

AFRICAN DIASPORA AND AFRICAN DEVELOPMENT

**Background paper for AfroNeth
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Dr. A.A. Mohamoud
SAHAN wetenschappelijk onderzoek & adviesbureau
Imogirituin 35
1019 RL Amsterdam, Nederlands
Tel: + 31 20 4198785, + 31 627361582
sahan@xs4all.nl

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TABLE OF CONTENTS

EXECUTIVE SUMMARY AND RECOMMENDATIONS.....	4
1. INTRODUCTION.....	9
1.1. African Diaspora Worldwide.....	9
1.2. African Diaspora in the Netherlands.....	9
1.3. The Rationale for the Study	11
1.4. Importance of the Study.....	12
1.5. Action-Oriented Research.....	13
1.6. Methodology	14
2. REMITTANCES AND POVERTY REDUCTION.....	15
2.1. Diaspora and Poverty Reduction.....	15
2.2. African Diaspora and Poverty Reduction.....	15
2.3. Remittance a Reliable Lifeline.....	17
3. AFRICAN DIASPORA AND TRANSNATIONAL NETWORKS.....	20
3.1. African Diaspora and International Efforts.....	20
3.2. African Diaspora and Strategic Position.....	22
3.3. African Diaspora and Africa	23
3.4. African Diaspora and their Valuable Assets.....	24
4. AFRICAN DIASPORA AND ENTREPRENEURSHIP IN AFRICA	26
4.1. Financial Remittance and Business	26
4.2. African Diaspora and Overseas Trade	28
4.3. Success Stories	28
4.4. Africa Diaspora and the IT Sector.....	29
5. AFRICAN DIASPORA AND DEVELOPMENT PROJECTS.....	31
5.1. Individual and Collective Efforts.....	31
5.2. Community Projects.....	32
6. AFRICAN DIASPORA AND DEVELOPMENT AGENCIES (MFOs).....	35
6.1. Concrete Response	36
6.2. Challenges and Opportunities	37
7. CONCLUSION.....	40
7.1. Background.....	40
7.2. Principal Findings	40
7.3. Recommendations.....	41
ANNEX.....	46

PREFACE

This study was conducted by Sahan Consultancy on commission from AfroNeth and constitutes the initial phase of a research programme that aims to quantify the number of African Diaspora in the Netherlands; to map out their organisations, activities and links and to chart the transnational networks they facilitate with regard to their respective countries of origin. Through this inventory and profile of African Diaspora, AfroNeth aims to shed some light on the true value of the social capital represented by the African Diaspora – a subject about which very little is currently known. The study will serve as a background document for the forthcoming AfroNeth conference which is to be held on 16 December 2003. It also constitutes the first phase of a handbook about the African Diaspora and African development that is to be published in 2004. The research was ably assisted by Mohamed Guled, to whom I am very grateful.

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Dr A.A. Mohamoud

AFRICAN DIASPORA AND AFRICAN DEVELOPMENT

EXECUTIVE SUMMARY AND RECOMMENDATIONS

One of the most salient features of contemporary globalisation is the increase in migration around the world. Mass migration is one of the main global forces shaping the world in the 21st century and one consequence of this phenomenon which is already evident is the emergence of a large Diaspora from the South in the affluent countries of the West. However, despite the huge number of African Diaspora in Western host countries, they have rarely been the object of serious study and consequently very little is known about them and their activities.

This study was commissioned by AfroNeth and conducted by the Sahan Consultancy. AfroNeth, a foundation oriented towards networking and capacity-enhancement, provides support to African Diaspora organisations in the Netherlands. This study represents the initial phase of a research programme that aims to map out the role played by the Dutch-based African Diaspora in the economic, social and political development of their respective countries of origin. The study assesses the social capital, capacity and constraints of organisations established by African Diaspora and their potential role in sponsoring and promoting development in Africa. The study also examines the nature of the relationship between the groups and organisations established by the Dutch-based African Diaspora and the mainstream development agencies in the Netherlands. The focus of this study is on the positive impact of the activities of the African Diaspora on development in their homelands.

Given the abject poverty in much of Africa, such a study is urgently needed. Now, more than ever, it is vital to improve our understanding of the African Diaspora in the Netherlands and their contribution to the reduction of poverty and development in Africa. In current development debates on Africa in the Netherlands, the invaluable contribution of the African Diaspora is completely ignored by the development statistics and hence does not receive sufficient attention from policy-makers. More importantly, there is a growing realisation among African Diaspora in the Netherlands that they have a responsibility to help their home continent since the official development aid over the past 40 years has achieved little. Africa regresses while the rest of the world progresses. This painful realisation is of growing concern among African Diaspora who believe that they are in a better position to positively influence the overall development in Africa at present because of their sizeable presence in the economic and political power centres in the West.

The study outlines five issues that broadly highlight entry points and strategic actors and organisations at which concrete activities and actions can be initiated. The preliminary findings of the study also identify areas in which follow-up research and policy intervention is necessary.

Remittances and Poverty Reduction

Financial remittances provide a lifeline for many of Africa's poor. At the micro-level remittance has become a much needed and reliable source of stable income to many marginalized families, extended families and local community groups. Financial remittances also act as a safety net to the poor in many developing countries whose governments lack the means to make such provision. During natural disasters, for example, increased contributions from African Diaspora effectively provide a form of insurance which helps families and communities cope during crises. As such, remittances from the African Diaspora

not only help provide relief for the poor but also, increasingly, serve to guarantee economic stability in many poor countries in Africa. Empirical evidence clearly shows that remittance is a form of *pro-poor finance* and yet it still remains an under-appreciated flow of funds. Even in the millennium development goals discussions on halving the number of poor people in the world by 2015, the contribution of the Diaspora to the reduction of poverty in developing countries has yet to be recognised.

The study recommends action in the following areas:

- Proposing that stakeholders in Africa's development recognise the impact of remittances transferred by African Diaspora on *pro-poor finance*, poverty alleviation and emergency aid in Africa. Remittances are fast, reach the poor directly, are therefore an effective means of relief and rehabilitation and provide benefits to many people at the bottom of society. The mainstream development sector could start experimenting with channelling part of their emergency aid through the Diaspora channels
- Recommending that stakeholders in Africa's development recognise the potential impact of African Diaspora remittances on economic development, savings mobilisation and productive investments in Africa. African economies could benefit greatly from remittances if such resources were channelled through an appropriate infrastructure generating savings and investments. This recommendation calls upon the African Diaspora and other parties to initiate the establishment of a Diaspora Bank (or Fund) in the Netherlands to pool Diaspora remittances, to help set up similar Diaspora Banks (or Funds) in African countries, and thus to create a banking network that generates savings for investment in Africa
- Proposing that the Nederlandse Bank, the Dutch government, and commercial banks assist the Diaspora to devise a regulatory system that makes the transfer of remittances easy, inexpensive, tax deductible and conducive to investment in Africa. Current Diaspora money transfer agencies, many of them informal or semi-formal, should be integrated in the new system and should not be hindered or liquidated
- Recommending that African governments provide a structure for (especially rural) investment of remittances. Africa lacks a rural banking system. The post office network could be used as a feasible structure for establishing rural branches of the Diaspora Bank (or Fund)

African Diaspora and Transnational Networks

African Diaspora is linked to vast transnational networks at different levels. African Diaspora profits from the possibilities and windows of opportunity offered by global networks. Although linkage may be low level, the advantages of transnational networks allow the African Diaspora to gain a strategic position which enables them to build up social, economic and political bridges with valuable benefits. It also makes them an indispensable human agency for channelling wealth, information, innovative ideas, intellectual capacities and skills and creative business practices from the West to Africa. However, despite all the valuable benefits they dispense, African Diaspora in the Netherlands still operate at the margins of the society because of the weak social, economic and political position in which they find themselves. Compounding these disadvantages is the fact that most of the African Diaspora organisations and associations suffer from severe capacity constraints.

The study recommends action in the following areas:

- Appreciating the indispensable strategic position occupied by the African Diaspora which enables it to build up social, economic and political networks through which it can directly channel wealth, information, innovative ideas, intellectual capacities and skills and creative business practices from the West to Africa
- Enhancing the visibility, profile, and influence of the African Diaspora requires a greater synergy between African Diaspora organisations through information sharing and joint activities, one such being the organisation of public relations exercises
- Recommending that links are strengthened between the African Diaspora in the Netherlands and other European countries in order to pool financial and intellectual resources
- Proposing that African Diaspora organisations in the Netherlands and Europe establish close working relations with African institutions and programs, such as African Union, NEPAD, African governments, regional bodies, civil society networks and academic institutions. This proposition supports the idea that one of the Commissioners of the African Union be appointed by the international African Diaspora
- Recommending short or long term remigration of Diaspora Africans as an important means to inject skills and experience into Africa. Remigration also provides a way out of unemployment for many skilled Africans living in the Diaspora
- Helping to enhance the capacity of the African Diaspora organisations through learning and training courses
- Promoting a climate that fosters dialogue, celebrates success, builds confidence and creates momentum

African Diaspora and Private Business in Africa

Both individuals and groups within the African Diaspora promote overseas business enterprise with their African homelands. They undertake this activity by setting up their own enterprises in their respective countries or by collaborating with local businessmen. In the Netherlands, some of the African Diaspora has entered into collaboration with Dutch businessmen and enterprises with the intention of setting up joint ventures in Africa. Other Diaspora plays a mediatory or intermediating role by linking Dutch companies with companies in their homelands. In doing so, they help facilitate the transfer of finance and technical know-how from Holland to local enterprises. This is of utmost importance because, with the shrinkage or collapse of the formal national economies in many African countries, most Africans now engage in small-scale informal trade for their livelihood. Informal trade is now, in fact, the biggest market economy in Africa currently generating more than 60% of domestic wealth.

The study recommends action in the following areas:

- Helping facilitate the promotion of small-scale businesses in Africa through the Diaspora as small informal businesses have now become the essential means of survival for a large section of African society

- Recognising that African Diaspora remitted finance is the only inflow of capital that sustains small-scale enterprises in some countries in Africa
- Appreciating the potential role that African Diaspora plays in promoting African exports overseas since many small and medium enterprises in Africa cannot afford to travel abroad in order to promote their products, find distributors and establish contacts with export marketing partners
- Proposing African Diaspora participation in public-private partnerships in growth sectors in Africa, with partners such as Financieringsmaatschappij Ontwikkelingslanden (FMO), SENTER, Dutch corporations and African partners. African Diaspora participation would add to a more balanced power relation between stakeholders

African Diaspora and Development Projects

African Diaspora promotes private (voluntary self-help) development projects in Africa. African Diaspora in the Netherlands now feels that it is strategically placed to undertake such development activities in their respective countries of origin. Their recent change of attitude in this regard is the result of three developments. First: the increasing number of Africans coming from the same village or town or linked through religious association, clan ties and other forms of associational networks. Second: the acculturation process undergone by many of the African Diaspora in the Netherlands. They have, for example, learnt and adopted the idea of the voluntary association from Dutch society and they are now exporting this to Africa. Third: the collapse of the national social services in many countries in Africa as a result of which, many ordinary people both in the urban and in the rural areas have been left without any social provision.

The study recommends action in the following areas:

- Recognising that African Diaspora remitted finance is not all used for consumption but also to support the creation of schools, health centres and community projects at village and district levels
- Appreciating that these small-scale community-oriented projects contribute considerably to the alleviation of poverty among individuals and other institutions through job creation and the provision of basic public goods and service delivery
- Devising appropriate ways in which development projects promoted by the African Diaspora can be integrated with the formal programmes sponsored by the mainstream development agencies at the field level
- Recommending to African Diaspora organisations that they make an inventory of their development projects in Africa, and create a central Diaspora project database
- Proposing a yearly Project Information-Sharing conference for African Diaspora groups, to exchange their experiences and to learn from each other
- Recommending the creation of a permanent research programme on the African Diaspora activities with regard to Africa in academic institutions in the Netherlands. That research programme should be managed and implemented in cooperation with knowledgeable African Diaspora experts and AfroNeth

African Diaspora and Development Agencies (MFOs)

Since the mid-1990s the development mindset has altered sufficiently to allow the African Diaspora organisations and the mainstream development agencies to join forces in partnership for African development. Fortunately, the potential and the invaluable social capital of the African Diaspora in the Netherlands have now been recognised and there is awareness that this needs to be tapped. There has also been a positive reorientation of the attitudes and views of the mainstream development agencies towards those African Diaspora organisations in the Netherlands which have been set up to help promote development back in Africa. However, although there are clear advantages in joining forces, it is not yet clear how this still embryonic partnership can be given a concrete shape. A follow-up study is required that will identify the most appropriate ways and strategies in which this new partnership can be shaped to initiate the appropriate policy designs and practical actions and operations.

The study recommends action in the following areas:

- Gaining more knowledge about the most appropriate strategies in which this new partnership can be given a concrete shape and practically realised
- Formulating entry points and strategic sites at which concrete and collaborative working activities and actions can be initiated
- Recognising the added value in terms of insights, knowledge of local conditions and networks, cultural experience, affinity and sensitiveness, intellectual capacities and skills that African Diaspora offer to enrich the strategies and activities promoted by the Dutch development agencies and government policy-makers towards Africa
- Creating an African Diaspora cadre that facilitates the process towards partnership
- Recommending African Diaspora organisations and mainstream agencies set up partnerships with regard to Africa, such as country expert groups and joint development projects in Africa
- Recommending to the mainstream sector that they involve African Diaspora experts in policy advice, implementation, evaluation and monitoring
- Proposing to the mainstream development organisations that they make better use of African Diaspora experts in their campaigning and lobbying
- Recommending the employment of Diaspora Africans in high level policy-making jobs in mainstream development organisations
- Recommending the creation of an independent think tank with full participation of knowledgeable African Diaspora experts that would help steer a road map based on positive examples, achievements and best practices upon which alternative positions, strategies and policies regarding Africa can be formulated that would lead to better future results

AFRICAN DIASPORA¹ AND AFRICAN DEVELOPMENT

1. INTRODUCTION

1.1. African Diaspora Worldwide

'To this day we continue to lose the best among ourselves because the lights in the developed world shine brighter.' - Nelson Mandela

'We must redouble our efforts to involve the Diaspora and the migrants in the development process in order to widen our constituency, gain more support and increase our knowledge about development'.
Agnes van Ardenne, Minister for Development, the Netherlands, speaking in January 2003 to the NCDO

A Diaspora is a community of people living outside their country of origin. Today, African migrants are part of a large-scale, worldwide Diaspora or transnational community which is becoming one of the major global forces shaping to the direction and trends in the 21st century. One of the main reasons is the sheer size of the Diaspora -- an estimated 175 million worldwide, ten million of whom are migrants from Africa.² In 1965 some 75 million Africans lived abroad -- equivalent to 2.3 per cent of the world population at the time; in 1975 it was 84 million (2.1 per cent) and in 1985 it was 105 million (2.2 per cent) in jumping to today's 175 million, or 2.9 per cent of the world population today in just a decade (West Africa, 2002:25).

