



## The ECA's Diaspora Populations Can Aid Growth and Development

Timothy Heleniak and Sudharshan Canagarajah

### Key Messages<sup>1</sup>

- **The diaspora populations from Europe and Central Asia (ECA) countries are large in both absolute and relative terms. Nearly 11 percent of the population in the region resides outside the country of birth (compared to 3.1 percent globally).**
- **The ECA diaspora populations are highly educated and skilled.**
- **Formulation of diaspora policies in the region is in its early stages; most ECA countries started developing diaspora policies and institutions only after the year 2000.**
- **ECA countries need to identify their diaspora goals, map diaspora geography and skills, create a relationship of trust between diasporas and governments of both origin and destination countries, and mobilize their diasporas to contribute to sustainable development.**

### The Large ECA Diaspora Populations Can Aid Growth and Development in Home Countries

The notion that diaspora populations can contribute in different ways to development in their home countries is rather new in the ECA region. Yet, large numbers of people from ECA countries who have migrated abroad have already been assisting in the development of this region by sending remittances, facilitating trade and investment in their homelands, donating to philanthropic causes, volunteering, providing knowledge transfer, promoting return migration and travel, and bringing diaspora tourism.

<sup>1</sup> This Knowledge Brief is based on a longer paper by Timothy Heleniak, "Harnessing the Diaspora for Development in the Europe and Central Asia Region," completed for Migration and Remittance Peer Assisted Learning (MiRPAL) (Washington, DC: World Bank, Europe and Central Asia Region, 2011).

The ECA diaspora populations are large in absolute size and as a share of the home countries' populations, and are highly educated and skilled. The size of the ECA diaspora, defined as people living outside their country of birth, is estimated to be 49 million people, totaling one-quarter of the global diaspora population. Nearly 11 percent of the region's populace resides outside the country of birth (compared to just 3.1 percent globally), as shown in figure 1. Albania and Bosnia and Herzegovina have 40 percent or more of their populations outside their countries, while Armenia, Georgia, Kazakhstan, Macedonia, and Moldova have roughly 25 percent. A number of other countries have smaller but still significant shares of their populations residing outside their home countries.

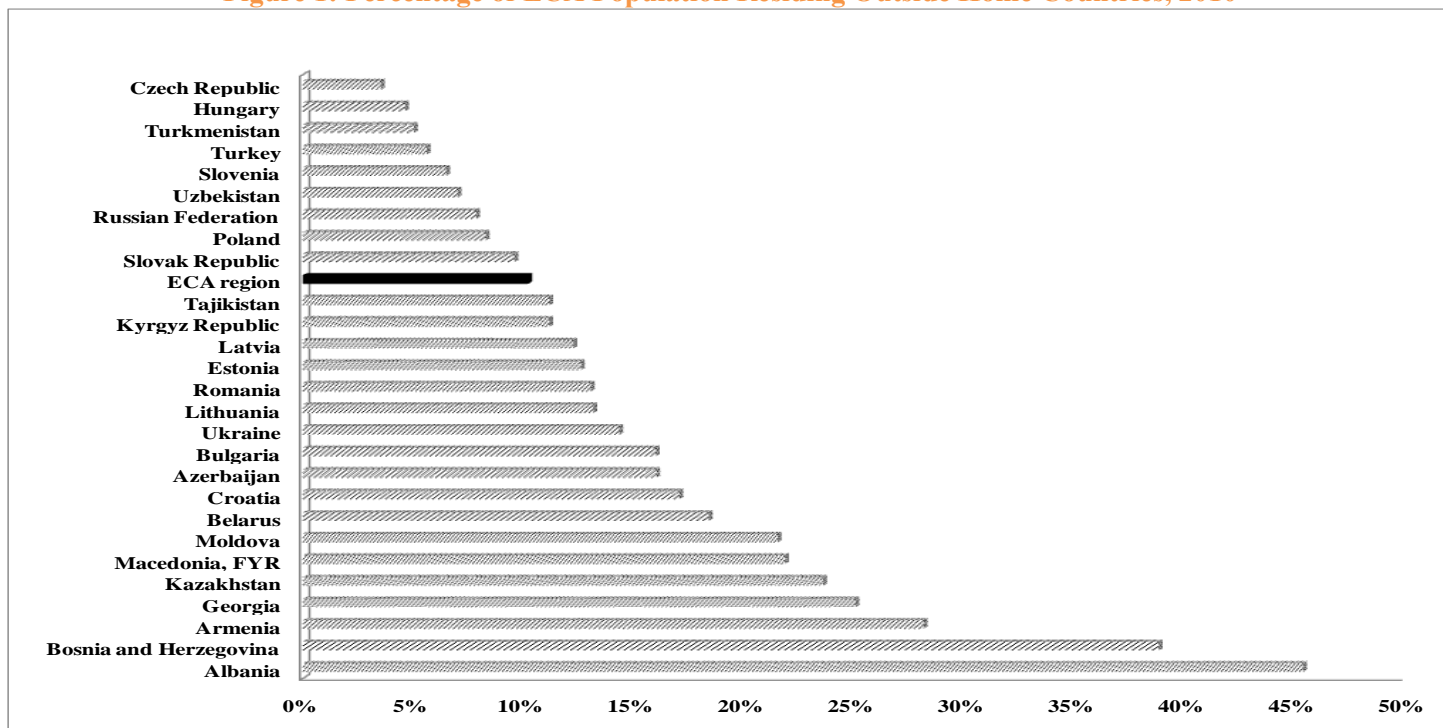
### There Are "Old" and "New" ECA Diasporas

