Diaspora networks?

Aleksandr V. Gevorkyan

November 5, 2021
NYC

Aleksandr V. Gevorkyan, Ph.D., Tobin College of Business, St. John's University
gevorkya@stjohns.edu

Early chapter draft for: ***Informal Networks in International Business*** (Emerald Publishing)
edited by Sven Horak, Ph.D. (St. John's University)

Author's Biography:

Aleksandr V. Gevorkyan, Ph.D. is a macroeconomist focusing on open economy development, economic history, labor migration, diaspora, and post-socialist transition economics. He is the Henry George Chair in Economics and Associate Professor of Economics at the Department of Economics and Finance of the Peter J. Tobin College of Business at St. John's University in New York City. Dr. Gevorkyan is a Senior Research Fellow at the Vincentian Centre for Church and Society and a Research Fellow at the Center for Global Business Stewardship. He is a member of the Board of Trustees at the Henry George School of Social Science and a Board Member at the Armenian Economic Association. Dr. Gevorkyan also serves as Expert on Economic Issues for the Permanent Observer Mission of the Holy See To the United Nations. Dr. Gevorkyan is the author of *Transition Economies: Transformation, Development, and Society in Eastern Europe and the Former Soviet Union* (Routledge, 2018).

Acknowledgements

The author is thankful to Arkady Gevorkyan and Sven Horak for feedback on the earlier drafts and Valentina Méndez Silva for excellent research support. The author is also grateful to Khachig Tölölyan for substantive exchange on the topic of diaspora.

Abstract
This chapter contributes to the study of social capital in international business from a perspective of *diaspora networks*. Previously secure within the domains of academic fields of history and sociology, diaspora is now an essential concept across business disciplines influencing economic development policy. Diaspora networks are argued to be the first movers carrying a promise of robust entrepreneurial activity, potentially transferring unique skills and knowledge by way of formal and informal engagements with their ancestral lands. Stitching global value chains into the development structures of weaker economies, diaspora networks are hypothesized to be strengthening homeland's competitive advantage and macroeconomic resilience. With much enthusiasm for the strong potential of diaspora networks, this study calls for a realistic caution and against mechanistic interpretation of the phenomenon. Three key elements formulate a diaspora network operational sustainability requiring deeper reflection in the business literature: identity, trust, and engagement infrastructure. Such triangularity of diaspora networks is in parallel with the three dimensions of social capital: bonds, bridges, and linkages. Connecting with the literature and informed by a unique survey this contribution also sketches an analytical framework for future research and meaningful policy approach.

Keywords: diaspora, diaspora networks, diaspora engagement infrastructure, economic development, international business, informal networks, social capital

Introduction

Carved out of its traditional domains of history and sociology, diaspora is now an important concept within economics and business studies. The significance of such transformation since the late 20th century cannot be overestimated. The rapidly growing literature sees diaspora networks as advancing economic development, international capital markets, managerial acumen, institutional change in home countries and as the first-movers with intangible skills, technology, and knowledge transfers (e.g., Kapur, 2001; Newland and Patrick, 2004; Larner, 2007; Riddle and Brinkerhoff, 2011; Elo and Minto-Coy, 2018 and others). Much of the recent literature is focused on identifying best practices of expatriate entrepreneurs engaging with their ancestral economies (a subset of studies also deals with diaspora networks' contributions to the host economies, e.g., Puffer *et al.*, 2018).

Connecting with these topics and enthusiastically supporting the need for continued fostering of the diaspora-home country relationship, this paper attempts to unveil somewhat less obvious, yet, essential, nuances of diaspora networks functionality across a triangular dimension: identity, trust, and engagement infrastructure. This triangularity of diaspora networks is in parallel with the three dimensions of social capital in the wider modalities of human capital (e.g., Keely, 2007). Here social capital may be thought of as "the links, shared values and understandings in society that enable individuals and groups to trust each other so work together" (p. 102). Social bonds refer to connections among people with some common identity; bridges are those relationships that stretch beyond individual's or group's immediate social bond circles; and linkages are diverse interrelationships across the entire scope of the social spectrum. Networks are real-life connections (i.e., relationships) among real people and social or professional groups.

In a broad review of the business literature on diaspora, Panibratov and Rysakova (2020) identify five thematic clusters. The first cluster includes exploration of the modalities of the home and host countries' development. This work is largely driven by individual case studies, emphasizing either a specific diaspora or country models. The second strand in diaspora research focuses on the diasporas as nurturing international entrepreneurial activities. From a macro-view, the interest in the promise of the diaspora networks coincides with the rising internationalization of firms, facilitated by technological advancement and human migration (e.g., Kuznetsov, 2006). The third cluster is dedicated to the rapidly growing work on Chinese diaspora and the role of expatriate entrepreneurship (e.g., Wei *et al*, 2017). The fourth and the fifth groups deal with problems of international marketing, namely, diaspora tourism management and maintaining one's cultural identity, respectively.

Another study of diaspora networks in international business edited by Elo and Minto-Coy (2018) tackles the subject from a range of analytical and applied angles. This collection of conceptual, empirical, and policy contributions compels the editors to reach a conclusion that is yet to be fully accepted in business studies, but one that has been clear to history, sociology, and other fields (Tölölyan, 1996). Namely, it is that diaspora is a context nuanced phenomenon that is universal, yet unique, and socially dynamic at the same time.

What is referred to as a diaspora is not a monolithic self-organizing cooperative group based on common identity, trust, and robust engagement infrastructure within and outside the network. Instead, diaspora networks, originating from historical human migration, are the types of dynamically overlapping formal or informal social and economic connections that may engage with their countries of origin but these connections often do not evolve into meaningful relationships, unless a transacting mechanism is developed (e.g., Kuznetsov, 2008; Gevorkyan, 2021a). This chapter argues that exploring the nature and functionalities of the diaspora networks is equally, if not more, important as cataloguing successful engagement examples and discussing potential.

The remainder of this chapter is structured along the triangular dminesion of diaspora networks. The next section tackles the identity category in a diaspora. Following that the chapter addresses the category of trust and diaspora networks in historical perspective also exploring the evidence from the Armenian Diaspora Online Survey. The final section explores the problem of diaspora engagement infrastructure and documents several examples of diaspora-home connection before drawing some general observations and concluding.

