Lebanese Diaspora and Economic Development: New Survey-Based Analysis

Aleksandr V. Gevorkyan (St. John's University) and Samar Issa (Saint Peter's University)
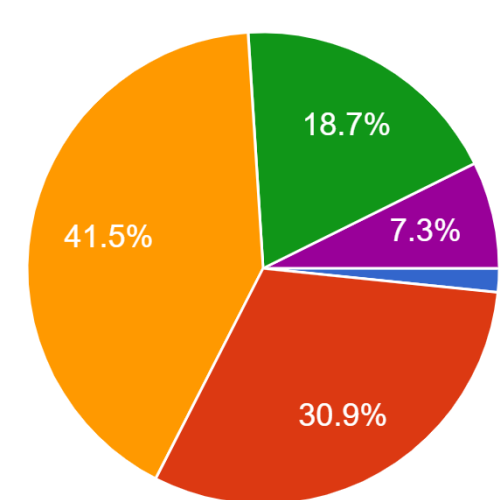
Abstract

This paper relies on an original Lebanese Diaspora Online Survey to investigate how the magnitude of diaspora's development involvement and financial assistance are related to demographic characteristics and perceptions of Lebanese expatriates as well as to any country specific and global institutional factors. The econometric analysis employed cluster and factor analysis of the survey data. The results show that financial involvement is positively related to a diaspora member's income, connection with Lebanon, and age. We also conjecture that education level has a marginal positive effect on monetary donations but has strong effect on non-monetary relationship with the country. The consequences of the 2019 crisis (mildly or severely) do not seem to influence financial involvement, pointing instead to more structural determinants and role of personal informal networks. A successful integration of the diaspora's potential may help develop an effective policy response now and develop institutional stability in the future. This paper contributes to the literature on diaspora and economic development.
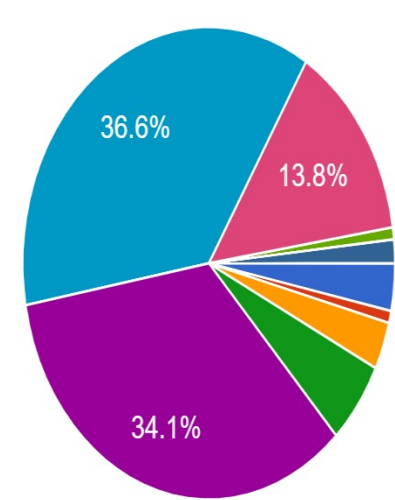
Introduction

Over the past century, significant numbers of Lebanese have migrated to various parts of the world, including Latin America, Europe, Africa, and the Middle East, as well as to North America and Australia. The reasons for migration have varied over time, but often included economic and political instability, conflict, and persecution. The Lebanese diaspora has made significant contributions to the development of their host countries and to the global economy.

But now, is the Lebanese diaspora ready (or willing) to engage with Lebanon? The Lebanese crisis is the worst financial and economic crisis in history. It appears that the most effective means of raising funds for Lebanon should be through its diaspora. The Lebanese diaspora can go beyond remittances and play a bigger role in the homeland's economic development. Hence, our research question is the following: How is the magnitude of financial assistance related to demographic characteristics of the Lebanese expatriates?
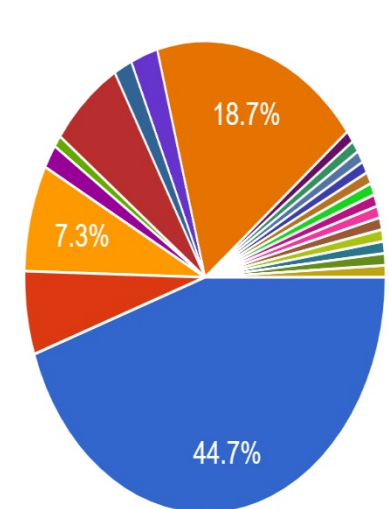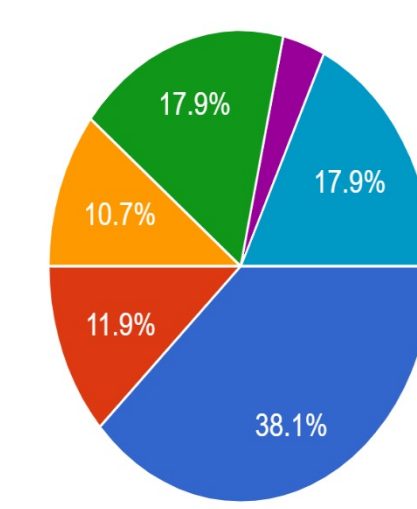

