Diasporas and Development: An Assessment of the Irish Experience for the Caribbean

INDIANNA D. MINTO

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Abstract

Dialogue on diasporas and their role in the development of the home country has grown in the last twenty years and Caribbean states have begun to identify ways they can engage their nationals residing abroad in this process. Those in the region looking to harness the power of the diaspora have turned their attention to the example of Ireland, a country with a large diaspora that has contributed significantly to its national advancement. By highlighting the lessons of the Irish experience, this paper argues that while the Caribbean’s diaspora has the desire to contribute and does help through remittances, there remain a number of challenges to this participation including perceptions of security and stability, establishing the conditions necessary for attracting investment and a lack of confidence in government institutions in the region.
Introduction

The past two decades have seen significant growth in the body of work on population movements generally referred to as diasporas. Interestingly, the progression of research across disciplines indicates not only the growing relevance of the area in and of itself, but perhaps even more significantly, a recognition of both the real and potential effects a diaspora can have on both the home and host countries.

In recent decades, such population movements have become more fluid, with greater opportunities to maintain links and increased interaction between home and host country (Meyer, 2003). This has meant a growth in the population of diaspora communities worldwide, which the United Nations estimated at the start of the twenty-first century to be 175 million. However, home countries have yet to access fully what remains a largely untapped source of economic development (Lowell and Gerova, 2004). In part, this realization accounts for the move of diaspora studies in more recent years from a preoccupation with the “softer” disciplines of sociology and anthropology to an area of interest for economists, political scientists, and practitioners.

One advantage of diaspora communities is that they can stand outside any system (whether in the home or the host country) and assess how to use the baggage they carry to the benefit of the home country, particularly with respect to systemic change. As Lowell and Gerova (2004) note, however, the nature of the benefits that accrue to the home country is inconclusive; as such, there remains room for more in-depth research on the actual effect of diaspora populations and returning migrants on their home country. The need for such research is becoming even more evident as academia’s increasing focus on diasporas is now being reflected within international institutions of aid and advice, including the United Nations Development Programme (UNDP), which has identified the “diaspora option” – the mobilization of the skills and resources of diaspora communities – as an attractive developmental tool for home countries (see Meyer, 2003). In turn, the role of diasporas is increasingly reflected in home governments’ policy agendas.

Among the countries that have received particular coverage as it relates to diasporas and development is Ireland.1 The Irish diaspora in countries such as the United States is notable for the role it has played in helping Ireland to realize the phenomenal growth and development witnessed up to recently.2 Indeed, the Irish experience has significant implications for the role that other diaspora communities, particularly from developing countries, could play in national development. This is the case for the islands of the Caribbean, which, like Ireland, are marked by a history of migration that has resulted in the creation of a large diaspora. Additionally, like Ireland, the economies of the Caribbean are for the most part small, with a historic dependence on the United Kingdom as their main trading partner. Caribbean islands such as Jamaica are now directing their attention to the Irish example in order to assess the lessons of this experience for their own economic development.

This paper explores a number of themes that have been developing in diaspora studies and applies these to the Caribbean and Ireland. The conclusion that emerges is that, although the Irish experience offers important lessons and despite the many similarities between the Irish and Caribbean cases, Caribbean countries manifest many

Author Biography

Indianna D. Minto is a visiting research fellow at the Centre for International Governance Innovation (CIGI) and is cross-appointed at the University of Waterloo. She is also a consultant with the Caribbean Policy Research Institute. Previously a research fellow at the Skoll Centre for Social Entrepreneurship at the Said Business School in Oxford, she worked on a project funded by the European Union and South East England Development Agency, aimed at incubating social enterprises and assessing their role in public service delivery. Ms. Minto’s research interests include governance, public sector reform, regulation, cross-sector partnerships, social entrepreneurship and development with a special focus on the Caribbean.

1 See for instance, Lloyd (1999); Bielenberg (2000); Fanning (2000); Finnegan and McCarron (2000); Kenny (2003); Arora and Gambardell (2004); and Cleary and Connolly (2005).

2 In 1987, Ireland was experiencing high government debt (112 percent of gross domestic product, GDP), high unemployment (17 percent) and large-scale emigration. By 2003 debt had declined to 33 percent of GDP, and by 2006 unemployment had declined to 4.3 percent. Between 1999 and 2004, Ireland’s GDP grew at an annual average rate of 6.93 percent, surpassing all other member countries of the Organisation for Economic Co-operation and Development for the same period. See Burnham (2003); “The Irish Economy,” The Economist. October 14, 2004; Ireland (2005); and “Migrants drive workforce past the 2 million mark,” The Irish Times. September 14, 2006.
unique aspects that suggest caution in attempting to transpose Irish developments to that region. Moreover, the role of the diaspora in Ireland’s development cannot be divorced from the specific macroeconomic initiatives undertaken by the Irish government that paved the way for the involvement of foreign investors and, in so doing, attracted the attention and wealth of its diaspora.

The paper is organized as follows. The next section presents an overview of some of the more salient diaspora issues and discusses the major themes that will inform the remainder of the work. This is followed by a focus on the cases of Ireland and the Caribbean, highlighting some of the conditions that led to the creation of diasporas from these countries and the role these groups have played in the development of their home countries. Finally, the heart of the paper assesses the lessons that the Caribbean can learn from the Irish experience, and closes with a conclusion and a set of recommendations for Caribbean countries concerning the role their diaporas can play in the region’s development.

An Overview of the Diaspora Issue

The term “diaspora” has its beginnings in the Greek word diaspeirien (to sow or scatter seeds), and was originally used to refer to Jews who were scattered beyond Israel. Its use has now been extended to cover people generally who have moved from their homelands to dwell in another country. Chander (2001), for instance, defines a diaspora as “that part of a people, dispersed in one or more countries other than its homeland, that maintains a feeling of transnational community among a people and its homeland” (1020). What remains unclear from this definition is the extent to which a group has to “maintain” this feeling of community in order to be part of a diaspora. Furthermore, while early definitions focused mainly on ethnic diasporas, later definitions have paved the way for categorization based on purpose and community, such as professional, entrepreneurial, intellectual and scientific diaporas (see Esman, 2006; Séguin, Singer and Daar, 2006). The difficulty in defining a diaspora is something that governments also face when deciding who is entitled to citizenship – for example, with which generation should the right of citizenship and nationality end? Traditionally, research in the area was undertaken within a sociological and anthropological context, but it now increasingly spans a number of disciplines and intellectual traditions, including economics and politics. Indeed, the growing emphasis on diaspora studies is itself indicative of the increasing relevance, size and activities of diaspora communities.

Brain Drain

The diaspora literature has dwelt at length on the reasons for both voluntary and involuntary migration. These fit into what are termed push or supply factors and pull or demand factors for emigration (see Adams and Page, 2003; Coppel, Dumont and Visco, 2003). Push factors relate to conditions in the home country that make emigration an attractive alternative, such as unemployment or political dislocations. Pull factors relate to conditions in the host country that attract migrants, such as opportunities for a higher standard of living or better education.

Adams and Page (2003) note a tendency among individuals in middle-income countries to migrate, as they are more able to afford the costs of travel. Globalization has also opened up routes for greater movement of skills and labour, leading to the growth of diaspora communities globally (see Meyer, 2003). Indeed, one of the more contentious and deeply challenging views in the literature is the impact of the loss of educated and highly skilled immigrants on the home country. This movement, or “brain drain,” often takes place from a developing country to a developed country.

Brain drain traditionally was seen as having a singularly negative effect on the supply country, leading to deficiencies in human capital. More recent expositions, however, have sought to reassess this view (see, for example, Stark, Helmenstein and Prskawetz, 1997; Stark, 2004), suggesting that diaporas or migrant communities can have a positive effect on their home countries. Here, the emphasis is on the gains that accrue to home countries from the movement of their nationals (brains) across the globe. The emergence of notions such as the “diaspora option” envisions a relationship between the home and host country that is more mutually beneficial (Meyer, 2003). Indeed, migration of the highly educated is now recognized as a potential incentive to increase investment in, and thus raise the overall level of, education in home countries. Moreover,

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2. This point, coupled with proximity to the United States and Canada, might help to explain the high proportion of Caribbean nationals who migrate from the region.
3. Phrases such as “brain circulation” and “brain exchange” have also been used to embody the recasting of views on diaspora movements; see Kuznetsov and Sabel (2006).

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3 Sheffer (1996) has a more extensive discussion of “diaspora” and the definitional, theoretical and conceptual shifts the term has experienced over the years.
programs for attracting highly skilled migrants, which countries such as Australia, the United Kingdom and Canada have used, offer incentives for individuals in the home country to seek higher education and training as a means of economic mobility through migration. As well, the economic development role played by migrants who return to their home country and the transfer of knowledge from host to home country have also contributed to a rethink of the brain drain thesis (see Saxenian, 2001; Meyer, 2003).

Faini (2003) argues, however, that developed world immigration policies might hinder development prospects in developing countries, noting that, even where aggregate migration data are used to support the brain gain thesis, this “cannot be used to find out whether skilled migration fosters education” (11). Carrington and Detragiache (1998) note that investments in education ultimately do not translate into higher economic growth in cases where a large percentage of the highly skilled migrants. In such cases, incentives could be provided to entice would-be migrants to stay in the home country or receiving countries could help the home country recoup the costs of educating individuals who then migrate. These authors also find that the majority of migrants to the United States from developing countries such as the Philippines, China and regions of Latin America and the Caribbean are among the most highly educated in their home countries, while Lowell and Gerova (2004) find that one in ten tertiary-educated adults in Australia, North America and western Europe was born in a developing country.

Although such studies give an idea of the magnitude of the shift of skilled and educated workers from developing to developed countries, it is still difficult to determine the precise effect these losses have had on the developing world.

The Contributions of Diaspora Networks

Diasporas can help their home countries through the application of the skills, ties and wealth they have collected abroad. The development of diaspora networks, expatriate knowledge networks, and scientific communities (such as the Polish Scientists Abroad Network) that transcend national borders allow diasporas to link their home country into a global network through which ideas and innovations can be accessed and transferred. Indeed, the creation of such networks or communities is closely linked to the notions of brain circulation or brain exchange introduced above. Such a role remains vital for countries aiming to enhance their prospects through the use of science and technology (see Nelson, 2005). As Kuznetsov and Sabel (2006) observe, however, achieving this balance requires a degree of ingenuity, creativity and patience.

At another level, hometown associations (HTAs) – associations of migrants originating from the same community or town in the home country – can help the development of infrastructure and services within their home communities. Such associations, which are very active within the Mexican and Salvadoran expatriate communities, for example, use “collective remittancing” to provide funds for education and health facilities in their home countries (see Martin, 2001; Lapointe, 2004; Lowell and Gerova, 2004). Martin (2001) notes that these groups are being encouraged to invest in small businesses and manufacturing to create local jobs in Latin America.

Transnational networks and HTAs also perform a social role in home countries, not just through donations and remittances but through the function of migration itself. That is, migration arguably allows states to transfer population growth, hence reducing claims on scarce resources and the provision of public goods and services. In so doing, it helps to reduce the strain on governments, lessening the effect of underdevelopment by providing an alternative means of empowerment and advancement. Diasporas thus can play a significant role in poverty and social relief since their departure arguably allows individuals in the home country to access goods and services. This social role is also visible in the humanitarian assistance and disaster relief provided by diasporas in times of crisis.

