



FOCAL

Canadian Foundation for the Americas
Fondation canadienne pour les Amériques
Fundación Canadiense para las Américas
Fundação Canadense para as Américas

Meeting between Latin American and Caribbean Diaspora Organizations, Foreign Affairs Canada and the Canadian International Development Agency

Meeting Logistics

Meeting Logistics	
Framing Questions.....	1
Session One.....	3
Session Two.....	4
Participants	7

Date: Wednesday, October 26th

Locations: AM – Canada and the World Pavilion, 50 Sussex Drive, Ottawa

PM – CIDA Conference Centre, Room 206, 119 Promenade du Portage, Gatineau, Québec

Time: First Session 9h00 – 12h00 ~ Second Session 14h00 – 17h00

Information: Carlo Dade, (613) 562-0005 x222 cdade@focal.ca

The **first session with Foreign Affairs Canada** will focus on political issues as defined below. This session will be chaired by the **Honourable Lloyd Axworthy**, President and Vice-Chancellor of the University of Winnipeg and former Minister of Foreign Affairs.

The **second session with the Canadian International Development Agency** will focus on economic issues and will be chaired by **Alain Berranger**, Director of the Partnership and Business Development Division and Chairman of the Private Sector Development Task Force at the International Research Development Centre.

The meetings will be conducted in English and participation at the meetings is by invitation. Participants should arrive early to register and pass through security.

A summary report of the discussions, conclusions and recommendations will be sent to all participants.

Framing and Discussion Questions

The purpose of these meetings is to exchange information on the role that Latin American and Caribbean Diaspora organizations in Canada play in development of their countries of origin and to explore the potential for these organizations to partner with Canadian foreign policy and development agencies in pursuit of common objectives.

One of the most profound impacts of globalization upon development has been, until recently, one of the least noticed. The majority of the countries of Latin America and the Caribbean have as their primary economic resource the exporting of labour. The financial transfers that these countries receive from their émigrés, guest workers and expatriate business class – their Diasporas – outstrip foreign aid and foreign direct investment. In the case of Haiti, remittances in 2001 were, depending upon the definition, four to six and one half times larger than all official development assistance received by the coun-



try. In all but a few countries of the region remittances are the single largest income source.

Yet, financial transfers are only part of the story. Remittances are merely symptomatic of deeper, wider and more robust systems of exchanges that link Diasporas to their home communities in ways that were unimaginable to earlier generations of migrants. The crucial difference has been what is referred to as the four Ts of globalization: **T**ransfers, **T**rade, **T**ravel and **T**elecommunications. Modern technologies and economic liberalization have combined through these four factors to create a new reality for migrants and immigrants. Just like modern global business, Diasporas take advantage of financial systems to move money, harness telecommunications to instantaneously exchange ideas, use cheap and ubiquitous jet travel to maintain contact and capitalize on liberalized trade to move goods and enter new markets.

Recently, aid agencies, governments and private foundations in other countries have recognized the economic and political development roles played by Diaspora organizations and begun to partner with these organizations. These partnerships have been based on common interests discovered through discussion, research, roundtables and conferences. In addition, governments in countries with large Diaspora populations recently have begun to reach out to their Diasporas in order to strengthening Diaspora organizations as a source of assistance and advocates for their home communities.

In Canada, little research and outreach has been done toward Diaspora organizations from Latin America and the Caribbean and subsequently little is known about the potential of Canadian-based Diaspora organizations as development actors. These meetings will be a first step in exploring whether such synergies exist and, if so, whether they can or should be pursued. The discussions and recommendations of the meetings will be assembled into a report to be shared with all participants. It is envisioned that the discussions and the report will be used as the basis for a transparent, considered decision on how Canadian governmental institutions could begin to formulate questions and inquiries to guide thinking about how the government could work with Diaspora organizations.

Session One: Foreign Affairs Canada, Political Dimensions



When the term political is used in the context of Diaspora organizations, the first thought is of partisan campaigning and national elections. But political involvement by Diasporas is much broader and includes advocacy on general issues such as transparency, anti-corruption, accountability; to specific issues such as advocacy for non-smoking policies or local government issues such as road construction, education, health services and trash collection. Political activities also touch on the responsibility of the Canadian and home governments on immigration, trade, foreign assistance, voting and policies on remittance flows.

Some questions to consider

- What is the responsibility of the home country government to its Diaspora given the importance of remittance flows and other contributions from the Diaspora?
- What political issues are most important to Diaspora organizations and to their communities in Canada?
- What political issues are most important to Diaspora organizations in and to their local communities in their country of origin?
- How connected are Diaspora organizations to Canadian local and foreign policy agencies?
- How connected are Diaspora organizations to home country government agencies at the national and local levels?
- How active are Diaspora organizations in promoting a positive image of their home country and communities in Canada?
- Do Diaspora organizations also undertake activities to promote a positive image of Canada in their home country?
- How can Diaspora organizations play a more active role in raising awareness of the Americas as a priority for Canada?