What is your age group?: 123 responses

What is your highest level of education? 123 responses

Please specify the country of your current residence: 123 responses

If you were born in Lebanon, when did you move to the present country? 84 responses

Methods

We construct and implement a Lebanese Diaspora Online Survey (LDOS) – modeled on the Armenian Diaspora Online Survey (Gevorkyan, 2022). We ran our survey online from February to June 2022. The LDOS had 72 questions in the following categories: Part I: Background (28 questions); Part II: Involvement with Lebanon (22 questions); Part III: Lebanon Financial Crisis (19 questions).

The questions in turn were classified in the following categories: Group A: Demographics (gender, residence, employment status, etc.); Group B: Attachment to the Lebanese and proficiency in the Arabic language (reading, writing, emotional attachment, interest in Lebanese history, etc.); Group C: Sensitivity to the 2019 crisis (was impacted or not, severity, etc.); Group D: Political involvement in the Lebanese life (participation in parliamentary elections, etc.); Group E: Financial and other assistance to Lebanon (donations, etc.); Group F: Administrative questions. The survey received 123 responses.
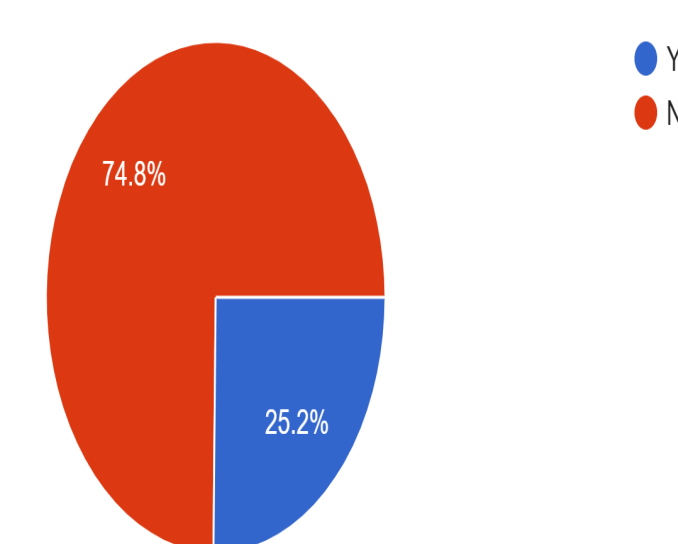
Econometrics and Findings

