risks

MDPI

Article

The Role of Personal Remittances in Economic Development: A Comparative Analysis with Foreign Direct Investment in Lebanon

Samar F. Abou Ltaif [1,*], Simona Mihai-Yiannaki [1] and Alkis Thrassou [2]

[1] Department of Accounting, Economics and Finance, School of Business Administration, European University Cyprus, Nicosia 2404, Cyprus; s.mihai@euc.ac.cy

[2] Department of Management, School of Business, University of Nicosia, 46 Makedonitissas Avenue, Nicosia 2417, Cyprus; thrassou.a@unic.ac.cy

* Correspondence: sf191834@students.euc.ac.cy; Tel.: +357-96171801008

Abstract: Understanding the role of personal remittances in economic development is crucial, particularly for countries like Lebanon, where these inflows play a significant role in economic stability. This study investigates the impact of personal remittances on Lebanon's economic development over the period from 2002 to 2022, employing a mixed-methods approach that combines quantitative regression analyses and qualitative data from surveys. The research finds that personal remittances have a more substantial effect on Lebanon's GDP compared to foreign direct investment (FDI), with positive correlations observed between remittances and key economic indicators such as GDP, public debt, and unemployment rates. Additionally, qualitative findings reveal that remittances are vital for addressing basic living expenses, education, and healthcare needs, illustrating their multifaceted influence on household well-being. This study contributes to the existing literature by providing a nuanced understanding of how remittances impact economic development in Lebanon and highlights the need for policy interventions aimed at enhancing financial literacy and promoting productive investments. The findings offer valuable implications for policymakers and stakeholders, suggesting that improving the management and utilization of remittances could significantly bolster Lebanon's economic resilience and growth prospects.

Keywords: personal remittances; Lebanon; FDI; sustainability; development economics

check for updates

Citation: Abou Ltaif, Samar F., Simona Mihai-Yiannaki, and Alkis Thrassou. 2024. The Role of Personal Remittances in Economic Development: A Comparative Analysis with Foreign Direct Investment in Lebanon. *Risks* 12: 176. https://doi.org/10.3390/risks12110176

Academic Editors: Eulália Mota Santos and Margarida Freitas Oliveira

Received: 2 September 2024
Revised: 27 October 2024
Accepted: 31 October 2024
Published: 7 November 2024

1. Introduction—Research Context and Aim

Worldwide, the volume of personal remittances has been expanding. Personal remittances increased from $420.07 billion in 2010 to $658.06 billion in 2020 (World Bank Group 2022a). In 2023, remittance flows to low- and middle-income nations amounted to approximately $669 billion (World Bank Group 2023). This surge was primarily driven by stable labor markets in developed economies and GCC nations, enabling migrants to continue sending money back home. The regions witnessing growth in remittance inflows included Latin America and the Caribbean (8%), South Asia (7.2%), East Asia and the Pacific (3%), and Sub-Saharan Africa (1.9%). Conversely, the Middle East and North Africa experienced a 5.3% decrease, mainly attributed to a sharp decline in Egypt. The United States maintained its position as the largest source of remittances (World Bank Group 2023).

This increase in remittances of formal transfers against a decrease in financial inflows after the COVID-19 pandemic (El Hamma 2019) in developing countries, especially labor-exporting countries, has gained the attention of researchers considering the impact of foreign currency inflows in those countries. Furthermore, the volume of money sent through informal channels is estimated to be as high as 10% to 50% of the personal remittances received through formal transfers (El Hamma 2019), making personal inflows (formal plus informal) even higher than disclosed inflows.

In 2020, Lebanon's remittances constituted 38% of its GDP, making it the second highest globally. By 2023, remittances made up 28% of Lebanon's GDP, highlighting their essential role in mitigating current account and fiscal deficits (World Bank Group 2022b). Meanwhile, even though the amount of inflow of those personal remittances remains constant and high, the economic indicators in Lebanon are deteriorating (refer to Figure 1).

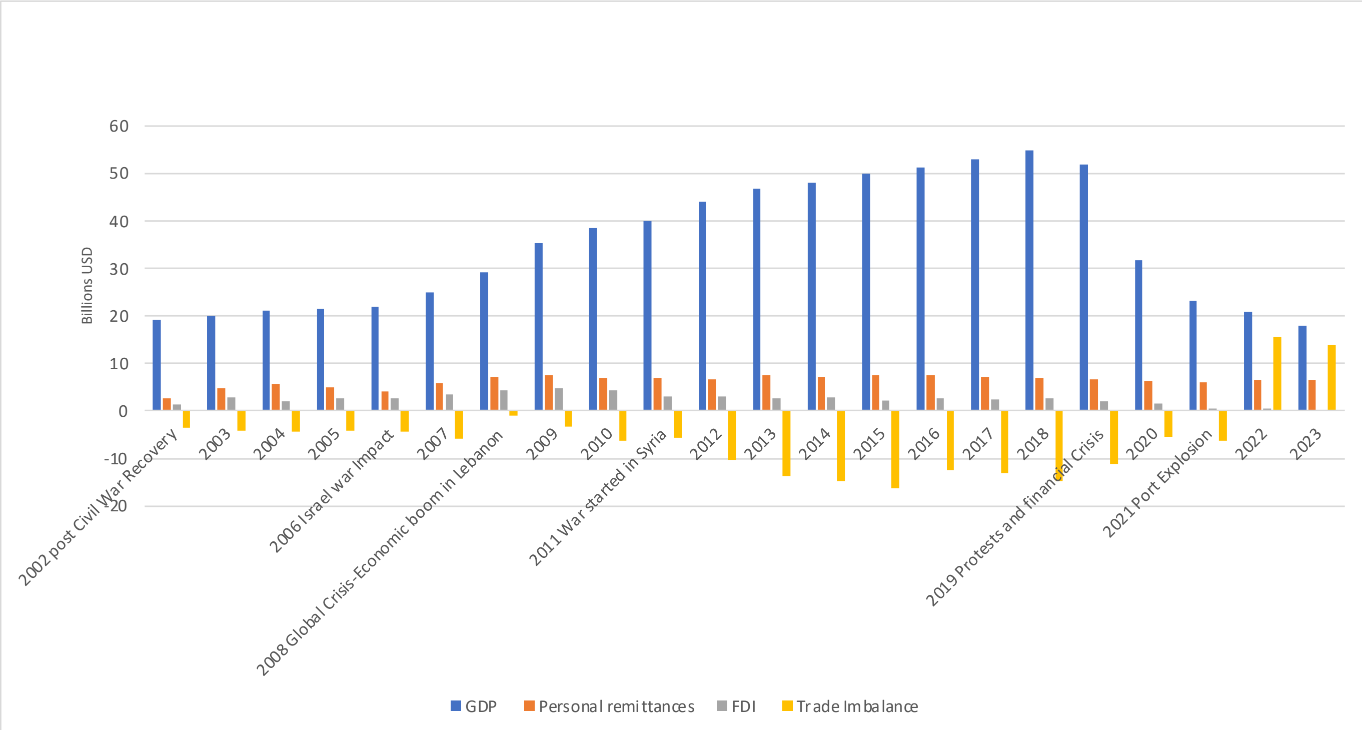

Figure 1. Lebanon economic indicators (2002–2023): A timeline of turning points and influencing factors, adapted by the authors (World Bank Group 2023; Mrad 2024).

Over the last two decades, Lebanon's economic journey has been punctuated by pivotal moments. The early 2000s saw a post–Civil War recovery, but the 2006 Israel–Hezbollah conflict slowed economic growth. During 2007–2008, the country benefited from an economic boom, although, in general, the world faced a global financial crisis. Lebanon exhibited resilience in the face of the 2008 global financial crisis, leveraging its robust banking sector and prudent financial measures. Despite global economic turmoil, Lebanon's GDP increased, and key indicators such as the fixed exchange rate, money supply, and foreign interest rates remained stable (BDL 2023).

The Syrian Civil War in 2011 and protests in 2019 heightened regional tensions and destabilized Lebanon's economy (Rijnoveanu and DemiR 2013; Abdo et al. 2020). By 2020, Lebanon faced a severe economic crisis, worsened by currency devaluation, banking sector collapse, and the Beirut Port explosion. Economic and political uncertainties persist as of 2024.

1.1. Previous Research and Findings on Remittances

Research has extensively examined the role of personal remittances in economic development. Studies emphasize that remittances provide crucial foreign currency, fostering consumption, reducing poverty, and stabilizing economies, particularly in labor-exporting countries like Lebanon (El Hamma 2019). However, the negative implications have also been highlighted, with some arguing that heavy reliance on remittances discourages local investment and can lead to complacency in addressing structural economic issues (Rijnoveanu and DemiR 2013).

In Lebanon, remittances have proven resilient in times of crisis, supporting the economy through events such as the 2008 global financial crisis and the 2020 economic collapse. However, despite their importance, limited research compares the impacts of personal remittances with other financial inflows like foreign direct investment (FDI), which also play a crucial role in the economy.

1.2. Identifying and Addressing the Research Gap

While remittances are widely acknowledged as vital to Lebanon's economy, there is a significant gap in understanding how they compare to other financial flows, such as foreign direct investment (FDI), in terms of their contributions to economic stability and growth. Moreover, the current literature often overlooks the strategic potential of remittances in fostering long-term development. Specifically, few studies analyze the strategic decisions that could help Lebanon harness remittances more effectively to promote sustainable economic growth, particularly in comparison to FDI. Understanding this gap is critical as Lebanon seeks solutions to its ongoing economic crisis.

Filling this gap is crucial for both theory and practice. By comparing the contributions of personal remittances and FDI, this study will provide insights into how Lebanon can leverage these financial flows for sustainable development. The findings will contribute to broader discussions on remittances, helping policymakers in Lebanon and similar labor-exporting countries better understand how to strategically maximize remittances' impact on long-term growth. Thus, addressing this gap will advance both academic research and practical policy recommendations, offering potential strategies to mitigate Lebanon's economic challenges.

1.3. Proposed Solution and Research Approach

This paper aims to explore the impact of personal remittances on Lebanon's economic development using a mixed-methods approach. It compares the significance of personal remittances to foreign direct investment (FDI) and identifies strategic decisions to leverage remittances for sustainable economic growth.

Using regression analysis, a questionnaire, and qualitative data, the research will provide empirical insights into how remittances and FDI contribute to Lebanon's economic stability.

