

Engaging the Tanzanian Diaspora in National Development: What Do We Know and What are the Gaps?

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Abstract:

Over the past ten years there has been a significant change in African governments' perception of their diasporas. In the previous three decades, diasporas were not seen as a resource that countries of origin could tap into for their development needs. This is no longer the case. Now, diasporas are increasingly seen as positive actors: as countrymen and women abroad who can contribute to development efforts in their homelands. In this context, this paper reviews literature on the major policies and initiatives used by countries to help support and promote diaspora engagement. To be specific, countries which have successfully engaged their diaspora in the national development process. The paper also highlights key factors of success of Tanzania's neighbouring countries and other countries. It attempts to relate these practices to the case of Tanzania, given the current social, economic, political and cultural contexts. The Tanzanian experience reveals a wide range of interventions taken to facilitate participation by its diaspora in national growth efforts. While these interventions, are highly laudable- especially considering financial limits - there remains important weaknesses. Suggestions to improve existing measures are provided.

Keywords: Diaspora Engagement, National Development, Tanzania

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1.0 General Introduction

Over the past ten years there has been a significant change in African governments' perception of their diaspora. In the previous three decades, home countries did not recognise the need to pursue and promote the dynamic of diaspora and development. This is no longer the case. Now, diaspora are increasingly seen as positive actors: the diaspora can and does serve as an important 'bridge' to access knowledge, expertise, resources and markets for the development of the country of origin (Shimeles, 2010; African Development Bank, 2011; Plaza and Ratha, 2011).

Indeed, countries that have successfully engaged their diaspora pursue a "roadmap" strategy which include (Agunias and Newland 2012, Ionescu 2006) : identifying goals, mapping diaspora geography and skills, creating a relationship of trust between diasporas and governments of both origin and destination countries and, ultimately, mobilising the diaspora to contribute to sustainable development and also the realisation of the Millennium Development Goals. The strategy also devotes attention to strengthening the capacity of both government institutions and diaspora communities to work with each other and with other stakeholders. With a view to nurturing and ensuring a sustainable diaspora role, most African countries are now adopting policies and measures to attract much more active and comprehensive involvement of the diaspora in national development.

2.0 Objectives of Study

This paper reviews literature on the major policies and initiatives used by countries to help support and promote diaspora. To be specific, countries which have successfully engaged their diaspora in the national development process. The paper also highlights key factors of success of Tanzania's neighbouring countries and other countries. It attempts to relate these practices to the case of Tanzania, given the current social, economic, political and cultural context.

3.0 Methodology

Diaspora engagement is highly context-specific. The reviewed literature is supplemented by data collected during the third diaspora stakeholders coordinating meeting held in Arusha, Tanzania on 8th and 9th July 2011² as well online interviews held in August 2010 with Tanzanian diaspora and ex-diaspora.

4.0 Presentation and Discussion of Findings

4.1 The Concept of Diaspora

The commonly used term 'diaspora' is a highly contested concept, many definitions of which exist (Cohen, 1997). As there is no room for extensive discussion here, we employ the definition put forward by Van Hear *et al.* (2004:3):

“Diaspora are defined as populations of migrant origin who are scattered among two or more destinations, between which there develop multifarious links involving flows and exchanges of people and resources: between the homeland and destination countries, and among destination countries”

² Three Diaspora Stakeholders Coordination Meetings in Tanzania have been organised to date allowing the Government of Tanzania, members of the diaspora, civil society and private stakeholders to explore and strategise on diaspora engagement.

However, according to Garab *et al* (2013:6), discussing diaspora engagement can therefore be analytically challenging:

“First of all, the word diaspora is applied to different migrant populations each having its unique features in regards to home country, migration patterns and historical experiences. Second, the definitions may give the appearance that diasporas are dispersed populations with common views and shared experiences. Yet today’s diasporas are not homogenous groups, despite sharing a common country of birth or origin members can differ significantly in regards to their interests, ideas, values and attitudes. There is therefore a need to understand the different interests, aspirations, institutions and objectives of diaspora communities. Moreover the political opportunity structures in the country of origin as well as in the country of residence provide both constraints and opportunities and shape what diasporas can and cannot do.”

4.1.1.Towards a Definition of Diaspora

Diasporas have to be properly defined and determined to yield accurate quantitative and qualitative data. As mentioned elsewhere, there is no single accepted definition of the term “diaspora”, neither is there a legal recognition of the term which consequently has given rise to many different meanings and interpretations by practitioners and researchers.

