

## Diasporas' Contribution to the Socio-Economic Development in the Western Balkans (ECONDIAS)

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Historical and recent trends of emigration from the Western Balkan region, comprising Albania, Bosnia and Herzegovina, Kosovo<sup>1</sup>, Montenegro, North Macedonia, and Serbia, have led to the formation of diverse diaspora groups across the world, with prominent representation in the Western European countries. Diaspora members often maintain close transnational socioeconomic ties with their countries of origin. These ties are most commonly reflected through the transfer of remittances at the individual or household level, but also increasingly through investment, entrepreneurship, or knowledge transfer etc., with the potential to create a greater impact on the socioeconomic development of the Western Balkan countries.

With support from the European Commission, ICMPD conducted the Study on the Diasporas' Contributions to the Socio-Economic Development in the Western Balkans (ECONDIAS) with the aim to support the Western Balkan diasporas' contribution to socioeconomic development in their countries of origin. ECONDIAS focuses on understanding how to encourage financial and human capital investment from business and entrepreneurial diaspora in their countries of origin. With the overall aim of the project to enhance the Western Balkans diasporas' contribution to socioeconomic development in their countries of origin, the project conceptualises migration as one of the factors feeding into development.

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<sup>1</sup> All references to Kosovo in this document are without prejudice to positions on status, and are in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

## Introduction

Recognising the unique potential of diaspora groups as transnational development actors, the Western Balkan countries, as well as the countries of settlement, and international development partners are ever more interested in devising diaspora engagement mechanisms to channel their contributions towards national development agendas. However, considering the heterogeneity of Western Balkan diaspora groups, differences in governance and institutional structures, and varying economic and political conditions of the Western Balkan countries, there are wide information gaps in understanding how to make diasporas' contributions impactful for socioeconomic development in the Western Balkans.

ECONDIAS is a mapping study with the overall objective to enhance the Western Balkan diasporas' contribution to socioeconomic development in their countries of origin, with a focus on business diaspora and entrepreneurship, in order to encourage investment and increase the transfer of knowledge/skills.

*Table 1 ECONDIAS research countries*

The study applies a “corridor approach” by examining diaspora engagement from both the perspective of the six countries of origin in the Western Balkans and the five major settlement countries in Western Europe. In addition, an EU policy level background research was conducted to

Settlement Country	Location of origin to be investigated
Austria	Bosnia and Herzegovina, Serbia
Germany	Bosnia and Herzegovina, Montenegro, Serbia, Kosovo <sup>1</sup>
Italy	North Macedonia, Albania
Sweden	Albania, Serbia
Switzerland	Bosnia and Herzegovina, North Macedonia, Kosovo <sup>1</sup>

understand how diaspora engagement with the Western Balkans is conceived and implemented at the supra-national level of the European Union through its Directorates and specified instruments.

In order to better understand, and thereby, enhance the Western Balkans diasporas' contribution to socioeconomic development in their respective countries of origin, the study identified and analysed existing diaspora engagement frameworks in the research countries. It also identified relevant and promising practices of economic diaspora engagement, obstacles to meaningful engagement, lessons learned, and needs and potentials of relevant stakeholders as a base for follow-up policy and programmatic recommendations to the European Commission and the national public authorities.

**This policy brief synthesises the main research results of the ECONDIAS project and formulates recommendations for the European Commission and national policy makers.**

## Main findings

### Emigration patterns from the Western Balkan countries

The Western Balkans have a long history of population outflows, linked to prevailing political and economic circumstances in the region and abroad, leading to the creation of wide and numerous diaspora groups across the world. Historically, emigration drivers from the Western Balkan countries have included **social upheavals** due to the democratic transformation processes, the marginalisation of certain ethnic and religious groups, fragile labour markets, deficient education and health sectors, as well as **economic hardship** caused by social inequality, which have resulted in various waves of economic, social, political as well as forced emigration. More recent trends are defined by **family reunification processes** and migration in pursuit of **education**.

