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To cite this article: Ieva Birka (2020) Engaging the diaspora for economic gain: what can Latvia expect?, *Journal of Baltic Studies*, 51:4, 497-511, DOI: [10.1080/01629778.2020.1791194](https://doi.org/10.1080/01629778.2020.1791194)

To link to this article: <https://doi.org/10.1080/01629778.2020.1791194>



Published online: 10 Jul 2020.



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ARTICLE



## Engaging the diaspora for economic gain: what can Latvia expect?

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### ABSTRACT

Following the global trend of countries engaging with their diaspora populations, Latvia has expressed its commitment to its diaspora with the recent passing of the Diaspora Law. One of the stated aims of the legislation is the engagement of the diaspora in Latvia’s economic development. 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 preconditions for successful diaspora engagement. Using secondary data analysis of available Latvian diaspora surveys, the article then establishes what Latvia can expect from its diasporas, both ‘old’ and ‘new,’ and identifies the most promising target groups for promoting economic development, pinpoints their geographical locations, and outlines the concerns and challenges that Latvia has to overcome in order to effectively engage with and harness the economic potential of its diaspora.

**KEYWORDS** Diaspora; economic development; migration; policy engagement; return migration

### Introduction

The past two decades have witnessed a remarkable renaissance in the interest of policymakers 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, out-migration 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 in 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 United Nations member states, over half have some form of a diaspora institution (Sigona et al. 2015, 166–7). At least partially, this interest in collaborating with the diaspora is driven by governments’ desire to capitalize on the resources and maximize the development potential of the diaspora (Brinkerhoff 2006). Alan 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 engage actively with transnational populations, especially since cautious estimates of the Latvian diaspora abroad are around 370,000 people (MFA 2017), or roughly 18% of the current population. The Latvian diaspora can be divided into two groups, based on the time frame of when they left Latvia (SKDS 2006, 9–10).<sup>1</sup> 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. Precise numbers of emigrants from Latvia are not available; however, Hazans (2011, 91) estimates that anywhere from 170,000 to 200,000 inhabitants have left Latvia since 2000. The out-migration of economic migrants in recent years, and a shrinking and aging population remaining in Latvia, suggest an impending demographic crisis. The region is one of the most rapidly depopulating in the world, and according to United Nations estimates, by 2050 Latvia’s population could shrink by 22% (see United Nations 2019).

As such, Latvia has looked to its diaspora as a resource that can aid in overcoming these future challenges and 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. Since then, various initiatives involving the diaspora have been realized by a variety of actors. Table 1 presents the major government policy documents that have been tailor-made to address the diaspora issue or have included specific provisions dealing with the diaspora. As discussed by Kļaviņš, Rostoks, and Ozoliņa (2014, 450), as the rate of emigration grew, fueled by the economic crisis of 2009, so did the interest and response from the Latvian government. These various documents, and the various responsible institutions, have served as the framework for implementing various programs aimed at engaging the diaspora, maintaining cultural links with Latvia, and encouraging return migration.

Most recently, Latvia has become one of a handful of countries that has a separate diaspora legislative framework in the form of the Diaspora Law.<sup>2</sup> The law was approved

Table 1. Diaspora policy documents and initiatives of Latvia.

Year(s)	Document	Responsible Institution
2004–9	Latvian Diaspora Support Program (Republic of Latvia 2004)	Secretariat of Special Assignment Minister for Society Integration Affairs
2012–18	National Identity, Civil Society and Integration Policy Guidelines, 2012–18 (Republic of Latvia 2011)	Ministry of Culture
2013–16	Return Migration Support Action Plan 2013–16 (Republic of Latvia 2013)	Ministry of Economics
2015–17	Action Plan on Cooperation with the Latvian Diaspora for 2015–17 (MFA 2014)	Ministry of Foreign Affairs
2019–	Diaspora Law (Republic of Latvia 2018)	Ministry of Foreign Affairs

by the Latvian Parliament on 1 November 2018 and came into effect on 1 January 2019 (Republic of Latvia 2018). The Diaspora Law creates a systematic framework for further implementation of diaspora policy and assigns the main coordination and implementation task of the national diaspora policy to the Ministry of Foreign Affairs. The Diaspora Law envisions five main focus areas for the national diaspora policy of Latvia:

- (1) maintaining and strengthening diaspora's ties with Latvia and its national identity;
- (2) protect the rights and freedoms of diaspora abroad;
- (3) promoting cooperation with and participation of the diaspora in the fields of economy, science and culture;
- (4) facilitating civic and political participation of the diaspora;
- (5) supporting those who wish to return to Latvia.

