

Published by the decision of the Scientific Council
of Khachatur Abovian
Armenian State Pedagogical University



Department of Philosophy and Logic
named after Academician Georg Brutian



W I S D O M

4(28), 2023

ASPU Publication

YEREVAN – 2023

THE POTENTIAL OF DIASPORA SYSTEM-BUILDING INVESTMENTS IN HOMELAND

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Abstract: The problem of Diaspora investments is of great importance in research and policy development circles, but this demand does not strengthen by comprehensive research on the problems that have arisen. In these spheres, we need to emphasize attention to the problems of targeted investments in the home state and its system-building potential.

This paper discusses the opportunities and limitations that form the framework for investments from the Diaspora to Armenia. The work aims to understand whether the investments from Diaspora could have system-building potential and how it impacts the homeland. In this connection, such questions are asked as to what motivates these investments to be made, within the framework of what policy, where, and how are the investments incorporated and what future effects they have.

Keywords: diaspora, homeland, investments, economy, network, ethnicity, capital.

Introduction

Armenia has a large diaspora compared to the population of the country. This is an important feature for Armenia and can become the basis for a new momentum of development. Having a great potential for active and entrepreneurial compatriots with high working skills and abilities outside the borders of Armenia, the Armenian diaspora becomes a unique potential for the development of Armenia.

Especially in the post-war period, in the context of economic systemic problems, the foregoing is one of the main factors in strengthening the socio-economic relationship between Armenia

and the Diaspora and one of the conditions for the development of entrepreneurship in Armenia.

The involvement of Diaspora Armenian entrepreneurs in the economy of Armenia can be manifested not only through direct investment, but also through the formation of links with foreign financial institutions, trade relations (especially exports) and the promotion of foreign investment in the Armenian economy.

Diaspora participation in the economic life of Armenia is characterized mainly by charitable activities, such as large infrastructure projects in the field of road construction, etc. However, Diaspora capital in the non-financial dimension, such as knowledge, skills, business connections,

etc., has been poorly used to build a new entrepreneurial culture in Armenia and to transfer international experience to Armenia.

There have been individual cases of direct investment by individuals from the diaspora, mainly in the service sector, or small projects are implemented with relatives in their places of origin (Avetisyan, 2023).

Cases of the institutional nature of entrepreneurship from Diaspora to Armenia are a special subject for study and indicate the need to develop new projects.

With every crisis, the demand for improvement of the investment policy, in particular, the investment policy from the Diaspora is activated in Armenia. In such conditions, the systemic and institutional gaps in the country, as well as the gaps in Armenia-Diaspora relations, become obvious.

Thus, taking into account the current crisis for Armenians in both Armenia and the Diaspora, the analysis of investments from the Diaspora, the study of the international experience, as well as the investment impact of the Armenian Diaspora, becomes relevant.

There is a consensus among Diaspora investment researchers that the Diaspora can make a unique contribution to the development of their home countries - especially toward building physical capital, helping to boost job creation, living standards, and higher growth.

In a recent study, my colleagues and I suppose that investments from the Diaspora can go beyond what is listed, multiplying the effectiveness of influence on social and institutional directions not only in the short term but also in the long term cut. With the right policy, home countries can make wider use of their Diaspora - which involves emigrants and their descendants - to support the economy. So the investments from Diaspora can bring about economic, social, etc. changes and effects not only in the home country but in the per se Diaspora as well. In addition, the Diaspora in this investment context acts as a bridge for inclusion in the international economy. For instance, Globalscot, a Diaspora network created and managed by the Scottish government, is highly valued for its ability to elevate the quantity and quality of global knowledge circulation in Scotland (MacRae & Wright, 2006). It was initiated in 2001, targeting highly educat-

ed and motivated parts of the Diaspora as a developmental resource.

Focused on openness and international cooperation, within a few years, Globalscot has got great success.

It is now a powerful network of more than 800 influential business professionals. Members offer their time, experience, contacts, knowledge, and skills to businesses and other domestic beneficiaries (Mitra et al., 2016).

