HOW MIGRATION, HUMAN CAPITAL AND THE LABOUR MARKET INTERACT IN ALBANIA

PREFACE

The countries of the Western Balkans are characterised by declining populations driven by low birth rates, ageing populations and ongoing migration. Emigration from the region has been constant since the 1990s, evolving from irregular, low- to medium-skilled labour migration to regular family reunification, students studying abroad and, more recently, high-skilled labour migration.

In 2020, the European Training Foundation (ETF), together with the Vienna Institute for International Economic Studies (wiiw), launched a regional study entitled 'Migration dynamics from the human capital perspective in the Western Balkans'. Its aim was to shed light on the triangular relationship between human capital formation, labour markets and migration, and to determine how the current functioning of the education system and the labour market affects migration in each country in the region.

This report, which is one of six country reports produced within the context of the study, was drafted by Ilir Gëdeshi, based on a common analytical framework developed by the ETF and wiiw. The study involved an extensive analysis of the existing literature and reports, and the development of tools to analyse flow and stock data on Albanian migrants based on available international statistics.

A separate statistical analysis based on data from the Albanian labour force survey (LFS, 2011–19) was conducted using the cohort approach. This analysis was led by the wiiw's Sandra Leitner who produced the key findings used in this report (Annex 1). The author of the study also conducted a small number of in-depth interviews with experts from the Ministry of Finance and Economy, the Ministry of Education, Sports and Youth, the Ministry of Interior, the National Diaspora Agency, the Tirana Goethe Institute as well as local representatives of the International Organisation for Migration (IOM), the United Nations Development Programme (UNDP) and GIZ.

The draft report benefitted from extensive discussions, guidance and comments from the wiiw team (Michael Landesmann, Hermine Vidovic, Sandra Leitner and Isilda Mara) and the ETF team (Ummuhan Bardak, Mariavittoria Garlappi, Cristiana Burzio, Romain Boitard and Mirela Gavoci). The final version was presented in a webinar on 30 June 2021 to the main stakeholders in the country, including public institutions, civil society and researchers.

The ETF would like to thank all the institutions and individuals in Albania who have shared information and opinions on the topic throughout the research and attended the ETF's webinar. In particular, we are grateful to the employees of the State Statistical Office who, in accordance with their internal rules, provided access to the LFS data. This report would not have been possible without their contributions.

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EXECUTIVE SUMMARY

- Since the start of the post-socialist transition in 1991, Albania has experienced one of the largest modern-day migratory processes in the world in terms of scale (as a percentage of the current population) and intensity of international migration. Presently, more than 1.6 million Albanians, equivalent to over half the number of people living inside the country, are based abroad. At the present time migration remains a popular option for Albanians, and this is likely to continue in the future.

- While Albanian migration has been a dynamic process over the past three decades, its intensity and characteristics have changed, more or less every decade. During the first decade of very high emigration in the 1990s, three peaks could be observed: in 1991–93, immediately after the opening of the borders; around 1997 when a financial collapse deepened levels of poverty and sparked civil unrest; and in 1999 during the Kosovo[1] refugee crisis, which also destabilised Albania. In this first decade, migration was mainly made up of young men moving to Greece and Italy, largely through 'irregular' channels since legal means were practically non-existent. Based on the population census in 2001, the Albanian National Institute of Statistics (INSTAT) estimated that around 600 000 Albanians had emigrated in this period.

- The second decade, between 2001 and 2010, was characterised by a maturation of the migration flows, with family reunification and more children born to families living abroad. The key to this change in the structure of emigration was a series of regularisation schemes launched in Italy and Greece in the late 1990s and repeated in the following decade. A rapid process of settlement and integration took place at this time. The destination choices also broadened to other European countries and to North America. Compared to the frenetic exodus of the 1990s, the population flows in the 2000s were smaller in scale and mainly legal in nature. Based on the 2011 census, INSTAT calculated a net emigration of 481 000 Albanians for the decade 2001–11.

- In the third decade of migration (2011–20), as a result of domestic and external factors (e.g. the global economic crisis), significant qualitative and quantitative changes took place regarding the nature of Albanian migration, which should be taken into account by policymakers. Economic factors driving migration, and to a lesser extent, family-related factors prevailed in this period, but their contribution diminished. New factors became more significant, such as the education of children, and the lack of prospects in Albania. While neighbouring Greece and Italy remained the top destination countries for Albanian migrants in this decade (with roughly half a million settling in each), their share in the future is likely to decline. Germany and some other advanced Western European countries, as well as North America, are poised to become the main host countries in the coming years, particularly for highly qualified and educated Albanian migrants. This shift in the destinations of Albanian migrants may, on the one hand, have a positive effect in terms of financial and social remittances (ideas, mentalities, approaches) and enhanced human capital (education, new professions). On the other hand, it will contribute to reducing human capital in Albania.

- The recent changes in the push factors and in the geography of migration over the last decade are also reflected in its social and demographic structure and the quality of its population flows. International migration is higher among young people in their 20s, the better educated and the most highly qualified. This may be explained, on the one hand, by the improved employment opportunities for educated and highly skilled persons in the more advanced European Union (EU)

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[1] This designation is without prejudice to positions on status and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo Declaration of Independence, hereinafter 'Kosovo'.

countries (especially Germany) and in North America. On the other hand, this shows that qualified and educated people are dissatisfied with their employment prospects and working conditions in Albania. In the future, Albania will be hit ever harder by the phenomena of brain drain and skills shortages, which will have negative consequences for the country.

■ There is a strong correlation between education and international migration. The low quality of schooling in Albania pushes many families and individuals to migrate in order to secure a better education for their children. In addition, Albania has a mismatch in terms of the demand and supply for qualified and specialised jobs within the country. The supply of Albanian students, while falling due to the low birth rate, is notably higher than the demand for qualified jobs. As a result, this drives many highly qualified and educated young people to migrate. International migration, however, has also affected education. Thus, potential migrants are now more aware than they were a decade ago of the need for professional training, language acquisition and learning about the culture of the desired host country, and thus are able to adapt more easily to labour market demand abroad.

■ Despite some positive trends in recent years, deep structural changes are required to the labour market in Albania. Unemployment rates remain at two-digit levels, wages are low, the share of unskilled jobs, particularly in the informal sector, is high, and vulnerability at work is also high. Furthermore, according to interviews, qualified and well-educated young people are unhappy with the working conditions prevailing in the country, as well as the importance of clientelist networks and 'connections' in finding a well-paid job, the shortage of skilled and decent jobs, the lack of opportunities for career advancement, and the poor levels of job security. All these factors produce migrant flows from across the social groups, from low-skilled workers to highly educated graduates.

■ Consequently, substantial reforms are needed in the Albanian labour market in order to alleviate the strong migration trends already established. All labour market policies and programmes that aim to reduce unemployment and increase the number of decent and well-paid jobs are relevant for emigration. The state should particularly focus on employment policies affecting medium- to high-skilled workers, who show an increasingly higher propensity to emigrate. Employment in the public sector also needs to be rationalised, with the establishment of fair and transparent recruitment procedures. In addition, more flexibility and entrepreneurship support are required for the development of new businesses that can generate much-needed jobs.

■ The Albanian youth, in particular, need clear future prospects in order to minimise the number of those who see emigration as 'the only solution'. This would require not only improving the scale and quality of available jobs and the opportunities for doing business in the country, but also creating a suitable environment for talented and well-educated young people to find work that offers them job satisfaction, pay commensurate to their qualifications and equal opportunities for professional advancement. Moreover, such an environment needs to be supported by improved health, education and social protection services, less corruption, enhanced physical and social security, enriched social-cultural life and a clean environment.

■ There is a danger of skills gaps emerging in the domestic labour market as a result of migration. The country needs to develop mechanisms to monitor these gaps and implement more systematic measures for the upskilling and reskilling of current workers and adults alike (e.g. adopting a lifelong learning approach). For example, digital and green skills could be prioritised as a way of filling an emerging gap and encouraging young people to remain in Albania in the medium term, working from home for employers in other countries – as in other countries of the region (e.g. Serbia).

- Spending on education (at all levels) as a percentage of gross domestic product (GDP) should rise continuously until in the long term it approximates to EU levels. Greater investment is needed at all education levels, from primary and secondary to higher education, with a particular focus on key competences. Improving the quality of education and vocational education and training (VET) for all should be a priority, while the education system also needs to adapt quickly to the high level of mobility in the population. In addition, more investment is needed in scientific research, with a view to raising the status and profile of national universities. Albania should foster cooperation with EU and US universities, especially through members of the Albanian scientific diaspora.

- Policies aimed at acquiring human capital and skills, particularly outside the formal education system, could be also strengthened. As a complement to such policies, the validation and/or recognition of skills acquired outside the formal system or abroad (mostly in non-formal and informal contexts) is also necessary. In this way, Albanian emigrants as well as returnees can benefit from the higher visibility and improved portability of their skills for employment.

