants. The idea is to provide support for Senegalese diaspora businesspeople with business investment opportunities in Dakar (IOM, 2015a).

With the purpose of mobilising the diaspora to invest in the infrastructure of the home country, the Ethiopian diaspora in Washington, DC, founded the Tigrai Development Association in Ethiopia. As a result, Beyene (2015) reports not only 549 primary schools and
15 secondary schools were built, but also 16 war-affected primary schools were renovated. Likewise, the Agazi Alumni Association in Adigrat, Ethiopia, by engaging the diaspora and building partnerships with embassies and other organisations has succeeded in building classrooms, providing computers and learning materials to the community.

The Rwanda Diaspora Global Network, registered in Rwanda, endeavours to coordinate all Rwandan Diaspora associations around the world, build a strong network, promote investments in various communities, support the Rwandan culture and values, encourage solidarity and communication among the diaspora, sponsor technology and knowledge transfer, and stimulate exchange between diaspora and people at home. The “Bye Bye Nyakatsi,” implemented in 2009, built a model village in Rilima improving its standard of living. The project provided for all necessary infrastructures and has provisions for markets, schools, and medical centres as well as a health centre, a school and commercial areas. Rwandan diaspora has also been involved in the construction of high standard buildings in urban centres. They are behind the development of real estate market services such as mortgage finance (http://www.rwandaglobaldiaspora.org/about-us/background/).

Mexican HTAs are valuable contributors to their villages of origin. In collaboration with the Mexican government the “tres por uno” program was founded in 1999. Accordingly, the government matches every dollar immigrants and diaspora (through HTAs) put into this program; federal, state, and municipal authorities each match another dollar for infrastructure purposes. About half of the existing Mexican HTAs are contributing into this project (Constant et al., 2012).⁵

4.1.2 FDI, Trade, and Tourism
Diaspora play a vital role in the promotion of investment, trade and commercial opportunities in their home countries. As foreign investors they have the advantage of processing local information about market imperfections and are able to judge the riskiness of their investments when they invest directly. Alternatively, diaspora can facilitate investment in their home country by others who are not familiar with the country (Plaza, 2013). Prominent examples we find in China, with the Chinese diaspora having contributed 70 percent to China’s FDI from 1985 to 2000 (Kuznetsov, 2006). Armenia and Israel are the largest per capita recipients of U.S. foreign aid because their diasporas in the US can lobby effectively (Shain, 2002).

Diaspora who believe that they have an ethnic advantage in commerce with the homeland, the altruists, and those having perceptions about business impediments are more likely to invest in the homeland (Gillespie et al., 1999). While Javorcik et al. (2006) find that U.S. FDI abroad is positively associated with the presence of immigrants in the U.S. and their home countries, Burchardi et al. (2016) show that it is ethnic ancestry and ethnic diversity that cause local firms in immigrant areas to increase U.S. FDI to the countries of origin. This effect increases with longer geographic distance from the origin and the quality of its institutions. Interestingly, it also increases the number of employees at domestic recipients of FDI from that country. Constant and Tien (2010) show that when the leader of an African country is educated abroad FDI to this country also increases.

Diaspora also boost bilateral trade between home and host countries. They can be directly involved in trading or they can facilitate trading for others. Diaspora can increase
demand for ethnic goods and thus host county imports (or home country exports). Their return or even mere touristic visits back home can trigger demand for foreign goods by their compatriots, and increase host country exports (or home country imports). As trade and migration are complements, trade can be huge depending on the relationship between home and host countries, their physical distance and other factors (Plaza, 2013).\(^6\)

Diaspora visiting the homeland as tourists increase foreign exchange earnings and the creation of jobs that cater to tourism. While tourists, in general, may stay at prepaid international resorts and may not leave the compounds especially if they do not speak the local language and feel uncomfortable with the local culture, diaspora may stay in locally owned hotels, eat in local joints and even do their grocery shopping locally, thus pouring money directly to the local economy.

4.1.3 Diaspora Bonds
Diaspora bonds are an inexpensive source of external development financing that home countries use by borrowing money from their diaspora. At the same time, this is a way to keep the diaspora alive and learn more about them. Home countries issue bonds, exclusively or not only limited to diaspora, with fixed or floating rates to raise money for economic development. Diaspora are willing to buy these bonds out of patriotism, as a means to diversify their portfolios, or as an opportunity to be involved and do business in the home country. Ketkar and Ratha (2010) present some successful cases. Israel has been issuing diaspora bonds annually since 1951 with the purpose of development and growth. More than $26 billion from this endeavour have been used in necessary infrastructure as well as in telecommunications, energy, transportation, and water resources. India, on the other hand, has issued diaspora bonds only three times as emergency finance. Through these bonds, India amassed more than $35 billion.

In the early 2000s, Ethiopia used diaspora bonds to finance power plants projects. To create a hydroelectric power-generating dam, the Grand Ethiopian Renaissance Dam, Ethiopia sold bonds to its population, the diaspora and interested others. Beyene (2015) documents that $435 million were contributed towards this cause by the Ethiopian diaspora, equal to 1.3 percent of the country’s GDP. Kenya and Sudan report that their diasporas contributed the equivalent of 5.3 and 3.1 percent of their GDPs, respectively, for the dam.

In July 2013, Nigeria issued a $1 billion US Eurobonds in order to finance a power plant. An integral part of fundraising was to raise the amount of the bond to be issued to the diaspora to $300 million instead for $100 million. It was an official agreement by Nigeria’s National Assembly (http://www.tigraionline.com/articles/poetic-verse-gerd.html).

4.2 Scientific diaspora, transferring knowledge, norms, and social remittances
Facilitating human capital formation and diffusing technology have a powerful impact in the home country’s current and future generations. Diasporas play an important role in this respect by availing their own human resources and human capital to the homeland and making a difference with their managerial and marketing knowledge. In this spirit, UN’s “Digital Diaspora Network” plans to mobilise diaspora entrepreneurs and tap into their intellectual, entrepreneurial and financial resources.\(^7\) When Miguelez (2014) examined skilled or inventor diaspora to study the influence they bear in fostering cross-country co-
inventorship and R&D off-shoring he found a positive relationship between inventor diaspora and international co-patenting.

