

African Diaspora as a Stakeholder in Development: Challenges and Possibilities

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Abstract

This paper is a literature review based concept paper. Literature indicates that Africa is on its growth path but it has some challenges to address. In review, continent image has emerged as one such challenge which impacts on competitiveness of African businesses. The potential of diaspora in addressing these challenges is strongly argued. Through review, the need to consider diaspora as a stakeholder is stressed and their active engagement is encouraged. Finally, key questions which may help in clarifying the scope of diaspora engagement and which can contribute in the development agenda for future research are advanced.

Keywords: Africa, African Diaspora, development, challenges, possibilities, key questions.

Introduction

Literature indicates that Africa is developing rapidly but it has to address some critical challenges to ensure sustainable development (Williams 2014; Kabukuru 2014). It also emerges that the support of its diaspora in addressing its development challenges can be an important aspect which cannot be overlooked. On this backdrop, the paper focuses on the possibility of diaspora's contribution in improving the productivity, the efficiency and the image of the continent. This paper concludes with the line of thought that diaspora should be considered as an important stakeholder and the possibilities of their engagement in the development of Africa should be explored and advanced further.

Review of related literature on these issues, authors' observations, discussions and experiences have contributed to the advancement of this paper.

Context: Development challenges and Africa

African countries under NEPAD agenda have been working towards sustainable development (UNCTAD, 2001) and are addressing issues like political uncertainty, poor infrastructure, and macroeconomic instability (Mckinsey Global Institute, 2010). It is also observed that "*improved political and macroeconomic stability and microeconomic reforms*" are ensuring a long term growth potential for Africa (p2, Mckinsey Global Institute, 2010).

Besides these positive changes, challenges like institutional inefficiencies (Ndulu *et al.*, 2007), jobless growth, limited diversification of economy and trade, inefficient utilization of resources and absence of alternative energy sources (Economic Commission for Africa, 2011) are also part of continent's reality. Difficulty in attracting FDI and skewed concentration of FDI to some major economies and to limited sectors like the oil, gas and mining sectors (Anyanwu, 2011) are also contributing threats to the sustainable development. Furthermore, these studies also identify that inadequate transport system, communication, water and power infrastructure are hampering growth of economic activities, efficiency and competitiveness in the continent. There are strong indications to suggest that the world

is eager to do business in Africa, but finds it difficult to access African markets (especially in the interior parts of the countries), due to poor infrastructure (Deloitte and Touche 2012).

Emphasizing the importance of infrastructure in Africa, the African Development Bank (AfDB) and the World Bank (2011) indicated that the Africa's infrastructure is by far the most deficient and costly in the developing world. They further argue that on any measure of infrastructure coverage, Sub-Saharan Africa countries lag behind their developing country peers. A closer analysis of Africa's existing infrastructure shows a very depressing picture. Approximately 30% of Africa's infrastructure is dilapidated and is in urgent need for refurbishment (AfDB and World Bank 2011). Furthermore, diseconomies of scale and lack of competition are making the prices of Sub-Saharan Africa's infrastructure services up to at least twice as high as other developing countries (AfDB and World Bank 2011). Literature review also highlights that these challenges are impacting both the speed and the dimension of development.

Adding to this irony, African countries are frequently looked as one brand and their brand image is frequently associated with various developmental challenges like poverty, political instability, financial dependence on aid and poor socio-economic records (Wanjiru, 2005). The competitiveness of African countries often suffers from the negative image of the continent (Mahajan, 2008; Anholt, 2005). The concern for competitiveness of Africa is important as the world is becoming more dynamic and complex than ever and is resulting in highly competitive landscape for businesses (Mihailovich, 2006).

Literature on branding highlights that it adds value and contributes to the competitiveness of what is being branded. Review of literature on place marketing (Kotler, 2002) and country branding (Anholt, 2005) suggests that its principles and theoretical domain can come handy in improving competitiveness of Africa countries. Country branding is directed towards promoting a country's welfare (economic, political and social) in the world (Szondi, 2006). The stakeholders of country branding are "*present and future residents*", investors, diaspora, tourists, customers of exports, students from other countries etc. (Gilmore, 2002, p 288). Dinnie (2008) also highlighted the importance of diaspora as main stakeholder in the country branding and indicated many tangible and intangible benefits of their involvement in the process of development. These researchers identified that diaspora can contribute in the form of remittance, in directing FDI and their potential can also be used in '*reputation-building*' (p228, Dinnie, 2008).