- In the area of population flows, Albania should cooperate with the main host countries in the EU so that migration becomes a circular process. For example, the main host countries could invest in the qualification and education of potential migrants in Albania (e.g. by training doctors and nurses) in order to produce more professionals than the country needs in particular fields. On the other hand, the experience gained in the host country would, upon return, improve the quality of human capital in Albania. This would create a win-win-win situation, whereby the migrant, the home country and the host country would all benefit from such cooperation.

1 INTRODUCTION

Since 1991, from the start of the post-socialist transition, Albanian migration flows have reflected the dynamics of macroeconomic conditions in the country. Over the last two decades, average GDP growth was recorded at 6.2% in the period 2000–08, 2.3% between 2009 and 2014, when the effects of the global economic and financial crisis spilled over into Albania, and 3.1% from 2015 to 2019[2]. In 2019, GDP growth was 2.2%, since when the economy has contracted by 3.8% due to the Covid-19 pandemic in 2020.

In the absence of higher GDP growth, the gap between Albania's income per capita and the EU average has not narrowed. In 2019, the GDP per capita in Albania stood at 31% of the EU average[3]. Such GDP growth rates do not facilitate the increase of public investments in education, health, social protection and other services.

Besides the volatility of GDP growth, unemployment in Albania, especially youth unemployment, has been at double-digit levels for the last 30 years. In 2019, the official unemployment rate was 11.5%, whereas youth unemployment (for 15–24-year-olds) stood at 27.2% (INSTAT, 2020a). According to INSTAT (2020a), almost one in four young people are not in employment, education and training (NEET). High unemployment, low wages, precarious and unskilled jobs in the informal sector, uncertainty and emotional stress, poor working conditions and lack of future prospects generate poverty and trigger dissatisfaction among many segments of society. According to all the studies, macroeconomic factors such as unemployment and poverty have traditionally been the push-factors for Albanian emigration (INSTAT and IOM, 2020)[4].

International migration has played an important role in exporting a share of the Albanian labour force to neighbouring countries (Greece and Italy in particular), and, in return, has resulted in significant remittances to the economy (accounting for 9.6% of GDP in 2019)[5]. Hence, two questions arise. The first is related to the past. What would the situation in Albania have been without emigration? Taking the hypothesis of zero emigration, it is likely that the country would have been trapped in a deep social and economic crisis, with very high levels of unemployment and extreme poverty, with an even more massive rural-urban migration than that witnessed after 1990, the overcrowding of certain urban and coastal areas, and a generally chaotic political and social situation. From this perspective, remittances from migrants have mitigated poverty and improved some of the country's macroeconomic indicators, with a small share (10–12%) being invested in the economy (de Zwager et al., 2005; 2010). Migration has, therefore, played a role in saving Albania from economic, political and social chaos.

The second question is related to the future. Will the emigration of higher-educated and skilled youth have development implications for Albania? This is the question which we will try to answer later in this report by analysing the effect of international migration on education and labour market trends.

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[2] World Bank national accounts data: https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=AL

[3] Eurostat (2020), GDP per capita, consumption per capita and price level indices: https://ec.europa.eu/eurostat/statistics-explained/index.php/GDP_per_capita
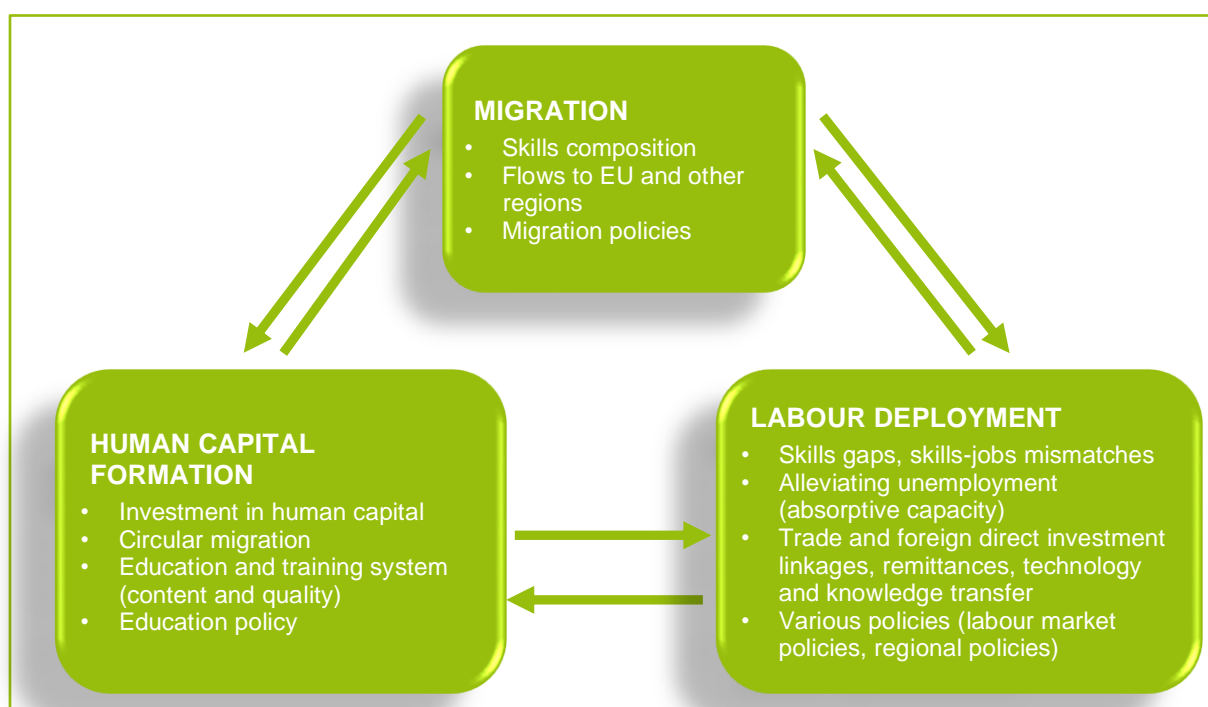
[4] According to the INSTAT and IOM survey (2020), 65% of emigration motives were related to economic factors (e.g. financial reasons, better working and living prospects).

[5] World Bank: https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS

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Following a joint analytical framework and applying it to the case of Albania, this study focuses on the triangular relationship between international migration, human capital formation and the labour market. In this three-way relationship, with all the elements interacting with each other, international migration is certainly the most flexible and dynamic variable. It must, therefore, be analysed in order to capture the diverse shapes that it takes as a result of impacts from the other two factors, in addition to examining its contribution to changes in the various interrelationships. Following from this analysis, policies should be developed that aim to maximise the positive implications of migration and minimise the negative ones.

FIGURE 1.1 RELATIONSHIPS BETWEEN MIGRATION, HUMAN CAPITAL FORMATION AND LABOUR DEPLOYMENT

MIGRATION
- Skills composition
- Flows to EU and other regions
- Migration policies

HUMAN CAPITAL FORMATION
- Investment in human capital
- Circular migration
- Education and training system (content and quality)
- Education policy

LABOUR DEPLOYMENT
- Skills gaps, skills-jobs mismatches
- Alleviating unemployment (absorptive capacity)
- Trade and foreign direct investment linkages, remittances, technology and knowledge transfer
- Various policies (labour market policies, regional policies)

Source: wiiw.

This report is organised as follows:

Chapter 2 provides basic facts on the flows, structure, direction and changing dynamics of Albanian migration based on international statistics (from the OECD, World Bank, United Nations and Eurostat) and national figures (from INSTAT in particular). Besides reviewing existing studies and surveys, the trends examined here are based mainly on the findings from a number of surveys conducted by the Centre for Economic and Social Studies (CESS) in Albania over the past two–three years, some of which are compared to the results of a similar ETF survey carried out a decade earlier.

Chapter 3 analyses the relationship between international migration and labour market features in Albania, explaining the push factors from the local labour market (e.g. precarious jobs, the limited creation of skilled jobs, the country's economic structure and large agricultural sector, disparities between urban and rural areas and weak active labour market policies). Here the results of a cohort approach analysis (based on national LFS data, 2012–19) are also presented in terms of the skill levels of emigrants.

Chapter 4 analyses the relationship between international migration and education in Albania, providing some examples from the surveys.

Chapter 5 briefly reviews the impact of the Covid-19 pandemic on the Albanian economy and labour market and whether there has been any impact on migration flows.

Chapter 6 provides some conclusions and policy implications.

2 BASIC FACTS ON MIGRATION TRENDS AND POLICIES

Nearly three decades after 1991, international migration, and its economic, political and social consequences, remains a fundamental issue in Albania. As of 2020, INSTAT (2020b) estimated the Albanian emigration stock living abroad as 1.68 million, equivalent to 59% of the current resident population of the country[6]. These figures place Albania among the top countries in the world for the scale of its emigrant stock indexed against the resident population. In its periodic publication *Migration and remittances factbook*, the World Bank placed Albania among the top 20 countries in the world (ranked 9th in 2011 and 17th in 2016) for the relative scale of emigration (World Bank, 2011; 2016) – see Figure 2.1[7].