The identity: what is diaspora?

In his seminal paper, Tölölyan (1996) reminds that the Greek word "diaspora" since antiquity referred first to the Jewish, then Greek, and then to the Armenian social dispersions. These three classical diasporas (Brubaker, 2005) were largely historical phenomena of successively accumulating waves of human migration, under economic or political pressures. Much more modern usage of the term diaspora in relation to the overseas communities, expatriates, minorities, and others came into practice in late 1960s. The mosaic of historically dynamic cultural perceptions is essential to our analysis of a diasporic identity and the uneasy destabilizing role the latter plays in a diaspora network.

So, what is a diaspora? According to the International Organization for Migration (IOM) diaspora is defined as "migrants or descendants of migrants whose identity and sense of belonging, either real or symbolic, have been shaped by their migration experience and background. They maintain links with their homelands, and to each other, based on a shared sense of history, identity, or mutual experiences in the destination country" (IOM, 2019, p. 49).

The IOM also considers a diaspora to be a transnational community comprised of people connected to more than one country. As such, within one community one finds a possibly wide variation of different identities as well as cultural and political connections. The IOM's definition emphasizes the dispersion effect of loose connections across a community that might have at some point started from a common location but scattered over time covering broad geographic scope.

Tölölyan (1996, p.30) puts it best by saying that "[a] diaspora is never merely an accident of birth, a clump of individuals living outside their ancestral homeland, each with a hybrid subjectivity, lacking collective practices that underscore (not just) their difference from others, but also their similarity to each other, and their links to the people on the homeland." It is evident that a national diaspora may not necessarily represent a homogenous group of like-minded individuals. Instead, what is referred to as diaspora is conditioned by divisions from migration history or a range of political, economic, social, cultural, and other factors (e.g., Tsagarousianou, 2004).

A possible way to narrow down a diaspora definition, following Gevorkyan and Gevorkyan (2012), is to see diaspora as "a network of culturally or nationally affiliated individuals with some common background, living outside of the borders of their perceived native land" (p.10). Here, a network is implicit, yet it does not lead to uniformity of either identity or motivations. Instead, the implication of a network in this definition suggests a possibility of an interaction within the diasporic community with all its diversity, which may or may not be sustainable beyond random initiatives.

The "old" and the "new"

The dialectical nature of diaspora is visible in the post-socialist context of the Central & Eastern Europe and Former Soviet Union (CEE and FSU), where Gevorkyan and Gevorkyan (2012) advance a distinction between the "old" and the "new" types of diasporas within one community. While both the "old" and the "new" are found away from their ancestral homelands, the context specific divisions between the two may be significant enough to prevent direct communication among the members of each group or to limit interactions with and attitudes towards the homeland (e.g., political or religious affiliations, specific regional origin from within larger historical homeland, language and dialect differences, etc.). Such delineations are evident in the traditional diaspora communities but are also now increasingly becoming visible in relatively recent migrations (e.g., Indian and Caribbean diasporas, respectively in Pande, 2014; Khemraj, 2015).

The "old" refers to a generation or more (the IOM's "descendants of migrants") growing up and integrating in the foreign (host) society. In that case this is likely to be professionally more established group, yet still retaining aspects of belonging to their original identity. The "old's" diasporic identity is shaped by the preservation of the core cultural categories practiced and shared within the community that has been detached from its homeland over extended period. Here, a

reminder is necessary that today's ability for seamless online communication and interaction across cultures, is only recent. New migrations are adding to the generations of the "old" diaspora that have struggled to retain the defining factors of their identity under the persistent pressures of assimilation (e.g., Tölölyan, 1996).

The "new" diaspora is mainly comprised of recent newcomers, most commonly, as in some post-socialist countries, that would be temporary labor migrants or permanent immigrants since the 1990s independence. The economic profile of this group, at least in the first years since immigration, is relatively more modest on average compared to the "old" group, which may have been formed abroad during pre-1990s migration waves. Such migration, of new compatriots from the home to host countries, supports the established communities (or leads to creation of new ones).

Similar divisions as between the two broad categories of the diaspora may be found within each group. These may be based on the individual, or sub-group, geographic origins in the existing or historic homeland, political preferences, dialect variations in the native language, and many more, as examples from the Armenian, Greek, Indian, Jewish, and other diasporas suggest (for a sweeping review of diaspora identity concepts, see Tölölyan, 1996).

Such dynamic cross-generational multilayering of any single expatriate community reveals even greater contrasts from socio-economic perspectives. The latter are then dependent on the migrant's educational, professional, economic background and other factors. That in turn suggests a multipolarity of the diaspora category, competing identities and unsteady collective loyalties, uprooting a uniform "network" narrative advancing a dispersed community instead. Such over-layering of cultural identities is common to the newly emerging diasporas (e.g., Moldovan, Nigerian, Scottish) and those with deeper historical roots (e.g., Armenian, Irish, Indian).

Individual vs. common good in development

In the context of macroeconomic development, according to Deneulin (2006), migration that gives rise to, what we have referred so far as a generic concept of, diaspora does not necessarily result in a collective positive outcome, a *common good,* for the home community. Instead, facing challenges of survival and social mobility abroad while retaining some responsibility for the family members left home, a migrant is likely to maximize individual well-being outcomes. One representation of such are the remittances – monetary transfers, sent home by labor migrants abroad – that while amounting to impressive total sums are notoriously recipient dependent.

Briefly, remittances work for an individual recipient but are highly individualized and cyclical with limited contribution to small economies' growth (e.g., Chami et al., 2019). Ironically, then, a migrant joining a larger expatriate community helps to form or strengthen a diaspora – consistent with a popular definition of the term—but that does not necessarily mean that a diaspora network, i.e. social capital, is being created at the same time. And even in cases where a greater sense of culturally common identity (e.g., a group of migrants originating from the same region, as often is in the cases of Mexico or the Philippines) prevails to some extent, the economic and social involvement of informal diaspora networks may not be long-standing and remains dependent on uneasy relations with the home government's attempts to formalize the network (e.g., Kunz, 2012).