Based on that, the research questions are as follows:

RQ1—How had personal remittances affected economic factors in Lebanon amid several shocks and events?

RQ2—What is the comparative significance of personal remittances (PR) versus foreign direct investment (FDI) in driving economic growth and development, particularly in the context of Lebanon's economy?

RQ3—What strategic decisions may be considered to support economic development, specifically by benefiting from the potential of personal remittances?

The paper starts with an introduction, highlighting the global rise in personal remittances and providing the context, aim, and contribution of the research. Subsequently, the literature review explores extant research, focusing on both the positive and the negative impacts, particularly in the context of Lebanon. The methodology section next explains how the study was conducted. Regression analyses of the empirical results then present the findings, and thereafter, insights are reached that are aligned with social capital theory. Thereafter, discussion interprets the results, leading to surmised conclusions to end industry recommendations and policy implications. Figure 2, below, schematically presents the comprehensive research framework.

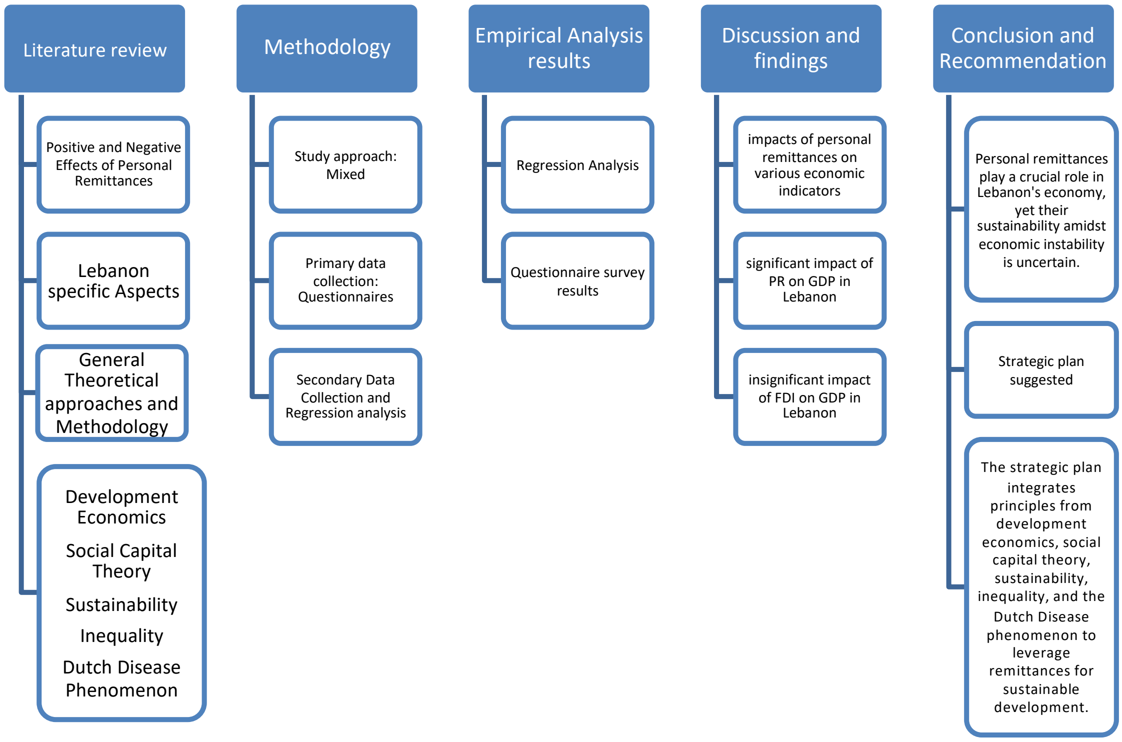

Figure 2. Comprehensive research framework, developed by the authors.

2. Literature Review

2.1. Theoretical Foundations: An Integrated Theory Approach

To conduct this study, a mixed research approach was employed, integrating insights from development economics and social capital theory to comprehensively analyze the impact of personal remittances on Lebanon's economy.

1. Development economics: Development economics focuses on improving economic, social, and political well-being in developing countries (Hayami and Godo 2005). Personal remittances' impact on Lebanon's developmental trajectory is analyzed, considering dimensions such as economic growth, income distribution, and poverty alleviation (UNDP 2023).
2. Social capital theory: Social capital theory provides insights into the societal effects of personal remittances, emphasizing the value embedded in social relationships and networks within communities (Palloni et al. 2001). This framework allows for an examination of how remittances influence wealth distribution and shape societal dynamics. Informed by social capital theory, studies explore the impact of remittance-related social networks on communities, and they emphasize the role of an efficient institutional environment in fostering positive outcomes (Kadozi 2019; UNCTAD 2013).
3. Sustainability: Sustainability considerations underscore the need to ensure long-term economic stability and development in Lebanon. While personal remittances contribute to short-term stability, sustainable development goals emphasize economic growth while protecting the environment and promoting social inclusivity (Aniche 2020). Diversification of revenue sources is essential for Lebanon's long-term sustainability (Chang and Lebdioui 2020).
4. Inequality: Inequality considerations suggest that personal remittances may alleviate poverty and reduce income inequality in recipient countries (Adenutsi 2011). However, remittances may also widen inequality gaps if not distributed equitably or if they primarily benefit certain segments of the population (Islam and Azad 2023).
5. Dutch disease phenomenon: The Dutch disease phenomenon is a crucial aspect to consider in highlighting the negative consequences of remittances. Scholars argue

that remittances may negatively impact productivity and growth, as funds are often directed toward consumption dominated by foreign goods rather than productive investments (Perez-Saiz et al. 2019). This phenomenon suggests that a surge in remittance inflows may lead to a real appreciation of the exchange rate, causing a shift away from tradable to non-tradable sectors (Fullenkamp et al. 2008b).

To provide a comprehensive theoretical framework, this study links key theories that explain the impact of personal remittances on economic development. Development economics emphasizes how remittances can stimulate growth by improving household consumption, education, and health, contributing to overall economic stability. Social capital theory further elaborates on the social dynamics of remittances, as they strengthen relationships between the diaspora and local communities, enhancing social cohesion and economic participation. At the same time, the Dutch disease phenomenon warns of the potential drawbacks of large remittance inflows, such as currency appreciation and reduced competitiveness in export sectors. These economic effects also intersect with concerns of inequality, where remittances may both reduce poverty and simultaneously widen income gaps if unequally distributed. Together, these theories highlight the multifaceted nature of remittances: while they offer vital economic support, especially in crises, their long-term impacts require careful management to promote sustainability and equitable growth.

The relevance of these theoretical frameworks to the context of Lebanon and personal remittances underscores the need for a nuanced understanding of the dynamics at play. Incorporating sustainability and inequality broadens the scope of the literature review, providing a comprehensive understanding of the multifaceted impacts of personal remittances on Lebanon's economy.

2.2. Positive and Negative Effects of Personal Remittances

Meyer and Shera (2015) provided a comprehensive overview of the impact of personal remittances on macroeconomic development. Their study highlighted the positive effects of remittances, such as increasing investment and productivity and improving market conditions to alleviate poverty. However, other research suggested potential negative consequences of remittances, such as moral hazard, reduced work effort, and inflation. El Hamma (2019) examined the impact of global economic changes and the COVID-19 pandemic on remittance flows, which significantly implicate macroeconomic stability. Jongwanich and Kohpaiboon (2019) examined this relationship in developing countries across Asia and the Pacific using data from 1993 to 2013. They discovered a significant negative impact when the ratio of remittances to GDP exceeded 10 percent, while the impact was insignificantly negative when the ratio remained below 10 percent. Furthermore, the Dutch disease phenomenon, as discussed by El Hamma (2019), suggests that spending might shift toward consumption rather than productive sectors, hindering growth. The study critically assessed this paradox, indicating that while remittances can boost consumption, they might also divert resources away from more productive uses.

The positive effects of personal remittances include their role in fostering economic growth through consumption, savings, and investment (Perez-Saiz et al. 2019). Studies in countries like Morocco, India, Pakistan, and Mediterranean nations have shown favorable impacts on investment acceleration (Sahoo 2006). Scholars like Zghidi et al. (2018) and the World Bank emphasized the positive contribution of remittances to developing countries' balance of payments, influencing economic growth directly through savings and investment in human and physical capital and indirectly through consumption. Research by Giuliano and Ruiz-Arranz (2009) highlighted the developmental effects of remittances on consumption multipliers, financial institution development, and foreign exchange utilization.

Conversely, Meyer and Shera (2015) cautioned against potential negative consequences of remittances, including real exchange rate appreciation and resource allocation shifts from tradable to non-tradable sectors. Rodrik's (2008) study suggested that real exchange rate overvaluation can hinder long-term economic growth, especially in developing countries with weak institutions. Sobiech (2019) found partial or negative impacts of remittances on growth in various countries, and Chowdhury et al. (2023) discovered a negative correlation between remittances and per capita income growth. Remittances may indirectly affect the real exchange rate, leading to the Dutch disease phenomenon and negatively impacting economic growth in countries heavily reliant on remittances (Acosta et al. 2009).

Overall, the literature indicates a mixed correlation between remittances and macroeconomic growth. El Hamma (2019) suggested that achieving a positive impact from remittances requires financial development and an efficient institutional environment.

3. Methodology

This study combines quantitative methods to investigate the impact of personal remittances and FDI on economic development in Lebanon. By employing a comprehensive approach, the research integrates both secondary and primary data sources to provide a robust analysis of the influence of this type of financial flow on GDP growth. Additionally, data collection via questionnaires offers contextual understanding (Maxwell 2012) and captures the nuanced perspectives of the Lebanese population regarding the impact of remittances.

Based on the literature review and theoretical approaches in this study, the hypotheses tested are as follows:

Hypothesis (H1). *The relationship between foreign direct investment (FDI) inflows and GDP growth in Lebanon is insignificant or weakly positive. This expectation is supported by literature suggesting that, in economies facing political instability and financial crises, such as Lebanon's post-2019 environment, FDI may have limited influence on economic growth due to lack of investor confidence, governance challenges, and declining business opportunities (Kadozi 2019).*

Hypothesis (H2). *Personal remittances have a positive and significant impact on GDP growth in Lebanon, suggesting their substantial impact on the country's economic development. This is justified by extensive literature indicating that remittances, especially in developing economies like Lebanon, serve as a vital source of income, boost household consumption, and support economic resilience in times of financial instability (UNDP 2023; Fullenkamp et al. 2008a). Given the surge in remittances post-2019, they are expected to significantly contribute to GDP growth.*

These hypotheses were subject to empirical testing using a regression analysis. The outcomes offered valuable insights into the dynamics of economic development driven by remittances and FDI in Lebanon.