FIGURE 2.1 TOP EMIGRATION COUNTRIES (% OF THE RESIDENT POPULATION)
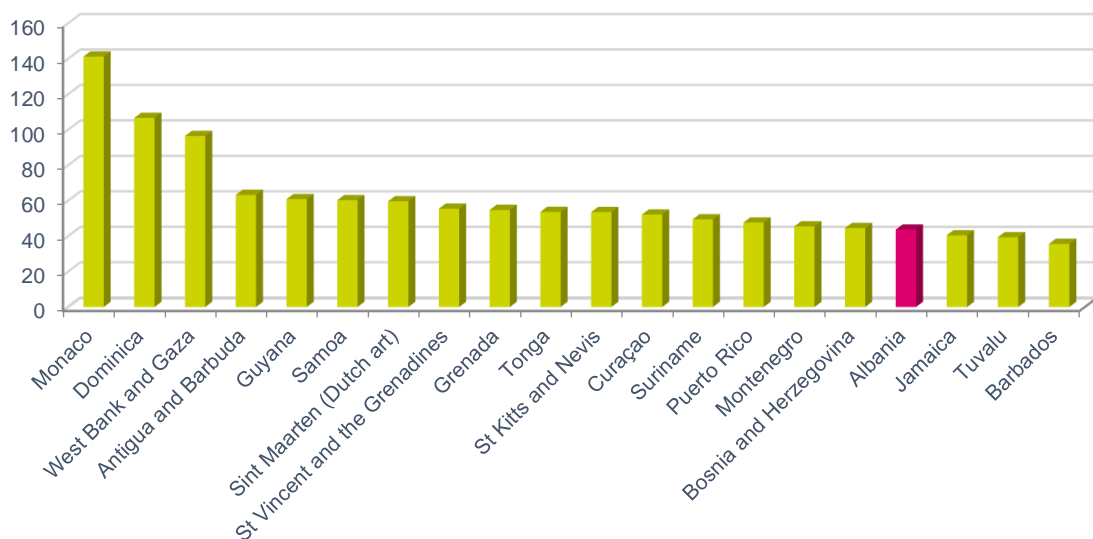
Source: World Bank (2016).

While Albanian migration has followed a dynamic process over the past three decades, its intensity and characteristics have changed, more or less every decade. In 1990s, the first decade of very high emigration, three peaks could be observed: in 1991–93 immediately after the opening of the borders; around 1997 when a financial collapse deepened poverty and fuelled civil unrest; and in 1999 during

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[6] INSTAT (2020c) estimates that the population of Albania as of 1 January 2020 was 2 845 955. To estimate the number of Albanians abroad, INSTAT uses the indirect method based on the comparison of the two populations, the resident population and the civil registry population. The civil registry population was used as a basis, as it includes all Albanian citizens irrespective of whether they reside in Albania or abroad. Then the resident population was deducted from it, as calculated by INSTAT.

[7] A closer look at these rankings shows that most of the locations ranking above Albania in the 2016 World Bank publication (Monaco, Dominica, Antigua-Barbuda, Guyana, Samoa, Sint Maarten, St Vincent and Grenadines, Grenada, Tonga, St Kitts and Nevis, Curaçao, Suriname), except for two (West Bank and Gaza, 4 million and Puerto Rico, 3.2 million), had a smaller population size (less than 1 million) and a long-standing history of migration. Meanwhile, two countries of the Western Balkans, i.e. Bosnia and Herzegovina and Montenegro, are ranked above Albania because the internal migration amongst the entities of the former Yugoslavia may be considered as part of their international migration.

the Kosovo refugee crisis, which also destabilised Albania. In the first decade, much of the migration was spontaneous, irregular and consisted of young men seeking work and escape from the post-transition political and economic chaos that the country was undergoing in those years. Based on the population census in 2001, INSTAT (2002) estimated that around 600 000 Albanians had emigrated abroad in this period.

The second decade between 2001 and 2010 was characterised by a maturation of population flows, with family reunification and children born to families living abroad. The key to this change in the structure of emigration was a series of regularisation schemes launched in Italy and Greece in the late 1990s and repeated in the following decade. A rapid process of settlement and integration took place, facilitated by social similarities with the host populations, lessening prejudice towards Albanian immigrants and a general improvement in their labour-market status (King and Mai, 2008). The destination choices also broadened to other European countries and to North America. Compared to the frenetic exodus of the 1990s, the flows of migrants in the 2000s were lower in scale and mainly legal in nature. Based on the 2011 census, INSTAT calculated a net emigration of 481 000 Albanians for the decade 2001–11 (INSTAT and IOM, 2014).

The third decade (between 2011 and 2020) was characterised by a renewed intensity of the emigrant outflow, but also its diversification in terms of types of migration, and a further shift was noticeable in the pattern of destinations. Other European countries, such as Germany, the United Kingdom (UK), Belgium and France were added to the by-now 'traditional' destinations of Italy and Greece, and a steady flow developed to the US, facilitated by success in the diversity visa lottery scheme (Table 2.1).

This last decade peaked in 2015 when around 66 000 Albanians sought asylum in EU countries (mainly Germany), taking advantage of perceived opportunities during the Syrian refugee crisis, which opened up new migration pathways through the Western Balkans. Although the majority of these Albanian asylum-seekers had their applications rejected in the period 2016/17, some of them stayed in Germany thanks to the Western Balkan Regulation of Germany, which allowed citizens from the Western Balkans to change their status from asylum-seeker to labour migrant if they found a job. A joint study conducted by INSTAT and IOM (2020) estimated that the net migration out of Albania was 364 034 persons in the period 2011–19[8].

Return migration, which was never entirely absent before, became more important during the third decade, but not for positive reasons. The curve of return peaked twice, first in 2010–13 as a result of the Greek economic crisis (INSTAT and IOM, 2014) – during which many Albanian migrants lost their jobs – and second, during 2016–17, this time due to the return of rejected asylum-seekers, mainly from Germany and France (Gëdeshi and King, 2020). In the meantime, a small part of the refugee flows transiting the Western Balkans found their way into Albania as a staging post to EU countries. Hence, the third decade of Albanian migration became a mix of emigration, return and transit immigration, with emigration continuing as the dominant flow.

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[8] INSTAT calculated a net emigration of 600 000 for the period 1990–2001, 481 000 for the decade 2001–11, and an estimate of 364 034 for the period 2011–19; therefore, a total net emigration of 1.44 million for the period 1990–2019. The difference between this total and the estimated figure of 1.68 million given in INSTAT (2020b) can probably be accounted for by births to Albanian emigrants living abroad, which boost the stock figure but are excluded by the intercensal residual method.

TABLE 2.1 ALBANIAN MIGRANTS BY COUNTRY OF DESTINATION, 1995–2019 (IN %)

No	Countries	1995	2000	2005	2010	2015	2019
1	Italy	31.9	33.3	37.4	39.3	39.6	39.4
2	Greece	45.9	48.6	43.8	41.5	38.7	35.3
3	USA	4.5	4.8	5.7	6.4	8.1	8.2
4	Germany	1.7	1.4	1.4	1.3	1.3	4.2
5	Canada	0.7	0.8	1.0	1.2	1.4	1.4
6	UK	0.2	0.3	0.8	0.7	0.9	0.9
7	Belgium	0.4	0.3	0.3	0.5	0.8	0.9
8	Other	14.8	10.7	9.7	9.0	9.2	9.7

Source: INSTAT (2020b).

The main destination countries for Albanian emigration have remained Italy and Greece, which accounted for almost 75% of total emigrants in 2019 (Table 2.1). Nevertheless, the share of migrants in Greece decreased by 11 percentage points, from approximately 46% in 1995 to 35% in 2019, while Italy's share has increased at a slower pace, from 32% to 39% in the same period. The country with the fastest increase in the number of Albanian emigrants in recent years is Germany, which saw a three-fold increase during the period 2015–19 (rising to 4% of Albanian emigrants in 2019). The USA followed this rising pattern of Albanian emigrants, hosting around 8% of Albanian emigrants in 2019.

2.1 Potential migration and new trends

Such renewed migration flows are an expression of the high migration potential of the Albanian population, a potential that has increased in recent years. In 2018, a study on potential migration revealed that 52% of Albanians aged 18–40 years wanted to migrate out of Albania (Gëdeshi and King, 2018a). Compared to a previous similar survey conducted by the European Training Foundation (ETF, 2007), the 2018 study showed that the desire to migrate among the Albanian population had increased by 8 percentage points in 11 years and that its characteristics have changed completely[9].

