# AMERICAN UNIVERSITY OF ARMENIA

# ENGAGING THE DIASPORA IN HOME STATE DEVELOPMENT

**Capstone Essay**

By

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## ABSTRACT

In recent decades, many governments worldwide began to focus on their respective diasporan communities to maximize ways in which they could draw on their expertise and resources for the development of the country of origin. Approaches and best practices have varied and depended mostly on the history of respective Diasporas, as well as on the size and resources. Some governments place emphasis on formulating policies and regulations that would attract Diasporans to get interested in contributing to the development of their home states. A number of studies have shown that the Diaspora as an institution is able to significantly contribute to home-state development, naming it as a development agent. Key areas of Diaspora engagement include assistance in the form of foreign direct investments, contributing skills and knowledge, investments in infrastructure, etc. This research deals mainly with discovering the institutional arrangement that would best fit Armenia-Diaspora relations aimed at the sustainable development of the home state. Considering that Armenians are spread all throughout the globe, the essay takes into account the key communities of the Diaspora but, more importantly, it considers the engagement of Diaspora organizations, although some discussion is devoted to business and entrepreneurial engagement. After careful analysis of the experiences to date and lessons learned by Diaspora organizations since the 1988 earthquake, the essay proposes an institutional model that is expected to serve as an arrangement that would create the channels and mechanisms to augment Diaspora involvement in Armenia's development.

# INTRODUCTION

The political changes of recent decades, particularly the collapse of the Soviet Union and the adoption of more relaxed emigration policies by newly independent states, have measurably increased the number of Diasporas throughout the globe. This new geographical distribution has prompted home states to take a fresh look at internal policies and programs that would best capitalize on their respective potential abroad. More specifically, questions have risen pertaining to developing new models and necessary policy changes at home that would secure active Diaspora collaboration and participation in home state development.

Although several Diasporas have existed for decades, e.g., Israel, Armenia, Ireland, etc. the need for studying these communities has changed as a result of the increased mobility of people globally. The case of Armenia, for example, merits attention given the political changes that have occurred prompting both the government of the Republic of Armenia and researchers to take a fresh look at optimal institutional arrangements that would stimulate the Armenian Diaspora communities to contribute to state development.

A quick look at recent history shows that since the earthquake of 1988 and the Independence in 1991 the Armenian Diaspora has significantly contributed both directly and indirectly to the domestic and outward development of the Republic of Armenia. Though in many private cases the contribution of the Diaspora was and remains significant, the Republic of Armenia has not yet developed an institutional approach to engage the Diaspora towards a unified development agenda that would maximize the benefits and more significantly contribute to achieving priority goals in social and economic development.

The current research will explore the existing links between the state and Diaspora

organizations within the framework of the development priorities of Armenia and the role of Diaspora engagement. The research will also explore the various channels and means that the Armenian Diaspora has used, including the institutional cooperation, role of the government, and other networking arrangements. The research will ultimately identify the existing gaps in the institutional interaction between government and the Diaspora and wrap up with a recommended model that could expand the reach and contribution of the Diaspora.

The research uses the term 'development' as defined by the United Nations Development Program (UNDP) "*To lead long and healthy lives, to be knowledgeable, to have access to the resources needed for a descent standard of living, and to be able to participate in the life of the community*" (UNDP, 2016). As to the term 'Diaspora' it is used to mean the movement of people or groups out of the home country to another (Oxford Dictionary, 8th edition). Thus, 'Armenian Diaspora' refers to communities and/or individuals of Armenian ancestry not living on the territory of the Republic of Armenia.

## THEORETICAL FRAMEWORK

As stated earlier, the movement of people from their home countries to other parts of the world has increased dramatically in the last decades throughout the world. The more global this movement has become, the more new Diasporas have formed and got organized to help their respective home states. Thus, in many parts of the world, Diasporas have been growing and beginning to assume increasingly important roles in national, bilateral and global relationships and activities aimed at contributing to the development of their respective countries of origin. Diaspora activities can vary from building physical and human capital and productivity to creating jobs through business enterprises, improving living standards, and contributing to higher

economic growth. Diaspora engagement can also take the form of political action, mainly through lobbying activities aimed at influencing policies regarding or affecting the home state.

As such, Diaspora engagement *"measures vary from the creation of intergovernmental and parliamentary committees to coordinate actions on both the executive and legislative fronts to the establishment of legislative and regulatory frameworks to facilitate Diaspora engagement and programs that target Diasporas as development actors"* (IOM, 2013). Increasingly, Diaspora studies and discussions have focused on the notion that Diaspora communities "*can make a unique contribution to the development of their home countries*" (World Economic Forum, 2016; Newland and Plaza, 2013).

