



FOCAL

Canadian Foundation for the Americas

Fondation canadienne pour les Amériques

Fundación Canadiense para las Américas

Fundação Canadense para as Américas

Foreign Affairs Canada – Canadian International Development Agency Latin American and Caribbean Diaspora Group Meeting

Ottawa - Gatineau, October 26, 2005

1. Introduction:

On October 26, 2005 twenty-two leaders of Latin American and Caribbean Diaspora organizations from throughout Canada met with officials from Foreign Affairs Canada (FAC) and the Canadian International Development Agency (CIDA) to exchange information on the role that Diaspora organizations play in fostering economic and political development in their countries of origin and to explore the potential for collaboration on common objectives.

The discussions focused on the linkages that Diasporas in Canada have with their communities of origin around issues such as foreign investment, job creation, poverty migration, community development initiatives, and on political issues such as advocacy, transparency, accountability, anti-corruption legislation and obtaining the right to vote in their countries of origin.

Over the past few years a consensus and understanding has emerged globally on the contributions that Diaspora populations are making toward advancing development in their countries of origin. Comparatively, less work has been done in Canada than elsewhere in the developed world to understand and augment the positive, as well as to reduce the negative, linkages between Diasporas and their home communities. This is striking given that close to one out of five Canadians is foreign born, among the highest percentages in the developed world. Diasporas in Canada would appear to be a huge potential asset to strengthening Canadian influence in the world. They are also as asset that may be under-utilized and under-appreciated. This meeting therefore played an important role in accelerating awareness of the importance of the Latin American and Caribbean (LAC) Diaspora for Canada. Hopefully, the meeting also will accelerate research, further discussions and policy responses.

Diaspora: The totality of individuals who identify themselves based on their origin in, and/or ties to a territory other than the one in which they reside. Can include migrants, 1st, 2nd or even 3rd generation immigrants as well as expatriates, students, guest workers and refugees.

Transnationalism: A form of economic/cultural adaptation by Diasporas where modern telecommunications, trade, travel and commercial technologies allow Diasporas to almost literally live in two places simultaneously.

Remittances: Primarily financial transfers from Diasporas to relatives in their communities of origin. Telecom and tourism revenues generated by Diasporas also can be considered as remittances. **Collective Remittances** are funds sent by organized Diaspora groups to support community projects. **Non-Financial Remittances** include transfers of ideas, knowledge, skills, business opportunities, culture and also may include factors associated with health and crime issues. These are two way-flows from north to south and from south to north.

2. Morning Session: Political Involvement of Diaspora organizations (Hosted by Foreign Affairs Canada – FAC)

The first meeting focused on the political involvement of Diasporas and linkages to Canadian foreign policy. The focus of the discussions went beyond involvement in partisan campaigns and national elections, and focused on issues such transparency, anti-corruption, accountability and remittance flows. The session was chaired by the Honourable Lloyd Axworthy, President and Vice-Chancellor of the University of Winnipeg and former Minister of Foreign Affairs.

2.1. Opening

Carlo Dade, Senior Advisor of FOCAL and the meeting organizer, opened the session by describing the main purpose of the meeting to be an expansive, open, and introductory conversation between Diaspora groups from LAC and Foreign Affairs officials. Given that transnationalism is a relatively new topic for those working on development issues, the aim of the meeting was to discover the basis for a longer-term, dynamic collaboration between CIDA, FAC, and Diaspora organizations in Canada mirroring the type of collaboration that are beginning to appear in other developed countries, particularly in the U.S.

2.2. Canadian foreign policy back to LAC

Jamal Khokhar, Director General for Latin America and the Caribbean at FAC, described the decline of Canadian interest in the Americas post September 11, 2001 and contended that, as much as any other factor, this has been the result of the lack of an active and vocal constituency within Canada for the Americas. This change in foreign policy is the continuation of a pattern started by other countries, predominantly the U.S. However, the lack of a constituency for the Americas within Canada has made the decline more noticeable here.

Given the current scenario, Mr. Khokhar stressed the importance for the LAC Diaspora in Canada to assist FAC make the case for Canadian to be engagement in the region. He called on the LAC Diaspora to identify the regions, sectors, and initiatives where the Canadian government and LAC Diasporas have common cause. He also noted that the Canadian private sector has to join in this process. According to Mr. Khokhar, a strong, organized, and capable Diaspora, engaged in transnational political and economic activities is the best partner for Canada to understand communities, to explore expectations, and to have a better idea of what initiatives might have larger impact in the Diasporas' home countries.