The general form of the regression equation, applicable to each of the analyses conducted, is as follows:

$$Y = \beta 0 + \beta 1 \times X + \varepsilon$$

where

- Y represents the dependent variable (e.g., foreign direct investment, public debt, unemployment rate, GDP, or inflation rate)
- X represents the independent variable (personal remittances and FDI in this case)
- $\beta 0$ is the intercept term, representing the value of Y when X is zero
- $\beta 1$ is the coefficient, indicating the change in Y for a one-unit change in X
- ε represents the error term, capturing the difference between the observed and predicted values of Y.

3.1. Secondary Data Collection and Regression Analysis

In our research, we employed secondary data collection methods to tap into existing knowledge from academic papers, government reports, and statistical data, enhancing our understanding of the research topic. Academic papers offered scholarly perspectives, government reports provided insights into societal issues, and statistical data allowed for a quantitative analysis of various aspects.

Additionally, statistical data from reputable sources such as the International Monetary Fund (IMF), the World Bank, and Lebanon's Central Bank facilitated a quantitative analysis of various economic indicators. We specifically utilized yearly data spanning from 2002 to 2021. This time frame allowed for an in-depth examination of long-term trends related to personal remittances, foreign direct investment (FDI), and GDP growth in Lebanon.

The use of SPSS ensured rigorous data analysis, facilitating efficient management, organization, and visualization of the data. This secondary data were critical in testing the hypotheses regarding the relationships between personal remittances, FDI, and GDP growth in Lebanon. We considered the assumptions and limitations of statistical techniques, seeking expert guidance for accurate interpretation.

3.2. Primary Data Collection: Questionnaires

In tandem with our literature review and quantitative analysis, which utilized regression models to examine various variables, we conducted a questionnaire-based survey in December 2023, collecting 157 responses from Lebanese residents.

This methodological choice was driven by the need to delve deeper into the profound impact of personal remittances on a substantial segment of the Lebanese populace. The sampling method was non-probability, given the specific focus on individuals likely affected by remittances. The survey was conducted online due to logistical advantages, such as broader reach across different regions of Lebanon and abroad, as well as the ability to gather responses in a cost-effective and timely manner. Online surveys also offer flexibility, allowing participants to respond at their convenience, thus increasing response rates.

The decision to limit the sample size to 157 was purposeful, statistically reflecting Lebanon's modest population and allowing for a more detailed analysis of the open-ended responses. By integrating both quantitative and qualitative insights, the survey provided a nuanced understanding of personal remittances' role in the economy, complementing our regression analysis.

By incorporating firsthand perspectives through the survey, we aimed to capture the nuanced and pervasive influence of personal remittances, enriching our quantitative analysis with additional contextual data. The integration of quantitative insights from the survey supplements our regression analysis findings (Wang and Ji 2010) and amplifies the significance of personal remittances in shaping Lebanon's economic terrain. This process aligns with the principles of methodological triangulation (Creswell and Clark 2017). This approach ensures a holistic understanding of the subject matter, reinforcing the robustness and validity of our research outcomes.

The integration of these methods contributed to the quality and validity of our research, yielding a comprehensive understanding of the subject matter and supporting the recommendations and contribution of the research. Figure 3 summarizes the methodology framework followed.

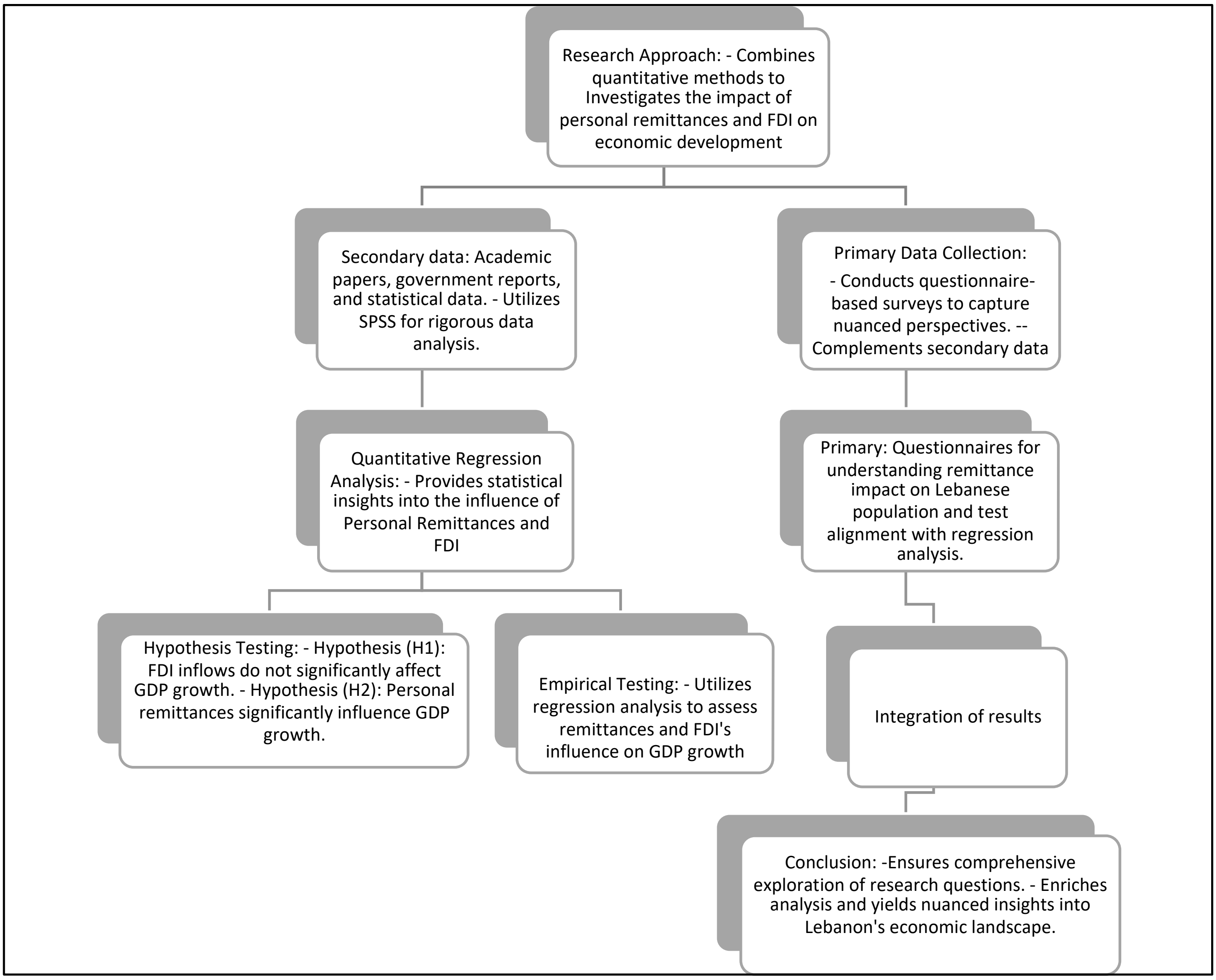

Figure 3. Methodology framework, adapted by the authors, based on Creswell (2013).

4. Empirical Analysis Results

4.1. Lebanon-Specific Aspects

Lebanon is currently facing a critical financial situation, particularly in its banking sector, where the ongoing crisis has led to a severe lack of trust in financial institutions. One potential solution in such crises is a bank bailout, as explored by Mihai Yiannaki (2011) in her study on lessons from recent bank bailouts. Bailouts could offer opportunities for financial recovery and strategic growth, but in Lebanon's case, the lack of public trust in banks and the broader financial system might render this approach unfeasible. Instead, innovative strategies must be explored, as emphasized in the work of Vrontis et al. (2023), which highlights the importance of sustainable and innovative business practices.

International remittances have always been a supporting factor for the financial system and economy of Lebanon. The remittances considered in our case, the Lebanese economy, are transferred by the Lebanese diaspora to their home country. Although there is an existing potential loss represented by brain drain, as well as by skilled employees' migration, we will focus in this study on the foreign currency that those labor forces provide Lebanon with.

The remittances received in Lebanon are high compared to other markets. For example, in 2016, as shown in Figure 4, Lebanon received \$7.61 billion in personal remittances, while the Russian Federation received \$6.69 billion, and the United States received \$6.33 billion

(World Bank Group 2022a). That is despite the gap in GDP between these countries and the USA being the highest. In the same year, Lebanon's GDP stood at $51.15 billion, in comparison to Russia's $1.277 trillion and the United States' significantly larger $18.7 trillion (World Bank Group 2024).

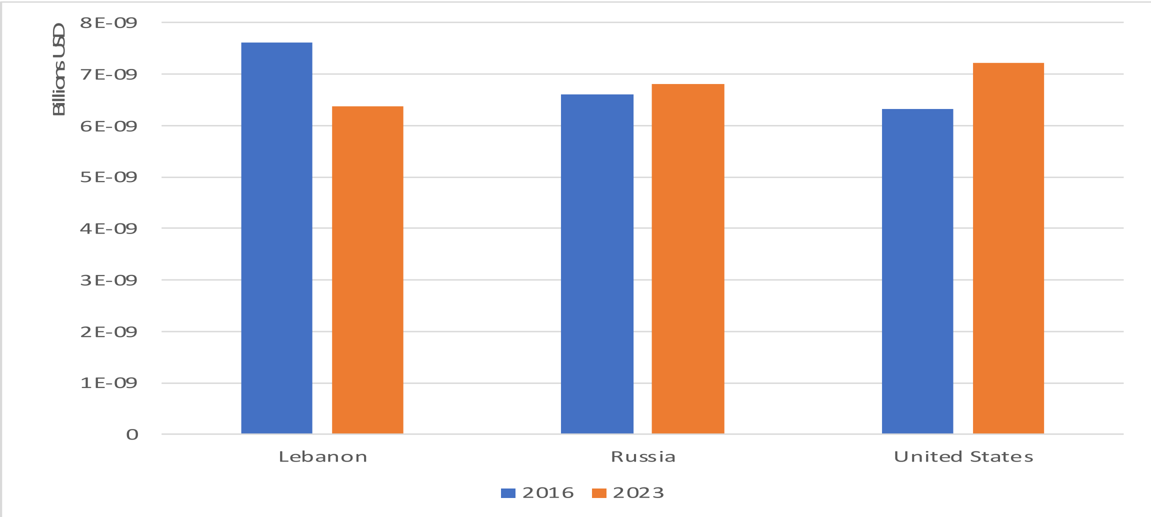

Figure 4. Personal remittances received in Lebanon, the Russian Federation, and the United States in 2016 and 2023. (World Bank Group 2024, adapted by the authors).

