

# Diaspora, Development and Integration

*A review of policies and practice*

How does integration in the country of settlement matter for diaspora members' development engagements in the Global South? And how has this intersection been addressed in policy and practice? We explore these questions through examples from Norway, where political efforts to include diaspora in development cooperation and foreign policy have been justified from an integration perspective. In this policy brief, we evaluate the partial implementation of this policy and its relevance for remittances, and argue for the need to re-think how we understand the links between diaspora, development and integration.

## Brief Points

- Diaspora members' integration in countries of settlement matters for their development engagements in countries of origin in Global South.
- Policy on migration, integration, and development is largely separate and often incoherent.
- Diaspora members' development initiatives, including remittance-sending, largely happen irrespective of policy.
- Policy and practice on integration can negatively affect development engagements, and vice versa.
- Diaspora development contributions should be conceived of as (transnational) civic engagement in both country of settlement and origin.
- This would lead to better policy coherence and to better development and integration outcomes.

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## Integration and Development

In recent years, diaspora contributions to development in countries of origin have received considerable attention. This can largely be understood as an extension of the attention paid to the volume and potential of international remittances in past decades. In conflict settings, diasporas' potential to foster peace or to enhance conflict are well known, as reflected in the roles of diaspora members in peace talks and transition governments.

This PRIO Policy Brief addresses the question of how integration in countries of settlement matters for diaspora members' development engagements in countries of origin. This basic premise of analysis of diaspora development contributions has received little policy attention, and the links between diaspora, development and integration have been left at best implicit and at worst ignored.

Our point of departure is that most diaspora members sustain transnational ties with their family members in places of origin, including by staying in touch, returning to visit, and upholding practices of care from afar. Some diaspora members contribute to their communities of origin in more profound and collective ways, including in the form of engaging in development work, e.g. by raising funds for health facilities and services or for schools and teaching. Such practices have since the 2000s been recognized and increasingly included within the remit of the development world, as well as institutionally through e.g. the Global Forum on Migration and Development.

Meanwhile, the question of how diaspora members' integration in countries of settlement matters for their development engagements in the Global South has received scant attention. This is puzzling in light of the very intuitive fact that diaspora members with stable and secure livelihoods and residency situations in countries of settlement are far better positioned to be able to contribute to development in countries of origin. Remittance flows are one area where we might expect the level and stability of income in the country of settlement – a reflection of the degree to which a person is established there – to play a role. We will return to this point later in our discussion on the role of remittances.

When using the term 'integration', we are referring to the process of practical adjustment to a new context of residence that all migrants to a greater or lesser extent do. Here, both migrants' own investment, capabilities, and interest, and equally the society of reception's effort, capacity and desire to include newcomers, naturally play their respective roles. Notwithstanding the challenges inherent to the term 'integration', we use the term here as a shorthand for referring to the multitude of attachments that migrants forge over time in their countries of residence.

A review of how integration intersects with diaspora-development initiatives needs to start from the recognition that these are migrant-initiated and migrant-led activities, which often draw on transnational networks in other countries of settlement, and which more often than not are grassroots-based. Thus, many diaspora-development initiatives remain below the radar of development bureaucrats and often also much of

the established development industry. However, inclusion of diasporas in development (and foreign policy) agendas by states in Europe and beyond means that there also exist a number of different programming models and policies that actively seek to engage diasporas.

## Norwegian Initiatives

Diaspora involvement in development was placed high on the agenda in Norway in 2008 and 2009. In White Papers no 13 (2008–2009), *Climate, conflict and capital: Norwegian development policy adapting to change*, and no 15 (2008–2009), *Interests, responsibilities and possibilities: Main contours of Norwegian foreign policy*, the Norwegian Government highlights the importance of including diaspora groups in development cooperation and foreign policy. This is also reflected in the Norwegian Agency for Development Cooperation (Norad)'s *Principles for Support to Civil Society in the South*, May 2009, which includes a principle promoting diaspora participation in development work.

The government's focus on including diaspora groups in development and foreign policy was at the time justified in the following way:

Double allegiances, multiple identities and experiences from war and conflict have so far not been identified as a resource, but rather as a social challenge. We must recognize that the identities of the future will extend beyond the national ones and that many people will have strong ties to several countries and communities (MFA 2009, 70).