2.3. *What political issues are more important for Diaspora organizations in Canada?*

Following the introduction, the meeting, chaired by the Honourable Lloyd Axworthy, focused on exploring the involvement of LAC Diasporas in their host and home countries. Although political participation of immigrants in home countries' politics is not new, there has been a profound change in the type of political issues advocated by immigrants. According to Mr. Axworthy, a couple of decades ago Diasporas were very active in promoting discussions, monitoring, and assisting in surveillance on human right issues in their home countries. More recently, topics like partnerships, connectivity, co-development, and brain circulation versus brain drain, are drawing the attention of Diasporas in Canada.

a. Immigrants participation in local politics

Following on the challenge laid out by Jamal Khokhar, Mauricio Ospina from the *Hispano American Business Leadership Agency*, explained how Hispanic immigrant organizations from the 1970s and 1980s that had focused on supporting the settlement of new-comers in Canada, are now evolving into professional organizations that seek business and investment opportunities as well as political representation in Canada. However, Mr. Ospina noted that because one of the primary reasons that many in the Diaspora emigrated from their home countries was distrust of political and governmental institutions there is a great deal of apathy within this community to engage in political activities in Canada. Hence, it is pivotal that immigrant associations build trust and create incentives for the Diaspora to participate in political activities, not only in partisan campaigns but also in advocacy for issues that affect the community at large.

Agreeing with Mr. Ospina, Frederick Cox from the *Guyanese Heritage Association* declared that if Diasporas are not involved in political activities in Canada, they will not have the impact they want and therefore they will not have influence in how the decisions are made within the country. Diaspora organizations need to work on mobilizing and getting the support of their own communities.

b. Home countries accountable to their Diasporas

Manuel Rodriguez from the *Asociación de Salvadoreños Profesionales en Canada*, suggested that Diasporas are not only willing to participate in political activities within Canada but also in their home countries. Rodríguez discussed how ASPCAN is working to promote a higher degree of accountability from Salvadorian government towards its Diaspora. It is important that home countries understand that Diasporas are not only a source of remittances but also a pressure group that is committed to guaranteeing that federal and local governments deliver adequate and sufficient public goods and services to their compatriots

Hispanic immigrant organizations are evolving into professional organizations seeking business and investment opportunities in Canada.

Many in the Diaspora emigrated with distrust of political and government institutions resulting in apathy toward engaging in political activities in Canada.

Asociación de Salvadoreños Profesionales en Canada, is working to promote a higher degree of accountability from Salvadorian government towards its Diaspora.

Immigrants should be more active in advocating their rights to participate in politics and to change the future of their home countries.

There is a need to become part of the process of rebuilding home countries.

back home, especially to those who bare the burden of poverty and exclusion. Given that remittances are a finite source of funds, Mr. Rodríguez suggested that it is important to create mechanisms to monitor that the money is efficiently used, while helping to create long-term, sustainable sources of income for low-income and underserved people.

Ronald Chavez from the *Canada- El Salvador Action Network* (CELSAN), a Salvadorian organization based in Vancouver, suggested that immigrants should be more active in advocating their rights to participate in politics and to change the future of their home countries. There is a need to move from just providing money to become part of the process of rebuilding home countries.

Mr. Chavez shared with the participants the experiences of CELSAN working under the Three-for-One program. Through this cost-sharing program, CELSAN supported one-third of the costs of a small community project in Apopa, a small municipality in El Salvador, while the local and federal government supported the other two-thirds. Given that CELSAN members regularly met with the Municipal Council, an extra seat for an overseas councilor has recently been opened in the Municipal Council. This exemplifies how Diasporas are already participating, through democratic channels, in decision-making processes in their hometowns.

c. Home country governments opening channels to listen the needs and demands of their Diaspora populations

Walter Perez-Tristan, president of the *Peruvian Canadian Chamber of Commerce* (PCCC) spoke of how home-country governments play a fundamental role in creating incentives for political participation by Diasporas. Mr. Perez-Tristan explained how the Peruvian government has been active in promoting the creation of nearly one hundred organizations to represent the Peruvian Diaspora around the world. The aim of the government is to increase by at least 10% the political participation of the Diaspora, while allowing these communities to express their concerns, needs, and demands.

Similarly, Orlando Iturbe, president of the *Asociación Cultural Mexicana Canadiense Ottawa-Gatineau*, told the audience that the Mexican government created the *Instituto para Mexicanos en el Exterior* (IME) in an effort to connect federal and local governments with the Mexican Diaspora and to help channel immigrants' funds to Mexico.

2.4. What are the ways in which Diasporas' interventions can be more effective?

a. Immigrant organizations need to better articulate their initiatives

Canada-El Salvador Action Network of Vancouver has supported a development project in a small municipality in El Salvador, from this interaction a seat for an overseas representative has been created in the Municipal Council

The Peruvian government has promoted creation of nearly 100 organizations to represent the Peruvian Diaspora

The Mexican government created the *Instituto para Mexicanos en el Exterior* to connect federal and local governments with the Mexican Diaspora and to channel immigrant funds to Mexico.