Scholars have generally focused on the role of Diaspora communities as potential contributors to the GDP of their home countries, mostly studying the impact of remittances on families and friends back home (Rodima-Taylor, 2015; Newland, 2004; Mohamoud, 2003). To a lesser extent, scholars also have studied Diaspora communities in their role as change agents and contributors to the foreign policy of their adopted countries (but also affecting the home state) and enabling "*resilient, democratic societies to realize their potential as an essential component of sustaining development progress on a global scale*" (Mason, 2016; Newland, 2004). Others have underlined the importance of Diaspora investments to capacity building of the home state by way of contributing new knowledge and innovative approaches to development (Mohamoud, 2013; Lowell, 2004).

The existing literature on the Armenian Diaspora focuses on the historical development of the Diasporan communities in various Western countries, mostly discussing the cultural, economic and social ties with Armenia through various periods in history, including the 1988

earthquake and earlier periods that span decades before and after the establishment of Independent Republic of Armenia. According to available sources, the government of the Republic of Armenia (GoAM) has not assumed a leading role and/or developed institutional approaches aimed at engaging the Diaspora in a unified development agenda that would maximize the benefits and would more significantly contribute to achieving priority goals in social and economic development (Roberts 2004; Manasaryan 2004).

The current research will attempt to fill that gap by articulating the critical factors that would produce better cooperation between Armenia and the Diaspora at the institutional level. Some discussion will also center on private endeavors and business initiatives which also serve as contributors to state development. The research will explore the ways of overcoming barriers to creating a more unified Diaspora participation; such participation is believed to be better organized and results-driven Diaspora engagement. Thus, the research proposes to construct an institutional model of Diaspora engagement in the development of the Republic of Armenia, learning from the experiences of other states and from past experiences of Armenian Diaspora organizations, and from expert knowledge.

## LITERATURE REVIEW

**Models of Diaspora Engagement**

The report of the Diaspora Ministerial International Conference, which took place in Geneva in 2013, states that that Diasporas' potential to contribute to the development of respective countries of origin has been underestimated to date. More specifically, the Conference Report highlights the key contributing channels as (1) the potential of the Diaspora to build

bridges between markets of host and home countries; (2) development programs and partnership arrangements that transfer knowledge and skills; and (3) various forms of financial investments toward the development of the home state.

The Conference also has addressed the role of the Diaspora affirming that it has become even more important in the years following the global financial crisis particularly in terms of attracting foreign direct investments (FDI), as well as transfer of knowledge and skills. Thus, the report underlines the importance of establishing state-led and administered institutional and other channels of communication and arrangements with Diaspora organizations, including civil society organizations (CSOs), to be able to reap optimal benefits for the development of the home state.

A group of scholars (Newland and Plaza, 2013; Van Hear et al., 2004; Mohamoud, 2003; Newland et al., 2004; Lowell and Gerova, 2004, Kleist, 2008; Meyer & Brown, 1997; Bertram and Watters, 1985; Portes, 2009; Aucienet al., 2009; Gillespie, 1984; Kao, 1993) posit that Diasporas make significant contributions to the development of the country of origin (or home state) by means of remittances and investments. In the case of the latter, reputable Diasporan entrepreneurs invest in the market of the country of origin thereby increasing the economic potential of the home state and also attracting FDI from other non-Armenian investors (Kotkin, 1993; Kummar, 1994). In line with this argument, Newland and Plaza (2013) also argue that Diasporas could also contribute to the development of trade, where Diasporan entrepreneurs help in two distinct ways: (1) creating links between producers in the country of origin and markets in the host country; (2) transferring knowledge and skills through networking and collaborative activities. In the case of the latter, Diaspora members themselves often share their experiences

and skills in different areas creating new opportunities for home state residents to grow professionally and succeed at work or in their own private endeavors (Barre and Aucien, 2009; Lowell et al., 2004; Safran, 1991). Supporting these arguments, others (Frienkam, 2001; Minoianet al., 2006; Amirkhanian, 1997; Chakhalyan, 2007) also discuss the importance of Diasporan contributions in areas other than business, mainly in humanitarian aid. The latter is deemed equally important especially in the initial formation years of transition economies and post-conflict countries.