Following the financial and liquidity crisis in 2019, accompanied by a surge in unemployment and poverty rates, there has been a heightened reliance on international inflows in Lebanon. In the aftermath of the 2019 crisis, it is estimated that the proportion of Lebanese families depending on remittances has surged, reaching approximately 15% to 30% (Shehadi 2022). A recent study conducted by Mercy Corps Lebanon (2022) further highlighted that 32% of Lebanese individuals now rely on personal remittances to meet their essential expenses. According to World Bank Open Data (World Bank Group 2024), in 2023, Lebanon's remittances continued to be significant at $6.37 billion, reflecting its ongoing reliance on remittances compared to Russia and the United States, which saw increases to $6.80 billion and $7.22 billion, respectively. Our survey is elaborated on in Section 5 and supports this estimation.

Recent research provides additional insights into the broader economic implications of remittances in Lebanon. Kassab (2024) highlighted the inflationary pressures caused by remittance inflows, finding that remittance growth shocks led to significant short-run increases in inflation. This is particularly relevant to Lebanon's economy, where sudden inflows contribute to domestic liquidity but may exacerbate inflationary tendencies. Dauod and Ramirez (2024) explored remittances' positive effects on industrial production in Lebanon, using oil prices as an instrument due to the large share of remittances from Gulf States. Their study found that remittance-driven growth in industrial output is often underestimated, reinforcing the importance of these inflows to the productive sectors of the economy.

Additionally, Ayhan (2021) examined the role of remittances in the banking sector, finding that they positively affected return on equity (ROE) for Lebanese banks, indicating a strong relationship between remittances, banking profitability, and financial sector health. On a regional level, Kratou and Khlass (2022) examined how remittances reduce income inequality in the MENA region by targeting low-income households, which is particularly relevant in Lebanon, where remittances play a key role in poverty alleviation. These studies underline the multifaceted impact of remittances on Lebanon's economy beyond their role as a source of foreign currency.

The average cash inflow from remittances for the decade was about $7.15 billion. In 2022, Lebanon was ranked third in the MENA region after receiving an estimated $6.8 billion in remittances. This comes after Egypt, with a record $32.3 billion, and Morocco, registering $11.4 billion (Aoun 2022). As Figure 5 represents, personal remittances stand higher than FDI, which almost disappeared after the crisis of 2019 (Choueiri et al. 2023).

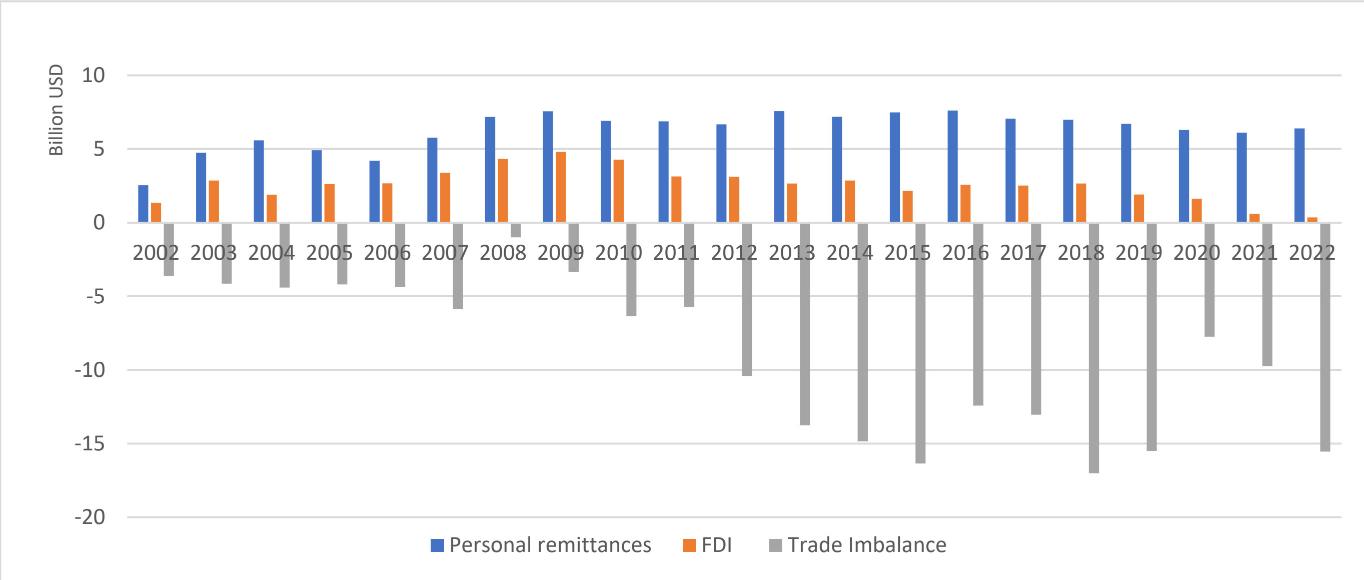

Figure 5. Personal remittances and FDI to Lebanon in billions of USD (World Bank Group 2022a).

Furthermore, Figure 5 illustrates the disparity between personal remittances and FDI, alongside the trade imbalance over the years:

- Personal remittances (PR) vs. FDI: The consistent trend of personal remittances surpassing FDI underscores the significant role of remittances in Lebanon's economy (Shahzad et al. 2014). Despite fluctuations, the overall dominance of PR implies a substantial inflow of funds from diaspora compared to direct investment. This raises questions about Lebanon's attractiveness to foreign investors and the factors driving the preference for remittances over FDI.
- Trade imbalance: The persistent negative values representing trade imbalances indicate Lebanon's reliance on imports, surpassing its export capacity (Azzi 2023). The fluctuating levels of trade deficits over time reflect dynamic economic conditions and external factors influencing trade dynamics. This imbalance poses challenges to Lebanon's economic sustainability and underscores the need for strategies to address trade disparities and promote export-driven growth.
- Impact as sources of foreign currency and economic implications: Personal remittances, crucial for Lebanon's financial stability and household support, dominate as stable sources of foreign currency (UNDP 2023). In contrast, FDI represents longer-term commitments subject to economic conditions. Heavy reliance on remittances to offset deficits raises sustainability concerns (Fullenkamp et al. 2008a). While providing short-term relief, remittances' long-term impact on development requires careful consideration. Lebanon must diversify foreign currencies sources and address structural issues for sustainable growth and resilience to shocks.

4.2. Regression Analysis

The first group of regression analyses was conducted on various dependent variables, each linked to personal remittances. Table 1 summarizes the contributions, implications, and further interpretations of each analysis.

Table 1. The impact of personal remittances on economic indicators.

Analysis	FDI (Foreign Direct Investment)	Public Debt	Unemployment Rate	GDP (Gross Domestic Product)	Inflation Rate
Contribution	A strong positive relationship exists between personal remittances and FDI, supported by a high R-squared value (0.9289) and low *p*-value (5.63×10^{12}).	There is a significant positive correlation between personal remittances and public debt, evidenced by the high R-squared value (0.8962) and low *p*-value (1.75×10^{10}).	The regression reveals a strong positive association between personal remittances and unemployment (R-squared = 0.9607, *p*-value = 1.18 × 1011).	A substantial positive relationship between personal remittances and GDP is evident, supported by a high R-squared value (0.9517) and low *p*-value (1.71×10^{13}).	The analysis indicates a weak positive correlation between personal remittances and the inflation rate (R-squared = 0.1291, *p*-value = 0.1106).
Implication	Higher personal remittances correlate with increased FDI, suggesting remittance-receiving countries may attract more foreign investment.	Increased personal remittances coincide with higher public debt, possibly indicating elevated government spending or borrowing influenced by remittance inflows.	Higher personal remittances are linked to increased unemployment rates, suggesting remittances may not effectively contribute to job creation or economic development.	Countries receiving higher personal remittances experience significant GDP growth, likely due to stimulation of consumption, investment, or other factors.	While there is a modest increase in the inflation rate with higher remittances, the result lacks statistical significance, suggesting a tenuous relationship between the two variables.

Based on the analysis in Table 1, we can interpret the observed relationships between personal remittances and key economic indicators.

Foreign Direct Investment (FDI): Although there is a strong positive correlation between personal remittances and FDI, further research is necessary to establish causality. Policymakers should investigate whether remittances directly attract FDI or if other factors contribute. Additionally, strategies should be explored to harness remittances for sustainable FDI and economic growth.

Public Debt: While the correlation suggests a relationship between remittances and public debt, it is crucial to assess the underlying factors driving this trend. Policymakers must consider whether increased public debt reflects productive investment or unsustainable fiscal practices. Strategies to manage public finances effectively and ensure transparency in government spending are essential for mitigating risks associated with rising debt levels.

Unemployment Rate: The observed correlation between remittances and unemployment underscores the complexity of labor market dynamics. Policymakers should investigate structural factors contributing to unemployment and explore targeted interventions to enhance job creation and workforce development. Additionally, assessing the quality of employment opportunities and addressing mismatches between labor supply and demand is critical for leveraging remittances to reduce unemployment effectively.

GDP (Gross Domestic Product): While remittances contribute positively to GDP growth, policymakers should consider the sustainability and inclusivity of economic expansion. Strategies to diversify the economy, promote innovation, and enhance productivity are essential for achieving resilient and inclusive growth beyond remittance-driven gains. Moreover, addressing structural constraints and investing in human capital development can amplify the long-term impact of remittances on economic prosperity.

Inflation Rate: The weak correlation between remittances and inflation underscores the importance of considering broader macroeconomic factors influencing price stability. Policymakers should monitor inflationary pressures and implement appropriate monetary policies to ensure price stability while harnessing the benefits of remittance inflows. Additionally, exploring the impact of remittances on income distribution and purchasing power can provide deeper insights into their implications for inflation dynamics.