**Labour attracting policies** of certain countries in Western Europe such as Austria, Germany and Switzerland have also opened up opportunities for short-term labour migrants through the guest-workers' schemes. These countries remained prominent destinations for the Western Balkan migrants and highly relevant for more permanent settlements leading to **longer-standing diaspora groups**.

The dissolution of Yugoslavia was a watershed moment for migratory movements in the region, leading to widespread resettlement-related movements. The transition and the related economic downturn and conflicts in some countries exacerbated forced and irregular emigration of its population to Western European and EU countries. As the wars ceased, there was a wave of **repatriation**. Return rates varied for specific countries of origin, but also depended on the policies of the countries of settlement towards suspending refugee protection or policies that allowed permanent residence. Repatriation was dominated largely by low-skilled migrants. Highly skilled migrants were able to find opportunities to stay abroad through better access to the labour market. In the late 2000s, the EU and the Western Balkan countries started dialogues on **visa facilitation and readmission agreements** which led to visa-free travel for five Western Balkan countries (except Kosovo<sup>4</sup>), spurring further short-term movements to the EU.

There are marked **differences in the skills and qualifications levels** of the migrants who were part of the guest-worker regime and the more recent migrants as of the 1990s. Since the early 2000s, a larger share of young and educated people has emigrated, including for career-oriented motives. In the long run, the continuous emigration of skilled and educated individuals **reduces the productive labour force** in the countries of origin at a time when many of these countries are already experiencing negative demographic developments.

First generation migrants from the region tend to maintain stronger ties with their country of origin, reflected through diasporic and transnational activities such as flow of remittances, philanthropic and charity flows, political engagements, cultural preservation in the diaspora through formation of associations etc. The second, and in some cases the third generation of Western Balkan migrants tend to be more educated and integrated in their host communities, and **ties with countries of origin tend to weaken over generations** as they become more integrated in the countries of settlement.

**Main emigration drivers:** social upheavals, economic opportunities, education and family reunification

**Migration policies** from settlement countries have evidently influenced destination choice

Emigration of **skilled and educated** younger migrants is a developmental issue for Western Balkans

**Ties with countries of origin tend to weaken over generations**

## **Policies impacting diaspora engagement**

The decade of 2010 shows a visible trend among the Western Balkan countries to consider migration management in general, with consideration of diaspora engagement, as a policy priority. Migration management approaches of the Western Balkan countries are **aligned with EU priority areas**, in line with their potential accession status. **Diaspora engagement as a dedicated policy field is more recent** and has grown in importance. An increased focus can be observed on developing institutions, policies and/or legal frameworks in relation to diaspora engagement. All Western Balkan countries have dedicated diaspora engagement strategies, with some countries creating dedicated ministries for their implementation, and others integrating specialised agencies within existing ministries and departments. While there is progress on developing institutional and policy frameworks related to diaspora engagement, the **degree of implementation varies** and depends significantly on the political climate in the country.

Considering the political history of the Western Balkan region and the prominent ethnic and territorial rifts - also among the diaspora community - most of the diaspora engagement strategies and activities to date have largely focused on **“creating” the diaspora** and **extending a symbolic identity** with the aim of building and regaining the trust of the diaspora groups in the government. Policy and strategy documents **emphasise encouraging economic cooperation and financial investments** from diaspora members, as well as promoting knowledge transfer from the diaspora members to the countries of origin. Most diaspora organisations registered with the government institutions still focus on culture and language acquisition of the children of emigrants. Engagement with business diaspora and entrepreneurs is relatively weak.

The EU’s approach to engagement with the Western Balkans has traditionally been seen through a **security lens**. Since the 2000s, EU accession of the Western Balkan states became the policy goal guiding the development of policies and cooperation vis-à-vis the Western Balkans. At the EU level, engagement with Western Balkan diaspora has not received significant policy attention. Only under the New Pact, the Western Balkans are considered as a potential focus region for **Talent Partnerships**, and diaspora engagement is also a planned area of cooperation within the Pact.