Representatives of two Nicaraguan organizations, Alma Sandoval from *Anabuac* and Wilfredo Jirón from the *Organization of Nicaraguans in Canada* (ONICA), emphasized the importance of creating the political pressure to force governments to think of mechanisms to channel remittances to support communities at large. In Nicaragua, where the government has not been effective in reducing poverty, Nicaraguans abroad have the challenge of channelling their small individual interventions towards projects that have long-term impact. Working together, immigrants may have a larger impact in reducing poverty in Nicaragua.

Kendrick Chance, discussed how the *Alliance of Guyanese-Canadian Organization*, works as an umbrella organizations that coalesces Guyanese alumni organizations that are working actively in developing schools in Guyana. Chance recognized that, although challenging, coming together to form federations with like-minded organizations enables Diasporas to have larger impact while engendering more government accountability and greater involvement by their home communities.

b. Immigrants want cooperation from the Canadian government in fostering greater compliance with ethical principles by governments in their home countries

Conversely, Mr. Chance emphasized that lack of transparency by the government discourages Diaspora organizations to engage in long-term housing, health, and education projects for vulnerable populations. Diaspora organizations in Canada would benefit from assistance from the Canadian government to ensure that home-country governments are more ethical in their dealings with Diaspora organizations, for example in areas such as contributions by Diaspora groups for disaster relief and development projects.

c. Diasporas also need support from Canadian politicians

Basil Punit, President of the *Guyana-Canada Business and Professional Association*, suggested that engaging Canadian politicians is key to achieving support for immigrants' home countries. During the recent floods in Guyana, the Guyanese community (characterized as highly fragmented) managed to unite around the goal of providing relief assistance to their home country. The Guyanese community was able to engage a Canadian Member of Parliament to visit the disaster area and this initiative, he claimed, helped to channel additional federal resources for disaster relief in Guyana.

d. Immigrants need guidance/ideas on how to use remittance transfers more productively

Mr. Punit explained that in a country like Guyana with a Diaspora that is larger than the population living within the country, remittances have become the engine of the economy. Hence, two issues become pivotal for Diasporas from remittance recipient countries: First, is the desire to partner with CIDA and other Canadian agencies

coming together to form federations allows Diasporas to have a larger impact in their home countries while engendering more government accountability

lack of transparency discourages engagement by Diaspora organizations in long-term housing, health, and education projects for vulnerable populations.

Help from the Canadian government to ensure that home-country governments work under ethical principles would be welcome

in a country like Guyana with a Diaspora that is larger than the population living within the country, remittances have become the engine of the economy

to cost-share projects that have a larger impact on home communities. Second, is the need to work on the reducing the cost of remittances transfers, which eventually might contribute to poverty reduction in immigrants' home countries.

e. Diasporas demand changes in Canadian immigration policies

Manuel Rodriguez from ASPCAN drew attention to the fact that there is a need for Canada to increase and promote legal immigration from LAC countries. Given that the U.S. is limiting the access to LAC immigrants, new networks of illegal migration are emerging. If Canada encourages more legal migration of both low and highly qualified people, it will contribute to break the cycle of illegal migration from LAC to North America.

f. Time to move forward from consultation to practice

Duberlis Ramos, Executive Director of the *Hispanic Development Council* declared that one of the most important needs of the LAC Diaspora is that Canada define its relationship with the Americas and the Caribbean. For more than three decades Canada has had an ambiguous relation with the LAC region. Although Canada has invited leaders of the LAC Diaspora for consultations, it has not been active in building alliances and partnerships to implements projects and strategies with these Diaspora organizations. According to Mr. Ramos, the opportunity of the October 26th meeting in Ottawa with FAC and CIDA officials is a historic event, but expectations among the community are growing again, just as they grew when Canada joined the Organization of Americas States in the late 1980s. There is a hope that FAC and Canadian government commit to a long-term examination of the issues that affect Latin America and the Caribbean.

There is a need to move from consultation to practice. Canada has to recognize the enormous capacities of LAC Diasporas and work with this community in promoting investment opportunities in LAC. This will generate new revenues for Canada, while contributing to sustainable forms of development in LAC.

Finally, Mr. Ramos thanked FOCAL for organizing the meeting highlighted that one of the fascinating characteristics of the LAC Diasporas is the commonality of ideas - there is enormous potential, but lack of resources.

Frederick Cox from the *Guyanese Heritage Association*, agreed with Mr. Ramos' vision suggesting that there is also a lack of financial support for the Caribbean community. By supporting umbrella organizations, Canadian government can benefit LAC Diasporas at large.

2.5. FAC's invitation to the Diaspora

Jamal Khokhar, FAC's Director General for Latin America and the

One of the most important needs of the LAC Diaspora is that Canada defines its relation with the Americas and the Caribbean.

There have been consultations, but the government has not built alliances and partnerships to implement projects and strategies with Diaspora organizations

Canada must recognize the enormous capacities of LAC Diasporas and work with them to promote investment in LAC.