In summary, these analyses provide valuable insights into the multifaceted impacts of personal remittances on various economic indicators, informing policymakers and researchers about the dynamics of these relationships. The implications highlight both positive and potentially challenging aspects of the influence of remittances on a country's economic landscape.

Thus, considering Table 2, a one-unit increase in personal remittances is associated with a substantial increase of 1.3718 units in FDI. For every one-unit increase in personal remittances, public debt is expected to increase by 0.4232 units. A one-unit increase in personal remittances corresponds to a significant 23.3070-unit increase in unemployment.An increase of one unit in personal remittances is linked to a 5.8345-unit increase in GDP. While a one-unit increase in personal remittances is associated with a 2.2184-unit increase in the inflation rate, the relationship lacks strong statistical support.

Table 2. Summary of results of regression analysis.

Dependent Variable (PR as Independent Variable)	FDI	Public Debt	Unemployment	GDP	Inflation Rate
R-squared	0.9289	0.8962	0.9607	0.9517	0.1291
Significance (p-value)	5.63×10^{12}	1.75×10^{10}	1.18×10^{11}	1.71×10^{13}	0.1106
Coefficient (PR)	1.3718	0.4232	23.307	5.8345	2.2184

Note: Personal remittances (PR) = independent variable. FDI, public debt, unemployment, GDP, and inflation rate = dependent variables.

The second concept of regression analysis was comparing the impact of Personal Remittances and FDI on GDP in Lebanon:

The comparison between the regression results for FDI and GDP, and personal remittances (PR) and GDP reveals stark differences in their impact on Lebanon's economic output:

Table 3 summarizes the regression statistics for both personal remittances to GDP and foreign direct investment to GDP, highlighting their respective coefficients, standard errors, t statistics, p-values, and confidence intervals.

Table 3. Comparing regression analysis.

	Personal Remittances (PR) to GDP	Foreign Direct Investment (FDI) to GDP
Multiple R	0.976	0.12
R-squared	0.952	0.014
Adjusted R-squared	0.899	−0.04
Coefficient	5.834	1.534
Standard error	0.302	2.996
t stat	19.347	0.512
p-value	5.82×10^{14}	0.615
Lower 95%	5.203	−4.761
Upper 95%	6.466	7.828

Note: Data sources: IMF, World Bank, Lebanese Central Bank.

The comparison between the regression results for FDI and GDP, as well as personal remittances and GDP, reveals stark differences in their impact on Lebanon's economic output. Regarding PR to GDP, the regression analysis demonstrates an exceptionally strong positive correlation, with a multiple R value of 0.976, indicating a robust relationship. The R-squared value of 0.952 suggests that approximately 95.2% of the variation in Lebanon's

GDP can be explained by variations in personal remittances, further supported by the adjusted R-squared value of 0.899, indicating statistical significance. The coefficient for personal remittances, standing at 5.834, signifies that for every unit increase in personal remittances, Lebanon's GDP increases by approximately 5.834 units. Conversely, the regression analysis for FDI and GDP reveals a weak positive correlation, with a multiple R value of 0.120. The R-squared value of 0.014 indicates that only about 1.4% of the variation in Lebanon's GDP can be explained by variations in FDI, and the adjusted R-squares value of -0.040 suggests a poor fit of the model to the data. The coefficient for FDI is 1.534, but it lacks statistical significance, with a p-value of 0.615. In summary, while personal remittances significantly impact Lebanon's GDP, FDI does not appear to be a significant driver of economic growth in the country. This underscores the necessity of understanding the varied sources of economic influence and implementing targeted policies to capitalize on the benefits of remittances for sustainable development in Lebanon.

In summary, while personal remittances have a substantial and statistically significant impact on Lebanon's GDP, FDI does not appear to be a significant driver of economic growth in the country. This highlights the importance of understanding the diverse sources of economic influence and the need for targeted policies to harness the benefits of remittances for sustainable development in Lebanon.

4.3. Hierarchical Multiple Regression Models

In order to strengthen the reliability of the regression analysis and the robustness of the pairwise estimates, a hierarchy of several multiple regression models was conducted. This approach involved the progressive addition of control variables to the baseline model, which initially focused on the relationship between foreign direct investment (FDI) and gross domestic product (GDP). The aim was to demonstrate the robustness of the regression estimates by exploring alternative models that control for other economic variables.

Hierarchical Regression Analysis Procedure:

Baseline Model 1: FDI to GDP

- Description: This baseline model examines the relationship between foreign direct investment (FDI) and gross domestic product (GDP). It seeks to establish whether FDI has a significant impact on economic growth in Lebanon when considered in isolation.
- Findings: The results show that FDI has a weak and statistically insignificant relationship with GDP. This indicates that FDI is not a major driver of economic growth in Lebanon, as expected by traditional economic theory. The low R-squared value (0.014) means that only 1.4% of the variation in GDP can be explained by FDI alone.

Model 2: Control Variables Added

- Description: In the second model, additional control variables—such as public debt, unemployment rate, and inflation rate—are introduced to account for other factors that may affect GDP. The aim is to isolate the specific effect of FDI on GDP while controlling for these economic variables.
- Findings: With the inclusion of control variables, the model fit improves significantly (R-squared increases to 0.819), explaining approximately 81.9% of the variation in GDP. However, even with the control variables, FDI remains a weak predictor of economic growth, reinforcing the findings from Model 1.

Model 3: Personal Remittances (PR) Added

- Description: This model adds personal remittances (PR) to the analysis as a new independent variable, given the strong correlation observed between PR and GDP in earlier pairwise analyses. The objective is to compare the relative contributions of FDI and PR to Lebanon's GDP.
- Findings: The inclusion of PR drastically improves the model, with R-squared rising to 0.899, meaning that 89.9% of the variation in GDP can now be explained by the model. The results show that PR has a much stronger and statistically significant impact on

GDP compared to FDI. This suggests that PR plays a more prominent role in driving Lebanon's economic growth.

Model 4: PR and FDI with Control Variables Removed

- Description: In this final model, control variables are removed to focus solely on the relationship between PR, FDI, and GDP. This step helps further evaluate the individual contributions of PR and FDI without the influence of other economic variables.
- Findings: The model fit decreases compared to Model 3 (R-squared drops to 0.616), but it still indicates that PR is a dominant predictor of GDP. The exclusion of control variables reinforces that FDI's impact on GDP remains minimal, while PR continues to explain a significant portion of the variation in GDP.

As summarized in Table 4, the hierarchical multiple regression results confirmed that personal remittances exhibited a much stronger and statistically significant impact on GDP than FDI, supporting earlier findings. These findings are crucial for policymakers aiming to harness remittances effectively for sustainable development, while also reconsidering the limited impact of FDI on Lebanon's economic trajectory.

Table 4. Model summary for hierarchical multiple regression.

Model	Variable	Coefficient (B)	Std. Error	t-Value	*p*-Value	R	R Square	Adjusted R Square
1. FDI	FDI	1.534	2.996	0.512	0.615	0.12	0.014	−0.04
2. Control Variables Added	FDI	0.819	0.77	1.063	0.262	0.905	0.819	0.77
	Public Debt	−0.547	0.092	−5.951	<0.001 ***			
	Unemployment Rate	6.855	1.295	5.29	<0.001 ***			
	Inflation Rate	−0.226	0.051	−4.431	<0.001 ***			
3. PR Added	FDI	−2.633	2.086	−1.263	0.207	0.948	0.899	0.863
	Public Debt	−0.309	0.1	−3.09	0.002 **			
	Unemployment Rate	4.302	1.256	3.429	<0.001 ***			
	Inflation Rate	−0.22	0.039	−5.641	<0.001 ***			
	Personal Remittances (PR)	8.197	1.588	5.159	<0.001 ***			
4. PR and FDI with Control Variables Removed	FDI	−2.633	2.086	−1.263	0.207	0.785	0.616	0.571
	Personal Remittances (PR)	8.197	1.588	5.159	<0.001 ***			

Notes: Significance levels: **: Significant at the 5 percent level; ***: Significant at the 1 percent level.

4.4. Questionnaire Results

Our investigation into the impact of personal remittances in Lebanon through the questionnaire has unveiled critical insights that align seamlessly with social capital theory. Rooted in Lebanon's intricate social fabric and close-knit communities, our findings provide a nuanced perspective on how personal remittances contribute to or disrupt social capital within the country. The unique societal structure of Lebanon, marked by diverse religious and cultural groups, underscores the paramount importance of social relationships and networks.

The questionnaire, with a focus on the role and impact of remittances, served as a lens through which we explored the intricate interplay between financial flows and social capital. Notably, a substantial portion of respondents (37.6%) receive remittances (Figure 6), and about 60% of those receive transfers from family members or friends working abroad (Figure 7).

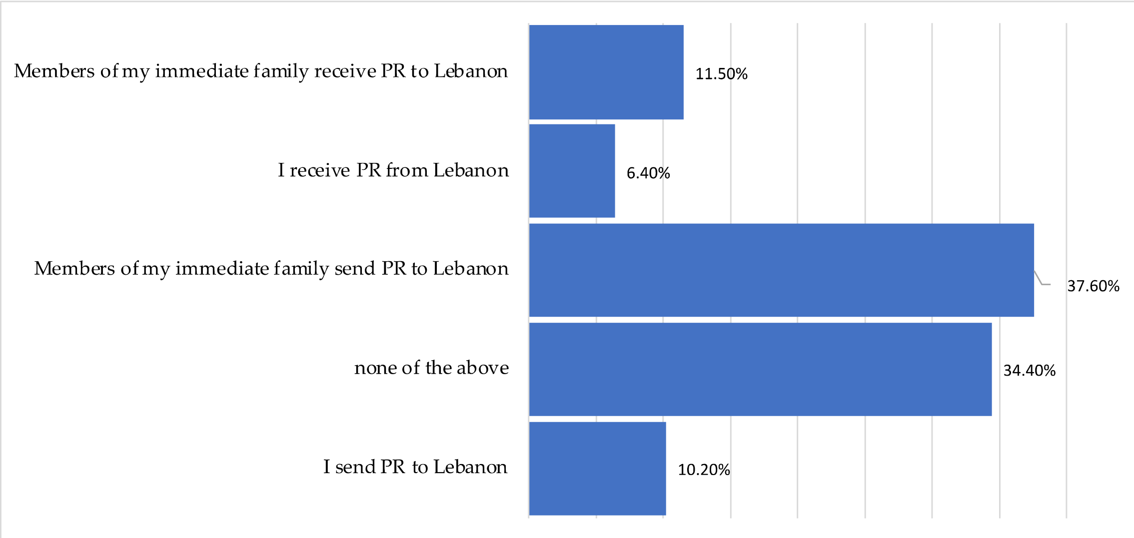

Figure 6. Percentage of receivers of personal remittances in Lebanon, based on survey responses (Question concerning if respondents, or their immediate family, sends or receive PR to/from Lebanon).