One conclusion from the above is that migration does not necessarily lead to either a diaspora or a

diaspora network. Instead, as observed in Tölölyan (1996, 2007) and argued in Gevorkyan (2021a), it is more appropriate to talk of dispersion – as a geographic scattering of people, assets, and resources that are loosely attached to a common point of origin, either geographical or cultural, which form a common identity. Such view exacerbates the divisions between the "old" and "new" diaspora groups (including those contrasts that are found within each group).

Yet, despite the divisions, which may often be rooted in deep historical antagonisms within the same community, the minimal shred of identity commonness serves as the invisible glue, a necessary foundation, that may give rise to a diaspora network. Turning to history may help illustrate this point as the subsequent discussion will also help understand the next element of the diaspora network's triangularity: trust.

The trust: diaspora networks in history and now

Self-association by individual migrants with each other or existing community abroad on the basis of sharing some sense of cultural identity, reflecting either a strong or weaker forms of social capital mentioned earlier, is also a historical phenomenon, pre-conditioned by the social norms and technological advances of the time. But once a group is formed abroad, shared identity may not be a sufficient factor for the recognition of the diaspora group and its acceptance by the home country. It would appear then, that in addition to identity, an essential element to such self-selected association is trust beyond individual's immediate circle – an ascent from bonds to bridges forms of social capital.

Chinese diaspora

In a study of Chinese diaspora, Guo et al. (2021) analyze the trust factor in diaspora-home relations while simultaneously addressing the complexity of transnational identity. In their survey-based analysis the authors differentiate between self-initiated expatriates (SIEs) and organizational assigned expatriates (OEs), as well as the home country nationals (HCNs). Working with interview data from three multinational enterprises based in China, the study uncovers differences between the SIEs and OEs perceptions in local social and cultural levels (with SIEs being more outward looking in their careersh and OEs assuming new appointments as opportunities for advancement within the organization).

But aside from these differences, which add to our "old" and "new" categories, the critical finding is that of the HCNs viewing both the SIEs and OEs as the outsiders, despite the belief of the latter two groups as being in-group members of the larger national network. The HCNs attitude leads us to conclude that trust (i.e., distrust), including perceptions of who may be trusted or not to be part of a network, is a critical element affecting not just diaspora network at large but, more concretely, individual companies' operations. Hence, acceptance into a [diasporic] network is not automatic, nor does the process of migration necessarily lead to the formation of a functioning diaspora network.

Earlier studies on Chinese diaspora reflected much more enthusiasm about diaspora and home country rapproachment pointing to a new and strengthening "Chinese current within global capitalism" (Lever-Tracy and Ip, 1996; Bolt, 1996). Those earlier studies identified the network effects that fostered a proactive engagement of Chinese diaspora entrepreneurs with the home country.

Foundational to the strengthening relationship and trust were shared common identity and other cultural attributes, maintained through generations within Chinese diaspora, that later facilitated ease of personal communications and entrance by the diaspora firms into China. Bolt (1996) also notes that China's early diaspora entrepreneurs paved the way to the later arriving Western and Japanese business interests. The cultural similarity of the Chinese diaspora with the home country, family connections and understanding of the local context (the latter is also discussed in the cases of Armenia and Georgia in Gevorkyan, 2015) allowed those early investors to thrive in an environment of limited institutional flexibility, which held back other foreign investors. Chinese diaspora were, so to speak, the first movers…

But Bolt (1996) also raises doubts about prospects of other diasporas to follow in the steps and at the scale of Chinese diaspora, primarily due to lacking size, limited interconnectedness, and accumulation of the entrepreneurial skills. Adding to that, we also observe, now with the benefit of hindsight, that such robust re-connection with its diaspora was possible due to the implied diaspora-home trust factor and coincided with China's structurally larger transformation of its development model and arrival to the global economy's stage. Perhaps the only case since late twentieth century to approximate the success of the Chinese diaspora in terms of self-organizing diaspora network, would be the case of India, discussed in the next section.

Medieval trade networks and trust

History offers another important lesson on trust in expatriate community and self-organizing networks. In her work on the early eighteenth-century trading networks of the Sephardic Jews of Italy, Trivellato (2012) argues that "mercantile trust" was key to sustaining the Sephardim commercial ties from the Mediterranean Sea to the Indian Ocean. Two factors seemed to have contributed to the resilience of the Sepharidic "network of mercantile trust" (e.g., Aslanian, 2014). The first factor was that the Sephardic network maintained a center of gravity—geographic location for the bulk of commercial transactions—closer to the Atlantic Ocean, thus benefiting from the development of the New World. The second factor was the adaptation of the concept of trust by maintaining "high levels of synchronic polycentricity" (p.225).

In practice, both factors allowed the Sephardic trade network to engage in international trade of a wide diversity of commodities while managing operations based on short-term commission agency employing skilled and locally connected agents outside of the immediate Sephardic community (irrespective of family ties, religion, or ethnicity), e.g., Ergas and Silvera firm in Livorno. The significance of such flexible approach to trust, adaptability of operations, while preserving and enriching a religious and cultural network, cannot be overstated in modern applications of and rationalizations for diaspora network models.

Separately, the Armenian merchant network originating in Old Julfa town of historic Armenia between the late sixteenth and the eighteenth centuries offers a similar narrative of resilience and operational trust (Aslanian, 2014). Lacking arable lands but located at the cross-roads of the ancient Silk Road, the Armenians of Old Julfa established robust commercial ties with major trading houses from Venice to South Asia, capturing almost full control over international trade of Iranian silk. Later, recovering from forced deportations of the Armenian population from Old Julfa in 1604-1605, the center of the mercantile network was transferred to inner Iran near Isfahan,with

the Julfan network strengthening their trade. Armenian Christians, the Julfan merchants had access to some markets closed to other mercantile networks of the Persian Empire, while their knowledge and familiarity with the East and Islamic traditions opened the doors to opportunities elsewhere. At their peak the Julfan Armenian merchants operated as a commercial ethnic network across Europe, Eurasia, India, China, and into the Philippines.