Financial Contributions

As I alluded to above, diasporas also have a more direct impact on the economic development of the home country through such financial instruments as remittances. Indeed, Pastor (1985: 19) says that remittances are “the

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7 See, for example, Bhagwati (1976); Mountford (1997); Stark, Helmenstein and Pskawetz (1998); Beine, Docquier and Rapoport (2001).

8 Indeed, such an obligation may become more urgent as developed countries such as Australia, the United States and Canada introduce regulations that, in effect, skim the cream of the most talented individuals from the developing world (see Séguin, Singer and Daar, 2006).

9 See, for example, Meyer and Brown (1999); Saxenian (2001); Kutuzov and Sabel (2006); and Séguin, Singer and Daar (2006). In examining the existence of expatriate knowledge networks in the 1990s, Meyer and Brown (1999) found 41 such groups linked across 30 different countries. Differences may be based on size, membership, activities, involvement and level of independence from the state.

10 Freinkman (2001) notes, however, that, in the case of the Armenian diaspora, the focus on fulfilling humanitarian needs has prevented it from making a more significant contribution to their home country’s economic development. Esman (2006) also argues that the poor investment climate in Armenia has hampered its diaspora from making a greater economic contribution.
most compelling positive effect of migration.” Estimates from organizations such as the World Bank and the United Nations confirm that the level of remittances is significant, amounting to US$80 billion in 2002, notably more than the amount of registered aid to developing countries. Remittances also have a multiplier effect in encouraging growth among the businesses where these funds are spent (see Martin, 2001). Faini (2003) gives the example of Turkey, where remittances in the 1990s accounted for around 2 percent of GDP, reducing the overall effect of migration from that country.

Nonetheless, the full impact of remittances on developing countries remains unclear, given the difficulty in accounting for all transfers of cash through private or unofficial hands. Additionally, Faini (2003) observes that remittance levels decline with income per capita in the host country and are lower among highly skilled migrants. And, although Adams and Page (2003) maintain that an average 10 percent rise in global remittances could reduce poverty rates in developing countries by 1.6 percent, most small developing countries do not have diasporas of sufficient size to obtain such a significant increase in remittances. Ghosh (2006) argues that remitted funds are spent more on consumption than on investment, and place pressure on the home country’s import bill. As he notes, remittances represent a contribution to household budgets and, as such, are not capital flows (57-65).

The cost of sending remittances also affects the amount that is remitted, with high costs fostering the use of more informal and private channels for sending money, which reduces the income (taxes and fees) that governments earn from such funds. Arguably, reducing transaction costs could raise the level of funds remitted and encourage the use of banking institutions, although the example of HTAs and joint remittancing discussed earlier suggests ways in which this financial contribution could be rationalized or made more effective in the home country or community.

Foreign currency accounts and bonds represent other ways in which diasporas can contribute to the economies of their home countries, as evidenced by the examples of China, India, Brazil and Israel. As Lowell and Gervoa (2004) point out, however, the usefulness of this instrument might be limited to large countries with a sizable diaspora – a point with particular significance for small countries such as those of the Caribbean unless investment issues are tackled on a regional basis.

Crucially, diaspora involvement in the home economy also extends to the area of trade and investments (see Johnson and Sedaca, 2006). A joint report from the Inter-American Dialogue and the World Bank (2004) notes the impact that trade in “nostalgic” and “ethnic” goods could have on a nation’s exports and the development of the small business sector (although small businesses still have to struggle against obstacles to their ability to access credit, as well as high taxation and trade restrictions). Allegiance to the home country can place its diaspora in a position to act as a ready market for exports and as first movers in making investments in the home country and, in so doing, signal to others the potential for investment in that economy (Lowell and Gervoa, 2004). The savings and knowledge diaspora communities acquire abroad also equips them with the skills and resources to make viable investments at home.

**Returning Migrants and Development**

While local instability may encourage emigration, the pattern may be reversed if conditions improve in the home country – for example, if opportunities improve for promotion and social mobility or if political and economic stability are achieved. In such cases, the return of members of the diaspora can be felt through the use of the skills and knowledge they acquired abroad. India, China and Taiwan stand out as examples of the impact that returning migrants can have on development in the home country.\(^\text{11}\) Moreover, return does not have to be permanent in order to be positive for the home country, which suggests that there is also potential for sustained innovation and knowledge transfer as the diaspora shifts back and forth between home and host country.\(^\text{12}\) However, not all returning members of a diaspora make a positive contribution to the home country – failed migrants\(^\text{13}\) and deportees are among those whose return may have little impact on the home country’s development.\(^\text{14}\)

\(^{11}\) See Solimano (2001); Saxenian (2001, 2003). For example, 94 companies located in Taiwan’s Hsinchu Science Park in its first eight years of existence (1980-1988), but this number rose to 284 by 1999, 110 of which were established by engineers educated in the United States (Saxenian, 2003). Figures from the US Education Association show that, of the 160,000 Chinese students that left for the United States between 1978 and 1998, 30,000 returned to China.

\(^{12}\) Solimano (2001) reports that most Indians are not interested in returning home permanently – whereas 1,500 highly qualified Indians in the United States returned home in 2000, 30 times this number emigrate each year. Thus, as Saxenian (2003) notes, Indians have been able to create links between their country and others through success in places such as Silicon Valley.

\(^{13}\) Due to the failed migrants as “mistaken migrants” because their skills cannot benefit the home country.

\(^{14}\) Indeed, such groups may even be detrimental to the development prospects of the home country when scarce resources are spent on these individuals or when deportees get involved in criminal activities at home. These areas of diaspora research merit more focused analysis.
Factors Affecting the Diaspora’s Contribution to the Home Country

The need to attract the attention and contribution of a diaspora extends beyond a focus on remittances. As noted above, conditions in both the home and host country may act as incentives (push or pull factors) for migration. Similarly, the diaspora’s return or willingness to contribute to the home country’s development may also be influenced by the incentives or initiatives aimed at attracting its members, and by the rules and regulations of the host country – for example, schemes to assist entrepreneurs within the diaspora to engage in business activities in the home country.

A related and perhaps even more crucial factor concerns the diaspora’s capacity and desire to make a contribution to its home country. Thus, two of Esman’s (2006) three key determinants of the level of contribution that a diaspora makes to economic development relate specifically to the diaspora itself. First, the diaspora must have the capacity to make the level of contribution needed to have an impact and, second, it must also have the inclination or desire to make such a contribution.

However, a consideration of the diaspora’s impact on development is as much about the home country as it is about the diaspora itself. Even more, the home country has an even stronger incentive than the host country in ensuring that an environment is fostered that allows for the diaspora’s involvement in the local economy and society. Thus, Esman’s third condition is the nature of the economic climate in the home country. For instance, Saxenian (2001) notes that, for engineers, return depends on their ability to match or improve on opportunities available in the host country. This may also be the case for other individuals, whether skilled or unskilled. Since a lack of opportunity at home may have encouraged emigration in the first instance, it stands to reason that growth and development in the home country may also encourage return.

Even in the absence of such growth, however, governments can introduce schemes to entice the diaspora to return. Sometimes, such gestures are symbolic: India for instance, has introduced dual citizenship and an annual conference for people of Indian origin (Séguin, Singer and Daar, 2006), while Nigeria has an annual Diaspora Day in honour of this group (Obasanjo, 2005). Nonetheless, measures aimed at making the diaspora more inclined to use its capacity for national development must extend beyond the symbolic. This calls for a greater role for the home government in establishing the institutional framework within which the diaspora can be encouraged and coordinated to maximize its developmental impact. Nevertheless, the introduction of special schemes and incentives has the potential to cause conflict between locals and returning migrants, especially where such schemes result in marked wage disparities or inequities. Thomas-Hope (1998b) also notes the importance of attaining a fit between the skills of returnees and gaps in the home country’s labour market. There should also be a desire within the home country to learn from the experiences and skills of the diaspora, which is not always the case.

Table 1 presents a list of the factors that affect a diaspora’s and returning migrants’ contribution to the home country. Collectively, they will guide the discussion and analysis of the cases of Ireland and the Caribbean, to which I now turn.

Table 1. Factors Affecting the Diaspora’s (and Returning Migrant’s) Contribution to the Home Country

<table>
<thead>
<tr>
<th>Factor</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of returnees</td>
<td>Large numbers – greater impact; small numbers may be absorbed</td>
</tr>
<tr>
<td>Timing of return</td>
<td>“[M]igrants arriving in dribs and drabs would have less impact than a single wave”</td>
</tr>
<tr>
<td>Duration of absence</td>
<td>The longer the stay abroad, the more skills acquired</td>
</tr>
<tr>
<td>Social class</td>
<td>Economic and cultural impact will be felt more from professionals and graduates</td>
</tr>
<tr>
<td>Difference between host &amp; home</td>
<td>Opportunities to use acquired skills</td>
</tr>
<tr>
<td>Nature of return</td>
<td>Movement should be organized and linked to national and regional economic policies</td>
</tr>
<tr>
<td>Inclination to contribute</td>
<td>There should be a willingness or desire to invest in the home country</td>
</tr>
<tr>
<td>Capacity</td>
<td>The more capacity and resources, the greater the impact</td>
</tr>
<tr>
<td>Investment climate</td>
<td>An attractive investment climate will heighten the impact</td>
</tr>
<tr>
<td>Fit between skills &amp; needs at home</td>
<td>Greater use and impact of skills for development</td>
</tr>
</tbody>
</table>

Source: Adapted from Bovenkerk (1974); Thomas-Hope (1998a & b); Esman (2006).

The Role of the Diaspora in Ireland’s Development

Ireland’s diaspora stands out among global diaspora communities. Some authors (such as Boylan, 2002; and Taylor, 2002) credit the use of social partnerships and

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15 Nations such as India and China have not left this simply up to individual goodwill. Rather, they have introduced schemes aimed at encouraging return or contribution from their diasporas. For example, China encourages return entrepreneurship through Returning Students Venture Parks and other incentives (Saxenian, 2001), while India has introduced special schemes to entice professionals to return to teach in Indian universities (Séguin, Singer and Daar, 2006).
Ireland’s stringent macroeconomic policies as major reasons for the emergence of the “Celtic Tiger”; others, however (such as Burnham, 2003; Bartley and Kitchin, 2007; and Finnegan and McCarron, 2000), are keen to highlight the diaspora’s role in this development – a theme that occupies this section of the paper.

Ireland’s History of Migration

Consideration of a diaspora’s contribution does not begin at the point of settlement in the host country, but with the decision to leave home. Indeed, in Ireland’s case, migration has been a defining feature of life since the sixth century, when Irish monks began travelling to Iceland and various parts of the European continent (see Ahern, 2003). Emigration has since come to be viewed as “a rite of passage… one means by which young people make the transition to adulthood” (Gmelch, 1986: 153). According to Bielenberg, “Ireland’s geographical situation as a relatively underdeveloped and overpopulated economy located between two dynamic societies in Britain and the United States created the conditions for the country to become an emigrant nursery” (2000:19). This aspect of Ireland’s history has produced a strong international Irish presence, most notably in Australia, Britain, Argentina, the United States and Canada (Coogan, 2000), and by 2007 around 70 million people worldwide claimed Irish descent. Where emigrants once were seen as defectors or traitors, they are now seen as heroes who have helped their country realize unprecedented levels of growth and development (Sheffer, 2003).