Van Hear et al. (2004) and Mohamoud (2003) have studied the involvement of Diaspora groups in poverty reduction initiatives of their respective home states and in issues related to preventing or managing conflicts and post-conflict reconstruction. These authors argue that the degree of Diaspora engagement in the home country depends not only on the level of communication, home-state policies, social and political environment of the home state, but also on the extent to which Diaspora members feel connected to and responsible for the country of origin or ancestral land.

Many scholars have also looked into the means of cooperation in the form of (1) creating partnerships between Diaspora and local private businesses, where a Diasporan entrepreneur branches out to the home state, thus creating new jobs for locals and contributing to the GDP of the home state. Such endeavors have often involved attracting non-Diasporan business investments while increasing the profit margin of those businesses through the use of cheaper labor in the home country. These partnerships have usually been in the form of helping businesses with idea incubation, skills and experience sharing, and investments; and establishing Diaspora-initiated development projects, in which Diaspora organizations have collaborated with

different international organizations involved in the development of the home state, or development initiatives in areas not covered by other international development interventions. MacRae et al., (2011) and Kuznecov (2008) support the aforementioned idea discussing the case of Scotland where the government along with the local business community has established a network between new local business start-ups and successful entrepreneurs abroad. And a group of other scholars also discuss Diaspora assistance in the form of making contributions to the home state in the form of political, cultural and economic ideas and experiences (Kleist, 2008; Schiff and Ozden, 2005; Kent et al., 2004).

Ankomah et al. (2012), Essien (2008), and Hasty (2002) have discussed a model where the home state government engaged the Diaspora through different approaches, such as inviting Diasporans to visit the country to consider taking advantage of land offered by the government for business. These government efforts have shifted Diaspora involvement in the country's development from passive tourism into active business initiatives. This does not, however, diminish the importance of promoting tourism as a channel of Diaspora engagement (Bruner, 1996; Mensah, 2009). These authors also discuss how historical sites and even the graves of national heroes have served as tourist attractions.[1]  Other studies (Lum, 2012; Chemouni, 2009; Mette, 2001) also introduce models where the home state government offers Diasporans flexible conditions for getting non-resident status in the home state thereby allowing them to travel freely, live, work, establish a business and even get free education and other social benefits in the home country.

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[1]Orozo (2005) believes that about 63% of Ghanaians living in the U.S. visit their home country at least once a year and some even acquire houses, open businesses and even donate for school and infrastructure construction projects.

In a different model, the home state government has placed emphasis on bringing back scholars and entrepreneurs from different Diaspora communities to return home as faculty members in local universities and to also establish business there. To be successful, the home state government has created incentives for repatriates in the form of providing them with accommodation, higher salaries (app. 20 times higher than local salaries), as well as other social and economic benefits, such as free education for their children etc. (Mette, 2001).[2]

Sheffer, (2002) and Ben-Moshe (2009) describe the model which involves numerous different projects, most of which are designed with the vision of Aliyah (repatriation). The repatriation programs include provision of housing, jobs, and educational opportunities to repatriates through the Ministry of Immigrant Absorption. Sheffer (2003) adds that the key to the success of the Israeli case was that assistance programs were implemented in a definite order of priority interventions. Additionally, trust in the government measurably contributed to the outcome of funds raised for the home state.

**The Prerequisite of Institutional Reforms**

In order to develop an environment conducive to productive Diaspora engagement, governments should take on institutional reforms intended (a) to create an environment where a Diasporan is willing to contribute toward identifying new markets, but also proposing good governance actions; a tax system that stimulates investments through incentives, etc.; (b) to educate the masses in the home state using various approaches to learning about existing differences related to values, traditions, culture and language; and also to sponsor volunteer

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[2] This essay does not go into examining the merits of such initiatives or models as such. Rather, it presents different models for consideration of parts that could be most appropriate for Armenia.

programs that aim at introducing the homeland to Diasporan communities and vice versa.

In another study, Chako et al. (2013) claim that home state reforms should also strive to improve the institution of law enforcement and other policies related to economic activities, etc. Also, overall, the lack of reliable information on home state strategies and development priorities, as well as difficulties related to accessing such information, combined with the poor state of underdeveloped state institutions, especially those engaged in procurements and contracts, increase the risks of Diasporan investments thereby decreasing the level of Diaspora engagement.

