

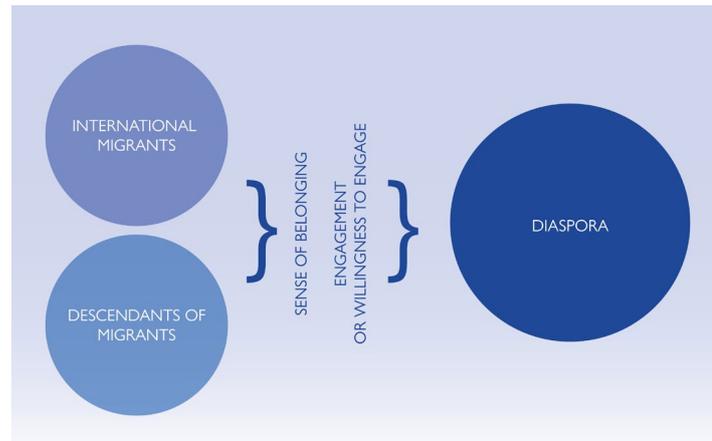


DIASPORAS AND THEIR CONTRIBUTIONS: A snapshot of the available evidence

KEY POINTS

- IOM defines diasporas as migrants or descendants of migrants whose identity and senses of belonging, either real or symbolic, have been shaped by their migration experience and background (see Figure 1).
- At least **280,5 million people** – around **3 per cent** of the global population - live in a country other than their country of origin.
- More than **70 percent** of countries participating in the Migration Governance Indicators (MGI) globally have established diaspora or emigration institutions.
- **One in three** MGI countries globally engages its diaspora in agenda setting and implementation of development policy.
- **Two thirds of countries** globally accepted dual citizenship.
- Migrants are estimated to generate **9.4 percent** of the global GDP.
- Migrants often **retain connections** to their families and friends back home, send them part of their income or savings through remittances, share knowledge and skills acquired in migration and engage in trade, entrepreneurship and investment. Migrant children often retain ties to their parents' countries of origin, as well. Senses of belonging of migrant descendants, however, can become weaker over time.
- Worldwide, there are more than **200,000 diaspora and migrant organizations**.
- The [Global Compact for Migration](#) and the [Dublin Declaration](#) recognize diasporas as development and humanitarian partners.

Figure 1: Definition of diaspora



Migrants are at least **281 MILLION PERSONS**



and represent around **3 PERCENT** of the total global population



TWO THIRDS of countries globally accepted dual citizenship



More than **70 PERCENT OF MGI COUNTRIES**

globally have established diaspora or emigration institutions



Migrants generate around **9.4 PERCENT** of global GDP



ONE IN THREE MGI countries globally engages its diaspora in agenda setting and implementation of development policy



95 PER CENT private sector executives surveyed in 10 countries would like to create more globally diverse teams



Barriers to migration are estimated to create annual global losses of trillions of dollars



There are more than **200 THOUSAND** migrant and diaspora organizations



Reduction of remittance transfer to **3 PERCENT** could generate additional **32 BILLION USD** in remittances



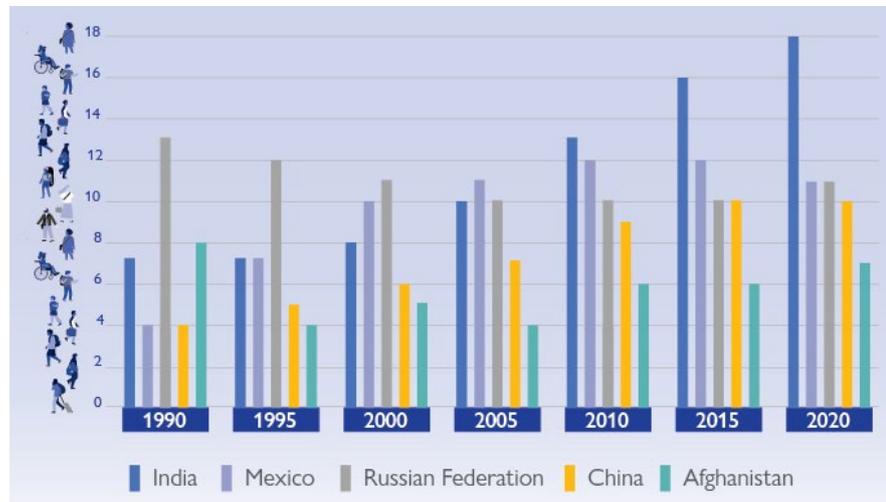
Combined formal and informal remittance transfers could account to **\$1 TRILLION**

1. Estimating diaspora populations

Due to the lack of a common definition and due to a scarce availability of data on diasporas, estimates on international migrant stocks are often used as a proxy for measuring diaspora communities. This approximation is not ideal for two reasons: 1) diaspora communities include not only emigrants, but also their descendants, and 2) diaspora are defined not only on the criterion of changing the place of residence but also feelings of belonging and identity. While some countries and international organizations keep records of nationals living abroad or conduct diaspora surveys, mappings and estimates focusing on specific migration corridors, no country worldwide has comprehensive information on its diaspora.

