IMMIGRATION AND ITS IMPACT IN ALBANIAN LABOR MARKET

IMIGRACIJA I NJEN UTJECAJ NA ALBANSKO TRŽIŠTE RADA

PJERO, Elenica; SHYLE, Irma & JAHOLLARI, Pranvera

Abstract: *Population growth has already begun to fall in most of the countries. The aim of this paper is to present the important consequences this trend will have regarding Albanian reality. We will see this for social welfare and taxation systems and we will present here the policies to discourage illegal immigration, engaged in facilitating the entry, installment into the labor market, legal regulation, and social integration of Albanian emigrants in receiving countries. Finally, we will promote the impact of voluntary return of emigrants in the country development.*

Key words*: growth of population, labor market, unemployment, immigration*

Sažetak: *Rast stanovništva je u padu u većini zemalja. Cilj ovog rada je predstaviti posljedice ovog trenda na albansku stvarnost. Razmotriti ćemo ovaj trend u odnosu na socijalnu skrb i porezni sustav i predstaviti politiku suzbijanja ilegalnih imigracija koje se odnose na olakšavanje ulaska u zemlju, uključivanje na tržište rada, pravne propise i socijalno uključivanje albanskih emigranata u zemlju useljenja.*

Ključne riječi: *rast stanovništva, tržište rada, nezaposlenost, imigracija*

Authors' data: Elenica **Pjero,** Docent**,** University 'Ismail Qemali', Faculty of Economy, Vlore, Albania, elapjero@yahoo.com; Irma **Shyle,** Master, Polytechnic University, Tirane, Albania, irmitash@yahoo.com; Pranvera **Jahollari,** Docent**,** University 'Ismail Qemali', Faculty of Economy, Vlore, Albania, resulaj@univlora.edu.al

1. Introduction

People move for different reasons. These differences affect the overall migration process. The conditions under which a migrant enters a receiver population can have broad implications for all parties involved. During economic downturns, however, migrant workers are often the first to lose their jobs and while some may well choose to return home, policies aimed at sending migrant workers home are not the solution and could have potentially disastrous consequences for development, given the scale of remittances – expected to reach USD 283 billion to developing countries in 2008 – and the already high levels of unemployment in developing countries. Calls to reduce migration in destination countries tend to be based on the false perception that "migrants take jobs" or "compete for welfare benefits", when in fact the majority of migrants create economic activity and jobs [1].

Migration may also be a positive force in alleviating various aspects of the financial crisis and potentially make an important contribution towards overcoming the economic downturn. Trying to combat the financial crisis by simply cutting immigration may make the situation worse. Ernest Ravenstein is widely regarded as the earliest migration theorist [2]. He concluded that migration was governed by a "push-pull" process; that is, unfavorable conditions in one place (oppressive laws, heavy taxation, etc.) "push" people out, and favorable conditions in an external location "pull" them out. Ravenstein's laws stated that the primary cause for migration was better external economic opportunities; the volume of migration decreases as distance increases; migration occurs in stages instead of one long move; population movements are bilateral; and migration differentials (e.g., gender, social class, age) influence a person's mobility. Many theorists have followed in Ravenstein's footsteps, and the dominant theories in contemporary scholarship are more or less variations of his conclusions.

Several theories have been developed to treat international patterns of migration on their own terms, but these too are variants of push-pull theory. First, *neoclassical economic theory* suggests that international migration is related to the global supply and demand for labor. Nations with scarce labor supply and high demand will have high wages that pull immigrants in from nations with a surplus of labor. Second, segmented *labor-market theory* [3]. argues that First World economies are structured so as to *require* a certain level of immigration. This theory suggests that developed economies are dualistic: they have a primary market of secure, well-remunerated work and a secondary market of low-wage work. Segmented labor-market theory argues that immigrants are recruited to fill these jobs that are necessary for the overall economy to function but are avoided by the native-born population because of the poor working conditions associated with the secondary labor market. Third, *world-systems theory* [4] argues that international migration is a by-product of global capitalism. Contemporary patterns of international migration tend to be from the periphery (poor nations) to the core (rich nations) because factors associated with industrial development in the First World generated structural economic problems, and thus push factors, in the Third World. Migration is not random. About 40 percent of the world's workers are employed in agriculture, 20 percent in industry and

construction, and 40 percent in services; the world's developing country migrants are drawn from societies that have this 40–20–40 distribution.