The 2018 study showed that the potential migration flows from the country have been redirected compared to the ETF 2007 survey, as a result of the deeper changes that have taken place due to the impact of two crises: the global economic collapse, which accelerated the economic crisis in Greece, and the Syrian refugee emergency. In the period 2010–19, more than 193 000 Albanian citizens applied for first-time asylum in EU countries. This phenomenon peaked in 2015, with the movement of

[9]   Potential migration in Albania has been measured also by other international organisations and institutions. According to the Gallup World Poll data for the period 2013–16, Albania (56%) ranks third in the world in terms of the percentage of adults who 'desire to migrate'. Meanwhile, for the period 2015–17 Albania (60%) ranks fourth in the world. The RCC Balkan Barometer has also measured the potential mobility in Western Balkan countries for the period 2015–20. In Albania, this potential was 43% in 2018, 50% in 2019 and 49% in 2020, ranking the country, at least in the last two years, at the top of the list of Western Balkan countries (RCC, 2020). Furthermore, a study on young people in Albania and Southeast Europe, funded by the German Friedrich Ebert Foundation, estimates that the migratory potential of the Albanian youth (aged 14–29) was 43% and was the highest in the region (Lavric et al., 2019; Cela and Kamberi, 2019). We prefer to base this study of potential migration mainly on our own survey data (Gëdeshi and King, 2018a), which include similar and comparable questions to the ETF 2007 survey.

Syrians across the Balkans, when 67 000 Albanian citizens applied for asylum, mainly in Germany (Gëdeshi and King, 2021). Thus, Germany has become the preferred destination for Albanian potential migrants, with around 22% of them wishing to migrate there according to the 2018 study. This has also been encouraged by German immigration policies (i.e. the Western Balkan Regulation of 2015, the Skilled Immigration Act of 2018), which facilitate the employment of highly qualified professionals originating from countries outside the EU.

In terms of the desired destination countries for Albanian migrants, Table 2.2 shows a shift away from Italy and Greece, both beset by serious economic problems for the past decade, and towards, above all, Germany, plus some other countries seen as desirable because of higher wage levels and the more 'welcoming and meritocratic nature of their societies' (Gëdeshi and King, 2018a). This aggregate trend implies an increasing concentration of Albanian migrants in the more advanced and wealthy countries of Western Europe, and will likely have developmental implications for Albania – through higher savings and remittances, investments and increased human and social capital.

TABLE 2.2 TOP 10 DESIRED DESTINATION COUNTRIES IN 2018 COMPARED WITH 2007 (IN %)

No	Countries	Survey 2018	Survey 2007	Change
1	Germany	21.7	4.5	+17.2
2	USA	16.4	14.5	+1.9
3	Italy	15.7	31.2	-15.5
4	Greece	14.4	26.5	-12.1
5	UK	11.0	14.7	-3.7
6	France	3.0	2.0	+1.0
7	Canada	2.7	3.6	-0.9
8	Sweden	2.3	0.2	+2.1
9	Switzerland	2.3	0.0	+2.3
10	Austria	1.3	0.2	+1.1
11	Other	6.3	2.6	+3.7

Source: Gëdeshi and King (2018a).

Behind the wish to migrate there are a number of motivating factors that can be grouped under the headings economic, education, family, health and others. Table 2.3 shows that at the end of its third decade, Albanian migration continues to be driven by economic motivations, which accounted for well over half the aggregated reasons. However, this share is somewhat reduced from its level a decade earlier, when it accounted for close to two-thirds of all named reasons. Family-related factors had also diminished in 2018 compared to 2007, due largely to the shift in intended destination countries away from Italy and Greece, where family migration ties are longer-established. The reasons for emigration that have increased in importance to balance these changes are education factors, especially related to children's education (from 2.7% to 12%) and other motivations, notably the lack of prospects in Albania, which increased from 2.9% to 10.8% in 2018.

TABLE 2.3 MAIN REASONS FOR LEAVING ALBANIA

No	Reasons for leaving	CESS 2018 survey	ETF 2007 survey	Change
I	**Economic factors**	**57.0**	**65.8**	**-8.8**
1	To improve standard of living	30.9	35.7	-4.8
2	Have no job/cannot find a job	18.3	19.7	-1.4
3	Nature of work unsatisfactory	6.1	9.3	-3.2
4	Inadequate social security system	1.3	0.0	+1.3
5	To repay debts	0.4	0.2	+0.2
II	**Education**	**17.4**	**8.1**	**+9.3**
1	To obtain education	5.4	5.4	0.0
2	To finance children's education	12.0	2.7	+9.3
III	**Family reasons**	**4.6**	**11.2**	**-6.6**
1	To accompany/follow spouse/parent	3.5	10.2	-6.7
2	To get married/just married	0.8	0.5	0.3
3	To escape from family problems	0.3	0.5	-0.2
IV	**Health**	**1.5**	**1.1**	**+0.4**
1	To receive necessary healthcare	1.5	1.1	+0.4
V	**Other reasons**	**19.4**	**13.8**	**+5.6**
1	No future in Albania	10.8	2.9	+7.9
2	Want to go abroad	2.6	2.7	-0.1
3	Do not like living in Albania	4.4	2.3	+2.1
4	Adventure	1.6	0.2	+1.4
5	Other	0	5.7	-5.7

Source: Gëdeshi and King (2018a); ETF (2007).

These recent changes in the geography and in the push factors of international migration are also reflected in the social and demographic structure and the quality of its flows. The desire to migrate is now higher among the following categories: young people in their 20s, those who are better educated and highly qualified, and those in employment with medium-high incomes (Gëdeshi and King, 2018a; King and Gëdeshi, 2020b). This finding can be explained by the greater employment chances offered to those who are highly educated by the standards of the labour markets of advanced countries such as Germany and the US. At the same time, this result also reveals that well-educated and qualified people are dissatisfied with the employment prospects and working conditions in Albania.

About a decade earlier, the opposite trend could be discerned; while the desire to migrate was similarly higher among young people in their early 20s, they were generally less well educated with lower qualifications, and likely to be unemployed or earning a low income (ETF, 2007; Sabadie et al.,

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2010). Table 2.4 sets out the comparison. At the time of the ETF survey (just before the global economic crisis), it was the unskilled and often unemployed people who sought job opportunities in low-skilled work in Greece and Italy, whereas those who were highly educated and had a profession were more likely to integrate themselves into the Albanian labour market.

TABLE 2.4 POTENTIAL MIGRATION AND HIGHEST LEVEL OF EDUCATION COMPLETED, 2018 AND 2007 (IN %)

Highest level of education	CESS 2018 survey (sample size: 575)	ETF 2007 survey (sample size: 1 000)
Less than primary	0.0	60.6
Primary (9 years school)	47.3	50.0
Secondary (10–12) general	57.6	40.9
Secondary vocational	58.8	44.7
University (Bachelor, Master, PhD)	52.3	40.3
Potential migration (population 18–40 years old)	52.0	44.0

Note: The above data must be interpreted cautiously because of the blurred boundaries between the educational categories. Some respondents who checked a particular lower educational category at the time of the survey may have subsequently gone on to achieve a higher level of qualification.
Source: Gëdeshi and King (2018a); ETF (2007).

This correlation between migration and education is also confirmed by other sources. Another survey conducted in 2019 with 1 650 students from all the Albanian universities revealed that 79% of them wished to emigrate (King and Gëdeshi, 2020b). The correlation between education and migration is also linked to the selection of destination countries. The study of potential migration patterns showed that the more highly educated and professionally skilled would-be migrants expressed an intention to migrate to Germany, the US and other advanced countries, whereas the lower-educated and less-skilled were still oriented to the traditional destinations of Greece and Italy, where they hoped to jobs requiring no formal qualifications, often in the informal sector, using their family and social networks.

Based on these studies, the conclusion is simple: **Albanian migration continues and is likely to do so into the future**. This migration, however, is increasingly assuming the characteristics of a brain and skills drain, which could have negative consequences for the country.

2.2 The socio-demographic structure of Albanian migration

There are no conclusive studies on the socio-demographic structure of Albanian migration nor on its dynamics and evolution. Nonetheless, various sources (e.g. articles, databases and surveys), which we present as references in this report, provide an overview, albeit incomplete.

Now just moving into its fourth decade, Albanian migration is characterised by its youthful profile (Table 2.5). INSTAT data show that 25.3% of Albanian migrants fall within the category of 'younger than 19-years old', 46.3% are aged between 20 and 44, 23% are in the 45–64 age group and only 5.4% are older than 65 years of age. In terms of gender, 52.5% of migrants are men and 47.5% are women (INSTAT, 2020b).

TABLE 2.5 AGE AND GENDER STRUCTURE OF THE ALBANIAN EMIGRATION STOCK, 1 JANUARY 2020

Age	Male	Female	Total
0–19	25.9	24.6	25.3
20–44	45.6	47.2	46.3
45–64	23.8	22.2	23.0
65+	4.7	6.1	5.4
Total	100	100	100

Source: INSTAT (2020b).

Studies of potential migration have shown that in the future the new migration flows feeding into the stock of Albanian migrants will continue to consist of young age groups, mainly people in their 20s (Gëdeshi and King, 2018a; King and Gëdeshi, 2020b). In the meantime, the resident population in Albania, owing also to the reduction of the fertility rate[10], will continue to decrease and become older. Figure 2.2 shows the age distribution of potential migrants for the population aged 18–70. The curve peaks for the age group 27–28 and falls notably from the 40s on.

