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Engaging the Diaspora for Economic Gain: what can Latvia expect?

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Abstract

In following the global trend of countries engaging with their diaspora populations, Latvia has expressed its commitment to the diaspora with the recent passing of the Diaspora Law, which has gone into effect as of January 1, 2019. One of the stated aims of the legislation is the engagement of the diaspora in the economic development of Latvia. In this article, a thorough analysis of the existing literature highlights the available diaspora resources that countries of origin can draw upon, identifies the avenues of diaspora engagement for development, and outlines the necessary pre-conditions for successful diaspora engagement. Then, using secondary data analysis of available Latvian diaspora surveys, the article establishes what Latvia can expect from its diaspora, both ‘old’ and ‘new’, identifies the most promising diaspora target groups in terms of economic development, pinpoints their geographical locations, and outlines the concerns and challenges that Latvia has to overcome in order to effectively engage with its diaspora and harness the economic potential of the diaspora.

Keywords: Diaspora, economic development, migration, policy engagement, return migration

Introduction

The past two decades have witnessed a remarkable renaissance in the interest of policy makers and scholars in the relationship between migration and development in migrant-sending countries. Where previously it was assumed that migration is linearly dependent on certain

factors, such as economics in Ravenstein's (1885) 'laws of migration' explanation, or the particular combination of environmental, demographic and economic factors in Lee's (1966) 'push-pull' framework, where, as a result, outmigration negatively impacts the future development of the migrant-sending country, the current thinking on migration and development envisions a reciprocal relationship between migration and broader development.

This change of thinking and policy making, recognizing transnationalism and its potential impact on development is, first of all, evident in the way the, "...governments of sending countries have moved in recent years to intensify their contacts with their diasporas and involve them in various forms of national life" (Portes 2001: 190). The sheer scale of interest and involvement from national governments in diaspora relations is astounding. A survey conducted of states participating in the Global Forum on Migration and Development found more than 400 institutions in 56 countries that were directly engaging diasporas through various programs and policies (Agunias and Newland 2012: 72). Of the United Nations member states, over half have some form of a diaspora institution (Gamlen 2015: 166-167). At least partially, this interest in collaborating with the diaspora is driven by the governments desire to capitalize on the resources of the diaspora and maximize the development potential of the diaspora (Brinkerhoff 2006). Gamlen (2008) has labeled the practice of states engaging with their diaspora communities located outside of the homeland through various institutions and practices as the formation of 'the emigration state'.

The government of Latvia is no exception to the global inclination to actively engage with its transnational population, especially since the Latvian diaspora abroad is cautiously estimated to be at around 370,000 people, or roughly 18 per cent of the current population (Ministry of Foreign Affairs of Latvia 2017). The Latvian diaspora can be divided into two groups, based on the time frame of when they left Latvia (SKDS 2006: 9-10).¹ The 'old' diaspora left the territory of Latvia before the regaining of Latvian independence in 1991, with the majority fleeing the country in the 1940's to seek refuge in the West, and the 'new' diaspora who have left Latvia in the time period post the regaining of independence.

Latvia has been actively developing its diaspora policy and its diaspora institutions since 2004, when the first Latvian Diaspora Support Program was introduced by the government.² Since then, various initiatives involving the diaspora have been realized by a variety of actors.³ As of January 1, 2019, Latvia has become one of a handful of countries that has a separate diaspora legislative framework in the form of the Diaspora Law. The Diaspora Law creates a systematic framework for further implementation of diaspora policy. Besides measures to foster the preservation of the Latvian language and culture abroad, the policy goals are envisioned as supporting diaspora organizations capacity to self-organize, and encouraging and providing support for return migration and the engagement of the diaspora in the development and

¹Four different waves of Latvian diaspora have been identified, that can be further separated into two pre and post regaining of independence in 1991. See: SKDS (2006). *Pētījums par ārpus Latvijas dzīvojošajiem Latvijas iedzīvotājiem, viņu pēctečiem un kopienām (A study of Latvian residents living outside Latvia, their descendants and communities)*. Riga: SKDS.

² See Cabinet of Ministers Order No. 738.

³ See for example: Cabinet of Ministers Order No. 542; Cabinet of Ministers Order No. 356.

promotion of the Latvian national economy, in promoting exports and investments, in the transfer of knowledge and technology, and in research and development.