Other scholars and development technocrats (De Haas, 2006; Horst et al., 2010; Turner and Kleist, 2013; Faist, 2008; Piper, 2009; Raghuram, 2009; Sinatti et al., 2015) view Diasporans living abroad and repatriates as development agents; however these authors also underline the importance of the institutional approach to engaging the Diaspora. As such, they highlight two key approaches for home state governments to adopt in order to engage the Diaspora more actively and effectively. Firstly, capacity-building of non-governmental organizations (NGOs) and community service organizations (CSOs) in Diaspora engagement. The authors find such trainings important as those organizations that usually collaborate with the Diaspora do not possess adequate knowledge about national development priorities; as a result, they steer Diaspora engagement in the direction of self-motivated interests that usually take the form of charity or financial assistance toward projects that do not contribute to the overall national development strategy of the home state. Secondly, the creation of umbrella organizations targeting Diaspora and Diasporan organizations that are intended to create the return-development nexus that fully engages the Diaspora in home state development initiatives (De

Haas, 2006).

**Examples of Institutional Approaches**

Levitt (2003) describes reforms that home state governments have realized to actively engage the Diaspora. Those include bureaucratic reforms; development of Diaspora-centric policies; development and enhancement of state-services provided abroad; and other symbolic policies that strengthen traditional cultural ties between Diaspora and home state. Levitt (2004) and Aucien et al. (2009) believe that home states should instill in the Diasporan communities a sense of belonging and national identity that promotes interest in the home state.

The bureaucratic reforms referred to by Levitt (2003) include the establishment of Diaspora-centric organizations and state institutions, such as government agencies that are fully dedicated to Diaspora relations. The author argues that the establishment of such bureaucratic institutions that target Diaspora relations should serve as the first step towards the more strategic purpose of establishing enduring engagement of the Diaspora in home-state development and state building.

The next step usually involves the state of adopting Diaspora-centric policies aimed at the establishment of investment funds, development of the institution of raising funds for specific public projects. The success of this approach lies in the ability of the home state in targeting the right Diasporan group that would be interested in contributing to a specific project. This approach relies on gathering all the necessary data about Diasporan communities to be able to match the right projects with individual preferences. In that regard, Cantave (1996) and Safran (1991) suggest establishing ties with Diaspora community leaders, organizations, and others through home state embassies in host states, periodic conferences, round table meetings, etc.

Those actions are intended to help develop networks of professionals, businessmen, experts and those willing to put a dime in their homeland (Lucas, 2004; Barre et al., 2004). It is also important to consult the Diaspora on the types of business initiatives they might have in mind and come forth with those most suitable for the economic development of the home state; further, it becomes even more important to provide extensive information related to those sectors and types of most promising initiatives and related economic data and other provisions.

Levitt (2003) and Gutierrez (1995) discuss that beyond the importance of remittances, what makes more substantial contribution to the development of the home state are other forms of Diaspora engagement. Among these are various forms of financial incentives to businesses initiated by Diaspora members, facilitations related to importing new technologies into the home state market, offers of high interest rates for deposits in home-state banks, etc. Lowell (2003; 2002) discusses the importance of the notion of nostalgic trade and other forms of entrepreneurial investments.

## RESEARCH DESIGN AND METHODOLOGY

The research design used in this essay is explanatory with a qualitative method that collects and analyzes data to identify the optimal institutional model of Armenia-Diaspora engagement. Aside from the literature covered exploring existing models of Diaspora engagement, in-depth interviews are conducted with various experts and leading organizations to identify existing patterns and issues that will be addressed in the proposed new model.

Considering that the research aims at developing a new model, the qualitative approach is best suited because it delves deep into intricate issues and captures the uncommon situations and

arrangements currently prevalent. Armenia-Diaspora engagement has had a track record of somewhat successful or fully successful results in the past decades, but it is also characterized as not very dynamic and not using a consistent functional model that can serve as a unifying instrument used by various Diasporan organizations and replicated by others. The proposed model considers the difficulties encountered by the Diaspora and offers solutions that would produce more tangible outcomes for Armenia's development.

**Research Question and Hypotheses**

Thus the research is geared toward charting the ideal Armenia-Diaspora institutional arrangement that would optimize state development in this phase of the Republic's development. The following research questions are examined:

RQ1: What are the critical success factors that must be considered in Armenia-Diaspora institutional arrangements?

SQ1: What role should the Armenian government assume in Armenia-Diaspora relations?

SQ2: What should be the main conduits of cooperation between the Armenian government and Diaspora organizations?

SQ3: How could the Armenian government stimulate the Diaspora around a shared development agenda?

Thus, the hypotheses are:

H1: The Armenian government will be able to invigorate Armenia-Diaspora relations by assuming the role of leader and catalyst/negotiator.