This will generate new revenues for Canada and sustainable development in LAC.

Caribbean, extended an invitation to the participants to help formulating four or five points of focus for Canadian engagement in LAC around the following questions.

- What can be the role of Canada in the Organization of American States and in the future Americas Summit?
- In what areas does Canada have the ability to exert its influence regarding transnational issues in LAC?

The request is not to receive ideas by countries; on the contrary, but FAC expressed a hope that the LAC Diaspora organizations would find common values and interests and present a set of policy issues to the federal government by mid February 2006.

Some of the preliminary ideas expressed by the participants were the following:

a. Advocacy for political rights of Diasporas.

Diasporas need to have the opportunity to exert their political rights and participate in democratic process in their home countries. Rights to have dual citizenship and to vote from abroad might be advocated by Diasporas and backed by the Canadian government.

b. Political and diplomatic representation of LAC countries in Canada.

One participant from the Nicaraguan Diaspora noted that some immigrants in Canada feel abandoned by their home countries due to lack or insufficiency of diplomatic representation in Canada. For instance, Nicaragua has neither an Embassy nor Consulates in Canada and therefore Nicaraguans in Canada depend on the Nicaraguan Embassy in the U.S. A separate issue is that some LAC countries have a distant and, in certain cases, opportunistic relation with their Diasporas. This prevents some LAC immigrants in Canada from exercising their civic rights and being more involved with the issues that affect their home countries. In this regard, Canada might create incentives for larger or more active diplomatic representation of LAC countries in Canada, especially in provinces with larger influx of LAC immigrants.

c. Need to supplement money transfers with transfers of knowledge: Brain circulation over brain drain

Given the important stock of human, social, and financial capital that exists in Canada, there is a great opportunity to contribute with the development of immigrants' home countries by transferring ideas, technology, and other forms of knowledge. Canadian universities and academic institutions have an important role to play in this regard; they can organize exchange programs that help to build trust and reduce transaction costs. Hence, more interaction between Canadian and LAC academic institutions needs to be part of the agenda.

Diasporas need to have the opportunity to participate in democratic process in their home countries.

Canadian government support of Diaspora requests to their home countries for dual citizenship and voting abroad ...

Some immigrants feel abandoned due to lack or insufficiency of diplomatic representation in Canada. Nicaragua has neither an Embassy nor Consulates in Canada

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More interaction between Canadian and LAC academic institutions needs to be part of the agenda.

d. Trade agreements

It is important for Canada to be more active in establishing bilateral, regional, or hemispheric trade agreements. However, there is an interest for these agreements to be fair for both parts (North and South) and do not be solely based on market principles. Canada can take the leadership in the promotion of trade agreements that are fair and respectful of people needs and demands.

e. Inclusion of indigenous groups

Cecilia Paiba, General Coordinator of *Pachamama*, a transnational indigenous organization based in Toronto, presented her views about the importance of giving voice and making visible indigenous populations in LAC. Ms. Paiba highlighted the importance of having Canadian support to reach justice after the disappearance of more than 70,000 Quechuas in Peru. Similarly, indigenous groups need support from Canada and their Diasporas to be able to determine the use they want to give to their territories, to overcome extreme poverty, to contain the aggression of transnational firms that are interested in extracting natural resources from LAC countries regardless the environmental and social implications, and to promote multiculturalism in LAC countries.

f. Tax breaks for immigrants supporting their families abroad

Given the transnational character of remittances, and bearing in mind that these transfers constitute welfare payments sent from abroad, Canada should consider giving tax breaks to reduce the cost of remittances that are earmarked for health and education expenses in immigrants' home countries.

g. Incentives for the creation of Small and Medium enterprises (SMEs)

There is a pressing need for Canada to recognize the high human capital value of the LAC Diaspora, as well as its entrepreneurial experience. In this regard, more incentives for the creation of transnational SMEs would help to increase the Canadian presence in LAC countries while contributing to economic development in migrants' home countries. The examples of India and China, where Diasporas have become the new investment class, need to be taken into account.

h. Initiatives to put in place strategies for disaster relief

Canada has been active in promoting post-conflict interventions, especially in Central American countries. However, poverty and social crisis persist, and this is worsened by the fact that some areas of LAC are highly prone to natural disasters. Canada, together with the LAC Diaspora, has the opportunity to play an active role in promoting creative, long-term initiatives to protect vulnerable populations before, during and, after natural disasters.

2.6. Final Remarks

The FAC meeting was closed by Lloyd Axworthy who reiterated the invitation for the LAC Diaspora to become part of the solution, and to be a partner in foreign and developing policy. Finally, Carlo Dade insisted

Canada should consider tax breaks to reduce the cost of remittances earmarked for health and education expenses.