The ECA diasporas are a mix of older and newer populations. A large number of people migrated from ECA countries during the period between World War II and 1990, providing a vast stock of migrants in Europe, North America, and elsewhere. With the economic transition and emergence of newly independent countries over the last two decades, there has been a new wave of people leaving the ECA countries. Government policies should thus differentiate between these two diaspora populations, since each group offers something different to the home countries.

### The ECA Diaspora Populations Are Highly Educated and Skilled

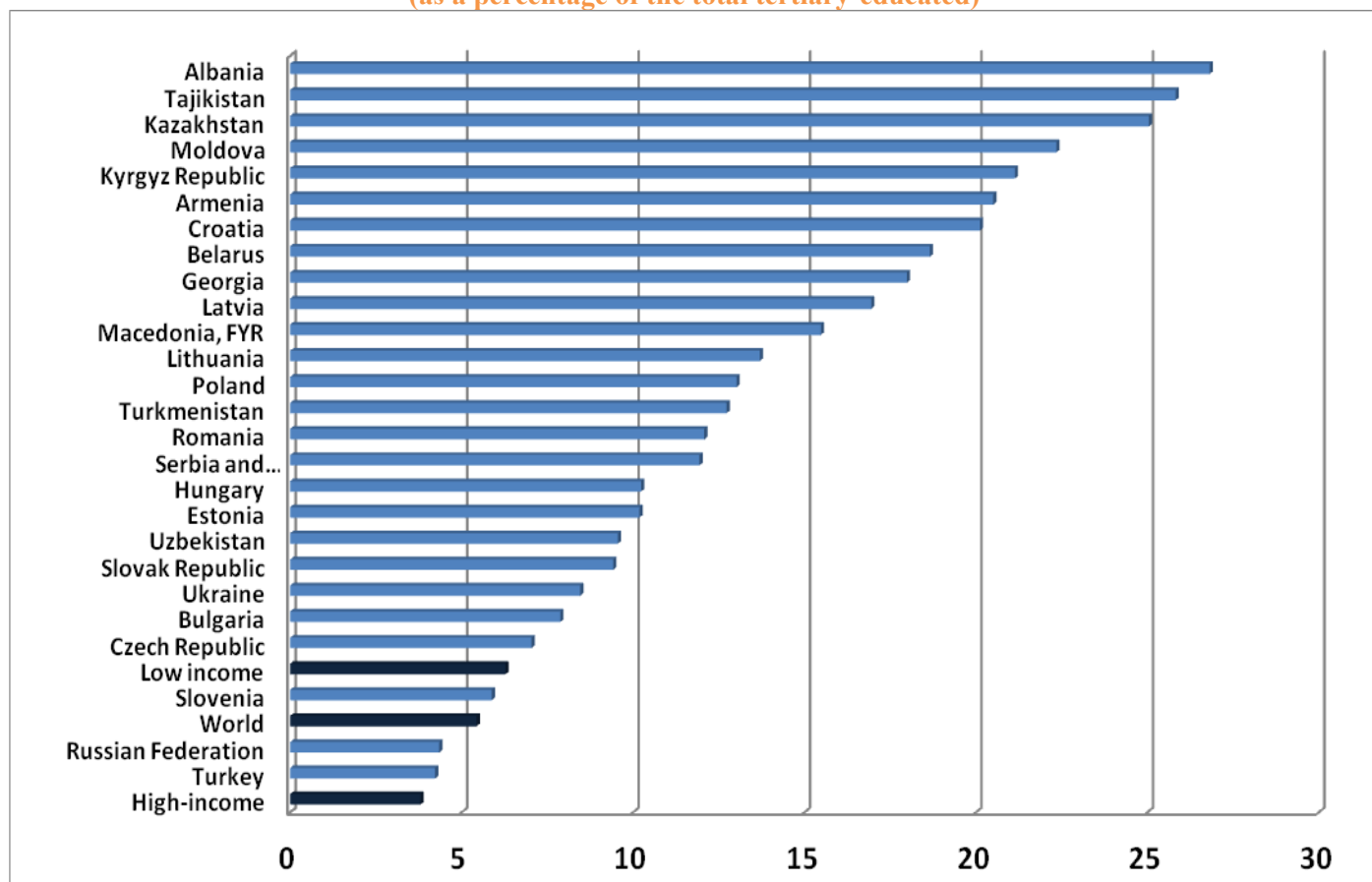
Globally, 2.4 percent of the total population and 5.4 percent of the tertiary-educated population live outside the country of birth. For the ECA countries for which data are available, emigration rates of the tertiary-educated populations are substantially higher. In seven ECA countries, 20 percent of the highly skilled population live outside the home countries; in 11 other countries, the figure is 10–20 percent (see figure 2).

**Figure 1: Percentage of ECA Population Residing Outside Home Countries, 2010**



Source: Diaspora population: United Nations Population Division, United Nations Global Migration Database v.0.3.6 (<http://esa.un.org/unmigration/index.aspx> accessed March 22, 2011)

**Figure 2: Emigration Rate of Tertiary-Educated People from ECA Region (2000)  
(as a percentage of the total tertiary-educated)**



Sources and Notes: Jean-Christophe Dumont, Gilles Spielvogel, and Sarah Widmaier, "International Migrants in Developed, Emerging and Developing Countries: An Extended Profile," OECD Social, Employment and Migration Working Papers 114 (Paris: OECD, 2009),

[www.oecd.org/els/workingpapers](http://www.oecd.org/els/workingpapers).