The key driving force behind Ireland’s long history of migration has always been economic. It was not until the agricultural crisis and accompanying famine of the mid-nineteenth century, however, that the rate of migration advanced enormously. Cleary and Connolly notes that, “between 1801 and 1921…approximately 44 million people left Ireland” (2005: 7). As an indication of the extent of the trend, at the time of the famine, the population stood at around 8.5 million; by the 1960s, this had shrunk to around 4.5 million (Finnegan and McCarron, 2000: 38). In the nineteenth century, 80 percent of Irish migrants left for the United States; since that time, however, the majority has gone to the United Kingdom (Cleary and Connolly, 2005: 16). This steady wave of migration was in response to economic and social problems at home. Even as late as 1986, Gmelch found that 76 percent of men and 67 percent of women surveyed about their main reason for leaving Ireland cited economic factors for doing so (1986: 153), while Burnham (2003) describes Ireland as having a flagging economy marked by high unemployment rates up to the latter part of the 1980s. Since that time, however, Ireland has developed significantly – its increasing prosperity suggested in its GDP per capita, which, by 2004, had become the second highest in the world17 – and, as Burnham (2003) notes, its diaspora receives significant credit for this development.

The Economic Contribution of the Irish Diaspora

The relationship between the Irish diaspora and the home country has gone through various phases over the years. Although home governments might not always have acknowledged the presence and role of the diaspora, the community has always contributed to Irish society. Indeed, the diaspora has been a longstanding and mostly silent partner of successive Irish governments, helping to deflect the country from total economic ruin throughout the difficult periods in the nation’s history.

One way in which this unseen partnership has been felt is in the area of remittances. For instance, Duff notes that “the Irish of New York City alone sent $8 million in the famine year of 1848” (1971: 9). Remittances also proved an important mainstay of the Irish economy in the World War II period. Later, in the 1980s remittances helped raise living standards by supplementing household incomes, serving as “compensation for the separation of a family member” (Bielenberg, 2000: 59).

Another way in which the diaspora has contributed to Ireland is through travel and tourism receipts. In 1993, for instance, it was estimated that ethnic or heritage tourism accounted for around 1.5 percent of Ireland’s gross national product (Glór an Deoráí, 1993). The very large size of Ireland’s diaspora has meant that, unlike, say, the Caribbean islands, the country has not had to channel much of its resources into advertising its product. Kelly suggests that the rate of growth in Ireland’s tourism numbers and expenditures outstripped the global average in the 1990s, with the most popular activities falling into the area of heritage or cultural tourism (2007: 170-71). Indeed, the wealth of the Irish diaspora also enables this group to undertake such travel.

17 Of course, the economic crises gripping global economies since 2007-2008 have had a profound impact on Ireland’s economy threatening to erode some of these gains. Nevertheless, these recent events do not erode the significance of the Irish diaspora as a developmental force. Indeed, a case can be made for considering the potential of this group in assisting the country (and others where diasporas have been active) to respond to some of these new and emerging economic challenges.
While the impact of emigrant loyalty on the sale and marketing of products from the homeland is less easy to assess or quantify, the export of ethnic goods is another way in which the diaspora affects the nation’s economy. Another indication is that, in the 1990s, it was estimated that around 20 percent of bank accounts in Ireland were held by individuals in the diaspora (Glór an Deoraí, 1993).

The Diaspora’s Social and Welfare Function

The more recent literature has tended to favour the economic contribution of diasporas to the home country, but their social and welfare function must also be emphasized. For example, diasporas’ remittances have helped to reduce the potential for civil unrest and discontent during harsh economic crises and, more generally, have proven useful in helping citizens to meet social and welfare needs while limiting pressure on the state. As Finnegan and McCarron note in the Irish case, “the problems of unemployment, education, and social services would have challenged the capacity of the government of the Republic to respond without a serious breakdown in legitimacy” (2000: 96).

Migration has also helped to reduce unemployment rates and, in so doing, the diaspora has acted to help reduce social and economic hardships (and, at times, religious conflict) by providing a means of relief. Where the state proved incapable of handling the demands of the population, migration has offered a route of escape and self-actualization in “greener pastures.” Thus, as Finnegan and McCarron point out, the diaspora has helped the Irish government to maintain its legitimacy and credibility. Bielenberg accentuates this point by noting that the diaspora assuaged “the pressure on elites (English up to 1922 and Irish thereafter) to provide not only work but a decent life for the people of Ireland left behind” (2000: 21).

The Diaspora’s Contribution to Politics

A consideration of the role played by the diaspora in Ireland’s development should include discussion of the political activities of this group – particularly of the role of advocacy and activism within the diaspora (at home and abroad). One such role may be seen in the Northern Ireland conflict. Through the Ireland Fund, the diaspora has been instrumental in raising and donating funds to aid the search for peace and reconciliation in Northern Ireland. Its activities have also extended to education, arts and culture, as well as community development in both the Republic and Northern Ireland. More than 20 years of engagement has been facilitated through this means, during which the fund has donated around US$300 million, with around half coming from the US branch (Ireland Fund Organization, 2007).

Indeed, it is in the United States that the Irish diaspora has been able to exercise its most far-reaching and active political roles. In noting its success in heightening relations between Ireland and the US, Kenny writes: “Today, the American Irish enjoy an unprecedented economic and political power...In some ways, connections between the Irish at home and abroad are closer than ever before” (2003: 6). It is here, too, that the individual contributions of members of the diaspora can be observed. Among these is the role played by former US politician Bruce Morrison in easing the restrictions on securing visas in the 1990s. Morrison played a decisive role in pushing for the Immigration Act of 1990 (also known as the Morrison Visa Program), which allowed the issue of 40,000 visas over a three-year period, 40 percent of which was set aside for Irish nationals. The diaspora thus has been instrumental in increasing access and opportunities for countrymen through advocacy in the host country, a feat aided by its large numbers, wealth and history of presence in the United States, as well as by its level of political activism in Washington. This activism, however, has not always been strictly peaceful. Cochrane, for instance, notes that Irish-American lobby groups in the United States have also funded militant republican organizations in Northern Ireland (2007: 25). Thus, while the diaspora has played a largely positive role, there has been a more subversive element in its activities in the home country as well. Nonetheless, the presentation thus far suggests both a desire and capacity within the diaspora to contribute to Irish society and economy, even without explicit assistance or direction from the state.

Establishing the Conditions for the Diaspora’s Involvement

A key factor in the diaspora’s involvement in the Irish economy is the incentives Ireland provides to encourage it. Such incentives include symbolic gestures meant to ignite feelings of nationalism and allegiance for Ireland and to acknowledge the role of the diaspora in the nation’s growth.18 These gestures have been accompanied by tangible moves to establish and strengthen bonds between the diaspora and the home country. For example,
the Irish government has offered funding to meet the welfare needs of the diaspora (Ireland, 2003).

Still other initiatives have been aimed specifically at creating the conditions to attract investments to the country and modernizing the economy. These remain some of the most significant moves that have created the conditions necessary for the diaspora’s return and investment. Burnham (2003) notes a shift in the 1950s away from the inward-looking stance that characterized Irish policy from the 1920s onward to placing more attention on attracting foreign investment, particularly from the United States. This move, combined with Ireland’s entry into the European Common Market in 1973, helped the economy to adjust. Importantly however, whereas investments in the 1950s were not necessarily matched with national developmental imperatives, there has since been an emphasis on rectifying this oversight. Industrial planning is now informed by the need to ensure that investments accentuate the goals of the domestic economy. Support secured through its membership in the European Union also helped Ireland to rationalize and modernize its institutions.19

Regulatory and technological improvements in the telecommunications industry also helped to reduce the cost of business. In particular, the focus on exports and the information technology (IT) industry meant that developments in the telecommunications market from the late 1970s onward were to play a significant role in laying the foundations for Ireland to take advantage of the boom in the communications industry during the 1980s and 1990s. Additionally, the liberalization of transport (air and sea) also helped reduce the cost of travel and, hence, the cost of conducting business in Ireland. Collectively, these moves had the spillover effect of reducing the cost of travel for tourists, among them members of the diaspora who took advantage of cheap fares from companies such as Ryanair to travel from Europe and the United Kingdom (see Schware and Hume, 1996: 9-10; and Burnham, 2003: 537-56).

Improvement in the quality and number of university graduates has helped produce a greater pool of human resources in fields important for Ireland’s growth and development. Even when emigration was the norm, attention was paid to developing the educational system and raising standards, so that Ireland had highly skilled individuals among its emigrants and among those who stayed at home. By bolstering its stock of human capital, Ireland was able to take full advantage of the financial capital that began to enter its borders by the end of the 1980s.

Moreover, the Irish government undertook certain measures in the 1980s to accentuate these earlier policies, heightening the economy’s readiness for growth. Most notable was the decision to exercise stringent fiscal restraint by downsizing government and cutting expenditure and taxes. Additionally, the social partnership model of governance ensured that development was guided by the principles of fairness, equity and collective effort. Under this model, trade unions, government and the private sector engaged in joint negotiations to establish specific goals and strategies for the country – among them, wage restraint (see Taylor, 2002; and Roche and Cradden, 2003).

The adoption and successful implementation of such measures highlighted a commitment to macro-stability, a move that proved attractive to investors and established the foundation for the reduction of the overall tax rate achieved in the 1990s (Burnham, 2003). The Irish government has also been keen to ensure that its tax system is favourable to international investors. An attractive tax regime that pulled in investment, therefore, helped to make Ireland one of the most open economies in the world, with the 1990s witnessing a fivefold increase in investment from the United States (see Eircom, 2004).20 Investments were encouraged in export industries, while the emphasis on countries such as the United States helped to diversify trade relations away from a historical dependence on the UK market. This is seen in the incentives given in sectors such as telecommunications and informatics, where aid for setting up businesses in Ireland and reductions in the cost of communications have drawn investments mainly from the United States (Forge, 1995). These have had a multiplier effect on the country’s economy, insofar as the benefits of heightened communications and IT services have spilled over into other industries, such as banking, manufacturing and insurance.

The Irish Development Agency has played a significant role in attracting such investments from the United States (Schware and Hume, 1996: 21). The work of such bodies...
has been made easier, however, by the significant numbers of the diaspora who possess the willingness, capital and expertise to contribute to growth. As the economy began to grow and labour shortages became pronounced in the 1990s, strategies were undertaken to attract migrants, among them people of Irish descent and those who had left the country in the previous decades. Programs aimed at marketing Ireland as an attractive work destination helped to encourage the return of many of the diaspora.

The government’s efforts to forge relations with and entice the resources of the diaspora marked a departure from earlier relations with this group. In previous years, successive Irish governments had expressed little interest in acknowledging the diaspora or assisting those who were displaced in foreign countries. Moreover, in the aftermath of independence in 1922, there was little enthusiasm among politicians to visit or engage with Britain, where so many of the diaspora lived (see O’Sullivan, 1994; Coogan, 2000). Official relations between the government and the diaspora, therefore, were cool, with connections between Ireland and its diaspora being maintained largely through family relations. The government’s current attention to the welfare needs of Irish people abroad marks an evolution in its approach to diaspora relations toward a focus on how both can work together for their mutual benefit.

