

Migration Corridors, Diasporas and Transnational Entrepreneurship

Diaspora as a Link for cross-border entrepreneurship

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Describing migration corridors

Migration corridor is a difficult concept with very wide ranges and functions:

- From civil war to refugee camps
- Necessity driven corridors
- Labour force migration
- Brain drain corridors (80% of Jamaican medical professionals to US and UK)
- Brain drain/gain corridors e.g. Silicon Vally/Bangalore
- Forced cannels; slave trade
- Historic corridors, e.g. Chinese and Indian diaspora
- Tradition corridors e.g. Irish, Scotish etc networks
- The present economic crisis has reversed the flow in some corridors

It should be recognized that migration corridors are vastly different and some lessons can be learnt from studying best practice in selected corridors. The complexity or multi diversity of host countries depends on the variety of migration corridors [S. Vertovec, M. Ram]

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The corridor

Sending country

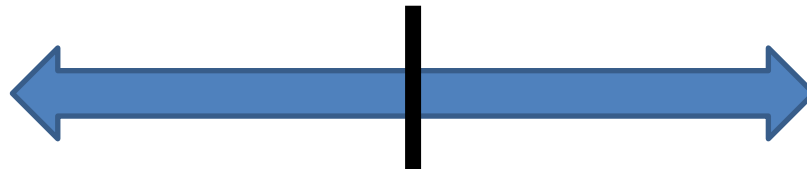
Development programs on:

- Education
- Medicare
- Environment
- Catastrophic Aid
- Community development

Receiving country

Integration programs on:

- Community development
- Education
- Public programs
- Occupational training
- Self-employment



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Entrepreneurship in migration corridors

Entrepreneurship and small enterprises are usually supported on a regional basis in both ends of a migration corridor

Host country

Most EU-states have Institutional programs to promote entrepreneurship, business start-up and self-employment in ethnic minorities as remedies for unemployment and discrimination with a focus on self-employment and necessity entrepreneurs.

Country of origin

Several organizations; ILO, Grameen, Hand in Hand etc. are involved in regional programs for entrepreneurship, business start-up and self-employment. The focus is often on “village economies”

Such programs also usually lack trans-national links and are managed by institutions and organizations with different and unconnected agendas. Thus support for cross-border entrepreneurs require new tools for cross-border linking and support.

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Diaspora as Communicating Vessel

1. Between resources in home and host country
2. Between training in home and host country
3. Between different kinds of investors
4. Between entrepreneurs and businesses



INFORMATION

Begåvningsreserven

- **Kun 47% af de højtuddannede indvandrere, der bor i København, og som har en uddannelse med fra deres hjemland, har et lønmodtagerjob.**
- **63% ud af dem, der er i job ansat i job, de er overkvalificeret til.**
- **De overuddannede indvandrere er fx ansat som rengøringsassistenter, chauffører eller opvaskere, selv om de**
- **har en uddannelse som fx økonomer, sygeplejersker eller ingeniører fra deres hjemland.**
- **22%, Blandt etniske danskere er overkvalificeret til deres job.**

*The challenge of
transnational or intra-corridor diaspora entrepreneurship*

- 1 The linking of entrepreneurship in the diaspora communities and home regions faces some specific obstacles. Transnational diaspora entrepreneurs (Riddle, 2010) often must link starkly different institutional and business environments, particularly accentuated when linking between one highly developed and one developing country.

- 2 Conditions for entrepreneurship is often described as a regional innovation system, where three major elements (trade and industry; education and research; as well as the political structure) interact in the field between **the market** and **the infrastructure** (finance, logistics, legal framework)