The self-organised and self-mobilised scientific collaboration between diaspora researchers, scientists and medical doctors and their peers in the homeland is “scientific diaspora.” These collaborations are the positive or counter-part of brain drain and they also strengthen the technological capacities of their homelands.

Scientific diaspora has increased tremendously over the last fifteen years. All host countries want skilled labour and compete with each other to attract and retain skilled migrants. Many European countries have changed their migration and citizenship laws toward this purpose. The EU28, except Denmark, Ireland and the UK, approved the “blue-card” in 2009; a work-permit for non-EU high-skilled workers. Scientific diaspora is the natural by-product of these policies.

A powerful propeller to the scientific diaspora is the students who graduate from developed host countries and return to their home countries. These graduates maintain good relationships with their advisors, mentors and other fellow foreign students. They keep the scientific network alive through various collaborations (co-authorships, conference and/or workshop participation, visiting professorships, etc.).

The tight network of Chinese scientists is a notable example of scientific diaspora (Constant et al., 2013). China’s human capital strategy has succeeded in luring its expatriates back home and maintaining contacts with the diaspora who do not want to return, while making efforts to keep diaspora happy so they can be used in the future. In 2008, the ‘One Thousand Talents Scheme’ aimed at attracting the most talented diaspora. Currently, China is an important powerhouse and an attractive centre for international collaborations.

Several grass-roots initiatives aim to link researchers abroad with researchers in the homeland. Success stories are Latin America with its Latin American Association of Scientist and Switzerland with Swiss-List.com, a network helping US-Swiss scientists connect with their peers in Switzerland (Cervantes and Guell, 2002). The Armenian diaspora in the U.S. sponsors and organises development projects in Armenia. The Armenian Engineers and Scientists of America, assist educational institutions in obtaining computers (www.aesa.org).

The Network of Arab Scientists and Technologists Abroad, headquartered in Illinois, aims to establish an electronic directory for scientists and technologists of Arab origin who work abroad in advanced industrial countries. Its purpose is to help create an effective mechanism through which scientists may be contacted by Arab institutions interested in their specific expertise as advisors, consultants, instructors, researchers, and organisers of seminars, etc.; includes governmental or private institutions in the Arab world or Arab institutions abroad (www.astanet.org).

Diaspora can influence and alter social and cultural norms in the homeland in a progressive or regressive way. The Rwandan diaspora provides a remarkable example of constructive and heeling attitudes after the 1994 genocide of one million Tutsis. They are involved in identifying and grooming a generation of new leaders and serve as barriers of genocide beliefs (http://www.rwandaglobaldiaspora.org/about-us/diaspora/).

Transmittals of ideas, norms, beliefs and habits are happening every time diaspora and immigrant are in contact with their family and friends back home. Social remittances encompass a wide spectrum of tangibles and intangibles. They can be norms about everyday
behaviour, notions about family responsibility and gender roles, perceptions about human rights, the value of education, concepts about freedom of religion, general information sharing about hygiene, and civic participation. Nikolova et al. (2016), in fact, show that the left-behind families in Bulgaria and Romania who had close contacts with immigrants abroad exhibited higher civic engagement. They speculate that the cultural transmission of norms from abroad could be driving the results.

4.3 Diaspora as peace-builders or conflict generators
Diaspora can provide policy expertise, form public discussions, communicate reform plans, and assist in the realisation of reforms. History shows that diaspora has also been involved in government elections, insurgencies and even terrorism.

Roth (2015) argues that while diaspora can exert significant influence and even worsen or prolong conflicts, they also have the potential for peace-building. Beyene (2015) presents the Kenyan, Ethiopian and Nigerian diasporas that have different involvements in conflict and/or peace-building of their homeland. The Kenyan diaspora is well-organised with over 20 Kenyan diaspora-federated organisations forming the Kenya Diaspora Alliance (KDA). KDA, with more than a quarter million members aims to resolve conflicts at home and build peace. KDA are glorified by their home countrymen who perceive them “as sources of superior ideas who are endowed with the capacity to finance business ventures and political activities in the home country” (p. 156). The Kenyan diaspora took an active part in the 2007 Kenyan elections, in debates about the new Constitution and lobbied for the provision on dual nationality, which they won.

In contrast, the Ethiopian diaspora’s role was to escalate conflict at home by disagreeing with the government. In between, there is the Nigerian diaspora that is contributing to peace-building, but remains less involved and more politically neutral.

Koinova (2011a) studies the impact of Albanian, Armenian and Chechen diasporas on secessionist conflicts in Kosovo, Karabakh and Chechnya during the 1990s. These three diasporas share a common pattern of mobilisation and support that emerged only after the announcement of independence in the homeland. The author argues that diasporas exert radicalisation influences in two specific occasions: when there are serious human rights violations and when local moderate elites cannot be trusted that they can achieve secession.

Focusing on the conflict-generated Lebanese and Kosovo diasporas in the U.S. in the early 2000s and their link to post-conflict reconstruction of sovereign homelands, Koinova (2011b) finds that these diasporas adopt moderate behaviours following a two-step procedure: to express their objections, they use bridging, and as the host country responds to them, they sustain their objections in a moderate fashion.

The cases of the Armenian and Jewish diasporas that are well-established and organised in host countries are representative examples of diaspora involvement in homeland conflicts (Shain, 2002). The author documents how effective they have been in swaying the foreign policies of host or home countries over the years.

