



On behalf of the
European Commission
DG Employment,
Social Affairs and Inclusion

Gesellschaft für
Versicherungswissenschaft
und -gestaltung e.V.



Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe

Executive Summary

Albania

April 2012

**Authors: Ilir Gedeshi
Elira Jorgoni**

Neither the European Commission nor any person acting on behalf of the Commission may be held responsible for the use that may be made of the information contained in this publication.

During the last two decades, the phenomenon of migration has been at the very core of the political, economical and social changes occurring in Albania. In 2011, the population of Albania was 2.8 million, representing an 11.1 percent decline from the 1989 population). Although the fertility rate of 2.1 is high, the decline in population during transition is due to the migration of Albanians since 1991. By the end of 2011, about 1.4 million people or about one third of the Albanian population were estimated to be living abroad, while, more than 20 percent of the population have migrated internally.

International migration from Albania was rather non-existent during the socialist regime, as it was illegal and severely punishable while internal migration was state regulated. The collapse of the socialist system, the immediate opening of the country and the radical and chaotic transformation of the economy were accompanied by massive migration of people in search of a better future either abroad or elsewhere in Albania. Indeed, internal migration has also developed with the same intensity, mainly from mountainous and north-east areas of the country toward the coastal region and the main urban centres.

At the beginning of 90's, Albania emerged as the poorest country in Europe, with one third of its population under 15 years old, and very few job opportunities and future prospects. GDP fell dramatically, inflation rose to triple digits and the liberal economic reforms were accompanied by a drastic fall in industrial and agricultural output that led to sharp declines in real wages and massive unemployment.

Albanian post 90's international migration notes three main peaks: (i) between 1991-1994, primarily associated with the collapse of the socialist system and border openings; (ii) in 1997 linked to the collapse of the "pyramid savings schemes" when two-thirds of Albanian families lost most of their savings, triggering large-scale political and social unrest; and (iii) in 1999 when almost half a million Kosovars, crossed the border into Albania to avoid ethnic cleansing. The year 2000 marks a turning point for the Albanian migration, when its fluxes and intensity started to slow down. This decline in migration is attributed on one hand to the continuing improvement in the socio-economic situation of Albania and on the other to a strengthening of migration control mechanisms and legislation in Greece and Italy where the large majority of Albanian emigrants are based. The return migration can be noted as a recent phenomenon in Albania following the improvement of the socio-economic and political situation.

Remittances of the Albanian migrants culminated in 2007 reaching the amount of 1,305 million USD (952 million EUR) and then started to fall mainly as a consequence of the financial and economic crisis reaching 915 million USD in 2010 (690 million EUR). Remittances constitute an important driver of Albania's domestic demand. However, remittances are only a small part of the wealth produced during the past two decades of Albanian migration. In the destination countries, migrants accumulate large financial, human and social capital and their high return potential can create a new impetus for economic and social development if potential investments are properly channelled and business start-up packages and legal information is made available.

In addition, brain drain is also one of the most discussed issues of the Albanian migration as more than 40 percent of academics and scientific workers have left the country during the period 1991 – 2008. This process continues with an evolving character as many of Albania's brightest students now succeed in studying elsewhere in Western Europe and the US. Against this background, the "brain gain" programs which already started should be expanded by improving the economic, social and career conditions of public and academic institutions. Virtual return and cooperation among academic institutions linked by Albanian highly qualified graduates from abroad may serve as an impetus to upgrade the quality of teaching and research in the country.

The issue of social security for international migrants has been increasingly acquiring attention in Albania. The Albanian government has entered into negotiations with several countries to enable the recognition of social contributions of migrants. A bilateral agreement has been signed with Turkey and other agreements are being discussed with Italy, Greece,

the UK and Canada with the intention of making Albanian migrants in these countries eligible for pension provided they have completed the necessary years of work and have paid the necessary contributions. In addition, a voluntary scheme of (minimum) social contributions was created in 1993, aiming to address the lack of social insurance coverage of Albanian migrants' working abroad as well as informality of work within the country. Though the Albanian government has established agencies abroad to enable migrants to pay their contributions from abroad, the participation in this scheme is quite low.

Poverty, although in decline seems to be persistent mainly in the mountainous areas of North Albania such as Dibër and Kukës which have also the largest population losses due to internal and partially international migration. While international migration has led to an improved economic status of migrant families, internal migration seems to be exporting poverty into other areas of the country and "poverty pockets" have been created in the peri-urban areas as well as within the large urban centres. Migration processes have been accompanied by a deterioration of social services as professionals such as physicians and teachers are looking to leave rural areas in search of a higher income. Other issues that are singled out due to migration are people left behind at risk of vulnerability such as children and elderly. The phenomenon of migrants leaving children behind is more common in rural areas than in urban areas, especially for international migrants. A lack of structures and expertise at community level to tackle emotional problems of families and offer social and educational services for children and elderly left behind is obvious.

In addition, migration is changing the gender relations inside and outside Albania and several studies conclude that migration is an emancipating process for Albanian women. From the minority perspective as the level of poverty among Roma and Egyptians is twice higher compared to that of Albanians, they migrate to Greece, Italy and Kosova in search of employment and income.

Migrants often find themselves out of the focus of attention of government structures especially in the cases of short-term or temporary migration as well as those that have moved from the rural areas towards the urban ones. Accompanying issues and problems deal with eligibility for social assistance, entitlement to pensions, unemployment, and access to basic services but as well as with changes in lifestyle and family structures. In Albania all these challenges are dealt with in through a series of national strategies. A national Strategy on Migration has been in place with an action plan that ran until 2010. While, the strategy has succeeded in putting migration high in the policy agenda, it is difficult to assess how it was implemented in the absence proper monitoring and evaluation mechanisms.

While policy responses have been elaborated they need to take into account changing nature of migration challenges. While certain issues are long term and relate to social security arrangements, recognition of pensions and benefits or promoting economic, social and cultural ties with the Diaspora, others are more evolving as they relate to the present situation in the destination countries including the impact from the economic crisis in Europe. They relate also to the ongoing processes such as family reunions, brain drain versus brain gain and Albanian students abroad as well as employment and social aspects of reintegration of returning migrants. These challenges require the synergetic action of the central government as well as local authorities and other active actors in the field of migration. The new strategy of migration that is now in the process of formulation has to take stock of the implementation of the previous strategy and define proper roles and responsibilities to the implementing actors. Policy options should be based on proper data collection and monitoring systems and actions should not just be properly budgeted but institutions need to be pro-active and held accountable in response to the migration challenges.