

Economic Issue of the Day



Philippine Institute
for Development Studies
Surian sa mga Pag-aaral
Pangkaunlaran ng Pilipinas

Vol. VIII Nos. 4 and 5 (December 2008)

Diaspora: explaining a modern Filipino phenomenon

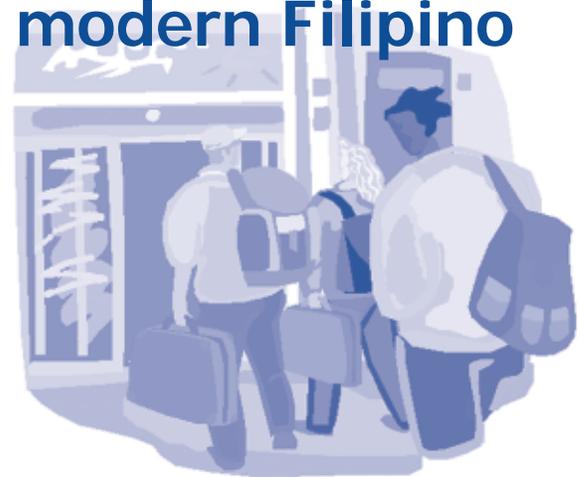
The word 'diaspora' is undoubtedly one of the most widely used terms these days. It commonly appears in migration-related publications and articles. But what does 'diaspora' really mean?

Clarifying the concept

Diaspora comes from the Greek verb *speiro*, meaning 'to sow,' and the preposition *dia*, meaning 'over' (Blackwell Encyclopaedia of Sociology). Based on this etymology, diaspora refers to the sowing over, scattering, or dispersion of a group of people mainly in terms of migration.

Its classic definition refers to a group of people or an ethnic population living outside of their home country in exile due to forced displacement. Thus, it is often used to characterize the Jewish, Greek, and Armenian communities living outside of their traditional homelands worldwide. These groups are often cited in diaspora literature as some of the most popular examples of classic diasporas. Based on the work of Prof. William Safran, a sociologist at the University of Colorado, the following are the distinct characteristics of classic diasporas (Safran 1991):

- dispersal from a specific original location to one or two locations;
- retention of a "collective memory, vision, or myth about their original homeland";
- feeling of alienation because of the belief that they are not or cannot be fully accepted by their host country;
- perception of their ancestral homeland as their true home and the hope for return;
- commitment to the maintenance and restoration of their homeland and to its safety and prosperity; and
- continued relations with their homeland.

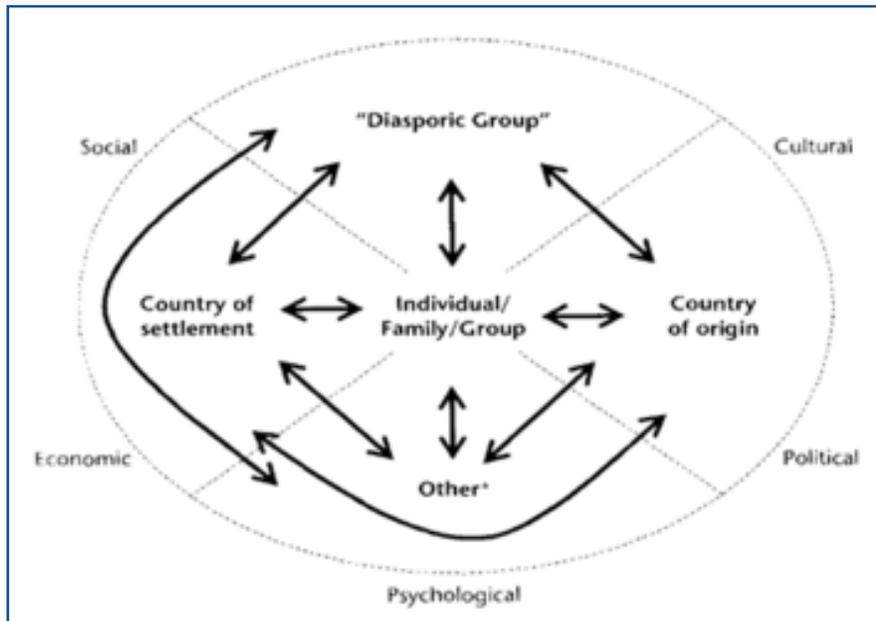


*...The use of 'diaspora' has been extended to encompass ethnic or national groups of migrant origin that are not necessarily displaced by force. This broader definition includes the contemporary (modern) diaspora groups, in particular, the **economic migrants or those who migrate to another country to find work.***

Over time, the use of 'diaspora' has been extended to encompass ethnic or national groups of migrant origin that are not necessarily displaced by force. This broader definition includes the contemporary (modern) diaspora groups, in particular, the **economic migrants or those who migrate to another country to find work.** This typifies the Filipino diaspora that has emerged in the early twentieth century and has multiplied in the past three decades or so.