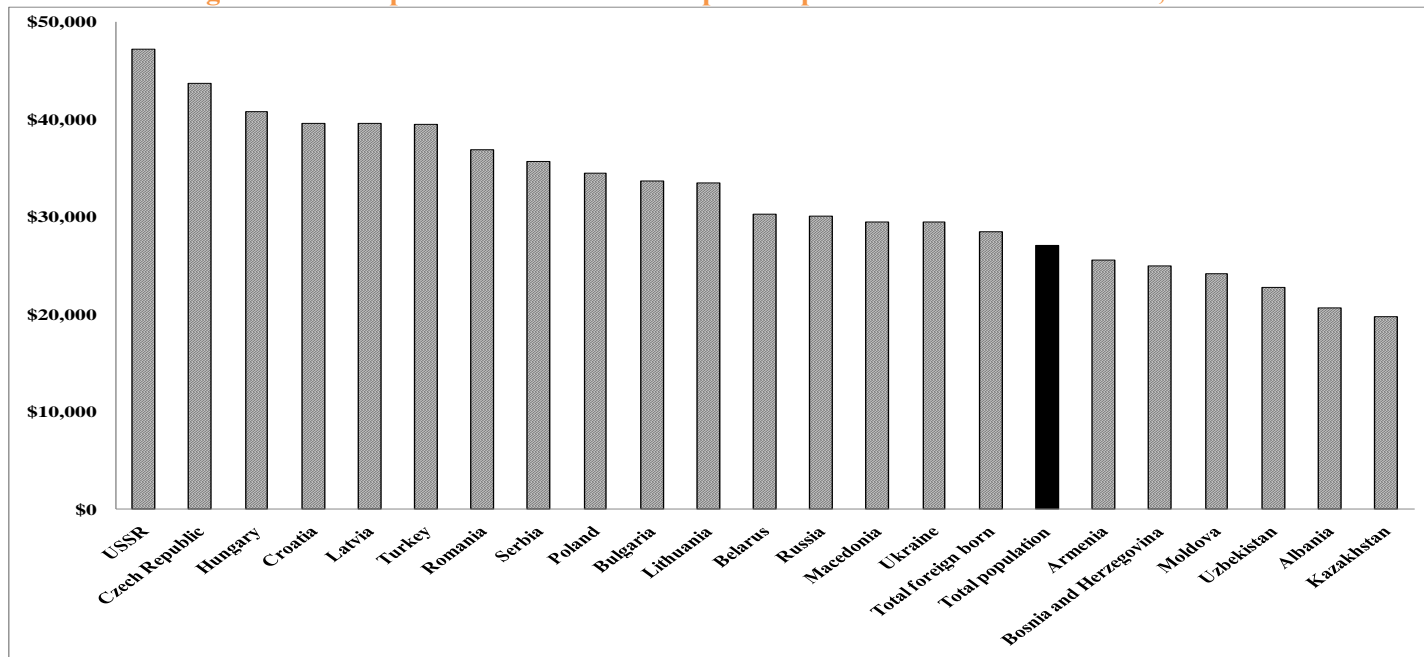
## ECA Knowledge Brief

The foreign born from ECA residing in the United States are much more highly educated than the U.S.' overall foreign-born population. Members of this group have higher rates of citizenship and naturalization, are disproportionately represented in management and professional occupations, have higher incomes, and own homes with a generally higher market value.

As shown in figure 3, between 2007 and 2009, the per capita income of the diaspora population in the United

States from nearly every ECA country was significantly higher than the U.S. average of \$27,100. Only those from Moldova, Armenia, Kazakhstan, Albania, and Bosnia and Herzegovina had lower median incomes. These high incomes are reflected in the high values of owner-occupied homes. In 2009, the median home value in the United States was \$191,900; for the ECA diaspora populations, it was greater than \$300,000, with those from Armenia the highest at \$494,900.

**Figure 3: Per Capita Income of ECA Diaspora Population in the United States, 2007–2009**



Source: U.S. Census Bureau, 2007-2009 American Community Survey.

### ECA Diaspora Populations are Concentrated in a Few Countries

ECA diaspora populations are concentrated in a few destination countries, with half residing in just four countries: Russia, Germany, Ukraine, and Kazakhstan. There are also a sizable number of ECA emigrants in Italy, Spain, the United Kingdom, Greece, Austria, the United States, and Canada.

Nearly half the ECA diaspora resides in other former Soviet states, mainly Russia, and about 35 percent live in high-income countries of the Organisation for Economic Co-operation and Development (OECD).

### Diaspora Policies in ECA Countries

ECA countries are at varying levels of development. Their diaspora populations also vary, differing considerably in size, geographic dispersion, socioeconomic characteristics, and ties to the home countries. ECA governments also differ significantly in the development of their diaspora policies

and institutions, though most have not designed policies towards their diaspora populations at all or have done so only recently. What is more, few ECA countries explicitly link their diaspora policies to internal economic development but rather to foreign policy concerns, and for that reason, diaspora offices are often housed within the ministries of foreign affairs.