In 2020, **four countries** had emigrant communities with the size of at least **ten million**: India, Mexico, the Russian Federation and China (see Figure 2). Emigrants from the top five countries with the largest emigrant stocks amounted to a total of **20 percent** of all emigrants (that is, **58.7 million persons** out of the total of 281 million). Overall, the size of emigrant populations has grown continuously over last twenty years. Major political conflicts have produced the largest increases of emigration at the national level, such as from Syria in 2015 and from Venezuela in 2020.

Figure 2: Top 5 countries of origin of international migrants, 1990-2020 (millions)



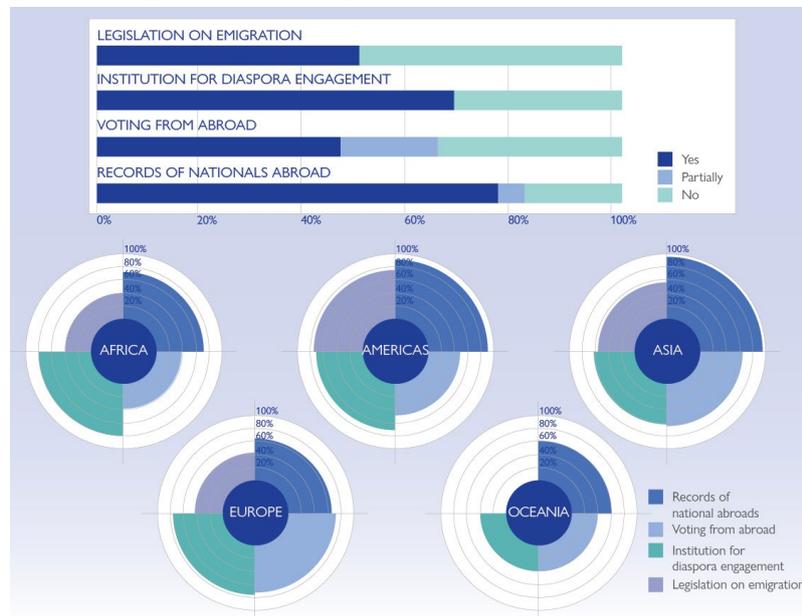
Source: UN DESA, 2023

2. Diaspora engagement worldwide

Countries worldwide are increasingly adopting measures to engage with their diasporas. As shown in Figure 3,¹ among the **92 countries** that have conducted a Migration Governance Indicators (MGI)² assessment and for which data are already available as of June 2023,

- **half** have adopted legislation on diaspora and/or emigration;
- **seventy-four per cent** have established a dedicated government entity with a mandate in emigration and diaspora policy;
- **more than one third** formally engages its diaspora in agenda setting and implementation of development policy, and an additional one third engages it semi-formally, in a more limited way or on an ad hoc basis;
- **almost half** allow voting from abroad and an additional 19 per cent allows it under certain conditions;
- **78 per cent** keep records of nationals living abroad;
- in 2022, the **share of remittances** in national GDP was **twice higher** in MGI countries which had a dedicated diaspora or emigration policies as compared to those without such a policy (**7.3 per cent** versus **3.3 percent**).

Figure 3: Diaspora engagement measures: percentages for MGI countries globally and regional distribution of yes answers



Source: IOM, 2023

Data from the [GLOBALCIT Citizenship Law Dataset](#) furthermore shows that in 2017 **two thirds of countries** globally accepted dual citizenship for their emigrants, while in 1960 this had been the case only for one third.