1.2. African Diaspora in the Netherlands

The migration of Africans to the Netherlands has increased gradually since the late 1950s. It began with the arrival of African seamen from places such as Cape Verde. These, however, were few in number. During the 1960's the numbers began to increase, due largely to the arrival of African students coming to the Netherlands from different parts of Africa. The 1960s also saw the arrival of South Africans, including freedom fighters, fleeing persecution from the apartheid regime in that country. After they completed their studies, most of the students returned to their home countries although some stayed on in the Netherlands having married or found employment. Until the late 1970s, however, there was only a trickle of Africans coming to Holland.

For a number of reasons, that trickle started to gradually increase from the beginning of the 1980s. Some migrants left Africa because of economic stagnation, a lack of future prospects or out of a spirit of pure adventure and a desire to discover the world and seek their fortunes. This group were mostly young and their motives were similar to the Dutch migrants who at that time went to other parts of the world in search of a better life. Others were forced to leave their homelands because of violent conflicts and wars. The final group arrived in the Netherlands in large numbers during the 1990s. In policy analysis these groups are

¹ This action-oriented research focuses on the African Diaspora who have migrated from sub-Saharan Africa to the Netherlands. The study's main aim is to draft an overview text or a background paper that would lead to a publication of a handbook about the African Diaspora in the Netherlands and development of Africa that will be published in 2004.

² This number is noted in a keynote speech delivered by Philip Emeagwali at the Pan African Conference on Brain Drain, Elsah, Illinois (October 24,2003:1), <http://www.hiiraan.com/htdocs/2003/emeagwali.htm> [accessed 16 November 2003].

described either as economic migrants or asylum seekers. Other migrants were drawn to the Netherlands either through marriages or family reunion.³

By and large, the majority of these African migrants have now become naturalised citizens in the Netherlands. They opted to settle here for good and Holland has become their new homeland. For this reason they can be referred to as the African Diaspora in the Netherlands. According to the Central Bureau of Statistics (CBS), as of November 25, 2003, the total number of Africans from sub-Saharan Africa currently living in the Netherlands was 189,461. For the breakdown of nationalities and countries of origin, see table I below. The number is growing as a result of the second generation who have been born here. It is also increasing because the economic hardship and conflicts which force Africans to leave their countries still continue and in some cases are getting worse. Thus, migration from Africa to the West is likely to continue unabated in the near future and, today, one of the major consequences of the mass migration of African people is the emergence of new African Diaspora in host European countries.⁴

Table I shows the total number of 1st and 2nd generation Africans in the Netherlands (more than 1000) on January 1, 2003

Breakdown by country of origin:

1	Somalia	27,567
2	Cape Verde	19,353
3	Ghana	17,974
4	South Africa	14,914
5	Angola	11,710
6	Ethiopia	10,120
7	Congo	8,312
8	Sudan	7,629
9	Nigeria	6,712
10	Sierra Leone	6,031
11	Guinea	3,371
12	Liberia	2,819
13	Kenya	2,207
14	Cameroon	1,827
15	Burundi	1,581
16	Congo-Brazzaville	1,568
17	Togo	1,450
18	Tanzania	1,389
19	Zimbabwe	1,356
20	Rwanda	1,311
21	Senegal	1,131
	<i>TOTAL</i>	<i>150,332</i>

Central Bureau of Statistics (CBS) data on January 1, 2003

³ For more information on this discussion, see Ineke van Kessel and Nina Tellegen, (eds.), *Afrikanen in Nederland*, Amsterdam: Koninklijk Instituut voor de Tropen, 2000.

⁴ See further Sola Akinrinada & Remi Ajibewa, "Migration, Globalisation and the new African Diaspora towards a Framework of Understanding", a paper presented at an International Workshop on Migration and Poverty in West Africa at Sussex Centre for Migration Research, University of Sussex, March 13-14, 2003.

As the table indicates the number of countries of origin with more than 1000 nationals in the Netherlands has increased from 11 in 1998 to 21 in 2003. This is a huge leap as it corresponds to a 79.72% increase within the space of just five years. More concretely, the African Diaspora in the Netherlands has more than doubled during that period. For instance according to the Central Bureau of Statistics (CBS), in 1998 the African Diaspora in the Netherlands numbered 92,000 in total. In 2003 their number had grown to 189,461 -- an increase of 106%.

1.3. The Rationale for the Study

The present study was undertaken in order to gain a clearer understanding of the significance and role of the large number of Africans living in the Netherlands. On only one previous occasion has this group been the subject of scholarly attention: in 2000 the African Studies Centre published a book written in Dutch and entitled: '*Afrikanen in Nederland*' which aimed to inform the Dutch public about the invisible African Diaspora who had been living in their midst for decades.⁵ The book focused mainly on issues such as motives for migration, the manner in which African communities organise themselves here and the social contacts they maintain with their countries of origin back in Africa. This study was the first of its kind and as such the African Studies Centre deserves full credit for this initiative.

However, that publication is now two years old and has not been updated. The present, action-oriented, research aims not only to update that study but also to take it a step further and address important issues beyond those dealt with in that work. The decision to write this study in English was determined by the target groups: African Diaspora, many of whom do not read the Dutch language; civil society organisations; the development society field, practitioners and policy makers. Because it is action-oriented the issues discussed in this research depart from those of a purely development-oriented perspective. Consequently, the conceptual framework employed in this study differs from that informed by the cultural and anthropological orientations still predominant in contemporary academic discourse on Africa and the African Diaspora in the Netherlands.⁶

In concrete terms, this study aims to examine the role played by Dutch-based African Diaspora in the economic, social and political development of their respective homelands. This study recognises the potential of the huge number of Africans with Dutch nationality and their strategic position as a bridge between Holland and Africa. Their strategic position is an asset which can provide mutual benefits to both partners. Yet in the contemporary development debates on Africa, this important role that African Diaspora can play has been largely ignored.

Another important aspect considered in this study is the growing realisation among African Diaspora in the Netherlands that they have a responsibility to do something for the continent since the official development aid over the past 40 years has proved inadequate to the task. Africa regresses while the rest of the world progresses: this painful experience is a growing concern among African Diaspora who believe that they are in a position to contribute to development in Africa because of their presence at the centres of global decision-making in the West. Initiatives undertaken typically include campaigning and lobbying as they are better placed to advocate for change in the donor development policy towards Africa. The focus of

⁵ See Ineke van Kessel and Nina Tellegen, (eds.), *Afrikanen in Nederland*, Amsterdam: Koninklijk Instituut voor de Tropen, 2000.

⁶ For a good overview of this discussion, see Dorinde Brands, *Trends in Africanist (Academic) Research in the Netherlands* (Leiden: African Studies Centre, 2001).

this study is on the positive impact of the activities of the African Diaspora on African development.⁷

1.4. Importance of the Study

The link between voluntary development initiatives undertaken privately by African Diaspora and development in Africa is an area that has not previously been studied. Yet, it is an established fact that African Diaspora in the Netherlands undertakes a variety of activities which help the poor in the countries they have left behind. There is, now more than ever, an urgent need to gain a clearer understanding of this voluntary development initiative. It is this understanding of an under-reported development activity which the present study aims to contribute to the ongoing discussion in the Netherlands regarding the African Diaspora and development in Africa.

African Diaspora has left Africa physically but not emotionally. This emotional attachment is the general characteristic shared by all Diaspora. And it is these emotional ties that prompt the African Diaspora to maintain links with their countries of origin. However, these emotional ties are translated into obligations and thus into concrete commitments, actions and activities. Practically, this means transferring money, ideas, information, knowledge, skills and know-how back home. It also means helping set up local businesses as well as private (voluntary) development projects. The promotion of private micro-development projects such as establishing hospitals and schools or donating cash, materials and equipment is a case in point. Moreover, the activities of the African Diaspora promote trade and enterprise links and other social and political ties between their adopted countries and their countries of origin. This is why Diaspora initiated help is now referred to as the 'fourth development aid' after international organisations, governments and mainstream development organisations.⁸ More importantly, African Diaspora frequently adopts ingenious strategies to maximise the advantages with which the contemporary globalisation process has presented them. For example, African Diaspora, like others elsewhere, forge innovative patterns of 'globalisation from below' in which individual and group players rather than mega-corporations, benefit and make use of the opportunities offered by globalisation.⁹

Back in Africa, African Diaspora is typically involved in either relief and rehabilitation or development activities, or, in some cases, both. In Ghana, for example, the Diaspora invest in the local economy, thereby boosting the development of the national economy – as will be shown in greater detail in the main body of this study. Some other Diaspora sponsors relief

⁷ Generally speaking, the discussion on Diaspora can be addressed in two ways. The activities of Diaspora have had both a positive and a negative impact on the course of events in their respective countries of origin. Sometimes their involvement in developments back home aggravates local conditions through the financial and/or logistical support of all kinds of destructive and subversive activities (such as arms trading) with grim results. They can sponsor such destructive activities back home without bearing the consequences because they live in safe havens abroad. This long-distance negative role which the Diaspora can play is a fact that should not be denied or underestimated. But this topic is not the central concern of this study and so further discussion is not necessary here. However, it is an issue which deserves the attention of policy makers and which requires further academic research. Perhaps, it is now time to explore and build up knowledge about the ways that the negative and destructive activities of the Diaspora can be transformed to positive and constructive gains?

⁸ See Jos van Beurden, "Immigrant blijkt ontwikkelingsnetwerker", *Internationale Samenwerking*, January 2000:31-35.

⁹ See further Giles Mohan & A B Zack-Williams, 'Globalisation From Below: Conceptualising the Role of the African Diaspora in Africa's Development', *Review of African Political Economy*, No. 92. 2002:211-236.

and rehabilitation programmes such as the creation of small-scale, income-generating schemes for the poor and destitute section of society. Others undertake both rehabilitation and development activities at the same time. However, the type of activity undertaken depends largely on the condition of the migrant's country of origin. For example, some African countries are unstable and have experienced violent conflicts and conditions that for the time being permit only relief and rehabilitation activities such as the provision of resources for recovery; while others are stable and provide an enabling environment for sustainable development and investment.

1.5. Action-Oriented Research

This action-oriented research aims to map out the development activities sponsored and promoted by African Diaspora that spur development in their respective countries of origin. In doing so, this study assesses the social capital, capacity and constraints of African Diaspora initiated organisations, associations, self-help foundations, private development projects and business activities; their extended links and networks between the Netherlands and their countries of origin; their potential role in the development in Africa and their relations with the mainstream development organisations in the Netherlands, NGOs and the Ministry of Foreign Affairs/ Development Cooperation.

Gaining reliable knowledge of this still unexplored and unknown subject is absolutely imperative. Such knowledge can enable us to identify the entry points at which vital cooperation can be promoted between the development initiatives sponsored by the African Diaspora and those undertaken by mainstream development agencies and the Ministry of Development Cooperation. The target groups of this study are: (1) African Diaspora; (2) civil society organisations and development agencies; (3) policy-makers in government circles. Each entity faces its own challenges and shortcomings which this study attempts to address and for which it provides concrete suggestions. With regard to the African Diaspora, the research aims to outline the best ways that their capacities and organisational structures can be supported and upgraded. With regard to the Dutch development society field and policy makers, the study aims to provide them with in-depth knowledge and insights about the African Diaspora organisations, self-help foundations and business enterprises oriented towards development in Africa. Furthermore, the study aims to identify entry points where concrete activities and actions can be initiated.

This action-oriented research attempts to answer the following questions:

- To what extent do the collective efforts of the African Diaspora contribute to poverty alleviation, boosting the local economy, transferring knowledge and skills, peace building and the overall socio-economic development in their respective countries of origin?
- What are the obstacles, constraints and challenges faced by organisations, foundations and business enterprises established by African Diaspora?
- What is the capacity and potential (the so-called social capital) of the African Diaspora in the Netherlands?
- How can a productive working relationship between African Diaspora founded organisations and the Dutch development agencies be realised?
- How can the role that the African Diaspora is already playing in promoting development back home be stimulated and strengthened?

- Is African Diaspora in a strategic position to build bridges that bring mutual benefits to all stakeholders in the development of Africa?
- What is the added value in terms of perspectives and insights, knowledge of local conditions and networks, cultural experience, affinity and sensitiveness, intellectual capacities and skills that the African Diaspora offer to enrich the strategies and activities promoted by the Dutch development agencies and government policy makers towards Africa?

1.6. Methodology

The information in this study was collected through interviews with focus groups, participant observation, small group discussions and site visits, to, for example, organisations and private enterprises run by members of the African Diaspora. The study also draws upon documents and reports produced by African Diaspora organisations and foundations as well as other agencies and institutions in the Netherlands. The study aims to provide a background paper for the AfroNeth conference which will be held on December 16, 2003. It also constitutes the initial phase of a handbook about the African Diaspora in the Netherlands that will be published in 2004.

The themes that will be addressed in the preliminary research for this study cover:

- African Diaspora remittances and poverty reduction in Africa (sustaining households)
- African Diaspora mediated links and networks between the Netherlands and Africa
- African Diaspora promoted entrepreneurship in Africa
- African Diaspora promoted private (voluntary) development projects
- African Diaspora and Development Agencies (NGO's)

The study anticipates that its findings will help prepare the ground upon which African Diaspora and the mainstream Dutch development organisations can join forces in partnership towards the development of Africa. This can be realised in three ways. First, by making more visible the invaluable knowledge and social capital acquired by the African Diaspora and by identifying how this expertise can be systematically and appropriately harnessed for the development of Africa. Second, by charting appropriate ways in which the informal development projects undertaken and sponsored by the African Diaspora can be integrated with the formal development programmes promoted by the donor development agencies. And thirdly, by identifying areas, entry points and strategic actors and organisations where contacts and cooperation between the African Diaspora and the Dutch development agencies and government policy makers can be facilitated and promoted.