Unlike the Sephardic networks, the Julfan merchants relied on legally enforceable contracts made with representatives of their own community, often from within the same families. The decision-making center and contract dispute resolution remained tightly under the control of the head offices back in Isfahan. The agents (often leaving family members or real collateral behind) were assigned to posts abroad on a circular basis with alternating appointments across countries, returning to the central node for regular reports and marriage. A network of communications evolved at the entire geographic expanse, crisscrossing empires, and relying on the written communications in the Julfan Armenian dialect, a feature which sustianed the commercial trust among dispersed members of the ethnically and culturally common network.

The Julfan network began to fade by the middle of eighteenth century, coinciding with the decline of the Safavid Empire. The network's decline was due to the physical and political destruction of its operational center and court systems in Iran, regressive inability to transplant the central node to India, rising competition from the European East India Companies, and pressures of assimilation on agents abroad coupled with their push for autonomy from the distant control of the center. However, it was also the inability to develop a functionally flexible trust mechanism outside of the Julfans' common identity network (Aslanian, 2014) that turned out to be the critical structural weakness leading to the network's downfall and that would have ended the network even in the absence of external pressures.

The examples of the three networks, two historical (Sephardic and Armenian) and one more recent (Chinese expatriates), should elevate a sense of caution among researchers tempted to reach haste conclusions about diaspora networks' self-organization and resiliency. What we are learning from these examples is that common identity acts as a minimal initial foundation for the next form of social capital; namely, trust outside of the immediate circle but within the same cultural network. Still, even in such cases, the dominance of the social and cultural forms shaping individual's daily views and perceptions of compatriots are subject to external pressures, e.g., professional competition within the same multinational organization or attempts to break out of the rigid network's control. Some additional evidence may be gleaned from a recent survey study of the Armenian diaspora.

The Armeniand Diaspora Online Survey

Between December 2015 and April 2018, I conducted what is now known as the Armenian Diaspora Online Survey (ADOS).[1] Distributed in the online Armenian community groups by social media, email, and in various news outlets, by April 2018 the ADOS had collected 513 anonymous responses. The purpose of the ADOS was to evaluate the Armenian diaspora's willingness to and

[1] This work did not receive any financial or other support from any organizations and should not be confused with another Armenian Diaspora Survey administered by the Gulbenkian Foundation. For more in dept discussion of the ADOS, including original survey and data, see Gevorkyan (2021a) or visit http://agevorkyan.com/diaspora-survey/

actual involvement in Armenia's economic, social, and cultural development. Methodological challenges aside, the results offered some interesting insights into the concepts of identity and trust across diaspora networks.

There was a clear distinction in responses between the "old" and the "new" diaspora. There was also a broad spread in terms of current occupation (with only 4.1% indicating being retired). A significant majority of respondents (62.2%) had a college degree with 15 percent having a graduate degree across social sciences, humanities, and technical fields.

An important identity determining factor is the proficiency in native language, but does that hold for a diasporic nation? In the ADOS 37.6% had native-level proficiency in Armenia, with 57.3 percent indicating Western Armenian as their first choice. The distinction between the Eastern Armenian – the official language of the Republic of Armenia—and the Western Armenian, mainly spoken in the diaspora communities in the Middle East, North America, and Europe, is important to the "old" vs the "new" distinction.

Despite the layers of intra-Armenian cultural differences, 73.3 percent of respondents said they had visited Armenia at least once with 42 percent within a year of taking the survey. The visits were largely short-term for mixed, tourism, business, research, and other reasons. The results indicate a relatively strong emotional attachment to Armenia as one's cultural homeland (30.6% of respondents), with close to 50 percent following news on Armenia on a regular basis. The survey also asked if there was an interest in moving to Armenia permanently or for work. Most of the enthusiasm came from the younger cohort (born between 1990-1999) of respondents (20.2% would strongly consider such a move).

The results also indicated strong diaspora involvement with a range of philanthropic and charitable activities towards Armenia (e.g., 59.6% donating to an Armenian organization and 83% expressing readiness to support an organization, as opposed to individuals, based in Armenia or in the diaspora). And while the average financial support willingness was modest, majority emphasized their readiness for a nonfinancial assistance to Armenia.

Responding to the questions about potential engagements in the pre-COVID-19 years, an almost unanimous support in the ADOS was for virtual presentations and knowledge sharing initiatives as more effective substitutes for just financial transfers. We find such strong support to dedicate their time and effort by skilled professional as a tangible confirmation for diaspora's involvement in the home country's development aside from invidual monetary transfers and empirically contextualizing the earlier cited conceptual literature.

Other examples of nonfinancial involvement expressed by the diaspora respondents included but were not limited to taking up opportunities as educators, leading research cooperation, engaging in professional collaboration across engineering, medical, and more specific niche fields, and other. A strong element in Armenia's economic structure is the recent rise in the Information Communication and Technology sector (ICT), with strong diaspora participation (e.g., Gevorkyan, 2015), which was also positively reflected in the survey. In many cases, the willingness to leverage their educational and professional background was offered "free of charge" by the ADOS respondents across both the "old" and the "new" segments of the Armenian diaspora.

It is tempting to interpret such strong diaspora support as a confirmation of the "first mover" hypothesis (as some argue in cross-country studies, e.g. Leblang, 2010). In fact, since the country's 1991 independence, Armenian diaspora has played an important role in driving much of foreign direct investment to Armenia, e.g., Gevorkyan (2015). Elsewhere, Gevorkyan (2021a) calls for caution against mechanistic interpretation of the "first mover" proposition, especially in the CEE/FSU, as most of the post-socialist countries with imlicitly extenstive diaspora networks are lagging from their non-diaspora endowed peers in the post 1990s investment flows at per-capita levels.