¹ Percentages on legislation on emigration, institution for diaspora engagement and records of nationals abroad are based on data from 92 MGI countries, collected from 2016 to 2022. Percentages on voting from abroad are based on data from 75 MGI countries, collected from 2018 to 2022. Percentages for Africa are based on MGI data from 35 countries, for the Americas on data from 25 countries, for Asia on data from 16 countries, for Europe on data from 11 countries, and for Oceania on data from 5 countries. For voting from abroad, percentages for Africa are based on are based on MGI data from 31 countries, for the Americas on data from 21 countries, for Asia on data from 11 countries, for Europe on data from 7 countries, and for Oceania on data from 5 countries

² Migration Governance Indicators (MGI) is an initiative that evaluates countries' migration governance structures by taking stock of existing migration policies.

3. Diaspora Contributions

Migrants and diasporas provide diverse contributions to countries of origin or descent and destination, as well as to transnational societies. These contributions are often differentiated into transfers of economic, human, social and cultural capitals. Global estimates of these transfers, however, continue to be patchy, and some - such as human capital contributions - have not yet been adequately quantified.

Diaspora economic contributions are often categorized into transfers of personal remittances, investment, support to enterprise development, and trade. Remittances are the most known and quantified form of migrant economic contributions given their volume, resilience to downturns and shocks, and data availability. The [World Bank estimates](#) that the 2022 personal remittance flows to low- and middle-income countries amounted to **647 million USD**, continuing to outpace the flows of official development aid, foreign investment, and other financial capital flows. However, informal transfers continue to range between **35 to 75 percent of formal transfers**, accounting to **280-600 billion USD** based on latest data. Combined formal and informal remittance transfers could therefore account to 1 trillion USD - a significant financing opportunity for transnational families and communities.

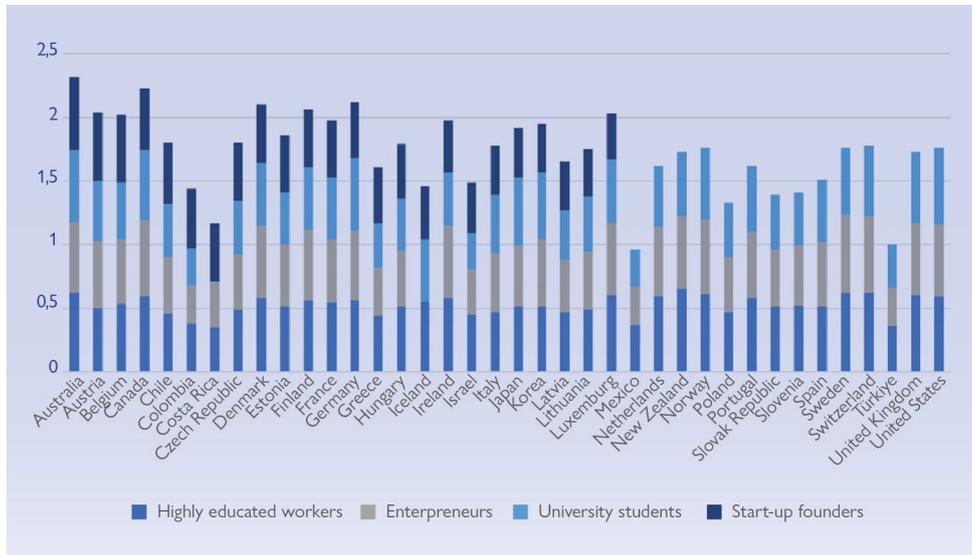
Despite the increasing trend on digitization and use of mobile money, [remittance transfer costs](#) remain high, with the global average costs for transferring **200 USD** currently amounting to more than twice the SDG target of **3 per cent**. [Reduction of transfer costs](#) to **3 percent** could generate additional **32 billion USD** in remittances.

Transfers of diaspora human, social and cultural capitals are transfers of skills, knowledge, social and cultural experiences both to countries of origin or descent and of current residence. In many high-income countries, labour shortages across skill levels are increasingly threatening social services and economic growth, while in lower income countries unemployment rates are high among a growing and increasingly skilled working age population. In 2022, a [BCG-IOM](#) study conducted in **30 countries** found that above-average labour shortages cost businesses more than **1 trillion USD** a year. The same study found that **95 per cent** of 850 private sector executives in **10 countries** would like to create more globally diverse teams and **80 per cent** of them are taking action in this regard. The extent to which persons and skills can move across borders and contribute to shaping diaspora human capital and related contributions internationally depends from policy measures adopted in different countries. Barriers to migration are [estimated](#) to create annual global losses of trillions of dollars.

As Figure 4 shows for [OECD countries](#), aspects such as visa schemes, opportunities, and quality of life have an impact on the extent to which countries can attract migrants with different qualification levels. This has an impact on the circulation of skills and knowledge across borders and on diaspora human capital.