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

Seeing as Latvia, with the implementation of the Diaspora Law, is formally expressing its desire to engage with the population outside of Latvian borders interested in maintaining links with Latvia, 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. The aim of the section, while taking into account the difficulties of gathering a representative sample of diaspora membership and of the reliability of surveys as such in reaching target participants and eliciting honest responses, will be to provide an overview of the already existing survey data of diaspora groups, both 'old' and 'new.' Utilizing the various survey findings, the article will try 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 country of origin development, it is first important to define how development is understood. The International Organization for Migration (2005, 194) suggests the following definition, where development is defined, '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 country of origin evolution in

a comprehensive manner, in relation to the contributions that could be made to all of the above-mentioned fields. It is also important to have a clear understanding of what diaspora engagement entails. This article will use Hickey, Ho, and Yeoh (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 can engage for country of origin development. Affective capital is the goodwill and altruistic commitment the diaspora has to the country of origin. Finally, local capital is the special commitment diasporas may have toward their locality of origin. The diversity of resources the diaspora has to offer, which can be tapped 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' (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) lists the possible diaspora contributions as economic remittances, homeland economic investments, skills transfers, diaspora philanthropy, and political influence. Saggiomo and Ferro (2014, 6) highlight 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, Hickey, and Yeoh (2015, 153) suggest 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 are 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' (154). As such, in terms of economic gains and national development, country of origin governments has 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 maintains 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.<sup>3</sup> 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 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 ongoing 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 the 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 and has the potential to connect the country of origin, 'with global networks of research and technology that are essential to development in the knowledge economy' (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' (Cerase 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. However, from the start, they make clear that the suggested 'road map' cannot be a 'one-size-fits-all' model for government engagement of the diaspora (25). In each instance, the four steps of the plan are contingent on the country-specific context and have to be reviewed against the historical experiences of the diaspora and the country of origin and the host country, the structural constraints in place, and the cultural influence at play. Taking that into account, Agunias and Newland insist that the first step of the plan is for the government to understand its own goals and capacities. Thus, a government has to understand what is the overarching goal of diaspora engagement, what are its own strengths and weaknesses in meeting the stated goal, what tools and mechanisms are available, and what cooperation partners have to be sought out and involved in the process. The second step involves getting to know the diaspora and its available resources through, 'serious, comprehensive data collection; mapping the location of the diaspora; compiling inventories of diaspora skills and experiences' (27). The third step consists of building trust with the diaspora (29). Again, the context of the relationship thus far, the historical experience, and cultural influences of each country are of vast importance at this crucial step. In order to proceed, steps one and two are of vast importance, as the government has to be self-aware of its capacities and shortcomings, and how it is perceived in the diaspora. Only then, by responding to the country and diaspora-specific concerns, can the government work to build mutual trust and address concerns through clear communication. In the Agunias and Newland plan, the final step involves stakeholder mobilization for development (32). The stakeholders mobilized will depend on the previously discussed four steps, and each target diaspora population identified may require its own tailor-made strategy for mobilization. Thus, various approaches and examples from different countries can be used as case studies.

The most detailed approach to diaspora engagement is outlined by the International Organization for Migration (IOM), which suggests a diaspora policy roadmap with nine steps. The report also emphasizes that 'diaspora individuals and diaspora-organized entities are extremely varied' (Ionescu 2006, 27). The first step in the IOM report roadmap even encourages the governments to, 'Acknowledge the diversity of diaspora strategies, backgrounds and interests and refrain from adopting homogenizing definitions and approaches' (62). Thus, the steps can be taken as a guide, but the diaspora engagement strategy itself has to be adapted to the various diaspora groups the government is looking to engage. After the initial step of defining and identifying the diasporas, the next steps suggest identifying key priorities and concrete projects, identifying partners, identifying how and where diaspora can add value to the development agenda, implementing diaspora incentives to encourage participation, identifying obstacles that hinder diaspora engagement, choosing appropriate policy tools, building government capacity to work with diaspora, and finally, encouraging policy coherence (Ionescu 2006, 62–5). 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 also of paramount importance to diaspora engagement.<sup>4</sup>