The data was compressed into a few factors via principal components analysis and those factors were used as building blocks in subsequent modeling. Cluster analysis was performed on variable groups. The old and newly created variables were explored via association measures, linear (Pearson's correlation) and non-linear (Kendall's tau and Spearman's rho). The "optimal" linear model for variables Annual Financial Assistance, Financial Involvement and Would Lend to Lebanon were developed.
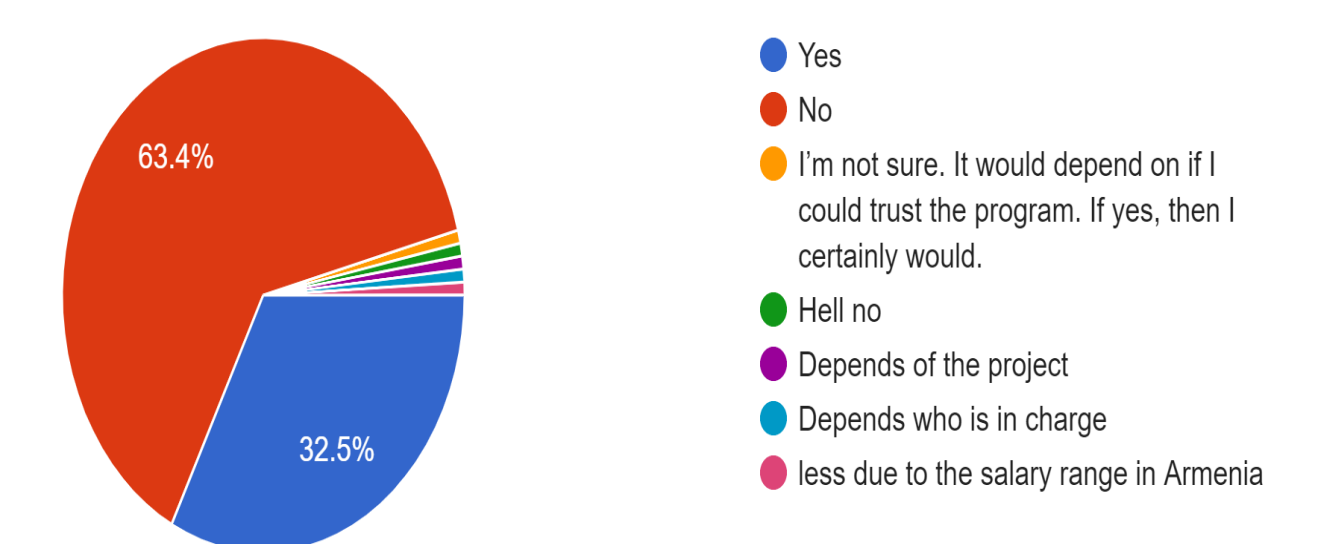
Findings included the following:

- Expatriates with higher annual income are likelier to donate. Those born in Lebanon are likelier to donate.
- Older people tend to be more financially involved in the matters of Lebanon.
- Education level has a marginal positive effect on donations. No other demographic information matters. Proficiency in the Arabic language and history as well as the overall appreciation for the Lebanese culture do not seem to influence financial involvement.
- Getting hit by the consequences of the 2019 crisis (mildly or severely) does not affect financial involvement.
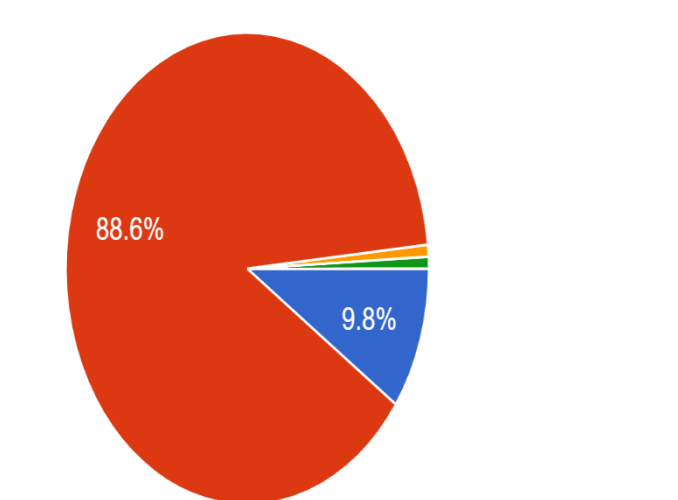