The overall intention of this study is to stimulate a discussion and raise awareness about the importance of the Dutch-based African Diaspora and of the urgent need to participate more effectively in the development of Africa. This study highlights the indispensable strategic position occupied by the African Diaspora as a result of which it can provide mutual benefits to all concerned. It also illustrates the ways that the latent potential of the African Diaspora could add more value to the thinking, planning, strategies and operational capacity of the projects and programmes geared to the development of Africa. This study also contributes constructively to the search to advance insights and identify strategic actors, human capital and organisations in which alternative, collaborative and effective development strategies towards Africa can be initiated.

2. REMITTANCES AND POVERTY REDUCTION

'In the contemporary global context in which African governments are dependent on Western financial institutions for the running of their economies, at the micro-level the economic survival and prosperity of families have become equally dependent on having family members in the Diaspora.' - Emmanuel Akyeampong, (Akyeampong, 2000).

2.1. Diaspora and Poverty Reduction

Available evidence confirms that remittances from the Diaspora alleviate poverty in the developing countries. According to a recent World Bank Global Development Finance Report (2003)¹⁰ migrants (Diaspora) are increasingly becoming the motor for the development of their respective countries of origin in the South. This is, however, a world-wide development which has as yet received little policy attention. According to the World Bank report, "An under-recognised trend in the external finances of developing countries – especially some of the smallest and poorest – is the steadily growing importance of workers' remittances. Such flows now rank second in importance only to FDI [foreign direct investment] in the overall external financing of developing countries. At \$80 billion in 2002, remittances were about double the level of official aid-related inflows and showed a remarkably steady growth through the 1990s". This is indeed a record amount and it is still increasing to the extent that remittances have now become the most important source of foreign capital for the poor countries in the Third World. This World Bank report concluded that remittances transferred by migrant labourers are often invested in their countries of origin thereby boosting the poor economies in the domestic markets. Therefore, in order to facilitate the increase of the remittance flows, rich countries should make migration easier. This policy action will not only help the development and the economic growth of the poor countries in the South but it is also beneficial for the world economy as a whole.

The World Bank's conclusions are corroborated by other studies: "in 2001, workers from poor countries sent home more than \$46 billion – a staggering figure that exceeds the official foreign aid delivered to those countries that year by \$5 billion, and is more than double the amount of a decade earlier".¹¹ An important factor contributing to this development is the growing number of Diaspora migrants living in the high-income countries. This outward migration from the poor South to the rich North is likely to continue unhindered in the short and medium terms. For example, the International Organisations for Migration (IOM) predicts there will be 230 million migrants by 2050, representing 2.6 per cent of the world's population forecast for that year of 8.7 billion people (West Africa, 2002:25). Nonetheless, at present most of the migrants earn a living in working conditions which are far from congenial. They perform manual jobs and earn salaries that are low by host country standards but are far higher than those available to them in developing countries.

2.2. African Diaspora and Poverty Reduction

In the Netherlands, Diaspora migrants last year sent home 1.4 billion euros through official channels.¹² This however, does not take account of the considerable sums moving outside official channels. According to research undertaken by the African Foundation for Development, only about 50 per cent of remittance flows through official channels (AFFORD,

¹⁰ See further World Bank Report on Global Development Finance (2003).

¹¹ See further the article by Scott Wallsten, "Globalization, Migration, and Economic Stability", published on the website on May 11, 2003.

¹² See **IS**, May 2003, p.11.

2000). The rest of the remittance is transferred through non-official and informal channels. One of the most popular of these informal channels is called "Hawalla".¹³

Remittance has a considerable trickle-down effect and in almost every city or town in Africa, poor people cite remittance as one of their sources of livelihood.¹⁴ An important factor promoting this trickle down effect is the nature of the family organisation in Africa. African families are still organised around extended family networks rather than the smaller, nuclear families typical of the West. Furthermore the sense of collective solidarity among African family members remains strong in contrast to the emphasis on individual self-reliance characteristic of Western society. Collective reliance encourages individual family members, wherever they may be, to help and aid each other. And it is this tradition of mutual aid which obliges an African in the Diaspora to send money back home to be, more or less, shared out by the members of the extended family. Thus, in this way remittances provide direct benefits to many individuals who are at the bottom of society in many parts in Africa. More importantly, the remittances that African Diaspora transfer to Africa brings immediate and effective relief aid to the very poorest in society much faster than any NGO or government sponsored programmes. In short, African Diaspora are contributing directly to the livelihood of many of Africa's poor and thereby helping reduce the level of absolute and abject poverty in Africa.

Much of the African Diaspora in the Netherlands originates in Africa's poorest and most war-torn countries, such as Angola, Congo and Somalia where many basic public services have broken down because of the lack of responsible government. The governments in these troubled countries have failed either because of economic mismanagement or the predatory pursuit of their own private interests rather than the public good. As a result, the African Diaspora has now effectively taken over a part of the public service that was formerly provided by government. For example, they have effectively assumed responsibility for providing a social welfare system for the poor.

It should also be noted here that, the list of the African countries benefiting from the assistance of the Dutch-based African Diaspora is far longer than those selected by the ministry of development in The Hague. According to the Dutch Minister of Development, Agnes van Ardenne, the number of poor Southern countries that will qualify for Dutch development aid in the future has been further reduced from 49 to 36.¹⁵ These countries are sometimes referred to as "donor darlings" or in this case "Dutch darlings". Currently, fifteen African countries continue to enjoy a full partnership with the Netherlands and receive Dutch development aid. They are: Benin, Burkina Faso, Eritrea, Ethiopia, Ghana, Cape Verde, Kenya, Mali, Mozambique, Rwanda, Senegal, Tanzania, Uganda, Zambia and South Africa.¹⁶ For the marginalized poor in those African countries from which the Dutch government has withdrawn development assistance, the remittances from the African

¹³ Hawalla is a system based on trust rather than a legal contract. Its users make money to an account number or give it in cash to an individual or an agency here in the Netherlands. That individual or agency has contacts on the ground of the specific country to which the money is to be remitted. The individual or the agency instructs either through telephone or nowadays by email the local contacts to give money in cash to the intended person or family. The whole transaction is so speedy that it can be concluded within a few hours.

¹⁴ This was brought to my attention when I was conducting an action-oriented research in a drought affect area in southern Ethiopia in July 2003.

¹⁵ See further the NRC Handelsblad (Saturday 4 & Sunday 5 October 2003). p.2.

¹⁶ See further the new Dutch policy note on Africa: Sterk mensen, zwakke staten: Het Nederlandse beleid ten aanzien van Afrika ten zuiden van de Sahara in meerjarig perspectief (October 2003).

Diaspora are the only or primary source of foreign funds. In addition to providing relief for the impoverished, the remittances from the African Diaspora are also becoming increasingly important as a means of guaranteeing the economic stability of many poor countries in Africa. According to Ross Herbert, “although the continent spends much time courting foreign investment by multinational companies, remittances from the Diaspora represent a far larger source of funds for many African countries and have played a major role in stabilising collapsing currencies”.¹⁷ For example, in Cape Verde, financial remittances constitute about a third of national income.¹⁸ Official records show that remittances exceed the foreign direct investment received by most African countries. “In most African countries – with the exception of those countries that receive high levels of oil-industry investment – official remittances are larger than foreign direct investment. For most of the 1990s remittances also exceeded the value of official development aid in much of Africa”.¹⁹

It should also be noted, that while donor governments and mainstream NGOs finance formal and semi-formal programmes and projects, the African Diaspora funding goes directly to the people in need and the informal community projects that are set up to aid them. Moreover, remittances from the African Diaspora are not susceptible to policy influences, unlike the funds of donor governments and NGOs. African Diaspora remittances are in this regard a reliable source of development inputs from the rich west to the poor in Africa. They are reliable because of the deep attachment and obligations of the African Diaspora to their families, friends and home towns in their respective homelands. Remittance also has a gender dimension as women among the African Diaspora send a far greater proportion of money back home than men. This is for two reasons. First, because women tend to have limited socialising activities outside the home due to cultural reasons and thus tend to save more than men. Second, because African women in the Netherlands use a rotating credit system whereby a group of women collects money from each other which is then given as a lump sum to a single member each month.

2.3 Remittance a Reliable Lifeline

Remittance is the only source of funding that flows without interruption from the rich to the poor world, thanks to the Diaspora and their important strategic role in the process. Financial remittances have indeed become a reliable lifeline for increasingly impoverished households in Africa with relatives abroad. Remittance directly helps poor people in Africa cope with poverty. Remittance is thus a form of *pro-poor finance* and yet it has received little attention in development policy and practice. Even in the millennium development goals discussions on halving the number of poor people in the world by 2015, the contribution of the Diaspora to the reduction of poverty in the development countries has yet to be recognised. And despite their direct correlation with poverty reduction among the poorest of the poor in Africa and elsewhere in the south, financial remittances still remain an under-appreciated flow of funds. This is the result of both a knowledge gap as well as policy shortcomings that need to be addressed at different levels.

¹⁷ See *e Africa: The Electronic Journal of Governance and Innovation*, Published by the South Africa Institute of International Affairs (SAIIA), Volume 1, September 2003:6.

¹⁸ See Jørgen Carling, “Emigration, Return and Development in Cape Verde”, a paper presented at International Workshop on Migration and Poverty in West Africa at the Sussex Centre for Migration Research, University of Sussex, 13-14 March 2003.

¹⁹ See Ross Herbert, *e Africa: The Electronic Journal of Governance and Innovation*, (September 2003:11).

Remittances are used for multiple purposes. Contrary to the popular view remittance funds are not used purely for consumption. Some of the money is used for paying school fees, hospital bills and start-up capital for new businesses, etc. Most of the individuals and the African Diaspora established welfare associations interviewed (see the following sections) report that most of their support is directed at health care and education in their respective African homelands. In other words, health and education -- which are the most important sectors for the physical wellbeing and human resource development of society in Africa -- gain significant assistance from the African Diaspora.

Furthermore, many of the African Diaspora in the Netherlands has developed an emancipated world view. For example, Adeniyi Johnson, a young Nigerian Netherlander, has decided to take full responsibility for the education of his sisters in Nigeria. One of his younger sisters has just finished an entrance examination for a Computer Training School on his advice. Johnson is proud that some of the money he sends back home is being used to finance the higher education of his sister. According to Johnson, "with a sound educational background and a good working knowledge of computers, my sister will never have to leave Nigeria like I did. There will be many jobs for her in Lagos" (The Voice, October 2003: 7).

To recap: the discussion in this section demonstrates the significant link between the African Diaspora financial remittances and poverty alleviation and development in Africa. This is also the observation of some analysts who argue that migrant financial remittances are perhaps one of the most effective ways to reduce poverty in the world.²⁰ According to Scott Wallsten, "We should embrace migration as an effective and immediate way to bring relief and stability to poor nations far faster than many government programmes can" (Wallsten 2003).

However, financial remittances are not the only benefits that African Diaspora transfers back to the continent. As noted above, the African Diaspora supports Africa in several ways: they are engaged in a variety of activities which contribute to the development of the continent as the subsequent sections demonstrate. African Diaspora possesses intellectual, business and financial resources that are badly needed in the continent. For this reason we need to recognise the extent to which the African Diaspora constitutes a network of human agencies through which new political ideas, intellectual knowledge, and capital and technology flow back to the continent.²¹ Yet much of the discussion and research on African Diaspora and development so far undertaken in the Netherlands concentrates exclusively on financial remittances. For example, at the University of Amsterdam, there five Ph.D. theses are currently being written on remittances sent by African Diaspora in the Netherlands to their respective homelands. Most of these are based on case studies of the Diaspora Ghanaians in this country. Similarly, development agencies such as Novib and Cordaid discuss and draft project proposals about remittances as if it is the only activity in which the African Diaspora is engaged.

To summarise the discussion in this section, the funds remitted by African Diaspora are used for different social and development purposes. They are used to help impoverished rural and

²⁰ For more discussion, see Johan Norberg, "Het Westen wordt sterker door immigratie", NRC Handelsblad (Thursday, 9 October 2003).

²¹ Damtew Teferra, a lecturer and researcher on the diaspora at the Centre for International Higher Education in Boston, United States, states: "Egypt considers its diaspora as its treasures kept abroad. It is vital to affirm that these unclaimed treasures can potentially serve as another window to the industrialised world, as another bridge in knowledge transmission and exchange, and as another catalyst in fostering knowledge creation and utilisation. It is apt to remark, therefore, that the diaspora is a vital and influential community of 'undercover' ambassadors – of their home countries and regions – without formally designated portfolio" (cited in *e Africa: The Electronic Journal of Governance and Innovation*, *ibid*:7).

urban African extended families to cope with poverty. They are used to finance self-help community development projects in many parts of Africa. Remittances are used to finance businesses with the aim of building up private capital in the family. In addition, African Diaspora ship home materials and equipment both new and second-hand to the people who have the greatest need for them. In this way the impact of the benefits that the African Diaspora transfer back to Africa are felt at different social and economic levels.²²

And yet the donor world, both governmental and non-governmental mainstream agencies, largely ignores the contribution of the African Diaspora when it comes to elaborating development policy and practice. Similarly, their views and intellectual input to development strategies are neither sought nor appreciated. Consequently the time has now come to find creative approaches to tap the intellectual, business and financial resources of the African Diaspora in the Netherlands. As noted above, financial remittances are not the only benefits that the African Diaspora transfers home. There are also other important benefits they mediate and promote to which we will turn in the following sections.

²² In the following sections, some of the themes such as community development project and private entrepreneurships that are briefly cited above will be elaborated in greater detail.

