



Do Workers' Remittances Promote Development?

Engaging The



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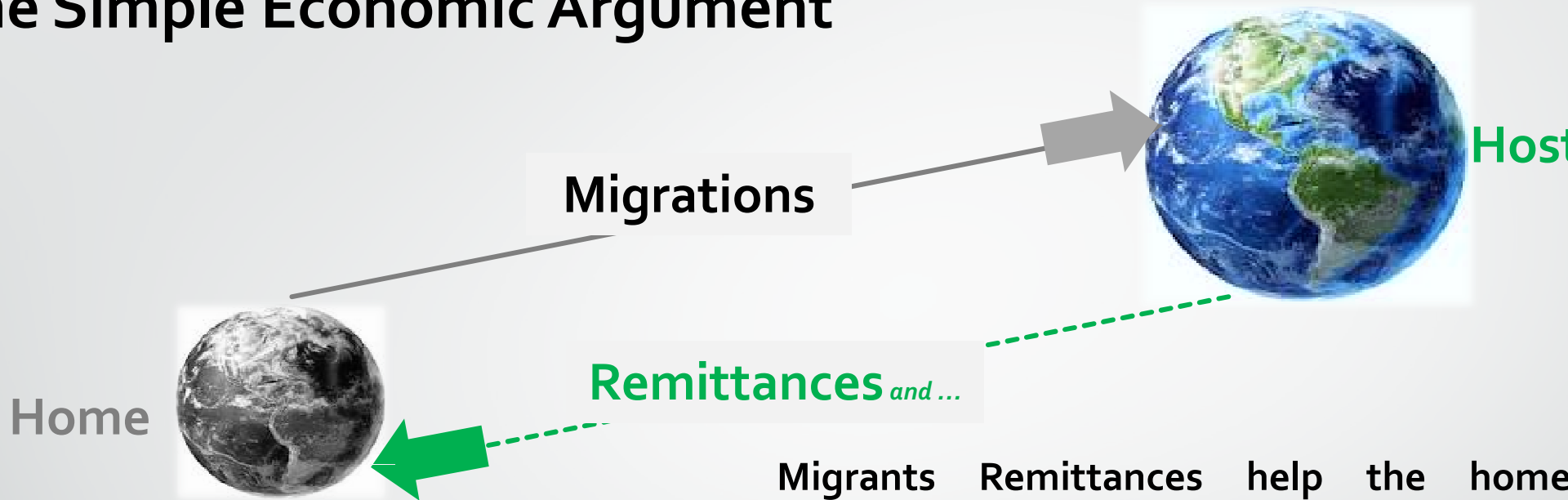
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Questions ...

- Is Migration (or Migrants) a Problem or an Asset?
- Does Migration (or Migrants) present a Brain-Drain or a Brain-Gain?
- Why Development is Presented as a Cure for Migration? Is Migration a Disease?
- Immigration paved the road for Globalization; or Globalization made Migration Possible?
- Is the increased in Poverty responsible for the rise in the demand for migration?
- If Migrants Remittances contribute to a Partial Poverty Alleviation, why we have witnessed a significant rise in both (Migration and Poverty) in recent years?
- The Impact of Migrant Remittances Have been studied at the household level, but their impact on the macroeconomic stability of developing countries remains in the embryonic stage. Why should I believe the available statistics on Remittances & Development?



The Simple Economic Argument



- Drop in Labor Population (Drop in Labor Supply) ... Or Surplus of Labor Or Excessive Number of Discouraged Labor....
- Drop in Local Output... (Or not)
- Drop in National Income... (Or not)

Migrants Remittances help the home country recover the output loss by the multiplier effect either (Or, effectively, there is no output loss)

- Through household consumption, or
- Through investment, or
- Both household consumption and investment.

According to the World Bank a 10% increase in international migrants as a percent of the population will 1.9% drop in number of poor in country of origin.

The potential CONTRIBUTION of diasporas to countries of origin or ancestry have many facets.

Remittances

- Remittances are huge and growing and they tend to go up in times of crisis as migrants try to meet their relatives' increased needs.
- Difficult to estimate *(mostly a part of the underground economy)*



No Reliable Statistics

Brain Gain

- Highlights a growing interest in diaspora members' skills and experiences and how these can be tapped by home countries.
- It is a competitive booster *(if & when exploited).*



*3.41% of 2012 Lebanese Population.
About 150,873*

Reputational Intermedia

- Who can facilitate their home countries' integration into the global economy.
- As Cultural Interpreters, diasporas can connect countries of origin to potential foreign investors and lobby for more favorable terms.



Very Hard To Quantify, ...

igrant Galaxy

Sufficiently Exploited



Remittances



Brain Gain



Reputational Intermediaries

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Have not been Exploited as ought to be!



Remittances are an Economic Lifeline

Informal Channels: From Individuals in Host Country **TO** Individuals in Home Country ... to reduce poverty in home-country.

Normally in Poorer Households

- Income Transfer: Supplemental income
- Poverty reduction
- Support Household Consumption
- Very difficult to account for since it is mostly channeled through the Informal Economy.
- They increase when economic times are not good at home, and when there are natural disasters.
- These transfers are Immune from political instability in home country.

Formal Channels: Capital Accounts Transfer ... to fuel the economic engine in the country.

Normally, in Richer Households

- Foreign Direct Investments
- Mostly in the form of Capital Transfers
- May require contractual arrangements
Legal framework
- Could be to support the Acquisition/Transfer of Technology.
- Support Acquisition of Assets
- Possible to keep Track of...
- Affected by Political Instability
- Create Jobs, and contributes to sustainable development.

