

Distr.  
LIMITED

RC/Migration/2017/Brief.4  
4 September 2017  
Advance copy

## **Regional Consultation on International Migration in the Arab Region**

*In preparation for the Global Compact for Safe, Orderly and Regular Migration*

**Beirut, 26-27 September 2017**

*Regional Issue Brief no. 4<sup>i</sup>*

### **The Migration and Development Nexus in the Arab Region**

#### **1. Current context**

Paragraph 46 of the New York Declaration for Refugees and Migrants recognizes “that international migration is a multidimensional reality of major relevance for the development of countries of origin, transit and destination.” In 2015, UNDESA estimated that 26,052,294 people from the Arab region were living outside their country of birth, an increase of nearly 15 million since 1990. About about half of these migrants remain within the region. Including these intraregional migrants, the Arab region hosts roughly 14 per cent of global international migrant<sup>1</sup> stocks. These figures signify that the opportunities for countries in the region to leverage migration for development are multifaceted and involve perspectives of countries of origin and destination. That leverage varies greatly depending on the level of integration that migrants achieve in their host communities in order to accrue human, social, and financial capital which can benefit both host and origin communities.

For intraregional migration the primary countries of destination for several countries, including Egypt and Jordan, are within the GCC however this is usually temporary contractual work that does not offer opportunities for permanent residence. Libya has also been a main destination for labour migrants from the Arab region and beyond, although current instability has affected flows from some countries, including from Egypt for example. Migration outside the region is primarily to Europe with 6,543,813 migrants of which 45 per cent are in France followed by Spain and Italy, according to 2015 data. Most of these, 73 per cent, are from the Maghreb. North America accounts for another 1,549,429 migrants however the majority of these, 56 per cent, are from the Mashreq.<sup>2</sup> These countries do offer opportunities for long term residence and pathways to citizenship and while the above UNDESA data reflects foreign born migrants, these tend to follow established networks thus communities in these countries may consist of many times more second or third generation migrants. For example the US Census Bureau estimates that

---

<sup>1</sup> As per UNDESA’s definition “international migrant” is used to describe both refugees and other types of migrants.

<sup>2</sup> Forthcoming *Situation Report on Migration in the Arab Region*.

there are around 500,000 individuals of Lebanese decent in the US versus the 123,337 migrants reported by UNDESA.

In terms of human capital, according to OECD data 26 per cent of migrants 25 years old and above from Arab countries have completed some form of tertiary education. However, this masks a great deal of regional variation with 68 per cent and 43 per cent of those from the GCC and Mashreq, respectively having tertiary education versus 20 per cent for the Maghreb. This variation, coupled with the skills, techniques, and technology that they have gained abroad represent an invaluable resource for addressing capacity gaps in countries of origin, as foreseen under SDG target 17.9, through temporary or virtual return. Virtual return could encompass a wide range of activities, including telemedicine in the health sector and leveraging distance learning facilities in the tertiary education sector.

Social capital is a far more complex concept to quantify, but represents the networks of relationships among people who live and work in a particular society and can be leveraged to channel host country knowledge, technology, investment and trade toward countries of origin. One example of this potential is the aeronautics sector in Morocco which benefited from the connections of a migrant vice-president at Boeing who helped convince fellow executives to invest in Morocco in 2001. By 2012 the sector employed almost 10,000 Moroccans earning around 15 per cent above the average wage.<sup>3</sup> Fostering social capital may include outreach to the diaspora through the establishment of websites, sensitisation campaigns and information sessions, and close collaboration with country of origin embassies in the country of destination. In this regard, the diaspora may engage in activities that serve to promote their culture through expos, fairs, festivals, and similar events. It is especially critical to strengthen diaspora associations through diverse activities tailored toward the inclusiveness and representation of the associations vis-à-vis the diaspora as well as their function as representation of the diverse diaspora communities vis-à-vis the government of the country of origin. In addition, strong social capital may contribute to building up civil society to work with the diaspora, raise funds and awareness of important issues, and implement community development programmes. Philanthropic contributions through charitable donations and grants from foundations are also significant outcomes of social capital.