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.' As discussed by Agunias and Newland, trust and trust building is a crucial step in diaspora engagement strategy success. However, they also acknowledge that specifically, 'Among diasporas that emigrate for mainly economic reasons, a perception of pervasive corruption and ineffective governance at home can impede a government's ability to build trust' (Agunias and Newland 2012, 92). Additionally, it is imperative that the policymaker's address issues such as negative perceptions on all sides, negative attitudes back home toward the diaspora, over-representing diaspora as 'winners' and 'role models,' thus, encouraging further migration. Another obstacle to successful diaspora engagement, but especially for encouraging return migration of the diaspora, is future uncertainty that the diaspora engagement strategy of the country of origin has to try to dispel.

As suggested by both Ionescu (2006) and Agunias and Newland (2012), trust issues and uncertainty can both be mended through careful planning, 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). Additionally, in implementing diaspora policy and engagement strategy, it is imperative to be as transparent in operations and offer diaspora opportunities to participate in monitoring. As such, diaspora councils and diaspora participation in policymaking and implementation are of paramount significance. Finally, the importance of coherence of operational goals and expectations cannot be stressed enough, as Koser (2003, 118–19) 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 already stated in the introduction of this article, and demonstrated by Table 1, 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. Table 2 provides an overview of the surveys that will be used in this section of the article.

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 (Kokareviča 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 report material was supplemented with information from



Table 2. Relevant diaspora surveys/studies.

Survey or Study	Year	Respondents	Format	Sample Size
<i>A Study of Latvian Residents Living Outside Latvia, Their Descendants and Communities</i> (SKDS 2006)	2006	Representations and diplomatic missions of Latvia reporting on respective diaspora, supplemented with statistical database material	Survey, expert interviews	74 countries
<i>The Emigrant Communities of Latvia: National Identity, Transnational Relations, and Diaspora Politics Survey</i> (FSI 2016)	2014	Latvian diaspora, "old" and "new"	Survey, in-depth interviews, focus group discussions	14,068
Business and Economic Cooperation Potential of the Diaspora Study (Mieriņa 2016)	2014	Diaspora entrepreneurs	Survey	1,025 (of 14,068 total)
<i>Knowledge Transfer among Highly Educated Latvian Youth Abroad Survey</i> (King, Lulle, and Buzinska 2016)	2015	Highly educated Latvian youth abroad	Survey, in-depth interviews	307
<i>Return Migration Potential of Latvians Born in the United States or Canada Survey</i> (Birka forthcoming)	2015	"Old" Latvian diaspora representatives born in the United States or Canada, those who have returned to Latvia, those who lived in Latvia but moved back, and those who have never lived in Latvia	Survey	770 total (Returned $n=52$ ; Circular migrants $n=110$ Never lived in Latvia $n=608$ )
<i>Returning to Latvia Survey</i> (Hazans 2016a)	2016	Returning diaspora	Survey	3,088
Diaspora Economic Potential and Knowledge Transfer Opportunities Study (Mieriņa 2017)	2016	High level Latvian diaspora entrepreneurs or professionals	In-depth interviews	23

statistical databases and other information resources, and expert interviews in the corresponding countries were carried out (SKDS 2006). 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 as a result, a single diaspora engagement policy is not likely to work in all instances. The SKDS report and survey data also highlight the lack of information access the diaspora is faced with (22), and that different means of communication are likely to be needed for different diaspora communities. A recommendation is also made to concentrate on establishing sector-specific databases of contacts, such as scientists, businessmen and entrepreneurs (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 (22).

In 2014 the large-scale research project 'The Emigrant Communities of Latvia: National Identity, Transnational Relations, and Diaspora Politics' was conducted. 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 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 (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 2016b).

