

Thematic Meeting on Diaspora Engagement Strategies: Entrepreneurship and Investment

Bamako, 5-6 October 2016

GLOSSARY

Brain drain. Emigration of trained and talented individuals from the country of origin to another country resulting in a depletion of skills resources in the former.

(Source: IOM : Key Migration Terms : <https://www.iom.int/key-migration-terms>)

Brain gain. Immigration of trained and talented individuals into the destination country. Also called "reverse brain drain".

(Source: IOM : Key Migration Terms : <https://www.iom.int/key-migration-terms>)

Crowdfunding. Crowdfunding platforms are web-based tools to attract funding ranging from reward-based to lending and equity-based. (Usually) many micro-investors/micro-funders support a project, thereby helping to realise the business.

(Source: Wolff, Valerie & Kuhn, Elisabeth (2015): *Link Up Feasibility Study: Enabling Diaspora Entrepreneurship*. ICMPD.)

Dual citizenship. The simultaneous possession of two or more citizenships by the same person.

(Source: European Migration Network (2014): *Asylum and Migration Glossary 3.0*, European Commission, http://ec.europa.eu/dqs/home-affairs/what-we-do/networks/european_migration_network/docs/emn-glossary-en-version.pdf)

Diaspora. There is no widely accepted definition of the term. The African Union defines diaspora as "[Consisting] of people 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." Diaspora may also be defined as "[...] ethnic minority groups of migrant origins residing and acting in host countries but maintaining strong sentimental and material links with their countries of origin – their homelands" (Sheffer 1986). This implies that not all migrants can be considered diaspora and not all diaspora members are migrants.

(Sources: African Union: "The Diaspora Division". Statement. The Citizens and Diaspora Organizations Directorate (CIDO): <http://pages.au.int/cido/pages/diaspora-division>; and: Noack, Marion & Wolff, Valerie (2013), *Enhancing Diaspora Engagement. Operational guidelines of South-South and triangular cooperation*. Vienna, ICMPD; and: Sheffer, Gabriel (1986): *Modern Diasporas in International Politics*, Croom Helm.)

Diaspora bond. A bond is a debt security instrument with an original maturity of more than 1 year, usually tradable in the financial markets. A Diaspora bond is a bond issued by a country to its own diaspora to tap into their assets. Diaspora bonds are typically used as project financing tools for



public sector, largescale infrastructure development. Generally, they are to be used by a country to implement its development strategy.

(Source: African Development Bank 2012: *Africa Economic Brief, Volume 3, Issue 13*: http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Economic_Brief_-_Diaspora_Bonds_Some_Lessons_for_African_Countries.pdf)

Diaspora capital. Diasporas not only contribute with remittances sent back home, but they also contribute with other forms of tangible and intangible capital. Chikezie (2011) discerns five forms of diaspora capital, or what the author calls the “5Cs”: Intellectual capital, financial capital, political capital, cultural capital, social capital.

(Source: Chikezie, C.-E (2011): ‘Reinforcing the Contributions of African Diasporas to Development’, in: Plaza, S., Ratha, D.: *Diaspora for Development in Africa. The International Bank for Reconstruction and Development, World Bank*: http://siteresources.worldbank.org/EXTDECPROSPPECTS/Resources/476882-1157133580628/DfD_FullReport.pdf)

Diaspora engagement policies. Those state institutions and practices that apply to members of that state’s society who reside outside its borders. Contrary to programmes and projects, a diaspora policy is a coherent set of decisions with a common long-term objective (or objectives) affecting the engagement of the diaspora. Diaspora engagement policies form a constellation of institutional and legislative arrangements and programmes, and should therefore not be understood as a unitary state strategy. Governments employ a variety of methods to engage with their diasporas and use different institutional forms at different governmental levels.

(Sources: Marion Noack and Valerie Wolff (2013), *Enhancing Diaspora Engagement. Operational guidelines of South-South and triangular cooperation*. Vienna, ICMPD; and: Frankenhaeuser, Malin & Noack, Marion (2015): *Promoting Diaspora Engagement. What Have We Learnt?* Vienna, ICMPD.)

Diaspora investment vehicles. Investment vehicles such as deposit accounts, securitisation of remittance flows, transnational loans, diaspora bonds and diaspora mutual funds have been used to mobilise diaspora wealth for investment in the country of origin.

(Source: Terrazas, Aaron (2010): *Diaspora Investment in Developing and Emerging Country Capital Markets: Patterns and Prospects*. Migration Policy Institute. <http://www.migrationpolicy.org/research/diaspora-investment-developing-and-emerging-country-capital-markets-patterns-and-prospects>.)

Direct diaspora investment. Direct diaspora investment refers to direct investments from companies connected to diasporas in productive activities in the home country of such diasporas. Diasporas drive part of foreign direct investments, particularly investments that rely on a transnational social network made up of migrants and migrant mechanisms operating between host and home countries. *Indirect* investments refer to investments in financial products.

(Source: Eduardo Rodriguez-Montemayor (2012): *Diaspora Direct Investment. Policy Options for Development*. Policy Brief: Inter-American Development Bank.)

Doing Business index. A World Bank index that ranks economies on their ease of doing business from 1-189. A high ease of doing business ranking means the regulatory environment is more conducive to the starting and operation of a local firm. The rankings are determined by sorting the aggregate distance to frontier scores on 10 topics, each consisting of several indicators, giving equal



weight to each topic. Topics include “Starting a Business”, “Getting electricity”, “Getting credit”, “Enforcing contracts”, etc. The score captures the gap between an economy’s performance and a measure of best practice.