Incentives for creation of transnational SMEs would increase the Canadian presence in LAC and contribute to economic development in migrants' home communities

Canada with the LAC Diaspora, can promote creative, long-term initiatives to protect vulnerable populations before, during and, after natural disasters

in the need of understanding migration as the human face of globalization. If the LAC Diasporas have the knowledge about the needs and demands of communities at home, as well as human and intellectual capacities, it is important that Diasporas approach Canadian policy-makers and help to implement creative and effective initiatives to reduce poverty and increase democracy in LAC. FOCAL can assist Diasporas to find information, contact Canadian, international, and home government officials; it can also provide feedback on ideas and initiatives that Diasporas may develop. However, the impetus for follow up this meeting will have to come from the community of organizations that comprise the LAC Diaspora in Canada.



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Session: Economic links of LAC Diaspora with home countries (hosted by the Canadian International Development Agency – CIDA)

The participants moved to Gatineau, Quebec for the second meeting, which carried over many issues that had been touched upon during the morning session such as remittances flows.

This meeting was chaired by Alain Berranger, Director of Partnership and Business Development Division at the International Development Research Centre (IDRC), who also chaired the IDRC Private Sector Development Task force, where he worked closely with CIDA. The meeting was opened by Suzanne Laporte, Vice-president for the Americas at CIDA and Syed Sajjadur Rahman, Associate Vice President Policy Branch, and Christine Johnson, Team Leader Private Sector Development at CIDA who provided an overview of CIDA activities in the region as well as specific programmes on Private Sector Development, one of the core areas of focus at the agency.

2.7. Canada's new development policy framework

Suzanne Laporte, Vice-president of the Americas of CIDA, opened the meeting by explaining CIDA's interest in furthering private sector development (PSD) in developing countries. CIDA's goal is to foster economic development through employment creation, which can help to mitigate poverty and create dignified conditions for low-income people.

Laporte explained that CIDA's current strategy to promote PSD is based on three fundamental characteristics:

- The first characteristic is a creative enabling investment environment. A well functioning government that is receptive to private sector initiatives, a transparent society that functions under the rule of law and where commercial disputes are resolved fairly, labour legislation that ensures that the relations between the private sector and labour movements are ruled by a regulatory framework that makes dialogue possible, are all necessary for PSD and are areas of focus by CIDA.
- A second characteristic is market access with appropriate norms and regulations that facilitate the process of free trade negotiations.
- Finally, the existence of a stock of human capital with highly developed knowledge and entrepreneurship capacities are recognized as important.

Ms. Laporte explained that CIDA is working with the Economic Commission for Latin America and the Caribbean and the Organization of American States to apply scarce Canadian development resources in the region. CIDA is helping small- and medium-sized Canadian entrepreneurs to participate in development and business ventures in the region. Finally, she noted that CIDA receives input from labour unions and other civic and community-based organizations to help CIDA design a coherent strategy for PSD in developing countries.

CIDA is currently engaged in elaborating the private sector strategic paper. The final draft of this paper is expected to be ready in the beginning of 2006 and Diaspora organizations are welcome to contribute ideas and initiatives to enrich the discussion. Once the paper is completed, CIDA will start the stage of implementing the policies defined in the paper.

Once Ms. Laporte reviewed the main objectives of CIDA's PSD strategy, Syed Sajjadur Rahman, CIDA Associate Vice President, discussed how the Canadian government recently engaged in a conscious effort to integrate international affairs, diplomacy, defense, immigration, finance, and development policies to define *one coherent view of Canada's international policy*. This process has constituted a major shift on Canada's federal policies.

2.8. How Canada and Diasporas can use their communities here and back home to leverage sustainable private sector development?

Once participants had a better background of the new pillars of Canadian development policy, the discussion about the economic transnational links of LAC Diaspora began.

Alain Berranger, chair of the meeting, explained how conditions for today's immigrants have changed dramatically compared to the experiences of earlier generations of immigrants. Today technological advances have created new and more opportunities for the Diaspora to connect more intensely with their home countries in ways that were not possible by earlier waves of migrants. These new connections and linkages are creating new business relationships between immigrants and their home communities. Technological advances such as cheap air travel and telecommunications also are allowing greater numbers of migrants to participate in these new transnational businesses. However, these changes have occurred unseen by many outside of these communities and the Canadian government is not aware of these new transnational experiences of today's immigrants.

The focus of the second meeting was on how Canada and its Diasporas can use their communities here and back home to leverage sustainable PSD.

a. Fiscal policy as a development tool

Basil Punit, President of the *Guyana-Canada Business and Professional Association*, noted that one way to channel money to LAC and to foster PSD is through mechanisms to decrease the cost of remittance transfers. For instance, bilateral or multilateral agreements

Agreements between LAC and Canada to avoid double taxation for those willing to invest in their home countries are needed

Grant tax breaks when Diasporas invest in saving bonds in their home countries.

Simply reducing transfer costs will have substantial benefits for senders and receivers and community economies in Canada and the region.

