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## SEPTEMBER 2015 WEBINAR: DIASPORA AND MIGRANTS AS ENTREPRENEURS AND SOCIAL INVESTORS: CREATING AN ENABLING POLICY FRAMEWORK REPORT

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### Background

The webinar built on an earlier one in 2014, held by the African Diaspora Policy Centre, focusing on migration, entrepreneurship and development. It facilitated a discussion that recognised the comparative advantage that the transnational nature of migration gave to Diaspora entrepreneurship.

This initial webinar explored the impact of migrants and diaspora on entrepreneurship, job creation, skills development and CSR using experiences from across Latin America, Africa, and Asia. Data was shared on the challenges and constraints faced by the diaspora migrants and entrepreneurs in destination countries and their countries of origin – this included issues of trust.

The purpose of the 2015 webinar was to build on these initial discussions and thematic areas, as well as the following:

- The role of new and emerging private-public partnerships in advancing the role of diaspora and migrants as entrepreneurs and investors;
- Lack of research, data and evidence that leads to underestimation and uninformed decisions;
- Are there sectors more conducive to diaspora and migrant enterprises?
- The role of networks – how to go from informal to formal.
- Making transnational business cheaper and more cost-effective / supporting transnational diaspora enterprises – challenges and solutions.

The objectives of the webinar were to

- Build on DMD advocacy strategy
- Identify best practices
- Re-engage and re-energise civil society organisations interested in diaspora and migrants role in job creation, entrepreneurship and investment.
- Identify key points of interest and discussion for GFMD session on job creation, entrepreneurship and public policy.
- Provide an opportunity for civil society to engage with policy makers and funders (and vice versa)



## **Discussions:**

**Financing diaspora and migrants enterprises: networks and alternative partnerships – private, public, third sector,** by Estrella Mai Dizon-Añonuevo, Executive Director, Atikha Overseas Workers and Communities Initiative Inc., Philippines

### **About:**

Atikha Overseas Workers and Communities Initiative Inc. is a non-government organisation working with migrants from the Philippines on both sides of the corridor; those in their provinces of origin and those working in the main destination countries such as Singapore, Hong Kong, Italy, Germany, United Arab Emirates (UAE) and Qatar.

Using a multi-stakeholder partnership approach, Athika addresses the economic and social issues faced by migrants. From the Philippines stakeholders include the local government, private sector, migrant and family associations and NGOS. In the countries of destination the Philippines Embassy, host government, private sector and migrant leaders are involved in implementing their programmes and services. Sizes of the enterprises Atihka is engaged with range from micro to large agri-based cooperatives with large capital. For example, they are currently mobilising investments of 1,000 euros per migrant towards agri-based cooperatives and have thus far mobilised about 200,000 euros for these cooperatives.

One of their initiatives is PINOY WISE. A multi-stakeholder partnership and worldwide initiative for investment and entrepreneurship. Its main focus is to provide financial education in mobilising investments of migrants towards local economic development. For example, scaling up initiatives towards agriculture development by partnering with cooperatives as well as rural financial institutions. It involves first the training of trainers (migrant leaders) on financial literacy both in the Philippines and abroad, then counselling on family and financial issues.

### **Government Participation**

The government's role in PINOY WISE is to firstly aid in promoting financial education to migrants in their destination countries and secondly assist in fostering partnerships with companies with high concentration of Philipinos. The Philippine Ambassador to UAE, HE Grace Relucio Princesa is the 'champion' of the initiative. She has assisted in organising financial education in the Philippine Embassy and created partnerships with companies such as Etihad Airways. The airline requested their HR staff to be trained into becoming trainers and has been integrated as a staff development programme targeting Philippino migrants. In the provinces of origin local government assists in setting up one stop migration resource centres. Their partnership with local government, along with various migration and development committees, provides economic and social services for migrants to address the social costs of migration and can also tap into the potential of remittances towards the development of their families and communities.

### **Findings and Challenges:**

The initiative has identified two distinct wants of migrants in the context of resource mobilisation. The first half relates to those who are not so much concerned about entrepreneurship but are interested in saving whilst the second half are interested in business. Based on this knowledge they are able to address each group by referring the former to saving



vehicles and the latter to skills training, access to capital and business opportunities. To support the business-oriented group, the Philippines government have a re-integration programme. One of the pillars of the programme is a fund where the migrants are able to loan 80 percent but they will have 20 percent equity and given a grace period. However, Several issues sprout from the availability of this capital. The first issue lies in their inability to access funds due to poor business plans, and the second in gaining access to funds but falling into debt due to their businesses not being managed properly. In sum, the real issue is building the capacity of the migrants to access and manage the funds that are available.

### **Discussions:**

**Policy makers: Institutional support for transnational/diaspora/migrants enterprises in Asia and Africa**, by Stephanie Deubler, Technical Advisor - Sector Project Migration and Development, Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ), Germany

### **Background:**

GIZ is an implementing organisation for German Development Cooperation. GIZ has two active programmes, the Sector Project Migration and Development and Programme Migration For Development. The sector project is the conceptual unit commissioned by the German Federal Ministry for Economic Cooperation and Development. Their tasks are, on the one hand to provide policy advice for all commissioning ministries, and on the other hand develop tools and instruments and provide support for programmes of German Development Cooperation in partner countries that look into how they can successfully integrate migrants, their families or returnees into their programme.