Countries with comprehensive diaspora policies include Lithuania, Armenia, Georgia, Romania, Montenegro, and Bulgaria, whose policies incorporate many different elements of engagement with their diaspora populations. Ukraine, Croatia, and Macedonia have only recently developed diaspora policies, and Kyrgyzstan is lacking a diaspora policy altogether.

A number of ECA countries are quite remittance-dependent, including Moldova, Tajikistan, Albania, Kosovo, and Bosnia and Herzegovina. Russia, Slovenia, Serbia, and Poland mention the return or engagement of highly skilled diaspora members prominently in their policies. All of these countries have large, highly educated diaspora populations

that include people who left decades ago as well as more recent emigrants.

In Latvia, Estonia, and Kazakhstan, using the diaspora to compensate for demographic decline through return migration seems to be a major focus of policy. All three countries are experiencing a significant decline in population, a trend that is projected to continue into the foreseeable future.

Using the diaspora as its representatives in the European Union (EU) seems to be the main goal of Turkey's current diaspora policy. Previously, however, when it was sending large numbers of labor migrants to Europe, Turkey had successfully used remittances as a source of economic growth, a policy that many ECA countries are now seeking to replicate.

The preservation of culture and language is the main aim of emigrants from the Czech Republic and Slovakia, although the diaspora policies of most countries mention this as well. Hungary's diaspora policy seems focused on the enlargement of the nation by drawing back in the large diaspora in neighboring countries. About 5.5 million ethnic Hungarians have migrated to neighboring countries due to border changes in the past.

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### Challenges in Diaspora Relations

Diaspora policy is a subset of a country's overall migration policy. Tracking diaspora populations is important for ECA countries and many of them make some effort to collect this kind of data. Nearly all countries cite assistance to citizens abroad, especially labor migrants, as one goal of their diaspora policies. Given that many labor migrants do not enter other countries under fully legal conditions, their protection abroad is often a priority.

Dual citizenship is a policy advocated by those who support diaspora engagement as a way of keeping diaspora populations connected to the homeland. Some of the ECA countries allow dual citizenship and more seem to be revising their policies in this direction.

Policies to encourage or reduce the cost of remittances are currently not well integrated into the diaspora policies of many ECA countries. This is surprising given that, as noted above, many lower-income ECA countries are highly dependent on remittances, with several among the most remittance-dependent countries in the world.

It is difficult in the ECA region to systematically determine the level of diaspora investment in home countries, although there is considerable anecdotal evidence. Several ECA countries use external diaspora organizations as their point of contact and in some cases, offer direct financial support to them.

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### Increasing the Role of the ECA Diaspora

The ECA countries are relatively new to having diaspora populations. Nevertheless, it is important that ECA countries first and foremost try to determine the exact levels of involvement of their diaspora populations by better tracking them. The governments of these countries also need to define their diaspora goals and link them to development, drawing on international best practice and the experiences of other countries - such as Mexico and the Philippines - in formulating their own diaspora policies. According to a recent policy report,<sup>2</sup> any government's strategy for diaspora engagement should include: identifying goals, mapping diaspora geography and skills, creating a relationship of trust between diasporas and governments of both origin and destination countries, and ultimately mobilizing diasporas to contribute to sustainable development in their country of origin. Although the exact institutional arrangement for a government's interaction with its diaspora population will vary, ECA countries should not ignore the enormous development potential of their large, highly educated, and highly skilled diaspora members.

#### About the Authors

Timothy Heleniak is a Research Associate in the Department of Geography at the University of Maryland, USA.

Sudharshan Canagarajah is a Coordinator for the MiRPAL Network and Lead Economist for the Poverty Reduction and Economic Management Unit of the Europe and Central Asia Region of the World Bank.

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<sup>2</sup> Kathleen Newland, ed., *Diasporas: New Partners in Global Development Policy* (Migration Policy Institute: Washington DC, 2010).