The Role of Returning Migrants

The role of macro planning in the emergence of the Celtic Tiger cannot be underestimated. Nonetheless, the contribution of the diaspora, particularly investors and returning migrants, to the success of development planning cannot be ignored. As Finnegan and McCarron note,

\[
\text{[e]ven with government assistance, deficiencies in investment capital, management skills, and entrepreneurial energy was noted in a 1992 report on industrial failures in Ireland…[Additionally] government assistance in generating foreign investment created firms involved in assembly and processing, not high value-added economic activities…while providing jobs they did not spill over into other sectors and generate growth. (2000: 104-05)}
\]

It was, however, the diaspora’s involvement combined with sound government policy at the right point (as well as EU support) that helped Ireland to develop. Key government figures have also pointed out that it was the knowledge, innovation and energy of the diaspora that helped the nation to develop (Ahern, 2007: 13).

Commentators have also acknowledged the role of returning migrants and the diaspora in developing the IT industry – one of the pillars of economic growth (see Burnham, 2003; Arora and Gambardell, 2004). In this case, members of the diaspora returned with the networks, wealth and skills acquired abroad. As Burnham (2003) notes, the majority of new jobs created in the 1990s were in foreign-owned firms. With this growth in employment and the economy, the country was to witness a turnaround in net migration figures, which began levelling off in the early 1990s, then, for the first time in its history, went on to gains from the mid-1990s. Although many of these were immigrants from other countries, a significant portion was from the diaspora as they returned to take advantage of the country’s growth.\(^2\) Moreover, while the numbers were significant, most of the returnees were concentrated in specific sectors in which there were labour shortages and, as Walter et al. note, many were the young and economically active who had gone abroad to work and study in the late 1970s to early 1980s. Further, the economic and social status of migrants from the diaspora exceeded that found among non-migrants: whereas 31.7 percent of Irish returnees had gone beyond secondary education, only 16.8 percent of non-migrants had done so (2002: 12, 20). Indeed, the experience here provides a strong case against the brain drain thesis, instead validating arguments on brain circulation and brain gain with government investments in education reaping positive returns for the country.

That is not to say, however, that the diaspora has been welcomed unconditionally or that all sections of the society have been willing to accept the innovation and change brought by this group. Nonetheless, the diaspora’s overall impact on innovation and enterprise has been remarkable, providing the impetus for reform while helping to create conditions that complemented the government’s macroeconomic policies. The role of the diaspora in this development has been acknowledged by a government convened Task Force which highlighted the value of remittances, of voluntary diaspora organisations and their investments, as well as the place of returning migrants in Irish economy.\(^2\)

These findings provide a template for assessing the role of diasporas in development and, specifically, the value of the Irish experience for the Caribbean region. In the next section, I assess the Caribbean’s experience with its diaspora before moving on to compare the experiences of the two cases.

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\(^2\) According to Bartley and Kitchin, 218,000 members of the diaspora along with their families returned to Ireland between 1995 and 2004 (2007: 237).

\(^2\) See the Emigrant Advice Network (n.d.).
The Diaspora’s Role in Development: The Caribbean Experience

Like Ireland’s, the Caribbean’s history and society have been defined by migration (see Lapointe, 2004; Nurse, 2004; Reis, 2007). Foner contends that the Caribbean is “more deeply and continuously affected by migration than any other region in the world” (1998: 47). However, whereas Ireland’s history is one of emigration, the Caribbean experience prior to the 1940s was marked mainly by immigration, both voluntary and forced. Emigration has since become a more defining feature of the region’s migratory patterns. Consequently, while difficulties arise in defining the boundaries of the Irish diaspora, this point takes on an even larger significance in the case of the Caribbean diaspora.

A definition of the “Caribbean diaspora” is not easily arrived at, not least because of the inherent difficulties in using such a term. Reis, for instance, notes that defining the diaspora is a complex task given the region’s diversity (2006: 45-46). Historical events such as slavery, indenture-ship and colonization gave rise to a region with diverse nationalities, religion, language and racial and ethnic make-up. These are compounded by differences in political systems, heritage and customs. Such heterogeneity makes it difficult to speak definitively of a “Caribbean diaspora.” As such, there exists no consensus as to the definition or composition of the Caribbean diaspora (Reis, 2007; see also Olwig, 2007). Even so, I use the “Caribbean diaspora” to refer to individuals from CARICOM countries “who actually migrated, and also a large number of second and third generation dependents, born in host countries” (CARICOM Secretariat, 2006). However, although I attempt to speak to the experiences of the region as a whole, the parsimony of work on all CARICOM states means that the discussion at times might be unbalanced in favour of the English-speaking Caribbean and other larger Caribbean territories such as the Dominican Republic and Haiti.

The History of Caribbean Migration

Like that of Ireland, the creation and growth of the Caribbean diaspora can be attributed to a number of economic factors. Since early in the twentieth century, Caribbean people have left home in search of employment opportunities in other lands, often lured by US investments in Latin America (see Palmer, 2007; Reis, 2007). However, the first significant wave of emigration took place in 1948, when 492 Jamaicans left for the United Kingdom. These and successive emigrants from the region were to play a key role in helping to rebuild that country after the ravages of World War II. The wave of independence across the region in the 1960s served to reduce opportunities for people in former British colonies to travel to the United Kingdom, so migrants turned their attention to countries such as the United States and Canada, resulting in the diversification of migratory paths. Migration to the United States was aided by the Immigration and Nationality Act of 1965, which allowed Caribbean nationals to enter and work there (Palmer, 2007: 2-3).

Since independence, the economies of most English-speaking nations across the region have not advanced to developed country status, as occurred in Ireland. Instead, countries such as Jamaica and Guyana continue to be hampered by sluggish economies. In Haiti, around 80 percent of the population is believed to exist below the poverty line (Virtue, 2007: 4). As such, economic motivation continues to drive migration as Caribbean nationals are lured by the prospects offered in more advanced economies (Greenidge, 2007).

The main destinations for Caribbean nationals have been the United States, the United Kingdom and Canada, resulting in the region’s diaspora population in these countries estimated at around six million in 1996, excluding undocumented migrants (Nurse, 2004: 3). When considered as a proportion of population size, the Caribbean has one of the largest diaspora communities in the world. This point is amply illustrated in the case of Jamaica, where it is estimated that 2.6 million Jamaicans live abroad, almost the same size of the local population, which is currently estimated at 2.7 million (Templer, 2002). Moreover, since many Caribbean islands are among the

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23 For instance, the Caribbean is demarcated based on its colonial past. There is the Caribbean Community (CARICOM), the union of mainly English-speaking Caribbean territories, including Antigua and Barbuda, the Bahamas, Barbados, Jamaica, Belize, Saint Lucia, among others (over the years, it has extended its membership to include countries such as Haiti, with others, including the Dominican Republic, having observer status). Then there are French- Spanish- and Dutch-speaking territories. These are also differentiated by political systems, with some being part of the Commonwealth, some republics and still others remaining as overseas territories of the United States, the United Kingdom, France or the Netherlands. Accompanying these are diverse judicial systems handed down through colonial ties.

24 With 4.7 million, the United States is believed to have the largest portion of this group, followed by the United Kingdom with 0.6 million, the Netherlands with 0.25, France with 0.2 and Canada with 0.15 million (Nurse, 2004: 3).
middle-income group of developing countries, would-be migrants are better able to afford the costs of migrating than is the case for those in, say, most African countries (Adams and Page, 2003). Proximity to the United States and Canada also helps. As such, migration has been encouraged in the Caribbean as a means of easing unemployment, particularly among the unskilled (Palmer, 1990: 9).  

**Social Functions of Migration and the Diaspora**

As a starting point to assessing the diaspora’s role in development within the region, the function of this group in population transfer must be highlighted. For instance, Nurse points out that the smaller Caribbean territories, such as Grenada and St. Kitts and Nevis, have experienced annual labour migration rates that account for around 12 percent of total population (2004: 3). As in Ireland, migration helps to lessen social dislocation and local discontent, allowing populations the opportunity to fulfill their aspirations elsewhere. While the Caribbean consists largely of stable democracies, instances of political unrest have seen displaced persons and political asylum seekers from countries such as Haiti and Cuba joining the expatriate community. Problems with violent crime have seen some Jamaicans choosing emigration as an option for personal security. Countries such as Jamaica, Guyana and Trinidad and Tobago have also suffered from low trust, divisive politics and allegations of corruption, which have manifested in reduced levels of support for government institutions and increased desire to migrate (see, for example, Jones, 1992, 2004; Minto, 2006; and Waller et al., 2007).

The diaspora’s contribution has also been obvious in areas of social and welfare services across the region. In particular, sector-specific diaspora groups have helped to bolster the health care and education services of many Caribbean territories. This has been achieved through voluntary contributions and fundraising activities from the diaspora, a contribution that, for the most part, has developed independently of government involvement. The contribution of diaspora groups is also visible in helping countries in the region to respond to the devastation caused by natural disasters such as hurricanes. In other instances, diaspora groups have helped to introduce new efficiencies in governance and administration by passing down techniques and innovations gained in developed host countries.

However, some features of migration in the region have been less pleasant than others. The migration of women and mothers, for instance, has been seen as indicative of the breakdown of families and society across the region. According to Nurse (2004), trends in countries such as Trinidad and Tobago, the Dominican Republic and Jamaica also indicate that more women are migrating, which is viewed as a cause for concern across the region.

**Brain Drain and Returning Migrants**

The characteristics of the migrating population have evolved as the direction of migration has evolved over the years. Namely, migrants from the region during the early and mid-twentieth century were mainly unskilled and sought better employment opportunities in other countries. Better-skilled and educated individuals subsequently have been attracted by prospects of higher income and living standards in the countries of the north. Although disparities exist in the size of the brain drain across the region, there is little doubt that it has had significant implications for the region’s developmental capacity.

Evidence of the negative effect of brain drain is most poignant in the context of such countries as Jamaica, Trinidad and Tobago, and Guyana. Brain drain from Jamaica to the United Kingdom has been considerable, with 33 percent of migrants to that country having secondary-level education (Carrington and Detragiache, 1999). Table 2 gives an indication of the significance of these numbers in the context of Caribbean emigrants to the United States in 1990 and 2000; particularly remarkable is that more than 40 percent of migrants have tertiary-level education. Moreover, with the exception of Guyana, the skilled and highly educated increased as a proportion of total migrants between 1990 and 2000 for the countries in the sample, perhaps as a result of the growing trend...
More recent figures suggest that, overall, around 80 percent of individuals in Jamaica, Haiti, Grenada and Guyana with tertiary-level education have migrated, compared with 10 percent for the rest of South America and 15 to 20 percent for Mexico and Central America (Fajnzylber and López, 2008: 6-7). Moreover, 77.2 percent of Haitians and 74.7 percent of Jamaicans among these highly educated migrants were between the ages of 25 and 65 (OECD, 2008: 73). These educated, skilled and economically active individuals represent a considerable loss to the region.