5. **Home countries policies toward their diaspora**
Until recently, there was no official effort or governmental channel to court, engage, and pursue the diaspora. Over the last decade, home governments have been actively initiating contact with their diaspora as they realise that diaspora can be (i) a serious source of income and growth; (ii) marketing agents for the better advertising and promotion of the home country abroad; (iii) part of the ethno-national narrative. Not only more than half the United Nations members have created institutions to cooperate with their diaspora, but experts view diaspora as an agent to multilateral migration management (Gamlen et al. (2013).

Table I presents an anthology of home countries that have created ministries to deal with diaspora. The top panel illustrates the existence of a standalone ministry, entirely devoted to contacting, harnessing, leveraging, and maintaining ties with their diaspora. The bottom panel is more interesting because it documents how governments have incorporated their diaspora policies into their foreign policy equation. In 2015, the Russian Foreign Minister said that an unconditional priority of Russia’s foreign policy is “rendering multi-sided support to the Russian World …, we will continue to energetically defend the rights of our compatriots using all means allowed by the international law” (Rossiiskaya Gazeta daily, November 2, 2015, https://www.rt.com/politics/320475-fm-lavrov-pledges-stronger-support/).

<table>
<thead>
<tr>
<th>Country</th>
<th>Ministry</th>
<th>Established</th>
<th>Purpose/Mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armenia</td>
<td>Ministry of Diaspora</td>
<td>2008</td>
<td>Completely and effectively develop, implement and continuously improve state policies on development of the diaspora partnership and coordinate the activities of the state bodies</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>Ministry of Expatriates’ Welfare and Overseas Employment</td>
<td>2001</td>
<td>Follow the welfare of diaspora workers; help them find employment</td>
</tr>
<tr>
<td>Georgia</td>
<td>State Ministry on Diaspora Issues</td>
<td>2008</td>
<td>Establish, deepen and maintain contacts with the diaspora</td>
</tr>
<tr>
<td>Haiti</td>
<td>Ministry of Haitians Living Abroad</td>
<td>1995</td>
<td>Encourage the involvement of diaspora in advancing Haiti’s development via technical and professional activities; encourage diaspora to return and invest in the country</td>
</tr>
<tr>
<td>India</td>
<td>Ministry of Overseas Indian Affairs</td>
<td>2004</td>
<td>Dedicated to the multitude of Indian nationals settled out of India with emphasis on youth</td>
</tr>
<tr>
<td>Israel</td>
<td>Minister of Diaspora Affairs within the Israeli Cabinet; Ministry of Foreign Affairs; Committee for Immigration, Absorption and Diaspora Affairs</td>
<td>1990</td>
<td>Promote relations with diaspora, safeguard the rights of Israeli citizens abroad; MFA is involved in “Jewish continuity”</td>
</tr>
<tr>
<td>Mali</td>
<td>Ministry of Malians Abroad and African Integration</td>
<td>2004</td>
<td>Address the needs of Malians abroad; make them more aware of their potential role in the country’s development</td>
</tr>
<tr>
<td>Rwanda</td>
<td>Ministry of Foreign Affairs and Cooperation in</td>
<td>Reaffirmed in 2007; reinforced in</td>
<td>Mobilise the diaspora for solidarity and unity among themselves; promote the security and socio-economic development</td>
</tr>
</tbody>
</table>
**Table I. Taxonomy of home countries’ diaspora ministries**

<table>
<thead>
<tr>
<th>Country</th>
<th>Ministry or Department</th>
<th>Year/Establishment</th>
<th>Purpose/Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senegal</td>
<td>Secretary of State of the Senegalese Abroad and L’Agence de Promotions des Investissements et Grands Travaux (in 1987)</td>
<td>In the 1980s under the President’s authority</td>
<td>Attract diaspora investments</td>
</tr>
<tr>
<td>Somalia</td>
<td>Ministry of Diaspora and Community Affairs</td>
<td></td>
<td>Engage diaspora; accommodate their needs</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>State Committee on Work with Diaspora within the Cabinet of Azerbaijan</td>
<td></td>
<td>Establish and maintain contacts with the diaspora and support them in their efforts for national unity</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>Diaspora Department within the State Ministry for Human Rights and Refugees</td>
<td></td>
<td>Maximise diaspora’s contribution to national development through the promotion of economic and human capital, mobilisation of skills, facilitating and channelling financial transfers towards development sectors</td>
</tr>
<tr>
<td>Burundi</td>
<td>In the jurisdiction of the Ministry of Foreign Affairs and International Cooperation</td>
<td>January 2016</td>
<td>Maximise diaspora’s contribution to national development through the promotion of economic and human capital, mobilisation of skills, facilitating and channelling financial transfers towards development sectors</td>
</tr>
<tr>
<td>Colombia</td>
<td>Ministry of Foreign Affairs’ Directory for Migration Affairs</td>
<td></td>
<td>Colombia Nos Une provides assistance to those who want to return</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>State Minister for Business Diplomacy and Diaspora Affairs within the Ministry of Foreign Affairs</td>
<td>Early 2000s</td>
<td>Involve and mobilise diaspora to help with image building of the country abroad and domestic socioeconomic development</td>
</tr>
<tr>
<td>Ghana</td>
<td>National Migration Unit within the Ministry of Interior</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liberia</td>
<td>Ministry of Foreign Affairs</td>
<td>Just starting</td>
<td>Strengthen relations with diaspora; engage and respond to the challenges affecting them; harmonise its Constitution and laws to legalise dual citizenship</td>
</tr>
<tr>
<td>Kenya</td>
<td>Ministry of Foreign Affairs</td>
<td></td>
<td>The “Kenya Diaspora Policy” (2014), talks about the development of a Diaspora Policy as one of the Kenya Vision 2030 flagship projects and Diaspora Diplomacy as one of the pillars of the country’s foreign policy</td>
</tr>
<tr>
<td>Mexico</td>
<td>Advisory Council of the Institute for Mexicans Abroad within the Ministry of Foreign Relations</td>
<td>Restructured in 2003</td>
<td>Engage the diaspora; encourage remittances</td>
</tr>
<tr>
<td>Niger</td>
<td>Ministry of African Integration and Nigerians Abroad Ministry of Foreign Affairs, Cooperation and African</td>
<td>2014</td>
<td></td>
</tr>
</tbody>
</table>
Table I. Taxonomy of home countries’ diaspora ministries