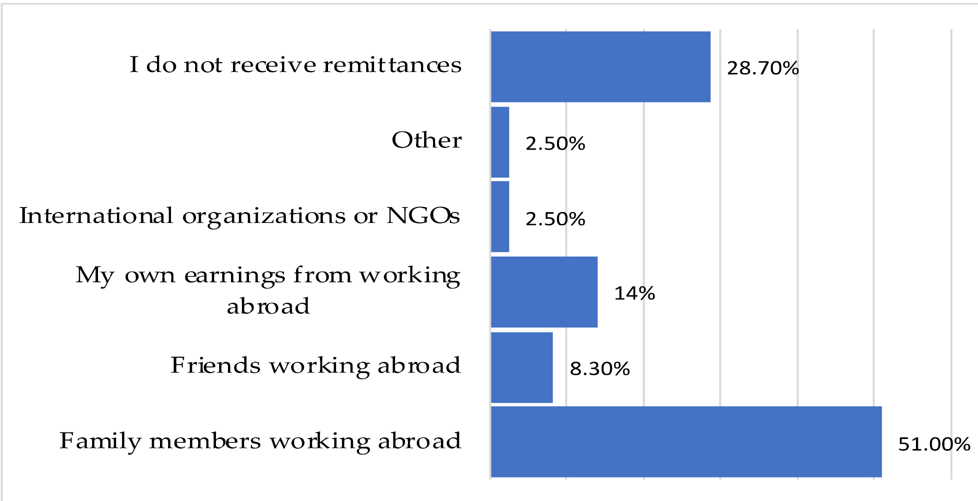

Figure 7. Primary source of remittances received, based on survey responses (If you or your immediate family receive remittance in Lebanon, please select the primary source(s) of these remittances. (You can select multiple options if applicable)).

Furthermore, the majority (about 52.4%) receive less than $1000 per month, and the respondents were asked to select the primary purpose or purposes for which these remittances are used (Figure 8).

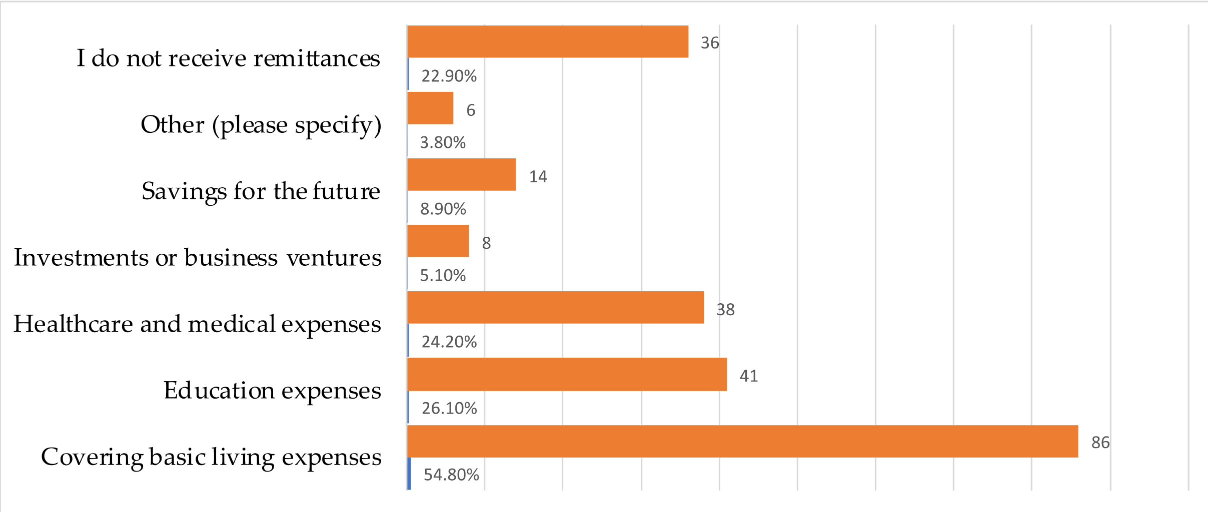

Figure 8. Primary purpose for remittances, based on survey responses (Purposes of remittances utilization among respondents).

The highest percentage of respondents (54.8%) reported that remittances primarily cover basic living expenses, indicating the crucial role of these funds in meeting day-to-day needs such as housing and food. Additionally, significant percentages allocate remittances to education expenses (26.1%) and healthcare (24.2%), reflecting priorities toward human capital development and well-being. The lower percentages directed toward investments or business ventures (5.1%) and savings for the future (8.9%) suggest a predominant focus on immediate needs rather than long-term financial planning or wealth accumulation.

The data related to inequality and sustainability of remittances in Lebanon suggests the following insights.

4.4.1. Inequality Impact

Perceptions regarding the impact of remittances on income inequality among respondents provide diverse insights into Lebanon's socioeconomic dynamics. Based on our survey, approximately 30.6% view remittances as a force for reducing income inequality, aligning with literature suggesting their positive contribution to poverty alleviation (Maimbo and Ratha 2005). Conversely, 16.6% believe remittances have no substantial effect on income inequality, reflecting a nuanced understanding of economic disparities. Concerns expressed by 18.5% about exacerbating income inequality highlight apprehensions about unequal access to remittance funds (Adenutsi 2011). Additionally, 34.4% expressed uncertainty, underscoring the need for further research and policy interventions. Engaging with existing literature can guide comprehensive evaluations of remittances' role in income distribution dynamics in Lebanon.

4.4.2. Sustainability

The analysis reveals diverse perceptions of remittance sustainability among respondents (Aniche 2020). While 25.5% expressed confidence in long-term sustainability, 42% harbored concerns about its continuity, reflecting apprehensions about potential disruptions. An additional 32.5% remain uncertain, highlighting the complexity of remittance dynamics. These findings align with literature discussing the resilience of remittance-based support systems amid economic challenges. However, they also underscore vulnerabilities to external shocks and the need for comprehensive research and policy initiatives to navigate the complexities of remittance flows and their impact (United Nations Department of Economic and Social Affairs 2020) on Lebanon's sustainable development.

4.4.3. Impact on Well-Being, Financial Stability, Development Economics

The analysis reveals varying perceptions of remittance impact on well-being and financial stability among respondents, reflecting the nuanced nature of these financial inflows (Arapi-Gjini 2022). While 50.3% acknowledged a positive or significant impact, 10.2% perceived no significant effect, and 2% noted negative outcomes. The sizable portion (38.2%) that claimed not to receive remittances highlights economic disparities. These findings underscore the need for tailored approaches to leverage remittances effectively and address diverse household needs, aligning with literature emphasizing context-specific strategies for sustainable development (United Nations Department of Economic and Social Affairs 2020).

In summary, the data reflect diverse perspectives on the impact of remittances on income inequality, with a range of opinions regarding whether remittances contribute to reducing or exacerbating disparities. Additionally, there are varying viewpoints on the sustainability of remittances, indicating a mix of optimism, concerns, and uncertainties among the respondents.

5. Discussion

The regression results (Table 1) imply that the analysis of the relationship between personal remittances and key economic indicators in Lebanon reveals nuanced dynamics with significant implications for economic policy and development strategies. While the positive correlation between remittances and FDI suggests potential benefits for attracting foreign investment, it necessitates further investigation into the underlying mechanisms driving this relationship. The association between remittances and increased public debt underscores the importance of fiscal prudence and sustainable debt management to mitigate risks to long-term economic stability. Unexpectedly, the positive link between remittances and unemployment challenges conventional assumptions, highlighting the need for targeted interventions to translate remittance inflows into sustainable job creation and economic opportunities. Despite the substantial contribution of remittances to GDP growth, concerns persist regarding the sustainability and inclusivity of economic expansion, necessitating efforts to address structural constraints and promote broad-based development. Lastly, while the modest correlation between remittances and inflation warrants monitoring, the lack of statistical significance underscores the complexity of inflation dynamics and the need for cautious interpretation in policymaking. In essence, the findings underscore the intricate interplay between remittances and economic variables, emphasizing the importance of evidence-based policymaking and proactive economic management to harness the potential of remittances for inclusive and sustainable development in Lebanon.

In the context of social capital theory, the data provide insights into how personal remittances influence social relationships and networks within the unique societal structure of Lebanon. The prevalence of remittances, with 37.6% of respondents receiving them, reflects the interconnectedness of families and friends working abroad. Most of these remittances come from family members or friends (60%), emphasizing the importance of close-knit relationships. This aligns with social capital theory, which highlights the value embedded in such social networks.

The breakdown of remittance purposes further illustrates how these financial flows contribute to societal dynamics. The primary use for covering basic living expenses (54.8%) indicates a direct impact on the day-to-day well-being of recipients, reinforcing social ties as a means of support. Education and healthcare expenses also feature prominently, emphasizing the role of remittances in facilitating access to essential services within the community.

However, the data also reveal variations in the use of remittances, with smaller percentages allocated to investments or business ventures, savings for the future, and other purposes. This diversity suggests that while remittances strengthen social ties, the economic choices made by recipients can vary, influencing the distribution of wealth within the community.

Upon examining the data considering the Dutch disease phenomenon, notable patterns emerge:

- Consumption focus: The majority (54.8%) said that directing remittances toward basic living expenses raised concerns about excessive consumption, aligning with the Dutch disease phenomenon. This pattern may divert funds from productive sectors necessary for sustained economic growth.
- Limited investment allocation: A small percentage (5.1%) said they allocated remittance to investments or business ventures, suggesting challenges in fostering entrepreneurship and productive capital formation. This limitation may hinder the development of sectors crucial for economic resilience.
- Sustainability concerns: A significant proportion (42%) expressed concerns about remittance sustainability, underscoring worries about the economy's overreliance on external inflows. This sentiment echoes Dutch disease caution against unsustainable dependence on remittance-driven support.

