

Conference Thematic Stream: **Stream #4 Diasporas and economic development**

**Title: Harnessing Successful Diaspora entrepreneurship for economic development: Towards a broad based inclusive agenda of actors**

*Reflections from the AZBC*

**Statement of Intention:**

Strengthening the voices and activities of diaspora communities in economic development through a programme that promotes successful diaspora entrepreneurship.

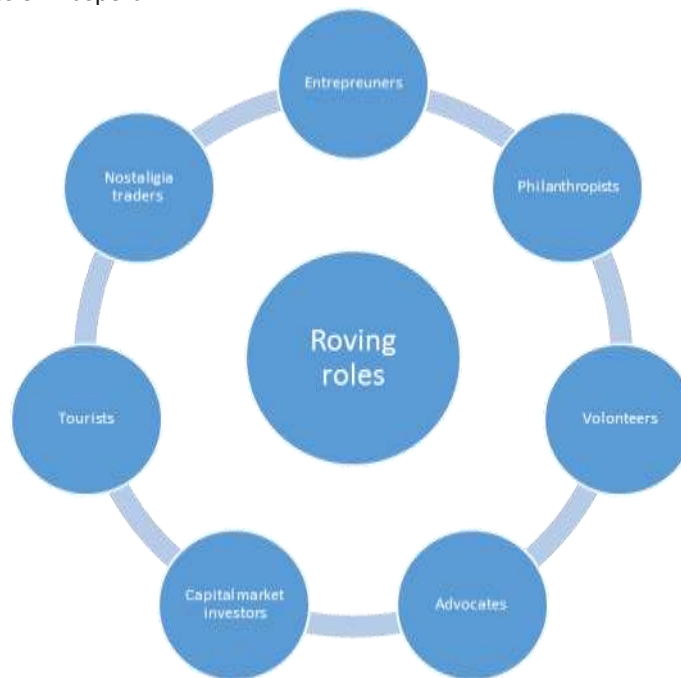
**Preamble**

The AZBC recognises the fact that there is no shortage of organisations and individuals whose focus is on identifying opportunities for enhancing economic development in the diaspora. Thus a core current objective of the Council is to identify and integrate opportunities for extending the outreach of the awareness message for the need for inclusion of various points of interest on economic development in the diaspora which can potentially maximise the impact of the message and call for active participation in diaspora economic development programmes. Central to this approach is the need for a targeted but broad based engagement of the different potential participants in any economic development programmes that the Council targets. One of our current projects primarily focuses on the need for harnessing the entrepreneurial opportunities that exist in the diaspora with an aim to nurture a well-defined programme that fosters successful diaspora entrepreneurship and also generates a policy conversation that supports this initiative in both the host and home countries. This will be the primary focus of this presentation.

**1. How does diaspora activity contribute to economic development and trade in countries of origin and residence?**

The AZBC recognises the increasingly importance of the broad diaspora space as a key driver for economic development for home countries and for individuals in the diaspora, which is also evident from the participation and interest this conference has attracted. It is partially fait accompli that diaspora members contribute to this development through the traditional model of remittances and knowledge transfer through expertise which in turn has made the space a key source of foreign direct investment and managerial capabilities (Nkongolo-bakenda, & Chrysostome, 2013).

Figure 1: Roving Roles of Diaspora



Source: (Newland 2010)

### **(a) Opportunities for linkages and partnerships between Diasporas and the private sector in Zimbabwe and Australia**

In pursuing its goal for enhancing successful diaspora entrepreneurship the AZBC effectively uses the various networks it participates in to identify opportunities for linkages and partnerships between diaspora and the private sector in Australia and Zimbabwe. This is in line with the recognition of the potential role that the diaspora has played in the Zimbabwean development discourse (Bloch 2005). Whilst the literature on the spectrum of opportunities for linkages and partnerships provides various examples of such areas, this discourse cannot be isolated from the discussion of the contextual challenges and barriers that prohibit the initial basic engagement between the diaspora and the home country and the often misplaced perceptions of the influence of African Diasporas (Davies 2010). Thus we posit that it is important to reflect and recognise barriers that actually exist in tracking intervention to date which are also reflective of the general challenges that diaspora entrepreneurs will face. Part of our on-going initiatives is on making representations to the Government of Zimbabwe on the development of a diaspora policy document where the AZBC has identified a potential broad scope of potential intervention and participation in the following areas:

- Health,
- Education,
- Employment promotion,
- Entrepreneurship and business
- Agriculture and value addition related activities
- Charitable, Not for Profit and Philanthropic sector
- Mining expertise

Our current focus as outlined earlier on is on exploring the potential for successful diaspora entrepreneurship as driver for economic development. Thus we do not necessarily delve into the individual areas of opportunities in the above sectors but focus on entrepreneurship.