From the perspective of the diaspora policy of Rwanda , Rwandese diaspora are defined as all Rwandans who left their country voluntarily or were forced to live in other countries of the world. Due to historical or socio-economic reasons, Rwandan diaspora can be categorized into two main groups: (i) Temporary diaspora: this comprises Rwandan citizens who reside for a definite period of time. It is the case for students, diplomats, tourists or business people on travel who need consular services and (ii) Permanent diaspora: Rwandan citizens who fled Rwanda due to political and security reasons, Rwandan citizens who left Rwanda for career development and other economic reasons, Descendents of long term refugees and Rwandans born to foreigners. The Policy explicitly acknowledges, encourages and invites the contribution of its diaspora in the development of the country in areas of financial, virtual and physical transfers, image building, good governance, trade and investments to name just a few examples (The Republic of Rwanda, 2010).

Another example is the Indian diaspora which is defined by the Republic of India as non-resident Indians (NRIs) who are Indian citizens holding Indian passports, but are abroad for an indefinite period, whether for employment or otherwise. It also includes persons of Indian origin (PIOs) whose spouse, parents, grandparents, or great grandparents were once citizens of India (The Republic of India, 2010). The final example is a publication of the Government of Tanzania which defines the diaspora as citizens or non-citizens who have their origin in Tanzania but currently living, working or doing business in foreign countries (TRA, 2010).

4.2 A Diaspora Office in the Government

The establishment of a diaspora office in a government that is mandated to serve the diaspora could be indicative of a government’s commitment to engage its national abroad in its development plans and processes and attests to improved relations between home governments and their nationals abroad (Ionescu 2006).

In the absence of a central institution dealing with all issues pertinent to diaspora engagement, (interested) diaspora members may not know which channels to use in order to

become involved or to receive comprehensive information relevant to their needs. Moreover, the lack of a strong diaspora coordination office encompassing all government initiatives affecting the diaspora leads to mismatched directives and practices (ibid).

African countries which have government agencies charged with coordinating diaspora affairs at the national level reported in Belai (2007) include : Benin, Burkina Faso, Egypt, Ethiopia, Ghana, Kenya, Morocco, Nigeria, Rwanda, Senegal, Tunisia. Due to the Government of Tanzania's high regards for its diaspora, a specialised Diaspora Engagement and Opportunity Department was set up in 2010 at the Ministry of Foreign Affairs and International Development (MFAIC) and a diaspora coordinator has been appointed to coordinate diaspora affairs³.

4.3 A Diaspora Policy

The lack of a well-formulated and applicable diaspora policy is a barrier to diaspora engagement. A policy framework is essential to link national development needs with diaspora resources and to guide respective activities more systematically. A clear national policy that is developed and widely communicated, will serve as basis for implementing a government's diaspora-related activities. All relevant stakeholders including diaspora communities, local institutions concerned, international development partners, and government policy makers are to be involved when drafting a national diaspora policy (Agunias and Newland 2012).

While many governments in Sub-Saharan Africa acknowledge the importance of diaspora engagement in development, many still lack the capacity to design effective policies and implement them on a meaningful scale. This explains the gap between schemes that look good on paper and truly effective policies and programmes that actually make a difference. Rwanda and Benin have a diaspora policy. The diaspora policy of Rwanda is based on three pillars: (i) the cohesion of the Rwandan diaspora (ii) the Rwandan diaspora is equipped with accurate information about their motherland and (iii) the Rwandan diaspora is playing a significant role in the socio-economic development of Rwanda (The Republic of Rwanda, 2010). The Republic of Benin developed a National Policy Plan for Beninese abroad, launched in 2001 and supported at the presidential level, which comprises a National Policy Declaration and the establishment of a ministry in charge of relations with Beninese abroad, as well as a national agency of Beninese abroad (IOM, 2005).

Regrettably, the lack of a Tanzanian diaspora policy is a barrier to engagement (Ippmedia, 2014). A clear and widely communicated policy would engage the diaspora comprehensively, and serve to focus the Tanzanian government's diaspora-related activities. The voices of Tanzania diaspora and ex-diaspora as revealed in Box 4.1 send powerful messages that point the way toward policy change or creation of a new policy.

³ *Personal observation, 3rd Diaspora Stakeholders Coordinating Meeting, Arusha 8-9th July 2011, Arusha International Conference Centre Mbayuwayu Hall*

Box 4.1: Voices of Tanzania Diaspora and Ex-Diasporas: Can Anyone hear us?

What is it that diaspora and ex-diasporas answer when asked “ To what extent do Tanzanian nationals abroad and returned nationals contribute to Tanzania's national development process? Their responses quoted verbatim are as follows :

There is a possibility of exercising a positive transfer of knowledge from different environment.

-It much depends on personal or individual desire and commitment.

-It is a given statement i.e. default one, it just like saying Tanzanians contribute to Tanzania's national development process, surely they/we do or at least some of us do.

-Contribute to an extent. Most are professionals who cannot afford big investments (utilities, housing, kids school--take a toll on their earnings). Many people save enough to build homes and invest in small projects such as schools etc. Few are business people.