<table>
<thead>
<tr>
<th>Country</th>
<th>Ministry/Commission</th>
<th>Year(s)</th>
<th>Functions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peru</td>
<td>Ministry of Foreign Affairs, Under-secretariat of Peruvian communities living abroad</td>
<td>1980, 1995, Amended in early 2000s</td>
<td>Create a bond with diaspora, assist their return, safeguard their rights as workers abroad</td>
</tr>
<tr>
<td>The Philippines</td>
<td>Philippines’ Overseas Workers Welfare Administration (OWWA) within the Department of Labour; Commission on Filipinos Overseas (under the Office of the President)</td>
<td>1980, 1995</td>
<td>OWWA: Protect, promote and uphold the interest of Filipino workers abroad</td>
</tr>
<tr>
<td>Romania</td>
<td>Ministry of Foreign Affairs Department for Relations with Romanians Abroad</td>
<td>2005</td>
<td>Coordinate relations with Romanians abroad, partner with associations abroad; support Romanian culture abroad</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>Commission on Compatriots Living Abroad within Ministry of Foreign Affairs and Federal Agency for the Commonwealth of Independent States, Compatriots Living Abroad and International Humanitarian Cooperation</td>
<td>1994 (Yeltsin Decree) and again in 2004</td>
<td>Coordinate federal and regional executive bodies to uphold state policies about Russians abroad; control the work of federal executive bodies to implement key policies about Russians abroad; handle issues to implement state policies. Maintain Russia’s influence in the CIS and foster friendly ties for the advancement of Russia's political and economic interests in foreign countries; protect Russian language, culture, and historic monuments abroad. Coordinate grassroots bodies with official state programs</td>
</tr>
<tr>
<td>Serbia</td>
<td>Ministry of Foreign Affairs and Ministry of Religion and Diaspora</td>
<td>2003</td>
<td>Return of young experts and prevention of brain drain; reintegration; voting rights</td>
</tr>
<tr>
<td>Turkey</td>
<td>Ministry for Religious Affairs and Ministry of Foreign Affairs</td>
<td></td>
<td>Reinforce support to imams to cater to their diaspora (Ragazzi, 2014); Yunus Emre aims to export educators and language teachers to cater the diaspora</td>
</tr>
</tbody>
</table>

Note: 1The Filipino agencies are not so much about diaspora as they are about the human rights of distressed Filipino workers abroad to assure dignity and fair access to court, due to the multitude of reports on abuse by employers. The Migrant Workers and Overseas Filipinos Act, in 1995, intended to safeguard and promote full and equal employment opportunities of diaspora workers.

A Commonwealth of Australia (2013) report provided a thorough examination of the Australian diaspora and identified ways to mobilise and employ its diaspora in order to promote its economic, social and cultural interests. The Committee recommended “that the Australian Government undertake greater qualitative and quantitative research on Australian expatriates, and diaspora communities settled in Australia to better inform Government policy.” (p. 140).

In 1998, Ireland amended Article 2 of its Constitution to acknowledge the Irish diaspora: “… furthermore, the Irish nation cherishes its special affinity with people of Irish ancestry living abroad who share its cultural identity and heritage.” The Ministry of State for the Diaspora, created in 2014, launched “Global Irish” in 2015. The Minister spoke about the
unique and important relationship between Ireland and its diaspora, the support services for diaspora, and the economic recovery of Ireland, hoping that by 2016 more Irish diaspora will return, than those who emigrate (http://www.finegael.ie/latest-news/2015/irelands-first-diaspora-p/).

In 1983, Greece established the General Secretariat for Greeks Abroad (G.S.G.A.) to plan, coordinate, and implement state policy regarding the Diaspora of Hellenes (http://www.ggae.gr). GSGA aims at supporting the interests and expectations of the diaspora as well as tightening diaspora to the homeland. GSGA goals include helping the diaspora preserve the national and cultural identity along with history, culture and religion; promote the Greek culture through time; strengthen Greek networks abroad that can bridge friendship and cooperation between Greece and the other host countries of the diaspora; support the Greek national interests abroad; provide for Greek schools, youth welcoming programs at home, and use of new technologies; fund and sustain the operation of Greek communities, organisations, national-local associations, and clergy-laity assemblies.

Other countries coordinate their activities with the diaspora via inter-ministerial agencies. Such is the case of the Overseas Chinese Affairs Office of the State Council, Guatemala’s National Council for Migrants, and Sierra Leone’s Office of the Diaspora (Agunias and Newland, 2012).

Song (2014) shows how South Korea engaged the more than seven million ethnic Koreans abroad and turned its diaspora into a force of long-term development. It also managed to attract back the skilled diaspora and eliminate a brain drain. Korea’s initiative was a response to a demographic crisis, a falling fertility rate, exodus of the middle class, a rising number of immigrants, and a stagnating economy. The Overseas Koreans Foundation, a government agency, promotes and nurtures the Korean identity among the diaspora and build networks to link the diaspora around the world among themselves and with the country. It also enhances economic and political cooperation between the country and the diaspora. Interestingly, a homogeneous country like Korea with strong pride in its ethnic and national identity, recognised dual citizenship in 2010.8 Going a step further, in 2011, Korea granted voting rights to its nationals residing overseas in spite of criticism at home because diaspora have not fulfilled certain civic duties such as military service and paying taxes.

Korea is unique in its diaspora policies because they are different depending on the host country of the diaspora. For example, policies about the Korean diaspora in the US are different than policies for the Korean diaspora in China. In addition, while Koreans over 60 are eligible for citizenship, younger Koreans are not. In the late 1990s, Korea created the Overseas Koreans Foundation Act with the purpose of helping the diaspora in host countries live “as exemplary members of such societies while maintaining national ties” (Overseas Koreans Foundation Act, No. 5313(1997)). The Act also established the Overseas Koreans Foundation (OKF), which is under the responsibility of the Ministry of Foreign Affairs and Trade (Mylonas, 2013).