Human capital investments in education and health by migrants' families are productive uses of remittances

between LAC governments and Canada could avoid double taxation for those willing to invest in their home countries. These agreements rather than being new for Canada have already been signed with countries like India and Israel. Through these agreements, people from these two countries are granted tax breaks when they invest in saving bonds in their home countries.

Philip Mascoll, President of the *Jamaica–Canada Diaspora Foundation*, supported this proposal and added that in the coming years, remittances to Jamaica are highly likely to drop due to the fact that second and third generation Jamaicans living abroad do not have the same level of attachment to home countries than first generations do, or do not have family members or friends remaining in the island that can benefited from remittances. Hence, it would be useful to create tax breaks for people who although they do not send individual or family remittances, are committed to their country by means of investments in saving bonds or mortgages.

b. Support for small and medium entrepreneurs interested in creating markets in LAC and Canada.

Walter Perez-Tristan, president of the *Peruvian-Canadian Chamber of Commerce* (PCCC) noted that Chambers of commerce are important in creating opportunities for small and medium-sized businesses in LAC to access the Canadian market.

Ronald Chavez from the Canada-El Salvador Action Network suggested that Diaspora tourism represents an important sector to create small businesses. More so than traditional tourism, Diaspora tourism directly business benefits a wider array of communities because of the higher level of direct contact between Diaspora visitors and people in the community.

Victor Hugo Saravia, President of the *Bolivian Canadian Chamber of Commerce*, suggested that in addition to connecting entrepreneurs from Canada and their countries of origin, Chambers of Commerce have the responsibility and challenge of training Canadian and LAC entrepreneurs on how to do business in each other's countries. For Saravia, culture, language, and idiosyncrasy are fundamental elements at the moment of establishing trade and business relations. This statement was illustrated by Miguel Puga-Lange from *Inter-cambi*, who described his experiences promoting Mexico as an investment destination for Canadian firms. According to Puga-Lange, lack of knowledge about Mexico and Mexican business culture within the Canadian private sector has prevented the development of profitable and interesting business alliances between Mexican and Canadian firms.

Diaspora tourism creates small businesses that benefit local communities more than large-scale tourism development aimed at foreigners.

Diaspora Chambers of Commerce have to train Canadian and LAC entrepreneurs on how to do business on both sides

Lack of knowledge about Mexico and its business culture has prevented development of business alliances between Mexican and Canadian firms

Hiring Hispanic and Caribbean professionals enables Canadian firms to access more business opportunities in LAC markets.

Alfredo Jiron from the Organization of Nicaraguans in Canada agreed that Diaspora organizations interested in creating business exchanges with their home countries should try to promote the idea of Canada, and not only the U.S., as an important market to target their products.

c. Job opportunities for Hispanics as a strategy to foster Canadian investment in developing countries.

Mauricio Ospina from *HABLA* highlighted the importance for Canadian firms in hiring Hispanic and Caribbean professionals. This will enable Canadian firms not only to enlarge their knowledge and human capital but also to access more business opportunities in LAC markets. Ospina explained how a large number of Hispanics are currently working in the IT sector and therefore have great opportunities to transfer their knowledge to their home countries.

d. Implementation of mechanisms to disseminate information among immigrant organizations:

Mercedes Jarmasz, Vice-president of the *Asociación de Hondureños Residentes en Ottawa (ADERHO)*, insisted on the importance of establishing channels to foster communications among immigrant organizations and to disseminate best practices in the implementation of development projects or private sector initiatives in home countries. In addition, it is important for communities in home countries to be informed about the assistance that is being provided from Canada so they can contribute to monitoring the adequate use of resources.

Alain Berranger suggested that, taking advantage of the stock of knowledge existent in the LAC Diaspora, one of the outcomes of these meetings might be to create a *blog* or other virtual meeting forum where LAC Diasporas can gather and discuss about transnational issues that affect them.

e. Creation of economic opportunities for ethnic minorities:

Cecilia Paiba from *Pachamama*, highlighted that indigenous groups need to be taken into account when it comes to creating transnational business opportunities in LAC. Paiba talked of the expertise of indigenous groups to produce organic food, as well as cultural and sports tourism. Paiba stressed the importance of creating fair conditions for these groups and for the environment.

2.9. Remittances and development:

The next part of the meeting focused in exploring the different uses that immigrants give to remittances and also in assessing what are the possibilities of immigrant remittances to contribute to development in their home countries.

Brain circulation vs. Brain drain

Hispanics currently working in the IT sector can transfer knowledge to their home countries

Communities need to be informed about CIDA assistance so they can contribute to monitoring use of resources,

Indigenous groups need to be taken into account when it comes to create transnational business opportunities in LAC

Duberlis Ramos from the Hispanic Development Council observed that although remittances to LAC countries are very significant flows of money they are mainly individual transfers, which makes difficult for government and Diaspora organizations to design policies or to give remittances a more productive use.

