

Remittances, Disintermediation of Intellectual Capital – Payback time for Diaspora

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From 20th May to 23rd May 2013, the International Fund for Agricultural Development (IFAD), in conjunction with the World Bank, will hold a big conference called Global Forum for Remittances (GFR2013) in Bangkok, Thailand. In 2012, it was estimated that about half of the more than 400 billion dollars in global remittances went to the Asian region from Asians in the Diaspora, who remit home to relatives to help alleviate poverty, pay for school fees and provide seed capital for agriculture and business.

If money were to be put on the amount of intellectual capital from Africa, sitting out there at NASA and in other prestigious institutions in the First World, it would be an incalculable, prodigious and princely sum indeed. For instance, Ghana has renowned scientists working at NASA such as Dr Ave Klutse, a Rocket Scientist and Top Complex Systems Analyst, Dr Isaiah Blankson, Senior Technologist and Innovator on Exo-skeletal Flight Engineering, Dr Ashitey Trebi Ollenu, Robotics Engineer, and Dr Fred McBagonluri, a finalist at astronauts' selection at NASA, who is a Health Systems Specialist and CEO of a US Health Instruments Company. These Ghanaians aside, we had Cheick Modibo Diarra, a Malian Astrophysicist and Interplanetary Navigator at NASA.

The fastest mathematical calculation ever in history was accomplished by no other person than the Nigerian, Dr Philip Emeagwali, a Computer Scientist, Geological Engineer and Businessman. There is Dr Thomas Mensah, a world renowned inventor of fibre optics, who is referred to as Father of Fibre Optics. The list is endless. Not to talk of Ghanaian doctors, professors, nurses, engineers and the like in the Diaspora.

Many eminent African intellectuals and skilled professionals in the Diaspora are contributing in diverse ways, by adding value to those First World economies by moving forward the frontiers of knowledge and development, as well as contributing in no small measure to the GDPs of those First World countries. Those African expatriate Diasporeans were partly educated in Africa, some up to PhD level, and some up to master's level, before they emigrated as students or guest workers to seek laurels abroad, and as it were, to seek greener pastures.

Yet, to others, it is like chasing the Golden Fleece or a mirage in the desert, or chasing after the wind. Stories abound about some African PhD holders who are operating as taxi drivers in New York or as chimney sweepers in London or as street vendors in Houston or as pimps in Amsterdam. Obviously, some attrition is bound to occur as some have not achieved Maslowian self-actualisation. Had these unfortunate ones stayed in Africa, perhaps, they could have found a niche or a gap in the labour market.

Some émigrés went to continue their education in those advanced countries, either through bilateral government scholarships, private sponsorships or on institutional staff development programmes. Some went and never returned, becoming anomies and erratics in their adopted host countries.

Many were lured by the mouth-watering job offers that they got in those advanced countries. Some excelled so much so that they were enticed by lucrative job offers to remain and ply their trade. It has been a harrowing experience for Third World countries to invest in human capital, as such investments, to some extent, have yielded negative returns in the short run through the brain drain, but in the long run, yielding benefits through remittances, which is the brain gain. A Professor Emeritus of Law at Lancaster University, Piocotti, observed some time ago that in the 19th century, civilization was powered by King Coal, in the 20th century by steel, but in the 21st century, it will be powered by knowledge, in the age of the knowledge economy or what he calls cognitive capitalism.

The Asian Tigers and countries such as Taiwan, China, South Korea and Japan, about half a century ago, sent thousands of their students to the best universities in Europe and the USA to acquire relevant knowledge and to bring it back home in the form of intellectual capital or reverse engineering. Even up to today, they continue doing so. It was a form of industrial espionage and technological transfer. Knowledge is power, and it does not come cheap, unless you plan for it, develop it through continuous research and enquiry. It must be heavily invested in, and it must be strategic, rare, pragmatic, valuable, and capable of being applied to solve human problems. The future belongs to knowledge workers because of ICT.

Since African intellectuals do not have the tendency to return to their native lands, perhaps a way should be found to tax their earnings and send such revenues to Africa to build schools, set up model farms, invest in housing estates, and to develop infrastructure. All the airlines in

the First World should remit some Diasporean tax to the countries of African expatriates who patronise their airlines.

Perhaps, world bodies such as the UN system and the OECD countries should seriously consider instituting Intellectual Capital Capita Tax (ICCT) on Africans in the Diaspora, and remit such taxes to their respective countries. Perhaps, part of the charges for issuance of residence permits, green cards and work permits, should be remitted to countries of origin of Diasporan applicants. The amount of money spent by African countries to train one medical doctor or engineer or accountant can be colossal, so there must be a way to recoup such sunk costs, even with interest payments.

Yet, after training, some of these brilliant intellectual assets, they are lost permanently through emigration. It seems the political, economic, social and technological push factors in Africa are outweighed by far by the pull factors in the advanced countries, as conditions have not been germane for many African professionals.