Moving to the data on inequality and sustainability, the insights align with the broader economic implications discussed regarding the Dutch disease phenomenon and social capital theory:

- Inequality impact: The data reflect respondents' diverse opinions on whether remittances contribute to reducing or exacerbating income inequality. While a significant portion (30.6%) believed in the reduction of income inequality, concerns were raised by 18.5% about the potential exacerbation of such disparities. This mirrors the nuanced nature of social relationships and economic choices within the community.
- Sustainability: Opinions on the sustainability of remittances are varied. While 25.5% believed in the long-term sustainability, a substantial percentage (42%) expressed concerns about continuity. This dichotomy echoes the potential drawbacks, such as the Dutch disease phenomenon, where the sustainability of remittance-driven support might face challenges.
- Impact on well-being and financial stability: The positive impact perceived by 50.3% aligns with the idea that, for a significant portion, remittances contribute positively to economic conditions. However, the diversity of opinions, including concerns about sustainability and uncertainty, underscores the complexity of assessing the overall effects of remittances on well-being and financial stability.

In conclusion, the data provide a rich tapestry of insights into the interplay between remittances, social capital, economic choices, and potential challenges. The findings align with the theoretical frameworks discussed and confirm hypotheses 1 and 2, emphasizing the need for a nuanced understanding of the societal and economic dynamics influenced by personal remittances in Lebanon.

The study findings suggest a potential need for careful consideration and policy planning to ensure that remittance inflows contribute to a balanced and sustainable economic development rather than inadvertently leading to challenges associated with the Dutch disease.

6. Conclusions and Recommendations

6.1. Theoretical Conclusions and Implications

This study highlights the complex landscape of Lebanon's economy, which is significantly influenced by personal remittances amid financial instability and political unrest. Remittances, a crucial source of foreign currency, have historically bolstered household incomes and consumption, showcasing their strong correlation with GDP. However, concerns about their long-term sustainability and their impact on productive sectors underline the challenges of economic resilience in Lebanon.

The observed disparity between the substantial impact of personal remittances and the relatively insignificant influence of FDI on GDP underscores Lebanon's struggle to attract sustainable investments. This disparity points to the need for a diversified economic strategy that does not solely depend on remittances.

6.2. Industry and Policy Implications

To mitigate the risks associated with remittance dependency, it is essential to prioritize economic diversification, institutional reforms, and social inclusion. By leveraging remittances alongside targeted measures, Lebanon can navigate its economic challenges more effectively. Given the limited government capacity and the complexities of political instability, our strategic recommendations focus on engaging non-governmental actors like NGOs, private sector entities, and community-based organizations. These stakeholders are often more agile and responsive, fostering collaborative partnerships and promoting a sustainable approach to leveraging remittances for economic development.

Our proposed strategic plan encompasses actions like community needs assessment, partnership building, capacity program design, financial inclusion, entrepreneurship facilitation, and social enterprise promotion. These measures aim to empower local communities and enhance project sustainability without over-relying on government support.

6.3. Recommendations

Based on the results of this study, a strategic plan outlining the steps needed to implement the recommendations for leveraging personal remittances for economic development without relying heavily on direct government support is suggested (Table 5). The focus is on personal remittances, considering the significant correlation of remittances on economic variables and on FDI itself, while the impact of FDI on GDP is insignificant at such a low rate as it is now, and as per the study conducted.

Table 5. Strategic plan for leveraging personal remittances for economic development.

Steps	Recommended Actions
1. Assess community needs	Conduct comprehensive assessments to understand socioeconomic challenges, opportunities, and aspirations. Evaluate existing levels of financial literacy, entrepreneurial skills, access to services, and community assets.
2. Build partnerships	Forge strategic partnerships with local NGOs, microfinance institutions, academia, the private sector, and the diaspora. Collaborate to co-create and implement development programs, leveraging collective expertise and resources.
3. Design capacity programs	Develop tailored capacity-building programs focused on financial literacy, entrepreneurship, and digital skills. Customize learning materials and methodologies to cater to the specific needs and preferences of target groups.
4. Implement financial inclusion	Pilot innovative initiatives like mobile banking, digital payments, and community-based savings groups. Introduce user-friendly financial products and microcredit schemes designed for remittance beneficiaries.
5. Establish investment funds	Create social investment funds, impact platforms, or community development funds to mobilize remittances. Develop transparent governance structures and investment criteria to ensure accountability and sustainability.
6. Facilitate entrepreneurship	Launch entrepreneurship programs, business incubators, and startup accelerators to provide mentorship and funding. Foster innovation through hackathons, pitch competitions, and networking events connecting entrepreneurs.

Table 5. *Cont.*

Steps	Recommended Actions
7. Promote social enterprises	Encourage the formation of social enterprises, cooperatives, and community-owned businesses using remittance funds. Provide capacity-building support and technical assistance to help establish sustainable business models.
8. Monitor and evaluate	Establish robust monitoring and evaluation systems to track progress, outcomes, and impact of development initiatives. Collect quantitative and qualitative data for adaptive management and program refinement based on stakeholder feedback.
9. Advocate policy reforms	Lobby for policy reforms, regulatory incentives, and supportive environments to facilitate remittance flows. Engage policymakers, regulators, and development agencies in dialogues addressing barriers to financial inclusion.
10. Scale successful models	Identify scalable solutions demonstrating impact and sustainability in leveraging remittances for development. Document case studies and success stories to inspire replication and adaptation of effective interventions globally.

6.4. Limitations and Future Research Avenues

While this study provides valuable insights, it also has limitations. The small sample size, while reflective of Lebanon's population, might not capture the full spectrum of remittance impacts. Future research should explore larger samples or longitudinal studies to understand the evolving role of remittances and FDI in Lebanon's economy.

Moreover, this study primarily relied on pairwise regression results without incorporating control variables. This methodological choice, while simplifying the analysis, may compromise the reliability of the estimates. Future research should consider employing multiple regression models that include relevant control variables, enabling a more comprehensive understanding of the factors influencing the relationships examined.

Additionally, while our strategic plan for leveraging personal remittances for economic development provides a framework for future initiatives, further investigations into the specific barriers to attracting sustainable FDI are warranted. Identifying and addressing these barriers will empower researchers and policymakers to develop targeted strategies aimed at enhancing investment opportunities in Lebanon.

Furthermore, future research is encouraged to expand the survey questions to assess respondents' willingness to invest in Lebanon, particularly in initiatives aimed at supporting small and medium-sized enterprises (SMEs) or launching new businesses. Additionally, employing regression analysis on the survey data could yield valuable insights into the intricate dynamics of remittances and foreign direct investment, enriching our understanding of their impact on Lebanon's economic landscape.

In conclusion, this paper contributes to the literature by proposing an innovative strategic plan for leveraging personal remittances in economic development. Our comprehensive approach, involving diverse stakeholders and robust monitoring mechanisms, emphasizes collaboration and sustainability. By focusing on community empowerment and economic resilience, this study provides a fresh perspective on utilizing remittance flows to foster sustainable development. As highlighted by Bhatia et al. (2022), crises open doors for innovation, necessitating the formation of cross-functional teams to achieve transformative and revolutionary organizational change. This study emphasizes that amidst Lebanon's current economic challenges, such strategies can pave the way for meaningful transformation and growth.

Author Contributions: Conceptualization, S.F.A.L.; methodology, S.F.A.L.; software, S.F.A.L.; validation, S.F.A.L., S.M.-Y. and A.T.; formal analysis, S.F.A.L.; investigation, S.F.A.L.; resources, S.F.A.L.; data curation, S.F.A.L.; writing—original draft preparation, S.F.A.L.; writing—review and editing,

S.F.A.L., S.M.-Y. and A.T.; visualization, S.F.A.L., S.M.-Y. and A.T.; project administration, S.F.A.L. All authors have read and agreed to the published version of the manuscript.

Funding: This research received no external funding.

Institutional Review Board Statement: This paper is based on original research conducted by the author in accordance with ethical principles and standards set by the journal. The author has no conflicts of interest to declare, and the accuracy of the data and unbiased analysis and interpretation are affirmed.

Data Availability Statement: All data analyzed during this study are included in the article.

Conflicts of Interest: The authors declare no conflict of interest.

References

Abdo, Nabil, Dana Abed, Bachir Ayoub, and Nizar Aouad. 2020. *The IMF and Lebanon: The Long Road Ahead–An Assessment of How Lebanon's Economy May Be Stabilized While Battling a Triple Crisis and Recovering from a Deadly Blast*. Briefing Paper. Oxford: Oxfam. [CrossRef]

Acosta, Pablo A., Emmanuel K. K. Lartey, and Frederico S. Mandelman. 2009. Remittances and the Dutch Disease. *Journal of International Economics* 79: 102–16. [CrossRef]

Adenutsi, Deodat E. 2011. Do Remittances Alleviate Poverty and Income Inequality in Poor Countries? Empirical Evidence from Sub-Saharan Africa. Munich Personal RePEc Archive. Available online: https://mpra.ub.uni-muenchen.de/id/eprint/37130 (accessed on 7 February 2024).

Aniche, Ernest T. 2020. Migration and Sustainable Development: Challenges and Opportunities. In *Migration Conundrums, Regional Integration and Development: Africa-Europe Relations in a Changing Global Order*. Edited by Inocent Moyo, Christopher Changwe Nshimbi and Jussi P. Laine. Singapore: Springer, pp. 37–61. [CrossRef]

Aoun, Stephanie. 2022. MENA Remittances in 2022. Blom Investbank. Available online: https://blog.blominvestbank.com/45721/mena-remittances-in-2022/ (accessed on 13 January 2023).

Arapi-Gjini, Arjola. 2022. *Migration, Remittances and Well-Being in Kosovo*. Research Report No. 98, Studies on the Agricultural and Food Sector in Transition Economies. Halle: Institute of Agricultural Development in Transition Economies.

Ayhan, Fatih. 2021. The Determinants of Commercial Banks Profitability and Importance of Remittance in Lebanese Banks: Return of Equity and Remittance in Lebanon. *International Journal of Contemporary Economics and Administrative Sciences* 11: 117–33. [CrossRef]

Azzi, Aline. 2023. What Drove the Two-Digit Trade Deficit in Lebanon in 2022? *Blom Invest Bank*. January 19. Available online: https://blog.blominvestbank.com/46001/what-drove-the-two-digit-trade-deficit-in-lebanon-in-2022/ (accessed on 18 February 2023).

