MOBILIZING MENA DIASPORA FOR INVESTMENT, TRADE AND SKILL TRANSFER
Findings of an online survey and focus group discussions
OUTLINE

1. Context

2. Main findings of the survey and consultation with the MENA diaspora

3. Recommendations
Context

1. MENA is among the least integrated regions in the world

2. Private investment is low and high unemployment

3. Governments in transition

4. Emerging democracies with more space to the civil society, diaspora…
More than 18 million MENA diaspora in the world…
…at least

Source: UNDP 2013
Our Objectives

1. Inform policy makers and development partners on how to better mobilize the diaspora

2. Promote the voice of the diaspora and diaspora-government dialogue

3. Identify and promote leaders and success stories among the diaspora

4. Fill in knowledge gap, information sharing, etc.
Consultation with MENA diaspora: a 3-Stage Approach

Online survey
For all Diaspora members, collecting 1000 responses, 827 retained

Focus groups
~150 insights from Diaspora members

one-on-one interviews
business and opinion leaders from MENA
Outreach strategy

• Social Media: e.g., Facebook; twitter; LinkedIn (professional and personal accounts)

• Diaspora Newsletters and Associations, Universities, etc.

• Embassies and Consulates

• development partners: IPEMED, IOM, ANIMA, ACIM…
# Timeline: MENA Diaspora survey, focus groups and interviews

<table>
<thead>
<tr>
<th>Activity</th>
<th>2014</th>
<th>2015</th>
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</thead>
<tbody>
<tr>
<td>Desktop research on diaspora (profile, networks, etc.)</td>
<td></td>
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<tr>
<td>Create and disseminate online survey</td>
<td></td>
<td></td>
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<tr>
<td>- Identify dissemination channels</td>
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<tr>
<td>- Create survey</td>
<td></td>
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<tr>
<td>- Outreach</td>
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<tr>
<td>Focus groups (Algeria, Egypt, Lebanon, Morocco, and Tunisia) in the US and France</td>
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<tr>
<td>Conduct 1-on-1 interviews (Lebanon and Maghreb)</td>
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<td>Consolidate findings into PPT/paper</td>
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<tr>
<td>Conferences</td>
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<tr>
<td>June 2014 ANIMA/ACIM</td>
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<tr>
<td>December 5th 2014 IPEMED-EMCC</td>
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<tr>
<td>May 29th 2015 World Bank/CMI</td>
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</tbody>
</table>
Profile: mostly from Maghreb and residing in France and the US
Profile: Mostly male and young professionals

GENDER

- Male: 68%
- Female: 32%

AGE

- Under 25: 8%
- 25 to 34: 35%
- 35 to 44: 28%
- 45 to 54: 15%
- 55 to 64: 11%
- 65 and older: 4%

N=822

N is the number of valid respondents
Profile: Mostly Educated and working in the Private Sector

- PhD: 17%
- Master's Degree: 55%
- Bachelor's Degree/Community College: 20%
- High School Diploma: 5%
- Less than High School Diploma: 1%
- Other Certification: 1%

N = 819

- Employee in Private Sector: 32%
- Employee in an International Development Institution: 29%
- Employee in Public Sector: 9%
- Self-Employed: 8%
- Owner of a Company: 8%
- Retired: 6%
- Student: 5%
- Unemployed: 2%

N = 800

N is the number of valid respondents
MENA Diaspora Feels Very Motivated to Give Back, Mostly Time and Soft Skills

Do you agree with the following statements?

- I am willing to invest capital and trade in my country of origin: 68%
- I am willing to invest time in mentoring individuals back in my country of origin: 87%
- Giving back to my country of origin is important to me: 85%
- I consider my country of origin more of a "home" than where I live now: 44%
- I would like to be more connected to my country of origin: 77%
- I feel connected to my country of origin: 86%

How do you engage with your community?

- I send money to family and/or friends: 42%
- I mentor individuals: 34%
- I donate money to charities and non-profit organizations: 34%
- I volunteer my time: 26%
- I invest in property: 24%
- I am not engaged with the community in my country of origin: 16%
- I sometimes teach at an education institution in my country of origin: 9%
- I work on business(es) that I own back home: 6%
- I invest in companies/businesses: 6%
- I trade: 5%
- I invest in the stock market in my country of origin: 3%

N is the number of valid respondents
Lack of trust in the government prevents more engagement