Another example is Turkey’s dealing with the diaspora in Germany to gain votes for power. This is the case where one country performs its domestic policy outside its territorial boundaries. Delano and Gamlen (2014) mention the case of “transnational governmentality” that describes ‘home governments’ efforts to create and control diasporas, to mobilise national identities, and to implement measures that institutionalise the links between migrants
and their home societies and reproduce the citizen-sovereign relationship beyond territorial borders.” (p. 46).

Realising the great potential of the Tajik diaspora as agents of economic development, the Tajik government has been taking actions since 2000. In 2010, the government officially declared the idea of engaging and cooperating with the diaspora as partners in the sustainable development of Tajikistan emphasising confidence building and development of social programs (IOM, 2015b).

Host governments are also seeking to leverage diaspora as way to make better agreements with the countries of origin regarding irregular migration flows and multicultural implications (Ong’ayo, 2014). Toward this end, Spain and France have tried out co-development policies with African nations. Critics argue that host countries used the diaspora as a disguise to control migration and promote return migration.

To deal with diaspora issues, the U.S. Department of State formed the International Diaspora Engagement Alliance (IDEA) in 2011. In partnership with USAID, IDEA’s purpose is to “harnesses the global connections of diaspora communities to promote sustainable development in their countries of heritage. By supporting partnerships around entrepreneurship, volunteerism, philanthropy, and innovation, the Alliance provides a platform for capacity-building and a forum for collaboration across sectors to expand efforts and to improve lives in countries of origin.” (http://www.diasporaalliance.org/).

Some governments have created specific programs to attract and engage the post-migrant youth. As Agunias and Newland (2012) write, however, these countries have also “a strong sense of national identity that transcends territory, … and a firm commitment to perpetuating their identity” (p. 219). Such a program is Taiwan’s Overseas Compatriot Youth Formosa Study Tour program, founded in 1967. Renamed as Expatriate Youth Summer Formosa Study Tour To Taiwan (or Love Boat Study Tour) it is a program for 18-27 year olds and lasts up to four weeks. It aims to “provide an educational program for expatriate youth that improves their competency in spoken and written Chinese language, enhances their knowledge of Chinese and Taiwanese cultures, and deepens their understanding of the establishment and development of Taiwan …” (http://taiwanchinasummerprograms.blogspot.com/2010/03/love-boat.html).

Since 1994, Birthright Israel aims “to strengthen Jewish identity, Jewish communities and solidarity with Israel by providing a 10-day free trip to Israel for young Jewish people.” (http://www.birthrightisrael.com/TaglitBirthrightIsraelStory/Pages/default.aspx). It targets 18-26 year olds, who have not travelled to Israel on an educational study and have not lived in Israel after they were 12. In 2003, Armenia also established a Birthright program tied to a volunteer service that affords youth cultivating life-long personal ties to the homeland and a sense of Armenian identity (http://www.birthrightarmenia.org/en/faq). Morocco started the Annual Summer Universities for Young Moroccans Living Abroad in 2009 to cater to second and higher generations aged 18 to 25. The 10-day annual program offers lectures, workshops, cultural activities and sightseeing and it is the flagship of the Moroccan diaspora policies (Mahieu, 2015).
6. Diaspora in the host country: Lobbying and shaping policies

It is worth asking if the size of diaspora in a host country can make it more powerful and effective in helping the homeland. A related question is whether diasporas around the world from a specific home country can unite towards a certain goal. Lastly, can diaspora mobilise and involve the host country’s government in their objective? In this section we present the little evidence that exists about the power of diaspora to lobby and even change the host country’s foreign policy.

Unfortunately, there are no accurate measurements of diaspora size, the main reasons being variations in definitions and incomplete information coming from embassies that rely on those who register with the embassy (Plaza, 2013). For the U.S. and based on the American Community Survey (2012), MPI show Germany on the top of the 10 largest groups of foreign ethnic background, with 48,088,000 people claiming some percentage of German ancestry. However, these people are not really considered a diaspora; they are the least active and noticeable. During and after the Second War, German immigrants dropped the German-American hyphen and converted all “umlauts” to an extra vowel. Currently, no one even relates the numerous Germantowns in the U.S. to Germany. While Ireland ranks second with ten million fewer people (39,285,000) claiming some Irish origin, the Irish diaspora is well known in the U.S. Third on the list is Mexico with 34,824,000 people and fourth is the UK with 33,243,000, but in spite of their size, they are not known as diasporas (IDEA and MPI http://www.state.gov/s/partnerships/diaspora/). On the other hand, the one million Armenian-Americans and six million Jewish-Americans make up two well-known and forceful diasporas in the U.S. (Shain, 2002).

6.1 Diaspora lobbying, pressure tactics and special pleading in shaping foreign policies

While their activities vary in strength, intensity, and success, diasporas, more or less, are involved in some political or diplomatic activities in the host country. Often there are specific associations or members organised as interest groups rather than the entire community lobbying for or against the homeland government. Vertovec (2005) claims that diaspora have dissenting voices and opposing factions and hardly ever act as one. The better organised and financed diasporic members are usually the ones pushing ethnic agendas. Whether they support or oppose the home governments, diasporas can be a game changer for the homeland. Depending on the economic power of the diaspora, they can finance political parties, be present in the media and empower social movements. Diasporas in the U.S. can also pursue other goals such as facilitating the immigration of their relatives; prevent the expulsion of their relatives when they are irregular; and influence policies towards the diaspora and their homelands (Dewind and Segura, 2014).