FIGURE 2.2 POTENTIAL MIGRATION BY YEAR OF BIRTH, 2018 (IN %)
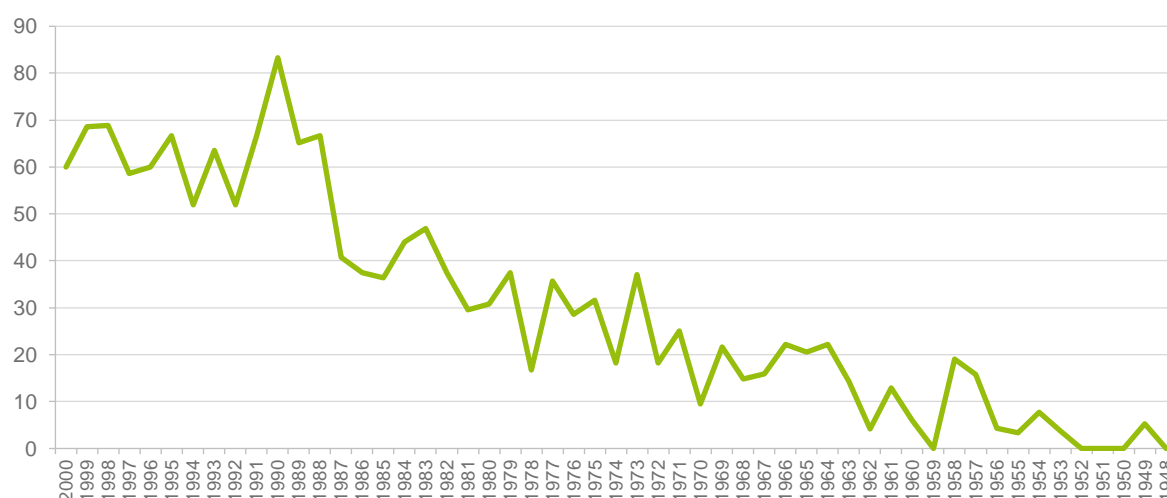
Source: Gëdeshi and King (2018a).

Table 2.6, which is based on INSTAT data, compares the current age profiles of Albanian migrants (INSTAT, 2020b) and the resident population (INSTAT, 2020c). The table shows that the most active age group, 20–44-year-olds, represents 46.3% of the stock of the migrant population and only 35.1% of the resident population in Albania, a difference of 11.2 percentage points. Conversely, the inactive age group, those who are 65+, represents only 5.4% of the migration population, but 14.8% of the resident population in Albania. The median age of the resident population in Albania rose to 37.2 years in 2020 from 32.6 years in 2011 (INSTAT, 2020c).

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[10] According to INSTAT (2020d), the fertility rate in Albania in 2019 was 1.36, a fall from 1.6 in 2015.

TABLE 2.6 AGE STRUCTURE OF THE MIGRANT AND RESIDENT POPULATIONS, 1 JANUARY 2020

No	Age	Albanian migrants abroad	Residents in Albania
1	0–19	25.3	23.7
2	20–44	46.3	35.1
3	45–64	23.0	26.4
4	65+	5.4	14.8
	Total	100	100

Source: INSTAT (2020b; 2020c).

The study of the age profiles of Albanian migrants gives rise to other immediate questions: What is the educational background of Albanian migrants? What new trends can be detected? What are the implications of new migration flows on the country's human capital?

To answer these questions, we will look first at the Database on Immigrants in OECD and non-OECD Countries (DIOC), compiled by the OECD, which allows for comparisons, at five-year intervals, of four periods: 2000/01, 2005/06, 2010/11 and 2015/16 (latest data available)[11].

Drawing on DIOC data, Table 2.7 shows the educational structure of Albanian migrants and its dynamics over the years. The educational levels of Albanian migrants in 2010/11 were similar to those of migrants from other Western Balkan countries[12], but lower than those of other European countries (Arslan et al., 2014). The table shows that the share of migrants with tertiary education has experienced an upward trend, from 8.7% in 2000/01 to 12.6% in 2015/16. This is due to a number of factors, such as the higher educational level of the Albanian population in general, the greater intensity of migrants with tertiary education, and the re-orientation of new migratory flows, especially after the global economic crisis, which are shifting from traditional destination countries (Greece, Italy) to more advanced countries in the EU and North America.

TABLE 2.7 EDUCATIONAL LEVELS OF ALBANIAN EMIGRANTS (AGED 15+) BY YEAR (IN %)

No	Education level	2000/01	2005/06	2010/11	2015/16
1	Primary education	53.9	54.7	51.3	50.3
2	Secondary education	34.6	35.2	37.3	36.5
3	Tertiary education	8.7	9.8	10.9	12.6
4	Unknown	2.7	0.3	0.5	0.6
	Total	100	100	100	100

Source: DIOC.

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[11] These data are published and made publicly available online at: www.oecd.org/migration/dioc.htm

[12] In 2010/11, the share of those with a tertiary qualification was nearly 10% for migrants originating from Montenegro and North Macedonia, and about 15% for Serbian and Bosnian migrants.

The level of education possessed by emigrants also varies according to the host country. According to the DIOC, less-educated and lower-skilled persons mostly intend to migrate to the established destinations of Greece and Italy, where they can find jobs that require no qualifications, often in the informal sector, using their social networks. Meanwhile, those with more education and a higher level of skills migrate mostly to a number of advanced economies in Western Europe and North America, which have adopted more favourable migration policies for highly skilled entrants.

According to Table 2.8 on the educational structure of Albanian migrants in some OECD countries, Greece and Italy were home to almost 81% of Albanian migrants in 2010, out of which the share of migrants with tertiary education was 7.7% and 9.1%, respectively. In some advanced Western European countries and in North America, the share of migrants with tertiary education ranges from 36% (France, the UK) to 70% (Canada). Also, in the US, 36.8% of Albanian migrants were tertiary education graduates in 2010/11, and, according to Nedelkoska and Khaw (2015, p. iii), they were 'more educated than the non-Albanian Americans with comparable demographics'. Meanwhile, the share of migrants from Albania with tertiary education (aged 25–64) was well above the proportion in the general population, bringing with it important implications for economic growth (Atoyan and Rahman, 2017; Arslan et al., 2014).

TABLE 2.8 EDUCATIONAL STRUCTURE OF ALBANIAN MIGRANTS (AGED 25–64) IN SELECTED DESTINATION COUNTRIES, 2010/11 (IN %)

Destination countries	Low	Medium	High
Greece	54.4	37.9	7.7
Italy	53	37.9	9.1
France	33.7	33.9	32.3
Canada	5.1	24.5	70.4
USA	10.1	53.1	36.8
UK	36.1	27.7	36.2
Total emigrant stock	49	38.4	12.1

Note: The DIOC does not provide data on the educational profile of Albanian migrants in Germany.
Source: DIOC.

Lastly, the emigration rate of highly educated people[13] is higher than the total emigration rate in Albania and among the highest rates globally. Thus, in its publication *Migration and remittances factbook 2016*, the World Bank (2016) ranks Albania among the top countries in the world (15th place) with regard to tertiary-educated persons as a proportion of the total. In 2010/11, according to the same source, some 31.3% of tertiary-educated Albanian nationals were thought to be emigrants. Meanwhile, in 2015/16 the emigration rate of highly educated people was 38.1% or +14.6 percentage points compared to 2000/01, ranking Albania in eighth place globally (Figure 2.3) and the fourth for the largest increase between the two periods (d'Aiglepierre et al., 2020).

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[13] The emigration rate of highly educated persons is calculated as the ratio between the number of highly educated emigrants living in OECD countries and the total sum of the resident highly educated population and highly educated emigrants living in OECD countries.

FIGURE 2.3 TOP 15 COUNTRIES IN TERMS OF EMIGRATION RATE OF HIGHLY SKILLED PERSONS, 2015/16 (IN %)
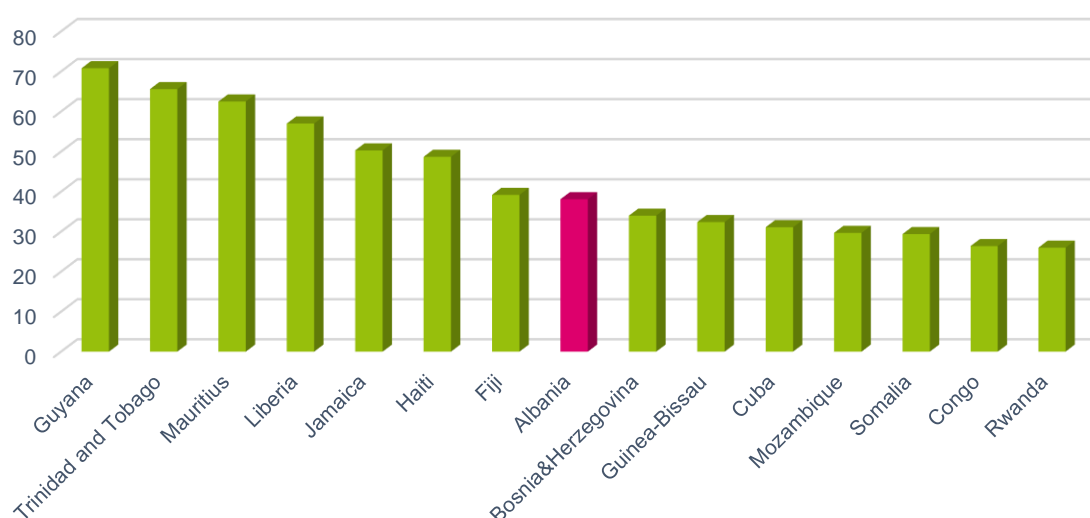
Note: The emigration rate is calculated as the ratio between the number of emigrants living in OECD countries and the total sum of the resident population and emigrants living in OECD countries.
Source: d'Aiglepierre et al. (2020).