Increased investment in education might be beneficial to the home country, but, as Palmer observes, it also leads to increased migration of the most skilled and educated (1990: 5) and to the loss of the money spent on education by the home government, particularly for those who do not then contribute (through remittances or skills) to the home country – indeed, in the Jamaican case, such groups tend not to remit as much as other migrants. Thus, while the brain drain might have morphed into a “brain gain” for countries such as Ireland, the case remains less convincing for individual Caribbean countries such as Jamaica. The problem is compounded when, as is the case in many English-speaking Caribbean countries, teachers are among the better-trained and experienced émigrés. This can have ironic and dangerous consequences where the gains from increased budgetary allocation do not correlate positively with increased quality, since governments cannot realistically use migration as an argument for decreased spending. This dilemma is compounded by the irony of high unemployment in the midst of gaps in the labour force (Nurse, 2004).

In response, governments in the region have either contemplated or actually implemented schemes aimed at attracting skilled migrants to return. Indeed, islands such as Haiti and Jamaica have gone beyond this to actually establish government departments with responsibility for diaspora affairs. As Parks (2004) notes, however, the introduction of special programs geared at the diaspora might pose some difficulty for relations within the home country. Nonetheless, organizations such as the Inter-American Development Bank have recommended that governments in the region adopt a concerted approach in attracting the diaspora to return home (Lapointe, 2004).

One must therefore conclude, tentatively, that the arguments against brain drain are less robust in the context of the Caribbean diaspora. That is, brain circulation and brain gain have been less felt in the Caribbean than in Ireland. Most notably, while there has been a significant wave of returning migrants to Ireland, this has not been the case in the Caribbean. Further, the trickle of returning residents has included retirees (Palmer, 2007), as opposed to the economically active groups that typified immigration to Ireland in the 1990s, while returnees in other categories have not been in sufficient numbers or concentrated within a specific time frame so as to make a significant impact on the economy and society. That is, migrants with wealth and experience have not returned at a level sufficient to encourage the degree of innovation to spur wide systemic changes across the Caribbean. Furthermore, the emphasis has been more on meeting social and welfare needs through voluntary donations as opposed to the implementation of specific investment or business schemes.

**Politics and the Diaspora**

One area in which the impact of the diaspora and returning migrants has been felt is in the development of politics in home countries. Particularly in the immediate pre- and post-independence period in the English-speaking territories, a number of migrants who had been educated in the United Kingdom returned to the region with the

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27 For instance, Jamaican teachers and nurses have been sought by recruitment agencies in the United States, Canada and the United Kingdom in recent years. Already a debate has begun in Jamaica on the relationship between migration and what is seen as the falling quality and pass rate of students in regionally based exams relative to other islands. Migration of some of the most successful teachers is seen as one of the root causes.

28 Islands such as Jamaica and Trinidad experienced shortages of around 58 percent and 53 percent, respectively, in nursing in 2003 (United Nations, 2004).

29 Thomas-Hope had observed from the 1990s a steady increase in the number of returnees from the Jamaican diaspora, with the majority coming from the United States and the United Kingdom (1998b).

30 This is also substantiated by research that suggests that brain drain is more likely to affect small developing countries (see Thouez, 2005).

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Table 2. Immigration to the United States, Total and with Tertiary-Level Education, Selected Countries, 1990 and 2000

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Immigrants</th>
<th>Immigrants Tertiary-Level Education</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominican Republic</td>
<td>187,871</td>
<td>687,675</td>
<td>42,451</td>
</tr>
<tr>
<td>Jamaica</td>
<td>159,913</td>
<td>553,825</td>
<td>66,633</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago</td>
<td>65,810</td>
<td>197,400</td>
<td>30,330</td>
</tr>
<tr>
<td>Guyana</td>
<td>61,936</td>
<td>211,190</td>
<td>24,236</td>
</tr>
</tbody>
</table>

energy and ideas to dominate the political landscape in their respective countries – among them, Grantley Adams in Barbados, Forbes Burnham in Guyana, Michael Manley in Jamaica, Lester Bird in Antigua and Eric Williams in Trinidad and Tobago.

The diaspora’s contribution to politics also can be assessed in terms of its activities in the host country. The diaspora has evolved out of various economic, social and political motivations. Where migration has occurred due to political reasons, there might be less inclination to give economic support to the government. In such cases, the diaspora might also use its power in the host country to fight for regime change at home. Members of the Cuban diaspora, for instance, have not been eager to make investments in their country, but instead have supported trade policies aimed at bruising the Castro government. The power of business and political leaders in the diaspora, however, has been expressed mainly at the community level. Thus, whereas, the Irish have used their power to heighten the profile of Irish-US relations, this has not been the case at the community level. Differences in levels of political activism and achievements might be explained by differences in the size, influence and wealth of the Caribbean and Irish diasporas.

The Economic Contribution of the Caribbean Diaspora

Discussion of the impact of migration and the role of the region’s diaspora traditionally has been framed in terms of the brain drain debate. However, more recent research in the area has tended toward a more nuanced debate on the ways in which the diaspora has helped or hindered the economies of the region. The role of remittances occupies much space in this new research. Indeed, the growing significance of this form of income to regional economies warrants such a focus.

As an indication of its size, the Caribbean and Latin American diaspora has a 30 percent share of worldwide remittances to developing countries, with around US$36.9 billion entering the region in 2004. With the decline in agricultural receipts and official development assistance, the value of remittances to the overall economy of countries such as Jamaica, Haiti and the Dominican Republic has increased in recent years compared with other sources of funding and as a portion of GDP, as Table 3 shows. Table 4 further notes the trend in remittances between 2001 and 2007, indicating an increase of more than 100 percent in receipts across selected Caribbean territories. 31

More recent figures on remittances indicate that their share of the economy throughout the region has increased. For instance, it has been suggested that as much as 40 percent of Haiti’s GDP comes from money sent by its diaspora, while the Dominican Republic receives little under US$3 billion per year (Greenidge, 2007: 5; Lucas, 2007:1). 32 Such levels of remittances have prompted Cassell to note them as “the cornerstone of Diaspora linkage and involvement”; he also notes that remittances have helped

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31 Writing specifically of the increases between 1996 and 2001, Bullock (2005) notes that growth in the Jamaican remittance market might be explained by increasing labour migration, the increased reach of transfer companies, greater involvement of financial intermediaries and greater capacity in technology; such explanations still hold sway. However, the continuing decline of some economies in the region – in particular, Jamaica and Haiti – and the increased value of remittances to household incomes might also explain the increase in the amount of funds being remitted to these countries.

32 In Jamaica, remittances represented 19 percent of GDP in 2005; the Inter-American Development Bank reports remittances in 2006 of US$623 per capita, the largest in the region. Remittances also represented 104 percent of Jamaica’s total exports and 182 percent of its alumina exports, a traditional foreign-exchange earner. In Belize, remittances, at US$300 per capita in 2005, were a quarter of total exports. In the Dominican Republic, remittances were US$302 per capita in 2005 and represented around 45 percent of the value of total exports. The case of Guyana also stands out in terms of the value of remittances to the overall economy, representing 34.1 percent of GDP and five times the revenues gained from tourism. Trinidad and Tobago, in contrast, has one of the lowest levels of dependence on remittances, at 0.7 percent of GDP in 2005. See Inter-American Development Bank (2005, 2006).

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### Table 3. Remittances, Other Financial Inflows and GDP, Selected Countries, 2005

<table>
<thead>
<tr>
<th>Country</th>
<th>Remittances (US$ millions)</th>
<th>Remittances as a % of Official Development (%)</th>
<th>Remittances as a % of Foreign Direct Investment (%)</th>
<th>Remittances as a % of GDP (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominican Republic</td>
<td>2,682</td>
<td>3,484</td>
<td>298</td>
<td>9</td>
</tr>
<tr>
<td>Haiti</td>
<td>1,077</td>
<td>209</td>
<td>11,313</td>
<td>28</td>
</tr>
<tr>
<td>Jamaica</td>
<td>1,651</td>
<td>4,619</td>
<td>275</td>
<td>18</td>
</tr>
</tbody>
</table>


### Table 4. Remittances to Selected Caribbean Countries, 2001–2007

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominican Republic</td>
<td>1,807</td>
<td>2,112</td>
<td>2,217</td>
<td>2,438</td>
<td>2,682</td>
<td>2,900</td>
<td>3,120</td>
</tr>
<tr>
<td>Jamaica</td>
<td>968</td>
<td>1,229</td>
<td>1,426</td>
<td>1,497</td>
<td>1,651</td>
<td>1,770</td>
<td>1,975</td>
</tr>
<tr>
<td>Haiti</td>
<td>810</td>
<td>932</td>
<td>978</td>
<td>1,026</td>
<td>1,077</td>
<td>1,650</td>
<td>1,830</td>
</tr>
<tr>
<td>Guyana</td>
<td>90</td>
<td>119</td>
<td>137</td>
<td>143</td>
<td>270</td>
<td>270</td>
<td>424</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago</td>
<td>41</td>
<td>59</td>
<td>88</td>
<td>93</td>
<td>97</td>
<td>110</td>
<td>125</td>
</tr>
<tr>
<td>Total</td>
<td>3,716</td>
<td>4,451</td>
<td>4,846</td>
<td>5,197</td>
<td>5,777</td>
<td>6,700</td>
<td>7,474</td>
</tr>
</tbody>
</table>

Source: Adapted from the Inter-American Development Bank; available at: http://www.remittances.eu/component/option,com_wrapper/Itemid,73/.
to lessen balance-of-payment gaps in many territories in the region (2007: 5, 7). While this might be the case, the possible effect of remittances in fuelling the growth of a consumption economy and the negative impact of this consumption on the region’s imports and balance of payments are not to be ignored – indeed, Funkhouser’s 1992 study of remittances in Nicaragua found that recipients had lower rates of participation in the labour force. Remittances also represent a contribution to individual household incomes rather than significant capital flows or investment, which helps to scale back their wider macroeconomic value (Ghosh, 2006). Over time, remittances have grown to become a feature of welfare provision in the Caribbean by replacing or augmenting public welfare provision by governments in the region.

Moreover, the cost attached to such transactions, which are often sent through large firms such as Western Union, has been prohibitive and might be seen as one factor that has lessened the value of remittances as a developmental aid. According to Nurse (2004), the average cost of remitting funds to the region was around 12.5 percent in 2002, half again as much as that charged for other regions. Orozco (2003) sees this as the result of the underdeveloped nature of the Caribbean and Central American remittance market, given the prevalence of private monopolies and oligopolies, and he recommends greater use of micro-finance organizations, banks and credit unions to send remittances. This is important since lack of effective regulation and the use of private institutions means a loss of potential tax revenues for governments in the region. As well, fewer than 10 percent of the recipients of remittances in Latin America and Caribbean region have access to bank accounts, loans or other basic financial services (IADB, 2006: 14); recipients and senders also might lack awareness of alternative uses for such funds.