This is a successful example that shows the great potential that the Diaspora can have from an investment point of view.

In this paper, investments from the Diaspora to the homeland and its potential were studied according to the interdisciplinary approach in the nexus of investments, ethno-sociology, and Diaspora studies. The choice of this research topic is conditioned by the need to study the peculiarities of investments from the Diaspora and its effects on Armenia.

The paper is based on the findings of the study, the paper is based on the study, which was conducted through three methods: expert interviews, case studies, and document analysis. The scarcity of additional required information has been supplemented by processing secondary data in the research field.

The methodology used ensures the reliability of the results obtained, which are theoretical and practical preconditions for the application of a number of methods. This paper also involves the results of sociological surveys conducted by various organizations, as well as other secondary data.

Diaspora as a Source of Investment: Study Overview

There are many researches devoted to the study of investments from the Diaspora to the homeland, Based on those studies we can extract the main issues pointed out by the authors. Summarizing the existing approaches, we can say that there are three main questions the authors try to answer

1. Why do the Diaspora representatives invest in their homeland or their country of origin?
2. In what ways and how are these investments implemented?

3. What do Diaspora representatives invest in, in which areas, etc.

In the context of these three groups of questions, a group of authors tries to explain why Diaspora representatives invest in the homeland, or why investment intensities from various Diaspora communities differ. Here, the authors focus on the 3 main components of investment activity in the homeland: financial, social (connections, networks, etc.), and emotional or psychological (Nielsen & Riddle, 1966).

A seminal work in this context is Aharon's study of Jewish investment in Israel, which notes that American Jews invest heavily in independent high-risk ventures in Israel. Aharoni suggests that the investment process of the Jewish Diaspora is greatly influenced by the deep psychological ties they have with Israel, rather than purely financial gain (Aharoni, 1966).

Thus it is important to know the motivation of the contributor. International economic literature traditionally states that investment decisions are made based on financial expectations of "return". Empirical research, especially in the field of economic psychology, proves that people often contribute to social funds where the main goal is not maximum profit (Nielsen & Riddle, 2009).

Investments from the diaspora to the country of origin or home country have different directions. However, whichever direction these investments are taking, it is important to understand the motivation of the investor. There are many studies in the academic literature in this regard. Studying the investment attempts of different diasporas, researchers have come to the conclusion that investment decisions can be motivated in different ways. Based on these motivational differences, investors are grouped into several categories.

- The first group is interested in investing exclusively on the basis of financial gain and profitability. The primary motivation here is profit, and the other factors are derived from it.
- For another group of investors, achieving social recognition in a given community becomes an important motivation. Moreover, it may entice investments in the home country, in the country of origin and other communities, and even in the community of a given country.
- The third group of investors invests in the

homeland with motivation based on emotions. In other words, keeping the ancestral homeland in the first instance, or the thought of being attached to the homeland, etc.

These three directions of motivation descriptions can operate either separately or simultaneously, only one of them can be dominant. The latter depends on a number of objective situational reasons. For example, a person who is part of the Diaspora community may be interested in contributing to the development of the homeland, as this may contribute to their social integration into the community and be considered an honorable activity.

When discussing the motivations behind investments from Diaspora to the homeland, it is also necessary to discuss a theory based on the possession of information about the business environment of the homeland. In this sense, there are two contradictory approaches to diaspora investment opportunities.

1. On the one hand diaspora investors take advantage of having information about the investment environment in their homeland. A diaspora member who has links to his or her homeland understands the local conditions and the mechanisms for addressing them better and therefore wants to invest.
2. Another point of view, is that diaspora investors consciously accept the low market interest rates available in their homeland because of their patriotic inclinations.

But the belief that they have a broad range of information that allows them to invest with less risk (especially for post-war and resource-poor countries) is constantly questioned here.