Seasoned African professionals have had to emigrate because of political instability, heavy social commitments, poor infrastructure, severe economic deprivations such as paltry subsistence wages, stifling bureaucracy, systemic corruption, failed public service delivery (unreliable electricity supply, high crime rate, high levels of inflation, tribalism, cronyism), among others.

In the First World, they are welcomed to efficient service delivery, excellent conditions of service, and advanced systems of human rights, especially in welfare states where you are looked after from the cradle to the grave, and you enjoy the dole or unemployment benefits. Many emigrants may be looked upon as unpatriotic for turning their backs on their native lands, yet it must be remembered that they are flying their national flags high wherever they are able to realise their full potential. After all, we are now in a global village in this age of globalisation. There is the famous Akan proverb in Ghana which states, ‘Anoma entu a, obua da’, which literally translates as, ‘if a bird does not fly out from its nest, it will starve to death.’

So has it been with many an African emigrant, who goes out there to seek better prospects so that he or she can be more helpful to his or her people. If the going gets rosy and cosy, then

they can send some remittances home, following the Ghanaian proverbial symbol, “Sankofa”, which is a bird that retrieves an egg which is left behind.

The World Bank reckons that global remittances are now five times the amount of Official Development Assistance (ODA), which stands approximately at 80 billion dollars per annum. It remains to be seen how countries in Africa can tap into their Diasporean population to acquire cheap capital for development projects. Diasporean remittances provide a parallel source of capital to ODA. It is, therefore, necessary for countries to find ways of establishing long lasting relationships with their Diasporean populations.

Ghana has established a Ghana Diaspora Desk at Flagstaff House, the seat of government to liaise with all Ghanaian Diasporeans abroad. This venture is being supported by the International Organisation for Migration (IOM). It is now payback time for all Diasporeans out there to remember to do something back home for their communities before they pass on.

Our Diasporeans can set up trust funds, endowments, businesses and donate for noble causes such as providing laptops and books to schools, buying electricity generators and hospital equipment for rural clinics, establishing rural small scale industries, among others. Our African emigrants can leave intellectual property legacy by writing books for schools and tertiary institutions in Ghana or coming up with innovative bespoke or tailor-made IT solutions for things like special keyboard for Ghanaian languages, among others.

These contributions will go a long way in lifting Africa out of the doldrums and poverty, and help to meet the targets set in the Millennium Development Goals in 2000 by the UN. Instead of publishing their books abroad, Ghanaian Diaspora writers should give our publishing houses back home some business, by not worrying too much about the initial cost. Alternatively, Ghanaians in the Diaspora can establish publishing houses to capture our intellectual property back home, which must not be allowed to die and fritter away with the old generation. That will create a disconnect and a hiatus in our cultural heritage.

I call for further disintermediation in the capital market by asking Diasporeans to utilise the cell phone to create small scale loans, or microfinance for those at home. People back home in Ghana find it hard to access loans from banks, because of the barrier of collateralisation. Diasporeans can use the cell phone to communicate with banks and microfinance institutions abroad to give loans to specified people in Ghana, who are their relatives or mentees. This

will be known as the Diasporean Empowerment of Mentees Back home Scheme (DEMBS). Beneficiaries have to have a strong business case or proposal to qualify for the scheme. The Diasporean can have the microfinance deducted over say a 12 month period from his or her salary.

As sponsor or financier, he or she is entitled to receive project progress report from an appointed local supervisor, who need not be a relative. We could also have another scheme called Smallholder Initiative for Nascent Entrepreneurs (SHINE), which will be targeted at youth entrepreneurs in Africa. Such youth will have their innovative business ideas examined for viability, suitability, sustainability and feasibility before being funded. This will greatly resolve the unemployment problem, and it will kick start small scale businesses, especially in agriculture in rural areas.

Another initiative will be the Diaspora Education Debt Trust Scheme (DEBTS), which will set up endowment funds for schools, targeted at chosen projects in the Alma Mater of the donor Diasporean, as a way of amortising the debt he or she owes to his former school, college or university. DEBTS will coalesce to revamp infrastructure in institutions which once were glorious, but are now run down. Further, I propose the institution of a fund by Diasporeans, known as Capital Amortisation Premium Scheme (CAPS), whereby all Diasporeans will be given loans wherever they are to sponsor their pet projects in their home countries.

Such loans will come from global financial institutions such as World Bank, IFAD, IFC, IDA, EU, MIGA Fund, among others. Each Diasporean who agrees to relocate back home, will be asked to present a business plan or proposal to any of the named institutions to be give a fund whose cap or limit will be 50 million dollars, and whose lower limit will be half a million. In this way, there will be a Marshall Plan for the renaissance of Africa. This will be in line with NEPAD of the AU. (New Enterprise Programme for African Development, of the African Union).

With such laudable schemes, they can help rescue many a girl-child wandering about in the streets of Accra or Lagos, and who may find herself put in the family way by hoodlums. If such a girl is not gainfully occupied by being at school or learning a trade, there is the likelihood of having many street kids as their offspring. The rise in homeless street kids will also see an increase in the crime rate.