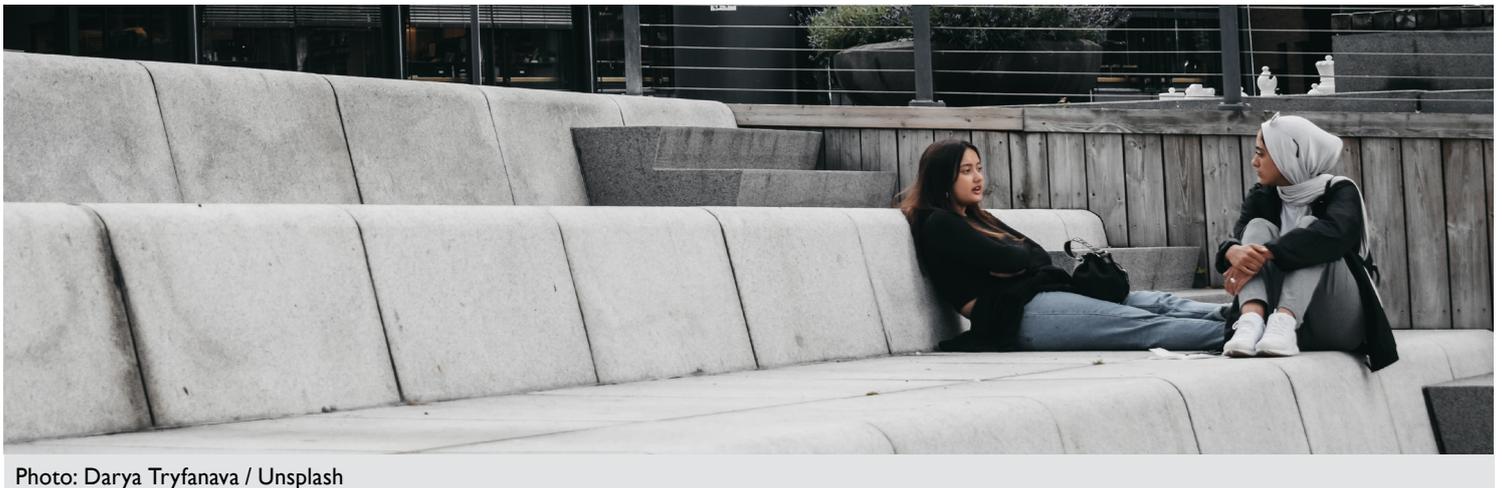


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The diaspora focus was also linked to the notion of ‘a new and larger “we”’, launched in 2006 by then Minister of Foreign Affairs Jonas Gahr Støre. This concept recognized that an increasing proportion of the population is of immigrant origin. A more inclusive approach to engagement politics, then, would not only be a reflection of ‘the New Norway’, but also function as the link between the transnational actions that diaspora members engage in anyway and their integration into Norwegian society. There was an understanding in these documents that many diaspora members are engaged in issues related to their countries of origin, and that this both requires and enables them to interact more with Norwegian actors in this field.

The three documents together provide a good overview of Norwegian policy at the time. Indeed, they shaped practical initiatives that took place concurrently and in the years that followed. One such initiative was Pilot Project Pakistan, which was launched in June 2008 by Norad to assist Norwegian-Pakistani organizations that supported development in Pakistan, in ways that aimed to improve the development impacts of their contributions and that would eventually put them in a stronger position to compete for regular Norad funding schemes.

The project focused on competence-building and developing ways of making better use

of the expertise and experience of these organizations. It was run through a secretariat and with a Pakistani advisory board, as well as with direct support from the Development Fund (*Utviklingsfondet*) in Norway and Sungi Development Foundation in Pakistan. Norad provided training and financial support to seven organizations, who had to match funds. A related initiative was the Norwegian Development Network’s (*Bistandstorget*) development school, which was a series of weekend courses on development cooperation for diaspora organizations and small Norwegian voluntary organizations.

As political interest dwindled, the pilot project was not followed up with further initiatives and the development school also ended. The few NGOs working with diasporas (Development Fund, Nansen Centre for Peace and Dialogue, and Caritas Norway) have found it challenging to sustain this work with necessary systematic follow-up without official support. While projects supported or initiated by Norwegian government and civil society have been relatively limited, especially when compared to the ambitions outlined in the aforementioned policy documents, many Norwegian diaspora-development initiatives have been instigated by diaspora individuals or groups, without the involvement of formal actors.