Have you started to provide any new form of assistance, other than financial transfers, to recipients in Lebanon after the 2019 crisis? 123 responses
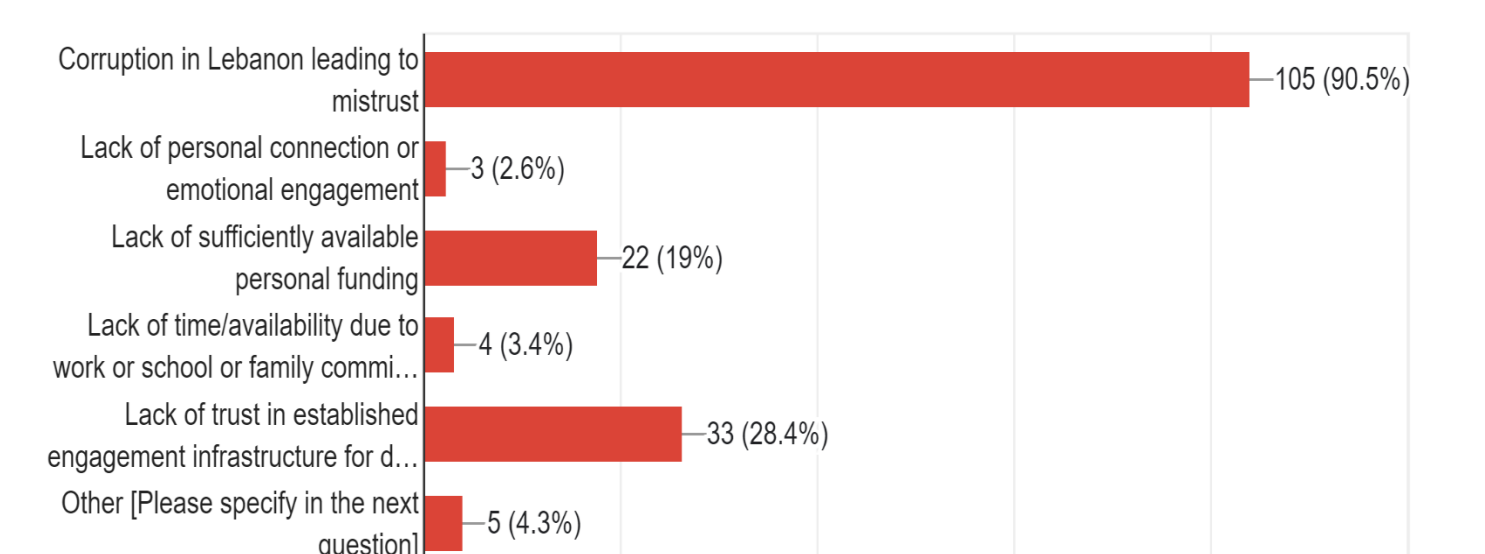

If you live outside of Lebanon and tomorrow the country launches a program for government borrowing from its expatriate population to fund ... development projects, would you lend them $100? 123 responses
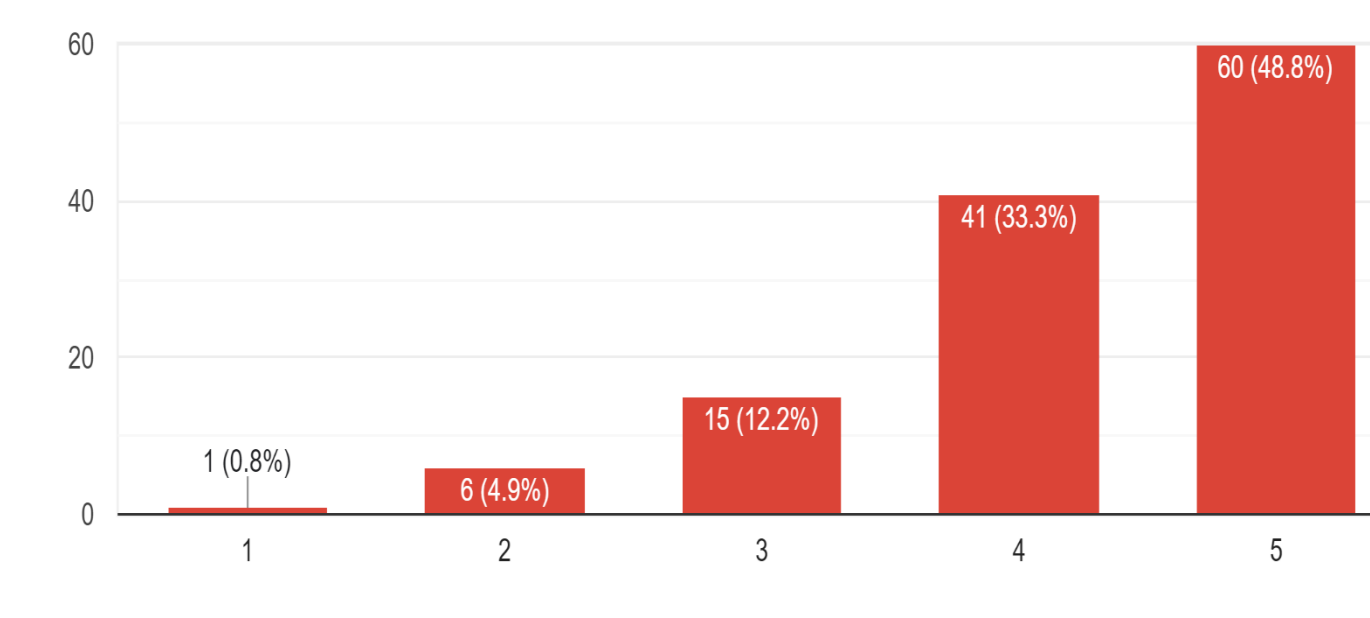