Diaspora engagement does not feature as a key objective in countries’ of settlement **bilateral or regional development cooperation policies** towards the Western Balkans. Specific programmes implemented by the respective development agencies in the countries of origin involve diaspora engagement to varying degrees, and while some countries have specialised agreements (such as Migration Partnerships) to streamline migration management with focus on diaspora engagement for development, policy frameworks in other countries give limited consideration to diaspora engagement vis-à-vis the Western Balkans.

## **Institutions, organisations and cooperation**

### **State institutions, trade and business organisations**

While diaspora political institutions exist in all Western Balkan countries, their effectiveness and efficiency are hampered by frequent restructuring and changes of personnel. **Institutional cooperation and coordination mechanisms at the local level** have emerged as an effective policy approach in the Western Balkans for socioeconomic development, given local-level

*Western Balkan countries have dedicated diaspora engagement strategies*

*Focus is on creating a diasporic identity and trust-building, but weak institutional linkages with business diaspora*

*EU migration policies towards the Western Balkans adopt a security lens*

*Countries of settlement do not have dedicated policies or strategies for diaspora engagement*

insights on investment and other economic opportunities. **Proactive local governments** have proven successful in trans-local engagement of their hometown diaspora beyond their local area by forging contacts with local and municipal administrations in countries of settlement.

In the ECONDIAS countries of settlement, institutional framework on diaspora engagement differs significantly and ranges from a **whole-of-government approach** (Italy), to engaging **specialised development cooperation agencies** implementing development and diaspora engagement policies abroad (Germany and Switzerland), prioritising **state to state cooperation** (Sweden), and **selectively funding** diaspora related projects through the national development agency (Austria). Migration and development policies are developed and implemented primarily at **the central state level**. Reportedly, only in Italy and Germany, **regional or municipal governments play a role** by funding and supporting specific projects related to their region or city.

### Diaspora organisations and civil society actors

The degree of **involvement of diaspora organisations into economic cooperation with the countries of origin is weak** since they focus on cultural issues, language acquisition and integration support and are thus not seen as relevant contact points by diaspora entrepreneurs. Furthermore, diaspora organisations in the settlement countries are characterised by a **high degree of ethnic, religious and/or political fragmentation** linked to the conflict history of the Western Balkans and the cleavages shaping the political systems of the respective countries.

**Chambers of commerce** and **sectoral business associations** in both countries of origin and settlement are powerful institutions and key partners for promoting trade and commerce particularly also where they involve transnational entrepreneurs and diaspora-led private enterprises among their active members.

In recent years, a growing number of business-related diaspora organisations linking experts and entrepreneurs at a sectoral level have been established representing **a new generation of diaspora entrepreneurs and investors** who understand themselves mainly as business actors rather than diaspora members.

### *Lessons learned from selected diaspora initiatives*

**Nearshoring** presents a win-win scenario for the EU Member States, as well as the Western Balkan countries, especially after the massive supply chain disruptions experienced in the aftermath of the COVID-19 pandemic. The main development impact of nearshoring is employment creation, which can be particularly meaningful for small towns devastated by deindustrialisation. Business ventures offering nearshoring services to other countries, as highlighted in ECONDIAS research, often offer skills training for employees, which can contribute to the retention of skilled labour and foster an environment conducive to innovation in the long term.

Supporting nearshoring activities offers a viable opportunity to improving export competitiveness of the private sector of Western Balkan countries. Examples highlighted in ECONDIAS research show that diaspora entrepreneurs set up enterprises in the Western Balkan countries of origin focusing on production of goods and services for exports, or are staff members employed in companies in the countries of settlement who play a decisive role in

**Local governments** can potentially reach diaspora members more effectively

**Investors and entrepreneurs in the diaspora** may not necessarily engage with cultural diaspora organisations

**Chambers of commerce and sectoral trade associations** are well positioned to engage diaspora entrepreneurs

**Diaspora investment can be supported by focusing on the following aspects:**

- **nearshoring** in manufacturing and ICT sector for export competitiveness

expanding company operations in their countries of origin. These practices are often evident in the manufacturing sector and the ICT sector.