Calls for the involvement of diaspora in the development of Africa are not new for the political economists. The contribution capacity of diaspora was discussed widely in political economy literature as these researchers see diaspora as an important part of development initiatives of various countries (Pellerin and Mullings, 2013). For some political economists, development is a multidimensional and complicated process and therefore cannot be studied only in economic terms. They argue that the development of society (Adi, 2002), politics, culture and context affects its progression (Mohan and Zack-Williams, 2002). These researchers strongly urged for the involvement of African diaspora in the development of the continent. Coming from the discipline of political economies, they argued that ideology of diaspora (Adi, 2002) can be handy in addressing these developmental challenges.

The review so far clearly indicates that African countries face developmental challenges. It also highlights that there is opportunity for African diaspora to involve in the process to make considerable difference in the development of continent. The next section discusses aspects and complexity related to defining of African diaspora.

African Diaspora

"Diasporas emerge out of processes involving movement, migration from a "here" to a "there", from a homeland, real or imagined, to a hostland, loved or hated" (p 5, Zeleza, 2010).

To define diaspora has always been difficult (Zeleza, 2010) and the task has become more difficult in the current edge of technological progression (Mohan and Zack-Williams, 2002). Ratha and Plaza

(2011, p 48) defined diaspora “as a group of person who have migrated and their descendants who maintain a connection to their homeland”. Patterson and Kelley (2000, p11) opined that “diaspora is merely a logical manifestation of dispersion, no matter how the diaspora was created or how long it had been in existence”. The process of formation of diaspora is dynamic and the factors contributing to the formation of modern diaspora are different than those in earlier time periods (Palmer, 2000). These researchers also indicated that this complexity even multiplies in case of African diaspora (Palmer, 2000) as Africa is a continent not a country.

Palmer (2000) has identified five main African diasporic streams on basis of time periods. The first period started 100,000 years ago, second period started around 3,000 B.C.E, third period started from fifth century B.C.E., fourth period started in fifteenth century and fifth period started during the nineteenth century and still continues (Palmer, 2000). Zeleza, (2010, p. 15) identified three sets of diaspora as “the trans-Indian ocean diaspora, trans-Mediterranean diasporas, and trans-Atlantic diasporas” on basis of the location of their settlements.

There are many definitions and ways in which African diaspora is explained. Irrespective of the differences in defining or classifying diaspora, both historians and political economists agree about the potential for the contribution by the members of diaspora in the development of Africa.

Diaspora and the scope of its contribution in Africa

Diaspora contributes both formally and informally to the development through remittance, through participation in development organizations and through active or passive involvement in continent’s political environment (Mohan and Zack-Williams, 2002). The contributions were also identified in the form of promoting African goods (Ratha and Plaza, 2011), setting of private development projects, facilitating opening of world markets for African goods (Mohamoud, 2003), direct investments and facilitation of other foreign investments (Debass 2009) and in the form of diaspora entrepreneurship (Graham, 2013).

Besides these efforts, diaspora can contribute by engaging in image improvement of African countries and continent which may be a “cost-effective strategy for countries lacking the resources for expensive promotional campaign” (p. 72, Dinnie, 2008). Moreover, diaspora can contribute in building reputation of Africa with their knowledge of institution building capacity and can help in improving COO (country-of-origin) perception for African export (Newland, 2004). In this manner, diaspora can contribute towards the development by improving competitiveness of the continent. Another less explored area is sustainable development and role of African diaspora in this regard (Graham, 2013). It seems from review that this research stream has a lot of potential considering the fact that most African economies are resource based (UNCTAD, 2001).

Besides these efforts, potential of African diaspora is not fully realized yet (Mohan and Zack-Williams, 2002; Debass 2009). Review identifies many challenges which are making the sustainable engagement between diaspora and continent difficult.

Challenges in the engagement of diaspora

Literature indicates that the involvement of diaspora in development initiatives is not simple and many challenges were faced by them in the process. Nwana (2007) identified that often diaspora are not aware about the reality of their home country, they are fragmented (in their affiliation with the country and continent), different diaspora groups have different priorities, they often lack sustainable funding and they face political challenges. Another major concern is trust between diaspora and state and also between home country organizations, NGOs, international and national funding agencies and diaspora (Turner and Kleist, 2013). Graham, (2013) highlighted that diaspora firms are profit driven business entities and should not be looked as a development NGOs.

Home country factors like non-conducive business environment, lack of clear policy initiatives, lack of infrastructure, absence of social linkages with diaspora also affects the process of integration

(Debass 2009; Pellerin and Mullings, 2013). Another important issue faced is weak accountability of government towards its diaspora (Styan, 2007).