Taking into account that Latvia, with the passing of the Diaspora Law, is formally expressing its desire to engage and maintain links with its population outside its borders, especially in terms of economic cooperation, for the overall development of Latvia, the aim of this article is to provide a brief summary of how the diaspora can be engaged for economic gain by the outreach policies of sending countries. A thorough analysis of the available literature will highlight the available avenues of diaspora engagement for development and outline the necessary pre-conditions for successful diaspora engagement by sending countries. In the second section of the article, the identified themes of diaspora engagement for development will be applied to secondary data analysis of existing Latvian diaspora surveys to establish what Latvia can expect from its diaspora, both 'old' and 'new', who are the most promising diaspora target groups in terms of economic development, where they are located geographically, and what are the foreseeable challenges for Latvia in harnessing the economic potential of the diaspora.

Potential of the Diaspora and Approaches to Diaspora Engagement

When thinking about the contribution the diaspora can make to the development of its country of origin, it is first important to define how development is understood. The International Organization for Migration (2005: 194) suggests a definition, where development is designated, "...in its broad human, social and economic meaning and development implies growth, advancement, empowerment and progress." Thus, the contribution of the diaspora has to be viewed in terms of the evolution of the country of origin in a comprehensive manner; in relation to the contributions that could be made to all of the abovementioned fields. It is also important to have a clear understanding of what diaspora engagement entails. This article will use Hickey's et.al. (2015: 139) definition, where diaspora engagement strategies are understood to be, "...purposeful initiatives by migrant-sending states aimed at mobilizing citizens abroad, and even former citizens, to contribute towards the national interest of the 'home' country".

Next, in order to put policy initiatives in place, it is important to have a definitive comprehension of the diaspora resources available, which can be engaged for development by the outreach policies of the country of origin. According to Ionescu (2006: 40-52) the diaspora resources can be classified as human capital, financial and entrepreneurial capital, social capital, affective capital, and local capital. Human capital encompasses the education, training and skills of the diaspora. Financial and entrepreneurship capital is the economic clout of the diaspora. Social capital refers to the networks the diaspora have developed themselves, and that can be engaged for the development of the country of origin. Affective capital is the good will and altruistic commitment the diaspora has to the country of origin. Finally, local capital is the special commitment diasporas may have towards their locality of origin. The diversity of resources the diaspora has to offer, that can be utilized by the country of origin, attest to the need to diversify the approaches to diaspora engagement. The resources the diaspora has to offer are not uniform, and the diaspora itself is not a homogeneous entity, thus, "Narrow and uniform approaches run the risk of facilitating only one type of diaspora contributions and failing to harness the full potential available in diasporas" (*ibid*: 56).

According to various scholars, there is no shortage of available diaspora initiatives, with a focus on development, which can be tapped into by country of origin policies, and, as a result, no shortage of types of contributions that the diaspora can make. Brinkerhoff (2012: 76) lists the possible diaspora contributions as economic remittances, homeland economic investments, skills transfers, diaspora philanthropy, and political influence. Saggiomo (2014: 6) highlights that, "...besides the monetary remittances, economic, social, cultural, political and technical remittances are part of the migrants' experience transferred to the homeland." In terms of initiatives for development, Ionescu (2006: 27-31) makes note of business networks, professional networks, scientific networks, community initiatives, and diaspora networking platforms, among others. In focusing specifically on diaspora entrepreneurship for country of origin development, Newland and Tanaka (2010) emphasize the potential of networking organizations, mentoring organizations, investment organizations and venture capital and partnership organizations. Agunias and Newland (2012) identify six focus areas for diaspora engagement. They are remittances, direct investments, transfer of human capital which involves return migration and brain circulation, philanthropic contributions, capital market investments, and diaspora tourism.

From the above, and according to an overview of diaspora engagement initiatives by countries of origin, Ho et.al. (2015: 153) suggests that two key, often overlapping, diaspora strategies can be distilled. The first is the 'development for poverty reduction' strategy, where the country of origin seeks out the monetary resources of the diaspora, as a means of increasing economic well-being in the country of origin. Here the focus is on remittance and personal investments from the diaspora. The other strategy is 'advancing development in the knowledge-based economy', by which the knowledge and expertise of the diaspora is capitalized on. The first strategy is employed by lower-income countries, where the higher-income countries are more interested in, "...the knowledge, skills, networks or large capital investments of global talent to drive their development" (*ibid*: 154).As such, in terms of economic gains and national development, country of origin governments have a wide variety of options for engaging with their diasporas abroad.