The Programme Migration For Development is commissioned by the same ministry as the Sector Project but more operational in its approach. It supports businesses and employment creation in the countries of origin and equally supports partner countries through knowledge transfer. The objective is to support the entrepreneurial migrants until a viable business is created.

### **Focus:**

The target group of their projects are migrants in Germany, and providing them with knowledge on accessing capital, on skills, ideas and expertise which are the ideal basis for entrepreneurship. As a relatively new initiative there are only a few pilot countries, out of Germany's 130 partners (approximate), where the programme is active. The initiative was started in Morocco and has been extended into Cameroon, Georgia, Guam and Columbia. The support provided are non-financial and technical in both Germany and the countries of origin.

The programme has found that though most migrants know a lot about their country of origin, they often lack relevant information on administrative procedures, networks, business and investment climate. The programme Migration for Development thus provides information, country specific seminars, business plans and individual coaching to the migrants of the aforementioned countries. In each of the partner countries there are Advisors who consult with returnees in an attempt to close the knowledge gap. The Advisors for each country are tasked with collecting all the necessary contacts, programmes and networks out there in order to point



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migrant participants in the right direction. They also assist in setting up business plans and adjust the needs for capital accordingly.

### **Achievements**

Since 2010/11 the programme has had an average of 70-80 people enrolled, and has created 25 start-ups, mainly in Morocco. There is no rating system in place to measure the success rate of prospective entrepreneurs creating actual enterprises as the programme does not suspend its support to migrants if they at some point are deemed not able to start a business. The aim remains focused on guiding migrants and providing access to beneficial networks.

### **Challenges:**

There are several challenges that affect the work of the Programme Migration for Development and its sister programme, the Sector Project. Many of these challenges are unable to be addressed directly by both programmes.

Very often in partner countries and countries of origin there is a lack of transparency and institutional support, which the programme cannot provide. The programme can only advise partner governments on ways they can support diaspora investment.

On one side of the spectrum access to capital is classed as one of the major issues, especially for non-residents. This again is something that cannot be addressed within the framework of the programmes as the support is non-financial and technical in nature. Only able to provide information on where there might be opportunities to access capital. On the other end, the issue mostly lies in migrants not have the capacity to design sound business plans. This issue can be addressed by strengthening general development programmes together with partner countries.

The current migration crisis does have an impact on the programme, but the extent is limited by two factors. First, the programme is active in countries that are official partners of Germany's Development Cooperation; numbers thus depend on the size of the diaspora of the respective countries in Germany. Secondly, there is a criteria on how many of the eligible diaspora members are studying in Germany. As our focus is more on the highly skilled diaspora the impact is much less. The Sector Project on the other hand experiences a much greater impact, especially in terms of its policy advice component and supporting our partner countries.

### **Discussions**

**Policy makers: Institutional support for transnational/diaspora/migrants enterprises in Asia and Africa**, by Siv Behrendt, Project Coordinator – Diaspora Project Support (DiPS), Danish Refugee Council (DRC), Denmark

### **Diaspora Support Project (DiPS)**

Diaspora Support Project (DiPS) is a Danida funded Danish Refugee Council (DRC) Diaspora Programme (DP). They have found that in addition to the traditional channels of remittances a growing number of diaspora organisations are engaging in development-oriented activities and projects. DiPS objective is to support these engagements and improve the impact of relief,



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rehabilitation and development activities by strengthening the role of the diaspora as development agents.

### **Focus:**

DiPS focuses on Somalia and Afghanistan as these countries have a large diaspora in Denmark and the DRC is able to monitor the implementation of the diaspora-led projects in these countries. Support is offered through two main components. The first concerns a Diaspora project fund, and the second concerns learning. Funding is available to Somali and Afghan diaspora organisations in Denmark to implement relief, rehabilitation and development projects in their countries of origin. The learning aspect centres on building their capacity to develop sustainable projects and the sharing of evidence based knowledge of the comparative value of diaspora engagement in development.

### **Types of Partnerships**

DiPs develops / categorises its partnerships using four models.

- Fiance model: Young relationships characterised by “attraction”
- Marriage model (love/convenience): Partnership based on shared interests
- Family Model: Typical diaspora-local community partnership along territorial belonging/clan line.
- Single Model: Strong individuals, technical skills, innovation

### **Lessons learned and best practices**

Overall, DP DiPS has recognised that commitment is more important than technical development and project management skills. Projects have delivered visible impacts, with feedback stating projects are responding to locally expressed needs and diaspora acting as brokers of social change, stimulating technical/cultural innovation.

There has been mixed success with sustainability of income generating activities but a link between project impact and type of transnational partnership have been adopted.

### **Considerations and perspectives for future learning**

DiPS has made three recommendations to be taken into consideration for future learning.

1. Holistic views on diaspora are necessary
2. Recognition vs. Utilisation, Cooperation vs. Co-option
3. Facilitation and enhancement vs. Mainstreaming