

Policy Note — November 2010

# Strengthening Government Capacity through Diaspora Return in Post-Conflict and Fragile Countries

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*This joint policy brief undertaken by the OECD Partnership for Democratic Governance (PDG) and the International Organisation on Migration (IOM) is a result of collaboration between the two organisations on diaspora return in fragile states. It combines the key findings of an OECD study on the Contribution of Diaspora Return to Post-Conflict and Fragile Countries and lessons learned from IOM's programmes and expertise in diaspora return to fragile states*

## Introduction

The work of the OECD Partnership for Democratic Governance (PDG) on diasporas started as a possible way to support countries in situations of fragility to strengthen their core government capacities. One of the preferred means of support by the donor community is through technical assistance (TA). On that basis, PDG members decided to explore whether diasporas could be an alternative or a complement to TA in order to support capacity development to perform core government functions.

As shown in the OECD/PDG study, experience from countries as diverse as Afghanistan, Haiti and Southern Sudan demonstrates that, at least for some members of the diaspora, return is an option that is seriously considered shortly after the end of a conflict or another situation of instability. Thus, policy interventions in both host and home countries need to be carefully analysed and balanced to promote and support return, so that they can make significant contributions to capacity development and stabilisation efforts in post-conflict and fragile states.

OECD has partnered with IOM, owing to the array of practical experience that IOM, as the leading international organisation working on migration, has accrued over the last three decades with short and more permanent return of highly skilled nationals in post-conflict and fragile states.

## Why turn to diasporas to support fragile governments?

### *Diasporas and capacity development*

Members of the diaspora — defined as emigrants (and their descendants) who maintain a connection, psychological or material, to their home country — may have the skills, experience, and networks to adopt critical positions in government in their home countries ▷

and to strengthen state capacity there. In particular, more skilled personnel are normally required to support the re-establishment of government structures, promote the rule of law, and to serve in management, technical and administrative positions across the public and private sectors, for example in health, education or banking. It is often the case in post-conflict and fragile states that there is only a limited supply of skilled personnel already in place, and while they may have certain advantages as compared to members of the diaspora — for example through better local networks and a more nuanced understanding of the national political context; they may not have been exposed to the new skills or developed international networks often found among diasporas. Multiplier effects may apply to diaspora return, where there is the capacity to transfer their expertise to others. And the successful return of even one individual has been demonstrated to serve as a magnet for further return.

In order for diaspora return to fully contribute to strengthening government capacity, returnees need to be able to transfer the skills, know-how and resources they acquired abroad to their resident colleagues. Studies have demonstrated that a critical element in effecting change is an enabling environment — *e.g.* change initiators need to be well-embedded within their organisation, and they need a social status that allows them to induce change and critical communication and training skills. The ability of returnees to pass on knowledge through training, for example, can be achieved in formal terms of reference and specific appointment procedures. Equally, support and resources need to be provided for structured and sustained training efforts centred on returnees. It follows that a certain level of existing administrative structures is necessary for highly skilled returnees to contribute effectively.

### *Challenges linked to situations of fragility*

Promoting the return of members of the diaspora, especially long-term or permanently, has however often proved problematic, especially in post-crisis countries. An important challenge is the mismatch in supply and demand. In some cases, governments have relied too heavily on the diaspora, when at least some of the required skills are available from the local population. In other cases, members of the diaspora have found their skills on return under-utilised, for example where there is inadequate capacity to absorb or optimise them. Equally, members of the diaspora may return with unrealistic expectations, both for their career trajectories and for their home country. They may find it hard to re-adjust to local norms. Return often results in a reduction in wages. In addition, many members of the diaspora have the legal right to permanently live abroad and thus may have little incentive to remain permanently in their country of origin when such countries face a deterioration in their political, economic or social situations or revert to conflict.

It is often the case that recruitment to government positions in post-conflict and fragile states takes place on

an ad-hoc and informal basis, for example through patronage networks. Such informal recruitment procedures may not be ineffective, as they may represent a low-cost way to appoint an appropriately qualified individual to a particular position, especially where there is a need for a quick appointment and for an appointee who can be accepted within the current administration. At the same time, there are likely to be drawbacks with informal recruitment procedures. Even the perception of patronage may generate resentment among co-workers and immediate supervisors, and thus have an impact both on the effectiveness and sustainability of return. Such procedures are also unlikely to make the most of the skills, experience and know-how of potential returnees within the diaspora, thus potentially overlooking better suited candidates. Ultimately, meritocracy — especially in government positions — is a critical aspect of good governance. For such reasons, an important priority for capacity building in post-conflict and fragile states should be the establishment of sound recruitment procedures and employment practices that can be applied to diaspora returnees and other local staff alike.