Luis Barnola, Senior Program Specialist from IDRC, explained that although a good proportion of remittances are individual and are earmarked for family consumption and investment, immigrants are also engaged in 'collective' or community-based remittances. Recent natural disasters have shown the capacities of Diasporas to collectively mobilize money or goods to provide relief to particular communities.

Orlando Iturbe from the *Asociación Cultural Mexicano Canadiense Ottawa-Gatineau* explained how Mexican immigrants have been successful in mobilizing community-based remittances. Through the *Three for One* program (a federal program where small community projects are funded by the joint effort of Diasporas, municipal and federal governments) Mexicans abroad have been able to collectively contribute to the development of their hometowns.

Basil Punit, President of the *Guyana-Canada Business and Professional Association*, agreed on the importance of community-based remittances. Guyanese in Ontario are an example of how community-based remittances are powerful tools to provide relief after natural disasters and it would be good to promote their use for disaster preparedness.

Carlo Dade from FOCAL explained that the interest of the development community was not in leveraging remittances for other uses or interfering with choices made by senders and receivers but rather, that the interest was in enhancing the positive potential of remittances. Interventions such as creating new opportunities and new choices for recipients and senders to use remittances or using remittances to open access to formal sector financial services are important. In any event, simply reducing the cost of transferring money can have substantial benefits for senders and receivers and will be a boost to community-level economies in Canada and the region.

Philippa Wiens, Research Officer from IDRC added that we should not forget that many migrants' families are giving productive uses to remittances by means of human capital investments: education and health expenses that maybe do not have short term economic returns, do certainly have long-term social and economic returns not only for individuals but for communities at

immigrants are engaged in 'collective' or community-based remittances.

The development community should not try to leverage remittances or interfere with choices made by senders and receivers

... enhance positive uses by creating new opportunities and new choices for recipients and senders to use remittances

Simply reducing transfer costs will have substantial benefits for sending and receiving and communities in Canada and the region.

Government officials, researchers, and Diaspora organizations in Canada need to know about experiences in investing remittances to generate income or to create jobs

large. However, Ms. Wiens recognized that it is important that government officials, researchers, and Diaspora organizations in Canada know more about the experiences of communities investing remittances in activities or small projects that generate income or new jobs.

According to Alfredo Jiron, the Organization of Nicaraguans in Canada managed to raise a small amount of money to support a group of workers to buy tools. With this money people in Nicaragua set up a shop and now there are more than 20 people working in this small business.

Leonardo Cortes, from the *Edmonton Canadian Colombian Society* (ECCOS) shared with the participants how his organization has been providing aid to their home country through in-kind remittances (like fire trucks) and money transfers. Through remittances ECCOS has benefited vulnerable and marginalized communities, especially children who have been displaced by the internal conflict faced by Colombia. They also have been considering mechanisms to support small business back home but their lack of expertise prevents them from undertaking entrepreneurial ventures that might not be successful.

a. The downside of remittances

Howard Foster from the *Caribbean Unity Foundation* explained that immigrant remittances have a distortionary effect in that they have contributed to dollarize LAC economies and have increase inflation. In Foster's opinion it is necessary to stop merchants charging American prices for local products. In addition, many of the products that are bought in home countries with remittances are imported rather than being produced locally. Hence, there is a need to produce and buy locally rather than depend entirely of foreign incomes and productions.

Sharing this perspective, Ronald Chavez from CELSAN noted that remittances have increased people's disposable income but have not been accompanied by savings strategies that help families to give a more productive use to the money sent from abroad. Traditional family structures have disintegrated because of external migration and there is a need for access to financial instruments like small loans to create income-generating opportunities for those left behind.

2.10. Final remarks and topics for further reflection and discussion

Christine Johnson, Team Leader Private Sector Development at CIDA, invited the participants to reflect on the most pressing issues that prevent the Diaspora from engaging in PSD activities. How can

Edmonton Canadian Colombian Society has been considering supporting small business back home but lack of expertise prevents them following through.

Traditional family structures have disintegrated because of external migration and there is a need for financial instruments to create income-generating opportunities for those left behind.

CIDA use the dollars they have more effectively?

Similarly, Syed Sajjadur Rahman, CIDA's Associate Vice President, encouraged Diaspora organizations to see LAC not solely as a recipient of aid but as a market for investment, job creation, and PSD.

Finally, Carlo Dade, Senior Advisor of FOCAL thanked the participants for sharing their time and experiences with the federal officials. He recognized that almost all of the attendees had to sacrifice time from family and work, without compensation, to take part in the meetings. Dade also thanked FAC and CIDA for opening this opportunity to discuss about the fundamental role that LAC Diasporas play in the economic and political development of their home countries. Mr. Dade invited LAC Diaspora organizations to work together in the reflection of the issues discussed in these meetings and to organize themselves for future interventions, further dialogues, and hopefully further actions.

