

# **Lebanese Immigration: Opportunities and losses**

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of the course

## **Session 1: Immigration and globalization:**

### **1.1- Introduction**

According to the UN Population Division there are around 200 million emigrants worldwide. This number, although somehow modest, constitutes 3% of the total world population. However, this amount has increased over the past 30 years due to the globalization which made communications and transportations from country to country much easier. As to Lebanon, where emigration started in the late 19<sup>th</sup> century, the gaps are large in the estimates on the number of immigrants, in the absence of any formal census but what is for sure is that the number of migrants exceeded millions.

We have to point out here that study published by the University Saint-Joseph in 2003, estimated the number of immigrants only between 1975 and 2001 to be 900 000. What is of certainty however, is that rate of Immigration in Lebanon is much higher than the global Immigration rate.

### **1.2- Positive or Negative impact?**

Many questions arise with contradictory opinions about the impact of Immigration on many essential aspects, especially on the economic situation, the investment climate and the local development.

Various economists point out that Lebanon's primary source of foreign assets comes from migrant remittances, only to be followed by tourism, where migrants count for the larger portion of tourists. They also play a key role in boosting the communication and transportation sectors.

Other economists perceive that the growing rates of immigration are no longer contributing in lowering the unemployment rates in the country; rather it is draining Lebanon from its productive capacities and turning the society into an aged one.

### **1.3- Immigration is the first aspect of globalization**

Immigration is considered to be one of the first aspects of globalization, and emigrants are its primary pioneers. The emigrant, who undertook the hazards of adventure, crossing the boundaries of his homeland into unknown territory in the search of a better life, is distinguished by his ability to understand and adapt with the demands of modern economy, and also contribute to its development.

Lebanese emigrants are considered to be the pioneers of modern globalization, and were able to achieve astonishing successes. Hence, they occupy key

positions in many globalized giant firms due to the accordance of modern globalization and Lebanese competitive advantages like the ability to adapt, the spirit of initiative, the pursuit for additional education and mastering several languages.

In order to take advantage of this connection, a lot of effort must be put in liberalizing some services sectors such as telecommunication along with putting into effect legislations that would regularize e-communications, and that in the aim of benefiting from the potentials of Lebanese residing abroad , plus speeding up and facilitating the connection between Lebanese companies and the rest of the world, and to push them into the international market, while remaining in Lebanon; and thus, alleviating the alarming Immigration rate.

It must be underlined here the necessity of the aforementioned steps so that Lebanon would no longer be one of the few remaining countries that are deprived from the achievements and capabilities of its citizens.

It is important to point out here that after the sever crash of the American stock market in 2001, it was no longer the west and its giant corporations the sole beneficiary of globalization. Mainly because U.S banks had at the time, to sell maritime cables companies mortgaged for tenth of its actual price, thus allowing the new owners to drastically lower the tariffs on long-distance phone calls and internet services. In consequence, the barriers that stood in front of individuals and SME's to compete against western companies, was lifted. They had no more competitive advantage over one another, and thus the employments and manufacturing processes became globalized.

Year after year, we further notice the impact of Immigration on many levels, especially in the fields of economy, investment, and local development.

The relationship existing between the Lebanese economy and Immigration can be summarized into 3 main channels: the remittances of immigrants and workers abroad, the Immigration of manpower, and the return of investors

## **Session2: Remittances of the immigrants and workers abroad**

### **2.1 - The constant growth of Remittances:**

The sum of the global remittances (money sent from immigrants to their home countries) is in constant growth and has increased from \$102 billion in 1995, to \$ 400 billion in 2011.

The amount of remittances flowing into developing countries has passed from 81 billion USD in the year 2000 to 300 billion USD in 2010, about a 270 percent increase in the past decade; this is a clear example showing the role of globalization and technological advancement in facilitating and increasing communication between residents and immigrants, and thus increasing the amount of remittances flowing into their home country.