BDL–Banque du Liban. 2023. Economic and Financial Data. Available online: https://www.bdl.gov.lb/economicandfinancialdatasub.php?docId=17&code=1&filecode=100 (accessed on 13 June 2023).

Bhatia, Asha, Komal Jain, Ravi Teja Boddapati, and Prashant Goyal. 2022. Transforming India's Logistic Industry During COVID-19 Crisis. In *Business Under Crisis Volume I: Contextual Transformations*. Edited by Demetris Vrontis, Alkis Thrassou, Yaakov Weber, S. M. Riad Shams, Evangelos Tsoukatos and Leonidas Efthymiou. Cham: Palgrave Macmillan, pp. 247–68. [CrossRef]

Chang, Ha-Joon, and Amir Lebdioui. 2020. *From Fiscal Stabilization to Economic Diversification: A Developmental Approach to Managing Resource Revenues*. WIDER Working Paper No. 2020/108. Helsinki: UNU-WIDER. [CrossRef]

Choueiri, Fadlo I., Jad Abi Haidar, and Marc Mourkarzel. 2023. Net FDI Inflows to Lebanon at $359 Million in 2022. Credit Libanais Economic Research. Available online: https://economics.creditlibanais.com/Article/211681 (accessed on 25 January 2024).

Chowdhury, Emon K., Bablu K. Dhar, and Md. Abu Issa Gazi. 2023. Impact of Remittance on Economic Progress: Evidence from Low-Income Asian Frontier Countries. *Journal of the Knowledge Economy* 14: 382–407. [CrossRef]

Creswell, John W. 2013. *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. Thousand Oaks: Sage Publications.

Creswell, John W., and Vicki L. Plano Clark. 2017. *Designing and Conducting Mixed Methods Research*. Thousand Oaks: SAGE Publications.

Dauod, Suria, and Carlos D. Ramirez. 2024. Do Remittances Affect Output? Evidence from Lebanon. *Applied Economics Letters* 31: 774–78. [CrossRef]

El Hamma, Imad. 2019. Migrant Remittances and Economic Growth: The Role of Financial Development and Institutional Quality. In *Economie & Statistique*; No. 503–504; Paris: Institut National de la Institut National de la Statistique et des Études Économiques (INSEE), pp. 123–42.

Fullenkamp, Connel, Thomas F. Cosimano, Michael T. Gapen, Ralph Chami, Peter J. Montiel, and Adolfo Barajas. 2008a. V Macroeconomic Implications of Remittances: Theory. In *Macroeconomic Consequences of Remittances*. Washington, DC: International Monetary Fund. [CrossRef]

Fullenkamp, Connel, Thomas F. Cosimano, Michael T. Gapen, Ralph Chami, Peter J. Montiel, and Adolfo Barajas. 2008b. VII An Empirical Investigation of the Macroeconomic Effects of Remittances. In *Macroeconomic Consequences of Remittances*. Washington, DC: International Monetary Fund. [CrossRef]

Giuliano, Paola, and Marta Ruiz-Arranz. 2009. Remittances, Financial Development, and Growth. *Journal of Development Economics* 90: 144–52. [CrossRef]

Hayami, Yujiro, and Yoshihisa Godo. 2005. *Development Economics: From the Poverty to the Wealth of Nations*, 3rd ed. Oxford: Oxford University Press.

Islam, Md. Saiful, and Abdul Kalam Azad. 2023. The Impact of Personal Remittance and RMG Export Income on Income Inequality in Bangladesh: Evidence from an ARDL Approach. *Review of Economics and Political Science* 9: 134–50. [CrossRef]

Jongwanich, Juthathip, and Archanun Kohpaiboon. 2019. Workers' Remittances, Capital Inflows, and Economic Growth in Developing Asia and the Pacific. *Asian Economic Journal* 33: 39–65. [CrossRef]

Kadozi, Edward. 2019. Remittance Inflows and Economic Growth in Rwanda. *Research in Globalization* 1: 100005. [CrossRef]

Kassab, Sara. 2024. The Impact of Remittance Inflows on Inflation: The Case of Lebanon. *Review of Middle East Economics and Finance* 20: 113–27. [CrossRef]

Kratou, Hajer, and Najeh Khlass. 2022. Remittances, Income Inequality, and Brain Drain: An Empirical Investigation for the MENA Region. In *Key Challenges and Policy Reforms in the MENA Region: An Economic Perspective*. Edited by Mohamed Sami Ben Ali. Cham: Springer International Publishing, pp. 85–101. [CrossRef]

Maimbo, Samuel M., and Dilip Ratha. 2005. *Remittances: Development Impact and Future Prospects*. Chicago: World Bank Publications.

Maxwell, Joseph A. 2012. *Qualitative Research Design: An Interactive Approach*. Thousand Oaks: SAGE Publications.

Mercy Corps Lebanon. 2022. Understanding the Limitations of Remittances as an Informal Social Safety Net in Lebanon. November 24. Available online: https://mercycorps.org.lb/understanding-the-limitations-of-remittancesas-an-informal-social-safety-net-in-lebanon/ (accessed on 1 March 2023).

Meyer, Dietmar, and Adela Shera. 2015. The Impact of Remittances on Economic Growth: An Econometric Model. *EconomiA* 18: 147–55. [CrossRef]

Mihai Yiannaki, S. 2011. Bank bailouts: Lessons to learn when patience is a virtue. *EuroMed Journal of Business* 6: 192–205. [CrossRef]

Mrad, Helmi. 2024. Lebanon's Trade Deficit Down by 10.1% YOY to $13.99B by December 2023. Blom Invest Bank. May 14. Available online: https://blog.blominvestbank.com/49578/lebanons-trade-deficit-down-by-10-1-yoy-to-13-99b-by-december-2023/ (accessed on 14 August 2024).

Palloni, Alberto, Douglas S. Massey, Miguel Ceballos, Kristin Espinosa, and Michael Spittel. 2001. Social Capital and International Migration: A Test Using Information on Family Networks. *American Journal of Sociology* 106: 1262–98. [CrossRef]

Perez-Saiz, Hector, Jemma Dridi, Tunc Gursoy, and Mounir Bari. 2019. *The Impact of Remittances on Economic Activity: The Importance of Sectoral Linkages*. IMF Working Papers. Washington, DC: International Monetary Fund, p. 175. [CrossRef]

Rijnoveanu, Carmen, and Sertif DemiR. 2013. Suriye Krizinin Küresel ve Bölgesel Politik Dinamikler Üzerine Etkisi. *Ege Universitesi Turk Dunyasi Incelemeleri Dergisi* XIII: 55–77. [CrossRef]

Rodrik, Dani. 2008. The Real Exchange Rate and Economic Growth. *Brookings Papers on Economic Activity* 2008: 365–412. [CrossRef]

Sahoo, Pravakar. 2006. *Foreign Direct Investment in South Asia: Policy, Trends, Impact and Determinants*. Discussion Paper. Mandaluyong: ADB–Asian Development Bank.

Shahzad, Sayed J. H., Mobeen U. Rehman, Faiza Abbasi, and Muhammad Zakaria. 2014. Relationship Between Remittance, Export, Foreign Direct Investment and Growth: A Panel Cointegration and Causal Analysis in South Asia. *Munich Personal RePEc Archive*. November 29. Available online: https://mpra.ub.uni-muenchen.de/60290/ (accessed on 19 February 2024).

Shehadi, Sebastian. 2022. Lebanon Is World's Most Remittance-Dependent Nation. *Investment Monitor*. December 14. Available online: https://www.investmentmonitor.ai/features/lebanon-remittance-dependent-country-world/ (accessed on 15 January 2023).

Sobiech, Izabela. 2019. Remittances, Finance and Growth: Does Financial Development Foster the Impact of Remittances on Economic Growth? *World Development* 113: 44–59. [CrossRef]

UNCTAD—United Nations Conference on Trade and Development. 2013. *Maximising the Development Impact of Remittances*. Geneva: UNCTAD.

UNDP—Unitied Nations Development Program. 2023. The Increasing Role and Importance of Remittances in Lebanon. UNDP.org. Available online: https://www.undp.org/arab-states/publications/increasing-role-and-importance-remittances-lebanon (accessed on 7 February 2024).

United Nations Department of Economic and Social Affairs. 2020. *World Social Report 2020: Inequality in a Rapidly Changing World*. New York: United Nations.

Vrontis, Demetris, Alkis Thrassou, Naziyet Uzunboylu, and Leonidas Efthymiou. 2023. An Overview of Business for Sustainability: Strategic Avenues and Managerial Approaches. In *Business for Sustainability: Strategic Avenues and Managerial Approaches, Palgrave Macmillan*. Edited by Demetris Vrontis, Alkis Thrassou, Leonidas Efthymiou, Yaakov Weber, S. M. Riad and E. Tsoukatos. Cham: Springer Nature.

Wang, Ting, and Ping Ji. 2010. Understanding Customer Needs through Quantitative Analysis of Kano's Model. *International Journal of Quality & Reliability Management* 27: 173–84. [CrossRef]

World Bank Group. 2022a. Personal Remittances, Paid (Current US$)-Lebanon. Available online: https://data.worldbank.org/indicator/BM.TRF.PWKR.CD.DT?locations=LB (accessed on 2 November 2022).

World Bank Group. 2022b. Personal Remittances, Received (% of GDP). World Bank.org. Available online: https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS?most_recent_value_desc=false&locations=LB (accessed on 13 January 2023).

World Bank Group. 2023. Remittance Flows Continue to Grow in 2023 Albeit at Slower Pace. Press Release, World Bank.org. Available online: https://www.worldbank.org/en/news/press-release/2023/12/18/remittance-flows-grow-2023-slower-pace-migration-development-brief (accessed on 14 August 2024).

World Bank Group. 2024. World Bank Open Data. World Bank.org. Available online: https://data.worldbank.org (accessed on 14 August 2024).

Zghidi, Nahed, Imen M. Sghaier, and Zouheir Abida. 2018. Remittances, Institutions, and Economic Growth in North African Countries. *Journal of the Knowledge Economy* 9: 804–21. [CrossRef]