If you live outside of Lebanon and tomorrow the country launches a program for government borrowing from its expatriate population to fund...development projects, would you lend them $1000? 123 responses
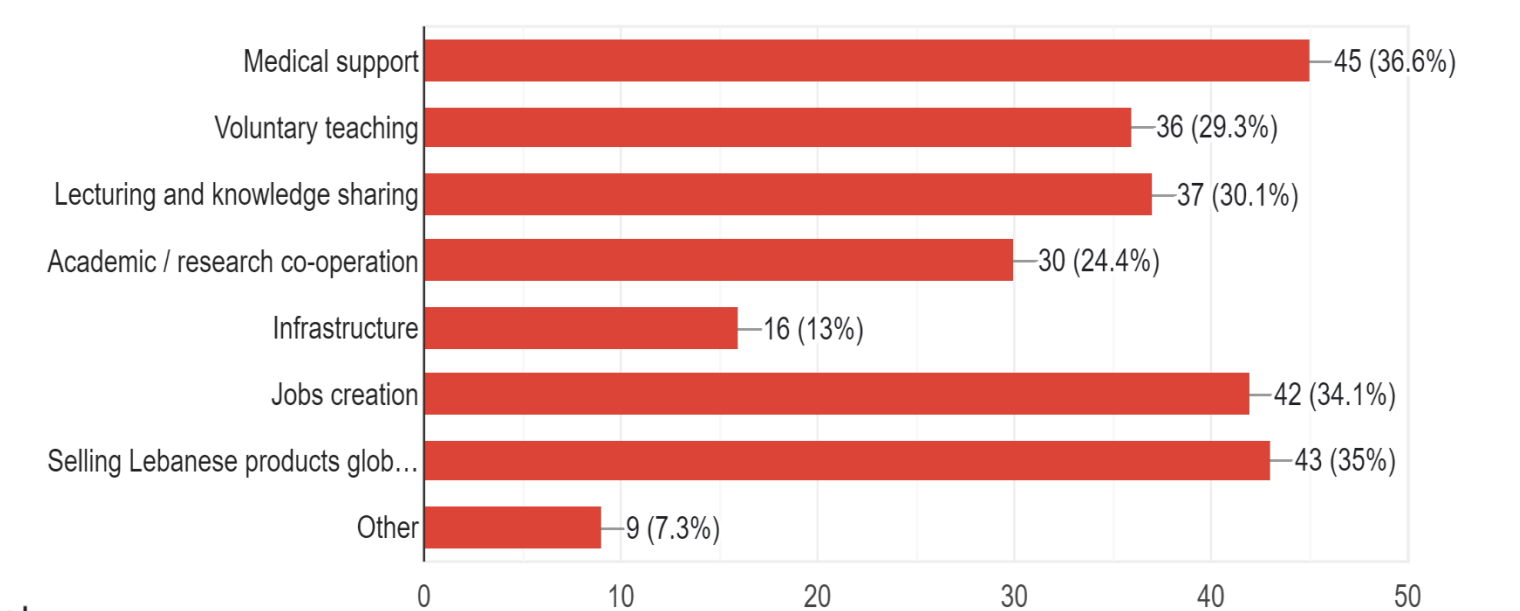