The study by Gillespie, Riddle, Sayre, and Sturges examines four diasporas living in the United States who were considered diaspora investors in their home countries in 1990. Armenia, Cuba, Iran, and Palestine were considered homelands in the study, and Armenian, Cuban, Persian, and Palestinian diasporas were studied respectively. There are many issues in the study, the main question is what are the indicators of interest in investments in the homeland and can they be generalized? The study is an investigation of diaspora investment dynamics to show the motivations of 4 different diaspora investors. The study identifies two main psychological indicators of investment interest: altruism and perceived ethnic advantage. By focusing on these

two separate levels, this study ignores the fact that diasporas differ primarily in their resources and opportunities, as well as in the influence that diaspora organizations can have on investors' interests (Gillespie et al., 1999).

In addition to identifying the motivation, it is an important task to study what kind of changes Diaspora investments can lead to in the homeland. If we generalize the existing ideas, investments in the neighborhood can have different outcomes and forms. The most discussed ones in this research are: opening of factories for domestic or foreign markets, starting foreign business branches, service and service sector organizations- consulting, tourism, etc. The limited research on Diaspora entrepreneurship in the homeland indicates that Diaspora investors in the homeland have great potential to promote development in the below-mentioned main ways.

- Diaspora entrepreneurship promotes business development, job creation and innovation
- Diaspora investments build economic, social and political capital through global networks
- Diaspora entrepreneurship is transformed into social capital through cultural and linguistic understanding (Nielsen & Riddle, 2013).

Investments in the Diaspora in the motherland are certainly very effective, at the same time they show new challenges to the government of the given country (Riddle & Marano, 2008). Foreign investors usually have less information about how to start a business in a given country. They have no prior information about local market relations, regulations and business environment. At the same time, they do not have social ties with the given country. In contrast, Diaspora investors, especially those who have recently left the country, may have extensive social connections in the home country, familiarity with the business environment, local market needs, business laws, etc. Some of them have a deep psychological connection, a vision, or a myth about their homeland.

According to the analysis of the results of the research, which is the basis for this paper, the investments made by the Diaspora in the homeland, particularly on the example of Armenia and the Armenian Diaspora, however, considered "national", "motivated by nationality", nevertheless have an interesting cultural content. From the management point of view, such investments for the homeland can be considered alongside

other cultural contributions. This has a clear and obvious manifestation in the internal economic environment of Armenia, which is mostly a social phenomenon. However, it is able to introduce a new culture and diversify the cultural and economic cultural environment in a broad sense. As a result, we are dealing with a multicultural economic environment in our homeland, which has its own characteristics.

This is comparable with a phenomenon that in theory can be explained as multinational direct investment.

Multinational direct investment, especially in the form of vertically integrated production chains or transnational distribution networks, stimulates the modernization of production methods through a variety of paths:

- Multinational investors improve local suppliers' product quality. In order to maintain certain standards for their own products, they have strong incentives to raise the quality of local suppliers' products through technical assistance and training (Giroud & Scott-Kennel, 2009). As local firms become technologically more sophisticated, they adopt new technologies more readily, and find strong evidence of productivity gains, greater competition, and lower prices among local firms in markets that supply foreign entrants. The technology transfer also benefits downstream buyers in other sectors using the same supply source (Blalock & Gertler, 2007).
- International buyers of multinational goods share production techniques and foster competition. Firms in Korea and Taiwan gained considerable knowledge of production engineering, new production processes, and quality control from foreign companies that purchased their goods (Blalock & Gertler, 2007). Knowledge about changing product demand enabled Asian companies to shift more quickly to new products in the early part of the growth cycle (Pack, 2008).
- Multinational workers facilitate knowledge spillovers into domestic industries (Todo et al., 2009). Highly qualified technical workers employed by multinationals share their knowledge when they interact with local workers (such as through collaborative projects and when they take jobs with local firms). These spillovers are amplified when local workers themselves have received high

quality technical education (Pack, 2008).

Diaspora Investment Policy of the Republic of Armenia

In Armenia's statistical data, it is almost impossible to distinguish foreign direct investments from Diaspora investments. This is certainly a matter of discussion as to how far such a division is justified from an economic point of view. It creates more problems for our researchers to be able to come up with more precise and predictable analyses, also is in much importance for Diaspora policymaking issues and investment forecasting.