Gonzales (2012) defines “diaspora diplomacy” as “A collective action that is driven, directed, and sustained by the energy and charisma of a broad range of migrants who influence another country’s culture, politics, and economics in a manner that is mutually beneficial for the homeland and the new home base”. This is not always the case as Burgess (2014) shows when she studied the Lebanese and Dominican Republic diasporas in the OECD. These diasporas reproduce the same divisions, practices, and authority relations that prevail in the homeland, making her wonder if immigrants are a pro-democracy long-distance lobby in the host country.
Evidence of successful diaspora advocacy, lobbying and shaping U.S. foreign policy dates back to 1918 when the Slovak and Czech diasporas played a vital role in the dissolution of the Hapsburg Empire and the creation of modern Czechoslovakia (Shain, 1994). They were influential and consequential in the liberation of their countries by lobbying the U.S. President and Congress. The Slovak League of America and other Slovak diaspora associations in the U.S. were vital in reaching an agreement on the nature of the independent Czechoslovak Republic (CSR). In fact, the Pittsburgh Agreement signed by the Slovak and Czech diaspora communities in the U.S. in 1918, marks the birth of CSR.

Another effective diasporic effort to alter U.S. politics was carried by African-Americans, who protested against apartheid in South Africa in the mid-1980s. They succeeded in changing the U.S. foreign policy towards the South African white government, which moved towards non-racial policies. The release of Mandela from prison was, to a large part due to the 1986 Comprehensive Anti-Apartheid Act that passed in Congress over President Reagan’s veto (Shain, 1994).

The fall of the USSR awakened dormant diaspora of third and fourth generation immigrants in the U.S. The Slovak diaspora, for example, became involved in the secession of Slovakia from the former Czechoslovakia. In fact, the idea of separation was initiated by diaspora organisations in North America (Collier, 2006).

The book of Dewind and Segura (2014) presents several cases of diasporas who have lobbied to change U.S. foreign policy towards their homelands. They range from confrontation between governments such as Israel and the Palestinian Authority, to military occupations in Haiti and Iraq, to post-war factionalism in Ethiopia, and civil violence in Northern Ireland. These diasporas are categorised as “ethno-national-religious” diasporas. Over the years, some diasporas have become rich and powerful, having representatives in local and national positions, commanding a significant electorate force as well as financing electoral campaigns. However, the success of the diaspora’s is more due to the fact that the diaspora and US government shared common interests rather than to the power and effectiveness of the diaspora per se.

An interesting case is the Iraqi diaspora in the U.S. While they are a relatively small group and while there was dissention among the members in their ideology, religion and opinions about S. Hussein some associations such as the Iraqi National Congress (INC) and the Project for the New American Century (PNAC) managed to align with the Bush administration and succeed in having the U.S. invade Iraq. The prominence and political power of the against-Saddam-Iraqi diaspora started in 2001, when at least ten from the original twenty-five members of PNAC landed important government positions with the Bush government. Thus, they worked from inside the government with sympathetic and like-minded officials to promote their specific agenda. Chalabi and allies were promised leadership roles in the new liberated Iraq. In turn, they provided credibility to the Bush administration by spreading rumours that the Iraqi people wanted liberation by the Americans. Presenting the government’s and diaspora’s opinions, the media helped swaying the public opinion against Saddam (Dewind and Segura, 2014). The apparent success of the Iraqi diaspora, however, has caused huge financial and human costs and constitutes an alarming example of diaspora economics. Estimates of the direct and indirect costs to the U.S. warn that total costs could reach $3 trillion over the next forty years, if benefits owed to
war veterans are factored in (http://watson.brown.edu/costsofwar/files/cow/imce/papers/2014/US%20Costs%20of%20Wars%20through%202014.pdf).

Armenian-American diaspora succeeded in having Congress banning U.S. aid to Azerbaijan (Section 907-Freedom Support Act) in 1992 that lasted for ten years over the Presidents’ objections. If diasporas are not successful in lobbying for themselves, they may ally with other ethnic diasporas. This is the case of the American-Azeri, who cultivated relations with Jewish organisations in Capitol Hill, allowing them to build Jewish schools in Azerbaijan, in order to counterbalance Armenian lobbying efforts (Shain, 2002).

Successful diaspora lobbying occurs in other countries as well. In 1991, the Croatian diaspora in Germany were successful in persuading the government, which in turn convinced the European Union, to recognise the new state early on. They were equally involved and financially helped the Tudjman 1990 election campaign, who granted them representation in the newly independent country in 1992, with more seats than ethnic minorities in Croatia.

The Greek diaspora in Australia lobbying against the former Yugoslav republic that called itself Macedonia after its independence is another case. The Greek diaspora feels that the new republic purloined the name from Greece’s Macedonia. As they command a significant number of votes, the Australian government has not allowed an embassy from this republic. Lastly, the Eritrean diaspora not only managed to have the country recognised early on in the war of independence from Ethiopia, but also about 90% of them voted at the referendum on independence in 1993. In the sequence, they aided drafting the constitution, making sure that they would have voting rights in future elections (http://www.economist.com/node/1511765).

The Ethiopian diaspora, in contrast, is a case of unsuccessfully lobbying in the U.S. One of the reasons is the lack of convergence in interests and policies between the US and the diaspora as well as the different priorities of the U.S. in the Horn of Africa (Dewind and Segura, 2014).

Most diaspora leaders, who fight for home government regime change, want to return and assume high positions in the new government. Successful diaspora returnees we find in the Baltic States in the early 1990s. When Estonia gained its independence it employed two foreign ministers, a defence minister, and numerous civil servants in the foreign ministry from their diaspora. In the new independent Latvia, its President returned from Canada, its defence minister was a Latvian-American in the U.S. and other members of parliament and diplomats came from other Latvian diasporas. Lithuania’s new President and chief of general staff were from the Lithuanian-American diaspora as were historians, novelists and poets who returned to Lithuania (http://www.economist.com/node/1511765).