H2: Providing Diaspora organizations with strategically formulated development priorities will stimulate their contribution to a shared development agenda.

**Sampling Strategy**

The research uses purposive sampling considering that it aims to build knowledge through the experiences of scholars and experts closely linked to the topic under study. Using purposive sampling affords accounting for the particular characteristics and acumen of the sample thereby covering a wide range of experiences (LeCompte and Preissle, 1993; Burgeus, 1984; Honigmann, 1982). Thus the sample includes Diaspora organizations working in Armenia; Representatives of the Government of Armenia, namely the Ministry of Diaspora, the Ministry of Economic Development and Investments, the Ministry of International Economic Integration and Reforms; and international organizations, including the USAID and the EU that have a track record of working with Diaspora organizations on development initiatives.

**Analysis of Interviews**

In-vivo coding was used for the qualitative analysis of interview transcripts aimed at revealing the existing institutional gaps in Armenia-Diaspora relations, articulating success stories that could serve in developing the intended institutional model, and also taking into consideration the recommendations and cooperative arrangements envisioned by those interviewed on how they visualized Armenia-Diaspora cooperative arrangements that would result in tangible and measurable outcomes that far exceed achievements to date.

Thus the analysis of interview transcripts used the following categories and respective codes to analyze text:

*Institutional dialogue* — words or phrases such as channels of communication; discussions and round tables; permanent linkages between government and Diaspora; dedicated government agency; joint decision-making tools and opportunities; participatory approach;

*Home state environment* — words or phrases such as good governance; anti-corruption policies and indicators; transparency and accountability; protection of property rights; markets and monopolies; doing business index; locally available expertise; tax code and other policies;

*Shared strategic agenda* — words or phrases such as strategic intent; unified purpose; development agenda; shared agenda; cooperation; collaboration.

**Interview Analysis**

The findings derived from the content analysis of interview transcripts are closely substantiated by the models reviewed in the literature reviewed. The analysis focused on identifying dominant patterns and common issues and concerns expressed by experts well-informed about past Armenia-Diaspora cooperation, existing weaknesses and gaps, as well as possible institutional arrangements that would activate or improve cooperation for increased impact on home state development. All the interviewees were intimately familiar with the current structure as they occupied leading positions in their respective Diaspora organizations and/or government agencies of the Republic of Armenia. Additionally, the interviewees also possessed institutional memory related to past Armenia-Diaspora cooperation going back to the years prior to independence in some cases.

**<u>Institutional dialogue</u>**

All respondents were unanimous on the importance of establishing direct links and active

cooperation between Diaspora organizations and the home state government suggesting that such cooperation should start on the principle of participation and should procees to collectively developing a shared strategic development agenda. Absent such high-level and strategic cooperation between Diaspora organizations and the home state government, not all programs at investments could be as successful as the potential they possess. The interviewees also stated that although collaboration among Diaspora organizations themselves would be hard to achieve, it would be much more productive and easier to come to agreement on a shared agenda with the home state government. As such, the interviewees emphasized that the lead catalyst and mediator should be the government of Armenia, suggesting that taking ownership of the state strategic planning process and actively engaging Diaspora organizations in that process would lead to more active involvement in projects and investments and successful implementation of projects in partnership or in close collaboration with the government of Armenia.

The government should also create a permanent platform to enable continuous dialogue and collaboration among Diaspora organizations and state agencies toward achievement of the shared agenda they collectively created.[3] Further, when the government receives project proposals from various Diaspora organizations, it is critically important that thorough consideration and examinatuion of the merits of the proposals be afforded. This will create a strong feeling of "being heard" by the home state. But, beyond that, the purpose and targeted results of each proposal should be examined in relation of their fit to the state development strategy.

Further, considering that any cooperation between Armenia and the Diaspora can but be

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[3] Recent efforts related to Diaspora engagement by the current government appear to follow this pattern.

two sided, the government should increase its active presence in major Diasporan communities to maintain and strengthen established linkages and, more importantly, to identify and create new interest in home state projects and investments. By bringing information related to Armenia's priorities and strategic needs closer to interested parties, Diaspora organizations would get first hand and thorough information in a timely manner. Beyond what is iterated by interviewees and well in line with the expert views, the Armenian government recently took steps in the direction of appointing business attaches in various key embassies throughout the Diaspora.[4]

## **Home state environment**

The respondents were unanimous on the lack of trust experienced in past associations with the government of Armenia as a hindrance to realizing purposeful and results-driven cooperation between the home state and the Diaspora. For that reason alone, several interviewees elaborated that the Diaspora opts to contribute in the form of short-term humanitarian assistance as opposed to long-term projects that contribute to the strategic development agenda of the state. This is primarily driven by the need to control implementation and spending. The underlying argument centers on the widespread corruption that exists in Armenia, both at the state institutional level and in the private sector.