-Very few of those abroad make investments in the country. I find that most of those abroad try to make ends meet and are trying to survive. Most of those who have returned home have finished their education and see opportunities here that they can grab, in my view this group contribute more to the development of the country.

-Through remittances those abroad contribute a lot and the returned make investments.

-We bring exposure, energy and a different school of thought back home. At the same time, we tend to be operating in an 'exclusive' club environment that sometimes faces difficulties in gelling with our 'home-grown' colleagues.

-I don't think if there is a reasonable contribution of Tanzanian nationals abroad and returned nationals to Tanzania.

-Invest and create opportunities for others; undertake consultancies and teaching activities.

-There is not a conducive environment for them to contribute sufficiently.

-The environment does not always permit to contribute fully.

-They send money while abroad in sporadic fashion and upon return they are still disconnected from the existing social/development networks that influence decision making and the development process; they have no systematic forum or channels to impart their experiences gained abroad.

-There is no recognition of the Tanzanian nationals who are living abroad by the government neither do the government.

-Apart from those who send remittances, I believe the nationals who live abroad contribute little to the country.

-The statement qualifies on certain situations, condition and opportunity in both ways. I believe that those learned (abroad) have higher chance to perform better when given opportunities in many developing areas.

-I do not have any supporting data and I am yet to see significant progress.

Source: Field Data (2010)

4.4 Gathering, Improving and Disseminating Data on and for Diaspora

It is crucial for a government to “know its diaspora”. A “know its diaspora” exercise involves serious data collection (e.g. a migrant/diaspora census), mapping the diaspora, skills and experience inventories, and extensive listening exercises to understand what the diaspora has to offer, what it is willing to offer and what it expects from the government in turn. It is therefore crucial to acknowledge the diversity of diaspora agendas, interests and strategies. Through the establishment of a continuous dialogue with diasporas, government policies can reconcile or at least understand differing and often diverging views. Successful government interventions are the result of years of continuous, open engagement. In short, the diaspora require timely and accurate information on which to base decisions as to where and how to allocate their resources as regards development initiatives in countries of origin (Agunias and Newland 2012).

The government of India, for example, tasked a High Level Committee on the Indian Diaspora to analyze the location, situation and potential development role of the estimated 20

million non-resident Indians (NRIs) and Persons of Indian Origin (PIOs). The information resulting from this two-year exercise led to a new direction in diaspora policy, including the creation of a Ministry for Overseas Indian Affairs in 2004 (The Republic of India, 2010).

Meanwhile in Tanzania, without any data on emigration, the country cannot claim knowledge of its emigrants, leave alone its diaspora about which much less is known. Interestingly, immigration data collected by immigration personnel at Tanzania's international airports have never been published in a form that permits their usage in interpreting immigration versus emigration (Oucho and Mtatifikolo, 2009).

Notwithstanding these shortcomings, the Tanzanian diaspora in 2006 has been estimated at around 200,000 people or around 0.5 per cent of the entire population -with the largest population in Uganda, UK, Canada, United States of America, Australia, Rwanda, Germany and the Netherlands (World Bank, 2006). In 2010, the number rose to 320,000 Tanzanians living outside the country and the top destinations countries are Kenya, Uganda, the UK, Canada, Mozambique, Malawi, United States of America, Burundi, Rwanda and Australia (World Bank, 2010). The UK national Census for 2001 recorded over 32,635 Tanzanians in the UK while Tanzanian UK associations estimated that there are over 100,000, of whom roughly 75% are thought to be living in the London area (IOM, 2009b).

4.5 A Database on Diaspora

Availability of reliable data is central to the successful engagement of the diaspora in home country development. It can be helpful to identify local needs and programs targeting diaspora engagement. A database should be created to provide information on the size and composition of the diaspora with respect to the expertise available. The establishment of a database on the brain drain is crucial to promote networking and collaboration between diaspora and institutions in the country of origin.

When establishing database, it is important to set mechanisms in selected embassies to collect preliminary information on diasporas in order to identify available resources. It is also useful to collaborate with relevant authorities of receiving countries to collect information about the occupational categories of highly skilled migrants. In short, many African governments and Tanzania is no exception need to generate relevant information regarding the diaspora, which will need to be frequently updated (Plaza and Ratha, 2011).

The following are examples from Kenya, Rwanda and Tanzania which solicit technical and financial support from development agencies in data collection on diaspora:

Upon request from the Ministry of Labour and Human Resource Development, International Organisation for Migration (IOM) assisted (July 2008-December 2009) the Kenya Government in establishing a Labour Migration Unit to: (i) coordinate the labour migration process, (ii) gather information and profile of Kenyans in the diaspora and (iii) design a skills inventory tool for gathering and analyzing data (IOM, 2009); (ii) (With the support of IOM, Rwanda has put in place and regularly updates a database on the Rwandan Diaspora (The Republic of Rwanda, 2010) and (iii) In a joint diaspora stakeholder meeting organised by the MFAIC and IOM Tanzania in June 2010, the Government stressed the importance of establishing an online diaspora database, with the support of IOM and the World Bank, which could indicate the location, ability and needs of the Tanzanian diaspora⁴.