- » **54 per cent** of remittances were transferred through informal channels in Ethiopia, according to an [IOM household survey](#).
- » Remittances are the only income source for **40.6% of receiving households** in El Salvador, according to [IOM data](#).

Figure 4: Talent attractiveness by OECD countries in 2023

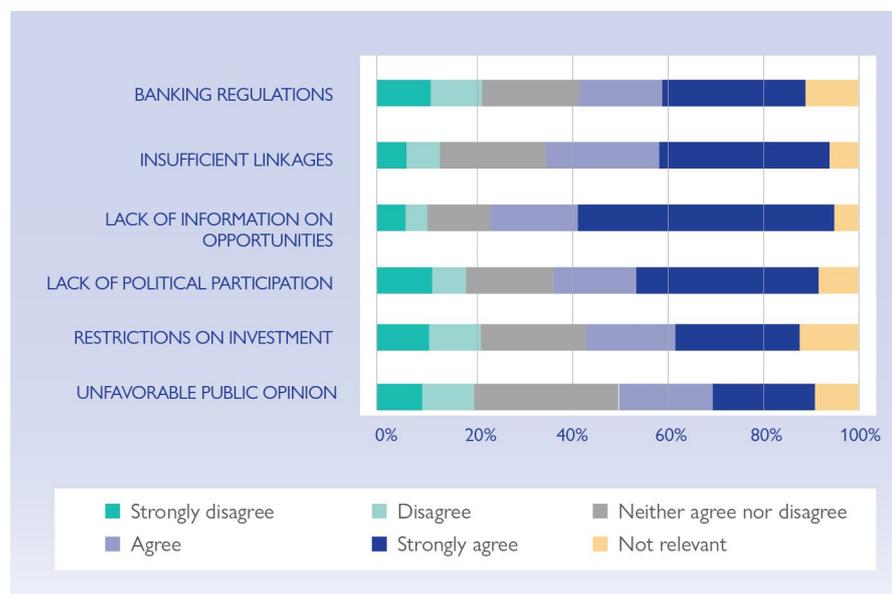


Source: OECD, 2023

Figure 5³ gives an overview of obstacles to a stronger engagement of the South American diaspora in the development of their countries of origin or descent, as perceived by **1.173 stakeholders** in the continent interviewed by IOM in 2021. Quality information on engagement opportunities, improved political participation and the maintenance of sufficient linkages are all perceived to be key for improved transfers of diaspora economic and non-economic contributions.

» More than half of the stakeholders interviewed by IOM in South America indicated that scientific and technological cooperation is one of the most significant contributions of their fellow citizens abroad. In addition, **57 per cent** of respondents said that diasporas members contribute to promote the image of their countries of origin in the world, showing the importance of diaspora cultural capital.

Figure 5: Identification of obstacles for a stronger engagement of the South American diaspora in the development of their countries of origin or descent



Source: IOM, 2022

³ The OECD Indicators of Talent Attractiveness (ITA) use profile-specific variables for different migrant categories, reflecting the specificity of migration determinants. Each profile has 23-25 variables across seven dimensions, including opportunities, income, future prospects, family environment, skills environment, inclusiveness, and quality of life. Temporary visa programs are used for skilled workers, while start-up founders are considered in countries with start-up visa schemes. The analysis assumes the most favorable case where skilled migrants have a job offer matching their skill level.

DATA FOR INSIGHT:

3) Enhancing comparability of dedicated diaspora mapping studies by implementing the IOM Diaspora Mapping Toolkit at the country level, leading to a gradual collation of survey microdata eventually to be stored on the Migration Data Portal and/or similar microdata storage locations and allowing for easier cross-country tabulation and comparison using interactive dashboards and visualizations.

4) In collaboration with the UN system and other partners, contributing to improve estimates of remittances and other forms of migrant economic contributions, for example by consolidating evidence on informality of remittances within specific corridors, remittance utilization behaviour and other insights on the basis of migrant surveys conducted across the world, as well as conducting multi-sectoral analysis and extracting complementary insights from relevant financial and economic datasets, in line with recommendations formulated in Contributions and Counting.

DATA FOR FORESIGHT:

5) Integrating diaspora-related topics, such as remittances and other diaspora contributions, in foreword looking analysis to inform IOM's operational work and technical advice to member states. Particular attention will be given to migrant corridor approaches. Preliminary results will be disseminated in time to inform the SDG Summit in September 2023 and the Summit of the Future in September 2024.

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