In addition, unless return is explicitly sought for a short-term or temporary assignment, the effectiveness of the contributions of returnees to government capacity also depends on their return being sustainable. Return migrants often find it difficult to reintegrate into their society of origin, and this may be a particular challenge for women returning to patriarchal societies. Returnees may experience job frustration. They may also be confronted with envy and resentment from local colleagues.

## **Policy options to support diaspora return to post-conflict and fragile countries**

Promoting diaspora return and engagement is only one element in a range of policies for establishing the skills base in government required for post-conflict and fragile states, which also includes training for skilled personnel in-place and using international staff to fill time-bound and specific gaps. Different combinations of these measures may be appropriate in different contexts and at different times. Nevertheless, policy interventions in both host and home countries can be identified to promote and support return — even to post-conflict and fragile states — and, in turn, make significant contributions to capacity development and stabilisation efforts.

### *Matching the supply and demand of skills*

A critical first step in ensuring that diaspora return can contribute to government capacity is to match the supply of skills within the diaspora with the demand for skills within the government. Home countries — with technical assistance from international donors where appropriate — should undertake a needs assessment across government, establishing an inventory of skills among local staff, and identifying gaps for the short and long term. The extent to which the required expertise is available within the diaspora can be identified through a dialogue with diaspora groups; or, more formally, host countries can develop a social and economic profile of diaspora

members from priority states for development assistance. At the same time, it is important to ensure coherence with other potential supplies of skills, such as through technical assistance programmes, in order to avoid duplication.

### *Use of structured return programmes*

A favoured policy intervention is to provide direct assistance for return through formal assistance programmes, such as the IOM Return of Qualified Afghan Nationals (RQAN) programme — which provides recruitment, job placement, transport and limited employment support — or through IOM's Migration for Development in Africa (MIDA) programme.

Besides its major development dimension, MIDA also provides a constructive and long-term framework for diaspora engagement by reinforcing local institutional capacities in accordance with development policies and strategies established by the government. MIDA projects also contribute to post-crisis development goals by: (i) outlining long-term strategies to fill human resource gaps in essential services and key development sectors; (ii) generating sustainable employment-creating opportunities; and (iii) ensuring the necessary institutional and regulatory framework to realise and sustain good governance.

While these assistance programmes may not be a determining factor in the decision whether or not to return home, they can be important in promoting the sustainability of return and establishing a social and economic environment conducive to further returns. There is currently a plethora of return programmes to a number of post-conflict and fragile states supported variously by home and host governments and international donors, and sharing lessons between these existing programmes is an important step towards better understanding the circumstances under which diaspora return to these countries takes place.

### *Access to information*

One important policy intervention for home governments is to provide information on the possibilities for returnees upon return. Existing literature and policy reviews suggest that information about the options available to individuals is a key component in the decision whether or not to return. The decision to return – as long as it is voluntary – is typically made after comparing the conditions and prospects in the host country with those in the country of origin. They can be broadly divided into economic, social and political conditions. Economic conditions of concern to potential returnees typically include employment and housing. Social conditions include aspects such as the availability of education, social welfare and healthcare. For asylum seekers and refugees, political conditions are likely to be particularly important, especially security. More generally, members of the diaspora are normally only willing to consider returning when they have some confidence that conflict has ended, rule of law has been established and democratic mechanisms are in place. Local surveys among the diaspora are one way to identify their needs and expectations before return.

Just as important as identifying the priorities for diaspora members considering return is ensuring that the information provided to them on the conditions at home is as accurate, up-to-date and as unbiased as possible. Directly providing information to them may not be the best way for governments to intervene, as many members of the diaspora may distrust the motivations of both host and home governments in promoting return. Instead, supporting individuals and communities to collect their own information may be a more effective mechanism for information dissemination. One option is to enable temporary return visits either by individuals considering return or by community representatives, in order to make personal assessments of conditions. Another option is to provide access to information and communication technologies that allow members of the diaspora to directly contact potential employers and service providers in their home country. Alternatively, representatives from government, employers associations or community organisations based in the home country can tour host countries with significant diaspora populations to consult directly with them.

### *Complementary means to mobilise the diaspora beyond permanent return*

It is clear that encouraging members of the diaspora to return and stay for the long term, and maximising their potential after return, are significant policy challenges — especially in post-conflict and fragile states. Yet there are many members of the diaspora who have both the desire and the capacity to make a contribution to their home country, especially during periods of crisis or disaster, or in their aftermath. Alongside diaspora return, it is also worth considering complementary and additional ways to mobilise the diaspora and optimise its contribution to developing capacity in the home country, for example where long-term return is unlikely or ineffective, or even when return is an option but where no structured programme has been put in place to that effect.