⁴ *ibid*

4.6 Registration/ ID Cards

The use of special registration and identification cards is a key institutional measure aimed at the diaspora. While these cards enhance data registration for example in Mali, Rwanda, Chile, Algeria, Ethiopia cited in IOM (2005) and Belai (2007), they also contribute to shaping the national definition of the diaspora (citizens or nationals abroad, second and first generations, non-resident nationals, etc.). The experience of Tanzania reveals that despite parliament passing the law mandating a national identity programme in 1963; its implementation which began in 2008 has been facing a number of challenges including lack of funds.

4.7 The Media

The main relationship between media and economic development lies in the function of the media as a source for the dissemination of information. The media can inform the diaspora about major developments in their home countries. Diasporas can also through the media (online sites, debate forums, and network newsletters founded and populated by for example the diaspora, the government), make critical comments, participate in chats/discussions, and influence home country policies and the political environment. Websites established by the diaspora about their home countries serve as data hubs for people seeking information about their home countries and are often more reliable than those hosted in the country of origin or established by public institutions (Cottle, 2000; Elias *et al.* 2007).

It is interesting to mention here that the Diaspora General Directorate of the Republic of Rwanda has an interactive website which avails credible information on Rwanda and its diaspora e.g. through discussion fora, comment pages and clear designation of contact persons within the DGD for specific diaspora matters to enhance the transparency and accessibility of the Government for the diaspora (The Republic of Rwanda, 2010).

The Ministry of Foreign Affairs and International Cooperation in Tanzania continues to undertake a sensitization exercise through television, radio and print media, annual diaspora conventions, and diaspora stakeholder meetings to inform and hear the views of the public on the issue of diaspora. The immediate result has been a heightened debate especially on the issue of dual citizenship.

According to IOM (2009a) , the Internet is the most common tool used to reach out to the Tanzanian diaspora in the UK. Examples include: listening to Swahili radio stations online, browsing the following websites: <http://www.issamichuzi.blogspot.com>, <http://www.hakingowi.blogspot.com>, <http://www.jamiiforums.com/> and <http://www.ippmedia.com>.

4.8 Organising Events for Diaspora

By organising events that encompass such areas as opportunities, education, business, health, food or culture, a government can involve its diaspora in diverse activities of their home countries as well as information sharing. A partial list is provided below:

- Benin organises a day for Beninese abroad in France and Belgium for information sharing and communication among diasporas (IOM, 2005);
- Ethiopia: The annual Ethiopian Diaspora Day is held in December in Addis Ababa (ibid);
- Rwanda: Events for its diaspora, such as les Conventions globales des Rwandais de la diaspora (ibid);
- Tunisia: Summer school organised by the Office of Tunisians Abroad (ibid).

- Zimbabwe: Homelink System organizes business events or trips for diaspora members (ibid);
- Côte d'Ivoire: *Colloque international de valorisation des compétences de la diaspora* (CIVACAD) to better utilize diaspora resources (ibid) and
- Tanzania: diaspora conferences have been held in London, UK (in 2008, 2010, 2011) USA (in 2009, 2010, 2011, 2012), Canada (2012) and Tanzania (2014). Most stakeholders were represented.

4.9 Embassies

Embassies and foreign offices should actively mobilize the diaspora. They should provide current and reliable information and advice on areas of support, investment, and trade. While it is encouraging that many embassies now provide such information on their websites, a lot of work remains in mobilizing the diaspora community as a strong force of national development. The embassies should proactively act as a strong force of cooperation and collaboration. It is also important that the capacities of these missions are improved to serve as centers of resource mobilization (Plazza 2009). This is described further with the following examples:

The Embassy of Ethiopia in Ottawa was one of the 13 embassies selected to host a constituency building department. Through this department, the Embassy provides timely information on developments in Ethiopia to Ethiopians in Canada; informs the diaspora of incentives and support available to those interested in investing, returning or contributing in any manner to capacity building efforts; and, conducts surveys in a bid to remedy the paucity of data on the size and composition of the diaspora as well as gauge interest in engagement. The office also solicits feedback on the diaspora's needs and how it can best facilitate their efforts to serve their country of birth (Belai, 2007).

The Government of Nigeria provides the Nigerians in the Diaspora Organization (NIDO) office space within its Embassy in Washington DC for NIDO coordination, but the organisation manages its own affairs, including election of executives and board (World Bank, 2007). The Tanzania-UK association (TA-UK) has also been offered a room as office space for the association at the Tanzanian High Commission based in London⁵.