The Diaspora’s Contribution through Tourism

The economies of the region are highly dependent on tourism. For example, travel and tourism is responsible for around 63.5 percent of jobs in the Bahamas and for 50.8 percent of the country’s GDP. For Barbados, these figures stand at 45.8 percent and 40.7 percent, respectively; for St. Lucia, 40.2 percent and 40.6 percent; for the Dominican Republic, 14.4 percent and 16.6 percent; and for Jamaica, 27.1 percent and 30.8 percent, respectively (World Travel and Tourism Council, 2008). Dependence has heightened as the share of traditional sectors such as agriculture have declined. The Caribbean remains an attractive holiday location generally, but the diaspora constitutes the largest segment of visitors – about 70 percent, according to Nurse (2004) – demonstrating both willingness and the ability to make this form of contribution to the region. The diaspora returns largely for carnivals and other cultural and sporting events, as well as to visit relatives and friends. Diaspora associations also invite interest in and travel to the region. The real size and contribution of this market, however, remains largely unknown.

Trade and Entrepreneurial Investment

Trade and investment represent key ways in which the Caribbean diaspora has been actively involved in the economies at home. Rampersad notes that the diaspora is “deeply sympathetic to nation building...[and is] more inclined to invest their resources beyond the call of duty because their drive is more zealous and passionate than potential non West Indian investors.” Furthermore, “the Diaspora is amongst the best equipped to shoulder the responsibility as the sons and daughters who have proven their abilities in the global market place” (2007:10).

The emphasis in the past has been on the establishment of small businesses both at home and in the host country. However, investment trends have begun to shift slightly with the formation of entrepreneurial and knowledge networks in the diaspora. An indication of this shift may be seen in the formation of the Caribbean Business Community Incorporated, which encourages Americans to engage in business activities with the Caribbean in order to attract trade and investments into the region. Other groups include the Caribbean Digital Diaspora Network, formed to promote IT development in the region, and cultural diaspora networks in such areas as music and fashion (Nurse, 2003). A Caribbean Business Club encourages linkages between businesses in the region and their counterparts in the diaspora and beyond (Templer, 2002). Greater linkages are also being encouraged among governments (through foreign ministries), national investment promotion agencies and the diaspora in order to provide more focused services as well as to integrate the activities of the latter into national development planning.

The region’s communications industry has also benefited from the size of the diaspora. This has sometimes meant that the number of calls coming into islands such as Jamaica has surpassed that of bigger countries. For instance, Dunn and Gooden (1996) note that the total volume of calls terminating in Jamaica in 1993 was more than that in countries such as Australia and India. In this way, the diaspora contributes to the economies of the region through the foreign exchange earned by its com-
munications companies. Further, domestic telephone rates in islands such as Jamaica have been artificially deflated for almost two decades thanks to the size and value of the international telecommunications market.

The export market for goods and services to the diaspora remains an area with vast potential for Caribbean governments. Food and music are two of the products from the region that are in demand globally (see Nurse, 2004: 6; Rampersad, 2007: 8), and the markets for these goods have expanded thanks to the networks and contacts formed by the diaspora in host countries (Greenidge, 2007). As Nurse notes, however, “[t]he majority of Caribbean governments have yet to conceive of a Diasporic export strategy as a viable means to further diversify their economies and generate new exports and employment” (2004: 6).

On the other hand, the costs involved in exporting and restrictions placed on goods from developed countries mean that private entrepreneurship is limited, as small and medium-sized enterprises (SMEs) in the region face difficulties in meeting legal requirements or the standards for trading with more developed countries. As Morrison notes, there are limited investment vehicles in host countries that would encourage diaspora investments in the region (2006). At home, SMEs face limited access to credit and a high corporate tax rate, which hampers their survival and sustainability. Furthermore, the record of some Caribbean countries, such as Jamaica, in protecting intellectual property rights has not been optimal, resulting in the further loss of export earnings. Lehman (2002: 2) argues that Jamaica could benefit from a rise of at least 3 percent in its GDP if its intellectual property, particularly in music, were adequately protected.

**The Hidden Diaspora: Illegal Migrants and Criminal Diaspora Networks**

While the positive side of the Caribbean diaspora has been underscored, any assessment of the real or potential role that the diaspora can play in development must also consider the alternative to this view. The literature for the most part has framed such considerations in terms of brain drain, but globalization has also thrown up negative results, among them the development of transborder crime and transnational criminal networks.

The deportation of members of the diaspora who have been involved in criminal activities in host countries has seen the formation of another form of diaspora network – one based on criminality.33 These individuals pose a serious threat to the already limited crime-fighting skills and resources of security forces in the region. They also constitute a threat to national and regional development, particularly where returnees lack the skills or capacity to help the home country constructively. Dangers here are profound when placed against the reality of programs that select the best and brightest even while repatriating those who have committed crimes (some of those also being the least skilled and educated). Opportunities for collective response to these dilemmas are in turn restrained by the segmented nature of the region. Nonetheless, there is scope for cooperation between host and home countries in this regard. For instance, host countries have to varying degrees provided resources to the home country to help bolster crime fighting capacity and expertise within the region. This can also include schemes to assist in the resettlement of failed migrants and deportees. Such cooperation is important given the existence of transnational criminal networks which increasingly means that the removal of a person involved in criminality by the host country does not essentially imply an end to the impact of that person’s criminality in that country.

Another issue here is the existence of illegal immigrants from the region. For the most part, the impact of the mass of unaccounted Caribbean nationals residing in countries such as the United States, Canada and the United Kingdom remains largely unknown. Indeed, this poses practical difficulties in assessing the full impact of the region’s diaspora in the host and home countries with respect to, for example, remittances.

**Encouraging the Diaspora’s Involvement in Caribbean Development**

Although the Caribbean diaspora is suitably placed to invest in the region, in order for this group to act on their passion and zeal, the region’s governments must create conditions that help the diaspora to realize its potential. As Lucas puts it, there is an absence of “institutionalized platforms to organise the Diaspora to leverage their collective talent and influence to address regional issues and bilateral issues” (2007).

One way to create such conditions would be through the design of policies that allow the diaspora’s activities to be

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33 According to Nurse (2004), 34,411 persons were deported from the United States between 1993 and 1999, many of whom were returned to the Caribbean. Of these, around 70 percent had committed some form of criminal offence.
more visibly scaled up. The diaspora’s contribution could also be enhanced by adequate protection for investments at home. For instance, lack of trust in state institutions has driven informality in some countries, so that members of the diaspora might be more willing to seek advice and assistance on investment opportunities from family and friends, rather than the home government. The risk here is that business success could be affected by lack of access to the advice and protection offered by state institutions. Thus, where there is fraud, there is little avenue for redress, further serving to frustrate the desires (and confidence) of those who wish to invest in the local community. Even where the decision is made to go through official channels, the time taken in conducting business through an inefficient and sometimes corrupt bureaucracy serves to dissuade individuals from making a greater investment in the home territory (see, for example, Mills and Robertson, 1990; Jones, 1992, 2004).

Nonetheless, individual territories in the region are increasingly keen to devise ways of engaging with their diasporas more directly and to maximize their impact on growth and development. St. Vincent and the Grenadines, for instance, allows its diaspora to participate in the National Insurance Scheme, while St. Kitts and Nevis has formed a secretariat for returning nationals. The trendsetter in this area, however, is Haiti, which established a Ministre des Haïtiens vivant à l’Étranger [Ministry of Haitians Living Abroad] in 1995. Other islands have also started initiatives to acknowledge and encourage their diasporas (Reis, 2007). For example, the support of the International Organisation for Migration (IOM) saw Jamaica initiating a Return of Talent Programme aimed at attracting highly skilled nationals back to the island. Since June 2004, the island has organized a biennial diaspora conference, introduced a department for Jamaicans overseas based within the Ministry of Foreign Affairs and Foreign Trade and formed a Diaspora Board that includes representatives from diasporas in the United Kingdom, Canada and the United States and Jamaican government officials who meet every six months. Trade and investment officials have also met with diaspora groups in these three host countries to apprise them of investment opportunities at home, including a proposal for a Diaspora Bond. As well, the increasing use of e-government in the region implies greater opportunities for governments to interact more frequently and openly with the diaspora while potentially increasing the ability of the latter to conduct business at home.

In summing up the contribution of the Caribbean diaspora to the region, Orozco (2003) highlights the five “Ts” that mark the areas in which it has made an impact on development: tourism, transportation, telecommunications, trade and transmission of monetary remittances. As has been shown, the diaspora’s contribution is also evident in politics and the wider society. As it relates to the approach of regional government, however, Reis notes that “Caribbean governments are not adopting a proactive stance vis-à-vis their Diasporic communities, despite the fact that the new culture of migration is inextricably linked to development and the potential to effect meaningful change so vitally needed” (2006: 53). Nonetheless, there are indications that this stance is changing; pledges by CARICOM governments at a June 2007 meeting (Conference on the Caribbean: A 2020 Vision) potentially mark a departure from the old approach. For instance, the conference discussed the implementation of the CARICOM Single Market and Economy which, in allowing for the movement of CARICOM nationals across the region, could reduce the number of skilled migrants who choose to leave. The conference also aimed at assessing how closer links could be formed with the diaspora and how its resources and knowledge could be used to the region’s advantage. (See The Dominican Net, 2007.)

Comparative Analysis of the Irish and Caribbean Cases

Having considered the experience of both the Caribbean and Irish diasporas, a few similarities instantly stand out. Among these, the dominance of economic motivations remains poignant. Similarly, the important role that migration played in easing pressures at home and the significance of remittances from expatriates also stands out. Migration, mainly of the unskilled, has been encouraged (informally) in both instances as a means of easing unemployment. More recent years have seen a shift, with immigration being encouraged to fill labour gaps in specific areas. What is clear, too, is the largely unseen, longstanding and

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34 For instance, Lucas (2007) outlines a number of platforms on which the Caribbean diaspora can assist the region, including the CARICOM-US Business Council, which facilitates bilateral dialogue among business communities; a Committee of 100, which would develop policy dialogue across sectors and showcase Caribbean culture; a CARICOM congressional caucus that would focus on the issues in the US Congress; a CARICOM Society to highlight unique aspects of Caribbean culture; and a CARICOM Youth Leadership Program.

35 In Jamaica, the computerization of government departments such as the Registrar General’s Department and customs agencies now allows members of the diaspora to request and pay for official documents online and to track shipments sent to the island online.
only recently acknowledged partnership that exists between the diasporas and their respective governments.

Other points stand out to set the two cases apart, however, which affect the extent to which the Irish experience is useful as a blueprint for that of the Caribbean. Thus, while the Caribbean diaspora undoubtedly has brought benefits to the region, an assessment of the extent of this contribution vis-à-vis that of the Irish diaspora is not necessarily an easy exercise. The task of measuring the two groups’ impact has to take into account the differences in the size of the diasporas as well as the collective wealth each possesses. The extent to which this is possible is limited to some degree by the existence of undocumented members in the Caribbean diaspora and by the informal means through which funds are at times remitted to the Caribbean. Added to this is the practical consideration that the analysis compares a country and a region. Furthermore, the diversity of the Caribbean introduces another set of issues, which marks the region from the homogeneity that largely typifies the Irish experience. Beyond these, intervening variables such as government policy and the nature of the investment climate (at home and abroad) also affects the diaspora’s willingness and capacity to contribute to local development in the two cases.