### *Remittances to support capacity development*

One complementary strategy is optimising remittance flows and their impact on development. The best ways to optimise remittance flows include reducing the costs and increasing the speed and volume of formal transfers, for example by promoting competition between transfer providers; disseminating information to members of the diaspora and remittance recipients about the benefits of formal transfers and the risks of informal transfers. The use of new technologies, such as mobile telephones, to effect money transfers can be an effective way to reduce costs. Enhancing the financial literacy through training can also increase the benefit of remittances to remittance recipients. Capacities can also be developed to encourage the investment of remittances in projects that contribute to capacity development and local community development. One way to achieve this is to provide special privileges, such as temporary exemptions from taxes for enterprises

set up with capital financed from remittances, or for those that engage in public-private partnerships. Another initiative is to establish schemes for loans or access to micro-credit to families using remittances as a guarantee.

In terms of strategic approaches related to credit mechanisms for migrants, the Temporary Return of Qualified Nationals Programme (TRQN) implemented by IOM The Hague has led to the development of secure money transfer facilities through pre-paid debit cards. An innovative alternative to traditional money transfer mechanisms, these free, rechargeable cards are used in the TRQN programme for Afghanistan, Bosnia and Herzegovina, Ethiopia, Georgia, Sierra Leone and Sudan. Another approach is to encourage diasporas to contribute to their communities on a collective —rather than individual— basis, for example to support specific infrastructure projects in their home towns. Achieving these goals, however, requires considerable capacity building, in both home and host countries, and among an array of stakeholders, and presents special challenges in post-conflict and fragile settings.

### Temporary Return

A second option is to promote the temporary return of diaspora members. Through IOM's MIDA programme, the short-term placement of diaspora nationals has taken place in numerous countries. MIDA projects are not intended to merely fill vacant positions, but seek instead to enhance the competence of beneficiaries and beneficiary institutions by imparting new and complementary skills, knowledge and know-how and, by introducing new technologies and equipment, to contribute to long-term improvements. The United Nations Development Programme (UNDP) has promoted the Transfer Of Knowledge Through Expatriate Nationals (TOKTEN) programme as a means of improving government services and developing capacity in developing states. Reviews of the programme in various countries indicate that TOKTEN volunteers may attract less resentment than long-term returnees, because their return is short-term, their compensation is more modest than that of longer-term returnees hired by donors, and they are not directly competing for permanent positions. Another conclusion from reviews of TOKTEN programmes, however, is that they appear to be particularly effective in states that have well-established, well-educated and trained administrations.

### Knowledge networks

Another way to engage the diaspora is through the development of knowledge networks, allowing the transfer of skills and expertise without necessitating a physical return (this is sometimes referred to as 'virtual return'). Effective technology transfer, however, depends on three factors: members of the diaspora must be employed in sectors that grant access to useful information and the right to freely use that information; a knowledge network needs to be established, typically via the Internet; and

the home country must be in a position to take advantage of the new information. Alternatively, these can be complementary approaches, with knowledge networks established for example to maintain momentum after an initial secondment.

While such initiatives may not directly affect the enabling environment or the organisational capacity of the home country's government in the way that diaspora returnees in core government functions may, they can still represent important contributions to longer-term capacity development and, importantly, they are not mutually exclusive with full return.

## Conclusion

The main policy conclusions are two-fold. First, there are multiple approaches to be considered for mobilising the diaspora simultaneously, which are not mutually exclusive, although each has its challenges. Second, these options have to be compared with what the government in the home country needs and what it is willing and able to absorb. What is needed is a country-specific, ex-ante analysis of capacity and political economy of which policy setting will be most effective. The latter should ideally be conducted in collaboration with donors (or host countries) and the government in the home country.

## Further reading

Black, R., Koser, K., Atfield, G., D'Onofrio, L., Munk, K., Tiemoko, R. (2003) *Understanding Voluntary Return*, report for the UK Home Office

Brinkerhoff, J. M. 2008. 'Role of Diasporas in Rebuilding Governance in Post-Conflict Societies' pp. 239-264 in Bardouille, Raj, Muna Ndulo and Margaret Grieco (eds) *Africa's Finances: The Contribution of Remittances*. Newcastle upon Tyne: Cambridge Scholars Publishing.

IOM (2009), *The MIDA Experience and Beyond*, IOM, Geneva.

OECD (2010), *The Contribution of Diaspora Return to Post-Conflict and Fragile Countries*, Partnership for Democratic Governance, OECD, Paris.

### For more information...

This policy brief is based on the key findings of an OECD-PDG study on the contribution of diaspora return to post-conflict and fragile countries. To request a copy of the publication which outlines in greater detail the key findings and recommendations, please contact Ms. Bathylle Missika at the PDG Advisory Unit ([bathylle.missika@oecd.org](mailto:bathylle.missika@oecd.org); +33 01 45 24 19 79).