As for Lebanon the amount of remittances sent from immigrants and workers abroad has augmented from \$ 1.5 billion in 2000 to around \$ 8 billion in 2010, illustrating an increase of 530% in 10 years; and composing 25 % of the GDP, while it was only 7.4% in 1998.

Around 45% of these remittances are sent by Lebanese working in the Arab states, reaching a number of about 400,000 people.

The volume of remittances was not influenced by the overwhelming economic and political crisis that reigned over Lebanon. On the contrary however, it has remarkably expanded, confirming once again the importance of these remittances in creating an economic and social safety zone.

### **2.2- Reasons for remittances:**

Three main reasons push Lebanese people living abroad to send money to Lebanon, and that is the tendency to help and assist relatives, the attachment to the home land, and diversifying the financial portfolio by purchasing treasury bonds and real estate.

Kinship assistance includes financing for some basic needs such as food, housing, medical and education expenses. Accordingly, a line must be drawn here showing that higher education levels could create more emigration if it is not accompanied by projects generating new job opportunities enabling Lebanon to absorb the new highly qualified proficiencies.

Remittances are the primary source of foreign currencies in Lebanon; and it is unbound by any commitments, hence helping residents improve their purchasing capabilities in spite of the economic downturn.

Still though, the positive effects can be much greater if the government would adopt a plan encouraging the Lebanese Diaspora to shift a part of their transfers into the sectors of productivity.

### **2.3- The Central Bank's policy toward remittances:**

The Central Bank of Lebanon is considered to be the main engine stimulating immigrant remittances and encouraging them to transfer money via formal channels and agents. And the foremost steps employed at this level are:

1. Guiding the banking sector to keep track of international standards regarding availability, liquidation and transparency.
2. Using state of the art technologies for banking processes through transfers, settlements and compensation, ensuring safety and speed. Nevertheless, some banks have signed agreements to Lebanon electronically, thus simplifying and reducing the cost of money transfer.
3. Adopting a policy to promote banking mergers which produce strong institutions able to spread in many countries with Lebanese presence; along these lines, providing personal financial services to the community, most importantly money transfer to Lebanon with competitive charges, and endorsing special immigrant programs such as housing loans.

It is crucial to distinguish here the necessity to launch a campaign on financial literacy in the countries with Lebanese presence, pointing toward amplifying the remittances to Lebanon, since the immigrants of the second and third generation tend to loose direct connections with Lebanon, and lack sufficient information about Lebanese banking and financial policies.

### **Session 3: Immigration of the Lebanese labor force:**

#### **3.1- Introduction:**

In a time when the developed countries are competing to attract the emigrating, highly skilled, labor forces because of the added value it provides for its economies, we find Lebanon exporting its educated youth into the four corners of the globe, unobserved and without any elaborated planning.

Lebanon has a large percentage of university students, reaching 48% of adult residents, which is unable to absorb. According to a study published by the "Information International" institution, 70.4% of emigrants left Lebanon due to the lack of job opportunities.

Hence, Immigration could have some positive aspects as to the unemployed, but what is happening in Lebanon is the closing of many factories and shops, and their relocation into other countries along with their staff, adding to many highly skilled people situation in Lebanon.

In light of these facts and in a country where **population growth has only reached 1.15%** the Immigration is moving from being an unemployment-reduction phenomenon, into draining the state from its working strength, turning it into an old unskillful country. Here a distinction must be drawn between the high-skilled and low-skilled Immigration; for each one has a distinctive impact on the country.

### **3.2- High skilled immigration:**

According to a study conducted by Dr. Shoghe Kasparian published in 2005, 29% of the graduates from University of Saint-Joseph (USJ) have left Lebanon (40% of the males, 22% of the females); Along with 65% of the engineering graduates, and 50% of the medical graduates.