However, bringing up the issue of this division is not only a simple reference, but also a part of a bigger picture. It very vividly reflects Armenia's policy regarding investments from the Diaspora, which is also difficult to distinguish from FDI. Essentially, the only differences are grouped into the emotional-patriotic distinction, which over the years converges with the national characteristic. It turns out that instead of an inclusive and expanding activity, we have a filtering and expelling effect.

Fortunately, this situation is gradually being changed as the overall strategy of the Diaspora changes and new policies are put forward.

The policy of investment stimulation from the Diaspora is based on the traditional "follow-up" or reactive economic investment policy of Armenia and aims to:

- create conditions for mixed financing;
- attract private investments into the economy;
- form new organizational structures that provide state guarantees for private investment;
- provide tax incentives to investors in order to enhance their activities.

The Diaspora policy of the first stage, which was also based on the traditional approach, is of key importance here. It claims that Armenia has a central position in Armenia-Diaspora relations, therefore the investment policy from the Diaspora was derived from this approach and acquired a one-sided and passive nature.

We can date this approach from the independence of RA /1991/ to 2018. This basically coincides with the phase of inheritance of investment policies of the Soviet period and its inertial continuation.

Conventionally, we can outline the second phase, starting from 2018 (Iskandaryan, 2018). At this point, the approach to Diaspora policies is also outlined against the background of the general policy. It is formulated as follows "strong Armenia, strong Diaspora!" Here, a sign of equality is placed between Armenia and the Diaspora as entities, therefore the policy of investments from the Diaspora began to transform, pointing the arrows in both directions.

However, the state investment policy of Armenia still does not have a proactive and participatory nature, which does not achieve much due to the adopted Diaspora policy ideology.

The Investment Situation in Armenia. Influencing Factors

The influx of investments in Armenia largely depends on the representatives of the Diaspora, who invest in sectors with growth prospects. In general, the main sectors attracting FDI for the past two decades have been mining, energy, banking, ICT, and real estate¹.

The table below shows the main factors-indicators of the economy of Armenia.

¹ The source discusses research data on investments in Armenia, investment policy issues, development ways and strategies. UNCTAD. Investment Policy Review: Armenia, p. 2. Retrieved March 05, 2020, from https://unctad.org/en/PublicationsLibrary/diaepcb2019d3_en.pdf

Main Factors-Indicators of the Economy of Armenia
(The table compiled by the authors based on the secondary data available)

Population (2019)	2 957 731
Urbanization rate (2018)	63.1%
Annual population growth (2018)	0.2%
Surface area	29 740 km ²
GDP (USD, current price, 2019)	13 673 million
GDP per capita (USD, current price, 2019)	4 732
Real GDP growth (year-on-year change, 2019)	4.8%, -4.5%
Inflation (average consumer price, year-on-year change, 2017)	1.4%
Exports of goods and services (% of GDP, 2018)	37.8%
Imports of goods and services (% of GDP, 2018)	53.5%
FDI, net inflows (% of GDP, 2018)	2.0%
General government net lending/borrowing (% of GDP, 2019, 2020)	-1%, -5.1%
Unemployment (% of total labor force, 2019)	17.7%
Market size, GDP PPP, million USD ²	30 530,74
Political stability and absence of violence/terrorism ³	30,48
Index of economic freedom ⁴	70.6 (34rd place in the rank)

² This source presented by International Comparison Program, World Bank | World Development Indicators database, World Bank | Eurostat-OECD PPP Programme. Retrieved March 05, 2020, from https://data.worldbank.org/indicator/NY.GDP.MKTP.PP.CD?most_recent_value_desc=true

³ The source is “Worldwide Governance Indicators (WGI)” project reports aggregate and individual governance indicators”. In the project are over 200 countries and territories over the period 1996–2021, for six dimensions of governance. Retrieved March 05, 2020, from <https://info.worldbank.org/governance/wgi/>

⁴ This source described the aggregated index of economic freedom of Armenia by The Heritage Foundation. 2020 Index of Economic Freedom. Retrieved March 05, 2020, from <https://www.heritage.org/index/ranking>

High trade costs caused in part by transport infrastructure hinder Armenia's continued development. This is also an important factor that limits investment opportunities and curbs potential. However, this is part of a wider problem related to security and geopolitical issues.