In terms of financial capital, the World Bank has estimated that migrants from the Middle East and North Africa (MENA) have a total income of \$275 billion and savings of \$55 billion.<sup>4</sup> This wealth represents 10 per cent more than all foreign direct investment to the region in 2015. Unfortunately, states do not differentiate investments from migrants from other investors so it is impossible to know how much direct and indirect investment migrants have brought to the region. Remittances however are well monitored and sending and receiving patterns correlate closely with migration patterns. Overall, 58 per cent of the \$50.8 billion remittances sent to Arab countries in 2015 were sent from within the region, primarily from GCC countries. A further 27 per cent were sent from Europe, primarily France followed by Italy, Spain and Germany; and North America (8.9%). Egypt received nearly 40 per cent (\$18.3 billion) of all remittances to the region and is ranked as the sixth largest recipient in the world.<sup>5</sup> Remittances, unlike investment, are disproportionately used for consumption, as in Egypt where 90 per cent of households report using remittances for daily needs such as food, clothes, and rent while only 12 per cent for savings and investment.<sup>6</sup> They thus contribute to poverty alleviation as foreseen under SDG targets 1.1 (by 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than

---

<sup>3</sup> Daniel Michaels. *Morocco's Aviation Industry Takes Off*. Wall Street Journal, 20 March 2012

<sup>4</sup> World Bank. *Mobilizing the Middle East and North Africa Diaspora*. December 2016

<sup>5</sup> World Bank annual remittance data, April 2017 update.

<sup>6</sup> World Bank. *Mobilizing the Middle East and North Africa Diaspora*. December 2016

\$1.25 a day) and 1.2 (by 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions), but they can distort consumption patterns and create dependency on the household and national level which undermines SDG target 12.2 (by 2030 achieve sustainable management and efficient use of natural resources) on sustainable consumption. Concretely, when the amount remitted exceeds the lowest wage a worker is willing to accept recipients may be discouraged from seeking employment, while on the macro-level remittance fueled consumption can drive demand for imported goods thus causing trade imbalances.

From the perspective of countries of destination, migrants can only contribute insofar as they can integrate in the host society and economy. Migrant workers directly contribute to host economies by filling labour market gaps, stimulating local demand for goods and services, as well as paying taxes to the State. Estimates of labour migrants suggest that 12 per cent of the world's labour migrants were in the Arab region mainly in the GCC where foreign workers comprise roughly 67 per cent of all workers as of 2013.<sup>7</sup> However, as noted previously much of the migration in the region is due to displacement which sometimes results in migrants facing barriers to integration in terms of labour market participation and access to services though they still stimulate demand as consumers. Displaced populations also bring with them skills and capital, for example in Turkey 26 per cent of new businesses in 2014 had Syrian ownership or capital<sup>8</sup> while in Egypt Syrians have invested around \$800 million.<sup>9</sup> Thus even displaced populations, like all migrants, can be drivers of development if the right conditions are in place.

## 2. Looking forward toward the Global Compact on Safe and Orderly Migration

There are a variety of ways States can maximize the contributions of migration to development, and based on the context described above some of the most relevant of which are outlined below:

**Building Trust with Migrants.** According to a recent World Bank study, 85 per cent of migrants from the MENA region surveyed responded positively to the statement “giving back to my country of origin is important to me,” however 48 per cent stated that they “worry about the weak legal framework and enforcement” in their countries of origin.<sup>10</sup> They also tend to worry about the prevailing security situation in their countries of origin and governance issues in general. Trust between States and migrants is crucial to facilitating cooperation and leveraging the latter's resources for sustainable development. A key to building trust is having a coherent approach with all government agencies conveying one message to migrants about what the government wants to achieve through their engagement and what it offers in return. States may use different means to achieve this such as by developing a whole of government strategy to set a common vision or establishing or assigning a coordinating body as interlocutor. To this end Lebanon has instituted regular conferences with migrants since 2014 known as Lebanese Diaspora Energy where various government institutions discuss how migrants can contribute to issues within their mandate. The most recent event in May 2017 welcomed more than 2,000 migrants from around the world. Diaspora dialogues involving government officials and diaspora associations and their members have also proven to be a useful confidence-building measure in many countries in recent years.

**Strengthening Connections with Migrants.** The same World Bank study found that 77 per cent of migrants from the MENA region reported that they would like to be more connected to their country of origin. One

---

<sup>7</sup> ILO, 2015. ILO Global estimates on migrant workers.