Prof. Gabriel Sheffer, a political scientist at the Hebrew University of Jerusalem, has proposed a general definition of modern diasporas: "they are ethnic minority groups of migrant origins residing and acting in host countries but maintaining strong sentimental and material links with their countries of origin—their homeland" (Sheffer 1986) and enumerated other distinct features of modern diasporas:

Figure 1. Multinational transnational relationships



Source: Patel 2006, p. 153

- the preservation of their ethnic or ethno-religious identity and cultural solidarity;
- work with various aspects of their cultural, social, economic, and political needs in a way that either complements or conflicts with the activities of the host government; and
- capability to mobilize within their host countries to promote or defend their interest or that of their homeland.

Based on Safran's and Sheffer's definitions of classic and modern diasporas, respectively, the two appear the same except that the classic diaspora has a temporal-historical dimension as well as an emphasis on forced displacement as a major factor for the growth of the diaspora. Their common features are:

- physical detachment from their homeland;
- sustained connection with their homeland, whether emotional or material;
- commitment to preserve their ethnic identity; and
- felt responsibility for the development of their homeland.

It is therefore apparent that a diaspora is more than being a migrant and has a deeper meaning. It encompasses the set of institutions, beliefs, and traditions an ethnic population is able to maintain or preserve while living outside of its home country.

Diasporic groups and transnational migrants/communities: are they the same?

Diaspora/diasporic groups/communities are often used interchangeably with transnational migrants/communities. In Figure 1 which illustrates the concept of multinational transnational relationships, the term 'diasporic group' is used. This suggests that the concepts of transnational groups/communities and diaspora are related. But are they similar in meaning?

Conceptually, they overlap, but transnational groups are broader than



It is therefore apparent that a diaspora is more than being a migrant and has a deeper meaning. It encompasses the set of institutions, beliefs, and traditions an ethnic population is able to maintain or preserve while living outside of its home country.

The most noticeable form of connection is still remittances, particularly the individual type. Remittances are considered one of the most important financial transfers to developing countries like the Philippines. In 2007, for instance, the total amount of remittances sent by Filipinos overseas to families/relatives at home, as recorded by the Bangko Sentral ng Pilipinas (BSP), was US\$14.4 billion.



to developing countries like the Philippines. In 2007, for instance, the total amount of remittances sent by Filipinos overseas to families/relatives at home, as recorded by the Bangko Sentral ng Pilipinas (BSP), was US\$14.4 billion. The enormity of the amount has been noted in surveys on globalization as “remittances being the only bright spot in the Philippines right now” (Aldaba and Opiniano 2008).

Over the years, however, collective remittances from diaspora organizations for community development have also intensified. For this type, hometown associations have increasingly been active in promoting community

development in their home countries by way of providing investments for local infrastructure development (de Ferranti and Ody 2007). In the Philippines, the work of the Ayala Foundation USA Initiatives in recent years has aimed to “create opportunities that facilitate meaningful contributions of Filipino migrants in the United States to the Philippine social development initiatives” and exemplifies this emerging model of interaction between Filipino groups of migrants in a particular “host” country and their “homeland.”

diaspora (Braziel and Mannur 2003). Drawing from the concept of transnationalism or the process by which migrants forge and sustain multiple social relations across borders (Basch et al. 1994), transnational groups/communities is a general term used to describe migrants and the multistranded ties transcending national boundaries that they build and maintain in a globalized setting. Diaspora, on the other hand, may be regarded as a subset of transnationalism. It is a kind of transnationalism that has a particular focus on maintaining ties with the country or origin or the homeland.

Forms of diaspora-homeland connection: some Filipino examples

There are various forms of connection between diasporic groups and their homeland.