Nevertheless, both the differences and similarities of the Irish experience merge to provide the Caribbean an opportunity for understanding its relations with its diaspora. Even more, the Irish experience offers an opportunity to learn how the region can engage with its diaspora more constructively. In so doing, the Irish case provides a blueprint from which regional governments can draw ideas to design their own solutions as informed by regional demands. As Virtue notes, the reality of the Caribbean is one where, “island by island, underdevelopment remains the region’s dominant reality” (2007: 4).

**What Constitutes the Diaspora?**

One challenge is the difficulty of establishing the boundaries of the diaspora in both Ireland and the Caribbean. This has become an issue for Ireland only in more recent years, although its significance is not necessarily obvious at first glance. However, the matter of definition has emerged more poignantly with attempts to access the rights and duties of the diaspora in the home country. Thus, while the matter of definition has not affected the contribution the diaspora has made to development in an obvious way, it nonetheless has emerged in relation to the right of members of the diaspora to the legal status of Irish citizenship.

This issue might also have increasing resonance in the Caribbean in light of expressions among some members of the diaspora of a desire to participate more directly in home governance through the electoral process. In time, these claims could make the issue of definition more pressing, particularly if home governments agree to the diaspora’s having more than just an input through remittances and investment. The way the Irish have dealt with this through symbolic gestures and modification of its constitution might provide useful lessons for how the Caribbean could deal with similar concerns while avoiding tensions.

Definitional issues are also relevant at the regional and national levels. The heterogeneity that exists in the Caribbean poses certain challenges to the notion of a “Caribbean diaspora” and has had a significant impact on the region and its ability to act concertedly. The experiences of CARICOM in forming a common market and efforts to form joint institutional mechanisms, such as the Caribbean Court of Justice, stand out as examples of the difficulty of achieving collective action. The extent to which the region can mobilize its diaspora for collective action and engagement across individual territories, therefore, remains uncertain.

This heterogeneity and the complexities it brings also exist in the individual countries of the region. The lack of trust and weak social capital that exist in many states, such as Haiti, Trinidad, Jamaica and Guyana have sometimes has translated into a lack of confidence and support for the state and its institutions. This might help to explain the general pattern of remittances, which has tended to be directed mainly at households and less through local banking or government institutions. Additionally, many Caribbean nationals have acquired wealth and prestige in their host countries but have not been keen (or able) to translate these into precise measures to aid the governments in their home countries directly. Income and social inequalities, and a lack of trust between employers and employees and between the state and its citizens, also affect the diaspora’s relations with governments locally. Such local and regional heterogeneity also exists within the region’s diaspora communities, and remains one of the challenges that must be overcome if this group is to be effective in organization and planning, in both their adopted and home countries.

This scenario contrasts with that in Ireland, where the society has been mainly homogenous (despite religious differences). The social partnerships between the government, unions and employers in Ireland have been useful in maintaining some balance between wages in the various
sectors, thus helping to reduce the disparities in income and social class that tend to be more extreme in the Caribbean (see Combat Poverty Agency, 2001; Taylor, 2002; and Ireland, 2005). While immigration has seen Irish society becoming more stratified racially and socially, it still has a level of homogeneity that is foreign to the Caribbean. Coupled with these is a strong nationalism. Collectively, these have helped to build a wealth of social capital, trust and stability that has made development planning and administration less erratic than in the Caribbean – although some islands, such as Barbados, contradict this rule. This strong nationalism in Ireland also accounted for the desire of many in its diaspora to return to or seek to invest in the country during the 1990s and early 2000.

**Brain Drain and the Diaspora**

Both the Irish and the Caribbean diasporas have been a source of innovation for governments, helping to introduce efficiencies in the local economy. In both cases, although the involvement of the diaspora beyond remittances has not always been welcomed, measures have been introduced to attract talented members of the diaspora to return, given the need for their specific skills and talents. The success of such measures in Ireland appears to outweigh those adopted in the Caribbean. Rapid economic recovery has been significant in attracting the diaspora to Ireland, with returnees being drawn by the possibility of remuneration that is better than or at least similar to levels realized in the host country. The opportunity to make a direct contribution to national development has also encouraged some members of the diaspora to return.

While the Irish experience gives clear support for arguments about brain gain and brain circulation, there is less evidence for this reasoning in the Caribbean. Even here, the brain gain in Ireland has taken place within the context of economic growth and development, which has further attracted the diaspora to return. Following from this it would appear that a similar period of regeneration would need to occur in the Caribbean for its diaspora to return in sufficient numbers and at appropriate times to make a marked difference and contribution to the region’s growth. As Parks (2004) suggests, despite the measures to stem brain drain in the Caribbean, these merely “help ease brain drain’s symptoms, they do nothing for the cause. The best solutions for brain drain are economic recovery and social development.”

**The Impact of Remittances**

The impact of remittances in the Caribbean is reduced inasmuch as they represent household income and thus fuel private consumption; as such, they do not represent capital flows to the islands. As de Vasconcelos (2005: 8) notes, “remittances remain financial flows in search of financial products.” The IADB’s solution also has resonance here: “the focus for the future is the chance to bring millions upon millions of transnational families into the financial system where remittances can help effect fundamental change” (IADB, 2006: 14). Further strategies, such as collective remittancing, might not work on a regional level but might be more effective at the individual country or community level. Thus, it remains for governments in the region to encourage the use of financial institutions such as banks and credit unions, as well as greater use of and access to bank accounts and other financial services in the home country.

**Diasporas and Return Migration**

The experience of return migration in the Caribbean diverges from that in Ireland in three major ways. First, return migration in Ireland has taken place at more significant levels than that experienced in the Caribbean. Second, it has taken place at a more recent juncture of the nation’s history than in the Caribbean, where it has occurred only gradually over the decades. Third, and perhaps most important, the Irish diaspora has made a greater contribution through investments and the use of its expertise and knowledge to assist the country’s growth than has been the case in the Caribbean.

Another point bears mentioning here as well. Many of the Caribbean diaspora who have returned have not done so voluntarily, but have been deportees who committed crimes in host countries and who return with few, if any,

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36 O’Sullivan, for instance, notes that, in Ireland, social inequalities have materialized in the form of increased homelessness and poor living and working conditions for immigrants (2003: 4345). Nevertheless, although the rapid development of the past two decades has resulted in an increase in inequality and diversity in the country, it still does not exist to the extent realized in Caribbean territories such as Guyana.

37 The extent to which this is also the case in Ireland is unclear. It may be that the negative impact is mitigated by the more advanced and developed nature of Ireland’s macroeconomy. Additionally, the absence of a significant balance of payments deficit and high exports means that the effects of the importation of luxury goods, which is a problem in the Caribbean, might not be as strong an issue in Ireland.
assets to contribute to national development. The potential social dislocation from such deportations remains uncertain but worrying for countries in the region. Some returnees are also aged and retirees. This contrasts with Ireland, where returnees, attracted by the opportunities at home, are among the most educated and economically active, and have returned with capital and knowledge to invest in specific sectors of the economy identified as most in need of labour.

Diasporas, Governance and Legitimacy

The success of diasporas in host countries is also an important determinant of the level of impact they make in their country of origin. Whereas the Caribbean diaspora has gained wealth and status in their adopted countries, it has not matched that of the Irish diaspora. The ways in which the two diasporas have wielded their influence also differs. Thus, while members of the Irish diaspora have been able to access the heights of political power in the United States and to heighten the profile of their country abroad, fewer of the Caribbean diaspora have found themselves in such a position. Moreover, such impact as they have had has been seen mainly at the community level, and even when their influence has been felt beyond this level, they have not had much success in elevating Caribbean issues onto the political or policy agenda of their adopted countries. There are, however, some exceptions. For instance, the Cuban diaspora in the United States has been a powerful lobby group, whose activism has helped challenge the legitimacy and authority of the Castro regime. It has also placed pressure on investors wishing to do business with Cuba. It may even be suggested that the diaspora, to some extent, has had an adverse impact on Cuba’s economic development, as seen in the embargo imposed on that nation by the United States.

The way the Irish government has engaged with its diaspora has evolved over the years, becoming more nuanced in recent times, as seen in the gradual increase in financial assistance to members of the diaspora as the Irish economy has developed. Caribbean governments, however, may not be in a position to wait for economic development before they are able to extend meaningful assistance to their diaspora beyond accepting deportees from host countries. Nonetheless, a policy of welfare provision and assistance to the diaspora would have to contend with existing claims on meagre government budgets and the sensibilities of local taxpayers.

While migration allowed the legitimacy of the state to remain intact in Ireland, this has not been as straightforward in the Caribbean. The reason for the difference could be that, although the driving force behind migration, for the most part, has been economic, there are also political and security reasons for migration from some Caribbean territories, as in the example of Cuba. Diaspora creation thus becomes a forced event, potentially leading to feelings of ill will toward the home government and its institutions. In the end, the expression of nationalism may differ based on the rationale for migration and the sentiments of the diaspora. Thus, Irish nationalism and home country support may have been expressed through moves to link the country into the global IT network, through investments and advocacy of improved economic ties between host and home countries, through the number of bank accounts held by expatriates and through the return of many of the skilled, educated and wealthy. Nationalism in some Caribbean territories, in contrast, is characterized by low trust and may be seen in, for example, an unwillingness to engage in activities that could be construed as lending direct support to the state (such as investments and the sending of funds through official channels) and a preference to send remittances directly to families. Further, the prospects of the home country may be affected by the diaspora inasmuch as potential visitors and investors are warded off by its criticisms, lobbying and negative portrayal of the home government.

Incentives for Investment

Both diasporas have contributed to the economies of their home countries through investments and business creation, but the overall value of capital and skills contributed by the Irish diaspora is more significant than that of the Caribbean.

Specific lessons from the Irish example stand out for the Caribbean. First, the right incentives need to be in place to encourage the diaspora to make investments at home. Second, the areas in which incentives are offered should be complimentary to the development objectives of the region or individual. An essential plank of any incentive regime is the ease of conducting business with the home country, a point that is closely related to the nature of the tax regime. In Ireland, there was a keen emphasis on opening the economy, emphasizing skills and vocation in the educational curriculum, simplifying the tax regime to welcome investments and aiding its diaspora to make a greater contribution to the economy. Although good fortune cannot be denied, the benefits that have accrued to Ireland since the 1980s have not come about in a willy-nilly fashion; rather, they are the result of careful planning and partnership involving the diaspora. These policies were
implemented even though it was accepted that many of the beneficiaries would depart. Caribbean nations are also awakening to the need to encourage investment more generally, and from the diaspora as a specific category of investors. As seen in the Irish case, however, the importance of sound planning and political will cannot be underestimated.

Finally, Ireland’s moves to attract investment were not necessarily geared specifically toward its diaspora. However, given the diaspora’s size, capacity and influence in countries such as the United States, it was able to encourage the move of capital, expertise and labour to Ireland. Ireland’s membership in the EU also provided added motivation and incentive to modernize the economy and administration, moves which were to make the country more attractive to investors and place it in a position to take advantage of private investment that eventually came its way from the boom in the IT industry. The Caribbean, on the other hand, may not necessarily have the level of support or capacity in regional organizations such as CARICOM, although there is recognition of the need to attract international investors and to reduce the cost of doing business in the region. Specific efforts to increase investments have included tax shelters and a host of incentives to specific industries (such as hotels and manufacturing), but this remains a difficult task.

