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Patterns and Determinants of International Migration in Northern Albania

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Abstract – The European Union (EU) is the main source of remittances world wide and Albania, struck by abject poverty, is Europe’s number one country sending out migrants. Albania’s economy as well as its households’ welfare strongly depend on remittances. Consequently, the topic of migration is cutting-edge for EU and Albanian policy makers. Thus, up-to-date information is decisive for taking effective policy measures. This poster paper aims at making a fruitful contribution to understanding the varied context of migration in Albania. It presents recent data on socio-economic characteristics of households with absent family members. A binary logistic regression is employed to identify determinants of participation in international migration in Northern Albania.

Key words – Albania, migration, remittances

I. INTRODUCTION

Escaping poverty and participating in economic development, both are reasons for rural households in favour of wanting to leave the agricultural sector and tapping increasingly non-farm income sources. No doubt, non-farm employment contributes significantly to a large share of farm households in many transition economies. Although non-farm income is predominantly earned locally, migration is a major livelihood diversification strategy [1, 2, 3].

In spite of economic progress and political stabilisation in recent years, Albania is still the second poorest country in Europe and 30% of the rural population live in abject poverty [9]. Persistent poverty, harshly limited access to public services, large-scale unemployment, and the by far higher income level in neighbouring countries led to heavy out-migration [1, 7]. Almost one quarter of the Albanian population left their home country, permanently or temporarily, in the 1990s heading for the European Union (EU) [4]. And this stream is

ongoing. Consequently, international migration and remittance flows are considerable in Albania (18% of GDP in 2005) [8]. Remittances play a key role at the macro and at the micro level of the Albanian economy; their share in rural incomes is 13% (2005). MANCELLARI and GJIPALI [7: 154] call them “the most important economic result” of migration.

Employment in the EU is the main source of remittances world wide and its official amount was estimated at 100 billion US\$ (about 88.54 billion EUR) by the World Bank in 2003 [6]. Therefore, all facts concerning this highly up-to-date issue are of major interest. As Albania is a country from which many migrants come and whose economic stability is so strongly dependent on remittances, understanding the reasons and the patterns for migration is crucial.

This poster paper displays demographic and socio-economic information about migrants from northern Albania and determinants of participation in international migration. Rural northern Albania is prone to poverty and subsequent widespread migration.

The following research questions are addressed:

- a. What are the characteristics of the rural migrants and their families?
- b. Who leaves: the better or less qualified?
- c. Do remittances from migration significantly increase farm household incomes?
- d. What are the determinants of participating in international migration?

To answer these questions, beside descriptive statistics, a binary logistic regression has been employed to identify of the determinants of participation in international migration.

II. DATA

Empirical data were collected in 2007 from farm households in two areas of northern Albania: Shkoder (82 farm households, 360 adults) and Kukes (78 farm households, 268 adults). In contrast to Kukes, Shkoder is characterised by more favourable conditions for farming and economic activities in general. Both study areas are strongly affected by migration. However, differences in the patterns of international migration are expected.

III. RESULTS

In every second farm household in Kukes, two family members and in every third in Shkoder one family member is absent. The main destinations are 'wealthy' EU countries such as Greece, Italy, and Great Britain. While about half of the migrants from Shkoder leave their homestead legally, this holds true only for one out of 48 migrants (2%) from Kukes. Thus, migrants from Kukes accept a high risk when crossing the borders with the help of traffickers. Households with migration mainly associate to the two middle income quartiles. Poorer households probably cannot afford migration while richer households may not need to expand household income through remittances. Location specific, socio-economic and farm-related factors associated with the migrant's households are close to the average hinting at the wide prevalence of migration. Migrants predominantly are males, in the end of their 20s, singles and engage in blue collar work at their destinations. Still, migrants from Kukes are better educated and skilled than their fellows from Shkoder. This means that migrants from Kukes leave their homes, because there are no local employment opportunities, while migrants from Shkoder face a combination of not being qualified enough to find local employment and a tough employment market. On average, the time of absence is eleven months; roughly 50% of the migrants intend to return in the long run.

About 80% of the migrants send remittances to their kin. The average annual amount of remittances per capita is 690 EUR in Kukes and 460 EUR in Shkoder.

Considering the average annual per capita income - 170 EUR in Kukes, 320 EUR in Shkoder - it is obvious that remittances can make the difference for households engaged in migration in northern Albania.