<sup>8</sup> International Rescue Committee. *Economic Impacts of Syrian Refugees*. 2016

<sup>9</sup> Jobs Make the Difference Expanding Economic Opportunities for Syrian Refugees and Host Communities. 2017

<sup>10</sup> World Bank. *Mobilizing the Middle East and North Africa Diaspora*. December 2016

key way of building a feeling of connection is bestowing citizenship to those migrants who have not had access to it before as Egypt and Lebanon have done. Involvement in the decision-making is another area that strengthens the ties of migrants. Some countries, such as Egypt, have assigned seats for their migrants in Parliament, while others have opted for establishing migrant consultative bodies. Finally, communication and networking are important not only between migrants and the home country but also among migrants in order to reinforce a sense of national identity among communities abroad. The app LebanonConnect is an innovative example of such initiatives while other States have supported the formation of migrant professional or business networks.

**Addressing Institutional Barriers.** Even when migrants would like to contribute to their countries of origin they sometimes face obstacles. An IOM study of migrants from Egypt, Lebanon, Morocco, and Tunisia found that 68 per cent of respondents had faced obstacles when investing in their home country, which included bureaucracy (36%), slow procedures (27%), and lack of reliable partners (24%) among others.<sup>11</sup> Efforts to address such barriers can range from large scale regulatory reform of the business environment, which is key for all types of investors, to smaller interventions such as providing investment related information and matchmaking services available in the language(s) spoken by migrants. States and local authorities can also streamline processes for migrants by creating special service windows or one-stop-shops to accompany them through administrative procedures. In addition, fiscal or other incentives can be provided such as Morocco's MDM Invest Fund which co-finances start-up or expansion of businesses by Moroccan migrants.

**Facilitating Financial Inclusion of Remittance Users.** The IOM study cited above found that at least 27 per cent of respondents sent remittances in cash rather than through formal channels such as bank transfer (40%) and transfer agency (34%). Reducing the cost of transfers is not only foreseen under SDG target 10.c it is also a means of channeling remittances through more formal channels. To reach this goal States have spurred competition through disseminating information on price comparison or even regulatory reforms that break the monopolies of larger transfer agencies. In addition, promoting financial inclusion, a developmental goal in and of itself, of both remitters and receivers allows them to accumulate savings and invest in further education and enhance livelihoods. Inclusion can be supported through financial literacy training but also financial institutions have piloted schemes aimed at providing services to remittance-receiving households which incentivize savings and investment behavior.

**Facilitating Migrant Integration.** In the same way that migrants' contribution to countries of origin depend on their level of integration so does their contribution to their host communities. Ideally integration begins even before the migrant arrives in the country of destination and preferably even before they take the decision to migrate. Pre-employment, pre-departure, and post-arrival orientation are key for migrants to understand their rights and responsibilities as well as the cultural norms and expectations in their host country. To be effective countries of origin and destination should coordinate and share information to ensure that migrants are getting accurate and consistent messages. Within the framework of the Abu Dhabi Dialogue, GCC countries and their partner countries of origin in Asia have initiated just such a coordinated effort through the Comprehensive Information and Orientation Programme. However integration is a two way street and requires openness and acceptance from the host community. To this end, countering xenophobia and discrimination against migrants regardless of their status is a salient commitment of the New York Declaration and is essential to facilitate effective

---

<sup>11</sup> IOM. Developing a Platform for Microfinance and Partnerships between Diaspora and Entrepreneurs. 2013

migrant integration. This cannot only be addressed through information and awareness-raising campaigns but also through creating public spaces where migrants and host communities can regularly interact as well as targeted training of relevant law enforcement officials and local authorities. In particular it is important to prevent discrimination that limits access to basic services such as education and health. Morocco began efforts in 2013 to regularize migrants in the country and ensure that they have equal access to services and can participate and contribute fully to their new home. Along with basic services access to labour markets is key for migrants to be able to maximize their contribution to the economies of host countries however regulatory constraints often makes this near impossible. Recognizing this, as part of the Jordan Compact, Jordan has committed to facilitate 200,000 work permits for Syrians displaced in the country.

This document has laid out a variety of ways in which governments can maximise the contributions of migration to development. These include building trust with migrants, strengthening connections with migrants, addressing institutional barriers to migrants' contributions to their countries of origin, facilitating financial inclusion of remittance users, and facilitating migrant integration. The adoption of such measures could strengthen the migration and development nexus in the MENA region for the years to come.

---

<sup>1</sup> This brief was drafted by the International Organization for Migration team in preparation for the Regional Consultation on International Migration in the Arab Region.