2.3 Implications of these new trends

In this situation, the following question arises: Will the emigration of more highly educated and professionally skilled young people to Germany and other advanced OECD economies have development implications for Albania? Certainly, the answer is yes and can be viewed from two angles.

On the one hand, these more highly qualified migrants can access jobs which are much better paid than the traditional low-skilled migrant jobs in Greece and Italy, thereby increasing the potential for savings, remittances and investments, as well as enhancing the endowment of human capital through further training and work experience. Data from surveys provide evidence to support these propositions. In the ETF 2006/07 survey, the subsample of returnees showed that those who had come back from Germany and the UK were twice as likely to have received training there, compared to those coming back from Greece (ETF, 2007). Other surveys show that the levels of income, savings and remittances from Albanian migrant households in North-West Europe were much higher than the levels from those in Greece and Italy (Gëdeshi, 2010; de Zwager et al., 2010). Therefore, the developmental stimulus for Albania will be greater from the new migration trends documented thus far.

On the other hand, this process will be accompanied by a higher risk of brain drain and depleting human resources in Albania. During recent years, the number of engineers, IT specialists, medical doctors and nurses who migrate to Germany has been on the rise, putting some sectors under significant pressure. Let us take the example of the health sector to illustrate this point.

FIGURE 2.4 DYNAMIC OF THE STOCK OF ALBANIAN DOCTORS IN OECD COUNTRIES
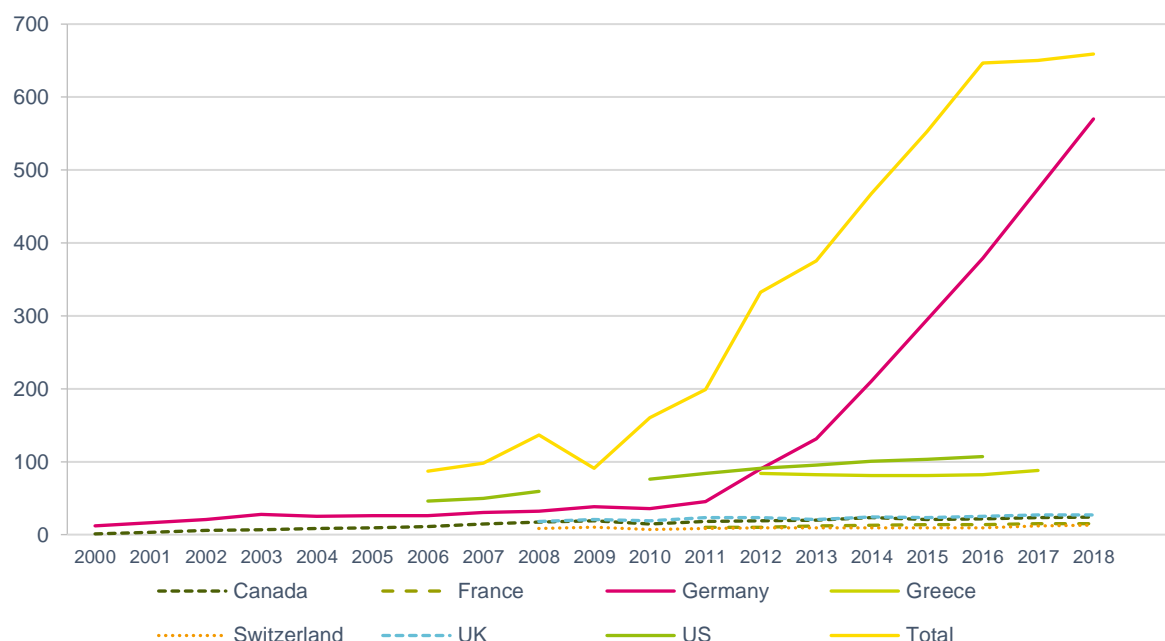
Source: OECD.Stat, Health Workforce Migration: Foreign-trained doctors by country of origin – Stock: https://stats.oecd.org/Index.aspx?QueryId=68336

Figure 2.4 shows the increase in the stock of Albanian doctors in a number of OECD countries. While the number of doctors that have emigrated from Albania to the US, Canada, the UK, France, Switzerland and Greece is relatively low, in Germany this figure has been surging rapidly since 2011. According to OECD statistics, the number of Albanian doctors in Germany in 2018 was 570[14]. Other sources provide even higher figures. Thus, according to the *Deutsches Ärzteblatt*, a weekly medical magazine published in Germany, in 2019 there were 737 doctors from Albania in the country[15]. A survey carried out in 2018 revealed that, during the period 2013–17, around 13% of Albanian medical professionals had emigrated and the number of those that emigrate each year is equal to or larger than the number of new doctors graduating from the national University of Medicine (Gjypi, 2018). Generally, those who migrate are young doctors who have performed well academically and can quickly learn the language of the destination country.

One of our survey interviewees, Dorina, who has a PhD in medicine and lives in the Netherlands, shared her concerns.

> The brain drain from Albania will continue. In the Netherlands, it is difficult to be accepted as a doctor, because you have to sit exams from the beginning. Germany, however, has relaxed recognition procedures for doctors. They accept them from all the Balkan countries, though they first have to work in a rural area and undergo training. Almost 30% of students that completed studies in the same year as me have gone to Germany. Each year, around 180 doctors graduate, and in the last

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14 https://stats.oecd.org/Index.aspx?QueryId=68336 (last accessed 31 May 2021).

15 www.aerzteblatt.de/nachrichten/113095/Gesamtzahl-der-Aerzte-in-Deutschland-leicht-gestiegen (last accessed 31 May 2021).

three–four years around 30% have emigrated to Germany. This is, regrettably, a
very high percentage, because there has been a six-year investment for these
doctors, and they are the best ones. I say the best because they are able to learn
the language, i.e. German, faster and do the job better.

Meanwhile, the years 2000–09 saw a rapid rise in Albanian nurses migrating to Italy, with the pace of emigration picking up again in 2016 as a result of Albanian nurses moving to Germany. In 2018, some 1 008 Albanian nurses were working in Italy and 546 in Germany (OECD.Stat, 2020)[16].

As a result, this process contributes to the depletion of human resources in Albania. Thus, the number of doctors, nurses and midwives per 100 000 residents in Albania, which is already much lower than the EU average (374 doctors in 2017)[17], or even the Western Balkan region, has been decreasing. In 2000, Albania had 140 doctors per 100 000 residents, in 2006 it had 120, and in 2018 the number had fallen to 110 doctors (Unicef, 2020). The same downward trend has been recorded for nurses and midwives. Their number was 460 per 100 000 residents in 2013, which dropped to 360 in 2016. The international migration of medical staff, mainly to Germany, is among the main factors explaining the decrease in their numbers, besides the health sector policies of the state.

In addition, the distribution of healthcare personnel across the country is uneven – due to internal migration. More than half of all the doctors in Albania are concentrated in Tirana (Gjypi, 2018), and in many remote districts of the country there is a complete lack of specialised medical professionals. A further decline in the number of doctors and nurses, coupled with their uneven distribution across the country, would not only lead to a worsening of health indicators in the population, but also trigger a new wave of internal and international migration. It must be remembered that one of the reasons driving poor Albanian families to seek asylum in EU countries (primarily Germany and France) is the absence of a qualitative health care (Gëdeshi and King, 2020).

To offset the shortage of health personnel, the Government of Albania aims to centralise the healthcare system in urban centres (through regional hospitals), raise the wages of doctors and nurses and increase the number of students who will study medicine in the future. In addition, through the implementation of various policies (with respect to work contracts, higher remuneration, etc.), it intends to ensure a more balanced distribution of doctors throughout the country. As part of this policy, the government is calling on Albanian doctors working in advanced OECD countries to return and contribute to the country's development.

2.4 Migration policies in Albania

The Albanian government has produced a number of laws and strategies that relate to various aspects of migration and take into account migration-related provisions under the EU *acquis*, as well as international initiatives and conventions ratified by the Republic of Albania. Over the years, these laws and strategies have been amended and improved with a view to more effectively addressing the problems and needs of migrants.

The main document for the governance of migration is the National Strategy on Migration Governance 2019–2022 (GoA, 2019) and its Action Plan, drafted with the assistance of the IOM and adopted in

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16   https://stats.oecd.org/Index.aspx?QueryId=68336

17   https://data.worldbank.org/indicator/SH.MED.PHYS.ZS?locations=EU&most_recent_year_desc=true (last accessed 31 May 2021).