The other issue brought up by most interviewees is the tax code of Armenia, which acts as an encumbrance for businesses to flourish. Additionally, the business environment is not conducive to establishing new businesses, whether in partnership with local business or totally Diaspora-led. For example, the high interest rates imposed by commercial banks on business loans deter entrepreneurs that could only create new businesses with credit. The latter issue is

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[4] This initiative of the government of Armenia being very recent, it was not possible to delve deeper into the tasks and responsibilities that this new function entails.

also viewed from the standpoint of Diaspora organizations that would prefer to create a profit-making enterprise, but assign all profits to the implementation of state development projects.[5]

The least important issue cited by the respondents lies in existing cultural differences between Armenian Diasporans and locals, which may trigger some difficulties in successful communication and cooperation. The lack of skilled local professionals in most fields creates yet another element of discontent for both, but more for Diasporans. And, finally, the interviewees also raised the continuing Nagorno-Karabakh conflict, which serves as a significant risk factor (particularly in the case of large investments) inherent to countries in conflict and unstable political environments.

All the interviewees were unanimous on the notion that the government should take action aimed at finding solutions to previously diagnosed issues. In that regard, the main problem that hinders Armenia-Diaspora cooperation and the in-flow of investments is the absence of a stimulating 'doing business' environment, coupled with the corrupt political environment in the Republic. The government should initiate reforms that speed up and intensify the fight against corruption helping institute good governance practices throughout state institutions.

Speaking about individual business investments by Diasporans, the interviewees focused on the tax code and the need to offer incentives that invigorate Diaspora investments. Another factor cited under the 'doing business' environment was the importance of facilitating access to credit from local banks for Diasporan investors as well.

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[5] One example of such a successful Diaspora engagement is the Zvartnots International Airport, Fruitful Armenia and Converse Bank, all of which are carried out by the same private organization. Profits derived from those enterprises are reinvested in Armenia for the most part and significantly contribute to state development. Whether or not the initial investment was at the suggestiion of the Armenian government was no possible to confirm.

**Shared strategic agenda**

The interviewees representing Diaspora organizations argue that the government of Armenia should establish a dedicated agency to serve as the principal link between Armenia and the Diaspora.[6] Further, more than half of those same interviewees also believe that the government of Armenia at its highest level possible should serve as principal mediator between the state, the Diaspora and various international organizations.

**Findings and Discussion**

The analysis of existing models elsewhere in the world and expert interviews identified a number of hindrances and considerations in Armenia-Diaspora institutional arrangements that cannot be ignored. In the first instance, significant emphasis is placed on using a participatory process to create dialogue and a constructive environment whereby the Diaspora can actually become part of the strategy and the solution to state development. The experts interviewed and Diaspora representatives were very keen on creating a platform and model of partnered working relationship that is more long-lasting and not periodically revived.

An example cited by several interviewees was the All Armenia Fund structure, whereby Diaspora organizations have at least some participation in the decision-making process. But, many argue, that model is not what would lead to the desired institutional arrangement for Diaspora involvement in the articulation as well as implementation of the state development strategy. Any proposed institutional arrangement should carefully consider the factor of unifying the Diaspora around one shared state development strategy.

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[6] Speaking of such dedicated agency, respondents were in favor of a government agency other than the current Ministry of Diaspora that does not appear to have the mission and corresponding mandates necessary for such Diaspora engagement.

## PROPOSED INSTITUTIONAL MODEL

Low level of cooperation and lack of continuous and methodical dialogue between the Armenian Government and the Diaspora organizations were considered as the principal and most important factors that hinder successful and results-driven Armenia-Diaspora engagement and contribution to state development. Those factors are assumed to be the most important predictors of successful and unified cooperation.