The discussion now leads us from the concept of identity in a contemporary setting to the question of trust within a diaspora network and its connection with the home country. The ADOS has also revealed a common concern among respondents with perceived institutional irregularities across diaspora community-based groups and in Armenia itself. For many in the Armenia's "old" diaspora, the 'home-country' is a distant ideal of their great-grandparents' fatherland. Absence of a direct link to the country, for many in the "old" group, precludes active participation in Armenia centric projects and limits one's ability to work through the nuances of an essentially foreign nation. Lack of transparency in the existing organizational structure of the diaspora communities only exacerbated the sense of helplessness and cultural detachment, leading to mistrust, among respondents across both "old" and "new" diasporas.

The idiosyncrasies discovered in the ADOS, while unique to their Armenian cultural and historical context, are in fact universal. For now, the interim conclusion is that overcoming the factor of common identity, the operational fibers of an effective diaspora network rely on the capacity of the community to nurture mutual trust within the network and across. The outcomes of such dynamic tendencies are equally important for the preservation of the network itself (e.g., the networks of mercantile trust) as well as engagement with the host and home countries (e.g., evidence from the Chinese diaspora reconnection with China in 1990s and surveys of the Chinese multinationals and the ADOS). In the next section we complete the exploration of the triangularity of diaspora networks by turning to the final element: diaspora engagement infrastructure.

Engagement Infrastructure: from self-organization to formal engagement

The conceptual understanding of the fragility of a diaspora network's identity and trust then unveils a no less sensitive problem of a diaspora network engagement infrastructure. In his critique of the emerging diaspora literature and popularization of short-cuts to diaspora, Kuznetsov (2006) argues for the need of moving to more transactional involvement with national diasporas. In that diaspora networks are capable of appealing to professionals with high intrinsic motivation who, in turn, are capable of contributing directly to home country's development or indirectly by linking across external and home projects, groups, and individuals.

India and discovery of diasporas

Worldwide, in most cases of sustained relationship state-led diaspora-centric policies have often emerged already after a successful introduction of an entrepreneurial (or other) project by diaspora in their home country, a process which Larner (2007) refers to as 'discovery of diasporas.' One such example is the IndUS Entrepreneur (TiE), which since its initiation by the Indian

professionals abroad in 1992, has grown with an emphasis on global networking, funding, mentoring, and technological incubation.[2] Just like in China, diaspora-led initiatives elevated India's economy into the global value chains, setting the stage for the official state to open up to its multivaried diaspora. The TiE and similar initiatives contribute to the rise of the entrepreneurial culture among the networked professionals comparable to the diaspora to home skills and knowledge transfers in Korea's development model of importing frontier technology (Kapur, 2001). India's booming ICT sector in return was characterized by enhanced mobility, networking and reconnection with homeland of highly-skilled professional from other fields – an important juncture in India's somewhat complex relationship with its diaspora (Pande, 2014).

Kapur (2001) identifies four critical factors explaining diaspora's ability in technology transfers to the home economy: a) diaspora significance (i.e., educational, professional backgrounds of its members; size; relative social-economic profile); b) host country's relative significance in the global economy and political stability (the extent of diaspora's engagement may vary with the country's openness to its diaspora and internal stability); c) informal diasporas may have stronger influence in the host country's weaker institutional environment (however, it is not evident if the greater influence is translated into innovation—a common good—or as tending to the pressing needs); and lastly d) much depends on the home country's demand side, i.e., a clearly defined strategy towards diaspora and proper engagement infrastructure, which India worked out in time.

But there are also at least five reasons for skepticism in generalizing India's success. The first concern is that of unique scalability of India's local industry (e.g., human capital and infrastructure capacity), which is a challenge for smaller economies. For instance, in some CEE and FSU small countries the ICT sector is low in the overall economic structure. The second factor is the positive effect of India's individual diaspora networks penetration across the globally competitive ICT sector, contributing to the home economy's global recognition. The third factor (related to the first) is the wide range of specialization options across the diaspora-led ICT clusters in India in contrast to more narrow specialization of niche sectors elsewhere. Fourth, are the impressive large numbers of returning entrepreneurial diaspora with a startup culture. Finally, the fifth cause of skepticism is India's dramatic turnaround towards its diaspora by deploying a range of cultural, social, financial, and business policy initiatives welcoming its expatriates and leaving any past antagonisms in the dust of the distant past.

A comment on brain-drain

Adding to our knowledge about self-organizing diaspora networks, examples of India, Ireland, Korea, and Taiwan suggest that after initial period of 'brain drain' losing a substantial proportion of its skilled labor force, the dynamic effects of migration may sometimes result in positive feedback. Not only highly-skilled migrants will be compelled to reconnect with their home country as their skills improve, but in the interim, higher migration rate may ease competitive pressures in the domestic labor markets, with a possible benefit to the home economy and a possibility of returning higher skilled migration partially offsetting earlier brain drain (e.g., Beine et al, 2011; Dustmann et al., 2011).

However, the positive outcomes of brain gain for the origin country are not guaranteed. Migration historically and now is a highly individualized phenomenon. Countering the expectations of high-

[2] For details on TiE see https://tie.org/about/

skilled return migration is the finding by Gibson and McKenzie (2011) that decision to emigrate by high-skilled professionals is linked to lacking job prospects (or career advancement) at home and income differentials with a possible job abroad. In the absence of incentives from the home state, the decision to return to the home country is strongly influenced by family and lifestyle reasons with limited role for income maximization.

In a study of Romania's medical sector the push factors for skilled physicians migration were not necessarily wage differentials (Boncea, 2015). An important role was played by the limited job growth, subpar working environment, bureaucratic burdens and other determintal factors. The pull factors (i.e., return migration) were highly personal, primarily due to the family reasons. The study also finds evidence of Romanian dispora physicians cooperating with colleagues back home through professional associations and state-led initiatives.

It is the interrelation of the abovementioned aspects of diaspora identity, trust, and engagement infrastructure in a global competition for talent and innovative economic models that have pushed national governments across the world towards more proactive engagement with their national and cultural diasporas. There is a wide diversity of initiatives ranging from cultural programs helping individual diaspora members maintain their identity to more sophisticated leading to complex involvement across broad specter of specialized fields.