#### **3.2.1- The negative effects:**

The above mentioned figures evidently point out to the danger behind the elevated rate of high-skilled Immigration, which can be summarized into three types:

**First:** the impact on the productive capabilities of Lebanon:

- Lebanon is losing its innovative and creative force, and exhausting its fresh environment for productivity, openness and constant development.
- A large segment of the skilled labor force still living in Lebanon consider themselves temporary residents. They work with no planning , awaiting the Immigration permits .This is why many Lebanese corporations are having difficulties recruiting employees to guarantee the continuity of the firm.

**Second:** the impact on national revenues:

- Lebanon suffers from a double loss due to the exodus of its highly-skilled labor force; when the parents are paying the heavy burden of education fees, it is the Immigration importing countries that are benefiting from these skills.
- The revenues of the Lebanese treasury are being negatively affected by losing the taxes and the fees Lebanese workers have to pay when working in Lebanon.

**Third:** the impact on social security:

- The drainage of “brain-power” from a country could diminish essential social services such as medical care. And the hazard begins to show when less competent foreign labor force begins to fill the lack.
- Immigration might cause an imbalance between the number of males and females causing social intricacies.

### **3.2.2-The positive impacts:**

Here are some limited positive impacts

1. Some developed nations give Lebanese immigrants a better chance to expand their capabilities and achieve success.
2. Immigration might encourage residents for further academic attainments to accomplish what others have already done.
3. Returning immigrants bring back with them modern and developed techniques and technologies. However, this effect remains theoretical because the last link of the Immigration stages, being the “come back”, is missing in Lebanon. Consequently, instead of returning home and assisting his country like he did for the receiving state we find the Lebanese immigrant becoming well infused into the host country and his relations with Lebanon become sometimes symbolic.

### **3.3-Low-skilled Immigration:**

The low-skilled Immigration is less hazardous than the highly-skilled Immigration. It produces some positive impacts.

1. This kind of Immigration generally belongs to the lower social classes which are in need of remittances from abroad. It has been proven however that low-skilled immigrants transfer more money to their parents than do highly-skilled immigrants.
2. This Immigration would create more job opportunities for those still in Lebanon, and therefore, it could have a positive impact if the unemployment rate in the sector is low, immigration could lead to a deficiency in labor force, thus raising the wages, which in its turn would prove unbeneficial for the employers.

### **3.4-Necessary actions for the labor force immigration:**

#### **3.4.1-A constant of immigration with regular statistics and standardized criteria.**

We find big gaps between the numbers of one statistical source and another, depending on the way the census was conducted upon. Thus it is vital to keep track of the Immigration, its quality in standardized criteria, its division between sectors, and depending on the destination country, in order to get acquainted with the needs of the Lebanese market and to draw effective plans for various sectors of production.

#### **3.4.2-Profiting from the “brain drain “phenomenon**

##### **Successful case study - TOKTEN(Transfer of Knowledge through Expatriate Nationals)**

The “brain drain” phenomenon has deprived Lebanon from the expertise of thousands of its citizens in a time when this very same expertise is much needed. I will mention in what follows the TOKTEN experience as a model program to limit the negative effects of “brain drain” and in shifting these proficiencies to Lebanon in a prolific manner.

TOKEN is a program launched by the UNDP to get hold of Lebanese potentials in order to boost the developmental efforts and the transfer of their knowledge and skill.

This program depends on the spirit of volunteerism and the will to aid the country. In other terms, the TOKEN volunteers are not remunerated, but are eligible for travel tickets and housing fees and many Lebanese governmental institutions were able to benefit from the experience of immigrants thanks to this program.

It is crucial to profit from the successful experience of TOKEN and launch similar programs in a broader perspective.

#### **Session 4: Obstacles for Immigration & développement :**

We will enumerate briefly the main obstacles that are depriving Lebanon from mainstreaming its economy and the huge Immigration potentials into a national strategy.

#### **4.1- The Lack of data about emigrants potential:**

We all have been hearing for a long time that the Lebanese Diaspora has a huge investment potential dispersed all over the globe, with no accurate information on the potentials and their geographical distribution.

This is why it is important to start researching, surveying and communicating with those potential investors, since this step would be the core of any initiative towards investing immigrants.