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2019. The Strategy serves as the foundational document for the policies of the Albanian government regarding migration governance. Its main aim is to ensure effective migration governance in Albania in order to address the challenges resulting from migratory flows and enhance the impact of migration on development for the benefit of both migrants and society. The Strategy presents a vision, goals and four objectives to be achieved in the field of migration governance: (a) ensure strategic governance of migration in Albania; (b) enable safe and orderly migration from, through and to Albania; (c) develop an effective labour migration policy while enhancing the positive impact of migration in the national/local socio-economic development of the country; and (d) promote and protect migrants' rights and their integration into society. It offers information on the available financial support for the implementation of the measures set out in the Action Plan, as well as additional required resources.

While the Strategy is in its third year of application, so far no international organisation or other civil society stakeholder in Albania has made any assessment of its progress, results or implementation. However, monitoring reports prepared by the Technical Secretariat at the Ministry of Interior show that 27% of the measures have been affected, 17% are yet to be carried out, 24% have been partially implemented, and 32% are still in progress.

Another important strategic document in the area of migration is the National Strategy on Albanian Diaspora 2021–2025 (GoA, 2020) and the relevant Action Plan, which addresses the migratory phenomenon, including the diaspora of Albanians, and sets out a number of recommendations on future actions for state structures. The new Strategy is a continuation of the National Strategy on Diaspora and Migration 2018–2024 (GoA, 2018a). The Strategy addresses the role and organisation of the Albanian diaspora, and its relationship to the country's economic and social development. It promotes the advancement of state policies for involving the Albanian diaspora in the social, economic and political development of the country.

In the field of the economy, the Strategy aims to:

1. promote investments from the Albanian diaspora and the setting up of small and medium-sized enterprises in the areas of agriculture, food industry, agro-tourism, etc. through creating a favourable climate for investments, providing fiscal stimuli, sharing information, and curbing corruption and risks, among other incentives;
2. boost remittances and use them for the economic development of the country, which may be accomplished by lowering transfer costs through formal channels, as well as expanding banking services and enhancing the role of other financial institutions and of the national postal service in remittance transfers;
3. encourage diaspora professionals to share their know-how with Albanians at home for short- and long-term periods.

To facilitate the inclusion of the Albanian diaspora in the economic development of the country, the Strategy aims to strengthen the powers of the Business Chamber of the Diaspora, develop a legal framework for receiving investments from the diaspora, and establish networks of professionals (businesspersons, doctors, teachers, media experts, lawyers, etc.) among the Albanians based abroad. Other aspects of migratory processes (in relation to returnees, refugees, victims of human trafficking, integrated border management, etc.) are covered by the relevant sectoral strategies[18].

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[18] Some sectoral strategies address other specific issues on the governance of migration in Albania. These strategies are as follows: the 'National Strategy for Development and Integration, 2015–2020'; the 'National

Based on the Constitution and on the needs of the migrants, there are also a number of laws governing migration in Albania. The main legal act that regulates emigration for the employment of Albanian nationals is Law No 9668/2006 'On emigration of Albanian citizens for employment' (amended). According to the law, state authorities shall take measures to create positive legal and administrative conditions and provide assistance for Albanian citizens who desire to emigrate in a legal way. They shall also protect the rights of Albanian nationals residing outside their country's borders, and take measures for the reintegration of returnees.

Another important law concerning migration is Law No 108/2013 'On foreign citizens' (GoA, 2013), which regulates the entry, residence, employment and departure of foreign citizens in Albania. The law grants long-term foreign residents economic, healthcare and social rights under the same conditions as Albanian citizens. According to INSTAT data, at the end of 2019, Albania hosted 13 507 foreign residents holding a resident permit, accounting for 0.5% of the country's population (INSTAT, 2020f). These people are primarily economic immigrants, students, asylum-seekers, naturalised foreigners or immigrants for other reasons.

Law No 121/2014 'On asylum in the Republic of Albania' (GoA, 2014) sets out the conditions and procedures for granting and removing asylum, subsidiary protection and temporary protection in Albania, and the rights and obligations of asylum seekers, refugees and persons under subsidiary and temporary protection. The law prescribes the nature of the refugee status and of subsidiary protection, the right to family reunion, and the conditions for the integration of refugees and persons under subsidiary protection in Albania.

The law 'On diaspora' (GoA, 2018b) specifies the powers of the relevant state authorities responsible for dealing with the diaspora: maintaining and fostering relations between the diaspora and the home country; setting up the Coordination Council of the Diaspora; preserving and cultivating the national identity, language and education of members of the diaspora, etc. Moreover, the law emphasises the importance of strengthening economic ties with Albanians abroad, as well as establishing cooperation in the field of science and in the development of new technologies between the diaspora and institutions in Albania. In addition to these laws, some ministries have issued laws, decisions and guidelines related to different aspects of migration.

The main institutions responsible for the management of migration in Albania are the Ministry of Interior, the Ministry of Europe and Foreign Affairs, the State Minister for Diaspora, the Ministry of Finance and Economy, and the Ministry of Health and Social Protection. Other ministries such as the Ministry of Education, Sports and Youth, the Ministry of Agriculture and Rural Development, the Ministry of Justice, the Ministry of Culture, and the Ministry of Tourism and Environment, are also relevant with regard to migration. In addition to the various ministries, there are also several public institutions and agencies which are related to migratory processes.

The main mechanism for the institutional coordination and monitoring of the Action Plan of the National Strategy is the Technical Committee on Migration led by the Deputy Minister of Interior and composed of Heads of Departments under each ministry/institution dealing with migration issues. This Committee is tasked with the responsibility of implementing the Strategy and the Action Plan and is

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Strategy for Employment and Skills, 2014–2020'; the 'Strategy on Development of Pre-University Education, 2014–2020'; the 'National Youth Action Plan, 2015–2020'; the 'National Strategy for Social Protection, 2015–2020'; the 'National Strategy of Integrated Border Management 2014 – 2020'; the 'Strategy on Agriculture and Rural Development 2014–2020'; and the 'Strategy on Business and Investments 2014–2020'.

assisted by the Technical Secretariat, a horizontal structure under the Emigration Sector at the Ministry of Interior. The Secretariat is responsible for preparing a half-yearly progress report on the implementation of the Strategy and the Action Plan, as well as an annual report covering all the measures set out in the Strategy. The annual report will then be submitted to the Steering Group on Migration. The Steering Group will include deputy ministers, representing institutions involved in implementing the Strategy, and convene at least once a year. From its meetings, it may present specific recommendations to the Council of Ministers.

The Albanian diaspora is ready and willing to contribute to the social and economic development of the country. A survey conducted in 2018 with 725 representatives of the scientific diaspora showed that 88% of them would like to cooperate with universities and scientific bodies in Albania (Gëdeshi and King, 2018b). New initiatives are currently being developed in the country in relation to the Albanian diaspora. One such initiative is a platform called Ready for Albania, which invited all Albanian emigrants to contribute to their country (physically or virtually) and support the public administration. Since the launch of this platform, hundreds of young people with rich experience and qualifications have offered their ideas and projects to contribute to Albania's development.

Moreover, the Albanian American Development Fund (AADF) has undertaken another initiative called READ (Research Expertise from the Academic Diaspora), which seeks to build a sustainable platform to encourage highly qualified intellectuals from the Albanian diaspora to contribute to the development of higher education institutions in Albania. To this end, the AADF will establish a Diaspora Fellowship Programme that will offer short-term fellowships to highly qualified individuals from the Albanian scientific diaspora to pursue educational projects at national higher education institutions.

3 LABOUR DEPLOYMENT AND MIGRATION

Based on the Institute for Employment Research (IAB) Brain Drain Database, in 2010 the educational structure of the Albanian stock of emigrants consisted primarily of individuals who have completed secondary education (44.8%) and primary education (33.2%), whereas migrants with tertiary education qualifications accounted for 22% of the stock. When comparing the educational profile of Albanian migrants to that of the population in the country, according to the 2011 census (INSTAT, 2012), the educational level of migrants is higher than that of the resident population (Table 3.1).

TABLE 3.1 EDUCATIONAL STRUCTURE OF ALBANIAN EMIGRANTS AND THE RESIDENT POPULATION IN ALBANIA, 2010 (AGED 25+, IN %)

No		Low	Medium	High
1	Albanian emigrant stock (25+)	33.2	44.8	22
2	Resident population in Albania (25+)	56.8	30.9	12.3

Source: IAB Brain Drain Database (Brücker et al., 2013); INSTAT (2012).