TOP 3 OBSTACLES TO BE ENGAGED WITH THE COMMUNITY

WEAK LEGAL FRAMEWORK

POLITICAL INSTABILITY

MACROECONOMIC INSTABILITY

I WORRY ABOUT THE WEAK LEGAL FRAMEWORK AND ENFORCEMENT

I WORRY ABOUT POLITICAL INSTABILITY AND/OR LACK OF POLITICAL FREEDOM

I WORRY ABOUT MACROECONOMIC INSTABILITY

I AM TOO GEOGRAPHICALLY DISTANT

I AM NOT READY TO GET INVOLVED NOW, BUT WOULD LIKE TO LATER

I AM ALREADY AS INVOLVED AS I WANT TO BE

I DON’T HAVE ACCESS TO INFORMATION

I DO NOT FEEL A CONNECTION TO MY COUNTRY

I HAVE NO FRIENDS THERE

I HAVE NO FAMILY THERE

N=682

N is the number of valid respondents
Direct Investment is the Preferred Instrument

- **REAL ESTATE**: 71%
- **DIRECT INVESTMENT (EXISTING OR NEW FIRM)**: 58%
- **ACQUISITION OF SHARES IN YOUR COUNTRY’S PRIVATE COMPANIES**: 24%
- **ANGEL INVESTOR, VENTURE CAPITAL (AN ANGEL INVESTOR IS AN AFFLUENT INDIVIDUAL WHO PROVIDES CAPITAL FOR A BUSINESS START-UP, USUALLY IN EXCHANGE FOR...)**: 24%
- **STOCK MARKET**: 15%
- **DIASPORA INVESTMENT FUNDS**: 15%
- **GOVERNMENT BONDS**: 13%
- **CERTIFICATE OF DEPOSIT IN FOREIGN CURRENCY**: 13%
- **DIASPORA BONDS**: 12%

*N is the number of valid respondents*
MENA diaspora is willing to invest relatively large amount

<table>
<thead>
<tr>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not planning to invest</td>
<td>21%</td>
</tr>
<tr>
<td>Less than USD 1,000</td>
<td>4%</td>
</tr>
<tr>
<td>USD 1001-10,000</td>
<td>18%</td>
</tr>
<tr>
<td>USD 10,001-50,000</td>
<td>24%</td>
</tr>
<tr>
<td>USD 50,001-100,000</td>
<td>15%</td>
</tr>
<tr>
<td>USD 100,001-250,000</td>
<td>11%</td>
</tr>
<tr>
<td>More than USD 250,000</td>
<td>8%</td>
</tr>
</tbody>
</table>

N = 626

N is the number of valid respondents
Only 13% of respondents claimed to be angel investors.

MENA ANGEL INVESTORS’ COUNTRY OF ORIGIN

- Tunisia: 61%
- Lebanon: 13%
- Algeria: 12%
- Morocco: 7%
- Egypt, Arab Rep.: 2%
- Jordan: 2%
- Iran, Islamic Rep.: 1%
- Saudi Arabia: 1%
- West Bank and Gaza: 1%
- N=87

N is the number of valid respondents.
MENA Diaspora Views on Government’s Role

- **Having an institution dedicated to the diaspora issues**: 49%
- **Matching investors, traders and entrepreneurs with the diaspora**: 45%
- **More services (trade and investment promotion) provided by embassies and consultates**: 45%
- **Tax incentives offered to diaspora**: 41%
- **Single window (the single-window system is a trade facilitation idea. As such, the implementation of a single window system enables international traders to submit…)**: 36%
- **Creation of a national framework for business angels**: 23%
- **Special programs such as matching grants**: 23%
- **Provide resource support to diaspora associations**: 20%

*N = 393

N is the number of valid respondents
Role for Embassies

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Links to Business Contacts</td>
<td>50%</td>
</tr>
<tr>
<td>Information on Regulatory Requirements</td>
<td>50%</td>
</tr>
<tr>
<td>Business Directory</td>
<td>48%</td>
</tr>
<tr>
<td>Import/Export Services</td>
<td>46%</td>
</tr>
<tr>
<td>Trade Shows/Business Expos</td>
<td>44%</td>
</tr>
<tr>
<td>Marketing Services</td>
<td>43%</td>
</tr>
</tbody>
</table>

N = 331

N is the number of valid respondents
MENA Diaspora Views on Role of Development Institutions

- Technical assistance, matching
- Capacity Building
- Consult and collect data on Diaspora

Matching Grants Programs: 44%
Technical Assistance for Pilot Programs: 43%
Capacity Building for Diaspora Associations, Diaspora Members and Networks: 42%
Consult with the Diaspora for Country Strategies: 38%
Collecting Data on Diasporas (e.g., conducting Diaspora Surveys to know Diaspora Profiles): 36%
Technical Assistance on Diaspora Bonds, Financial Instruments, Targeted to the Diaspora: 27%

N=360

N is the number of valid respondents
Main Findings

1. Diaspora is very committed to lead initiatives, build capacity, mentor and give time

2. Strong preference for “direct” investment, in city/region of origin (versus other financial instruments) – to mitigate lack of trust

3. Investment and remittances are two different decisions

4. Need for initiatives that facilitate business connections and inform about opportunities
Mobilizing MENA diaspora For investment, trade and skill transfer
Findings of an online survey and focus group discussions

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