Productivity of Migrant Remittances

Informal Channels

- It serves the purpose it is designed to serve: Partially Alleviate Poverty since it is intended to support household consumption in home country.
- Possible Threat of Money Laundering if linked to criminal activities.

Formal Channels

- Part of the returns on these investments finds its way outside home country.
- Home Country benefit from Migrants acting as Reputational Intermediaries.
- Often these forms of Foreign Direct Investment are contaminated by the political process in the home country (Often overloaded bureaucracy and corruptions). Thus the Credibility of the Public Sector, and the Productivity of the Public-Sector Dollar matter.
- In the case of Technology Transfer there is an opportunity for home country to benefit from the Brain-Gain.
- Threat of Money Laundering if linked to tax evasions and other illegal activities.

GRAPHICAL DISTRIBUTION OF THE BANENESE DIASPORA

430,000	EUROPE
2,570,000	NORTH AMERICA
8,584,000	LATIN AMERICA AND CARIBBEAN
14,000	NORTH AFRICA
8,000	AFRICA
2,000	ASIA
205,500	ARAB WORLD
435,300	OCEANIA

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BIG TOTAL
12,369,000



Motives Behind Connecting With Migrants

Income Supplements

Socially Driven

- Government Policies are of little consequences.
- NGOs could bring people together

Reactive AND Public-Sector Independent

Economic Development

Investment Driven

- Government Policies are critical
- Perception of Credibility and Stability of Government are important .

Proactive and Conditional Upon Political Stability AND Public Sector Credibility

Government Revenues Generations

- Indirect Taxes: Passport Airport Charges, etc.
- Income/Capital Gains Tax encourage reporting of income; encourage investment in financial services, etc.



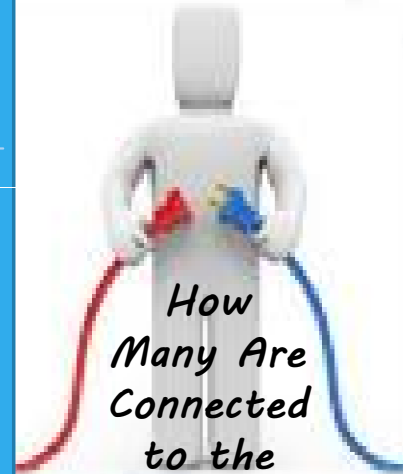
Economic Classes of Immigrants

✓ *Transnational Elites/Investors, Entrepreneurs (Global Elites not a part of Migrant Statistics)*

✓ *Highly-Skilled Migrants*
3.41% of 2012 Lebanese Population.
About 150,873

✓ *Other legal immigrants and temporary migrants.*

✓ *Undocumented/Unauthorized migrants (go where the job is)*



How Many Are Connected to the Home Country? ...who is to blame!





The Experience of **Jammal Trust**
Bank

**The Founder of JTB Bank new that our Dreams Do
Come True When we Wake U**

**His Dreams came True in 1963 with Careful Planning
Hard Work, Determination and Commitment....a
LOTS OF TRAVEL**

Ali A. Jammal (R.I.P.) Succeed

...and the once-upon-a-time a Dream continues to succeed in today's re

Uses of Funds

Nigeria
Benin
U.K
Liberia
Ghenia
Ivory Cost
Gabon
Angola
Kuwait
Switzerland
KSA
Qatar
Romania
Italy
Mali
Congo
UAE
Cameroon
Sudan
Ghana
Canada
Singapore



Sources of Funds




Angola
Benin
Congo
France
Ghana
Iraq
Ivory Cost
Jordan
Kuwait
Liberia
Nigeria
KSA
Seychelles
Sweden
Togo
USA
UAE

JTB's Interface with the Rest of the World: Funding & Investment

Circular Migration: A Voluntary Repeat Movements Between Country of Origin and a Country of Destination

JTB Leveraged Diasporas for Development



-  Tapped into Diasporas Human Capital
-  Tapped into Diasporas Surplus of Funds
-  Tapped into Diasporas Philanthropic Contributions





JTB's Interface with the Rest of the World

- Brain Bank
- Cultural Interpret
- Reputational Intermediaries
- Lobbyist



- Develop Markets
- Trade Ties
- Supply chains
- Technology Trans from Home to Ho

JTB Leveraged the Expertise and International Exposure of Lebanese Citizens Living Abroad.

JTB Migrants Should not be Considered Solely as Providers of Remittances.

JTB Migrants Represent a Huge Untapped Source of Economic Development for Lebanon.

JTB Migrants Can Play a Significant Role in Connecting People and Businesses Between Lebanon and the Global Markets.

JTB Migrants Can Play a Significant Role in Transferring their Management Professional Knowledge and Experience to Local Entrepreneurs and Young Professionals, by Investing Remittances in New Ventures or Existing Small Medium Enterprises, and Establishing Trade Links.

- JTB Looked at Lebanese Diaspora as an Important Catalyst for Fostering Globalization and Regional Integration.



Much Can Be Done...

Much Must Be Done ...

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Lebanese Diaspora Studies



What Can Be Done? ...



- Creating a viable framework conducive to diaspora engagement (legislation)
- Facilitating the creation of diaspora-centered institutions.
- Initiating programs specifically targeting diasporas as development actors.





Steps to be taken ...

- Identify Goals
- Map Diaspora geography
- Map diaspora skills and capabilities
- Create social connections between diaspora and relatives at home
- Create a relationship of trust between diaspora and home government
- Mobilize diasporas to contribute to home country Engagement
- Identify the main obstacles to engagement, and changes needed to encourage their engagement.

*Thank
You*

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