

Chapter Ten

The Mediterranean Diasporas' Role: Pathway to Prosperity?

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In the past two decades, diasporas from Southeast Europe and North Africa have grown in size and importance. During and after the Wars of Yugoslav Succession, ex-Yugoslavs moved as refugees across the world to establish communities from Stockholm to St. Louis, following decades of employment-motivated relocation to Western Europe. In a sense, it was recognition of the ex-Yugoslav diaspora in North African countries, building and expanding the business ties established some decades ago by the Non-Aligned cooperation discussed in the introduction to this volume, that launched the Mediterranean Basin Initiative.¹ In late 2010, at the start of the Jasmine Revolution and the Arab Awakening, 10 percent of Tunisians lived and worked abroad.² Around the same percentage of Egyptians and Moroccans live abroad; five percent of Algerians are overseas, with the number as high as 16 percent among Libyans.³ In the past, migration from these countries was primarily unskilled labor and/or regime opponents, and governments paid little attention to their burgeoning citizenry overseas.

But diasporas have continued to pay attention to their homelands, remaining politically connected, acting as informal cultural and economic consuls, and—increasingly importantly—returning money to their families and communities of birth. Remittances in 2013 were estimated to exceed \$410 billion—four times the total development aid in the global market. As movement across borders, regular or

¹Toperich, Sasha and Andy Mullins. (2012). “A New Paradigm for the Mediterranean: EU-U.S.-North Africa-Southeast Europe,” in *Unfinished Business: The Western Balkans and the International Community* (Vedran Džihic and Daniel Hamilton, eds.). Washington, D.C.: Center for Transatlantic Relations, pp. 239–244.

²MTM i-Map migration and development layer: Tunisia. Available online at http://www.gfmd.org/files/pfp/mp/Tunisia_EN.pdf.

³“Overseas Libyans Started Voting Today.” *Libya Herald*, July 3, 2012.

irregular, has become easier and more frequent, remittances are becoming one of the most important channels for development. Migrants can contribute to development in a number of ways— attracting traditional foreign aid or foreign direct investment, building democratic capacity, or return migration—but it is remittances that have proven most attractive to governments.

The diasporas of the Mediterranean affect the economic, political, and social pictures in their homelands in different ways, but there are common features to highlight. While there is certainly a wide range of policies exercised by Mediterranean governments with regard to their citizens abroad, the general trend has been toward more state involvement. Motivated sometimes by political expediency, sometimes by economic concerns, governments have established offices and foundations to coordinate remittances and granted voting rights. Of note after the revolutions in North Africa, many diaspora members have found their way into government, encouraging this cycle. In its 2012 report on least developed countries, the United Nations Conference on Trade and Development (UNCTAD) recommended the establishment of ministry-level institutions to coordinate diaspora policy as part of the national development strategy.⁴

As one diaspora organization leader noted, there are subtle or overt pressures to return home after the Arab Awakening, in spite of lower pay, opportunities, and experiences, because “your country needs you.”⁵ On the other side, concerns about the vast development potential of remittances center on their individual, family-to-family transmission, rather than the collective good. Governments are moving toward institutionalizing and coordinating diaspora relationships with the homeland.

⁴UNCTAD. (2012). *The Least Developed Countries Report 2012: Harnessing Remittances and Diaspora Knowledge to Build Productive Capacities*, p. 123.

⁵“Three Ways The Tunisian Diaspora Can Support the Transition.” *Tunisia Live*. March 4, 2014. Available online at <http://www.tunisia-live.net/2014/03/04/three-ways-the-tunisian-diaspora-can-support-the-transition/>

Diaspora's Defining Features

Simply put, there is no singular definition of diaspora—i.e., in the abstract there is little to distinguish migration flows (as covered by Leila Hadj-Abdou's accomplished chapter) from diasporas. The IMF offers, "...A group of persons who have migrated and their descendants who maintain a connection to their homeland;" the U.S. Department of State includes "collective memory and myth," "the presence of the issue of return," and "consciousness and associated identity," *inter alia*.⁶ All-inclusive, these definitions do not tell us much about the difference between migration and diaspora, or whether such a distinction is relevant.

As Paul Collier argues, diasporas tend to develop out of low-level migration flows, as more adventurous job-seekers establish communities and lower the costs of migration for their countrymen and women⁷—the "snowball" or "flood" often cited in opposition to reducing barriers to free movement. The developments cited in the introduction have worked in concert with this social catalyst to expand migrant communities at a much higher rate than any time in history.