If you answered "NO" to one of the previous question, please say why. 116 responses
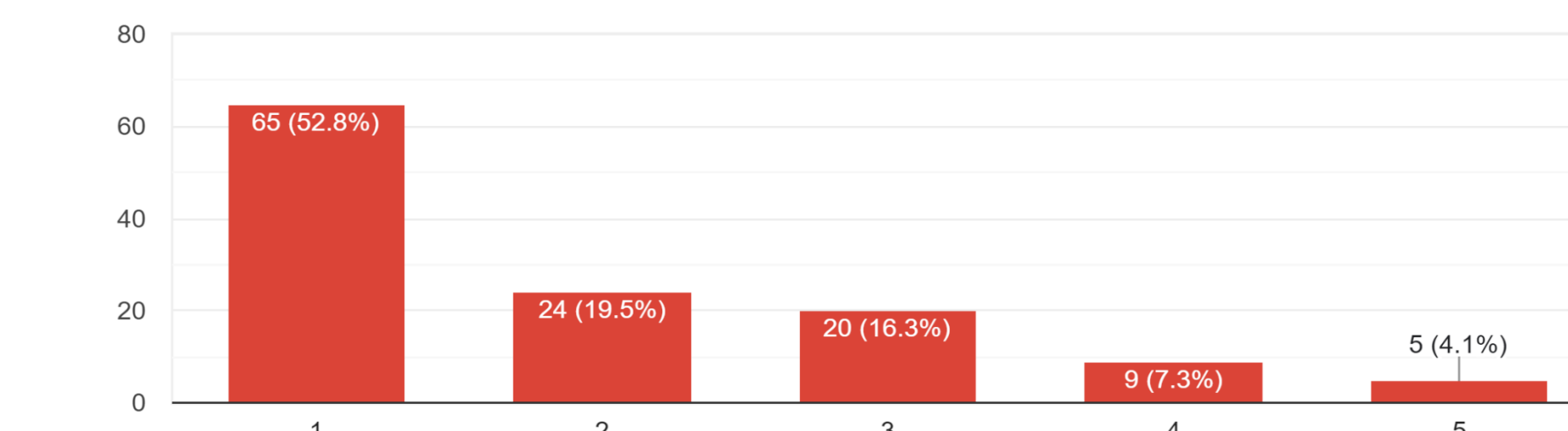

Please rate your emotional attachment to Lebanon. 123 responses

If you would prefer non-financial assistance to Lebanon, what would it be? 123 responses

Please rate how likely you are to move to Lebanon for permanent settlement work / school situation. 123 responses

Conclusions

Overall, there have been a number of efforts to engage and connect with the Lebanese diaspora, both by the government and by private organizations and individuals. These efforts have included cultural exchange programs, investment forums, language and vocational training programs, and online communities and social media platforms. There is still much to be done to fully leverage diaspora's potential. The solution will not be an easy one, but diaspora engagement opportunities might partially help solve the current crisis and transform domestic institutional arrangements.

Contact

Aleksandr V. Gevorkyan, Ph.D.
St. John's University
Email: gevorkya@stjohns.edu
Website: http://agevorkyan.com/
X/Twitter: https://twitter.com/avgevorkya
hashtag: #TransitionEconomies

Samar Issa, Ph.D.
Saint Peter's University
Email: sissa@saintpeters.edu
Website: Issa Samar (saintpeters.edu)

References

1. Gevorkyan, A.V. 2022. Diaspora and Economic Development: A Systemic View. *The European Journal of Development Research.* https://rdcu.be/cn1AV
2. Gevorkyan, A.V. 2018. *Transition Economies: Transformation, Development, and Society in Eastern Europe and the Former Soviet Union.* Oxford: Routledge. https://goo.gl/otvbQe
3. Issa, S. 2022. Lebanon's last lifeline: Its diaspora. Beirut Today (April 18) Available online: https://beirut-today.com/2022/04/18/lebanons-last-lifeline-its-diaspora/