Relatively developed countries view their diasporas as more than just senders of remittances, and are looking at different ways of engaging and mobilizing diaspora resources. In these instances, the greatest potential in engaging the diaspora and mobilizing their resources is to be had in the following areas: trade, investment, and skills and knowledge transfer (Newland and Plaza 2013: 1).In regards to the economic facet of trade, diaspora can have an impact in two ways. According to Gould (1994: 303), diaspora maintain a preference for home country products, and as such, generate a demand in their countries of settlement. Additionally, diaspora, "...bring with them foreign market information and contacts that can lower the transactions costs of trade." Several studies exist to corroborate the correlation between diaspora presence and positive trade indicators, resulting in a trade migration nexus.⁴ In regards to investments, Terrazas (2010) suggests two advantages to engaging the diaspora. First, there is an information advantage in regards to the investment environment back in the country of origin that the diaspora has. Thus, the diaspora as an investor will be easier to convince. The second advantage is that patriotic

⁴ See: Plaza, S. (2013); Parsons, C. (2005); White, R. (2007).

sentiments play a role, and diaspora investors may be willing to accept below-market returns. Additionally, the diaspora is more likely to be a long-term investor, with on-going commitments to the country of origin (Ketkar and Ratha 2009: 72). Furthermore, the diaspora in the country of settlement can serve as a point of contact, and a source of information, for other potential investors, thus, facilitating cross-border transactions (Leblang 2011).

The human capital of the diaspora can be best utilized through skills and knowledge transfers. “Diasporas often gain valuable skills, experiences, and contacts abroad that they can ‘transfer’ back to their country of origin by seeding businesses and entrepreneurship, training and mentoring native workers, and boosting emerging industries” (Newland and Plaza 2013: 1). This approach views the diaspora as a source of knowledge, skills, and contacts that have the potential to connect the country of origin, “...with global networks of research and technology that are essential to development in the knowledge economy” (*ibid*, 2). Skills and knowledge transfers can advance new ideas and promote innovation, all of which have the potential for economic development. Return migration, or circular migration, is the preferred method of skills transfer from the diaspora to the country of origin for many migration countries. Return migration is especially lucrative when it involves the ‘return of innovation’, or individuals who are, “...prepared to make use of all the means and new skills they have acquired during their migratory experience” (Cerese 1974: 251). These individuals are likely to be innovators and carriers of social change. In many cases, these returnees are looking to fulfill their needs and aspirations in the country of origin, however, for their successful return the contextual factors are of significance. “Not only do skills and financial capital shape return experiences, but local power relations, traditions and values in home countries also have a strong bearing on the returnees’ capacity to invest their migration experiences in their home countries” (Cassarino 2004: 259). Thus, diaspora engagement strategies looking to capitalize on return, or circular migration, have to properly encourage and manage such initiatives.

In general, for diaspora engagement strategies to be successful, the existing case studies and literature suggest that before starting, the country of origin has to formulate a clear strategy of what it wants to achieve, and how it wants to achieve it. Agunias and Newland (2012) suggest a four-step plan of action for putting a diaspora engagement strategy in place. First, the country of origin has to identify the goals it wants to achieve, and take stock of its capacities. The next step involves getting to know the diaspora and its available resources, the third step consists of building trust with the diaspora, and the fourth step involves mobilizing stakeholders for action. Another policy guide suggests identifying a clear operational goal in the form of a diaspora strategy, then analyzing the national context needs and specifics, then assessing the diaspora, and then, as a final step, setting diaspora engagement priorities (Noack and Wolff 2013). The most detailed approach, by IOM, suggests a diaspora policy roadmap in which the first step involves identifying the diaspora through existing and new data, identifying key priorities and concrete projects, identifying partners, identifying how and where diaspora can add value, implementing diaspora incentives, identifying obstacles, choosing appropriate policy tools, building government capacity to work with diaspora, and finally, encouraging policy coherence (Ionescu 2006). Finally, it is also worth noting an obvious, but very important observation that success of diaspora engagement strategies depends on the availability and accessibility of information, and

the size and level of engagement of the diaspora community in the host country. Outreach efforts, diaspora community support for self-organization, and dissemination of information regarding engagement opportunities to the target diaspora population is of paramount importance.⁵