Latin American and Caribbean Diaspora Group Meeting Participants List

Organization	Participant Name	Contact information
Alliance of Guyanese Canadian Organization	Kenrick Chance – President	kenchance@kcjgroup.com
Guyanese Heritage Association	Frederick Cox	
Guyana Canada Business and Professional Association/ Guyana Canada Chamber of Commerce	Basil Punit - President	basilpunit@rogers.com
Jamaica – Canada Diaspora Foundation	Philip Mascoll - President	pmascoll@sympatico.ca
Jamaica Association of Northern Alberta	Coleen Neita - President	info@janaedmonton.org
Canadian Friends of St. Thomas Health Care Organization	Andrea Wilkie - President	awilk1521@rogers.com
Caribbean Unity Foundation	Howard Foster	howard.foster@cpmuc.org
Asociación Cultural Mexicano Canadiense Ottawa-Gatineau	Orlando Iturbe - President	oiturbe@sympatico.ca
Intercambi (Mexico)	Miguel Puga-Langle - Director	intercambi@intercambi.com
Canada- El Salvador Action Network	Ronald Chavez – Board of Directors	celsanvan@yahoo.ca
Asociación de Salvadoreños Profesionales en Canadá	Manuel Rodriguez - President	manuel@unikron.com
Asociación de Hondureños Residentes en Ottawa	Mercedes Jarmasz – Vice-president	mercedes.jarmasz@ alumni.uottawa.ca
Anahuac (Nicaragua)	Alma Sandoval - President	asandoval61@rogers.com
Organization of Nicaraguans in Canada	Wilfredo Jirón - President	wjiron@idrc.ca
Colombian Canadian Professional Association	Juan Pablo Laverde – Vice-president	juano@sympatico.ca
Edmonton Canadian Colombian Society	Leonardo Cortes - Vice-president	rcortes2@telus.net
Asociación Benevola de Ambato (Ecuador)	Margoth Leon de Lam - President	MargothL@actrafrat.com
Peruvian Canadian Chamber of Commerce	Walter Perez Tristan – President Eric Sifuentes- Vice-presidents	walter@carlintravel.com
Cámara de Comercio Boli-	Víctor Hugo Saravia Arce-	bolivianchamber@rogers.com

via Canadá	President	
Pachamama	Cecilia Paiba- General Co-ordinator	pachamama@netcentral.zzn.com
Hispano American Business Leadership Agency (HABLA)	Mauricio Ospina	mauricio.ospina@habla.ca
Hispanic Development Council	Duberli Ramos – Executive Director	dramos@hispaniccouncil.net
FOCAL	Eduardo Del Buey – Executive Director	edelbuey@focal.ca
FOCAL	Carlo Dade – Senior Advisor	cdade@focal.ca
FOCAL	Olga Abizaid – Analyst	
FOCAL	Luz Rodríguez - Consultant	luzrodriguez@rogers.com
Foreign Affairs Canada	Jamal Khokhar – Director General, Latin America and Caribbean Bureau	
Foreign Affairs Canada	Douglas Holland – Senior Analyst	
Foreign Affairs Canada	Jimena Jimenez – Policy Analyst	
Foreign Affairs Canada	Russell Stubbert – Deputy Director Canada- U.S. Advocacy and Mission Liaison Division	
Foreign Affairs Canada	Emilian Papadopoulos, Political Economic Advocacy Office, Canada- U.S. Advocacy and Mission Liaison Division	
Foreign Affairs Canada	Benoit Plamondon, Political Officer (Caribbean), Caribbean, Central America and Andean Region Division (RLC)	benoit.plamondon@international.gc.ca
CIDA	Suzanne Laporte – Vice-president, Americas	
CIDA	Syed Sajjadur Rahman, Associate Vice President Policy Branch	
CIDA	Melanie Boyd – Senior Policy Analyst, Human Rights Division	
CIDA	Christine Johnson, Team Leader PSD, Policy Branch	christine_johnson@acdi-cida.gc.ca
CIDA	Stephan Paape, Analyst	

	Commonwealth Caribbean Division	
Privy Council Office	David Edwards – Caribbean Analyst	
Office of Peter Goldring	Paul Edwards-Shand – Parliamentary Assistant	
Office of Jean Augustine	Natalia Snajdr, Legislative Assistant	
International Development Research Centre (IDRC)	Alain Berranger – Director Partnership and Business Development Division (PBDD)	aberranger@idrc.ca
International Development Research Centre (IDRC)	Philippa Wiens, Research Officer	
Institute for Connectivity in the Americas/ IDRC	Luis Barnola – Senior Program Specialist	
University of Winnipeg	Lloyd Axworthy	
Globe and Mail	Marina Jimenez	
El Correo Canadiense	Freddy Velez	fvelez@elcorreo.ca