6.2 Shaping the Host country’s Migration, and Labour Market Policies
Diaspora’s actions can affect the host country’s migration policy indirectly. This is the case when many from the diaspora decide to return or repatriate to their home country either because the home country becomes independent (Baltic States), or because the home country lures them back (China). Depending on the skills of these expatriates, such migration has repercussions on the manpower of the host country. Assuming the skilled and educated diaspora returns, then the host country will be in need of skilled workers. Likewise if many
unskilled workers return, the host country will suffer from lack of unskilled workers. Depending on the magnitude of the return migration the host country may have to change its migration policy and allow more foreign workers in to fill the demand and alleviate the stark effects to the labour market in the affected sectors.\textsuperscript{10}

Diaspora triggers more migration and can also be a magnet for refugees. Using global aggregate data for OECD countries, Beine et al. (2011) show that diasporas (perceived as migrant networks) influence the future flows of migration as well as the composition and geographical concentration of migration. The authors maintain that it is diaspora externalities that affect the flow size, skill composition and concentration of migration through their effect on bilateral migration costs. Diaspora externalities occur because the networks lower bilateral barriers (i) diasporas reduce the cost of information and assimilation for the new migrants and (ii) diasporas use venues with lower legal migration barriers.

7. Summary and conclusions
A multitude of definitions exist about diaspora. Reviewing them, we provide a typology and reflect upon the meaning and its uses as well as its potentials. We conclude that diaspora economics is much more than a new word for migration economics. It opens an entire new strand to political economy. Diaspora is perceived to be a well-defined group of migrants and their offspring with a joined cultural identity and ongoing identification with the country or culture of origin. This implies the potential to undermine the nation-state, since diasporas can shape policies in the host countries and remain deeply related to the politics and economics of the country of origin.

While migration is as old as time and while it is a prerequisite for diaspora, not all migrations turn into diaspora. We present differences between migration and diaspora as well as between migration economics and diaspora economics. We highlight essential differences related to ethnic and national identity plus the nation-state.

More and more home countries realise the economic power of their diaspora for economic development and growth as well as for projecting a positive image and increase their influence abroad. We document and supply a taxonomy of the home countries’ policies towards their diaspora. Countries eager to please and court the diaspora often change their laws to accommodate them such as offering dual citizenship. Home countries may also offer their diaspora other privileges, political or honorary.

We present and evaluate the role and contributions of diaspora to the home country going beyond the standard monetary aid via remittances to include social remittances, scientific networking, and social norms impacts. We also examine the political changes that diasporas attempt for the home country, from overthrowing a government to insurgencies to peace-building.

The role of diasporas in the host country is a neglected area by the literature. In this paper we present case studies about the lobbying of diasporas in the host country and their success or failure to change the host country’s foreign policy. Moreover, we show that diaspora can affect the migration and trade policies of the host country. All these have serious economic costs and often unintended consequences for future generations as well.

23
Acknowledgments
The authors thank 2016 seminar participants at Middlebury College and a World Bank Workshop on “Emerging Diaspora Opportunities and Challenges,” and Corrado Giulietti, Solomon W. Polacheck and Phanindra V. Wunnava for productive discussions and comments on previous versions of the paper.

Notes
1. While the English translation uses the word diaspora, the ancient Greek word Herodotus used was “ἀποσκεδασθέντων,” from σκεδάννυμι (disperse, scatter).
2. Israel, Germany and Greece are such examples. They opened their doors to all Jews people from the USSR and elsewhere, to the ethnic Germans from the USSR and east Europe (Aussiedler), and the Pontic Greeks from the USSR, respectively. They immediately gave them citizenship and awarded them all rights and benefits of natives.
3. While it was the diaspora but individuals who committed these crimes, they were nonetheless born and raised US-citizens who proclaimed affinity and allegiance to a foreign religious-state.
4. Nyakatsi is the traditional on-room round-shaped house in rural areas, with no windows, a thatched roof and walls and floor from dry mud.
5. Interestingly, in 2005, Western Union launched a similar project in Mexico, the four-for-one program. Mainly, it adds additional matching funds to HTAs donations, up to a cap of US $1.25 million.
6.Trade is also a function of the political system of the home country. Using state-level export data averaged over the 1990-1992 period, Dunlevy (2006) finds that when the home government is more corrupt the migration effect is much bigger. The importance of the home country and whether English or Spanish are the official languages also increase trade.
7. Since 1977, UN’s Transfer of Knowledge Through Expatriate Nationals (TOKTEN) program has utilised high-skilled diaspora on a short-term voluntary basis, who had to take 2 to 12 weeks off from their jobs abroad and go to the homeland for consultancies to the government.
8. Dual citizenship applied only to highly-skilled diaspora, to Korean women married to foreigners, Korean adoptees, and Koreans over the age of 65.
9. The rest of the top-10 ancestry countries are: Italy (17,433,000), Poland (9,472,000), France (8,635,000), Puerto Rico (5,410,000), the Netherlands (4,462,000), China (4,398,000).
10. They can equally affect the home country’s policies. When thousands of unskilled Korean workers returned to Korea from China they met the country’s demand for unskilled workers, resulting in Korea enacting more restrictive migration policies towards foreign migrants (Mylonas, 2013). In principle, home countries with a marked nation-state and strong ethnic and national identities that need workers may prefer the repatriation of diaspora as they would not need to spend resources to incorporate foreign workers. A word of caution is in order here. Because diaspora comprises generations far removed from the original immigrant groups, these returnees may become a reverse diaspora creating more headaches to the home country.

References
Agunias, D.R. and Newland, K. (2012), Developing a Road Map for Engaging Diasporas in Development, IOM.


**Corresponding author**
Amelie F. Constant can be contacted at: afconstant299@gmail.com

**About the authors**
Amelie F. Constant is a scholar at Pop, UNU-Merit, Maastricht, ND and research fellow at IZA, Bonn, DE.