It is also very important to understand the obstacles that sending country governments might face when implementing diaspora engagement policies, and the potential solutions that can be employed to overcome impediments to engagement. According to the IOM (Ionescu 2006: 55), “The fear of corruption and the structural economic obstacles appear to be among the main limitations to making pro-diaspora measures effective.” Additionally, it is imperative that the policy maker’s address issues such as negative perceptions on all sides, negative attitudes back home towards the diaspora, over-representing diaspora as “winners” and “role models” thus encouraging further migration. For return migration, by far the biggest obstacle is future uncertainty. Trust and certainty can both be mended through open dialogue, positive communication, and responding to diaspora concerns. Thus, a key step is, “Establishing dialogue through media, virtual networks, websites, visits to diasporas and building a common agenda with diasporas through regular meetings and visits...” (Ionescu 2006: 56). Finally, the importance of coherence and operational goals and expectations cannot be stressed enough, as Koser (2003: 118-119) emphasizes that too many requests and expectations of the sending country government can stress the diaspora and lead to disillusionment.

Potential and Drawbacks for Latvia

As stated, Latvia has been actively developing its diaspora engagement policy since 2004. In reviewing the efforts of the Latvian government in meeting the necessary pre-conditions for diaspora engagement strategy success, as outlined above, some achievement, and some failures can be noted. A crucial step in all the recommendations is the information gathering process, in which the diaspora population profile is established. In this regard, the efforts of Latvia have to be praised, as several in-depth surveys attempting to establish the scope and background of the diaspora population have been carried out. This section of the article will review the most relevant existing survey data; will look at the recommendations for diaspora engagement stemming from these reports, and the noted obstacles.

The surveys used in this section are the following: a survey conducted in 2006 of the representations and diplomatic missions of the Republic of Latvia in 74 countries, in which the missions gave their responses regarding the size and activity of the diaspora community in their respective countries. The report material was supplemented with information from statistical databases and other information resources, and expert interviews in the corresponding countries were carried out (SKDS 2006). In 2014 the large scale research project “*The Emigrant Communities of Latvia: National Identity, Transnational Relations, and Diaspora Politics*” was conducted. A quantitative survey was completed by 14,068 Latvian diaspora representatives from 118 countries. Responses were received from both the ‘old’ and ‘new’ diaspora representatives. In addition, in-depth interviews and focus group discussions were also carried

⁵ See for example: Modigsson, J. & Nordlund, V. (2012); Wescott, C. & Brinkerhoff, J. (2006).

out (FSI 2014). In the spring of 2015 a targeted survey was carried out that focused on the highly educated Latvian youth abroad, their potential for return, and knowledge transfer. In the survey, 307 respondents participated, and an additional 30 in-depth interviews were carried out (King et al. 2016). In the fall of 2015 a survey, concentrating on understanding the return migration potential of the Latvians born in the United States or Canada, was carried out in which 770 respondents, classified as the 'old' Latvian diaspora, completed the survey (Birka 2019). In 2016 a survey of returning diaspora representatives was carried out, in which 3088 respondents participated (Hazans 2016). Also, in 2016 in-depth interviews were carried out with 23 high level Latvian entrepreneurs or professionals, who either lived abroad or who had returned to Latvia after living abroad, to establish the best avenues for economic cooperation and knowledge transfer (Mieriņa 2017).

The 2006 survey was the first attempt of its kind to establish the size and breadth of the Latvian diaspora, which, the report, at the time, estimated to be roughly 280,000 individuals (Kokarevica 2006). The profile of the diaspora in the 74 countries is given, delineating 'old' and 'new' diaspora, and providing an overview and contacts for active diaspora organizations. The 2006 survey conclusion is that the most active Latvian diaspora communities, with the most potential, are to be found in the United States, Australia, Canada and Germany (SKDS 2006: 9). However, the report also notes that, as a result of the opened labor markets, the diaspora communities have been growing in the United Kingdom and Ireland. The report makes several valid conclusions, which support the international organization recommendations previously outlined. First, the report notes that the diaspora is very varied, and highlight the lack of information access the diaspora is faced with (*ibid*: 22). A recommendation is also made to concentrate on establishing sector specific databases of contacts, such as scientists, businessmen and entrepreneurs (*ibid*: 23). Finally, the report also lists the major obstacles in forging a closer cooperation partnership with the diaspora, mainly, issues related to a lack of trust the diaspora has in the Latvian government, politicians and even diplomatic establishments (*ibid*: 22).