3. AFRICAN DIASPORA AND TRANSNATIONAL NETWORKS

'The value of skills/knowledge transfer will overtake the value of remittances. But we have to think demand pull, not Diaspora push (let's not repeat past development failures and mistakes)' - Chukwu-Emeka Chikezie, Founder Member of the African Foundation for Development (AFFORD)²³

African Diaspora in the Netherlands promotes links and networks between the people in the host country and in Africa. This takes place in different ways. African Diaspora in the Netherlands establishes close contacts with Dutch natives through friendship, schooling, work, marriage, neighbourhood, etc. This contact often leads Dutch people to visit the 'home' countries of their African acquaintances through which they are brought into contact with the people of Africa. This kind of physical contact gradually helps remove cultural barriers among the people both here and in Africa. It also helps people on both sides get to know each other's cultures, habits and ways of life. Moreover, this kind of human contacts helps people relate to each other more closely than before. The contacts mediated by the African Diaspora are mostly informal and cement durable social ties between the people in the Netherlands and those in Africa. The informal contacts mainly develop through family relations, religious community groups and the support of voluntary self-help projects and schemes among others. Furthermore, the interaction helps widen the horizons and world views of people on both sides. It also helps re-enforce international solidarity between people on both sides of the world. Further, such interaction increases knowledge and understanding among the people in the Netherlands and in Africa about themselves and the world in which they live. This is mutually enriching: the contact brings Africa closer to the Dutch people and also increases their interest in African development. Currently this cultural contact is developing gradually but it is intensifying and is becoming more concrete in certain aspects. For example, the contact is creating groups of communities across racial, cultural and political lines and thereby laying the foundation for the emergence of a global society. In this respect, the African Diaspora mediated links and networks are indeed directly strengthening the support (*draagvlak*) of the Dutch public for development cooperation in the Netherlands for the future. In short, the African Diaspora is actively forging new trends of transnational social networks and linkages for which they deserve credit. This positive development needs to be highlighted because it is a reality which is already in process.

3.1 African Diaspora and International Efforts

Internationally, African Diaspora plays a significant role behind the scenes. For example, African Diaspora use transitional voluntary social networks in the Netherlands and other host countries in the west to contribute to international efforts which impact positively on their respective homelands in terms of political, economic, civil society and human rights issues.²⁴ They do this by effectively participating and also playing active roles in diverse civil society activities. These activities have political, developmental and human rights objectives. Politically, African Diaspora, through the Dutch civil society organisations to which they are

²³ According to Chukwu-Emeka Chikezie-Furgusson, "AFFORD is established to support voluntary development initiatives privately undertaken by the African diaspora to contribute to Africa's development and challenges mainstream agencies, both governmental and non-governmental, to take the African diaspora's input to development much more seriously (West Africa 13- 19 November 2000:13).

²⁴ As Mohan and Zack-Williams argue: "given the geographical and political closeness of the [African] diaspora to the centres of global decision-making in London, Paris, New York and Washington it should be better placed to lobby for changes in development policy towards the continent. So, in addition to supporting African-based civil society movements and political parties, the diaspora could bring more informed political voices to policy-makers in Europe and North America", (ibid, 2002:231).

linked plays a role as pressure groups to influence the political developments in their respective African homelands. According to Sola Akinrinada and Remi Ajibewa, “the recent experiences of Nigeria, Ghana and other states in West Africa, with large migrant communities that constitute the new African Diaspora particularly in Western countries, confirm that migrant networks indeed constitute significant policy challenges to home states. A significant development is the emergence of online (internet) forums that linked various West Africa migrant networks into organised discussion and action groups”.²⁵ African Diaspora promotes and demand democratic and well-functioning public institutions that are accountable to the people, transparent, and respect the freedom of expression and protest. They are therefore demanding a radical political change that is now profoundly reshaping the political thinking and expectations of the people on the continent. Additionally, African Diaspora tends to believe that peace and stability are the foremost preconditions for social advancement, economic progress and sustainable development. Some of the African Diaspora organisations interviewed in this study have indicated their active involvement in the promotion of peace in the continent. A good example is the Friends of the Blind in Congo (*Vrienden van Blinden Congo*) established by the Congolese Diaspora in the Netherlands. In the words of the organisation’s George Mikwasa, “of course we are actively involved in the peace efforts in the Great Lakes. For example, recently in collaboration with our Rwandan brothers we discussed the possibilities of finding peace in the region and the role we can play in this effort”.

In terms of development challenges in Africa, African Diaspora campaign and press for debt relief, trade concessions, the opening of markets for products from Africa and enhanced aid budgets in the social services and the informal economy that cater for the poor. A good example of this is the yearly summit on Africa organised by the Evert Vemeer Foundation (EVF) in alliance with the Labour Party (PvdA). In the annual EVF conference, experts from the African Diaspora are regularly invited to speak with the aim of influencing the policy decisions of the Dutch government towards Africa. In this respect, African Diaspora seeks to bring about tangible developmental benefits to Africa in an innovative pattern of ‘globalisation from below’.

African Diaspora also lobbies hard in their adopted countries for policies favourable to their homelands. For example, the Dutch-based Somalis from the north of Somalia vigorously lobby the Dutch government and the EU to grant independent statehood to the breakaway Somaliland. Others put pressure on the Dutch government to take punitive measures against governments in their respective homelands which they regard as oppressive, undemocratic and dictatorial. Dissident Ethiopians in the Netherlands, for example, are campaigning for the Dutch government to stop providing aid assistance to the government of Ethiopia. While others campaign to highlight the environmental degradation caused by certain multinationals in some areas in Africa. A case to be noted is that of the Shell Company in the Ogoni area in Nigeria that caused world consternation after the execution of Ken Saro Wiwa by the Nigerian government. In a reaction to the heinous murder of Ken Saro Wiwa, Nigerians in the Diaspora established an organisation called the Movement for the Survival of the Ogoni People (MSOP).

A third aspect relates to human rights situations. African Diaspora in the Netherlands and elsewhere in the west play a major role in campaigning and also highlighting the human rights violations that take place in their homelands. They take up this issue by informing concerned actors, organisations and government decision-makers in the Netherlands about

²⁵ For more discussion on this subject, see Akinrinada & Ajibewa, “Migration, Globalisation and the new African Diaspora towards a Framework of Understanding”, a paper presented at the International Workshop on Migration and Poverty in West Africa at Sussex Centre for Migration Research, University of Sussex, 13-14 March 2003.

certain political and human rights violations of which the international community is often unaware. For instance, using informal channels and reliable local contacts, African Diaspora provides information on the whereabouts of arrested journalists, human rights activists, politically motivated persecutions etc. They are also consulted by human rights organisations and other agencies such as Amnesty International and the Red Cross, to help verify information, locate local networks, provide advice and background situational analysis. African Diaspora engages in these activities on a voluntary basis. In short, African Diaspora exerts pressure and influence both on the policies of their adopted countries and their native homelands. According to *The Economist*, “Emigrés have long sought to bring pressure to bear on governments in their adopted countries. Now their influence is being felt at home too”. (*The Economist* January 4, 2003: 25).

3.2 African Diaspora and Strategic Position

In this globalising world, African Diaspora is strategically placed to build social, economic and political bridges through transnational networks. Some are already using this newly acquired strategic position to enhance their profile in both worlds – the global South and the Global North. However, for an African Diaspora group to benefit that strategic capacity depends on two factors. One factor is the degree of integration of the Diaspora group within the host society; and the other is their existence as a conscious and a dedicated welfare organisation. Unfortunately, for various reasons, some African groups in the Netherlands still lack those key determining factors. Nonetheless, there are others that have overcome these barriers. A good example to be noted here is the Ghanaian Diaspora in the Netherlands.

Ghanaians are generally well-integrated within Dutch society and have succeeded in setting up a well-established and very effective community organisation. This organisation is called Sikaman which in Twi Ghanaian means a Land of Gold. Sikaman is a non-profit networking foundation which was established in June 1988. Sikaman is a broad-based, countrywide support foundation for all the Ghanaians in this country as well as the ethnic, regional and village-based smaller organisation that they have established. Sikaman was initially established to cater for the needs and help tackle the common adjustment problems faced by new Ghanaian migrants in the unfamiliar social environment of the new homeland. Initially, Sikaman’s primary tasks comprised providing information to the newcomers, helping them find accommodation and jobs and also guiding them through the cultural shocks they encountered in the new society. Thus, the main focus of the Sikaman foundation was to help improve the social position of the Ghanaian community in the Netherlands. As time went on, however, the activities of Sikaman widened. Now, some of its activities are geared to facilitating initiatives that link Holland with Ghana in several development sectors at different levels. This is because Sikaman as a reputed civil society organisation has gained a strategic position and also acquired valuable transnational networks that enable it to undertake this type of mediation service.

Sikaman is now involved in different community projects in Ghana. For example, before a project is initiated, Sikaman members with the help of their respective local contacts and networks assess the need, identify the areas where the people and institutions urgently need help and determine its sustainability. After that Sikaman provides a targeted support. Sikaman makes available not only financial and material support but in addition to this provides training, capacity-enhancement and know-how to those who would man the proposed community projects. Most of the projects that Sikaman supports in Ghana are concerned with small-scale health care and education. Sikaman also offers scholarship to students from Ghana. For instance, a number of students from Ghana recently came to study in the Netherlands with the assistance and the mediation of the Sikaman foundation. According to Sam Owusu, “Sikaman supports all these different activities with the aim of adding value to the well-being, poverty reduction and social empowerment and emancipation

of the people in Ghana. Sikaman strives to contribute to the emergence of productive and self-sustaining civil society associations both in Ghana and in the Netherlands”.

The Sikaman organisation cultivates its strategic bridge-building position by seeking links with institutions and organisation in Ghana both governmental and non-governmental through the Ghanaian embassy in the Netherlands. The aim is to cooperate and establish working relationships with those institutions that are engaging in socially-oriented development activities. The Sikaman foundation also seek contacts with local government and municipalities in the Netherlands in order to widen its networks as well as enhance its social and political profile in the newly emerging multicultural society -- particularly in major cities such as Amsterdam, The Hague, Rotterdam, etc. For example, Sikaman urges and mobilises Ghanaians to vote and participate in the national politics in the Netherlands since Holland is their new homeland. As a result, today there are 3 Ghanaian city counsellors in Amsterdam. According to Sam Owusu, “when members of the community gain political positions it means they have an influence on many policy and economic decisions at the municipal and local government level”. For example, after the disaster at the Accra football stadium, Sikaman approached the Amsterdam police through its counsellors for a request to send some officers to Accra to train Ghanaian police to become better equipped for riot and crowd control situations”. In short, the Sikaman association by sensibly exploiting its financial strength, knowledge, experience and transnational networks, promotes development back home. It does so by sending money, materials, donations, and know-how to the ancestral homeland. According to Sam Owusu, “the added advantage of the Sikaman foundation to development back home is that Ghanaian Diaspora knows the situation of the people well; understand their yearnings and needs and also the best ways to meet them”.

Recounting the activities of the Ghanaian Diaspora-founded Sikaman association in the Netherlands has two purposes. The first is to highlight the constructive efforts that a socially integrated Diaspora community with a well-established organisation can make in order to promote the well being and the social mobility of its target group in the new homeland. The second is to illustrate vividly how the deep attachment of the African Diaspora groups to their respective ancestral homes is translated into obligations and genuine solidarities which urge them to help attend the pressing needs of the people and participate in the development of the countries they have left behind. Nevertheless, both tasks are indeed formidable and require special attention from the development institutions in the Netherlands.

The Sikaman association is just one example of the many African Diaspora established organisations in the Netherlands which aim to cater for the social welfare of the disadvantaged and marginalized poor people in urban and rural areas in Africa. Another example is the DIR foundation established by the Ethiopian Diaspora in the Netherlands. DIR means a thin thread in the national language of Ethiopia and refers to the Ethiopian saying that many thin threads can together bind a lion. The inspiring message of this age old proverb is the need to join forces in order to make a difference. DIR strives to better the social and economic position of the Ethiopian community in the Netherlands. In addition to this task, DIR is also one of the leading African Diaspora organisations in the Netherlands that are active in the field of knowledge transfer and capacity enhancement to Africa.

3.3. African Diaspora and Africa

The impact of the African Diaspora is now increasingly felt back in Africa. African Diaspora now exerts increasing influence on the politics of the countries they have physically, but not emotionally, abandoned. Ghanaian Diaspora organisations in Europe and North America, for example, have collaborated to demand from the Ghanaian government that they be granted dual nationality so as to get voting rights in Ghana. This political demand has now been accepted. In 2002, the Ghanaian government changed its laws to allow dual citizenship to

the Ghanaian Diaspora.²⁶ Ghana is one of the African countries in which a third of its highly educated and trained human capital live abroad.²⁷ However, many other African governments now recognise the need to grant concessions to the demands of their Diaspora. They are doing this in order to tap in creative ways the transnational networks, human capital and intellectual skills, business and financial resources of their Diaspora. For instance, the Nigerian president Olusegun Obasanjo has now appointed a special advisor for the Diaspora.²⁸ Similarly, the government of Senegal has created a ministry of foreign and Diaspora affairs. Even more significantly, the new African Union (AU) is now courting the African Diaspora.²⁹ According to Amara Essy, Interim Chairman of the AU, “the African Union wants to work with the Diaspora to create a better Africa that would make them proud of their heritage”. Essy then adds that, “to tell you how important the Diaspora are for the African Union, certain member states have even suggested that one of the commissioners should be a member of the Diaspora. The Diaspora will therefore be the sixth region of the African Union”, (*West Africa*, 20- 26 January 2003:25). This solicitous approach clearly indicates the value placed on the economic and transnational networking positions that African Diaspora now occupy in the globalised world.