Despite the fact that improved services are now available in Tanzanian Embassies and High Commissions abroad, findings from diasporas interviews revealed that there were complaints about the lack of understanding and negligence of the staff working in the embassies. It seems that there is a stereotype concerning Tanzanian diplomatic missions abroad. Some "diasporans" never visited an embassy or a consulate of Tanzania abroad, but nonetheless held an opinion that the officials there were unhelpful and negligent.

4.10 Diaspora Organisations

Diaspora organisations are powerful actors who can transfer information, innovative ideas, intellectual capacities, technological skills, innovative business and trade practices, peace-building mechanisms, and democratic political habits and practices to their country of origin. For the country of residence, institutions, agencies and government, engaging the diaspora can provide a critical avenue for learning from diasporas' relevant activities, and valuable

⁵ Ibid

information from the country of origin, for their policy considerations. Diaspora organisations/groups can enhance their own potentials for networking and viable contact establishment in the country of residence, but it also can give them the platform, capacities and resources which can enable them to effectively implement activities in the countries of origin (Schrover, and Vermeulen 2007).

Both Kenyan and Rwandan governments are active in engaging their diaspora associations. For example, Rwanda holds a biennial diaspora meeting for their overseas diaspora associations, a model which could be adopted by the Tanzanian MFAIC⁶. Few Tanzanian diaspora associations engage with stakeholders to promote the interests of the diaspora in host and sending countries. Examples include the Tanzania Association in the UK (TA-UK) and Diaspora Council of Tanzanians in America (DICOTA). The Scottish chapter of the TA-UK has established Nyerere scholarships for Tanzanian citizens at the University of Edinburgh and strong links with both the Scottish Centre of Commerce and organizations in Tanzania⁷.

While much is known about overseas Latin American diaspora associations (specifically hometown associations and in terms of their support in their hometown or home region that reflect the importance of trust and local knowledge as well as local loyalties such as ethnicity, clan or hometown), the Tanzanian experience suggest that in general, there are few Tanzanian diaspora associations that engage in development in Tanzania. Several co-existing factors dictate this point (Hansen, 2010).

Firstly, there are not too many Tanzanian migrant associations in the diaspora which not only reflects the relative size of the diaspora. Secondly, Tanzanian migrants associations as suggested by UK findings, are based on the general identity of being Tanzanian rather than on specific local or ethnic identities and that this prevents developmental engagement in the country. Lastly and perhaps most importantly, the development field is well established with the state, international donors and NGOs responsible for the delivery of development.

In a joint diaspora stakeholder meeting organised by the MFAIC and IOM Tanzania in June 2010, the Government of Tanzania in recognition of the need to introduce pro-diaspora programmes and policies encouraged Tanzanians to form diaspora organisations in receiving countries e.g. sub-Saharan Africa such as Uganda, Kenya, Bostwana and South Africa. During the meeting ex-diasporas were encouraged to participate as active stakeholders in diaspora engagement process. During 2010, efforts have been made with the support of MFAIC to establish an ex-diaspora association in the country⁸. Setting up diaspora associations and creating a formal leadership will enable the Government to communicate directly with the diaspora and thereby to engage it more directly in the development of Tanzania.

Lastly, the Government welcomes organisations that provide service delivery such as in education, health and infrastructure. Many of these are registered NGOs such as religious organisations and District Development Trusts. It is possible that these organisations are linked to overseas diaspora associations and evidently are “best practices” for deployment in MKUKUTA (a Kiswahili acronym for Tanzania’s national Strategy for Growth and Reduction of Poverty) II activities (Oucho and Mtatifikolo, 2009).

⁶ Ibid

⁷ ibid

⁸ Ibid

4.11 Remittances

Migrants remitted 404 billion USD to the developing world, three times the amount of money given in Official Development Aid (ODA) (IOM, 2014). Remittances broadly defined as monetary transfers made by migrants to their countries of origin are, above all, private funds and as such are not substitutes for national development efforts, ODA or comprehensive development strategies. They have, however, the potential to contribute significantly to economic development at household, local, national and regional levels. Among other benefits, remittances provide a source of foreign exchange, enabling recipient countries to acquire vital imports and/or pay off external debts, and increase the recipient country's creditworthiness. At the household level, remittances can help reduce the poverty of recipients, supplement their income and provide them with funds that can be used for consumption, savings, or investment in areas relating to development e.g. education, health and entrepreneurial activities (Plaza and Ratha, 2011).

Migrants also send other types of remittances to their home country. Social remittances are usually defined as the ideas, practices, identities and social capital that flow from receiving to sending country communities (Levitt, 1998). Though more difficult to assess than financial contributions, the social remittances that the diaspora possess and can transfer to home include innovative ideas, valuable transnational networks, knowledge, sound political contributions, policy reforms, valuable democratic habits and attitudes, appropriate peace-making ideas and practices, new technological skills, norms of behaviour, work ethics, social values and cultural influence to name just a few.