(Source: World Bank (2016): *Doing Business 2016. Measuring Regulatory Quality and efficiency: Distance to frontier and ease of doing business ranking*. <http://www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB16-Chapters/DB16-DTF-and-DBRanking.pdf>; and: *Economy rankings*: <http://www.doingbusiness.org/rankings>)

Highly skilled. Referring to someone who has the required adequate and specific competence as proven by higher educational qualifications and / or extensive (vocational) experience. Highly skilled or qualified migrants may be defined as people with qualifications as managers, executives, professionals, technicians or similar, who move within the internal labour markets of trans-national corporations and international organisations, or who seek employment through international labour markets for scarce skills.

(Source: European Migration Network (2014): *Asylum and Migration Glossary 3.0*, European Commission: http://ec.europa.eu/dqs/home-affairs/what-we-do/networks/european_migration_network/docs/emn-glossary-en-version.pdf; and: UNESCO Glossary of Migration-related Terms: <http://www.unesco.org/new/en/social-and-human-sciences/themes/international-migration/glossary/migrant/>)

Migrant entrepreneurship. A reference to businesses owned and/or managed by migrants without necessarily assuming any kind of link to their countries of origin, while diaspora entrepreneurship often implies a transnational element of entrepreneurship between one or more countries of destination and country of origin. Diaspora entrepreneurs may be migrants or may be of migrant origin. The concepts of migrant and diaspora entrepreneurship may converge when the migrant business in the country of destination harvests business links to the country of origin.

(Source: GFMD Background paper, Roundtable 3: *Enhancing international cooperation on emerging issues in migration and mobility*, Roundtable Session 3.2)

Money transfer company/operator: Nonbank organizations that are in the business of international remittance transfers.

(Source: IMF (2009): *International transactions in remittances: guide for compilers and users*. <https://www.imf.org/external/np/sta/bop/2008/rcg/pdf/guide.pdf>)

Nation branding. Branding is the marketing practice of creating a name, symbol or design that identifies and differentiates a product from other products. Nation branding is the unique, multi-dimensional blend of elements that provide the nation with culturally grounded differentiation and relevance for all of its target audiences. Strong diaspora relations and resulting diaspora engagement may contribute to this process.

(Source: Keith Dinnie (2008): *Nation Branding. Concepts, Issues, Practice*. Butterworth-Heinemann; and: Entrepreneur.com: *Small Business Encyclopedia: “Branding”*. <https://www.entrepreneur.com/encyclopedia/branding>)

Remittances. Financial remittances are earnings and material resources transferred by international migrants or refugees to recipients in their country of origin. Social remittances are usually defined as the ideas, practices, identities and social capital that flow from receiving to sending communities.



(Source: (2010): *Mediterranean Transit Migration Dialogue (MTM): A Dialogue in Action. Linking Emigrant Communities for more Development: Inventory of Institutional Capacities and Practices*. Joint ICMPD-IOM project.)

Remittance channels. Different means of sending remittances, such as through banks, money transfer operators, credit unions, and “hawala”, or by placing a check in the mail, sending funds in the hands of a friend or relative, or carrying the funds oneself to the recipient. Hawala transfers rely on trust and personal connections and settlement may occur through goods markets or financial markets.

(Source: IMF (2009): *International transactions in remittances: guide for compilers and users*. <https://www.imf.org/external/np/sta/bop/2008/rcg/pdf/guide.pdf>)

Remittance corridors. The paths between a specific pair of countries or a specific pair of cities between which international remittances flow.

(Source: IMF (2009): *International transactions in remittances: guide for compilers and users*. <https://www.imf.org/external/np/sta/bop/2008/rcg/pdf/guide.pdf>)

Small to medium-size enterprises (SME). SMEs are understood to denote businesses that are relatively small in quantifiable terms (employees, turnover, etc.). In the EU it means an enterprise that employs fewer than 250 persons and which has an annual turnover not exceeding 50 million euro, and/or annual balance sheet total not exceeding 43 million euro. According to the OECD-EU Indicators of Immigrant Integration, immigrant businesses tend to be smaller than those of the native-born. Most self-employed immigrants – three out of four – have no employees at all.

(Source: GFMD Background paper, Roundtable 3: *Enhancing international cooperation on emerging issues in migration and mobility, Roundtable Session 3.2*; and: OECD and European Union (2015): *Settling In. Indicators of Immigrant Integration*, OECD publishing. <http://www.oecd.org/els/mig//Indicators-of-Immigrant-Integration-2015.pdf>)

Strategic partnerships. Through strategic partnerships between states, international organisations, civil society and private sector, the investment of skills and resources of the diaspora can be incentivized and the circulation of human resources can be facilitated.

(Source: *International Dialogue on Migration (2013): Summary of discussions. Diaspora Ministerial Conference.*)

Transnational actors. Thanks to their connection to more than one country, diaspora members are transnational actors. They can thus act as transnational bridges, facilitating the circulation of skills and resources and the flow of trade and investments between their origin and host countries. Transnationalism is a process by which immigrants forge and sustain multistranded social relations that link together their societies of origin and settlement, transnational communities are primarily composed of immigrants and friends and relatives of immigrants.

(Sources: Peace Research Institute Oslo (2010): *Participation of Diasporas in Peacebuilding and Development. A Handbook for Practitioners and Policymakers*; and: Portes, Alejandro (1997): *Globalization from Below: The Rise of Transnational Communities*, Princeton University. <http://www.transcomm.ox.ac.uk/working%20papers/portes.pdf>)