#### **4.2- Lack of productiveness of Immigration institution:**

Many Lebanese villages and towns have equivalent clubs in one more destination states; for this reason, it is crucial to support such organizations so that they would be able to achieve their goals, and I emphasize next on the significance of managing training seminars and electronic linkage:

Managing training seminars – like the current course - for the active members in these clubs to provide them with the necessary experience and expertise they need to be able to contribute in implementing developmental projects linking Lebanese Diaspora to our local villages. We mention for example the agreement initiated between the International Immigration Organization based in Washington and its counterpart in El Salvador, with the cooperation of the Salvadorian foreign affairs ministry, to organize training lectures for the presidents of Salvadorian Immigration clubs in the U.S., aiming at providing them with qualifications and expertise to benefit from the “brain-power” that has migrated to the U.S., and also, in executing and ensuring funds for developmental projects in their home country.

The electronic linkage between Immigration clubs and foundations on side, and their corresponding villages and town in Lebanon is fundamental since it contributes in forging the ties of cooperation among residents and immigrants, and to promote Lebanese products abroad, especially those with a heritage and the e-selling of “Baklava” for emigrants, and through them to the markets in which they are located.

Mexico is considered to be one of the pioneer countries in launching initiatives to ease the communication process with immigrants. For example, I point out the efforts of the “ FPPC ” institution, collaboration with “ Banco de Mexico “ and “ UCLA “ in funding launching a project to build internet cafes in rural areas of western Mexico in order to facilitate the communication with its emigrants and promote its products.

### **4.3- Necessity of cooperating with receiving countries:**

Many western and receiving states have adopted policies encouraging and supporting collaboration between immigrants who have come to them and their home countries, and that, in the principle of equitable development and justice, and the right of the sending country to benefit from the abilities of its subjects.

We should ask the receiving countries to aid Lebanon, not only through financial support and donations, but by creating joint projects aiming at developing our local capabilities and investing it within Lebanon.

We mention France for example which has launched programs to assist the highly skilled emigrants to undertake development projects, and transfer their skills into their home countries.

The Lebanese government must take advantage of this fact and establish links with states and specialized international agencies to set up a common vision and cooperation in preparing programs that would help Lebanon benefit from the investment potentials of its immigrants.

In what follows I shall speak of France, Italy, and the USAID as examples of support and assistance they have carried out with states that exported immigrants into them.

**\*France:** it has put together a policy of co-development to support and ease the financing of investment and growth projects in the villages of countries that export immigration into it; and that, in collaboration with their Immigration associations in France.

For example, a guarantee fund was established to give loans to Senegalese living in France, and intending to start projects in Senegal. In addition to creating a microcredit union to also help finance similar schemes in Senegal.

This collaboration is also exhibited with Morocco. A program has been launched, under the tutelage of the European Union, which supports innovation in the technology and SME sectors through purchasing shares in such companies by Moroccans living in France.

**\*Italy:** It has co-signed a project with the Immigration for Development in Africa (**MIDA**) financed by the Italian government; it put a strategy and an executive machinery to develop some of the productive sectors in Africa by Africans currently residing in Italy.

\***USAID:** is has always encouraged an Immigration institution to finance developmental projects in their home countries. For example, “PAN AMERICAN” has helped raise the funding needed from immigrants to start such projects in countries like Mexico, El Salvador, and Haiti.

**Conclusion: Finally we point out the main following objectives of the course:**

- Encourage emigrants to invest their remittances in reliable projects combining their enthusiasm for developing their country and villages, and profiting from a reasonable amount of income.
- Promote Lebanese export products through Lebanese Diaspora abroad into countries where they reside. And I refer here, as example, to the success of “Baklawa” and its soaring sales via internet to immigrants, and then to the markets in which they are present.
- Increase the productiveness of the emigrant institution’s events, exceeding the Limits of acquaintances and protocols, as well as reducing the duplication of the activities.