Many of the African expatriates abroad in the Diaspora can take a cue or borrow a leaf from my seminal ideas and team up to form humanitarian or philanthropic organisations to help the needy children to get back to school. In the Volta Region of Ghana, there are the infamous Trokosi girls who are enslaved by religious and primitive cultural practices, whereby girls are put in bondage, by declaring them married at birth to some deities and fetishes. Such a practice also abounds in some rural parts of India.

These girls are penned and hemmed in, in shrines where they are seduced and abused by quack fetish priests and priestesses. Many of those girls can be rescued and sent to school. Who knows, perhaps, lurking in them are future Secretaries of State or future presidents. On the subject of intellectual property, we need to set up proper institutions in Ghana to safeguard and develop our cultural heritage. Many of our folktales, folksongs, knowledge of herbal medicine, among others, are fast getting lost, unless they can be captured and codified and stored as soft copies.

This task can be undertaken by Diasporean academics who can work jointly with UNESCO and the World Intellectual Property Organisation (WIPO). Our government in Ghana has to strengthen our laws on patents, copyrights, weights and measures, among others. Intellectual capital and intellectual property are conjoined. Protocols have to be reached with the First World countries to allow a per capita income tax to be put on all those in the Diaspora, so that their head taxes are remitted to their home countries to supplement government revenues. In this regard, there should be established in each country, a full Ministry of Diasporean Affairs. I hope Ghana is moving towards that, and will be the first African country to tap into an external think-tank of her expatriates or Diasporeans.

Diasporeans should be allowed to vote, and all of them should elect a member of parliament who will promote their welfare and protect their interests. The day will not be long in coming when ODA or donor aid will dry up, and its place will be taken by Diasporean remittances and flows.

Diaspora remittances will be a veritable source of income to supplement donor aid and traditional government revenue sources. With donor aid fatigue, aid fungibility, and the high geopolitics of donor aid, it will be a welcome relief to look towards relying on Diaspora remittances. Of late, donor aid has been pared because of the global credit crunch. African expatriates should coalesce by forming associations among themselves to fundraise for good

causes in Africa. They should form the proverbial Zion Train, written about long ago by people such as Marcus Garvey of Jamaica.

They can get registered online with IdEA (International diaspora Enterprise Alliance), which is headquartered in Washington D.C., and has a link to the State Department. Those who have interest in farming can go back home to their African countries to enter into farming ventures, as there is a big market gap, especially as Ghana is deficient in livestock and protein sources in general. They can get assistance from the country office of IFAD, WFP, FAO and other multilateral institutions..

As IFAD and the World Bank hold the GFR2013 in Bangkok, Thailand from 20th to 23rd May, it is hoped that this concourse of civil servants, journalists, policy makers, financial institutions, academics, business gurus, and other interested stakeholders will survey the global scenario and map out strategies for exploiting the immense potential of global remittances. It is on record that Asia alone in 2012 produced half the total of all the more than 400 billion dollars remittances received. It remains to be seen how the floodgates of this huge resource base can be unleashed to impact upon the lives of the poor in the developing countries.

It is reckoned that very soon, Nigeria's GDP will qualify it to join the BRICS countries of Brazil, Russia, India, China and South Africa, and it will change from BRICS to BRINCS. While that transition of Nigeria into that elite club is still on the brinks, and in the offing, let me cap this write-up with some more suggestions for the African Diaspora. They can set up the Diaspora Internship Enterprise Training Scheme (DIETS) for school-going youth in Africa to challenge them to come up with innovations at annual fairs and competitions, so that those who excel at the competitions, can be given awards of being affiliated to some identified Diasporeans, who can mentor them. This way, we would have found an antidote and palliative for the chronic youth unemployment conundrum, which is endemic the world over.

Another scheme will be the Diaspora Educational Entrepreneurship Programme (DEEP), whereby a group of renowned and successful African Diasporeans will be touring schools in Africa, (reminds one of the Phelps-Stokes Commission of Africa in 1922, on which our own late Dr James Emmanuel Kwegyir Aggrey served, touring Africa in that year on an educational sensitisation tour) to share their entrepreneurial skills with students.

Or, they can initiate Diaspora Initiative for Agricultural Lessons (DIAL), whereby a group of African Diaspora agricultural scientists can broadcast to students in Africa through radio or TV or video – conference, so that they form agric clubs in Africa and they mentor them. We could call them Kokrokoo or Nkyirmba Ekuafu Clubs (Latter days Farmers) in Ghana, or Chongololo Clubs in Zambia.

In conclusion, I will like to call upon my fellow African Diasporeans to begin to move, shake up, and turn things around in their home countries through networking. The 21st century is Africa's golden century to rise up from her slumber, and take a front seat in the comity of nations. There is no time to waste for this turnaround to happen. We need turnaround change masters, as well as massive capital inflows from African Diasporeans to change the face of Africa for good.

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