The same is true of the prospective decline in working-age population. The labor force in the EU is set to decline and to age. The trends in working-age population described above will inevitably affect the growth and age structure of the labor force in the EU, though this will be influenced as much by changes in participation as by demography. These, in turn, will be determined by a range of economic and social factors, most especially by the availability of jobs, but also by education developments, social attitudes towards women working, the availability of child-care support, the age of retirement, the details of pension schemes, and the structure of households and so on.

Because of demographic trends and possible changes in participation, the relative number of people of 50 and over in the labor force is expected to increase in all EU from an average of around 20% of the total now to 30% in the early 2020s. As noted above, these trends could have far-reaching economic consequences, especially for the sustainability of social protection and health care systems, which will be put under increasing pressure by the growth in the number of elderly people. Accordingly, attention needs to focus on the possibility of increasing participation among older people as well among women, the prime source of labor force growth in the future. At the same time, such a possibility brings into focus the problem of maintaining, updating and extending the skills of the people concerned, which already a concern is given the ageing of the work force. In many countries, the pursuit of early retirement policies up until recently has enabled this problem to be ignored. Moreover, the perception that returns to the training of older workers is relatively low, whatever the reality, means that employers are often reluctant to undertake the necessary investment. This reluctance tends to be compounded by the perceived difficulties of the training process and of older workers learning new skills. This kind of development, which requires a change in attitudes as well as in working practices, is essential if the potential of older workers is to be effectively tapped, which could prove vital for EU producers to remain competitive on world markets.

It is equally important to ensure that women - or indeed men - returning to work after a period of absence due to family reasons have access to the training they need to update their skills and learn new methods of working, so that they can both find suitable jobs and contribute effectively to the development of the EU economy.

The prospective decline in the number of young people might have the effect of diminishing youth unemployment, though this in the long-term depends more on their skills and the rate of job growth than on numbers per se. At the same time, the growing recognition of the importance of workplace training as well as formal tuition means that in a number of countries the labor force participation of young people is increasing as they combine paid employment with continued education. Whatever measures are taken to increase participation, the extent to which it increases for women and older workers as well as young people, ultimately depends on the rate of job growth, which in turn is likely to depend on the pace of economic development. This will determine whether unemployment declines and job shortages emerge or

whether, despite the falling. At the same time, development and democratization in poorer economies have created a labor force more eager, and able, to migrate to take advantage of these opportunities. The result has been a significant expansion of global mobility. Governments in both origin and destination economies are devising policies, independently, bilaterally and multilaterally, that respond to this shifting global demand for labor. However, fears about the practical and political consequences of permanent settlement of migrants have led to renewed interest in temporary, rather than permanent mobility.

2. Skilled Migration

In much of the world, skilled migration is synonymous with legal, permanent migration, as the richest countries compete with each other to fill structural labor shortages in an increasingly knowledge-based economy. However, growing concern has been raised by poorer countries that skilled workers are being "poached" or "hovered up" from developing regions, with negative consequences for development. While efforts to promote ethical recruitment are to be welcomed, this puts a simple gloss on what is an extremely complex issue. At the same time, at least a part of the skills that citizens of developing countries possess have been acquired in universities and training institutions in developed countries. Issues of concern include:

- What influences movement of skilled people, and how mobility has changed over time in the context of shifts in the demand for skills in origin and destination countries
- The impact that the loss of skilled personnel might have on the domestic stock of skills by sector and profession
- The impact that skilled emigration has on the supply and demand for domestic training and associated policy responses
- The impact that skilled emigration has on the quality of personnel in selected skill categories

3. Forced and Returned Migration

Existing studies on forced migration have conventionally been concerned with understanding the social, cultural and economic impacts of this process, and the policy or practical interventions that could minimize the accompanying processes of impoverishment. However, such approaches tend to view forced migrants simply as problems, rather than according agency to refugees and ousters as they make the best of their adverse conditions and mobilize around their rights. This includes work on both refugees and ‘ousters’, or those forcibly displaced by the development or conservation initiatives of the state. Analysis aims to contribute to understanding the dynamics of forced migration, and especially onward displacement that is often associated with initial forced relocation. It also aims to contribute to a re-evaluation of the tools and institutions for an international response to forced migration, and in particular an evaluation of the value of rights-based approaches.

Return occupies a central place in much policy discussion on migration – whether in terms of the return of refugees after the end of conflict, or skilled professionals who might contribute to a country's development, or in terms of the return of rejected asylum-seekers and irregular migrants. Yet understanding of what constitutes a 'sustainable' return remains contested – indeed 'sustainability' is likely to be conceptually different for individuals on the one hand, and for host societies on the other.