### **(b) Tracking Diaspora Intervention in the home and host countries: Zimbabwe and Australia**

In order for the Council to be able to have a clear idea of the opportunities and challenges pertaining to any effort to nurture and utilise diaspora entrepreneurship as a key driver for economic development for the home country and the diaspora community in the host country, the Council has been open to engaging in conversations with actors in both contexts who assume the different roles identified in figure 1. A key element of our objective in this process is to track some of the current formal and informal intervention by the diaspora actors especially in the context of the home country-primarily Zimbabwe. However this is significantly impacted by a plethora of barriers or challenges which are well established in previous academic and practice conversations (Oliver and Montgomery 2010).

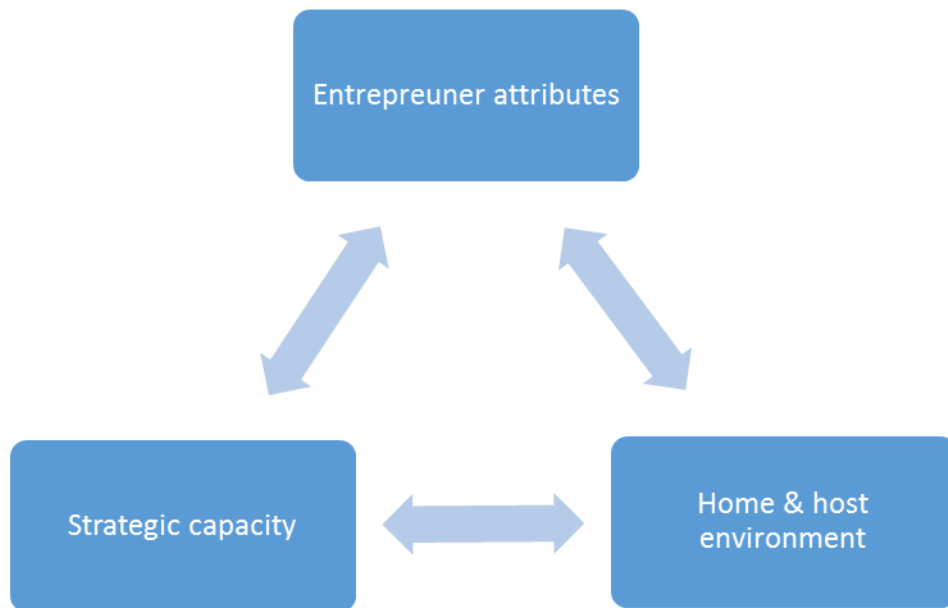
#### **Challenges and barriers to this process**

1. Difficulties of tracking participation of diaspora at home
2. Lack of a legislative supporting framework in the home country(Zimbabwe) which sets clear policies on diaspora engagement
3. Trust and perception issues between the diaspora and the home government
4. Negative perception by host country's potential investors
5. Host country(Australia)'s legislative limitations on engagement
6. Remittances are largely channelled to individuals more than institutions
7. A general lack of institutional trust at different levels
8. Existence of a variety of alternative structures for mobilising funds

## **2. What is our desired target framework of a successful diaspora entrepreneur?**

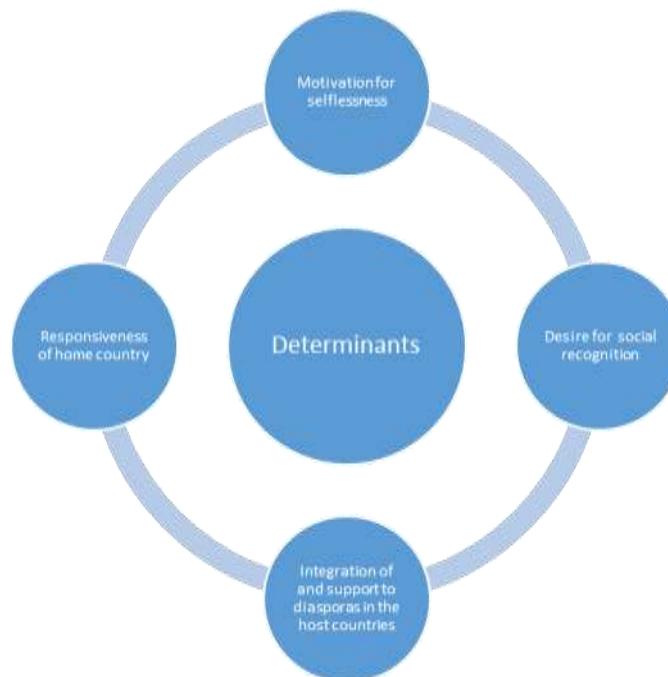
From the viewpoint of the AZBC , the potential drivers and indicators of an ecosystem of tangible successful diaspora entrepreneurial participation entails a thorough understanding of a set of key dimensions ,namely the (a) the home and host environment (b) strategic capacity and (c) attributes of the entrepreneurs (Cornelissen and Clarke 2010).These are summarised in figure 2.