The collection of better data on diaspora remittances is a matter of priority for many developing countries especially in Africa, since without accurate information on their remittance flows, it is difficult to assess their impact on a country's economy or to realise fully their developmental potential. Tanzanians may lack a savings culture at home, but its citizens abroad send money home. According to Migration and Remittance Factbook 2011, a total of USD 17 million were to be remitted in 2010, up from USD 16 million sent in 2009 (World Bank, 2010). In 2013, the estimated 3 million Tanzanian migrants living abroad remitted a modest 75 million dollars in 2013. In comparison, the Kenyan diaspora remitted 1.4 billion dollars from Kenyan diasporians and while Ugandans living abroad accounted for approximately one billion dollar in remittances in the same year (IOM, 2014).

Interestingly, it has been reported that Tanzania is one of the few developing countries where the outflow of remittances is noticeably higher than the inflow (almost three times). This is due to high number of forced migrants (i.e. refugees) that the country has received (Migration DRC 2007 cited in IOM 2011). Data on remittance flows to Tanzania is characterised by poor or of missing quality reported by banks, money transfer operators and by the widespread practice of sending remittances informally via social networks. Furthermore, remittances are based on estimates given by different institutions. For example, estimates from the World Bank vary from around USD 8.5 million (World Bank, 2009) to USD 15 million for the year 2006 (World Bank, 2008). The International Fund for Agriculture Development (IFAD) estimated that informal and formal remittances were as high as USD 313 million for the same year (IFAD, 2007). These estimates suggest that there is no accurate record of remittances sent to or invested in Tanzania (by the diaspora).

4.12 Providing Rights to the Diaspora

Granting special rights to the diaspora is a noteworthy measure to attract diasporas in contributing to their country of origin national development, tapping on their social remittances and acknowledging their transnational belonging.

Dual Citizenship

Dual citizenship means that individuals combine more citizenship in and of two nation states. In principle individuals may hold even more than two citizenships; hence the term “multiple” or “plural” citizenships (Faist and Gerdes 2008). Some of the countries that allow dual citizenship include: Benin, Burundi, Burkina Faso, Cape Verde, Ghana, Egypt, Nigeria, Mauritius, Central African Republic, Zambia, South Africa⁹. It is worth noting, however, that the form of dual nationality varies from country to country.

In the case of Tanzania, legislation still does not allow dual nationality. However the Government has encouraged the debate on dual nationality as garnered in Parliamentary debates, media reports (e.g. the Citizen and Daily Mail newspapers), online petitions for dual citizenship filed by Tanzanians living abroad (Chachage, 2009). Moreover senior government officials have been outspoken in advocating for a law on dual nationality as a way of engaging the diaspora in the national development process. Lastly, issuing identity cards for Tanzanian citizens could be a first step in the process of allowing dual citizenship as this increases access to remittances services.

Property Rights (the Right to Buy Land and Property)

The right to buy land and property is another powerful incentive to engage diasporas. The experience of Rwanda suggest that financial institutions and construction companies in Rwanda helped their diaspora to own houses in the country by offering a cost reduction of 30% of the total value of a house and the rest was covered through bank loans. Developers such as Social Security Fund of Rwanda (SSSFR) reserved 20 houses for Rwandans in the diaspora (The Republic of Rwanda, 2010).

In Tanzania, there is generally a lack of information on the procedures to obtain property at home for the diaspora. However, as a result of increased remittances from diaspora members to Tanzania, the President of Tanzania at a recent diaspora meeting in Washington remarked that he had directed the Ministry of Lands to provide plots and the pension funds and National Housing Corporation and local financial institutions- the Commercial Bank of Africa offers loan facilities for investment in real estate (Commercial Bank of Africa, 2013)- to work out modalities to enable diasporas to access mortgage loans (Abdallah, 2014) .

4.13 Managing the Brain Drain and Working with the Diaspora

Skilled people migrate from developing countries to industrialised countries often due to economic and financial reasons (Chappell and Glennie, 2010). In this context, there is no accurate figure on the magnitude of brain drain affecting Tanzania. Nonetheless, it is estimated that out of the 70,000 Tanzanians living in OECD countries, 41 per cent have a high education (OECD, 2005).

To encourage the return of diasporas, it is important to create conditions that will attract (skilled) diaspora to come back to their home countries. This is because return migrants can be beneficial to their home country as they bring financial savings but are also an important source of skills, connections/networks; expertise and ideas (i.e. brain gain, circulation or exchange).