4. Albania / the Balkans

Starting in 1990, Albania has witnessed one of the great emigrations of recent times; ten years later at least 600,000 Albanians, one in five of the population, were living abroad, mainly in Greece and Italy. An equally significant, but less well-documented internal redistribution of the population has taken place over the same time frame. The socio-economic impacts [5] of this includes: for internal migration the hyper-rapid growth of the main Tirana-Durrës urban axis, coupled with rural depopulation, especially in the mountainous regions of the north and south of the country. Since the Second World War, the rest of the Balkan region has witnessed the largest set of population movements in Europe, including labor migration to northern Europe in the 1960s and 1970s, and displacements as a result of conflicts in Croatia, Bosnia Herzegovina and Kosovo in the 1990s.

4.1 Links between Migrations

Both internal and international migration have significant consequences for poverty and development, yet the two fields of enquiry are rarely linked, in part because they are studied by scholars from different backgrounds and with different concerns. Where the two are linked, it is often assumed that internal movements simply represent a precursor to international moves. However, it is increasingly clear that the linkages between internal and international migration are much more complex than this, with international flows also stimulating internal movements, whilst both share important characteristics in terms of their origins, the processes involved, and their poverty impacts. In this context, we sought to explore first, whether there is a difference between internal and international migration systems; second, what are the implications of international movements for internal migration and vice versa; and third, what is the nature of the interaction between internal and international migration?

Evidence suggests that the level and nature of vulnerability that international migrants face is higher than internal migrants. However, returns to labor may also be different. If this is accounted for in the migrants' choice to move, it implies a qualitative difference in the determinants of migration choice between the two different locations.

Regulation of remittances and migrant investment has less obvious up-side potential. Regulatory schemes have often amounted to a tax on earnings, a tax on competitiveness, or a distortion of returns on investment.

It is ever more apparent that no state finds it easy to control migration single-handedly. At the regional level, discussion and even cooperation on migration is increasingly common. It seems likely that the pressures on global organizations to take up migration issues will grow along with the attention to this prominent aspect of globalization.

Since 1990, the Balkan country of Albania has been traveling a bumpy road from totalitarianism to democracy, with sharp twists and turns in migration flows along the way.

4.2 Diasporas and Destinations

When choosing a destination country, key factors for Albanian migrants have been geographical, cultural, and linguistic proximity, as well as legal accessibility. Previous waves of migration to far-off countries, from which no significant numbers of Albanians returned, appear to have played a key cultural role in convincing Albanians to lean towards more nearby destinations. However, opportunities to obtain better jobs and legal status have still lured some Albanians farther afield.

Greece, Italy, and other European countries were the main destinations during 1992-1995. An earlier preference for Germany, Switzerland, and other Western European countries has become less pronounced due to their trend towards increasingly restrictive migration policies. The US and Canada emerged as relevant destination countries after 1995. For Albanians, Italy combines the attractions of a culturally preferred and geographically accessible country. Italian is the most-used foreign language in Albania, and Italian arts and culture hold a clear attraction. Greece is another country within comparatively easy geographical reach of Albanians. People of the two countries also share certain cultural and historical similarities. And while Greek is not spoken in Albania to the same extent as Italian, except in the southern regions where the Greek community lives, recent migration has increased the number of Albanians who can speak Greek. This has shortened the linguistic distance between these neighboring countries.

The Western European countries mentioned above were favored during the early 1990s because of the scarce opportunities of Albanians to design and implement a migration project and strategy. The US and Canada became significant destination countries post-1995, due to admissions policies favoring skilled and well-educated migrants.

4.3 The Latest Waves of Migration

The outflow of Albanians expanded rapidly in early the 1990s as a result of several factors. The economic situation at that time had all the signs of a crisis: inflation was around 350 percent; GDP was plummeting by 50 percent annually; the unemployment rate was rising rapidly; and "rapid urbanization" favored the emigration of well-educated people. Albania in the early 1990s had, as it has now, a

very young population and a well-educated workforce. In 1989, around 19.5 percent of the population was in the 15-24 age bracket, but the country had (and still has) limited job-creation capacities. The West was by then the ideal of Albanian young people due to such influences as Italian TV, which was easily accessible. Consequently, after a half-century of political isolation, Albanians instinctively identified the idea of liberty with free movement.