For the **promotion of trade**, the most active actors are sectoral business associations based in the countries of origin, rather than diaspora organisations in the countries of settlement or even government agencies. Business associations in most countries of origin are well organised and effective, yet have limited government support from either country of origin or country of settlement.

As is the case for nearshoring activities, a personal commitment to the initiative, an entrepreneurial spirit and perseverance are major success factors, as well as the motivational support entrepreneurs receive along the way, including through mentoring. Targeting the diaspora as customers for their strong purchasing power attachment to country-of-origin-made products was identified a very successful strategy.

Creating **support platforms and one-stop shops** is useful for facilitating diaspora members interested in investment and business development with relevant procedural information. Their services include market analysis and policy insights into investment opportunities and business development processes for potential investors, including diaspora members, facilitating partnerships between relevant stakeholders and assisting with administrative and logistical requirements. They also facilitate collaboration between the government and the diaspora by providing communication mechanisms, thus removing two of the main barriers to diaspora engagement: lack of communication mechanisms and administrative hurdles.

Introducing **technological and infrastructural upgrades** by leveraging diaspora expertise can foster innovation and competitiveness. Private sector or ODA supported investments in innovation support setups (incubators and accelerators) improved the start-up ecosystem in the countries of origin. Financial support in the form of loans is important in this regard. In addition, businesses that facilitate the alignment of infrastructure and technological practices with EU standards are of strategic importance for the Western Balkan countries. Initiatives usually involving multiple stakeholders benefit from sophisticated stakeholder management and a transparent monitoring and evaluation of progress by grant donors.

**Professional networks** whether initiated by country of origin governments, international organisations, private or civil society actors that connect the business community in the countries of origin with entrepreneurs and experts in the diaspora have proven to be more effective than the networking activities of identity and culture-based diaspora organisations. Face-to-face networking events provide an attractive opportunity for exchange. As is inherent to networking, longer terms funding of such activities is important since they otherwise run the risk of being unsustainable. Self-funding models based on membership fees have been one way to address the problem of the notorious funding gap of such activities.

**Skills and knowledge transfer practices** can be grouped in four subtypes: training for employees in diaspora private enterprises, diaspora expert secondment to country of origin institutions, youth-focused initiatives for improving secondary and vocational education in the countries of origin, and professional knowledge transfer initiatives within specific branch or economic sector. In general, the NGO sector in the countries of origin seems to have an implementing capacity for such initiatives based on extensive experience of partnerships with foreign development agencies. Where cooperation between diaspora experts and local

- *engaging sectoral business associations for trade promotion*

- *one-stop shops as support platforms for addressing administrative hurdles*

- *Engage diaspora entrepreneurs in innovation support setups (incubators and accelerators)*

- *professional networks for partnership development*

- *Tailoring skills transfer and knowledge exchange programmes to specific occupations*

businesses is hampered by the diverging needs of businesses – often valuing financial support over mentoring programmes or training – related issues have been successfully addressed by open tendering procedures for local companies to apply. As with the other types of activities, tailoring the knowledge transfer initiatives to specific occupations and incentivising diaspora engagement through personal benefits rather than patriotism has been a major success factor.

## ***Policy options and recommendations***

### **European Commission**

#### ***Conceptual issues***

- Given the pronounced differences in understanding the concept of diaspora policies, the European Commission is advised to work on the clarification of conceptual issues and to develop a common frame of understanding as a base for concrete programmes and projects. In this respect, activities improving the knowledge about diaspora policy making in the EU member states and the Western Balkan accession states (e.g. studies, fact-finding missions) should be initiated and supported.
- In order to sustainably make use of the available expert knowledge in this field, a network of experts on diaspora issues from both the EU member states and the Western Balkan accession states akin to the European Migration Network should be set up.
- With the support of this expert network, the European Commission is advised to reformulate the concept of diaspora in the context of EU accession, taking into account that the nationals of the Western Balkan accession countries in the EU will sooner or later be Union Citizens with all the rights and duties enshrined in Union Citizenship.