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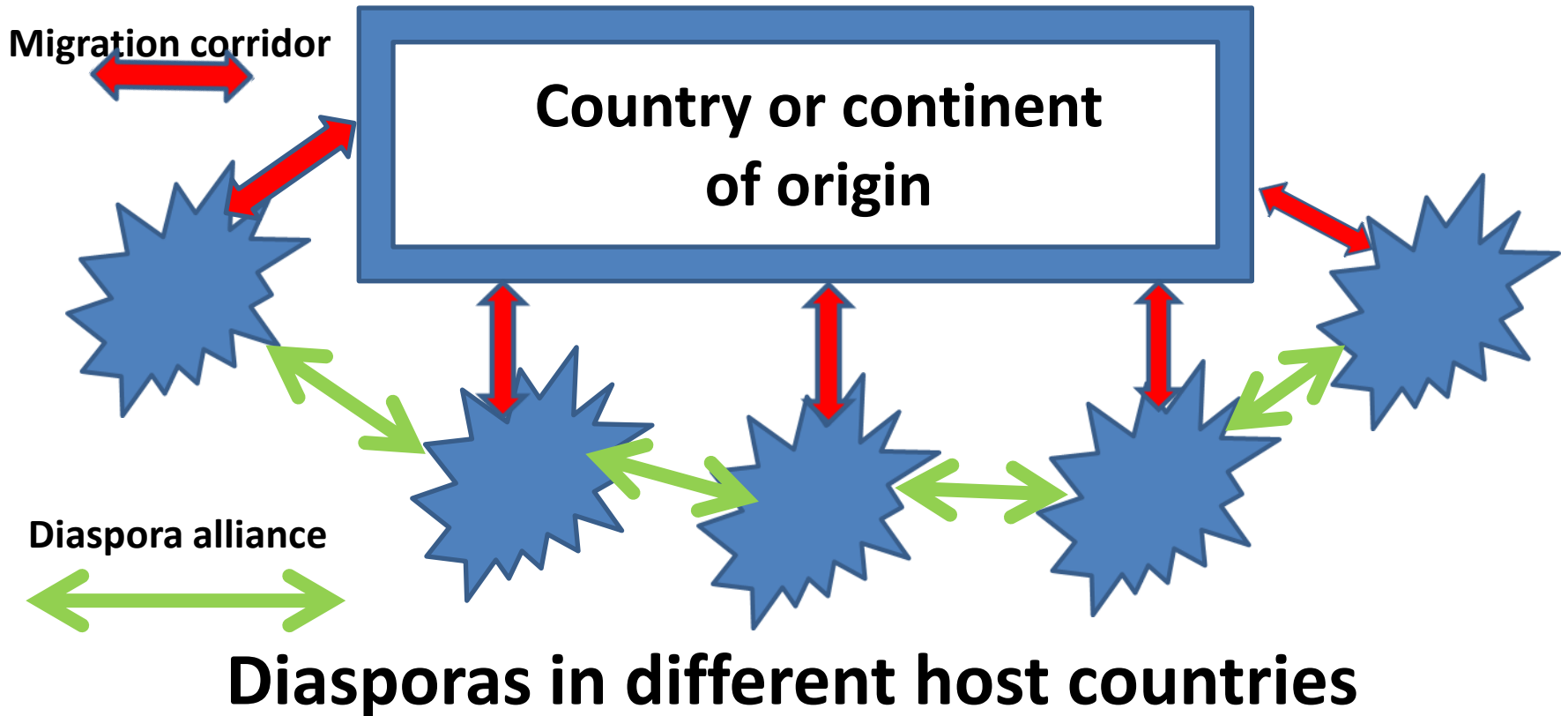
Diaspora engagement

- Diaspora entrepreneurship
- Diaspora investments
- Diaspora tourism
- Diaspora philanthropy
- Diaspora volunteerism
- Diaspora advocacy
- Networking (the Africa net, US)
- Mentoring (the Indus Entrepreneurs, US)
- Training (IntEnt, NL)
- Investment (Afford, INAFI)
- Venture capital and partnerships (homestrings)
- MPI/USAid initiative Diaspora Alliance

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The TDE landscape



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The innovation system in migration corridors

The concept of innovation system for describing the linking of the two ends of a migration corridor is helpful for formulating some research themes:

Demands, market, :Business opportunities given by market in host or home country

Trade and industry:

- Manufacturing skills
- Quality issues
- Sales networks
- Trade organizations

Education and Research

- Education in host/home country
- Status of transnational business development & entrepreneurship training
- Mentors role

Political and transnational organizations as facilitators of TDE

Infrastructure:

- Financing through transnational links between microfinance, banks and investors
- Logistics and legal framework for goods and peoples movement
- Transnational communication platform for people, enterprises and organizations