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 2015, 62).<sup>5</sup> The greatest activity, and the most responses to the survey, were received from the United Kingdom (4,954), Germany (1,476), Ireland (1,223), Norway (838), and the United States (810) (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 (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 study, the greatest economic cooperation potential with Latvian diaspora entrepreneurs is to be found in the United States, in the United Kingdom, and in Russia (Mieriņa 2016, 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 (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 (6). In terms of the diaspora economic potential mobilization, 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 are 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' (5).

Nonetheless, 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

with 23 high-level Latvian entrepreneurs or professionals, either who lived abroad, or who had returned to Latvia after living abroad, 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 involvement in high-level representative visit organization in the country of residence, consultations on the business atmosphere and etiquette, willingness to speak at economic forums or other events, and so forth (Mierīņa 2017).

As previously discussed, return migration is the optimal way of engaging diaspora in country of origin development, utilizing their human capital, and taking full advantage of skills and knowledge transfer. Interestingly enough, the 2014 survey found that return migration is the option most often considered by those who have gone abroad in order to further their education (Mierīņa 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 (Hazans 2016b). 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 gives for returning to Latvia are not economic in nature, but rather have to do with emotional longing for home and family, and wish to be in a Latvian speaking environment (Mierīņa 2015, 198), those returning with foreign experience and education can expect their skills to be appreciated. Hazans (2013) has 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 (101). This information was also confirmed by the 2016 *Returning to Latvia* Survey specifically focusing on returning diaspora members (Hazans 2016a). From the survey responses, Hazans (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, and 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 appreciated 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 highly educated Latvian youth abroad (King, Lulle, and Buzinska 2016). The highly educated youth saw 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' (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, classified as the 'old' Latvian diaspora (Birka forthcoming). Of those who have returned, and were surveyed

( $n = 52$ ), most can be classified as the highly qualified, and the main reason 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, as attested by the respondents of the 2016 *Returning to Latvia Survey* (Hazans 2016a, 30). The other major concern, identified by the survey, is with the lack of available information, or the scant dissemination of information (43). The highly qualified youth, from the 2015 survey, 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, Lulle, and Buzinska 2016, 196–7).

These same concerns are expressed by the 'old' diaspora representatives. The 'old' diaspora representatives who were returnees and, at the time of the survey, lived 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 the target group. 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 ( $n = 608$ ), 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 ( $n = 608$ ), only 11% had ever heard of the *Return Migration Plan*, which was the government initiative in place at the time of the survey 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 reside in Latvia, or who travel to Latvia on a regular basis (Birka forthcoming). As discussed, uncertainty about future prospects is a significant hindrance to return migration and willingness to engage in economic development initiatives as such.

## Conclusions

From the breadth of international organization recommendations reviewed in this article, 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, the diaspora has to be self-motivated to engage, or incentives have to be offered that spur 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 capitals. 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 Nordlund 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. The need to adapt diaspora engagement policies to the specific diaspora community in their country of residence, and to be aware of the country-specific conditions, as well as the expected goals of the policy, is something that has been time and time again pointed out by the recommendations put forth by various international organizations reviewed in this article. Thus, the diaspora policy of Latvia cannot be, as Agunias and Newland (2012, 25) make clear, a 'one-size-fits-all' model of diaspora engagement.

The surveys and interviews have also 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 diasporas major concerns regarding corruption, and repairing trust in the Latvian government. However, 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 attended to. Also, 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 in. 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 have 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.

## Notes

1. Four different waves of Latvian diaspora have been identified, which can be roughly grouped into two before and two after the regaining of independence in 1991. See: SKDS (2006).
2. For an overview of other countries with diaspora laws, see: Mieriņa, Zača, and Buholcs (2018).
3. See: (Plaza 2013; Parsons 2005; White 2007).
4. See for example: (Modigsson and Nordlund 2012; Wescott and Brinkerhoff 2006).
5. 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.

## Disclosure statement

No potential conflict of interest was reported by the author.

## Funding

This work was supported by the European Regional Development Fund Activity 1.1.1.2. 'Post-doctoral Research Aid', research agreement No. 1.1.1.2/16/I/001, under Grant No. 1.1.1.2/VIAA/1/16/013 'Harnessing the Economic Potential of the Diaspora'.

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