#### ***Knowledge generation***

- Oversampling of Western Balkan emigrants for the Statistics on Income and Living Conditions (SILC) and Labour Force Survey (LFS) would allow getting information about the sociodemographic characteristics (education, employment status, income and living conditions) and their interest to engage for the socio-economic development of their country of origin. The European Commission is, thus, advised to discuss the suggested possibility of oversampling in one of the next waves of EU SILC and EU LFS.
- In order to improve the knowledge about managers with a “diaspora background”, the European Commission is advised to support a mapping study on managers with Western Balkan migrant background in EU country-based companies active in the Western Balkan accession countries, and their role in investment decision making within their companies.

#### ***Institutional aspects***

- The European Commission is advised to establish an umbrella platform for Western Balkan businesses, allowing regular communication between Western Balkan businesses, including diaspora business organisations, and the European Commission. This would be beneficial as fostering investments in the Western Balkan region and the development of a cooperation framework may help to better mobilise the socioeconomic potential of the emigrant business community,
- In addition, the establishment of a working group on diaspora business issues within the Economic and Social Committee should be envisaged in order to better include the formal representatives of trade unions and chambers of commerce into the debate.

- Establish the post of a policy officer responsible for liaison with the diaspora business community within the EU Delegations in the Western Balkan accession countries.
- Establish regular contacts between diaspora contact points at the Delegation of the European Union and diaspora institutions at state, regional and local level.

### **Legal issues**

- The European Commission is advised to suggest to the Council a revision of the directive allowing an unlimited stay abroad for long-term resident third country nationals active as entrepreneurs or investors in their country of origin.
- In order to foster the investments of diaspora members naturalised in an EU Member State, the European Commission is advised to negotiate open access options to business support programmes for former Western Balkan nationals naturalised in the EU with the Western Balkan governments. In addition, a non-discrimination clause for former nationals of the Western Balkan accession countries, who have been naturalised in an EU Member State, should be introduced into any business-related EU-funding schemes administered (jointly) by the governments of the Western Balkan accession countries.

### **Measures supporting investment and knowledge-transfer**

- When developing EU funded support programmes and projects for the mobilisation of diaspora business actors, a focus should be laid on cooperation with local actors and civil society organisations.
- As diaspora entrepreneurs often originate in the least developed regions of the country, and focus their investment on their region of origin, programmes should give priority to entrepreneurs investing in least developed regions.
- Most start up and investment support programmes are accessible only to entrepreneurs that are residents of the Western Balkan country where they plan to invest; preparation activities conducted in their EU country of residence are not supported. EU funding programmes should be available also for activities in preparation of investment and enterprise creation in a Western Balkan country conducted in an EU Member State.
- The European Commission is advised to develop the legal base for including entrepreneurs and start-up founders into an ERASMUS-based exchange programme allowing temporary work as entrepreneur in an enterprise in another Member State. Access to this programme should be given to both Union citizens and residents of an EU state as the citizens and residents of all Western Balkan accession countries alike.
- EU funding programmes should focus on supporting diaspora expert cooperation with companies, institutions and training and research programs in the country of origin. The European Commission is advised to develop a funding scheme for expert mobility and temporary expert secondment between the EU countries and the Western Balkan accession states, which is accessible to both Union Citizens and residents in an EU Member state as to the citizens and residents of the Western Balkan accession countries.

### **Talent partnerships**

- The European Commission is advised to support the development of talent partnerships with Western Balkan countries and include diaspora entrepreneurs into the development and implementation of these partnerships.
- Measures against brain drain should be made a condition for the implementation of talent partnerships, and the degree of circularity of migration within these partnerships should be regularly monitored.