In other words, if the Diaspora were to become actively engaged in state development
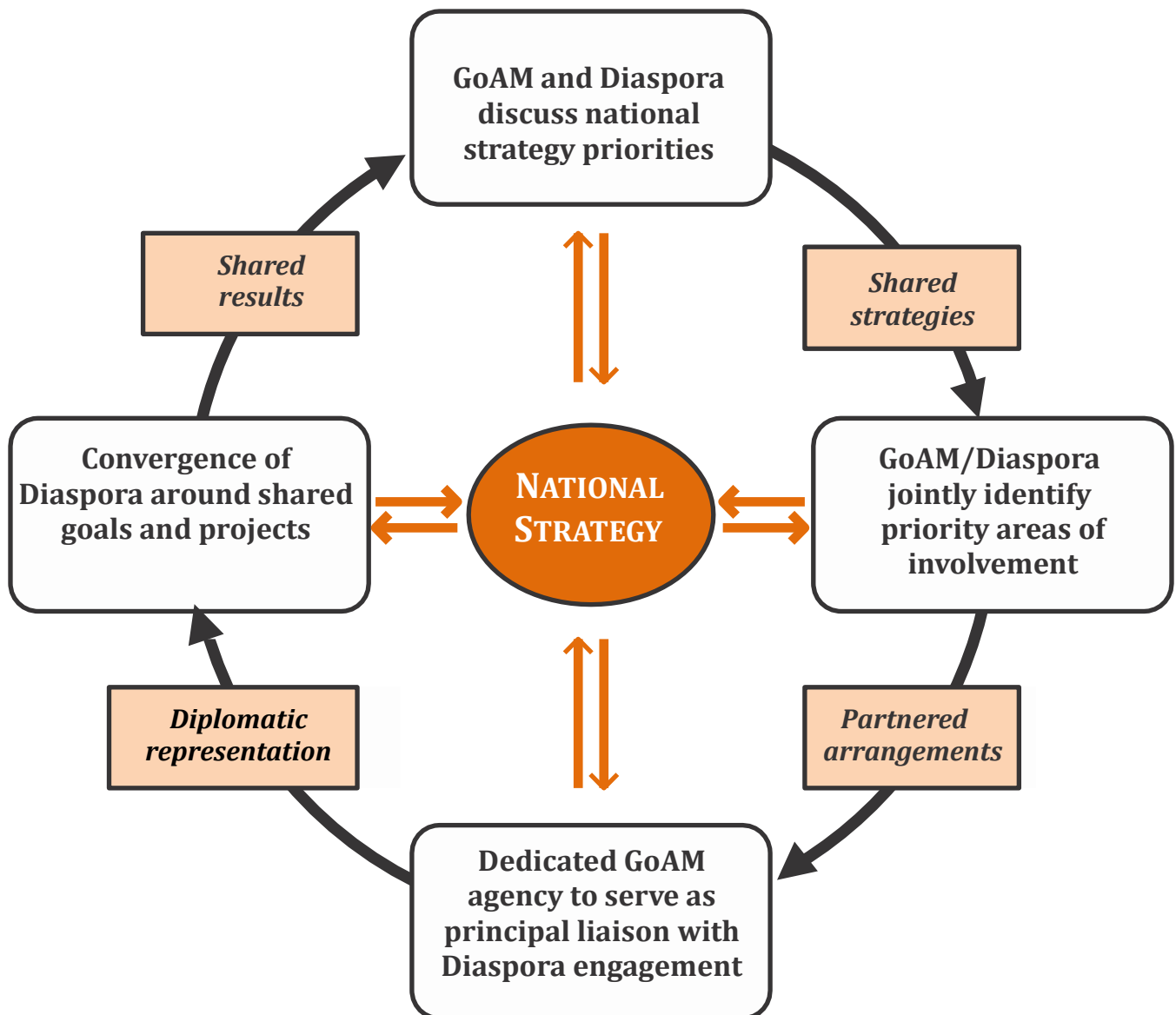
and/or in making significant contribution toward the state development agenda, it should also have a say in it. This was repeatedly expressed by those Diaspora organizations that, in spite of being involved in various initiatives in Armenia, are not yet working with government on a unified development agenda.

Additionally, working in a creative and unified environment that brings together both high-level government officials and key Diaspora organizations could result in (a) the design and formulation of a national development strategy that is feasible and would speed up the development process; and (b) would bring the Diaspora closer to doing more for the state. The proposed model uses a participatory approach that brings together all those concerned to work on a shared development agenda that they have created.

A byproduct the approach used in the proposed model is that Diaspora organizations could also unite at least around a shared agenda of development priorities and collaborate on the implementation of some projects expending their efforts towards the realization of shared goals. Reaching a unified front would also result in having more funds allotted to projects that are more costly and end-up being left aside or not implemented at all. Thus, the model proposes to establish continuous dialogue not only between the government of Armenia and Diaspora organizations one-on-one, but with and among all Diaspora organizations so as to create synergies that maximize impact.