These factors, combined with economic and political transformations in Eastern and Central Europe, encouraged migration. Albania quickly became the country with the highest migration outflow in Europe, when measured in terms of the ratio of migrants to overall population. During the first decade of transition (1991-2000), an absence of governmental control of migration flows was apparent. The scant efforts to extend the legal channels of migration were not sufficient to reduce or discourage these flows.

By the present day, approximately 25 percent of the total population, or over 35 percent of the labor force, has emigrated. The country has approximately 900,000 emigrants, now residing mainly in Greece (600,000), Italy (200,000), and most of the remainder in other Western European countries, the US, and Canada. Albania's migration flow has, since the early 1990s, been five times higher than the average migration flow in developing countries.

5.Push and Pull Factors Today

The potential for migration from Albania remains high due to such push factors as unemployment and poverty. Around 30 percent of Albanians are currently below the poverty line, and half of them live in extreme poverty, subsisting on less than $1 per day. The unemployment rate remains high, despite a recent slow decline. In addition, illnesses are a major concern and access to medical care is scarce, especially in rural areas. Four out five poor people live in rural areas, and the poverty rate among young people is higher than average. Approximately 40 percent of the poor live in larger and younger households.

These mostly economic hardships have at different points combined with episodes of political instability to boost migration flows. This was especially true in the period 1997-1998, when labor migration was coupled with forced migration.

In terms of pull factors, complex and contradictory migration experiences are convincing Albanians of the limitations of the possibilities actually offered by destination countries. While not as powerful as they were in the early 1990s, the impact of pull factors is still considerable. Cultural motivations, for example, are influential. There is a simple urge to experience an apparently alluring outside world, especially among young people. This was particularly true in the wake of the isolationist years of the communist regime. Education is a key pull factor. A growing number of Albanian students are enrolled in universities in Italy, other EU countries, and the United States. Satisfying career interests outside the job-scarce

Albanian environment is another key pull factor.Research indicates that Albanians view migration as both an individual and a family survival strategy. Moving abroad is seen as an investment in the future, creating opportunities for a second generation of "migrants"—their children.

Albanian authorities are engaged in facilitating the entry, installment into the labor market, legal regulation, and social integration of Albanian emigrants in receiving countries. They have made persistent efforts to negotiate with these receiving-country governments and ensure compliance with international conventions on labor and migration.

5.1 *Remittances in Albania reality*

Albanian emigrants are known for their tendency to save money. The average yearly savings for long-term emigrants' families was 5,056 Euros in 2002, which amounted to approximately 26.9 percent of their yearly income. They save part of this money, and send part of it home. The flow of migration remittances increased from $377.9 million in 1994 to $780 million in 2003. Given the weakness of Albania's banking system, remittances are mainly sent to the country through informal channels. The tendency to transfer money through formal channels has increased only in recent years, because of banking sector reforms and the decrease of emigrants' visits to their families in Albania.

Remittances are mainly used to meet daily family needs and improve quality of life, enlarge or construct new houses, and maintain traditional family ceremonies. Only a small part of them are deposited in the shaky banking system. In only a few cases are remittances invested in real estate, production, and the service or agricultural sectors. Such a model of remittances use alleviates family poverty, but does not create new jobs through investment, which would in turn boost incomes and thereby possibly prevent new migration flows. An individual, family, and local remittances dependency has been created, because remittances are not used as incentives to encourage economic and social development. The government intends to increase the impact of remittances on the country's development through legal, financial, fiscal, and institutional initiatives. However, these initiatives are still being drafted and do not appear likely to become reality immediately.

6. Conclusion

The expression *migration experience* refers to the fact that different causes for migration will produce different outcomes observable from a sociological perspective. In most cases, refugees need special services from the receiver population such as emergency shelter, food, and legal aid. The psychological trauma of fleeing their homeland and leaving family members behind can also complicate refugees' adjustment to their new environment.

Brain drain, human trafficking and smuggling, remittance flows, and legal and unauthorized movement for economic reasons are some of the major migration issues confronting the Albanian public and policy makers. The economic and social consequences of this transition period have fed migration flows. In terms of taking advantage of the Albanian Diaspora, the government promotes the voluntary return of successful emigrants and tries to harness their financial, human, and social capital to boost the country's development

Finally we can say that in Albania are implementing policies to discourage illegal immigration including information and assisting potential emigrants with regard to legal migration opportunities, as well as encouraging decentralized co-operation between the local authorities of inter-border areas.

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