Diaspora network engagement infrastructure

With assistance of external funding from multilateral and development organizations, Moldova has established a robust working relationship with its diaspora groups, taking steps towards capturing diaspora's cultural interests, mainintaining trust, and offering a menu of engagement options—all within the triangular dimension of this study. The Hometown Associations (HTA) across migrants' host countries have helped Moldova to functionaly organize informal diaspora networks, with an opportunity for individuals from the same region in Moldova to discover each other, channeling the potential back to local development.

Under the latest Migration and Local Development (MiDL) project, Diaspora Succeeds at Home "DAR 1+3", with participation of the central government, local authorities, international and local development partners, and the HTAs, at least 50 percent of the funding comes from Moldova's diaspora with remainder picked up by the partners and funds earmarked for specific regions' needs (UNDP, 2020). Moldova has also been working out a system for recognition of new informal skills that returning migrants bring after working outside of their primary professional fields. Finally, there has been a long tradition in engaging Moldova's expatriate scientific community across diverse collaborative research and cultural initiatives. Collectively, all initiatives attempt to strategically reverse the brain drain process into successive waves of brain gain for the economy.

Another country in the CEE / FSU, Armenia, has a historically long tradition of engaging with its mature diaspora. The state was particularly active in the early days of the independence accepting diaspora into the policy making field and providing incentives for projects in transportation infrastructure, healthcare, education and elsewhere. These days, diaspora-led organizations are fully-fledged participants in the country's life. Since 2017 the Foundation for Armenian Science and Technology (FAST), led by philanthropists from Armenia's "old" diaspora, attempts to streamline scientific, technological, and financial resources of the Armenian diaspora promoting

Armenia on the global innovation map. The foundation encourages its partners to work on high-end commercially viable and globally competitive solutions in ICT, artificial intelligence, biotechnology, and manufacturing actively engaging with specialists from the industry, academic, and public sector.[3]

Repat Armenia assists individual diaspora members and their families wishing to settle in Armenia to integrate in the new society. It is important to note that for Armenia's "old" diaspora this process is akin of full-fledged immigration. Many of the repatriates were not born nor ever lived in Armenia, yet, many bring the enthusiasm of reconnecting with homeland, leveragimg the shared identity and trust within the cultural network. One of the most significant recent success cases has been the integration of the Syrian Armenian diaspora following the war in Syria. As applies to Armenia and its diaspora, the pattern has been one of "development through diversity" with still evolving more sustainable state-led engagement infrastructure (Gevorkyan, 2016).[4]

The Greek Diaspora Fellowship Program (GDFP) is a scholarly exchange program that since 2016 is connecting Greek universities to the scholars in the Greek (and Cypriot) diaspora in the U.S. and Canada. Aimed at building strong institutional connections with its vast diaspora to internationalize Greece's ICT sector, the GDFP works as an online scholarly or employment matching portal. There is strong positive feedback effect of the program into the country's higher education system and professional development of individual diaspora members.[5]

Global Estonian is an online portal connecting in a network Estonians and "friends of Estonians around the world." As a one-stop online resource, the Global Estonian allows users to connect with Estonia located business groups or with those affiliated with Estonia (e.g., diaspora investors) but located elsewhere (e.g., Sweden). Some estimates suggest that up to 20% of Estonians live abroad, swelling the "new" diaspora numbers following the independence. The government has taken additional steps in researching Estonian expatriate social formations in an effort to fine tune its diaspora policy and increase its outreach, with hopes of longer-term reengagement. But an open immigration policy may also run into problems of social cohesion and resentment among native residents, calling for caution and careful attention to the local context (Birka, 2019).[6]

Israel's deeply-rooted association with its diaspora strengthening the country's wide scope and diversity of programs spanning across cultural, educational, medical, business, financial, and other mutual connections. One program stands out as it pertains to youth and education policies, Taglit-Birthright Israel. The funding agencies with cooperation with the Israeli government have funded trips and long-lasting connections for over 600,000 individuals participating in educational and cultural programs, strengthening the sense of identity and trust within the diaspora network.[7] Israel has also been successful in consistently raising funds from its diaspora since the 1950s as part of the diaspora bond program (e.g., Gevorkyan, 2021b).

[3] For FAST https://fast.foundation/en/about-us

[4] For additional information on Repat Armenia see https://repatarmenia.org Also see Gevorkyan (2016) for a review of the diverse innovative efforts of the Armenian diaspora.

[5] For information on GDFP see https://www.iie.org/programs/greek-diaspora-fellowship-program

[6] On Global Estonian see https://globalestonian.com/en

[7] For additional details on Birthright Israel see http://www.birthrightisrael.com/

One of the intriguing cases is that of Ireland and its diaspora. The Ireland Funds – is a funding network that appeals to the global Irish that contribute financially towards cultural, educational, and community development projects. Established in 1976, the network now operates across 12 countries and has raised over $600 million for a range of causes helping over 3,000 organizations.[8] One of the revealing aspects of Fund's operations has the strong interest of the later generations of the diaspora – the "new" as defined in this chapter – in becoming more committed to their ancestral land than their parents or grandparents (see Aikins and White, 2011). To sustain the interest in the identity and through that foster the diaspora's trust within the expatriate network and towards the country, Ireland launched in 2004 the Emigrant Support Programme that keeps close links with the over 70 million strong Irish diaspora. The program funds heritage projects across the world as part of Ireland's Global Irish diaspora strategy.[9]

Elsewhere, countries have over years developed a range of diaspora reintegration measures. Most of the initiatives are local government led and range from financial assistance, tax breaks, community and business reintegration. In Portugal, the Programa Regressar launched by the government in 2019 is designed to foster return migration of recent diaspora and the decedents, as well as distant family, as an effort to bring the "old" diaspora back.[10] In 2013 the Philippines introduced a one-stop online portal for diaspora connection BaLinkBayan.[11] The portal offers an integrated and unique platform helping entrepreneurial diaspora re-engage with the country as a part of the diaspora to development program of the Commission on Filipinos Overseas. Some of the options include an online interface to start a business, donate or volunteer to the local community, or access government services.