Among the factors hindering FDI inflows, also UNCTAD (United Nations Conference on Trade and Development) analysts highlight corruption, the inefficiency of the judiciary, impunity for anti-competitive practices, and a number of other institutional shortcomings, which, however, tend to change for the better.

The Situation of Investments from the Diaspora to Armenia

Observing the dynamics of investments from the Diaspora in Armenia since independence, we can notice that one of the primary forms of involvement of the Diaspora in the homeland is the investment of material and financial resources. These funds can be of the most diverse nature, from monetary allocations to charitable clothing and food. In addition, the goals and motives of allocations can be different. Diaspora Armenians can provide support to their families living in the homeland, and public organizations, or show their support to programs implemented at the national or state level. Each of these goals defines homeland-Diaspora relations in its own way.

However, it is also necessary to take into account that various forms of support can serve as a political leverage aimed at increasing the influence of the Diaspora and/or the development of the homeland.

The historical contribution of diasporas to international relations and their current potential make it possible to define the modern diaspora not only as a form of community but also as a significant foreign political and economic resource, an instrument of influence at the national and international levels.

This is a question that is in the context of constant interaction between Homeland and Diaspora. It can have a great impact on the home state, including in a systemic sense, but the experience of Armenia and the Armenian Diaspora in this regard is manifested only in partial, eventful, and more often, latent ways.

Example of System-Building Investments in Armenia

Speaking about the investments made from the diaspora to the homeland, it is necessary to clarify what we mean by the notion of investment, and what types and forms of investment are discussed within the framework of this work.

According to the economic approach, investments can be of the most diverse forms and types, starting from the usual investment transaction and ending with project financing or specialized investment activity. These types involve basic, real investments, including direct investments, tangible and intangible, professional and human capital, and many others.

Here, investment is the active redirection of resources from consumption today to benefit in the future, using property to earn income or profit (Sullivan & Sheffrin, 2003).

In essence, this definition is satisfactory even when considering the phenomenon from the socio-cultural point of view. Why is the socio-cultural context important and why should investments be discussed in this aspect?

When we study the phenomenon of investments, we mean a process with clear rules, which are usually defined by two entities: states and organizations/institutions, etc. Those rules are fixed and maximally universalized, thanks to which it is possible to create a system of trust and guarantees in the investment field.

An example of such a process is the investments made from the diaspora to the motherland, where the two interacting entities "homeland" and "diaspora" have mostly socio-cultural meanings. Their boundaries can be vague and different for everyone. Therefore, it is not possible to explain the investment process from diaspora to homeland without taking into account the socio-cultural layer.

In this case, it is important to understand what is considered potential in the case of diaspora, and what factors affect the investment process towards the homeland or nation-state.

Investment impact both in the homeland and in the diaspora depends on the form of investment: individual, group and systemic, long-term or short-term, material or non-material, etc. The effectiveness of each type of investment is determined by compliance with the initially predetermined goals, which in this case may have a

large share of social beliefs and irrationality of positions. This emotional approach very often explains ignoring profitability or market rules when investing in the homeland and allows making irrational and unjustified scale or systematic investments.

Commonly, not all investments are able to continuously follow the original idea or goal, as there are a lot of risks and obstacles, which are also related to the objective economic situation in the home state. In Armenia, for instance, unstable conditions can make to change and reformulate the goals along with the process.

In the case of Armenia, there are few successful cases and it is necessary to study their examples in detail, as each successive investment story increases the impact and the resulting changes. The changes at the institutional level imply wider involvement and investment of complex resources: financial, ideological, cultural, etc. They are able to influence the system (either positively or negatively) and create new systems.

A typical case is TUMO, which best reflects the successful course of investment from the diaspora and system-building development.

