
Channeling Diasporan Entrepreneurship into Armenia

By Houry Mayissian

armenianweekly.com - 18/10/2013

A recent World Bank report entitled, 'Fostering Entrepreneurship in Armenia,' rated Armenia as having the highest level of entrepreneurial activity among the countries of the South Caucasus. This was due to a strong math and science foundation, according to the report, which also found that compared to their neighbors in the Caucasus, Armenian entrepreneurs were found to have an unusually high level of education.

The World Bank report

It is this small but vibrant pool of entrepreneurs in the IT sector that Armenia's first professionally managed venture capital fund will be supporting. Partner and Co-founder Pierre Hennes, who I recently met during the launch event of the Armenian National Committee of Australia's Professionals Network, is confident of the potential of Armenia's tech entrepreneurs.

Launched earlier this month, Granatus Ventures is a US\$6 million fund that will invest in IT start-ups based either in Armenia or abroad, but with some part of their core activities operating in Armenia. Not restricting funding to Armenia-based ventures will attract the involvement of successful diasporan entrepreneurs who are interested in placing resources in Armenia. It will also ensure that Armenian start-ups have global reach through this network of diasporan entrepreneurs. Further tapping into the diaspora's potential, the fund will be supported by a global network of experienced technology entrepreneurs and professionals.

'I always say Armenians are the oldest and strongest social network, even before Facebook. We have people all over the world, we are very well connected, and that's a strong asset that we should use,' Hennes, a Singapore-based venture capital and private equity specialist, told me after the event. This is the philosophy that should drive the fund, he believes. The other important principle is collaboration: building a vibrant entrepreneurial community would only be possible through an open and collaborative approach with all interested organizations, he emphasized.

Granatus Ventures is part of a broader World Bank-funded program to develop Armenia's IT sector. Through the Armenian government, the World Bank will provide US\$3 million in funding, to be matched by another US\$3 million that will be raised by Hennes, Yerevan-based Partner Manuk Hergnyan, and London-based partner Yervand Sarkisyan. The fund has already generated significant interest among private investors based in Armenia and Russia. The business plan, explained Hennes, is to ensure a few early successes that can draw attention to the potential of the country, thereby attracting further investment into the sector.

In addition to funding start-ups, Granatus Ventures will have a capability-building program. The Granatus Acceleration Program will be running customized workshops and training programs for interested parties on entrepreneurship and the various aspects of doing a business.

It is a bold but, as its name suggests, promising venture. Granatus is inspired by Punica Granatum, the Latin word for pomegranate, a powerful

Armenian symbol of prosperity, its seeds also signifying the seeding companies the fund will be supporting.

Granatus Ventures is one example where resourceful diasporan and repatriate professionals are making a difference in Armenia. From the IT, education, agriculture, and media sectors to civil society, there are several organizations, established or led by repatriates and diasporans, that are creating new jobs and opportunities, bringing know-how and a professional work ethic and promoting innovation.

These organizations, which often team up diasporan professionals with their local counterparts, are also shaping a new form of diaspora-Armenia engagement - one that goes beyond a donor-recipient relationship, promotes more direct interaction and collaboration, as well a better understanding of one another. Through Civilnet, Armenians in the diaspora now have live access to the latest developments in Armenia; One Armenia is offering an alternative model of funding small-scale projects that make a big difference to communities in Armenia; the Armenian Volunteer Corps has been helping diasporan youth experience the homeland in a more meaningful and personal light.

Although such organizations are making a considerable impact on Armenia and Armenian-diasporan relations, they are still a handful in number. In the more than two decades since Armenia's independence, the level of the diaspora's involvement in a professional capacity in Armenia remains far below its potential. Long gone should be the days when we visit Armenia as tourists and feel satisfied by making a donation here and there.

If we are willing to make the effort, today Armenia is more accessible to diasporan professionals than it has ever been before though this existing network of individuals and organizations. Throughout the diaspora, and particularly in the United States, there are several youth and student associations and professionals networks; banking on their links in Armenia, these forums should more actively channel diasporan professional involvement in Armenia. As important as this is for Armenia's development, it is essential for the diaspora's survival. Without tangible links to the homeland, there is only so much we can do to maintain our Armenian identity in the diaspora in the long term.

<http://www.armenianweekly.com/2013/10/18/channeling-diasporan-entrepreneurship-into-armenia/>