The economic importance of Diasporas for their home communities extends well beyond the US\$45 billion that is sent to Latin America and the Caribbean as remittances. Financial transfers are now seen as an indicator of a deeper, wider and more robust series of exchanges that include knowledge transfer, exchange of business practices, market intelligence and other critical factors production and investment. For social investment, even though the economic impact of remittances is significant -- for example recent studies suggest that about ten per cent of remittances are used for housing, education and health expenditures -- the wider series of exchanges between Diasporas and their home communities are turning out to have a more profound impact on economic development. The economic impact of Diasporas includes:

Trade

1. **Diasporas are an important market** for “nostalgia” products such as home country foodstuffs, crafts and cultural items produced by small and medium-sized enterprises (SMEs). Given the relative size and economic clout of many Diasporas, for example in Jamaica fifty per cent of population and seventy five per cent of the college degree holders live off island, this is an immensely important market for SMEs.
2. **Diasporas are a vital and often unique link to enter new markets** for small and medium-size producers. The cost of market entry in the US and Canada is prohibitive for SMEs and often for national producers. A large Diaspora can dramatically reduce the cost of market entry by serving as a built in client base and by linking to distribution networks of ethnic stores.
3. **Diasporas promote new forms of trade** with home communities. In addition to serving as a market, recent survey research has quantified the way that “transnational entrepreneurs” play a significant role in trade especially with SMEs. This is emerging as an important response to globalization by smaller producers and entrepreneurs in the developing world and amongst immigrants in Europe and North America.

Knowledge, Human Capital and Brain Circulation

1. Even when **Diasporas** do not directly invest or trade, they **are critical facilitators**. For a firm to successfully invest abroad it needs a comparative advantage and must be capable of internalising operations, which is synonymous with exercising control over operations. Diasporas, who by their nature understand the business and national cultures at both ends of the foreign direct investment (FDI) chain, are uniquely positioned to facilitate and lower some of the risks with FDI.
2. **Brain circulation** has replaced brain drain to describe the process of highly skilled/trained individuals migrating from the developing world. These individuals do not cut all ties with their home communities; they remain engaged and connected. These connections facilitate the transmission of new business ideas, opportunities and



models along with the capital and knowledge to apply them. A good example is the rise of US and European franchises in the developing world. But the concept also applies to migrant labourers who can be significant drivers for rural entrepreneurship and innovation as they return home with new production techniques, equipment, understanding of foreign markets and savings to invest.

Investment

1. **Diaspora investments have been immensely important to economic growth.** Recent estimates are that over fifty per cent of China's FDI in the 1990s has come from its Diaspora. In India the amount has been much lower since it has gone primarily for investments with lower capital costs offshore such as software development and call centres, but the returns to the Indian economy have been impressive.
2. There is an immense untapped potential for **Diasporas to back smaller investments** such as **mortgages and small business loans** by utilizing their credit ratings and access to credit in Canada and the US.

Job Creation

1. Large increases in **remittance flows** have been tied to **housing booms** in several developing countries as diverse as Morocco, Nepal and India.
2. Even where remittance flows are tied to increases in consumption (beyond spending on **human capital investments** such as shelter, education and nutrition) there is often an **ancillary economic benefit for the local economy**. While little work has been done to quantify the impact of these flows, it is clear that the absence of these flows would have a severe negative impact and recession.

Some questions to consider

- What economic issues are most important to Diaspora organizations and to their local communities in the country of origin?
- What do Diaspora organizations consider their role to be, if any, in promoting private sector development (economic growth, job, creation, investment) in countries of origin?
- What are the key contributions made by the Diaspora in supporting entrepreneurs in the country of origin, or in promoting an environment conducive to entrepreneurship in that country?
- How is the Diaspora helping entrepreneurs from their home countries connect to markets in Canada?
- Are there trade or regulatory issues such as customs and licensing that impede the ability of Diaspora organizations to communicate, trade or aid development in their community of origin?
- What are the major concerns, worries, or preoccupations related to the transfer of remittances?



- Are there ways in which the Canadian government could work with governments in Latin America and the Caribbean or with Diaspora communities in Canada to create new opportunities for remittance senders and recipients to use remittances for productive ends?

Participating Diaspora Organizations



Bolivia	Cámara de Comercio Bolivia Canadá
Colombia	Colombian Canadian Professional Association (CCPA)
Colombia	Edmonton Canadian Colombian Society (ECCOS)
Ecuador	Asociación Benevola de Ambato (ABA)
El Salvador	Asociación de Salvadoreños Profesionales en Canada (ASPCAN)
El Salvador	Canada-El Salvador Action Network (CELSAN)
Guyana	Guyanese Heritage Association
Guyana	Alliance Of Guyanese Canadian Organizations
Guyana	Guyana Canada Chamber of Commerce
Honduras	Asociacion de Hondureños Residentes en Ottawa (ADEHRO)
Indigenous	Pachamama
Jamaica	Canadian Friends of St. Thomas Health Care Organization
Jamaica	Jamaica-Canada Diaspora Foundation
Jamaica	Jamaican Association of Northern Alberta (JANA)
Mexico	Asociación Cultural Mexicano Canadiense Ottawa-Gatineau (ACMCOG)
Mexico	Intercambi
Nicaragua	Anahuac
Nicaragua	Organization of Nicaraguans in Canada (ORNICA)
Peru	Cámara de Comercio Peruano Canadiense
Regional	Caribbean Unity Foundation (CUF)
Regional	Hispano American Business Leadership Agency (HABLA)
Regional	Hispanic Development Council