Klaus F. Zimmermann is John F. Kennedy Memorial Policy Fellow, Center for European Studies, at Harvard University and Co-Director, POP - Centre for Population, Development and Labour Economics at UNU - MERIT, Maastricht

Email: zimmermann@fas.harvard.edu
The UNU-MERIT Working Paper Series

2016-01 Mexican manufacturing and its integration into global value chains by Juan Carlos Castillo and Adam Szirmai
2016-02 New variables for vocational secondary schooling: Patterns around the world from 1950-2010 by Alison Cathles
2016-03 Institutional factors and people's preferences in social protection by Franziska Gassmann, Pierre Mohnen & Vincenzo Vinci
2016-04 A semi-endogenous growth model for developing countries with public factors, imported capital goods, and limited export demand by Jan Simon Hallonsten and Thomas Ziesemer
2016-05 Critical raw material strategies in different world regions by Eva Barteková and René Kemp
2016-06 On the value of foreign PhDs in the developing world: Training versus selection effects by Helena Barnard, Robin Cowan and Moritz Müller
2016-07 Rejected Afghan asylum seekers in the Netherlands: Migration experiences, current situations and future aspirations
2016-08 Determinants of innovation in Croatian SMEs: Comparison of service and manufacturing firms by Ljiljana Bozic and Pierre Mohnen
2016-09 Aid, institutions and economic growth: Heterogeneous parameters and heterogeneous donors by Hassen Abda Wakoy
2016-10 On the optimum timing of the global carbon-transition under conditions of extreme weather-related damages: further green paradoxical results by Adriaan van Zon
2016-11 Inclusive labour market: A role for a job guarantee scheme by Saskia Klosse and Joan Muysken
2016-12 Management standard certification and firm productivity: micro-evidence from Africa by Micheline Goedhuys and Pierre Mohnen
2016-13 The role of technological trajectories in catching-up-based development: An application to energy efficiency technologies by Sheng Zhong and Bart Verspagen
2016-14 The dynamics of vehicle energy efficiency: Evidence from the Massachusetts Vehicle Census by Sheng Zhong
2016-15 Structural decompositions of energy consumption, energy intensity, emissions and emission intensity - A sectoral perspective: empirical evidence from WIOD over 1995 to 2009 by Sheng Zhong
2016-16 Structural transformation in Brazil, Russia, India, China and South Africa (BRICS) by Wim Naudé, Adam Szirmai and Nobuya Haraguchi
2016-17 Technological Innovation Systems and the wider context: A framework for developing countries by Hans-Erik Edsand
2016-18 Migration, occupation and education: Evidence from Ghana by Clotilde Mahé and Wim Naudé
2016-19 The impact of ex-ante subsidies to researchers on researcher's productivity: Evidence from a developing country by Diego Aboal and Ezequiel Tacsir
2016-20 Multinational enterprises and economic development in host countries: What we know and what we don't know by Rajneesh Narula and André Pineli
2016-21 International standards certification, institutional voids and exports from developing country firms by Micheline Goedhuys and Leo Sleuwaegen
2016-22 Public policy and mental health: What we can learn from the HIV movement by David Scheerer, Zina Nimeh and Stefan Weinmann
2016-23 A new indicator for innovation clusters by George Christopoulos and Rene Wintjes
2016-24 Including excluded groups: The slow racial transformation of the South African university system by Helena Barnard, Robin Cowan, Alan Kirman and Moritz Müller
2016-25 Fading hope and the rise in inequality in the United States by Jo Ritzen and Klaus F. Zimmermann
2016-26 Globalisation, technology and the labour market: A microeconometric analysis for Turkey by Elena Meschi, Erol Taymaz and Marco Vivarelli
2016-27 The affordability of the Sustainable Development Goals: A myth or reality? By Patima Chongcharoentanawat, Kaleab Kebede Haile, Bart Kleine Deters, Tamara Antoinette Kool and Victor Osei Kwadwo
2016-28 Mimetic behaviour and institutional persistence: a two-armed bandit experiment by Stefania Innocenti and Robin Cowan
2016-29 Determinants of citation impact: A comparative analysis of the Global South versus the Global North by Hugo Confraria, Manuel Mira Godinho and Lili Wang
2016-30 The effect of means-tested social transfers on labour supply: heads versus spouses - An empirical analysis of work disincentives in the Kyrgyz Republic by Franziska Gassmann and Lorena Zardo Trindade
2016-31 The determinants of industrialisation in developing countries, 1960-2005 by Francesca Guadagno
2016-32 The effects of productivity and benefits on unemployment: Breaking the link by Alessio J. G. Brown, Britta Kohlbrecher, Christian Merkl and Dennis J. Snower
2016-33 Social welfare benefits and their impacts on labour market participation among men and women in Mongolia by Franziska Gassmann, Daphne François and Lorena Zardo Trindade
2016-34 The role of innovation and management practices in determining firm productivity in developing economies by Wiebke Bartz, Pierre Mohnen and Helena Schweiger
2016-35 Millennium Development Goals (MDGs): Did they change social reality? by Janyl Moldalieva, Arip Muttaqien, Choolwe Muzyamba, Davina Osei, Eli Stoykova and Nga Le Thi Quynh
2016-36 Child labour in China by Can Tang, Liqiu Zhao, Zhong Zhao
2016-37 Arsenic contamination of drinking water and mental health by Shyamal Chowdhury, Annabelle Krause and Klaus F. Zimmermann
2016-38 Home sweet home? Macroeconomic conditions in home countries and the well-being of migrants by Alpaslan Akay, Olivier Bargain and Klaus F. Zimmermann
2016-39 How do collaboration and investments in knowledge management affect process innovation in services? by Mona Ashok, Rajneesh Narula and Andrea Martinez-Noya
2016-40 Natural disasters and human mobility by Linguère Mously Mbaye and Klaus F. Zimmermann
2016-41 The chips are down: The influence of family on children's trust formation by Corrado Giuliani, Enrico Rettore and Sara Tonini
2016-42 Diaspora economics: New perspectives by A.F. Constant and K.F. Zimmermann