Challenges are also at the level of third party involvement. In 2005, World Bank has started a program to improve such engagement but the effectiveness of the initiative remains limited as an assistance provider (Pellerin and Mullings, 2013). These researchers also identified that the limited understanding of third party about the historical backgrounds and contexts (home and host country environments) also affects effectiveness of their involvement.

From the review of literature it can be understood that these issues can be categorised at (a) diaspora level, (b) home country's level and also at the (c) facilitating institutions' level (third party level).

Possible directions towards solutions

The road to embracing the African diaspora as a fully-fledged stakeholder in African development is a very rough one. This could be traced from current developments under the African Leadership and Progress Network projects, which range from Diaspora engagement (on resources); brain drain initiative; and capacity building in Africa (Africa Progress Network 2014). Though these projects are contributing significantly in involving the African Diaspora to the development of African continent, their set-ups still leave a-lot to be desired. There are question marks on their sustainability and sustainable buy-in from the 'foot soldiers'. It is important that intellectuals both diasporas and nationals understand the need for commitment and focus. Kiggundu's (2013) argument on this matter provides a building block to the sustainable engagement of diaspora for the development of Africa. He argues for real commitment with good foundation. He shares his experiences by describing what was going on within his space:

"It was important for me to play multiple roles. I could not advance African management by simply writing about it from the comfort of my business school university office. I needed to get out and work with others in Africa as entrepreneur, teacher, external examiner, mentor, consultant, advocate, critic, researcher and (long distance) colleague and friend." (p. 180, Kiggundu, 2013)

This highlights the need for an active, multi-dimensional and sustainable engagement of the diaspora. It also indicates that different people in diaspora can add value in different manner but it also highlights that there is a limit to the contribution a diaspora can make in the development of Africa (Pellerin and Mullings, 2013).

To ensure active, multi-dimensional and sustainable engagement of diaspora, it is important that home and host countries and international institutions should regard diaspora as a stakeholder (Dinnie, 2008) and should engage them in all relevant activities. Literature indicates that considering diaspora as a stakeholder is a step forward from considering them as assets as stakeholder position opens avenues of engagement and sustainable involvement with diaspora. The review of literature on diaspora, their contribution in the development of Africa, their challenges and a possibility to consider them as stakeholders presents many interesting research questions which can be explored to ensure an effective engagement with the diaspora. These salient questions are as follows:

1. What are the current developments on the engagement of African diaspora?
2. Is African diaspora a stakeholder in the Africa's development?
3. What is the scope of African diaspora's engagement as a stakeholder?
4. In what manner the members of diaspora can be engaged?
5. What are the various levels of engagement for African Diaspora in Africa's development?
6. Will diaspora members be considered as internal stakeholders or external stakeholders or both?

7. How different members of diaspora can be engaged as stakeholders? Is it possible to classify them on the basis of their engagement? Power-interest matrix given by Chinyio and Olomolaiye (2010) can be one such tool to identify differences in stakeholders' engagements.
8. How diaspora engagement can be managed? Literature on stakeholder management indicates that in the absence of management, stakeholders can generate negative impact (Chinyio and Olomolaiye, 2010).
9. How international and regional institutions can be integrated in this process of branding?
10. What risks are associated with diaspora's involvement as a stakeholder and how they can be addressed?
11. How the engagement of diaspora as stakeholder can be sustained?

Conclusions and implications

This paper is based on the review of literature, observations, discussions, experience of authors and indications emerging from them. This paper is a preliminary paper which is written with an objective to bring the attention of researchers towards this important issue by highlighting the scope, possibilities and potential of this area. The review clearly indicates dearth of literature in the area of sustainable development of Africa and role of its diaspora. Review also reveals that there are various avenues for contribution of African diaspora, ranging from conventional practices of remittance, investment, trade, grants, sponsoring social cause to modern avenues of social entrepreneurship, development of African management practices, promoting country image, participating in nation building to becoming part of the sustainable development of the continent.

Review highlights challenges and suggests a way to explore possibilities of involving diaspora as stakeholder in the process of sustainable development. The discussions so far are just an initial step on this subject to encourage concept building in this direction. This paper concludes by establishing the research potential of this field, its importance and its challenges, its limitations. While concluding, this paper touches upon the possible research enquires by briefly associating these questions with relevant theoretical domains. It acknowledges a need to further explore these questions from the perspectives of country branding, stakeholder management and project management before conduction of any field research. These three perspectives may be explored by future researchers working in this area.

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