3.4. African Diaspora and their Valuable Assets

The African Diaspora communities and their respective organisations in the Netherlands and elsewhere in the West have the advantage of benefiting from different sources for their activities. First of all, they benefit from the group identity around which they are organised. For instance, most of the African self-help groups organise through ethnicity, geography (hometown associations), religious associations, welfare/refugee associations, etc.³⁰ Secondly, they gain valuable knowledge, experience and innovative practices from the institutions of the new homeland. Thirdly, they benefit from combining their well-developed informal social capacities and skills with the formal institutions of the host society.³¹ Finally, they benefit from the networks of the broader global transnational community to which they are linked in a variety of ways. All these valuable assets make the African Diaspora an indispensable human agency that channels wealth, innovative ideas, intellectual capacities and skills and creative business practices from the rich to the poor world. Fortunately this is an aspect which is recognised in the new Africa policy report recently produced by the Dutch Ministry of Development and which the ministry has committed itself

²⁶ “Other countries have found other ways of exploiting their expatriates’ political energies. Eritrea is one of the most advanced, perhaps because about 90% of eligible Eritreans abroad voted in the 1993 referendum on independence. Diaspora Eritreans then helped to draft the constitution, which guarantees them voting rights in future elections” (*The Economist* January 4, 2003: 27)

²⁷ See Special Report *Diasporas: A World of Exiles*, (*The Economist* January 4, 2003: 26).

²⁸ Olusegun Obasanjo himself is initiator of the Nigerians In Diaspora Organization (NIDO). The initiative was prompted by the recognition of the huge reserve of knowledge and expertise accumulated by the Nigerians residing outside Nigeria and the contributions they could make to the socio-economic development of their country. In order to tap these offshore talents and resources, the Nigerian Government in 2001, through its Embassies and High Commissions around the globe set out to encourage Nigerians in diaspora to come together under an independent umbrella, to contribute to development efforts in Nigeria. For further information, see <http://www.nido-nl.org/about.html>

²⁹ See the article of James Butty, “African Union: Reaching out to the Diaspora”, *West Africa* (20th- 26th January 2003:25)

³⁰ See “African Diaspora & Development: The Power of Identity”, a paper presented by Chukwu-Emeka Chikezie, at the Commonwealth Business Council (CBC) Africa Recruit (March 12, 2003).

³¹ See Abdullah A. Mohamoud: *Institutional and Capacity Enhancement: An African Perspective*, a report for the Netherlands Ministry of Foreign Affairs, Sub-Sahara Department (March 2003).

to stimulate and support. According to the report the Dutch government will undertake all possible means to transform the African brain drain into a brain gain by involving and stimulating the Dutch-based African Diaspora to participate directly in the development of their respective homelands in Africa. Practically this will be realised by putting in place a system that makes it easy and inexpensive for African Diaspora to remit money home and also by stimulating the Dutch companies to invest in the homelands of Dutch-based African Diaspora. The report also states clearly that the Dutch government will strive to put the migration issue on top of the agenda of the EU-Africa consultations so as to arrive at a common position with regard to the formulation of an international migration policy.³² In short, the intellectual and financial resources that the African Diaspora are eagerly transferring back to Africa actually foster positive development effects both in the public and private spheres. This discussion leads us on to consider another important aspect that African Diaspora now mediates.

³² See further, "Sterke mensen, zwakke staten: Het Nederlandse beleid ten aanzien van Afrika ten zuiden van de Sahara in meerjarig perspectief" (October 2003:19).

4. AFRICAN DIASPORA AND PRIVATE BUSINESS IN AFRICA

African Diaspora promotes overseas business enterprise with their native homes in Africa. They undertake this activity by setting up their own enterprises in their respective countries or by collaborating with local businessmen. In the Netherlands, some African Diaspora has entered into collaborations with Dutch businessmen and enterprises. The aim of these collaborations is to set up joint ventures in Africa. Others play a mediatory or intermediating role by linking Dutch companies with companies in their homelands. In doing so, they help facilitate the transfer of finance and technical know-how from Holland to the local enterprises. The African Diaspora thus engages in three activities which promote business enterprises in their respective countries in Africa. This is of vital importance as most Africans in Africa now engage in informal trade for their livelihood. This is due to the shrinkage or collapse of the formal national economies in many countries in Africa. For example, the informal trade is now the biggest market economy in Africa currently generating more than 60% of domestic wealth.³³

Three reasons for the Dutch-based African Diaspora's involvement in business activities both here and in Africa can be noted. The first is that many African Diasporas have difficulties in finding meaningful employment in the host country. This reality forces them to engage in small scale business activities both in the Netherlands and their respective countries in Africa. This activity can take several forms, for example opening grocery and clothing shops or restaurants in the Netherlands or exporting essential goods such as electronic equipment to Africa. The second reason is that some African Diaspora has gained a position where they have accumulated a lot of business knowledge and networks in the Netherlands that they wish to make available to Africa. The third factor is that some African Diaspora being very familiar with the actual needs and development conditions in their respective homelands capture an important niche in the technological gap between Africa and Europe. They benefit from that technological gap by collecting old and used machines mostly for free with the knowledge that they are still valued in Africa. They then ship the machines to Africa where they are used either for private needs or for employment-generating community-based schemes. For example, a young Ghanaian man working as a cleaner at the University of Amsterdam asked a colleague working at the reproduction office if he could take the old copier which was standing idle in the room. The colleague said he could if he could carry it. The young man took the copier and shipped it to Ghana. Afterwards the young man went to his colleague at the reproduction office and told him that the machine was now in operation and that ten people were currently earning a living from it.

4.1. Financial Remittance and Business

African Diaspora invests their financial remittances in different business sectors and also collaborates with a variety of local traders in Africa. However, so far they have mainly collaborated with family members who have stayed behind and in whom they place the greatest trust. Consequently, African Diaspora invests mainly in setting up or expanding family enterprises with the aim of building up family capital.³⁴ Nonetheless, wherever it is

³³ "Employing 40 million people, or 60 to 70 per cent of the labour force in Africa and producing 25 per cent of its gross national product, the informal sector or the underground economy has been omitted from national planning, most importantly it has been neglected by structural adjustment policy makers.....The ILO reported that the informal sector absorbs 75 per cent of new entrants in the labour market. In recent years the ILO stated that the rate is even higher as public sector workers are retrenched and urbanization and population growth continue unabated." See further "The Informal Sector in sub-Saharan Africa." By Jantjie Xaba, Pat Horn and Shirin Motala, Employment Sector ILO Geneva (2002), p.10

³⁴ A recent field work study in Morocco empirically affirms that the remittance migrants send home create localised prosperity. Migrants and their extended families who have remained behind invest in

invested, in some African countries remittance is the only inflow of capital sustaining small-scale enterprises. Claude Sumata, a Congolese economist who conducts research on remittances from Africans in Europe argues that, “people say it’s the IMF and World Bank that help Africa but Africans abroad set up businesses and promote overseas trade with their countries”.³⁵ This is true, as many small and medium enterprises in Africa cannot afford to travel abroad in order to promote their products, find distributors and establish contacts with export-marketing partners. Often African Diaspora arranges these overseas markets and networks for them. This potential role of the African Diaspora in promoting African exports abroad is one of the many benefits that need to be better harnessed. Indeed the financial and other support that the African Diaspora provides is boosting the economy of the informal sector in Africa. Fortunately, the informal sector and its significant link with *pro poor growth* is one of the main issues on the agenda of the new Africa policy report produced by the Dutch Ministry of Development.³⁶ The financial remittances that African Diaspora invest back home are gradually creating the private property base and wealthy middle class that have hitherto been lacking in Africa.

According to Lothar Smith and Valentina Mazzucato, “The speed and particular ways in which Accra has developed over the past twenty years can be largely attributed to the local investment of migrants. Many store buildings have been erected along main roads and the stores they harbour – ‘forex bureaux’, ‘communication centres’, ‘business centres’, ‘2nd hand clothes shops’, ‘2nd hand spare parts shops’, etc. – seem to reflect the direct relationships of their owners with various western countries, sometimes also expressed in their names. Housing development - at both private and real estate –levels, has also seen Accra expand tremendously”.³⁷ Here one can observe the different objects for which mainstream NGOs funds and the African Diaspora remitted finances are used. For instance, while the mainstream development organisations invest mainly in improving the economic livelihood of target groups, the African Diaspora also undertakes in some instance to create private capital. They undertake this activity by concentrating the investment of their financial remittances on a single target. That target be it a factory or something else is purposefully selected and also well-defined with the help of stakeholders who are familiar with the local conditions because of their presence on the ground. The economic growth that remittances spur has convinced some observers to argue that migrants help underwrite the economic stability of the poor countries in the Third World.³⁸ For instance, Scott Wallsten suggests that, “Today, [migrants] often pay ten percent or more of what they send home in fees to financial institutions. Reducing those fees would, in fact, be a tax cut for the poorest”.³⁹

the local economy by setting up family companies, hotels and restaurants and transport businesses which in turn generate employment opportunities for the unemployed. Hein de Haas defended a dissertation based on this finding at the University of Nijmegen in September 2003.

³⁵ See the article, “Africans Help their Homelands” *West Africa* (13-19 November 2000): 12-14.

³⁶ See further, “Sterke mensen, zwakke staten: Het Nederlandse beleid ten aanzien van Afrika ten zuiden van de Sahara in meerjarig perspectief” (October 2003).

³⁷ For more discussion, see Smith & Mazzucato, “Houses, Business & Urban Livelihoods: The Influence of Ghanaian Migrants on Local Economic Activities in Accra”, a paper presented at International Workshop on Migration and Poverty in West Africa at Sussex Centre for Migration Research, University of Sussex, March 13-14, 2003.

³⁸ See further the article by Scott Wallsten, “Mondialisering stabiliseert arme landen”, **NRC Handelsblad**, (Monday June 2, 2003).

³⁹ See further the article by Scott Wallsten, “Globalization, Migration, and Economic Stability”, published on the website on May 11, 2003.

4.2. African Diaspora and Overseas Trade

Although African Diaspora generously invests their financial remittances in the local economies of their respective countries in Africa, these efforts remain small in scale because of the limited capital and the professional practices involved. Of course, the inflow of financial capital helps to boost the local trade but its impact will be limited at least in the short run. Therefore, the most valuable role that African Diaspora and their organisations in the Netherlands can play to promote overseas trade with Africa is to set up joint ventures between established Dutch companies and companies in Africa.

Fortunately, this is just what some of the organisations interviewed in this study are doing. Sikaman, the Ghanaian organisation discussed above, for example aims to mediate links, form contacts and provide advice to Dutch enterprises that wish to invest in and establish businesses in Ghana. Sikaman also liaises and facilitates joint ventures between Dutch and Ghanaian business entrepreneurs. For example, Sikaman succeeded in persuading Socar, a Dutch second hand car company based in Lelystad, Flevoland to invest in Ghana. Thereafter, Socar decided to export cars to Ghana. The business collaboration was successful and Socar continued the trade with Ghana despite the fact that many Ghanaians lack the foreign currency necessary to facilitate financial transactions. The problem however was solved in an innovative way. The Socar Company accepted a barter trade agreement with their Ghanaian business partners and cars for pineapples became the basis of the exchange. Now Socar exports pineapples from Ghana to the Dutch market and in this way recovers its money. More importantly, both parties in this barter trade benefit from the deal.

In a further example, Sikaman is now involved in mediating trade between the Max Havelaar foundation in the Netherlands and rural farmers in Ghana with the aim of promoting fair trade between the two countries. According to Sikaman's Sam Owusu, "Sikaman was recently approached and consulted by a trade delegation from Ghana with the object of increasing the volume of trade between Ghana and the Netherlands". And in this way Sikaman contributes to promoting exports from Ghana by effectively harnessing the potential of its valuable strategic position. Sikaman is also laying the networking foundations which gradually build bridges that bring mutual benefits to all stakeholders.

4.3. Success Stories

There are also success stories about individual entrepreneurs in the Diaspora who have played a crucial role in connecting overseas businesses with businesses in Africa, or discovering export markets for products from Africa. A good example is Cecilia Ruto, a Kenyan entrepreneur who migrated to New Zealand. In New Zealand Ruto discovered that while the people had a great passion for tea, the markets in the country seemed to stock only poor-quality brands. Ruto then began a promotion of quality Kenyan teas: "I managed to organise with connections back home to import some tea for a trial run and the locals who tasted it were very impressed. They loved it. Then I knew that I was onto a winning idea" (cited in the *e Africa: The Electronic Journal of Governance and Innovation*, *ibid*: 8). Eventually Ruto helped to create a new market for the export of the Kenyan tea that had not previously been explored. According to Ross Herbert and Trish Guy, "like Ruto, many in the Diaspora are not high-tech professionals but do have the trader's nose for business. If African embassies and trade ministries could seek out such enterprising individuals and help connect them with African manufacturers, they could jointly contribute to growth and development in Africa".⁴⁰ Indeed, the individual efforts of African Diaspora like Ruto can make a big difference back home. But Ruto is one of the many individuals among the African Diaspora who are contributing their professional expertise to the promotion of trade and African exports in overseas markets.

⁴⁰ See *e Africa: the Electronic Journal of Governance and Innovation* (September 2003:8).

Another example closer to home is the role played by Teampro, a firm established in Rotterdam in 1996 by Rachel Tocklu who is originally from Eritrea. Teampro advises enterprises from Africa on how to do business professionally with Companies in Europe and vice versa. Teampro's main task is to help build partnerships between the economies of both sides that bring mutual benefits to all the stakeholders. In this respect, Teampro skilfully combines two very important activities. The first is to promote trade links between African and the European companies and business enterprises. Teampro achieves this by organising trade and investment seminars as well as trade exhibitions and the exchange of missions. In addition to this, Teampro assists and also carries out feasibility studies and market research in the field for Dutch companies and others in the EU who wants to discover new markets in Africa. At present, Teampro mediates trade links with several countries both in Africa and in South America. Teampro now promotes trade relations with the Netherlands and other EU countries in Eritrea, Ethiopia, Kenya, Sudan, Tanzania and Uganda. According to Tocklu, "Teampro works the other way round. Teampro helps entrepreneurs from Africa to come to the Netherlands and get acquainted with their Dutch counterparts. We also organise trade seminars and 'active match-making' opportunities that bring entrepreneurs from different countries together thus reducing the networking hardships involved. Teampro hopes that a frequent exchange of trade missions will result in durable trade relations, which contribute to growth and development of the partner countries in Africa."