Diasporas also tend to be politically active, whether in lobbying to influence their host country's policy toward the homeland or being directly involved in the homeland itself. In the 1990s, as external votes expanded around the world, newly independent Croatia was notable for directly representing the diaspora in presidential elections and in parliament, with as many as 12 delegates elected from abroad. (Playing on memories of World War II and the Independent State of Croatia, the HDZ architects of the post-Yugoslav order in Zagreb knew that nationalism would play well with "hyphenated-Croatians" and they would reap the electoral rewards.) Egyptians abroad were prohibited from voting by mail prior to the ouster of Hosni Mubarak, but made their voices heard in the referendum on the 2012 Muslim Brotherhood-designed constitution, voting overwhelmingly in support of it; with the Brotherhood's reversal of fortune following the June 2013

⁶Ratha, Dilip and Sonia Plaza. "Harnessing Diasporas." *Finance & Development*, September 2011, p. 48.

⁷Collier, Paul. (2013). *Exodus: How Migration is Changing Our World*. New York: Oxford University Press.

coup, these sympathizers have been barred from mail balloting once again.⁸ Eighteen of the Tunisian Constituent Assembly (NCA) members were elected from abroad in 2011, and eight of Algeria's 382 parliamentarians are expatriates.

Development wisdom holds that the experience of diasporas living in democratic countries, particularly over the course of generations, might encourage democratization at home. The historical record here is mixed. As noted, Croatians in the United States, Canada, Australia, and Western Europe voted overwhelmingly for Franjo Tuđman's HDZ in the 1990s, despite his party's emphasis on the ethnic nation over minority rights and the democratic deficit that resulted.⁹ In Tunisia, the Islamist party Ennahda—not the most liberal party on the scene—won 9 of the 18 seats allocated for the diaspora in the 2011 NCA elections. This included one of the two North American seats, two of the five in France, and two of the three in Italy, with only 45 percent of Tunisians in the Arab world voting in this direction. Group attitudes toward democracy among immigrant communities vary widely, so this should not be taken as indicative of diaspora attitudes toward democracy in general, but it is illustrative.

Democratic capacity-building through return migration is another possible channel for democratization, and indeed many new politicians in the post-revolutionary countries have taken this route. Gaddafi's repressive regime in Libya forced most opposition elites into exile, including the first president of the General National Congress, Mohamed Magariaf, and his Prime Minister Ali Zeidan. Diasporas can also mobilize democracy assistance in their host countries, as many communities in America have done in partnership with the U.S. Agency for International Development (USAID) and the State Department. Diaspora lobbies were instrumental in establishing the Tunisian-American Enterprise Fund and Egyptian-American Enterprise Fund, two public-private partnerships with assets valued in the

⁸"Egyptian Diaspora Vote on New Constitution." *Al Jazeera*, January 7, 2014. Available online at <http://www.aljazeera.com/news/middleeast/2014/01/egyptian-diaspora-vote-new-constitution-201415502887537.html>.

⁹Wayland, Sarah V. (2003). "Immigration and Transnational Political Ties: Croatians and Sri Lankan Tamils in Canada," *Canadian Ethnic Studies*, 35(2), p. 61.

tens of millions of dollars to seed and promote investments in these countries.

Governments and the Diaspora

As recommended by the International Organization for Migration (IOM), the governments of North Africa and Southeast Europe have sought ways to “engage, enable, empower, and educate” their diasporas. Initially this was pursued through direct existing avenues, such as consulates. However, ministerial level engagement is increasingly popular; Morocco, Algeria, and Tunisia all have ministers either dedicated exclusively to the diaspora community or fit this responsibility into social services or other portfolios. This is also common in Southeast Europe, where Serbia and Kosovo, among others, have or have had cabinet-level positions dedicated to the diaspora. These ministers, often working in consultation with elected or appointed expatriate councils, develop strategies to improve communication and open new opportunities for collaboration between the community abroad and the homeland.

It is difficult to evaluate whether these policies are successful from an economic standpoint. Certainly remittances are growing: Morocco received \$6.8 billion last year from abroad, Tunisia received \$2.17 billion, and Algeria \$1.8 billion, all historic highs. Anecdotally, Tunisia’s government in particular has been effective in interfacing with the diaspora community in Washington, with an attractive “start-up” brand advocated by Prime Minister Mehdi Jomaa and carried forward by partner institutions. But these policies will likely only continue to be effective if they recognize that state coordination of these resources is not a requirement for sustainable growth. In fact, there is evidence that remittances directed to or through state institutions, along with heavy doses of state-to-state development aid, may be an unforeseen reiteration of the “resource curse” observed in oil-rich states in particular that prevents democratization and social development, as these sources of income insulate governments from having to efficiently manage scarce resources for welfare goods and the like.¹⁰

¹⁰See Ahmed, Faisal Z. (2013). “The Perils of Unearned Foreign Income: Aid, Remittances, and Government Survival,” *American Political Science Review*, 106(1), pp. 146–165.