The 2014 survey provides a breadth of information on the background of the Latvian diaspora in various sectors, which is reflected in the joint monograph *Emigrant Communities of Latvia: Diaspora of Hope* (Mieriņa ed. 2015). According to the survey, sense of belonging to Latvia is most keenly felt by the economic migrants, or those who left Latvia in order to improve their quality of life or accumulate financial capital (*ibid*: 112). In terms of mobilizing the economic potential of the diaspora, this should be the target group, and the fact that they also express a strong sense of belonging to Latvia, only means that it will be easier to appeal to their patriotic sentiments. There are also several interesting calculations, using the 2014 survey data that highlight the economic potential of the diaspora. For example, of the respondents 25% of those who left Latvia post-2000, plan on starting a business in Latvia or helping their employers establish business relations with Latvia (Hazans 2016a).

In designing the survey, and the survey weights, the team also endeavored to establish the size of the officially registered diaspora in various countries. According to their findings, the top five Latvian diaspora, both 'old' and 'new', countries of residence are: the United Kingdom (71,665), the United States (33,066), Germany (22,769), Russia (18,979), and Ireland (16,731) (Mieriņa

ed. 2015: 62).⁶The greatest activity, and the most responses to the survey, were received from the United Kingdom (4954), Germany (1476), Ireland (1223), Norway (838), and the United States (810) (*ibid*: 30).The survey activity partially reflects the official top five Latvian diaspora destinations. In terms of sheer numbers and their willingness to respond to engagement initiatives, such as the survey, the United Kingdom represents vast potential for diaspora capital mobilization. Another reason, why the United Kingdom should be of immense interest to Latvia, as a source of diaspora capital, is that from the 2014 survey data it can be established that the highest percentage of Latvian university graduates, thus, the highly qualified diaspora members are to be found in the UK(*ibid*: 91).

A separate article, using the 2014 survey data, specifically looks at the business and economic cooperation potential of the diaspora (Mieriņa 2016).The entrepreneurs can be divided into two groups, those who are employers, and those who are self-employed or work in family enterprises. In total, 353 respondents can be classified as businessmen or employers, and 672 are either self-employed or employed in family enterprises. From the survey, the greatest economic cooperation potential with Latvian diaspora entrepreneurs is to be found in the United States, in the United Kingdom, and in Russia (*ibid*: 3).Almost half of all surveyed Latvian diaspora entrepreneurs live in one of these three countries. In terms of industry specific sectors, the greatest cooperation potential with the diaspora is to be found in the sales, catering, and hospitality industries, then construction, and finally information communication technology sector (*ibid*: 2). Of the entrepreneurs, 24% said that in the future they might start their own business in Latvia, or help with establishing business cooperation with Latvia (*ibid*: 6).In terms of the mobilizing the economic potential of the diaspora, this percentage is quite low. A potential explanation for this is the fact that the surveyed entrepreneurs expressed catastrophically low confidence in the government of Latvia. They also expressed very low levels of trust in the police and the judicial system. Further, also detrimental to any sort of economic cooperation potential is the attitudes the surveyed diaspora entrepreneurs expressed regarding the taxation system of Latvia. A total of 75% of the entrepreneurs view the taxation system of Latvia as “very bad”, “bad”, or “rather bad” (*ibid*: 5).

None the less, the highly qualified professionals and entrepreneurs can be engaged in different ways in order to promote the economic development of Latvia even without direct investment. For example, in the focused in-depth interviews of 2016, 40% expressed their willingness to participate in business support activities. This includes activities such as business mentoring, assistance in identifying export opportunities or cooperation partners, support in attracting foreign investors, and so forth. Further, over half of the respondents were willing to engage in networking activities and initiatives. Other options for engaging the diaspora in economic development and knowledge transfer, which were suggested by the diaspora themselves, are their involvement in the organization of high-level representative visit in the country of residence, consultations on the business atmosphere and etiquette, willingness to speak at economic forums or other events, and so forth (Mieriņa 2017).

⁶ The team does note that, for various reasons explained by Hazans (2013; 2016), the true magnitude of the Latvian diaspora is not fully known, and the totals are underestimated.