TUMO - is a center, established with a millions endowment from Sam and Sylva Simonian - a prominent Armenian Diaspora couple based in the United States in 2011. Its flagship center TUMO contains 750 workstations and accommodates 15,000 students per week. There's a waiting list of close to 4,000, with the typical wait lasting three months.

Apart from the Founders of the center, the Chief Executive Officer, Foundation Board of Directors, and Advisory Board are also Diaspora Armenians.

About: "TUMO - a tuition-free after-school education program focusing on technology and design. Here, students develop their own learning plans and take responsibility for their own education; mentors only do supervisory work and collaboratively guide the chosen program of the students.

The main role in the design and assessment of the program is given to the preferences of the learners and the objectives set for them. Therefore, the outcome of the "Tumo" education is individualized and there is no equality of knowledge and assessment.

Since 2011, more than 60,000 young people from Armenia and Artsakh have participated in

Tumo's educational programs. The organization is constantly expanding and diversifying educational programs by creating new educational environments to make Tumo education as accessible as possible to young people through Tumo boxes, Tumo centers, and its network.

TUMO has hubs in Yerevan, Dilijan, Gyumri, and Stepanakert, with 6 TUMO Boxes operating in neighboring towns. Outside of Armenia, there are centers in Paris, Beirut, Moscow, Tirana, Berlin, Kyiv, and Lyon".⁵

Financial Sustainability

Having Armenian foundations, however, Tumo's educational program tends to be internationalized and seeks to expand its international network. This follows from the requirement to ensure the financial self-sustainability of the organization. The income from the international network helps to augment the organizational operating budget in order to provide free education to more Armenian students in Armenia and Artsakh.

Donations are also important for the financial stability of TUMO, which provides the necessary capital to build the network in Armenia. The international income flow financed by each TUMO center opened abroad ensures the growth and continuation of the centers in Armenia. Here we see how in 12 years the alternative additional education program has turned into a product that has been networked not only in Armenia but also in many developed countries of the world.

Main Features of TUMO Investment Activity

For this case, it is important to discuss several circumstances:

- TUMO acts as an open investment platform. Since the beginning of its formation, TUMO has been carrying out charitable activities and has a wide range of sympathizers. Of course, the authority of the founders, and the loyalty of the management team to the ideas and principles of

⁵ More detailed information about the further activity can be found in the official website of TUMO center <https://tumo.org/tumo-armenia-2/>

the founders play a big role in this matter. However, apart from that, the center has an accountable and transparent approach and gained trust during such activities. Such social capital contributes to the transition from charity to the form of open investment activity.

- TUMO was initially positioned in Armenia as a continuous educational program whose mission is to provide innovative educational services.

This means that the center did not aim to fit into the educational system of Armenia, but on the contrary, tried to create a new educational platform from scratch. Also, it stands out with providing a competitive educational service of an international level (in terms of programs, content and technical equipment).

- TUMO provides a free educational service.

It is necessary to take into account that basic education of the target age (teenagers) in RA is mandatory and free. Therefore, the center has positioned itself in the segment of providing free educational services, thereby becoming accessible to all teenagers who want to receive innovative education. Also, with this approach, the center avoids the status of a “prestige” unique service provider, and is able to open a wider field for development.

- TUMO provides a wide variety of educational programs.

In its program, TUMO has included an educational package in such directions that are absent in the public and private educational systems of RA. This creates the perception and possibility of alternative parallel education among the public.

- TUMO gives every young person complete freedom to form their “own educational path”.

This approach, in fact, leaves the responsibility of creating an educational program on the young person, assuming only the role of a guide. Often, graduates can take on the role of teacher or mentor at the center, providing a transferable learning process.

- TUMO is becoming more and more accessible logistically.

The goal of being locally available has brought some changes to TUMO’s local brand logic over time. Thanks to the new solutions, it got a wider geography, at the same time laying the foundation for the idea of a new product, TUMO boxes.

- TUMO expands the age range of the target group by including educational programs for adults.

The launch of this approach is a step towards providing universal education in Armenia. It goes beyond the intended target and expands the scope of influence.