In order to reach an enhanced level of cooperation the model proposes the Government of Armenia to work closely with Diaspora Organizations to first identify the areas or priority sectors of development that need priority attention. Generally, this would mean developing the national development strategy (not in isolation), rather with the participation of Diaspora

organizations. This participatory process would add value not only from the standpoint of knowhow and expertise that Diaspora organizations could contribute, but also with the view of taking ownership. Development initiatives the world over have shown that the more implementers participate in delineating and designing projects, the moew the likelihood that they will take ownership and ensure the success of those projects.

Once the initial collaborative discussions and efforts produce a development strategy (along with identified areas of priority) shared by both the government of Armenia and Diaspora organizations, the next phase of collaboration is more hand-on. It centers on designing and formulating activities and projects in which more than one Diaspora organization could get involved in partnership with the government of Armenia. A side effect or benefit of such an endeavor is the collaboration of Diaspora organizations as well (something that has often been hard to achieve). Thus the Government of Armenia and Diaspora Organizations agree to work together on specific initiatives.

For those partnered arrangements to be most productive and continue over the longer term the model also proposes the Government of Armenia to establish a dedicated state agency that would serve as leader and coordinator between and among Diaspora organizations ensuring that the national development strategy is kept in focus at all times. The agency, its mission and official mandate, including primary goals, objectives and authorities should be assembled by consent and may include Diasporans. One would wonder if that is not what the mission of the current RA Ministry of Diaspora is all about. The straight answer may be positive, but in reality, the Ministry has not served in the capacity and authority presented in the proposed model. In effect, the power of presenting Armenia and Armenian investment opportunities in state

development is a major task that when performed well is expected to produce significant fire in Armenia-Diaspora engagement. Aside from such a state agency, direct linkages should be established and maintained with key Diaspora organizations (as well as individual entrepreneurs and investors) through dedicated personnel serving in various embassies of Armenia. Whether such staff is called economic attaché or development technocrats, the principal purpose of having such position is to assure continued dialogue and discussion with the Diaspora.

In the final phase, the model shows convergence around programs and projects in which Diaspora organizations and the Armenian government work hand-in-hand to produce shared results. Most importantly, those expected accomplishments would push the national development strategy of Armenia forward at a higher speed recording unprecendented successes. That is the proposed institutional model for Armenia-Diaspora engagement in the next phase of Armenia's development.

## CONCLUSION

As discussed earier in this essay, the Armenian Diaspora is one of the strongest Diasporas in the world, and it has made significant contributions in the development of Armenia since 1988 (Van Hear et al. 2004; Mohamoud, 2003). However, as posited by the interviewees, thus far the government of Armenia has not taken the lead to develop or formulate an institutional arrangement with all its incentives and reform initiatives that would work best in producing optimal results. As discussed by many research articles and confirmed by the interviewees, the Diaspora as an institution has a big potential to contribute to state development in various forms of investment (Mason, 2016; Newland, 2004). Aside from monetary inflows, exchanges of

knowhow and technical skills also contribute to Armenia's development.

The study underlined key elements that have been taken into account in the proposed Armenia-Diaspora institutional model. These are built on theories of collaboration, participatory decision-making, and active and constructive communication. Most importantly, the model has proposed that all efforts by Diaspora organizations would be most productive if they centered on Armenia's development strategy priorities. This would make higher impact and record faster development success.

Thus, the study has approved both hypothesis #1 — *taking on a lead institutional role the Armenian government will be able to invigorate Armenia-Diaspora relations;* and hypothesis #2 — *providing Diaspora organizations with strategically formulated development priorities will stimulate their contribution to a shared development agenda.*

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**APPENDIX I**

**Interview Questionnaire**

1. Are you familiar with a success story that depicts Armenia-Diaspora collaboration for the development of the republic? Please elaborate your answer.

2. What are the most striking factors that hinder the purposeful cooperation between Armenia and the Diaspora? Could you provide examples?

3. In your opinion, is it possible to engage the Diaspora in realizing a shared agenda? If yes, please use examples that could be included in a shared agenda.

4. What specific arrangements should the government of Armenia establish to increase Diaspora engagement in the state development? What should be the role of the RA government in the process?

5. If you were to construct a new institutional model of Armenia-Diaspora cooperation, what would it look like? What mechanisms and institutional processes should it include?