In fact, the direct nature of remittances may be their greatest benefit. Decision-making on sending remittances is generally done at the closest social level, i.e., within families, who know best the needs of the recipients and are best able to gauge the efficacy of the intervention.¹¹ Increasing overhead by establishing bureaucratic measures intended to pursue the common good instead of the individuals' good strengthens the state relative to individuals and encourages competition over state patronage rather than the development of a fair market, as Barry and Øverland note.¹² This is compounded by the fact that remittance providers like Western Union can charge more than ten percent for what amounts to a basic financial transaction, and such providers often have exclusive relationships with the banking and postal networks in receiving countries by agreement with the government.¹³ Western Union's sponsorship of the African Diaspora Marketplace, a USAID grant competition, and its sub-program the Libya Diaspora Marketplace, highlights this feature of the remittance landscape. Mobile banking, facilitated by the explosion of mobile telephone networks throughout North Africa and the entire continent, has been one way to bypass this traditional obstacle.

Opportunities for Growth

What is clear is that migration represents the most untapped—and almost certainly most effective—channel for improving the lives of citizens of Mediterranean countries. In 2008, Gallup found that “more than 40 percent of adults in the poorest quartile of countries ‘would like to move permanently to another country;’” this is not a realizable dream for many people, even as movement across borders is at unprecedented levels.¹⁴ Research suggests that enabling easier movement—more easily facilitated by the extant diaspora communities, as outlined above—would add tens of trillions of dollars to the

¹¹Barry, Christian and Gerhard Øverland. (2010). “Why Remittances to Poor Countries Should Not Be Taxed,” *Journal of International Law and Politics*, 42(1), p. 1185.

¹²Ibid.

¹³Ratha, Dilip. (October 2009). “Dollars Without Borders.” *Foreign Affairs*. Available online at <http://www.foreignaffairs.com/articles/65448/dilip-ratha/dollars-without-borders>.

¹⁴Clemens, Michael A. (2011). “Economics and Emigration: Trillion-Dollar Bills on the Sidewalk?” *Journal of Economic Perspectives*, 25(3), p. 83.

global economy.¹⁵ Citizens in the diaspora tend to be wealthier than their compatriots at home, and enabling them to help one another in every mutually beneficial way possible should be a priority of donors.

This is why encouraging state governments to take a leading role in coordinating diaspora policy, particularly when it comes to remittances, may not be necessary. In relating to their diasporas, governments have a mixed record of playing to divisive memories for political gain; coupled with the added temptation of huge untapped economic resources, the possibility of misuse is present, and there could be better ways to achieve the possible gains. Experience from Southeast Europe shows us this potential, as in the case of Macedonia, where in 2011 diaspora voters were able to participate in parliamentary elections for the first time and reliably went for the ruling (and nationalist) VMRO-DPMNE.

Governments, of course, can be willing partners in unlocking the development potential of the diaspora. They are best able to do this by developing the rule of law at home and prioritizing individual property and political rights, or by replicating the draws of abroad to begin with. It has been shown that enabling diaspora communities to remit with the lowest possible transaction costs would have tremendous benefits for the welfare of the entire country, not just the direct recipient households, as some argue.¹⁶ Inhibiting the political aspects of diaspora policy to the greatest extent possible and promoting a neutral, cooperative framework will help tap into this potential. Michael Collyer notes that governments face “growing recognition of the economic dependence on emigrants” in North Africa and are adapting their relationships accordingly.¹⁷ Western governments should encourage them to move in a direction that emphasizes individual liberty, to give their citizens abroad a chance to find the most valuable ways to meet the needs of their compatriots at home.

¹⁵Ibid., 87.

¹⁶Barry and Øverland, *op. cit.*

¹⁷Collyer, Michael. (2010). “The Changing Status Of Maghrebi Emigrants: The Rise of the Diaspora.” *Middle East Institute*. Available online at <http://www.mei.edu/content/changing-status-maghrebi-emigrants-rise-diaspora>.