By studying TUMO’s operations, we can identify several further benefits arising from the “Going Global” approach. In addition to the financial contribution, this approach also has an impact on diversifying, improving, and developing new directions in the educational program. This also has an influence on improving the staff training capacity. The mentioned approach, on the one hand, strengthens local TUMO educational traditions and exports it overseas, on the other hand, the Armenian youth get an international advanced experience.

TUMO’s influence is not limited to the production of an educational product. It is gradually reaching out to new spheres, going beyond cultural and social boundaries, and its proof is the recent adoption of the idea of the so-called “TUMO diplomacy”, which goes beyond the main goals and represents a new kind of challenge for the organization itself ... TUMO’s presence abroad, to the extent that it is noticed by foreign governments, business people, and organizations, can evoke Armenia’s contribution to a global society and that when foreign dignitaries and delegations visit a TUMO center as part of their itinerary in Armenia... showcasing Armenian excellence and making a positive impact beyond our borders can influence how we are perceived internationally, and ultimately contribute to our strategic objectives abroad.⁶

This brief overview shows one investment activity case - starting with charity and motivated by the “national” and “innovative” ideas of a group of Diaspora Armenians and becoming a good example of a full network circulation product.

As a result of consistent efforts and constant directed financial support, it was able to occupy its place in the Armenian market, and also to expand the market, turning into an internationally competitive product.

⁶ More detailed information about the further activity can be found in the official website of TUMO center <https://tumo.org/tumo-armenia-2/>

TUMO's example shows that by operating beyond the formal educational system, it is possible to maintain links with the state education system and in parallel develop its own approach. Thus, we find that network-type systems can co-exist quite well with vertical-type systems, enhancing each other's effectiveness.

This situation implies cooperative work with state systems, and as a result of such activity, TUMO flexibly develops in accordance with its principles and mission to create a competitive educational brand. At the same time, TUMO fills the gaps in the system, strengthening the education system as a whole.

Conclusion

Investments from the diaspora to Armenia are permanent, though sometimes change their directions, forms, and scales. Their ratio depends on a number of situations and events in Armenia and the Diaspora. Influential events dictate the course of investment change and update Armenia-Diaspora relations, forming new mechanisms of trust and guarantees.

A major crisis could lead to a decline in investment sentiment, a fall, or, on the contrary, a jump in growth. Armenia, in turn, should be able to meet new developments and be ready to capitalize/realize the investment potential. This fits into the logic of the Armenia-Diaspora complex policy, therefore, Armenia as a state should be able to respond to the investment flow from the Diaspora with appropriate proactive program packages, also consider the diaspora as Armenia's development partner, opening the field for high-level institutional investments.

The full potential of diaspora system-building investments is still not sufficiently explored and is not visible for Armenia.

Investments from the diaspora can strengthen systems and fill their gaps in Armenia, gaining a multiplier effect in terms of influencing the diaspora as well.

The system-building investments from the Diaspora to Armenia require coordination with state policies and projects.

In addition, it is important to coordinate the investment programs mutually with the Diaspora. This makes it possible to avoid repetition of

actions, diversion of efforts, and of unnecessary wastage of resources.

Nevertheless, the system-building investments from the Diaspora to Armenia are only partially aligned with state policies and management circles. The leading vision of such investments is "an oasis in the desert". This phenomenon itself is very labor-intensive and requires a large intention to invest in an "empty place" and to go down the path of institutionalization. However, it is doomed to "dry up" because it is not connected to the infrastructure and does not fit into the local system and social culture.

Concluding from the discussed cases, we can argue that the development of parallel linkages is one of the key features of successful institutionalized, system-building investment activities in Armenia. We see that this approach allows us to develop investment activities synchronously - developing through institutionalization, stabilizing in a flexible way in terms of financing, fitting into local systems, and creating a social environment around project ideas. It is a justified form of investment, leading to changes in Armenia, and has proved its viability. Of course, it is difficult to expect such an approach from all investors, but the cooperative mutual support of Armenia and the Diaspora opens up great opportunities in this matter.

Acknowledgement

The work was supported by the Science Committee of RA, in the frames of the research project № 21T-5B168.

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