### **Reach out to Western Balkan accession countries**



- The European Commission is advised to engage into talks on the linkage between diaspora policies and Union Citizenship with the respective Western Balkan governments.
- In addition, the European Commission is advised to support the stability and professionalism of Western Balkan diaspora institutions as main partners of cooperation in the accession process. In this context, a specific focus should be laid on local administrations and CSOs supporting entrepreneurs on a regional level.

## **EU Member States**

### ***Develop a whole of government approach in diaspora frameworks***

- A whole of government approach is suggested for implementing diaspora frameworks in EU member states to ensure regular cooperation or coordination with all ministries or departments working in the fields of migration or integration in the respective EU state, including those liaising with the countries of origin on the issue. The Swiss migration partnership agreements with a number of countries of origin of large migrant groups in Switzerland present a promising example. The Swiss Migration partnerships exhibit a streamlined approach to cooperation and discussion with the governments of the countries of origin, linking different areas of cooperation ranging from trade over education to diaspora policies.
- Member State governments are advised to set up internal cooperation and coordination structures linking all ministries and institutions working in the field of migration and integration, development and diaspora policies. Such cooperation platforms should a) support the development of an integrated policy approach shared by all ministries (“whole of government approach”), b) help to coordinate policy measures and programmes and the related funding mechanisms and c) support the professionalisation of the (business) diaspora organisations as partners in the diaspora policy making of the respective country.

### ***Targeted approach to diaspora engagement***

- Diaspora entrepreneurs are entrepreneurs first, and diaspora second. Their main interest is the development and growth of their company. They mainly need support in getting contacts to business partners in their respective sector and need legal and business-related advice and support in dealing with the often overburdening bureaucracies and with widespread corruption. Business organisations and chambers of commerce have been described as efficient organisations regarding outreach to and support of (aspiring) diaspora entrepreneurs and investors, and should be the main cooperation partner in programmes and projects concerning diaspora business mobilisation.
- Diaspora engagement programmes and communication strategies are more effective when tailored to a specific diaspora group organised around areas of competence, rather than origin in general (business diaspora, academic diaspora, specific occupational sectors, etc.).

### ***Adapt existing enterprise funding to transnational entrepreneurship practices***

- EU Member States have introduced a variety of start-up funding schemes. Usually, they follow the “national container” approach and give funding to companies established in one country. Start-ups need preparation already outside of the country of origin, which, given the nation-state based construction of funding mechanisms, is not supported currently. It is suggested to set up start-up funds which should also allow the funding of activities for the establishment of a company in a Western Balkan country and implemented in the EU country of settlement of the entrepreneur. This funding mechanism should be constructed in a way accessible to all investors or entrepreneurs interested in establishing a business in a Western Balkan accession country, independent from nationality or country of birth, in order to comply with the EU antidiscrimination acquis.

- Diaspora entrepreneurs and investors prefer to target their investment to their municipalities or regions of origin. In order to improve the efficiency and effectiveness of diaspora support initiatives it is suggested that EU Member States focus their programmes and activities on well-defined trans-local partnerships, linking both business diasporas and relevant local administrations in the countries of origin and settlement and including local and municipal actors in the planning and evaluation of programmes supporting diaspora business activities.

#### ***Include second generation managers of diaspora origin into diaspora mobilisation programmes***

- Due to the long migration history with Western Balkan countries, a number of children and grandchildren of the first generation emigrants living in an EU Member State are employed in managerial positions in companies not owned or linked to the diaspora, but active in the Western Balkan states. Due to their knowledge of Western Balkan languages and the cultural background, they are often involved in business decisions of these companies regarding their investment(s) in the Western Balkans.
- Currently there is no overview about the role of higher management staff with diaspora-background, but the chambers of commerce in the EU countries can provide information on (large) companies active in the Western Balkans. In order to get reliable information on these companies, it is suggested that EU Member States further explore their role in decision making on investments of their employers in the Western Balkans, and to include their expertise and knowledge into diaspora mobilisation programmes.