Table 1 displays the results of the binary logistic model predicting the odds ratio for the household participation in international migration. The explanatory power of the model is good (Nagelkerke $R^2 = 0.586$).

Generally, farm households that are already engaged in the local non-farm sector are less likely to participate in migration. Nevertheless, increasing income from non-farm sources can also open up the opportunity to migrate, presumably because the cost for migration as an obstacle to migration can be overcome. Thus engaging in the non-farm sector can be both, alternative to and consequence of migration. In line with the traditional gender role model, a household with many male members in working age shows, on the one hand, a higher probability for migration. On the other hand, if the dependency ratio of a household is comparably high (more dependent people need to be sustained by the active household members), intergenerational responsibility comes into play making it difficult for male household members with children to migrate.

Three variables, which seem worthwhile being mentioned in the context of migration, turned out to be not significant: (1) the subsistence level of the farm household, (2) the reputation of the household within its community, and (3) the income quartile the household belongs to. A low share of agricultural produce sold by a household indicates a high degree of subsistence. With increasing degree of subsistence farming, migratory theory suggests that the households are more likely to engage in migration. Concerning the household income, it was found out, that belonging to the second and third income quartile has a positive impact on the probability to send away household members underlining what has been found in the descriptive statistics. Households of high reputation have more often absent family members. The causal relationship can, however, not be clearly determined: do those of higher reputation send out more migrants or enjoy those families with migrants enjoy a higher reputation due to the income from remittances?

Table 1 Result of the binary logistic regression for international migration

Independent variables	Regression coefficient β	Sign.	Standard error	Odd ratio Exp(β)
Dummy for diversification into local non-farm activities (yes=1, including local income diversification into waged or self-employment)	-3.223***	0.000	0.811	0.040
Gender ratio (Active men/active women in household)	1.169***	0.002	0.372	3.220
Dependency ratio in HH (number of dependent HH members)/(number of active HH members)	-1.541***	0.003	0.521	0.214
Non-farm earned income share (Percentage share of non-farm income from non-farm waged or self-employment in locally earned income)	0.032***	0.003	0.011	1.032
Subsistence level (Percentage share of sold farm produce)	-0.023	0.019	0.010	0.977
Reputation of household (with regard to community)	0.728	0.065	0.394	2.070
Income quartile (by annually, locally earned income, i.e. income from farming, waged and self-employment)				
1 st quartile (0 – 2,400 EUR)	-1.261	1.130	0.832	0.283
2 nd quartile (2,400 – 3,640 EUR)	0.348	2.642	0.750	1.416
3 rd quartile (3,640 – 6,155 EUR)	0.331	3.633	0.694	1.392
-2Log-Likelihood 116.675				
Nagelkerke R ² =0.586				
Hosmer and Lemeshow Test: $\chi^2 = 7.772$, Significance 0.456				
Omnibus test of model coefficients: $\chi^2=87.545$ (df 9), Significance 0.000				

Source: Own calculations; N=157

Notes: HH = household

Dependent variable: dummy variable indicating the participation in international migration at HH level

Coded as follows:

1=at least one member of the household participates in international migration,

0= no household member participates in international migration.

Active HH members are aged 16-64 years.

The significance level is marked as follows: ***=1%

IV. CONCLUSIONS

The characteristics of households with migration are close to average characteristics of the entire sample, stressing that migration is a broadly-based phenomenon. However, the poorest are not participating in international migration probably due to shifting cost reasons and the rich are not in need. In Kukes the better educated migrate, leaving those with fewer potential behind. In Shkoder those migrate, who are less skilled and have little employment opportunities in the local economy. The regression model shows that participation in international migration strongly depends on intra-household socio-economic factors such as the gender ratio and dependency ratio. Wide-spread subsistence agriculture, which cannot provide for the households'

livelihood, is one of the factors that forces rural people into legal and illegal migration activities. The importance of remittances contributing to household income cannot be overemphasized for Albania's rural economy. All efforts to promote rural development in Albania have to consider that on the one hand, the rural economy has to compete with the opportunities that rural families have abroad and that in underdeveloped regions particularly better educated people are pulled out by these opportunities. Therefore, education and the creation of employment always have to be planned simultaneously. On the other hand, there are certainly positive impacts to be expected if remittances flow back and are invested in the local economy. How this could be used most effectively for a rural development policy, should be a subject matter of further research.

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