Figure 2: Desired Diaspora Entrepreneurial Participation Pre-requisites



### 3. What are the likely determinants of potential successful diaspora entrepreneurship?

Whilst as we have highlighted the potential drivers of our agenda for successful entrepreneurship we also recognise the fact that any successful diaspora entrepreneurship that seeks to give a voice to diasporas in the economic development agenda of Zimbabwe will have to recognise the influence of a number of factors which are central to this engagement . These are outlined in figure 3 and briefly discussed.



#### (a) Motivation for selflessness as a basis for investing in home country

The desire or lack of motivation by Diasporas to invest in entrepreneurial ventures in home countries which are often deemed risky due to the various barriers is deemed a key determinant of successful diaspora entrepreneurship. In our case, Zimbabwe falls in this category due to the barriers highlighted, however, our informal discussions with the Zimbabwe Diasporas confirm previous findings from other countries that indicate that Diasporas often have a selfless motivation for investing in their country even when the rest of the world perceives the home country to be risky. (Saxenian and Sabel 2008; Nielsen and Riddle 2010). Thus the AZBC continues to actively draw on the opportunities that arise from this altruistic sense of responsibility by Zimbabwean diaspora to engage in diaspora entrepreneurship that will enhance economic development.

**(b) Responsiveness of the various actors in Zimbabwe**

The AZBC also recognises the importance of the nature of responsiveness of actors such as the government, private institutions and other development agencies in facilitating successful diaspora entrepreneurship. Hence, we have identified various opportunities for increased participation by the diaspora and interaction with these actors in order to mitigate some of the perception and trust barriers highlighted in earlier sections. The Council focuses on identifying areas in which possible interventions or improvements can be implemented, chief of which are:

- The GoZ's general attitude toward diaspora members,
- Enactment of diaspora investment programs,
- Establishment of government agencies for diaspora issues,
- Minimising common issues such as red tape, customs delays and bribery, country image, effectiveness of
- judicial system, and infrastructures

We believe all these will be central to us achieving our goal of enhanced diaspora entrepreneurship.

**© Desire for social recognition**

A common theme that emerges from the various formal and informal network events that the Council undertakes is the desire for social recognition by the Zimbabwean Diasporas who value the potential social recognition from home and therefore view investment as conduit for acquiring social recognition. We do recognise the potential dilution of this as different generations of Diasporas evolve. However, it still provides an opportunity for extending the voice of the diaspora in economic development (Nielsen and Riddle 2010).

**(d) Integration of and support to Diasporas in the host countries**

Part of the AZBC's broad outreach agenda is to engage various agencies of the Australian government to integrate the various skilled Zimbabwean Diasporas into various programmes which can become part of the government's policy and strategy to actively participate in development in Zimbabwe through potential programmes such as knowledge transfer for entrepreneurs between the two countries. This is crucial in extending the voice of the Diasporas in economic development in Zimbabwe. Inevitably this is a long process which is also dependent on the responsiveness of Zimbabwe's institutions.

### 3. Towards an inclusive network based agenda for extending the voice of the Diasporas in economic development

Having outlined the above synopsis and summary of intention, what then would be the summary approach which the AZBC seeks to put in place in order to foster successful diaspora entrepreneurship? Aside the determinants that have been outlined, we believe part of the panacea to the challenge of economic development by the diasporas is the need for increase collective effort by the different clusters of diaspora network groups such as those at this conference. Instead of the AZBC limiting itself to exploring opportunities for enhancing economic development for Zimbabwe, the Council will strive to engage in more collaboration with other like-minded diaspora groups that have the same objective of harnessing the potential which the diaspora offers for economic development. This way we believe, we stand a better chance of extending the voice of the diaspora in contributing towards economic development in our home countries through advocacy of a collective group of actors as opposed to individual isolated country focused groups.

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