The other activity is to transfer valuable trading know-how, knowledge of the economy and creative business practices from the Netherlands to Africa. As Tocklu explains, African businesses whether they are small, medium or large, lack among other things the professional capacity to market their products and the know-how for public relations. These are some of the drawbacks that Teampro addresses. In this context, Teampro arranges for the Dutch companies with which it liaises to make available trainers and marketing expertise to help assist the business capacities of its clients in Africa. As Tocklu states, "the added advantage of Teampro is the strategic position it occupies which enables it to have access to extensive networks both in the Netherlands and in the countries in Africa where it has clients. Also, we the founders of Teampro have a specific affinity, sensitivity, cultural experience and knowledge of conditions and societies in the African countries where we operate".⁴¹ Teampro provides a link which has hitherto been missing and as such its networking activity is vital: it brings together contacts and opens up markets for entrepreneurs both in the Netherlands and in Africa for which it is greatly appreciated by all stakeholders. Yet, as Tocklu laments, "despite all these benefits and the added value that Teampro brings into the trade relations between the Netherlands and Africa, the Dutch African Business Council does not consider us to be a useful partner in this venture".

4.4. African Diaspora and the IT Sector

African Diaspora in the Netherlands has established a company called Convergence Consulting. One of the company's projects is Colours@Work – a Cyber Community set up in the Bijlmer district of Amsterdam. The Bijlmer has been called the minority capital of the Netherlands and Colours@Work is intended to promote the use of modern day technology to help ameliorate socio-economic difficulties among underprivileged minorities living in inner-city locations both in the West as well as in Africa. According to the founder of the Convergence Consulting Company, the Nigerian Wole Awolaja, "Colours@Work stands for knowledge transfer, creation, sharing and deployment. The objective of Colours@Work is to bring Internet services closer to the marginalized people in the urban centres in Africa. Africa lags behind with respect to the IT sector and Colours@Work wants to narrow the *digital divide* by transferring, introducing and popularizing the Internet in Africa. The ultimate goal is to enhance individual and group self-development through the use of "modern-day"

⁴¹ For further information, see the website of Teampro, <http://www.teampro.nl>.

technology. In short, Colours@Work has been established to transfer IT know-how to Africa and to narrow the gap between the continent and the rest of the world".⁴²

From this brief account it is clear that African Diaspora in the Netherlands and elsewhere promote the growth of trade and business creation in Africa individually, as a group, through welfare organisations and through commercial ventures. They undertake this effort by investing in the local economy, setting up joint ventures, linking up overseas businesses with businesses in Africa, helping promote African exports abroad, and transferring valuable new ideas and practices that improve the effectiveness of African business. This study has broadly indicated how African Diaspora promote the private sector in Africa and thus identified the main entry points but it has only begun to map out the contours of the process where further studies need to be initiated. For example, it is not yet clear how the impact of the combined efforts outlined above will crystallise in the future. This will require a more detailed study that assesses the sums involved and how the African Diaspora remitted finances and other inputs help to contribute to the growth of the private sector in Africa in the short, medium and long-term.

⁴² On the webpage Convergence Consulting is introduced as "an organisation that looks at the turn around of our world today from a different perspective. Multicultural diversity and globalisation, has not in many cases as expected delivered positive spin-offs for minority communities in the "developed world" and "the larger developing world". This is more evident from the recent developments in our world today. If steps in the right direction are not taken, many of the minority citizens in the developed nations and all citizens in developing nations will be "left out" on the knowledge acquisition needed for development. This will therefore cause a grave social in-balance and as a consequence an increase in conflicts, social disorder and poverty. Convergence consulting tackles these issues pragmatically, by providing consulting services to the greater public, both in the public and private sector with the use of inherent knowledge in modern-day technology". For more information, see <http://www.convergenceconsulting.org>. For an interview with the founder, Wole Awolaja, see the *African Bulletin* (April 2003:15).

5. AFRICAN DIASPORA AND DEVELOPMENT PROJECTS

“You must be the change you wish to see in the world” - Mahatma Gandhi.

The African Diaspora promotes private (voluntary self-help) development projects in Africa. African Diaspora in the Netherlands feels that they are strategically placed to undertake such development activities in their respective countries of origin. This change of attitude has resulted from three recent developments. The first is the increasing number of Africans in the Netherlands that come from one village or town or who are linked through religious associations, clan ties and other forms of associational networks. The second is the acculturation process which many African Diaspora in the Netherlands, have undergone. For example, they have learnt and adopted the voluntary associational life from the Dutch society which they are now exporting to Africa. The third is the collapse of the national social services in many countries in Africa. As a result, many ordinary people both in urban and rural areas have been left without any social provision. The self-help development projects that African Diaspora in the Netherlands has set up in their respective countries in Africa are mainly small-scale. They are promoted to cater for the needs of a very limited target group.

Diaspora in general and the Dutch-based African Diaspora in particular have been engaged in various forms of development projects in their countries of origin for quite some time. However, their activities were not previously visible because the number of people and associations involved in such endeavours were very small and the projects were few. Recently this limited commitment has assumed a more comprehensive dimension. Since 1996 a significant number of African Diaspora groups and associations have embarked on sponsoring small-scale development projects in different parts of Africa. So far no concrete figures are available about the number of the projects that Dutch-based African Diaspora sponsors in Africa. This is because a separate study is required to ascertain the actual number of projects that African Diaspora now sponsor in Africa and no such study has as yet been made. Nevertheless, at the micro-level these projects despite their limited nature contribute considerably to the social welfare of the poor. For instance, small-scale development projects promoted by African Diaspora in their respective localities in Africa are geared to rehabilitating health centres and facilities, constructing wells, building schools, supporting rural farmers and helping create income-generating activities for the destitute and marginalized groups in society. In the wider context, these activities symbolise a new pattern of global and local networks and linkages – a new trend.

5.1. Individual and Collective Efforts

African Diaspora helps development in Africa both through individual and collective efforts. According to Chukwu-Emeka Chikezie-Furgusson, “this combination of collective community effort and individual remittances means that for some African countries, such as Ghana with significant and well-established diasporas, Africans abroad are indeed probably putting more money into the economy than are official aid donors”, (*West Africa*, 2000:13). For example, there is a range of African Diaspora established development organisations engaged in a variety of activities. There are hometown associations, self-help group associations, ethnic associations, alumni associations, religious associations, professional associations, development NGOs development groups, investment groups, etc (Ndofor-Tah, 2000). These

diverse associations organise fundraising events and collect money for a variety of welfare and development projects and business investments back in Africa.⁴³

These community and welfare projects create employment opportunities, help improve community facilities at village and town level and provide needed services to the communities.⁴⁴ In some instances, African Diaspora groups donate cash, materials and needed equipment to various bodies and institutions which greatly contribute towards poverty alleviation among individuals and other institutions through job creation and provision of basic public goods and service delivery.⁴⁵ A good example is the Sierra Leone Humanitarian Organisation (SLHO) established by the Sierra Leone Diaspora in the Netherlands. The organisation sends medical equipment including furniture, materials and second hand ambulances to the hospitals in Freetown that were ransacked during the civil war in the country. The donations have been provided by the Sint Franciscus Gasthuis in Rotterdam. Also, other social institutions like the municipality of Rotterdam and the NCDO help financially with the welfare activities undertaken by the SLHO. This is another concrete example of how African Diaspora in the Netherlands exploits their strategic position and profit from their contacts and networks with the Dutch social institutions for the benefit of their home communities in Africa. This new and important phenomenon clearly deserves more attention in development circles. According to Obangs Stalin, one of the founders of the SLHO, “we are physically here but our hearts are still in Sierra Leone. We want to help contribute to the reconstruction of our native country. Sierra Leone has just come out of ten years of destructive civil war. Everything was destroyed both public and private properties and the people need a lot of help”. The SLHO now supports hospitals and health centres in Freetown and also other parts in the country because this is where the help is urgently needed. Extensive enquiries and consultation with the people on the ground revealed that this was their main priority for the time being. This is important because the SLHO only support welfare projects where the direct beneficiaries ask for help. Another example is the Ghanaian Sikaman association which is used, among other activities, to mobilise relief and rehabilitation help to disasters in Ghana. For example, Ghanaians in the Netherlands through Sikaman donated money and sent materials to help the people affected when the football stadium collapsed in Accra in June 2001. According to Sam Owusu, “after the stadium disaster we raised about €15,000 to assist those injured and the bereaved families of those that died”.

5.2. Community Projects

African Diaspora have set up community projects that have provided for the electrification of their hometowns, and many more examples of self-help development projects in Africa sponsored by the African Diaspora in the Netherlands can be noted. One such is the Himilo Relief and Development Association (HIRDA) set up by the Somali Diaspora in the

⁴³ As C. Ndofor-Tah notes, “the types of activities include community-to community transfer, identity-building/ awareness raising, lobbying in current home on issues relating to ancestral home, trade with and investment in ancestral home, transfers of intangible resources, support for development on a more ‘professional’ basis and payment of taxes in the ancestral home”. For more analysis, see C. Ndofor-Tah, “Diaspora and Development: Contributions by African Organisations in the UK to Africa’s Development”, Report Commissioned by AFFORD as Part of Africa21Project, London (AFFORD, 2000).

⁴⁴ For a further discussion, see P. Chukwu-Emeka Chikezie-Furgusson, “Africans Help their Homelands” *West Africa* (November 13-19, 2000): 12-14.

⁴⁵ See Alex B. Asiedu, “Some Benefits of Migrants Return Visits to Ghana” a paper presented at International Workshop on Migration and Poverty in West Africa at Sussex Centre for Migration Research, University of Sussex, March 13-14, 2003.

Netherlands. HIRDA supports education and health projects and micro credit schemes in two provinces in southern Somalia. HIRDA is the most successful self-help organisation of the Somali Diaspora in the Netherlands by far. The organisation collects and remits donations amounting to more than €200,000 per year to Somalia. HIRDA enjoys a wide transnational networking relationship with other organisations established by the Somali Diaspora in Europe and North America who engage in similar development activities in Somalia.⁴⁶

Another example is that of the Friends of the Blind in Congo (*Vrienden van Blinden Congo*) established by the Congolese Diaspora in the Netherlands. The organisation was established to help the blind people in Congo who are mostly concentrated in large cities such as Kinshasa. The organisation collects money, medicine, equipment and material donations that are transferred to them directly. The foundation now assists and provides financial and medical services directly to about 4000 blind people in Kinshasa. This assistance also indirectly benefits the many others who help the blind people. Their number is estimated to be around 32,000 people. The Friends of the Blind in Congo collaborates with its sister organisation in Congo. The present political climate encourages Diaspora Congolese to establish NGOs abroad with the aim of contributing to the social welfare and the well-being of the disabled Congolese in their homeland.

A third example is the DIR which was established by the Ethiopian Diaspora in the Netherlands, as noted earlier. The DIR now supports five projects in Ethiopia including computer training centres, church activities for peace dialogue and community agricultural projects. In these projects, the DIR creates employment opportunities for the unemployed and provides benefits to more than 1000 people. According to Mulugeta Asmelash, 'our target is to realise 100 small-scale private development projects in Ethiopia within five years from now'.

A final example is the Development Support Network (DSN) established by the Somali Diaspora in the Netherlands in 1999. Initially set up by 15 people, the Network now has 120 members. It was set up to help widows who had lost their husbands during the civil war in Somalia. Most of the widows were in UNHCR refugee camps in Ethiopia for a long period of time. In the late 1990s, the women were repatriated to their villages without any means of livelihood. After that the members of the Network initiated a project which aims to set up an income-generating scheme for 110 widows and their children in rural villages. They then began collecting money from each other for the project. The money they raised was doubled by the NCDO through its special programme of Small-Scale Local Activities (KPA). In Somalia, the money was then invested in providing each widow with 20 sheep plus fodder. The money was also used to purchase tractors, seeds and fertiliser and hired labourers who till the land for cooperatives set up by the destitute widows. According to Hassan Musa, one of the initiators of the DSN, 'We were highly motivated to set up the project because we

⁴⁶ An interesting product of African Diaspora collaboration is the establishment of the University of Hargeisa in Somaliland. As AFFORD notes, "Initiated in mid-1997, this effort united Somalis in Somaliland itself with Somalis in the Diaspora as far-flung as Australia, Sweden, Kuwait, the United States, and Britain. The project enjoyed support by the government of Somaliland, a territory still without international recognition. A steering committee in London that combined Somali expertise and leadership with British know-how and experience worked in close collaboration with an interim council in Somaliland. Local business in Somaliland took full responsibility for rehabilitating the government-donated dilapidated old-school building that was in fact home to over 500 returned Somali refugees. Somalis in Sweden provided 750 chairs and tables; Kuwait-based Somalis sent computers. In the project's second year, the Somaliland Forum, a cyberspace global network of Somalis formed taskforces to tackle specific elements, raising money, maintained email groups and hosted real-time e-conferences", (AFFORD, 2000:10).

knew the urgent need of the destitute widows and the feeling that we were doing something positive was the driving force behind the initiative’.

This is just one more example of the ways in which African Diaspora in the Netherlands have taken the initiative and are setting up rehabilitation projects and programmes for the poor and the helpless in their home communities in Africa.

6. AFRICAN DIASPORA AND DEVELOPMENT AGENCIES (MFOs)

Since the mid-1990s a climate of change has been unfolding in which collaboration between African Diaspora and the mainstream development agencies (MFOs) is becoming more evident. This opens a window of opportunity to both social actors. The change embraces both attitude and activity and is a result of a wider ongoing development process.

On the side of the African Diaspora, the following developments have helped bring about a changed mindset and activities. First, their numbers have grown as the CBS figures noted in the introduction indicate. This numerical increase has made African Diaspora conscious of their power to contribute to positive efforts both here and in Africa. Second, some of the African Diaspora communities have now been settled in the Netherlands for long enough to feel that they are now in a financial and intellectual position to help the people in Africa to cope with poverty. Third, the African Diaspora has gradually developed a more externally oriented attitude. Whereas before, they were primarily concerned with integrating socially and economically in the new host country, many of the African Diaspora is now, also developing an outward-looking concern with development in Africa. While their first concern is with promoting their social mobility and position in the Netherlands, they are also intent on contributing to the social welfare and the sustainable development in Africa. Combining these two different activities represents a considerable achievement given the weakness of their social and economic position in the new homeland. Nevertheless, the Dutch African Diaspora is responding to these two different challenges arising from contemporary global inequality.