As previously discussed, return migration is the optimal way of engaging diaspora in the development of the country of origin, utilizing their human capital, and taking full advantage of skills and knowledge transfer. Interestingly enough, the 2014 survey found that return migration is an option most often considered by those who have gone abroad in order to further their education (Mieriņa ed. 2015: 99). Hazans found that return is an option considered by those who are not fully utilizing their education or qualifications in their countries of settlement to their full potential (2016a). Thus, as discussed in the previous section, the return option is attractive to those who are looking to utilize their full potential and are seeking fulfillment opportunities back in the country of origin. Even though the main reasons diaspora give for returning to Latvia are not economic in nature, but rather have to do with emotional longing for home and family, and a wish to be in a Latvian speaking environment (Mieriņa ed. 2015: 198), those returning with foreign experience and education can expect their skills to be appreciated by the local job market. Hazans (2013: 89) had previously shown that returnees with skills and knowledge acquired abroad earn on average more than locals. Returnees also have the added bonus of being more productive (*ibid*: 101). This information was also confirmed by the 2016 survey specifically focusing on returning diaspora members (Hazans 2016). From the survey responses, Hazans (*ibid*: 45) is able to show, once again, that returning diaspora members return for reasons other than economics, but end up faring better in the job market and receiving a higher salary. Additionally, returnees have more opportunities to work in their field of specialty. This confirms that those who return are returning with experience and an education that is prized by the Latvian employers, and they can, at least partially, be thought of as ‘return of innovation’.

The fact that the highly educated Latvian diaspora members think of themselves as ‘agents of change,’ or ‘innovators,’ is also attested to by the 2015 survey and in-depth interviews of the Latvian youth abroad (King et. al. 2016). The highly educated youth see themselves as agents of positive impact and, “...expressed idealized imaginaries of their return and the knowledge contribution that they envisaged themselves making to the home country” (*ibid*: 191). These findings suggest that the ‘new’ diaspora representatives, especially those who have gone abroad to study, can be engaged by diaspora strategies and enticed to return to Latvia by appeals to their patriotic feelings and self-interest in utilizing their education and skills to the full potential in their fields of expertise. The appeal of returning to aid in the development of Latvia, and in using skills and knowledge for the greater good of the homeland, is also enticing to the ‘old’ diaspora. This is attested by the 2015 survey of diaspora representatives born in the United States or Canada (Birka 2019). Of those who have returned, and were surveyed (n=52), most can be classified as the highly qualified, and the main reasons they give for moving to Latvia is that they, „wanted to contribute to the development of Latvia”.

However, return migration strategies also have to be aware of the concerns that have been, time and time again, expressed by returnees, or potential returnees. These concerns have to do with the inadequate workings of the Latvian government institutions, and the lack of satisfaction and trust in the Latvian government (Hazans 2016: 30). The other major concern is with the lack of available information, or the scant dissemination of information (*ibid*: 43). The highly qualified youth also expressed their concerns with the lack of high-level economic analysis about the future prospects of Latvia, and with the lack of incentives for return. They also echoed the

familiar sentiments about the inefficiency of the bureaucracy in Latvia, and corruption in allocation of resources (King et. al. 2016: 196-197).

These same concerns are expressed by the ‘old’ diaspora representatives. The ‘old’ diaspora representatives who currently live in Latvia (n=52), when asked to list what bothers them about living in Latvia, as the main issue of concern name ‘corruption, greed, and materialism’. This concern was expressed by 82% of those surveyed. Further, the perception of corruption in Latvia is also very much present in the ‘old’ diaspora who have never lived in Latvia. Of those surveyed (n=594), concern with corruption was a top three issue given as a response for what they think would bother them about living in Latvia. Such high levels of distrust are not only likely to prevent individuals from considering relocating to Latvia, but also hinder other means of engagement with Latvia, such as promoting it as an investment destination, or encouraging business relationships. Lack of information, specifically information regarding opportunities to return to Latvia or maintain links with Latvia, is another hindrance to successfully engaging the ‘old’ diaspora. For example, of the ‘old’ diaspora representatives, who had never lived in Latvia, only 11% had ever heard of the Return Migration Plan, which was the government initiative in place at the time to encourage diaspora return to Latvia. Another interesting conclusion is that there exists a vast information gap regarding the economic situation of the country, the current salaries and employment prospects. The ‘old’ diaspora representatives living in the United States and Canada were much more skeptical about the prospects and possibilities in Latvia, in comparison to those ‘old’ diaspora representatives who resided in Latvia, or who travel to Latvia on a regular basis (Birka 2019). As discussed, uncertainty about future prospects is a significant hindrance to return migration and to a willingness to engage in economic development initiatives as such.