In Scotland, the Scottish Government since 2001 has ran the GlobalScot online network leveraging the global connections in support of domestic entrepreneurial activity and promoting economic growth.[12] The network is all inclusive in connecting professionals not just on the national or ethnic basis (identity) but based on interest, visit, and familiarity with Scotland (trust). An alternative to the official, privately-run, group Scottish Business Network holds regular meetings among diaspora entrepreneurs, including participants from other national diasporas.[13]

The triangular dimension view

The above is just a brief selection of some recent initiatives geared towards diaspora networks engagement. The field has grown significantly in the past decade and online collaboration has led to proliferation of new engagement solutions rather rapidly. However, there is much evidence in support for leveraging the technological element of the triangular diaspora network dimension. As a general point, a low-cost solution, advanced in Gevorkyan (2021a) for capturing disperse diaspora potential is by developing a diaspora portal (DP). This would be a web-based sorting and matching database accessible within a larger diaspora network by individuals or groups interested in engaging in some professional or development initiative with the home country.

[8] For the Ireland Funds see https://irelandfunds.org/about-us/
[9] For Emigrant Support Programme https://www.dfa.ie/global-irish/support-overseas/emigrant-support-programme/
[10] For information on see Programa Regressar https://www.programaregressar.gov.pt/
[11] See https://balinkbayan.gov.ph/about-balinkbayan/
[12] For additional details see https://www.globalscot.com
[13] For the Scottish Business Network see https://www.sbn.scot/

The DP requires registration and some type of blockchain verification algorithm can be designed to allow users to signal their readiness, need, or interest in a potential joint project. Once a request is filed, the algorithm sorts the new record to relevant subscriber alerts and retains the information in a dedicated digital database for future reference. Such, possibly new technological solution to an ages old problem of verification of identity and ensuring trust, offers a transactional opportunity for diaspora engagement infrastructure that is also sustainable and transparent in its operations. Examples of individual countries' attempts to connect with their diasporas suggest that implementation of such mechanism is highly possible and needed.

In a holistic diaspora model derived in Gevorkyan (2018, 2021a), the interaction within and with diaspora network follows four paths. First, it is the macroeconomic development angle and possible business connections of diaspora individuals within community professional networks and home economy. Second, there is a social development element of cultural engagement and charitable assistance, especially in times of crisis. The third element is the institutional change that diasporas bring as we learn from broad evidence in Latin America (e.g., see chapters in Kuznetsov, 2006). Finally, there is a fourth element that views repatriation of diaspora back home as the ultimate goal, but a closer association of the network with its members abroad and home as an interim outcome. This dynamic system may produce expected or positive results in one category while lacking elsewhere. It would be highly speculative to rely on diaspora networks self-correcting ability and hence the need for a proactive diaspora engagement position of the home countries.

With the effects of the COVID-19 pandemic being long-lasting, proliferation of the online communications is expected to lead to qualitatively and quantitatively strong associations on average across diaspora and respective home countries. Yet, the challenges of effective coordination of the dispersed diaspora networks, the inherent fragility of self-organizing networks, and the hidden pitfalls of such experiments must keep the focus of researchers and policy makers on the dialectical dynamic of the triangular dimensions of contemporary diaspora networks: identity, trust, and engagement infrastructure.

Conclusion

Sharing the enthusiasm about the diaspora networks as the energetic and motivated conduits in international business and economic development, this chapter advances a triangular dimension of diaspora networks operational capacity and sustainability as that relates to informal networks and economic development: identity, trust, and engagement infrastructure framework. Calling for caution against simplification and haste misinterpretation of the highly complex diaspora phenomenon, this analysis advances three main concluding arguments.

First, not all migration leads to creation of loose diaspora or diaspora networks. Going to the origins of the Greek term, *diaspora*, a more appropriate reference in majority of cases may be that of dispersion – a random scattering across the world of individuals of some common cultural background. Second, there are objective factors contributing to informal diaspora network formation and effective, sustained, tested through time, operations. The individual elements of the triangular dimension formulating a diaspora network, reviewied here, are in parallel with the three dimensions of social capital: bonds, bridges, and linkages. Third, the chapter argues that the recent discovery of diasporas by countries is not accidental, yet, the connection is fragile and requires

proactive policy towards diaspora engagement to fully leverage the hidden potential of diaspora networks and meaningfully integrate with economic development process.

In the end, in today's hyper-globalized, fast-paced technological environment, where assimilation pressures are molding a new global expatriate with multilayered transnational identity, the pressure on sustaining diaspora networks and engaging them in a meaningful way is on the home economies. If there is a lesson from history, it is that self-organizing diaspora networks are resilient only as much as the institutional practices that a community is capable of developing and internalizing, spanning from cultural to somber business initiatives. As such, a transition from potential to transactional involvement remains as an essential policy focus today just as it was at the onset of the modern push for internationalization over two decades ago.

References

Aikins, K. and N. White. 2011.*Global Diaspora Strategies Toolkit.* Dublin: Diaspora Matters. Available at www.diasporamatters.com

Aslanian, S. 2014. *From the Indian Ocean to the Mediterranean The Global Trade Networks of Armenian Merchants from New Julfa.* New York, NY: University of California Press.

Beine, M., Docquier, F., and C. Oden-Defoot. 2011. A Panel Data Analysis of the Brain Gain. *World Development,* Vol 39 (4): 523-532.

Birka, I. 2019. Can Return Migration Revitalize the Baltics? Estonia, Latvia, and Lithuania Engage Their Diasporas, with Mixed Results. Migration Information Source (May 8). Available online: https://www.migrationpolicy.org/article/can-return-migration-revitalize-baltics-estonia-latvia-and-lithuania-engage-their-diasporas

Bolt, P. J. 1996. Looking to the Diaspora: the Overseas Chinese and China's Economic Development, 1978-1994. *Diaspora,* Vol. 5(3): 467-496.

Boncea, I. 2015. Turning Brain Drain into Brain Gain: Evidence from Romania's Medical Sector. *Procedia Economics and Finance,* Vol. 20: 80-87.

Chami, R., E. Ernst, C. Fullenkamp, and A. Oeking. 2018. Is there a remittance trap? *Finance & Development,* 55(3). Available at https://www.imf.org/external/pubs/ft/fandd/2018/09/is-there-a-remittance-trap-chami.htm.