With regard to the mainstream development organisations, the change of attitude and to lesser extent activity is the result of a number of developments. The foremost reason is the emergence of a large number of minority groups from the Third World in the major cities in the Netherlands. This is a result of the extensive migration from the poor to the rich world which has resulted in the emergence of large populations from the south in many countries in the north. This new development is challenging the old North-South development cooperation equation. The second factor is the growing number of Diaspora organisations which have been created to support development in the countries of the South. The third aspect is the growing and persistent request by migrant and Diaspora organisations to be assisted by the mainstream development organisations for the parallel private (voluntary) development projects they promote in the Third World countries. All three factors have encouraged some of the MFOs to reconsider their attitudes to the 'Third World' communities on their doorstep, a process which is exactly the reverse of that undergone by the African Diaspora in the Netherlands. Of course, the change of orientation does not mean an end to supporting the development programmes and projects aimed to improve the social and economic welfare of the people living in the South but to have an eye on the new social reality unfolding in the Netherlands. According to Hans Wemmers, Front Office Programme Officer of Cordaid, "this new orientation is mainly the result of having our own Third World in our midst. Before the policy of Cordaid was based on a traditional view which was to keep a distance from the migrants from the South living in the Netherlands. But since 2000 that traditional view on the migrants from the Third World countries has changed because of their growing numbers particularly in the major cities in the country. As a consequence, since 2002 Cordaid has embarked on a policy of engagement with the migrant and Diaspora organisations in the Netherlands. The main aim of this policy of engagement is to see how we can help the organisational capacities of these organisations".⁴⁷

Cordaid admits that the whole process is still in its infancy. The contact is gradually developing but it is a very slow process. Cordaid and other MFOs are now in the process of exploring how they can engage and work with the growing numbers of migrants from the

⁴⁷ Hans Wemmers, *Interview*, September 9, 2003 The Hague

Third World residing here.⁴⁸ But this is still a one-sided exercise and lacks the critical principle of collaborative thought on the best ways that a new working relationship can be realised: a working relationship based on equal partnership as well as ownership. Actually, the underlying issues that need to be addressed and overcome before meaningful working relationships are undertaken, are social and cultural barriers, suspicion, lack of mutual trust and the absence of effective communication.⁴⁹ These constraints can be effectively overcome through dialogue, intensive communication and continuous contacts between the African Diaspora groups and the MFO practitioners. Breaking these barriers will also require the facilitation of a body (with knowledgeable African experts) such as AfroNeth which is able to mediate the whole confidence-building process.

6.1. Concrete Response

So far the first concrete response to the gradual confluence of the African Diaspora and the mainstream development agencies has been to set up a so-called Front Office.⁵⁰ By now, most MFOs and other civil society-based organisations such as the National Committee for International Cooperation and Sustainable development (NCDO) have created a Front Office as one of their core programme projects. However, in most of the MFOs, the Front Office has been in operation for less than a year. The Front Office is intended to help assist the activities undertaken by migrants and Diaspora-run organisations in the Netherlands that are aimed at initiating or supporting positive local initiatives in the developing countries.⁵¹ However, worryingly, none of the African Diaspora organisations interviewed except the DIR association were aware of the existence of the Front Offices – and the organisations interviewed here were mainly from the long and a well-established African Diaspora communities in the Netherlands. This problem is partly due to an information gap which needs to be improved on the side of the MFOs. It is also partly the result of a perception still prevalent among MFO workers that most Africans in the Netherlands are either refugees or unwanted illegal immigrants. This picture is patently inaccurate and unjustly denies the legal

⁴⁸ As Hans Wemmers, Front Office Programme Officer of Cordaid notes, “I think we need to think much more deeply about what we can offer each other and how can we enrich each other. One of the difficulties is indeed historical. For more than two decades, the MFOs focus was guided by a principle based on North-South development cooperation. We were established to help support the people living in the South. But now we are in a process of reorienting our focus closer to home, which is an entirely new development for us. We are still in a process of searching the best ways we can put in shape a productive and sustainable cooperation with the Southern migrants here in the Netherlands”.

⁴⁹ According to Nicholas Atampugre, a co-founder of the African Foundation for Development (AFFORD) in London, “What perplexed me the most was the fact that the big international agencies do not want to form relationships with those very African organisations in the UK that were actively supporting development in their regions of origin, often the same places where the agencies themselves were working. The simple reason is that the masses of African people organise around bases that they feel comfortable with, often around a sense of identity. This is in marked contrast to the professional development sector, which is driven by jobs, by fundraising and where the project staffs are simply employees” (*West Africa* November 13 -19 2000:13). Eventually, this concern prompted Atampugre to help the establishment of AFFORD.

⁵⁰ See Marc Broere, ‘De Kortste Weg Naar Subsidies: Front Offices, Nieuwe Loketten Voor Kleinschalige Projecten’, *IS* (November 2003:38-39).

⁵¹ For example, the NCDO states that the Front Office was established to contribute financially to innovative and experimental projects implemented in development countries. An important condition that NCDO ties to a subsidy request for any project is that the fund-raising in the Netherlands should be combined with information dissemination activities with the objective to stimulate the forming of Dutch public opinion on international cooperation in general. For more information visit: www.ncdo.nl.

rights and citizenship of thousands of Dutch Africans living in the Netherlands. For example, Cordaid now works with a cluster of 27 organisations which are mostly run by newly arrived refugee groups – known as the Africa Network.⁵² This is a concrete example of the shortcomings that need to be addressed in order to improve the productive working relationships with well established African Diaspora organisations which are already active in supporting development initiatives in Africa.

In addition to the Front Office, the NCDO runs a pioneering project programme from which MFOs can learn some valuable lessons. This unique project called the Small-Scale Local Activities (KPA) programme was set up to assist the activities of local and regional groups and organisations and individuals in the Netherlands who support a project in a developing country.⁵³ In 1991 Jan Pronk, then Minister of Development Cooperation initiated the programme with the objective of creating wider social support for development cooperation. Initially the KPA programme was run from the Ministry of Foreign Affairs but since 1994 the NCDO has been managing the programme. The KPA programme is important because it is tailored to the informal and private voluntary development activities undertaken by the African Diaspora organisations and individuals in Africa. Some of the African Diaspora groups and individuals interviewed told us that they receive small subsidies from some MFOs and other civil society organisations. However, given the current change of mindset and activity, all the mainstream NGOs and civil society organisations are prepared more or less to engage with migrants and Diaspora associations, a development which is indeed encouraging.

Fortunately, the winds of change are not only blowing through the MFOs and other civil society organisations. A change of mindset can also be observed at the higher levels in government circles. For example, in her January (2003) speech at the NCDO, Minister of Development Agnes van Ardenne stressed the need to involve many more migrants and Diaspora in the development cooperation process. According to Ardenne, “we must redouble our efforts to involve the Diaspora and the migrants in the development process in order to widen our constituency, gain more support and increase our knowledge about development’.⁵⁴

6.2. Challenges and Opportunities

The new climate of change briefly outlined above entails both challenges and opportunities. The challenges that need to be addressed include the following.

First and the foremost is the challenge of changing old practices and established procedures. Old habits die hard and adopting a new working culture is not an easy switch for many

⁵²This was communicated by the chairman of Africa Network, A. Guled, in a telephone interview on Sept. 10, 2003. Africa Network according Guled “has been active only since April 2003. We are still at the beginning stage. Some of the organisations are not active, but they are just on paper. We are still in the process of developing a code of conduct while at the same time looking for an office in The Hague”.

⁵³ The project according to Arnaut Eimers, Manager Local Group of NCDO must help “improve the living conditions of the poorest groups of society by providing basic requirements and by assisting in their quest for social and economic emancipation”. A concrete example of such a project is the construction of a school, the setting up of medical facilities, agricultural activities, educational or re-socialisation programmes, improving the transfer of knowledge between local and social organisations, general improvement of the local infrastructure, etc. for a more information visit www.ncdo.nl.

⁵⁴ For a more information, see the NCDO JaarBoek 2002-2003.

development practitioners. However, the perpetuation of old habits can result in purely cosmetic changes which are insufficiently radical. According to Mulugeta Asmellash, “one of the limitations will be that the mainstream development organisations are not used to working with African Diaspora organisations set up to promote development in Africa. They therefore lack the knowledge and experience to deal with organisations of this sort. Even the way that the funding of the mainstream NGOs is allocated prevents space being found for the demands of the new African Diaspora organisations that are oriented to development back in Africa”.⁵⁵

The second challenge is the seriousness of the commitment from the side of the mainstream development organisations to work with the African Diaspora groups and organisations.⁵⁶ This is an observation made by George Mikwasa of Friends of the Blind in Congo. According to Mikwasa, “most of the mainstream development NGOs have contacts with the old traditional migrants such as the Surinamese, Moroccans and Turks, etc. They have yet to establish a productive working relationship with the Africans from sub-Saharan Africa”.⁵⁷

The third challenge is the readiness to recognise and also appreciate the indispensable social welfare activities undertaken by the African Diaspora organisations both in the Netherlands and in Africa.

The fourth challenge is the weak capacity and organisational deficiencies confronting almost all African Diaspora organisations. This is a problem which the organisations interviewed have openly admitted.⁵⁸ In fact, in spite of their good intentions, many African Diaspora organisations suffer from severe capacity constraints.⁵⁹ A fitting example is the expression made by Obangs Stalin of the Sierra Leone Humanitarian Organisation (SLHO).⁶⁰ According to Stalin, “we are not professionals but we do it from our heart”. Therefore, the low thresholds (*laagdrempeel*) policy strategy adopted by organisations like the NCDO and most of the MFOs to help assist the plans and programmes of migrant and Diaspora organisations is a welcome initiative.

The fifth challenge is to link the development activities undertaken by the African Diaspora organisations with the development programmes promoted by the mainstream development agencies. This will not be an easy task, but it is worth the effort in order to harness the potential of both.

⁵⁵ Mulugeta Asmellash, *Interview*, June 26, 2003, Amsterdam.

⁵⁶ Hans Wemmers, Front Office Programme Officer of Cordaid, “I hope that the MFOs show a real commitment in their engagement with migrant and Diaspora organisations. What is needed is to initiate a real dialogue and communication with the Diaspora associations. However, if this initiative is not wholeheartedly pursued I am afraid nothing constructive will be materialised”.

⁵⁷ George Mikwasa, *Interview*, June 26, 2003, Rotterdam

⁵⁸ Mulugeta Asmellash of DIR organisation, “All the African Diaspora organisations lack sufficient project writing skills, capacity to organise activities and management expertise. That capacity has not yet developed. This is the reason why we often hire very expensive consultants to write us project proposals and also help us with organisational tasks”.

⁵⁹ Compounded with the capacity constraint is the fact that most African Diaspora run their respective organisations purely on a voluntary basis alongside their daily work.

⁶⁰ The SLHO supports small-scale health projects in Sierra Leone.

There is currently an opportunity to join forces for development in Africa. This is urgently needed because the scale of poverty in Africa is daunting and tackling it requires the mobilisation of all available means. In practice this will mean:

- (1) from the outset stimulating the exchange of knowledge, experience and expertise between the African Diaspora organisations and the mainstream development agencies so as to gain better insights about their respective activities. This way of sharing knowledge and expertise is very important as it can be a stimulus for undertaking joint development projects in Africa in the future;
- (2) the necessity to selectively integrate some of the parallel activities already undertaken both by the African Diaspora organisations and the mainstream development agencies. However, this will require the formulation of appropriate strategies in which this partnership arrangement can be effectively realised;
- (3) realising the advantage that can be gained in joining forces. The most important advantage of joining forces is the high probability of sustaining a development project once it is set up somewhere in Africa. According to Sam Owusu of the Sikaman organisation, 'if we are one of the stakeholders in such a project we will help ensure its sustainability. This commitment will continue after the financial support from the donor agency dries up. This is for the simple reason that we partially own the project and that ownership forces us to continue investing in it. In addition to this, the social and cultural affinities we share with beneficiaries on the location have a compelling obligation for us that we would remain involved in the project for a long period of time'.⁶¹

The wind of change and the new climate it is creating can release fresh energy and determination. This can stimulate all stakeholders to effectively address the new challenges so as to transform them from liabilities to assets. This renewed determination can also enable us to seize and build on the opportunities with which we are being presented.

⁶¹ Sam Owusu, Interview, June 20, 2003, Amsterdam.

7. CONCLUSIONS AND RECOMMENDATIONS

7.1. Background

We will now bring together the most important issues identified and examined in the previous sections of this report and draw a number of conclusions. This study forms the initial phase of research that aims to quantify the African Diaspora in the Netherlands, to map out their organisations and activities and chart the links and transnational networks they have facilitated with their countries of origin. It also forms the initial phase of a handbook about the African Diaspora and development of Africa that will be published in 2004. The study also assesses the social capital, capacity and constraints of African Diaspora organisations and their potential role in the development in Africa. Further, it examines the nature of the relationship between the African Diaspora groups and organisations with the mainstream development agencies in the Netherlands. The focus of this study is on the positive impact of the activities of the African Diaspora on the development back home. Given the abject poverty in much of Africa, this study is both significant and urgent. Now more than ever, it is critical to improve our understanding of the African Diaspora in the Netherlands and their contribution to the reduction of poverty in Africa. It is this added value that this study brings to the ongoing discussion in the Netherlands regarding the African Diaspora and development in Africa.

The study combines data from primary and secondary sources. Primary data has been drawn from interviews with focus groups, participant observation, small group discussions and site visits such as organisations and private enterprises run by African Diaspora. It is also drawn from interviews with key selected mainstream development agencies. The Annex lists the African Diaspora organisations and mainstream NGOs interviewed. Secondary sources used include documents and reports produced by the African Diaspora organisations and foundations as well as other agencies and institutions in the Netherlands and abroad. The study is a background document for the forthcoming AfroNeth conference which will be held on 16 December 2003.