A study by Johnson and Sedaca (2004 as cited in de Ferranti and Ody 2007) gave five different forms or “models of interaction”:

- individual remittances
- collective remittances for community development
- diaspora business and investment
- diaspora-based investment instruments
- knowledge transfer

The most noticeable form of connection is still remittances, particularly the individual type. Remittances are considered one of the most important financial transfers

Meanwhile, diaspora business and investment shows that the economic and social capital of diasporic groups can be tapped for the benefit of their homeland. For example, overseas Filipinos’ network can widen market access of Filipino firms and SMEs exporting certain products and services.

Diaspora-based investment instruments are also an emerging form of diaspora-homeland connection. Two models exist: (1) the mutual fund or “country fund,” which promotes equity investments among diaspora members and is run by professional managers, and (2) the sovereign diaspora bond, which is issued by national governments or a private corporation to raise funds from members of the diaspora for development programs in the home country (de Ferranti and Ody 2007). Israel pioneered this instrument in 1951 to engage their Jewish diaspora while India started to adopt it in 1991. It is said that the combined

total of sovereign diaspora bonds issued by both countries has reached \$35 to \$40 billion as of 2007 (Ketkar and Ratha 2007). Early last year, the Philippines has started to offer diaspora bonds (or “OFW bonds”) initially to its overseas Filipino workers (OFWs) in Hong Kong through state-owned Land Bank of the Philippines, with assistance from the HSBC (*Philippine Daily Inquirer* December 31, 2008). The government is again seriously considering to issue OFW bonds in 2009, this time to OFWs in other countries where many of them are located, such as the Middle East.

Finally, knowledge transfer/exchange is another form of diaspora-homeland connection. As Merz et al. (2007) have noted, diaspora giving could also be in the form of nonmaterial flows of knowledge, skills, connections, attitudes, and values. In particular, knowledge transfer addresses the loss of skills and knowledge experienced by many developing countries as a result of the increasing immigration of highly skilled people. In the Philippines, the Transfer of Knowledge through Expatriate Professionals, the *Balik Scientist* program and the Science and Technology Advisory Council are some of the programs implemented to engage highly skilled Filipinos living abroad in their homeland’s development. *



Cited references

- Aldaba, F. and J. Opiniano. 2008. The Philippine diasporic dividend: maximizing the development potentials of international migration. Paper presented at the Conference on Managing the Development Impact of Migration, 23 September, Makati City, Philippines.
- Basch, L., N.G. Schiller, and C.S. Blanc. 1994. *Nations unbound*. New York: Gordon and Breach.
- Braziel, J.E. and A. Mannur, eds. 2003. *Theorizing diaspora*. Oxford: Blackwell Publishing.
- De Ferranti, D. and A.J. Ody. 2007. What can remittances do for equitable development. In *Diasporas and development*, edited by B.J. Merz, L.C. Chen, and P.F. Geithner. Cambridge, MA: Global Equity Initiative, Harvard University.
- Ketkar, S.L. and D. Ratha. 2007. Development finance via diaspora bonds: track record and potential. Paper presented at the Migration and Development Conference World Bank, Washington D.C., 23 May.
- Merz, B.J., L.C. Chen, and P.F. Geithner. 2007. *Diasporas and development*. Cambridge, MA: Global Equity Initiative, Asia Center, Harvard University.
- Patel, Dhru. 2006. The Maple-Neem nexus: transnational links of South Asian Canadians. In *Transnational identities and practices in Canada*, edited by V. Satzewich and L. Wong. Vancouver: UBC Press.
- Philippine Daily Inquirer. 2008. Government eyes OFW bonds anew. <http://business.inquirer.net/money/topstories/view/20081231-180870/Govt-eyes-OFW-bonds-anew>.
- Safran, W. 1991. Diasporas in modern societies: myths of homeland and return. *Diaspora* 1 (1):83-99.
- Sheffer, G. 1986. *Modern diasporas in international politics*. London: Croom Helm.

The *Economic Issue of the Day* is one of a series of PIDS efforts to help in enlightening the public and other interested parties on the concepts behind certain economic issues. This dissemination outlet aims to define and explain, in simple and easy-to-understand terms, basic concepts as they relate to current and everyday economics-related matters.

This *Issue* was written by Sheila V. Siar, Division Chief at the Institute.

The views expressed are those of the author and do not necessarily reflect those of PIDS and other sponsors. *

Philippine Institute for Development Studies

NEDA sa Makati Building, 106 Amorsolo Street, Legaspi Village, Makati City • Telephone Nos: (63-2) 8942584 and (63-2) 8935705 • Fax Nos: (63-2) 8939589 and (63-2) 8161091
 URL: <http://www.pids.gov.ph>