Cheianu-Andrei, D. 2013. *Moldovan Diaspora Mapping Series II: Mapping of the Moldovan Diaspora in Italy, Portugal, France, and the United Kingdom.* Chisinau, Moldova: International Organization for Migration.

Deneulin, S. 2006. Individual Well-being, Migration Remittances and the Common Good. *The European Journal of Development Research,* 18(1): 45–58.

Dustmann, C., Fadlon, I., and Y. Weiss. 2011. Return migration, human capital accumulation and the brain drain. *Journal of Development Economics,* Vol. 95(1): 58-67.

Elo, Maria, and Minto-Coy, Indianna, eds. 2018. *Diaspora Networks in International Business: Perspectives for Understanding and Managing Diaspora Business and Resources.* Cham: Springer International Publishing AG.

Gevorkyan, A.V. 2015. The legends of the Caucasus: Economic transformation of Armenia and Georgia. *International Business Review,* 24 (6): 1009–1024.

Gevorkyan, A.V. 2016. Development through diversity: Engaging Armenia's new and old diaspora. Migration Information Source (March 23),

http://www.migrationpolicy.org/article/development-through-diversity-engaging-armenias-new-and-old-diaspora/.

Gevorkyan, A.V. 2018. *Transition Economies: Transformation, Development, and Society in Eastern Europe and the Former Soviet Union.* Oxford: Routledge.

Gevorkyan, A.V. 2021a. Forthcoming. Diaspora and Economic Development: A Systemic View. *The European Journal of Development Research. https://doi.org/10.1057/s41287-021-00432-x*

Gevorkyan, A.V. 2021b. Can Diaspora Bonds Supercharge Development Investment? *Migration Information Source* https://www.migrationpolicy.org/article/diaspora-bonds-supercharge-development-investment

Gevorkyan, A.V., and A. Gevorkyan. 2012. Factoring turbulence out: Diaspora regulatory mechanism and Migration Development Bank. *International Migration,* 50(1): 96–112.

Gibson, J. and D. McKenzie. 2011. The microeconomic determinants of emigration and return migration of the best and brightest: Evidence from the Pacific. *Journal of Development Economics,* Vol. 95(1): 18-29.

Guo, Y., H.G. Rammal, and V. Pereira. 2021. Am I 'In or Out'? A social identity approach to studying expatriates' social networks and adjustment in a host country context. *Journal of Business Research,* Vol. 136: 558-566.

International Organization for Migration (IOM) 2019. *Glossary on Migration.* Available online: https://publications.iom.int/system/files/pdf/iml_34_glossary.pdf

Kapur, D. 2001. Diasporas and technology transfer. *Journal of Human Development,* Vol. 2(2): 265-286.

Keely, B. 2007. *Human Capital: How what you know shapes your life.* Organization for Economic Cooperation and Development. Available online: https://www.oecd.org/insights/humancapitalhowwhatyouknowshapesyourlife.htm

Kunz, R. 2012. The Discovery of the Diaspora, *International Political Sociology,* 6(1): 103–107.

Kuznetsov, Y. 2006. ed. *Diaspora Networks and the International Migration of Skills How Countries Can Draw on Their Talent Abroad.* Washington, D.C.: The World Bank.

Kuznetsov, Y. 2008. Mobilizing intellectual capital of diasporas: from first movers to a virtuous cycle. *Journal of Intellectual Capital,* Vol. 9(2): 264-282.

Lever-Tracy, C. and D. Ip. 1996. Diaspora Capitalism and the Homeland: Australian Chinese Networks into China. *Diaspora,* Vol. 5(2): 239-273

Larner, W. 2007. Expatriate Experts and Globalising Governmentalities: The New Zealand Diaspora Strategy. *Transactions of the Institute of British Geographers,* 32(3): 331–345.

Leblang, D. 2010. Familiarity Breeds Investment: Diaspora Networks and International Investment. *American Political Science Review, 104*(3): 584-600.

Lin, D., Zheng, W., Lu, J., Liu, X. and Wright, M. 2019. Forgotten or not? Home country embeddedness and returnee entrepreneurship. *Journal of World Business,* Vol. 54(1): 1-13.

Panibratov, A. and Rysakova, L. 2021. The diaspora phenomenon: scholarly assessment and implications for countries and firms, *Journal of Global Mobility,* Vol. 9(1): 107-144.

Pande, A. 2014. The role of Indian Diaspora in the development of the Indian IT industry. *Diaspora Studies,* Vol. 7(2): 121-129.

Piras, S., M. Vittuari, J. Möllers, and T. Herzfeld. 2018. Remittance inflow and smallholder farming practices. The case of Moldova. *Land Use Policy*, 70: 654-665

Puffer, S.M., D. J. McCarthy, and D. M. Satinsky. 2018. *Hammer and Silicon: The Soviet Diaspora in the US Innovation Economy — Immigration, Innovation, Institutions, Imprinting, and Identity.* Cambridge: Cambridge University Press.

Riddle, L. and J. Brinkerhoff. 2011. Diaspora entrepreneurs as institutional change agents: The case of Thamel.com. *International Business Review,* 20 (6): 670-680.

Tsagarousianou, R. 2004. Rethinking the concept of diaspora: mobility, connectivity and communication in a globalised world. *Westminster Papers in Communication and Culture,* Vol. 1(1): 52-66.

Tölölyan, K. 1996. Rethinking Diaspora(s): Stateless Power in the Transnational Moment. *Diaspora: A Journal of Transnational Studies,* Vol. 5 (1): 3-36.

Trivellato, F. 2012. *The Familiarity of Strangers: The Sephardic Diaspora, Livorno, and Cross-Cultural Trade in the Early Modern Period.* New Haven, CT: Yale University Press.

United Nations Development Programme (UNDP). 2020. *Migration and Local Development (Phase 2).* Available online: https://www.md.undp.org/content/moldova/en/home/projects/MIDL_Project_2.html

Wei, Y., X. Liu, J. Lu, J. Yang. 2017. Chinese Migrants and their Impact on Homeland Development. *World Economy*, 40: 2354-2377.