7.2. Principal Findings

The main outcomes of this study challenge our initial assumptions. It shows that the African Diaspora play a wide and varied role in promoting sustainable development and social advancement in Africa, covering different areas and involving different strategies and social networks. The African Diaspora now occupies an indispensable strategic position that links Africa with the rest of the world. Their presence in the West places them in a better position to impact positively on the overall development in Africa. From overseas they are able to supply and transmit many benefits to Africa. The benefits that Africa now gains from its Diaspora in the rich West and elsewhere are not restricted to the remittance transfers that have become the lifeline to many of Africa's poor. African Diaspora also helps set up private (voluntary) development projects as well as start-up local businesses. In addition to all these benefits, the African Diaspora transfers valuable intellectual resources and new political ideas which are profoundly reshaping the political dispensation on the continent. They also transfer new technological ideas and valuable practical experiences that could improve the effectiveness of doing business in Africa. Moreover, the African Diaspora because of their strategic position forge links with established humanitarian, political, economic and business networks in the West that brings benefits to those in Africa lacking access to such influential networks overseas. Furthermore, African Diaspora because of their presence at the centres of global decision-making in the West often engage in campaigning and lobbying activities advocating changes in donor development policy towards Africa. These include pressing for debt relief, trade concessions, opening markets to African products and enhanced aid budget in the social services and the informal economy that cater to the poor.

All these positive activities clearly confirm that the African Diaspora is fully participating in development in Africa. They have become an indispensable human agency that channel wealth, information, innovative ideas, intellectual capacities and skills and creative business practices from the West to Africa. More importantly, African Diaspora benefits the global transnational networks to which they are linked in many different ways. They benefit by gaining a strategic position which enables them to build up social, economic and political bridges that link to both worlds with valuable advantages.

Unfortunately and despite all the above noted advantages, African Diaspora still operate on the margins of the host societies because of the weak social, economic and political position in which they find themselves in their new homeland. Furthermore, in the donor world both governmental and non-governmental mainstream agencies, the invaluable efforts of the African Diaspora do not count when it comes to development policy and practice regarding Africa. Similarly, their views and intellectual input to development strategies are neither sought nor appreciated. Further, the organisations established by the African Diaspora suffer from severe capacity constraints. First, they lack the capacity to make their activities more visible to the wider public. Second, their social organisation is weak and remains informal. Third, African organisations lack the channels to gain access to useful information and networks. Fourth, compared with other migrant organisations, African associations are linked marginally with the mainstream development agencies.

These constraints, consequently, need to be addressed in order to more efficiently harness the potential of the African Diaspora organisations. Fortunately, there is now a new climate of change that recognises the potential and the invaluable social capital of the African Diaspora in the Netherlands. Mainstream development organisations are beginning to adopt a new approach towards African Diaspora organisations in the Netherlands which are set up to help promote development in Africa. There is currently a window of opportunity for African Diaspora organisations and the mainstream development agencies to join forces in partnership for the development in Africa. Although there are numerous advantages to be gained by joining forces, it is not yet clear how this new partnership can be given a concrete shape since it is still embryonic. A follow-up study is needed that will identify the most appropriate ways and strategies through which this new partnership can be given a concrete form and which will elaborate the most appropriate policy designs and practical actions to achieve this.

7.3. Recommendations

The study outlines five issues that broadly highlight entry points and strategic actors and organisations at which concrete activities and actions can be initiated. The preliminary findings of the study also identify areas in which follow-up research and policy intervention is necessary.

Remittances and Poverty Reduction

Financial remittances provide a lifeline for many of Africa's poor. At the micro-level remittance has become a much needed and reliable source of stable income to many marginalized families, extended families and local community groups. Financial remittances also act as a safety net to the poor in many developing countries whose governments lack the means to make such provision. During natural disasters, for example, increased contributions from African Diaspora effectively provide a form of insurance which helps families and communities cope during crises. As such, remittances from the African Diaspora not only help provide for the poor but also, increasingly, serve to guarantee economic stability in many poor countries in Africa. Empirical evidence clearly shows that remittance is a form of *pro-poor finance* and yet it still remains an under-appreciated flow of funds. Even in

the millennium development goals discussions on halving the number of poor people in the world by 2015, the contribution of the Diaspora to the reduction of poverty in developing countries has yet to be recognised.

The study recommends action in the following areas:

- Proposing that stakeholders in Africa's development recognise the impact of remittances transferred by African Diaspora on *pro-poor finance*, poverty alleviation and emergency aid in Africa. Remittances are fast, reach the poor directly, are therefore an effective means of relief and rehabilitation and provide benefits to many people at the bottom of society. The mainstream development sector could start experimenting with channelling part of their emergency aid through the Diaspora channels
- Recommending that stakeholders in Africa's development recognise the potential impact of African Diaspora remittances on economic development, savings mobilisation and productive investments in Africa. African economies could benefit greatly from remittances if such resources were channelled through an appropriate infrastructure generating savings and investments. This recommendation calls upon the African Diaspora and other parties to initiate the establishment of a Diaspora Bank (or Fund) in the Netherlands to pool Diaspora remittances, to help set up similar Diaspora Banks (or Funds) in African countries, and thus to create a banking network that generates savings for investment in Africa
- Proposing that the Nederlandse Bank, the Dutch government, and commercial banks assist the Diaspora to devise a regulatory system that makes the transfer of remittances easy, inexpensive, tax deductible and conducive to investment in Africa. Current Diaspora money transfer agencies, many of them informal or semi-formal, should be integrated in the new system and should not be hindered or liquidated
- Recommending that African governments provide a structure for (especially rural) investment of remittances. Africa lacks a rural banking system. The post office network could be used as a feasible structure for establishing rural branches of the Diaspora Bank (or Fund)

African Diaspora and Transnational Networks

African Diaspora is linked to vast transnational networks at different levels. African Diaspora profits from the possibilities and windows of opportunity offered by global networks. Although linkage may be low level, the advantages of transnational networks allow the African Diaspora to gain a strategic position which enables them to build up social, economic and political bridges with valuable benefits. It also makes them an indispensable human agency for channelling wealth, information, innovative ideas, intellectual capacities and skills and creative business practices from the West to Africa. However, despite all the valuable benefits they dispense, African Diaspora in the Netherlands still operate at the margins of the society because of the weak social, economic and political position in which they find themselves. Compounding these disadvantages is the fact that most of the African Diaspora organisations and associations suffer from severe capacity constraints.

The study recommends action in the following areas:

- Appreciating the indispensable strategic position occupied by the African Diaspora which enables it to build up social, economic and political networks through which it

can directly channel wealth, information, innovative ideas, intellectual capacities and skills and creative business practices from the West to Africa

- Enhancing the visibility, profile, and influence of the African Diaspora requires a greater synergy between African Diaspora organisations through information sharing and joint activities, one such being the organisation of public relations exercises
- Recommending that links are strengthened between the African Diaspora in the Netherlands and other European countries in order to pool financial and intellectual resources
- Proposing that African Diaspora organisations in the Netherlands and Europe establish close working relations with African institutions and programs, such as African Union, NEPAD, African governments, regional bodies, civil society networks and academic institutions. This proposition supports the idea that a single Commissioner of the African Union be appointed by the international African Diaspora
- Recommending short or long term remigration of Diaspora Africans as an important means to inject skills and experience into Africa. Remigration also provides a way out of unemployment for many skilled Africans living in the Diaspora
- Helping to enhance the capacity of the African Diaspora organisations through learning and training courses
- Promoting a climate that fosters dialogue, celebrates success, builds confidence and creates momentum

African Diaspora and Private Business in Africa

Both individuals and groups within the African Diaspora promote overseas business enterprise with their African homelands. They undertake this activity by setting up their own enterprises in their respective countries or by collaborating with local businessmen. In the Netherlands, some of the African Diaspora has entered into collaboration with Dutch businessmen and enterprises with the intention of setting up joint ventures in Africa. Other Diaspora plays a mediatory or intermediating role by linking Dutch companies with companies in their homelands. In doing so, they help facilitate the transfer of finance and technical know-how from Holland to local enterprises. This is of utmost importance because, with the shrinkage or collapse of the formal national economies in many African countries, most Africans now engage in small-scale informal trade for their livelihood. Informal trade is now, in fact, the biggest market economy in Africa currently generating more than 60% of domestic wealth.

The study recommends action in the following areas:

- Helping facilitate the promotion of small-scale businesses in Africa through the Diaspora as small informal businesses have now become the essential means of survival for a large section of African society
- Recognising that African Diaspora remitted finance is the only inflow of capital that sustains small-scale enterprises in some countries in Africa
- Appreciating the potential role that African Diaspora play in promoting African exports overseas since many small and medium enterprises in Africa cannot afford to travel

abroad in order to promote their products, find distributors and establish contacts with export marketing partners

- Proposing African Diaspora participation in public-private partnerships in growth sectors in Africa, with partners such as Financieringsmaatschappij Ontwikkelingslanden (FMO), SENTER, Dutch corporations and African partners. African Diaspora participation would add to a more balanced power relation between stakeholders

African Diaspora and Development Projects

African Diaspora promote private (voluntary self-help) development projects in Africa. African Diaspora in the Netherlands now feels that they are strategically placed to undertake such development activities in their respective countries of origin. Their recent change of attitude in this regard is the result of three developments. First: the increasing number of Africans coming from the same village or town or linked through religious association, clan ties and other forms of associational networks. Second: the acculturation process undergone by many of the African Diaspora in the Netherlands. They have, for example, learnt and adopted the idea of the voluntary association from Dutch society and they are now exporting this to Africa. Third: the collapse of the national social services in many countries in Africa as a result of which, many ordinary people both in the urban and in the rural areas have been left without any social provision.

The study recommends action in the following areas:

- Recognising that African Diaspora remitted finance is not all used for consumption but also to support the creation of schools, health centres and community projects at village and district levels
- Appreciating that these small-scale community-oriented projects contribute considerably to the alleviation of poverty among individuals and other institutions through job creation and the provision of basic public goods and service delivery
- Devising appropriate ways in which development projects promoted by the African Diaspora can be integrated with the formal programmes sponsored by the mainstream development agencies at the field level
- Recommending to African Diaspora organisations that they make an inventory of their development projects in Africa, and create a central Diaspora project database
- Proposing a yearly Project Information-Sharing conference for African Diaspora groups, to exchange their experiences and to learn from each other
- Recommending the creation of a permanent research programme on the African Diaspora activities with regard to Africa in academic institutions in the Netherlands. That research programme should be managed and implemented in cooperation with knowledgeable African Diaspora experts and AfroNeth

African Diaspora and Development Agencies (MFOs)

Since the mid-1990s the development mindset has altered sufficiently to allow the African Diaspora organisations and the mainstream development agencies to join forces in partnership for African development. Fortunately, the potential and the invaluable social capital of the African Diaspora in the Netherlands have now been recognised and there is

awareness that this needs to be tapped. There has also been a positive reorientation of the attitudes and views of the mainstream development agencies towards those African Diaspora organisations in the Netherlands which have been set up to help promote development back in Africa. However, although there are clear advantages in joining forces, it is not yet clear how this still embryonic partnership can be given a concrete shape. A follow-up study is required that will identify the most appropriate ways and strategies in which this new partnership can be shaped to initiate the appropriate policy designs and practical actions and operations.

The study recommends action in the following areas:

- Gaining more knowledge about the most appropriate strategies in which this new partnership can be given a concrete shape and practically realised
- Formulating entry points and strategic sites at which concrete and collaborative working activities and actions can be initiated
- Recognising the added value in terms of insights, knowledge of local conditions and networks, cultural experience, affinity and sensitiveness, intellectual capacities and skills that African Diaspora offer to enrich the strategies and activities promoted by the Dutch development agencies and government policy-makers towards Africa
- Creating an African Diaspora cadre that facilitates the process towards partnership
- Recommending African Diaspora organisations and mainstream agencies set up partnerships with regard to Africa, such as country expert groups and joint development projects in Africa
- Recommending to the mainstream sector that they involve African Diaspora experts in policy advice, implementation, evaluation and monitoring
- Proposing to the mainstream development organisations that they make better use of African Diaspora experts in their campaigning and lobbying
- Recommending the employment of Diaspora Africans in high level policy-making jobs in mainstream development organisations
- Recommending the creation of an independent think tank with full participation of knowledgeable African Diaspora experts that would help steer a road map based on positive examples, achievements and best practices upon which alternative positions, strategies and policies regarding Africa can be formulated that would lead to better future results

Annex

List of Persons Interviewed

African Diaspora Established Organisation

- 1) Sikaman is a Ghanaian organisation
Address: Klarenbeek 100R
1104 KH Amsterdam
Tel: 020- 690 82 80
Contact person: Sam Owusu
Sikaman@xs4all.nl

African Diaspora Established Business

- 2) Convergence Consulting is a newly established enterprise
Address: De Gazeipoort –Freezer Gebouw
Harriet Freezerstraat 116 A
1103 JP Amsterdam Zuidoost
Te: 020-6003031 or 06-15085620
Contact person: Wole Awolaja, CEO
Wole.awolaja@colours-at-work.com

African Diaspora Established Private Development Projects

- 3) Reach Africa Foundation
Address: Televisiestraat 2R
2525 JD Den Haag
Contact person: Chief T. A. Osuji
Tel: 070-3598811
interleis@hotmail.com
- 4) Himilo Relief and Development Association (HIRDA)
Address: V.H. Goedhartlaan 787
1181 LA Amstelveen
Contact person: Mohammed Basweyne
Tel: 020-6417913
info@hirda.org or www.hirda.org
- 5) DIR Foundation
Waterlooplein 205
1011 PG Amsterdam
Contact person: Mulugeta Asmellash
Tel: 020-618 06 13
mulugeta@xs4all.nl or www.dirnet.nl
- 6) Vrienden van Blinden Congo
Ruigoord 210
3079 XW Rotterdam
Contact person: George Mikwasa
Tel: 010-4977282
- 7) Teampro
Diergaardesingel 103
3014 AH Rotterdam
Contact person: Rachel Tocklu

Tel: 010-433 29 02
www.teampro.nl

NCDO

Mauritskade 63
1092 AD Amsterdam
Tel: 020-568 8755
Fax: 020-568 8787
info@ncdo.nl
www.ncdo.nl

Karin van Lotringen, project officer for the Front office and Programme for Small-Scale Local Activities (KPA)

Arnaut Eimers, Manager local group

Cordaid

Lutherse Burgwal 10
2500 BK Den Haag
www.cordaid.nl

Josta ten Broeke (Emergencies & Rehabilitation Department Programme Officer)

Hans Wemmers (Front Office Programme Officer)

Radji Bhondoe (Frontoffice Programme Officer)