⁹ *ibid*

The following are examples on how to manage the brain drain and work with the diaspora:

- (i) The government of South Africa considers the diaspora an option for development especially in sectors that require highly-qualified personnel (education, Research & Development, Science & Technology, industry, etc.). The South African Network of Skills Abroad (SANSA) is one of the instruments set up to achieve this transfer of skills. To be more specific, the network links skilled people living abroad who wish to make a contribution to South Africa's economic and social development and connects them with local experts and projects (South Africa Network Skills Abroad, 2007).
- (ii) The Sokoine University of Agriculture (SUA) in Tanzania established an institutional facility that allows Tanzanian diaspora to establish academic and scientific association with SUA as part of capacity building in human resource base, sharing of information, collaborative initiatives and scientific competitiveness (Sokoine University of Agriculture, 2014).
- (iii) Tetey (2003) helpfully points out, "Some African countries, including South Africa, Senegal, Tanzania, Egypt, and Morocco, have national research grants schemes that enable professionals to pursue careers in their chosen field without having to leave the country. Establishment of endowed chairs – through state, private, bilateral, or multilateral partnerships – can also help to keep some top African experts in their countries, and even to attract those currently elsewhere."

4.14 Creating Incentives for Diaspora Investment

One strategy a government can pursue in an attempt to mobilise their diaspora populations in support of development (i.e. to attract financial resources of the diaspora) is to create more favourable conditions for investment by diaspora members.

Enabling Business Environment

The creation of an enabling business environment through business environment reforms is acknowledged in many African countries as an important pre-requisite for empowering entrepreneurs and businesses of which the diaspora is part of, that lead to dynamic and wider economic growth, and ultimately employment and income generation.

Sub-Saharan Africa is ranked as the region in the world where it is most difficult to do business. Overall, Tanzania's business environment remains unattractive, resulting in disappointing rankings in Doing Business and Africa Competitiveness Reports (World Bank, 2014) in spite of the fact that the Government continues to design and implement a number of supportive policies and programmes to address the barriers to private sector development of which the diaspora is part of.

Tax Exemptions

India, The Philippines, Ethiopia, Rwanda and Tanzania provide tax exemptions for their diaspora¹⁰. For the latter, the Tanzanian Investment Center (TIC) established in 1997 is not exclusively targeting and assisting the diaspora but any potential investor interested in investing will qualify for a certificate of incentives which would enable the investor to enjoy VAT and import duty exemptions on capital goods as well as other fiscal incentives.

The Tanzania Investment Center (TIC) is also developing a business linkage programme which will connect firms in the country with dependable business partners abroad including

¹⁰ Ibid

the diaspora. The partnership between the government and diaspora is vital to make the envisioned Public Private Partnership Policy work properly for the country's development. In addition, the Ministry responsible for Regional Administration in cooperation with TIC is finalizing the formation of a credible Land Bank which will make it easy for investors to access land (The Guardian newspaper, 2010).

Tanzanian living abroad donate goods to charitable/religious organizations or NGOs that are working in support or provisions of social services. Such donations are exempted from import duty, excise duty and VAT on importation provided that the goods are for sole use of the intended beneficiary. Tanzanian nationals who wish to return home are exempted from duties and VAT on their personal effects (TRA, 2010).

Facilitating Remittance Transfers and Linking Remittances to Productive Investments

Most African countries lack the mechanisms in place to formalise and adequately exploit the potential value of remittances. The collection of better data on remittances is useful since, without accurate information on remittance flows, it is difficult to assess their impact on the country's economy or to realize fully their developmental potential. Reform of the remittance transfer system is essential in order to improve the operations of the sector.

Mechanisms for improving the use of remittances include: (i) measures to simplify remittance transfers: cost effective and accessible money transfer facilities, rational currency exchange rate, as well as reliable and fast services; (ii) development of policies and institutions that offer support to the optimal deployment of remittances in productive investments. These points are clearer with the following examples:

To facilitate the transfer of remittances from the United Kingdom to Kenya in a convenient and inexpensive way, the M-PESA International Money Transfer (IMT) service was launched in October 2009, after a three month pilot project involving three UK-based agents (KenTV, Western Union, and Provident Capital transfers). M-PESA IMT allows anybody living in the United Kingdom to transfer money through selected agents to persons in Kenya using a mobile phone. Currently, a total of 19 outlets in the UK offer this service, located in areas with high numbers of Kenyan migrants (ILO, 2013). On the same related note, the Retirement Benefits Authority of Kenya is reported to be working on establishing modalities of running a pension scheme that would enable Kenyans working abroad to save for old age back home (Kamau 2010)

A few examples of the Tanzanian experience are provided below:

- (i) The Welfare Scheme for Tanzanian diaspora (WESTADI) of the National Social Security Fund, targets Tanzanian nationals abroad. Members of the Scheme will be required to contribute a minimum of \$ 300 per year in return for two main benefits. These are: (NSSF,2010): (i) Medical services: members will receive medical treatment while in Tanzania and also dependants and or family left at home. Specifically, members will receive Out and In Patient medical services through reputable medical service providers, in what has become popular as the Social Health Insurance Benefit and (ii) Repatriation services: members will receive (i) transportation of a deceased member and also a return ticket for one accompanying person (ii) an air ticket for a terminally ill member and a return ticket for an accompanying person and (iii) an air ticket to a distressed member returning home.
- (ii) The IOM-Universal Postal Union conducted an assessment on the flow of remittances between Tanzania and Uganda through a pilot project aimed to support an affordable

electronic transfer system, the International Financial System to provide lower transfer costs of remitting funds between Tanzania and Uganda (IOM, 2009b).