#### ***Offer psychological support, coaching and mentoring***

- The commitment, hands-on approach and perseverance of entrepreneurs are the decisive factors for successful diaspora entrepreneurship. Entrepreneurs must be ready to overcome bureaucratic hurdles and long-lasting administrative processes and need a high level of frustration tolerance and commitment. Funding schemes for diaspora entrepreneurship implemented by development agencies of the EU Member States put a high relevance on sound business planning and the professional presentation of business ideas. It is recommended to include psychological support, coaching and mentoring in the design of funding programmes for diaspora entrepreneurs.

### **Western Balkan countries**

#### ***Invest in capacities of diaspora policy institutions***

- While diaspora political institutions exist in all Western Balkan countries, their effectiveness and efficiency are hampered by frequent restructuring and changes in personnel, especially after changes in government composition following (frequent) elections. Sustainable cooperation with diaspora business actors and their mobilisation needs institutional stability and continuity. Western Balkan countries are thus advised to improve the stability of their diaspora policy institutions. In this context, it is suggested to consider the establishment of diaspora agencies outside of the government ministries, and the employment of leading staff with long term contracts. This would grant them independence from changes in the composition of governments.
- Lacking resources was reported a major impediment limiting the cooperation of diaspora policy institutions with diaspora entrepreneurs and investors. Due to frequent changes in the composition of the government, budgets are revised frequently, limiting the possibility for long time planning. It is suggested to supply the diaspora institutions with sufficient resources and budgets for longer time periods allowing for long time planning even in the case of changes in the composition of the government, to establish transparent recruitment procedures for the staff and offer long-time employment contracts.

### **Improve modalities of institutional engagement**

- The focus on diaspora business cooperation varies in the different diaspora policy institutions. While some institutions have dedicated units, others focus more on cultural and identity-related aspects and have not (yet) established corresponding structures for cooperation with business partners. In order to improve the cooperation with the diaspora business community, dedicated units should be established in all diaspora policy institutions. They should cooperate intensively with the relevant business associations, chambers of commerce, managers with diaspora background and individual entrepreneurs. In communication and outreach to the diaspora business community, business organisations and chambers of commerce should be the main channel of communication.
- Proactive local governments have proven to be effective in trans-local engagement of their hometown diaspora by forging contacts with local and municipal administrations in countries of settlement. It is thus suggested to support the establishment of regional and municipal business support structures, to focus on trans-local programmes with the involvement of local administrations both from the country of origin and from the country of settlement of diaspora entrepreneurs and investors.
- Government support for diaspora engagement seems to work best when the government takes on a facilitating role and enables the business diaspora to take ownership of the initiative. This can be done by providing relevant information to diaspora investors, the tax code, employer contributions, administrative procedures, and investment opportunities. Governments should also clearly communicate national development priorities. Initiatives aimed at promoting business collaboration through presenting concrete products, innovative technologies, needs, etc. are welcomed by the business diaspora.

### **Support civil society organisations and business networks supporting diaspora entrepreneurs**

- In several Western Balkan countries civil society organisations and business networks supporting diaspora entrepreneurs and investors have been characterised as helpful and relevant by business actors. It is suggested to sustainably fund business support organisations linked to the business community, as experience in the EU has shown that such entities are more effective in communicating with entrepreneurs than state institutions. National diaspora engagement strategies in the countries of origin can be even more effective if paired with stakeholder engagement that spans private sector, civil society, local administrations and development cooperation actors.

### **Improve market intelligence with regard to the business diaspora**

- While countries of origin collect a number of data on business active in the country, no data sets on diaspora businesses do exist. Several Western Balkan countries meanwhile have started to set up diaspora registers, but these registers also do not include information on diaspora businesses. Western Balkan countries are thus advised to collect relevant data on diaspora businesses active in their country in order to gain more information and improve diaspora investment programmes.

**Reference Publication:** Qaisrani, A, Perchinig, B, Jokić-Bornstein, J, Hendow, M, Bilger, V, and Kobzeva, V. *Study of the Diasporas' Contributions to the Socio-Economic Development in the Western Balkans: ECONDIAS Final Report. (2023). Vienna: ICMPD.*