

Who is most likely to migrate from Albania?

Evidence from the Albania Living Standards Measurement Survey

Summary of Key Issues

Migration, whether internal or external in character, provides an important strategy for coping with poverty in Albania. Since the start of the Albanian transition to a market-based economy, the scale of migration has induced a radical demographic transformation within the country. A number of studies have documented and profiled the nature of the Albanian migration experience over the last decade. These provide useful and informative insights into the profile of Albanian migrants, emphasizing both the causes and consequences of migration. The aim of the work described in this briefing is to explore the factors that influence whether those who are left behind are more or less disposed to migrating. This work is part of the DRC project "Migration and the Poverty Transition in Albania".

Econometric analysis measuring the impact of selected factors on considering migration reveals a range of influences on the intention to migrate, including gender, age, education, employment and living conditions. In general men are more likely to consider migrating than women, the young more likely than the old. The better educated, the unemployed and the poor - but not the poorest - are also more likely to consider migrating. Decreasing unemployment, increasing wage levels and reinforcing the rule of law and protection of property are most likely to reduce the likelihood of individuals to migrate in the future.

Migration from Albania

By the end of the '90s over one-fifth of the Albanian population was estimated to be living abroad, representing the largest outflow of any transitional economy. Although migration, and the consequent flow of remittances, has played a role in enhancing the economic development of the country, the phenomenon has also contributed to brain drain and work force shortages, especially in rural areas.

Temporary migration to neighbouring countries, such as Greece, has sometimes generated a vicious cycle of poverty rather than providing an effective solution to poor living conditions. The improved economic conditions that have characterised the country in more recent years, following the implementation of a series of economic reforms by the government of Albania, have only

marginally altered this external migration pattern and very little has been done by the Albanian government to reduce the costs and enhance the benefits of this phenomenon.

The ALSMS and the data



The research for this briefing draws on a nationally representative dataset from the 2002 Albania Living Standards Measurement Survey (ALSMS) and exploits a combination of individual level, household level, district level and community level information. In particular the covariates that determine whether an individual who had not left the country since 1997 had considered migrating abroad are explored. These include age, gender, education and household welfare, as well as district level un-employment and wage rates, and selected community level variables.

The primary objective of the first Albania Living Standards Measurement Survey, conducted in the spring of 2002, is to measure and describe poverty profiles within Albania, and it was recently exploited by the World Bank to undertake the country's poverty assessment. However, it also contains a module of questions on migration.

The ALSMS sample of 3,599 households was selected using a two-stage cluster design with 450 primary sampling units selected from a 2001 list of census enumeration areas. The sampling frame was stratified across four regions (Tirana, Coastal, Central and Mountain) with 1,640 of the households situated in rural settlements. The total number of individuals covered by the sample of households is 16,521.

Given the objectives of the research described here, the original sample has been refined to include only individuals aged between 15 and 60 who are either employed or unemployed but actively looking for work. The sample is further conditioned on those who had not left the country during the five years prior to the survey, but expressed an opinion on whether they had ever considered migrating abroad or not.

Once we exclude individuals on whom there are missing values for other variables of interest, we are left with an overall sample of 5,423 individuals. This constitutes the usable data available for the analysis reported here.

- The key variable of interest is whether or not an individual has ever considered migrating from Albania.
- The set of individual level variables includes age, gender, marital status, health status, educational level achieved, and current employment status.
- The set of household level variables comprises the demographic structure and welfare status of the household (i.e., household size and presence of dependent children within the household, and the total household expenditure in consumption per capita).
- The data also include measures of the quality of dwellings within which individuals reside.
- The set of community level variables captures the quality of the community environment in regard to crime and physical conditions and whether land disputes are present in the community.
- Finally, an unemployment rate and an hourly wage rate measure is constructed using district level data from the ALSMS and this is designed to capture local labour market conditions.

General Findings

Econometric analysis was used to measure the impact of selected factors on considering migration.

- 32.9% of the whole sample has considered migrating from Albania. The figure reaches 42.3% if the sample is restricted to men and 22.5% in the case of women.
- The reasons for not considering migration vary across the sample. Nearly 22% of those who have not considered migrating abroad state that they "do not need to", around 38% report it is "too difficult" and about 26% report they "do not want to".
- The youngest labour-force members (those aged less than 25 years) are, on average, more favourably disposed to migration.
- The more-educated individuals are more willing to migrate, although this finding is generally confined to those with secondary and vocational level rather than those with the highest category of university education. An individual with a vocational qualification is, on average, over 13 percentage points more likely to consider migrating than one with a primary grade four education or less.
- The unemployed are more likely to consider migrating than individuals in any of the other employment status groups. However, self-employed individuals, perhaps the least risk-averse, appear as reticent as most others in employment to consider migrating abroad.

MAIN ECONOMIC INDICATORS FOR ALBANIA 1996-2002

<u>Average</u>	<u>1996-98</u>	<u>1999-02</u>
Annual GDP Growth rate	3.9	7.0
Annual CPI Inflation rate	22.7	2.1
Unemployment rate	15.0	16.8
- Male	13.7	14.8
- Female	17.0	20.0

Source: INSTAT

- Household demographic variables do not appear to have a significant impact on migration intentions. However, the contrary has been found in relation to the physical conditions of the dwelling in which the individuals reside.
- Those in dwellings with a water closet located within the residence are, on average, over three percentage points less likely to consider migrating than those without such a facility. Individuals living in the smallest sized dwelling

areas are more likely to consider migrating.