A ‘Diaspora Network’ was set up by diaspora members active in development initiatives

in their countries of origin (Kenya, Pakistan, Sri Lanka) who aimed to create a platform for diaspora organizations to strengthen their competences and increase their lobbying potential towards the Norwegian government and non-governmental organizations. The network was very active for a few years. Those involved in such umbrella organizations and in the many voluntary and professional engagements towards their country of origin are often well established in Norway, highlighting the connections between integration and diaspora development engagements. In the case of the Somali diaspora, for example, those who were elected to the local Council in Oslo in the years following official diaspora policies all combined their local civic engagement with support for development in Somalia.

### The Role of Remittances

Remittances are money transfers from diaspora members to their countries of origin, typically sent as financial support to family members. In some cases, people migrate in order to remit. This applies to many labour migrants. In other cases, the prospect of remitting does not affect the migration decision. However, diaspora members often find that they are in a better financial situation than relatives in the country of origin, and are therefore motivated or expected to provide help. For this reason, not only labour migrants but also some family migrants and refugees send remittances.

Remittances entered the global development agenda around the turn of the Millennium, ushered in by statistics showing that they amounted to larger volumes than official development assistance (ODA) to developing countries. By 2006, remittances were twice the value of ODA and today they total more than three times as much.

Remittances can create substantial development benefits for countries of origin, even if only a small proportion is invested directly in income-generating activity. Transfers often fund investment in human capital (education and health) and fill gaps in social protection, for instance where there is no universal old-age pension. Inflows of money also increase demand for local goods and services.

The development benefits of remittances have been constrained by expensive or low-quality transfer services. The importance of remittance

transfer costs is recognized in the Sustainable Development Goals (SDGs). SDG target 10c is to reduce the transaction costs of migrant remittances to less than 3% and eliminate remittance corridors with costs higher than 5% by 2030. In the first quarter of 2020, the global average cost was still 6.8%.

In Norway, the remittance transfer market has improved greatly since the 2000s, when a few large and expensive operators had a virtual monopoly. Transfers to some countries – notably Somalia – were only possible with services that were illegal. European requirements as well political initiatives in Norway resulted in liberalization. Still, the average cost of sending remittances from Norway is higher than 5%. Lowering transfer costs can directly release large amounts of private funding towards development-friendly use. In addition, policy measures and programmes in diaspora members' countries of origin can strengthen the benefits of remittances by, among other things, integrating remittance-receiving with other financial products such as credit and savings.

In addition to the financial cost, remittance-sending is often unduly costly in emotional and political terms. In Norway, much of the public attention to remittances has been linked to issues such as terrorist financing, tax evasion, money laundering, and benefits fraud. While such crimes play only marginal roles in global flows of remittances, they taint the image of remittances and obscure the development contributions that they represent.

### Policy Recommendations

Diaspora members contribute to development in countries of origin irrespective of policy initiatives, yet policy can both positively and negatively affect diaspora's transnational civic engagement in both country of settlement and

of origin. The following recommendations build upon this premise.

1. Diaspora members' development engagements should be approached with three objectives:
  - **Recognize and value existing initiatives**, ranging from family remittances to collective projects, e.g. building and running hospitals or schools, providing vocational training for youth, and facilitating environmentally friendly practices. Doing so can have positive effects on both development and integration outcomes through the mechanism of recognition.
  - **Avoid obstructing or burdening** diaspora members' development engagements. In the fields of integration and migration management, policies and policy communication can easily have such effects, be it by casting unwarranted suspicion on transnational connections or by creating formalized barriers.
  - **Support and leverage** diaspora members' development engagements. Such action could include increasing the monetary value of financial commitments (in particular by reducing remittance costs), matching diaspora-based initiatives and expertise with additional funding, and working with diaspora initiatives to enhance their development impacts.

2. Efforts to promote diversity in the development sector should be maintained and strengthened. There is need for proactive management of diversity, including measures to prevent discrimination and to diversify recruitment.

3. Policy dialogue and coordination between the relevant ministries and directorates

should be strengthened. Specifically, there are three interconnected needs:

- **Establish cross-cutting fora** or communication channels that help prevent segmentation and policy incoherence.
- **Identify implications of policy development** in one field for outcomes in others and ensure these are addressed at an early stage.
- **Build institutional memory** and become less dependent on the commitment of individual civil servants – especially in ministries and directorates where turnover and internal rotation is high. ■

### Further Reading

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### THE PROJECT

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### PRIO

The Peace Research Institute Oslo (PRIO) is a non-profit peace research institute (established in 1959) whose overarching purpose is to conduct research on the conditions for peaceful relations between states, groups and people. The institute is independent, international and interdisciplinary, and explores issues related to all facets of peace and conflict.