The imperative for the Caribbean region is to increase the conditions that would make foreigners want to invest there. If that were the case, the diaspora would also be more likely to exercise its nationalism and inclination to invest, knowing that it would do so in a stable environment. There also remains a need to sensitize the diaspora on the ways in which it can contribute to national and regional development beyond remittancing and other traditional areas of assistance (such as humanitarian aid), or by maximizing or leveraging the impact of these forms of contribution for more strategic growth and development.

Despite the differences between them, the Irish diaspora’s experience holds some key lessons for that of the Caribbean. For example, the return of many members of the Irish diaspora has been linked to growth and development in the home country, from which one can assume that where there is no development and opportunities remain few and far between, a diaspora might not be eager to return to help in its home country’s development. (It is less easy, however, to assess in the Irish case whether it was the diaspora that instigated development or whether members began to return only when they were best able to aid development efforts.) The Irish case also highlights the importance of national planning in establishing the environment and incentives for attracting investment and other resources for development. Political will and foresight as well as stability at home are also key to driving the reforms needed to attract the support, trust and confidence of investors and, in turn, the diaspora. In Ireland’s case, these were essential in determining the success of cooperation and the extent to which investors were willing to take advantage of investment opportunities.

Moves toward streamlining remittances and investments would be a positive step in this light. Likewise, moves by individual governments within the Caribbean region toward educating its diaspora about the ways in which it can have a more profound effect on growth and development at home is also important. Caribbean governments thus must do more to maintain links with diaspora communities, while addressing deep-seated issues regarding trust and the credibility of government institutions and organizations at home by, for example, strengthening professional networks in the diaspora and heightening linkages with government departments and ministries.

It is important to note that Ireland has not always actively sought out its diaspora and that engagement is still a fairly recent event. For instance, although migrants in Britain once faced harsh conditions and a lack of representation, Irish governments in the post-independence period tended not to visit Britain and were unaware of the plight of its diaspora. The result was that “Irish immigrants in Britain increasingly appeared in Britain as displaced people in a foreign country, without a voice or coherent identity” (O’Sullivan, 1994: 158). Today, the experiences of the Caribbean diaspora mirror those of the Irish diaspora in the early twentieth century. Although most Caribbean territories have representatives in the form of consulates and embassies in the developed nations that host the majority of their emigrants, the conditions of many migrants could be advanced by more advocacy and assistance from home governments and agencies.

### Conclusion and Recommendations

This study has attempted to compare the impact of the Irish diaspora on its home country’s development with that of the Caribbean diaspora. An underlying principle of this assessment is that a diaspora’s contribution does not simply reflect its willingness or desire to contribute, but also the role played by the home government in facilitating the diaspora’s involvement, as well as the institutional and policy framework in the home country.
The Caribbean diaspora has played a vital role in its respective home countries, but its impact has been dispersed, lacking in specific focus, direction or organization, reflecting the lack of strategic focus and coordination among regional governments and, in turn, within the diaspora. The specific areas in which the diaspora can contribute to national and regional development have yet to be fully investigated by governments in the region. This has meant that gains from the diaspora’s contribution are not being fully realized. Thus, whereas in Ireland much of the contribution in terms of investment has come in the IT sector, this contribution is less specific in the Caribbean. Thus, there is still much room for the activities of the Caribbean diaspora to be better organized and scaled up to have a more direct impact on growth and development.

The continuing growth and dependence on remittances is, in some ways, indicative of the Caribbean region’s continued inability to provide opportunities for its people. Nevertheless, remittances do provide a stock of capital that can be used above and beyond the level of individual households to provide a means for more enduring economic and social development. Here, governments and banking institutions can play a role in raising awareness among citizens at home and abroad about the ways in which remittances can be used and harnessed. This includes information on how remittances can be collectivized and their impact scaled up, and advice on the diverse ways in which remittances can be used directly by the receiving families and households to raise themselves out of poverty and sustained dependence on such funds.

There is also a case for tailoring investment strategies and options to match the different resource levels of the Caribbean’s diaspora. The challenge remains for governments in the region to find ways to engineer this change. Ireland offers some solution here. For instance, one lesson that seems to be emerging is the importance of involving diaspora investment in specific industries or sectors. Focused effort and planning at the micro level can then have a macro effect in as much as success in one area encourages growth in related industries. This has been the case with IT in Ireland, where investments in this area were instrumental in driving the financial services sector.

In the Caribbean, the focus could be on creating opportunities for investments in such sectors as education and health, especially where there is insufficient desire, capital or expertise to start a business. Thus, strategic and dedicated planning and forecasting from government and regional bodies such as CARICOM is essential in providing a secure environment that will attract investors and enable their investments to thrive.

Issues such as the cost and time required for conducting business and the need for home governments to address crime and violence should also factor into discussions about incentives for the diaspora’s return and involvement in national development. Host countries also have a role to play in this regard, by helping the region to enhance its capacity to deal with issues such as the return of deportees and monitoring criminal networks. Likewise, the efficiency and clarity of the tax system and customs process should also come into play, perhaps involving the development of a knowledge bank of returning residents and specific programs (such as voluntary associations) to use their skills in areas such as education and health. In addition, SMEs could do more to tap into the diaspora as a point of entry into the markets of developed countries. Here, the diaspora could help to reduce transaction costs (particularly, costs of market entry) by providing an existing market for exports from the home country; it could also help to raise the profile of goods and services from the home country, and act as a source for loans or investment funding for local economies.

The diaspora could also help focus the attention of home governments on ways to achieve greater efficiencies in, and the modernization of, government practices, particularly given concerns about corruption and the misuse of public funds in the region. Although the diaspora might not be able to participate directly in the electoral process, it nonetheless could help to monitor and assess government activities to ensure adherence to principles of good governance. Trust-building would be enhanced by events such as diaspora conferences and the clear articulation by Caribbean governments of their hopes and ambitions as they relate to the diaspora and their engagement with it to ascertain where alliances could be formed and joint interests met. Such moves likely would also restore confidence in, and the credibility of, the region’s political leaders. Caribbean diaspora organizations already exist in countries such as the United States, the United Kingdom and Canada; but, their impact on a political level is limited by their small size. The efforts of countries such

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38 Financial institutions such as the Jamaica National Building Society (JNBS) provide a model for such interaction. Over the years, JNBS has courted the trust of the Jamaican diaspora and offered investment opportunities at home, including real estate opportunities and loans.

39 Thomas-Hope (2004) makes a similar recommendation, calling on both financial incentives and investment opportunities in welfare, education and health as a means of increasing the benefits of remittances and the developmental impact of such funds.
as Jamaica and Haiti to provide a point of contact for such groups through the creation of specific ministerial portfolios is a positive step, but governments in both home and host countries need to liaise with these groups and map their activities. This could be a first step toward uniting the various diaspora associations and encouraging more internal dialogue, which could help them to achieve a closer alignment of activities and aims and more effective use of their resources and influence.

The role of consulates and embassies in host countries is also critical in building relationships between the home countries and the diaspora. As such, the quality of care, organization and visibility of overseas representatives are important in the region’s bid to reach its diaspora. This relates to the ability of consulates and embassies to organize and leverage the power and resources of the diaspora not only to aid development in home countries, but also to encourage the diaspora’s political activism and securing its rights in host countries. There is also a need for more awareness within the diaspora of the role and responsibilities of such representatives.

Important, as the Irish case shows, education is crucial in dictating a country’s preparedness to take advantage of opportunities, even where the highly trained eventually migrate. Although brain drain remains a pressing issue for the Caribbean, the value of an educated population will increase as immigration policies in the developed world target the skilled and most qualified. Additionally, an educated population potentially means more scope for advancement on the part of migrants in the host country, as in the case of the Irish. The timing of a diaspora’s return, its willingness to contribute to the development of the home country and the numbers, skills and resources of returnees are key indicators of the level of contribution that a diaspora can make to development. In the Irish case, the emphasis was on achieving a balance between educational needs as dictated by the expected direction of the economy. Educated individuals who left the country arguably were better placed to take advantage of opportunities in the host country and, in so doing, to acquire the capacity to make a contribution to Ireland. For those who remained, education gave them the skills necessary to work in industries such as pharmaceuticals and IT. Thus, a key point that emerges from this analysis is the importance of planning and forecasting skills and educational needs in the Caribbean region. This might require a more proactive approach in monitoring the global environment to detect trends and emerging ideas, and assessing and modifying these where necessary to suit national imperatives.

The region, in short, must come to terms with migration as a feature of Caribbean life. As such, emphasis should be placed on training and educating its peoples so that they are better placed to be a factor of influence in their adopted countries. Although there are inherent dangers in developing skills solely to match the needs of the developed world (in health-related occupations, for instance), there is some merit in home country governments’ considering what skills they could most benefit from developing, particularly where migration is already prevalent. Asian countries such as China, India and Vietnam have benefited immensely from such focus.

Additionally, the role of tourism should be highlighted. In the case of Ireland, the tourism market was encouraged by reduced travel costs, as well as the interest of second- and third-generation Irish in experiencing the culture of their parents and ancestors. In the Caribbean, however, the cost and difficulty of travel remains a challenge to the growth of diaspora tourism and more generally to the development of the overall tourism market. As such, the region could benefit from joint arrangements that could help reduce the cost of internal travel while encouraging the diaspora (and other tourists) to travel more freely throughout the region and, in so doing, to encourage diversification into the diaspora tourism market. Further, governments in conjunction with tourism organisations could target the diaspora more directly through media campaigns in much the same way as the islands target tourists in the US and European markets. The region’s rich and diverse history and culture could be marketed in the diaspora, which, in turn, could assist in marketing the region and its culture in host countries.

Overall, the Irish example illustrates the importance of moving toward a more symbiotic relationship between the diaspora and the home country. Likewise, the diaspora has a key role to play in voicing home countries’ concerns and interests in host countries. In the end, the emphasis should remain on sound developmental planning, which remittances cannot replace. The diaspora can play a crucial role in national developmental planning where policies exist to involve it effectively in the process. Thus, whereas the Irish had the benefit of EU funding and a diaspora that was well resourced, both politically and financially, the Caribbean does not have these advantages. As such, the region might need to base its activities more closely on informed and credible planning and management of the development agenda, and on appeals to the philanthropy and goodwill that already exists among its diaspora. There is also need for more collaboration and coordination among the diaspora; much of this is up to the region’s governments, but it also depends on the commitment...
and efforts of the diaspora itself. There remains a need for more strategic cooperation, issue identification and goal setting within the diaspora to translate goodwill into tangible and meaningful objectives in both home and host countries.

Finally, while the Irish experience holds many lessons for the Caribbean, perhaps the largest relates to the economic development. That is, although developmental strategies and solutions must be guided and informed by global trends and best practices, these must be conditioned by careful policy design and analysis at home, and be cognisant of the particular dynamics of the islands and the region as a whole.

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Le CIGI a été fondé en 2002 par Jim Balsillie, co-chef de la direction de RIM (Research In Motion). Il collabore avec de nombreux partenaires stratégiques et exprime sa reconnaissance du soutien reçu de ceux-ci, notamment de l’appui reçu du gouvernement du Canada et de celui du gouvernement de l’Ontario. Le CIGI exprime sa reconnaissance envers le gouvernement du Canada pour sa contribution à son Fonds de dotation.