- Per capita consumption expenditure is used as a proxy for household welfare. Individuals in households situated within the bottom quintile of the per capita consumption distribution (i.e. the poorest 20% of households in the sample) are unlikely to consider migrating.
- However, being in the second quintile of this distribution induces an increased propensity to migrate. For example, on average, a 5% increase in household expenditure within this quintile raises the probability of migration intentions by 0.8 of a percentage point.
- Individuals residing in urban areas are more inclined to consider migrating abroad. Similarly, those residing in the central region are more disposed towards external migration than in any other of the broadly defined regions used in our analysis.
- The estimated effect of the unemployment rate suggests that a one percentage point rise in the district level unemployment rate increases the probability that the average individual considers migrating by 0.4 of one percentage point.
- The estimated effect of wages suggests that, on average, a 5% rise in the district level hourly wage reduces the probability that an individual considers migrating by a half of one percentage point.
- Individuals in communities where crime is considered a problem are more likely to consider migrating, as are those in communities where land disputes occur. In addition, the presence of stagnant water sources in the communities is likely to induce individuals to consider migrating.

Gender Differences

- Although men are, on average, over a fifth more likely to consider migrating than women, older women (those in the age range of 56-60) are more willing to consider migration than older men. This is consistent with a recently increasing phenomenon in Albania – where older women follow their sons and daughters abroad to look after the grandchildren so that both parents can work.
- On average, the presence of dependent children within the household in the five to eight years age-category reduces a woman's propensity to migrate by a modest amount but raises a man's by over three percentage points.
- Women in households where consumption expenditure is situated within the bottom 25% of consumption distribution are, on average, more inclined to consider migration, but the reverse is again the case for men.

- Although the district-level unemployment rate retains a positive effect for both males and females, local labour market wages are found to exert no independent effect on a woman's propensity to migrate.
- The presence of land disputes within a community exerts no independent effect on a woman's migration risk but, on average, it raises the probability that a man considers migrating by over six percentage points. On the other hand, the presence of criminal activity within a community reduces a man's propensity to migrate but increases the probability that a woman is disposed to migration by a similar magnitude.

Policy Implications

On the basis of this empirical work the short-term prognosis is somewhat mixed. Even after some modest economic progress and reform in Albania, young males and the vocationally educated are still more intent on migrating than most other categories.

Given the expressed intentions of individuals, it is unlikely that the incidence of Albanian migration will fall sharply anytime soon. However, migration intention is strongly linked to economic conditions, and improvements in employment rates and wage levels are likely to reduce an individual's propensity to migrate in the future. These reductions are only likely to emerge if there is a strong commitment to pursuing the type of economic reform policies embraced in the more recent years of the Albanian transitional experience.

In addition, the estimates reported here for the community level variables provide a reminder of the importance of the rule of law and the protection of property rights in reducing the probability of migration.

Next Steps

The analysis contained in this work provides some useful insights into the more recent profile of potential Albanian migrants. However, it is well known that intentions data based on simple 'yes/no' questions, such as those used in this research, should be treated with some degree of caution when predicting actual behaviour. More precise results can perhaps be found by refining this type of question.

The ALSMS also contains questions asking whether or not an individual has ever tried to go abroad, and from responses to this question we can elicit greater detail on the constraints on migrant behaviour. Thus, the next objective of this research is to examine in more detail whether those who considered migration actually tried in the past to migrate.

Further Reading

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King, R. and J. Vullnetari (2003), *Migration and Development in Albania*, Working Paper C5, Development Research Centre for Migration, Globalisation and Poverty.

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Papapanagos, H. and P. Sanfey (2002), Intentions to Emigrate in Transition Countries: the Case of Albania, *Journal of Population Economics*, Vol. 14, pp. 491-504.

World Bank (2003), *Albanian Poverty Assessment – Report Number 26213-AL*, Human Development Sector Unit Europe and the Central Asian Republics, Washington DC

Development Research Centre on Migration, Globalisation and Poverty

The Migration DRC aims to promote new policy approaches that will help to maximize the potential benefits of migration for poor people, whilst minimising its risks and costs. It is undertaking a programme of research, capacity-building, training and promotion of dialogue to provide the strong evidential and conceptual base needed for such new policy approaches. This knowledge base will also be shared with poor migrants, contributing both directly and indirectly to the elimination of poverty.

How to contact us:

For further information on this report please contact the authors, Barry Reilly (b.m.reilly@sussex.ac.uk), Julie Litchfield (j.a.litchfield@sussex.ac.uk) or Adriana Castaldo (a.castaldo@sussex.ac.uk).

For more information on the Migration DRC, please contact:

Sussex Centre for Migration Research
Arts C, University of Sussex
Falmer, Brighton BN1 9SJ
United Kingdom
tel: +44 1273 873394
fax: +44 1273 873158
email: migration@sussex.ac.uk
web: www.migrationdrc.org