Conclusions

From the breadth of international organization recommendations reviewed, it is evident that for diaspora engagement strategies to have a chance at success, the priorities of the strategy have to be clear, the diaspora population has to be studied and analyzed, its profile and main characteristics such as size, geographic location of target groups, and background information has to be known. Additionally, the diaspora has to be self-motivated to engage, or incentives have to be offered that spur on engagement, and avenues of engagement, both through diaspora organizations and government initiatives have to be straightforward and trustworthy. For maximum impact, a conscious effort has to be made by the policy and strategy implementing actors to reach out to, and inform the diaspora, to try to extend beyond those who themselves actively seek information and engagement opportunities, to motivate, through tailor-made approaches, the involvement of those with high levels of various diaspora capital. In these efforts, of paramount importance is the general level of involvement of the diaspora in the diaspora community, and the vitality of the diaspora community organizations, as, “...more active communities foster stronger ties amongst their members and, additionally, are in a better position to coordinate its information and promotion efforts to generate investment from investors in the host country at large” (Modigsson and Norlund 2012: 29).

The recently adopted Latvian Diaspora Law is an excellent effort to support and encourage the self-organization potential of the diaspora community, thus creating opportunities for greater involvement of individual diaspora members in the diaspora communities abroad, and in turn, promoting possibilities for engagement with Latvia in the future. More active communities will have a greater potential for helping to meet the stated policy goals of engaging the diaspora in the Latvian national economy, in promoting exports and investments, in research and development, and in skills and knowledge transfers. Besides ensuring means of diaspora community support through legislation, the Latvian efforts of getting to know its diaspora through surveys, establishing the diaspora demographic, socioeconomic and geographic profile, have to be praised. The surveys reviewed in this article have confirmed that the geographic locations of the Latvian diaspora that holds the most potential for economic engagement are the United Kingdom and the United States, and also Russia. However, what these diaspora portraits have also revealed is that the diaspora populations in each of these locations are likely to be very different. The United Kingdom hosts the highly educated ‘new’ Latvian diaspora, the United States is home to the enterprising ‘old’ diaspora, and the Russian diaspora is likely to require its own tailor made approach to engagement. Thus, Latvian engagement strategies, in order to succeed, have to offer opportunities that appeal to each of these populations.

The surveys and interviews reviewed have established that getting the diaspora to simply invest its financial capital, or use its entrepreneurial capital to start a business with Latvian partners, is likely to be challenging without first addressing the major concerns the diaspora has regarding corruption, and repairing the trust the diaspora currently lacks in the Latvian government. Meanwhile, there are other means of engaging the diaspora capital to which the diaspora representatives surveyed are quite open to, such as networking activities and initiatives, business mentoring regarding country specific issues and markets, partner identification, and consultations. Nonetheless, the lack of trust and perception of corruption issues the diaspora has expressed, both ‘old’ and ‘new’, have to be addressed through deeds and open communication in order for the engagement strategies to have a chance at success in the future.

In order to take full advantage of return migration, and encourage the ‘return of innovation’, the message communicated from the Latvian side has to be clear. Uncertainty has to be dispelled, and information gaps have to be filled. Efforts should be made to seek out and encourage the return of those who want to optimize their skills, experience, and education, and make a contribution to the greater good. The surveys show that a significant portion of the diaspora is motivated by feelings of patriotism and altruism. Further, the survey data has established that the Latvian market is appreciative of the acquired foreign skills and knowledge the diaspora is likely to bring back. This message has to be communicated to the diaspora, specifically making an effort to establish new communication channels and networks that reach further and deeper into the diaspora. Finally, in developing diaspora engagement initiatives, and in communicating with the diaspora, the coherence of the message and policy is of paramount importance. Priorities and goals have to be internally set, and only then stakeholders and information channels mobilized, so as not to overwhelm and exhaust the patience and willingness of the diaspora to engage. Only then can Latvia expect to fully harness the economic potential of the diaspora.

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