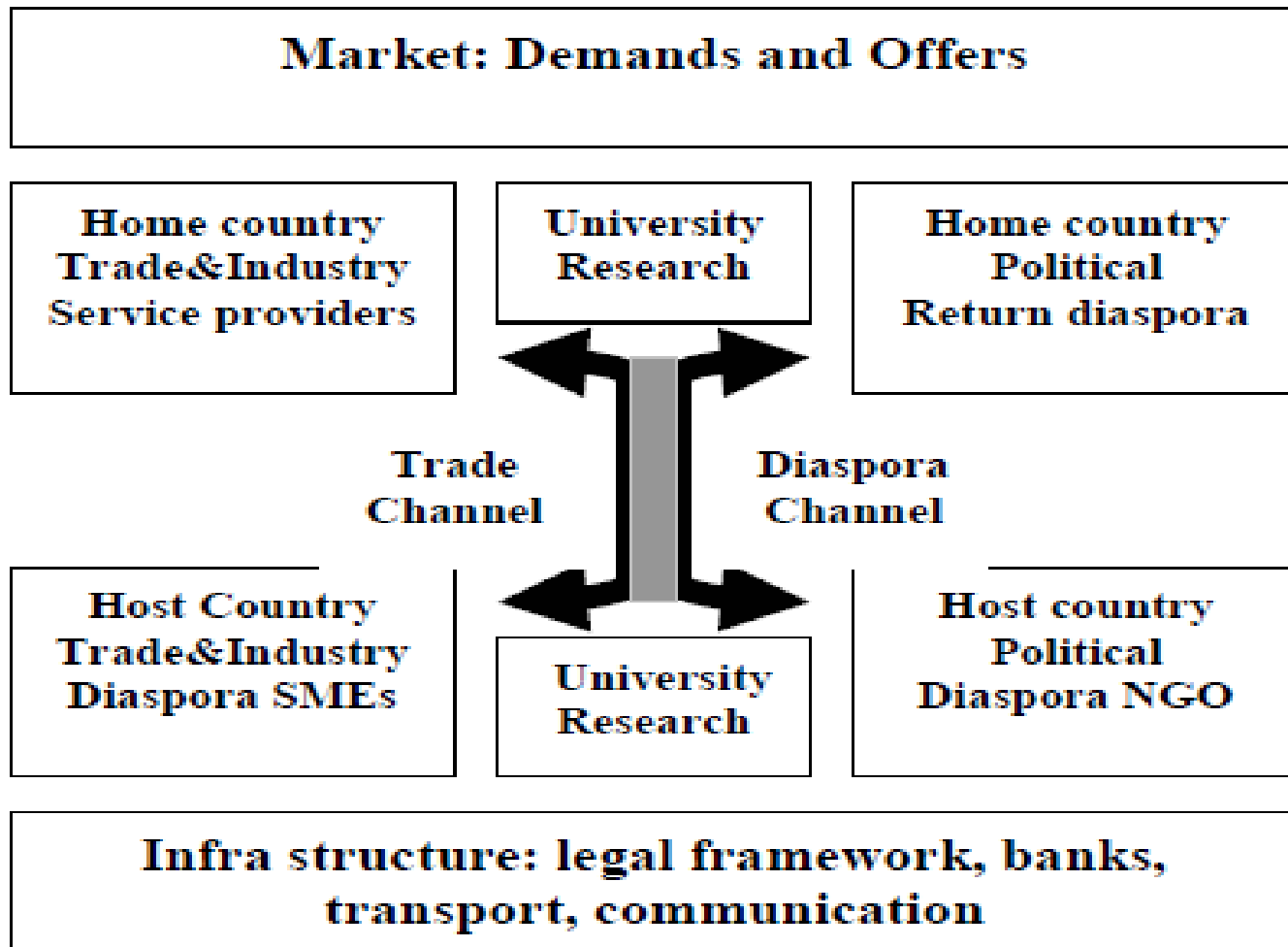
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GEM Entrepreneurial Framework Conditions (EFCs)

- *Finance*
- *Government policies*
- *Government programs*
- *Entrepreneurial education and training*
- *R&D transfer*
- *Commercial and professional infrastructure*
- *Internal market openness*
- *Physical infrastructure and services*
- *Cultural and social norms*



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Trends in migration corridor innovation systems

Translocal development/logistics corridors

Transnational NGO's for

- Diaspora investments,
- Promotion of Imports from Developing Countries

Potential of Migration corridors

- Maturity or age of the corridor
- Driver of the migration in terms of political instability or opportunity seeking
- Level of integration in the receiving country
- Infrastructure and industry in the sending and receiving countries
- Education and skill in the sending country
- Diasporas political attitude towards the home country
- Financial and training capacities to support diasporas engagement
- Legal and commercial framework in the sending and receiving countries
- The corridor innovation system

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The explosive development of the social media information society

1. Blogs, interactive mini-sites
2. Complete networks: Facebook, MySpace supporting closed and open groups
3. Information sharing, video: YouTube, photo: Flickr, knowledge resources
4. Social book-marks, for recommendations, purchase
5. Social news services
6. Social localization and meeting services, e.g., GPS-based
7. Society or knowledge building services, such as Xing or Wikipedia
8. Tools for individualized and lifelong learning

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The role of information technology and social media in migration corridors

1. Linking entrepreneurs, mentors and investors.
2. Learning and tuition supporting the cooperation-formations and based on proven experience in tutoring and initiating diaspora North/South business and trade.
3. Information on financial and business development services for North/South startups.
4. Support information and transaction services, related to finances, administration and legislation and including also lending, guarantees and regulated reporting.
5. This is with support from Sida being developed by DSV as a ITC-platform and with a first pilot targeting Ethiopia.

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Means to realize the potential and overcome obstacles

- Review research on diaspora cross-border entrepreneurship
- Explore and describe all mechanisms for entrepreneur support in migration corridors
- Create a methodology for monitoring and evaluating entrepreneurial conditions in migration corridors
- Create awareness among policy and decision makers of the potential of transnational diaspora entrepreneurship
- Build tools for systematic transnational team building for entrepreneurs, mentors and financial and business services and support interactive training of team partners

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Cross institutional organizations with different profiles:

- IMISCOE, an umbrella organization for research institutes for migration.
- International Council for Small Business for promoting SME's and training of start-ups.
- Global Entrepreneurship Monitor, where Germany has initiated work to monitor migration corridors.
- IDRC initiative in Sub-Saharan Africa, a research cooperation between Sub-Saharan universities and lead by University Cape Town.

Thank you for listening

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