- (iii) CRDB Bank Ltd has reported a surge in interest by the Tanzanian diaspora to invest in “safe” and high dividend projects in Tanzania, citing increasing default by friends and relatives when they send money home for projects. In response to such demand and also to simplify deposits by the diaspora and encourage them to remit their funds in Tanzanian banks instead of foreign banks, CRDB Bank has opened a special savings account for overseas Tanzanian clients named the Tanzanite Account. The Bank in collaboration with Unit Trust of Tanzania has also embarked on a campaign to encourage Tanzanians living overseas to invest into the Unit Trust’s Umoja units via CRDB Bank’s networks abroad¹¹. Other banks with diaspora products include the Commercial Bank of Africa (CBA).
- (iv) Since 2008, the use of mobile banking has been allowed in Tanzania, provided that the services are jointly arranged under the supervision of a registered bank or financial services to facilitate the recording and reporting of transactions. Airtel (AirtelMoney), Zantel (EZY Pesa) Vodacom (M-Pesa), tiGo (tiGo Pesa) operate domestically as legislation to allow cross-border payments using mobile phones had not been enacted as of today.

5.0 Conclusion and Recommendations

Diaspora contributions are related to institutional frameworks, socio-economic settings, political environments as well as issues of privileges/ rights, perceptions, images, trust and social identification, in both the home and host country. The political will of the Government of Tanzania to engage its diaspora in the national development process is highly commendable. There is room for improvement, however, as even countries such as India, Mexico, China and Rwanda considered leaders in tapping and channeling the financial, technical, and intellectual resources of their diaspora communities for capacity development, continually fine-tune related policies and strategies.

While mindful that some recommendations below heavily drawn from Belai (2007) may be impracticable due to budgetary and human resources constraints, it is hoped that some will prove actionable in the near future. The recommendations are as follows:

- Formulate a comprehensive national diaspora engagement policy that would serve to identify and form a list of selected agendas so as to link national development needs with diaspora capacities more systematically. Financial and technical support in developing and implementing diaspora engagement policy framework should be vigorously sought from donors such as International Organisation of Migration and the World Bank.
- Build collaboration with diasporas and other stakeholders based on realistic objectives, tools and timeframe.
- Develop targeted strategies to attract specific segments of the diaspora e.g. highly skilled and educated; those with money to invest; entrepreneurs; retired professionals; those engaged in low wage sectors; the youth, etc.
- Improve provision information on diaspora. The information needs of Tanzanian in the diaspora are essentially two-fold : (i) information on mechanisms, policies and programs targeting diaspora engagement; and (ii) information on conditions on the

¹¹ Personal observation, 3rd Diaspora Stakeholders Coordinating Meeting, Arusha 8-9th July 2011, Arusha International Conference Centre Mbayuwayu Hall

ground, including opportunities for involvement as well as local needs. Information provision on both counts remains deficient. Diaspora-related policies and activities of the Government are not as visible as they should be to the diaspora, the very group they are targeting.

- Support capacity building of diaspora organizations e.g. in addition to budgetary support, diaspora organizations needs to be provided with technical and organizational assistance. These could include training in research skills; proposal writing; project implementation, monitoring and evaluation; financial and staff management skills; as well as exposure to issues that may be a priority in the government's international development engagement.
- Improve data collection and management as there there is lack of statistical data and research on the impact of diaspora activities in national development efforts, on the size and composition of the diaspora, on the expertise available in the diaspora, as well as on various modalities to target different segments of the diaspora according to their interest and capacity.
- Increase awareness and understanding of the services provided by Embassies and High Commissions. These will improve efficiency and delivery of consular-related services for nationals abroad. Additionally, launching a media campaign will help to build a positive image of embassies and high commissions.
- Improve the business environment as the willingness of diaspora to return and start businesses in the home country, or to run such ventures while migrating back and forth, is conditioned on a favorable business environment and attractive business opportunities.
- Facilitate remittance transfers and channel remittances into productive investments.
- Monitoring of the implementation of recommendations

Diaspora engagement is not a panacea for all Tanzanian challenges. Nevertheless, for it to be properly harnessed and effectively exploited, it requires genuine and full collaboration of all stakeholders!

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