FIGURE 3.1 BREAKDOWN OF EMIGRATION BY LEVEL OF SKILLS IN SELECTED COUNTRIES, 2010 (25+, IN %)
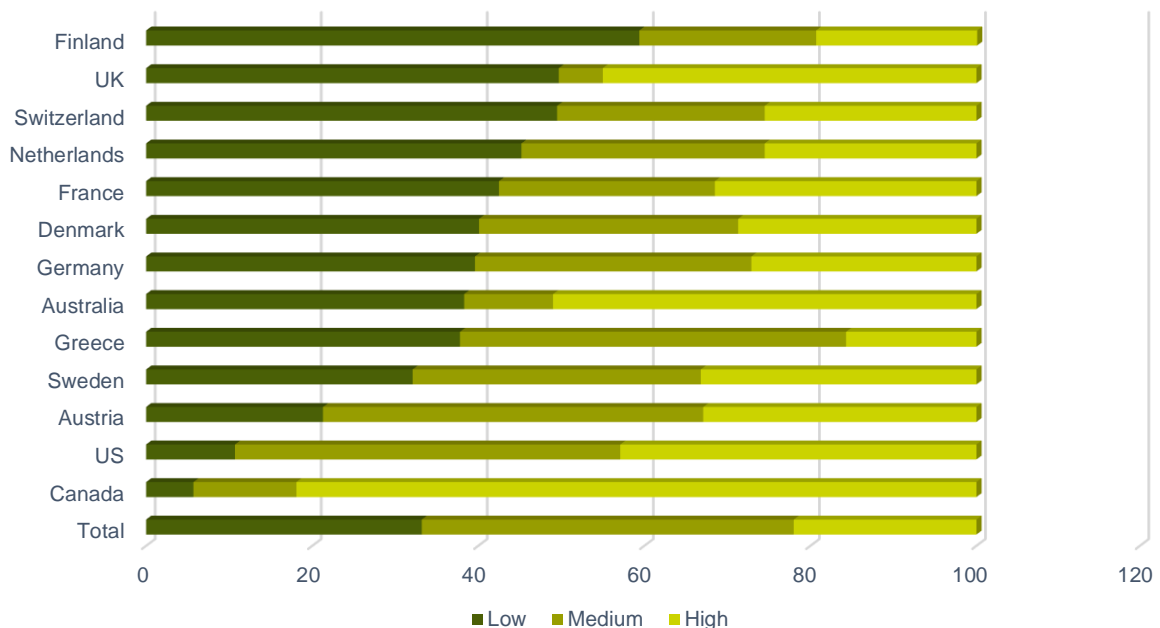
Source: IAB Brain Drain Database (Brücker et al., 2013).

According to the IAB database, Greece was the main host country for more than 78% of Albanian migrants. Their educational profile for 2010 as recorded in the IAB database is slightly different from the OECD data: almost 38% of Albanians in Greece had completed primary education, 47% had completed secondary education and 15% had graduated from higher education (Figure 3.1). This is explained by the fact that Greece required a low-educated and unskilled labour force to work mainly in agriculture, construction and the service industry. While the number of Albanian emigrants in Greece with tertiary-level education is the lowest compared to other countries, studies show that this group

also performs mainly manual jobs that don't match their education and qualifications (Gëdeshi and King, 2018a). Thus, the ETF survey of returnees in 2007 showed that 34% of those with tertiary education had worked in Greece as unqualified workers, often in the informal sector, which did not encourage others, in turn, to migrate (ETF, 2007). In this case, this is not a brain drain, but rather a brain waste.

If we remove the Albanian migrants in Greece from the IAB Brain Drain Database, the educational structure of the stock of Albanian migrants in some European countries[19], the US, Canada and Australia is completely different (Table 3.2). Accordingly, in 2010 16.5% of Albanian migrants in these countries had completed primary education, 39% secondary education and 44.5% higher education. Thus, the group of migrants with higher education represented the largest group in these countries.

In the meantime, a comparison of the educational structure of the Albanian emigrant stock in these countries for the years 2000, 2005 and 2010 shows that their educational level has been increasing (Table 3.2). This means that in addition to being educated in the host country, among new migrant flows the number of individuals having completed tertiary education has been growing. In this case, the migration from Albania to these countries has taken the form of a brain drain.

TABLE 3.2 LEVEL OF EDUCATION OF ALBANIAN MIGRANTS IN SELECTED OECD COUNTRIES (25+, NUMBER AND %)

Level of education	2000	2005	2010
Low	10 732 (26%)	12 936 (20%)	15 022 (17%)
Medium	15 390 (38%)	24 233 (37%)	35 050 (39%)
High	14 819 (36%)	27 594 (43%)	39 914 (44%)
Total	40 941 (100%)	64 763 (100%)	89 986 (100%)

Note: Selected OECD countries include some European countries (excluding Greece), USA, Canada and Australia. These countries represent about 22% of the population of the IAB database. Nevertheless, the IAB database does not include Italy, one of the main destination countries for Albanian migrants.
Source: IAB Brain Drain Database (Brücker et al., 2013).

In order to showcase the most recent trends, a cohort approach analysis was performed by Leitner (2021) using the LFS datasets from the period 2012–19. As briefly explained in Annex 1, the 'cohort approach' borrows from population science the idea that in the absence of any fertility[20] and mortality (which is an appropriate assumption to make for the 15–39 age groups in this study), any population changes are the result of (net) migration. It is based on representative age cohorts that are followed over time, with any observed changes in size and composition providing information about the extent and skill characteristics of net migration (for more information, see Leitner, 2021).

Results of the cohort approach analysis show that, with only a few exceptions, all cohorts experienced net emigration in Albania between 2012 and 2019 (Figure 3.2). However, the extent of net emigration differed across age cohorts and tended to be most pronounced among the youngest groups, which

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[19] The countries for which we have data up to 2010 are Austria, Denmark, Finland, France, Germany, Ireland, Luxembourg, the Netherlands, Norway, Portugal, Spain, Switzerland, Sweden and the UK.

[20] Since fertility is captured by the number of newly born children in a year who, by definition, are zero years old, there is no fertility among the sub-population of persons aged 15–39

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highlights that young people are the most mobile and the most likely to emigrate. Overall, the period 2012–19 is characterised by substantial net emigration, estimated at around 105 000 persons.

FIGURE 3.2 NET MIGRATION BY COHORT AND EDUCATIONAL ATTAINMENT LEVEL, CUMULATIVE 2012–19
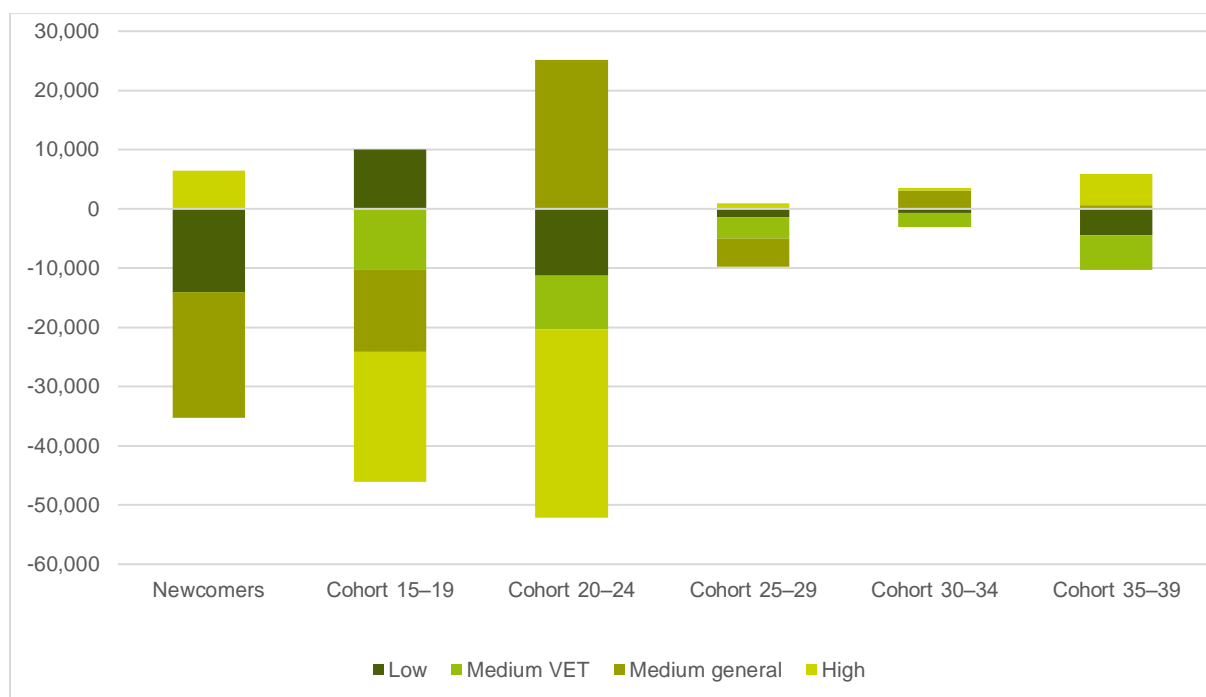
Note: These age brackets refer to the age at the beginning of the period in 2010. The cohort approach approximates net migration through the differences in cohort size between two consecutive years. Hence, 2012 – the first year reported here – refers to the difference between 2011 and 2012. Educational levels are divided into four categories: low (primary or lower secondary education), medium VET (upper-secondary VET), medium general (upper-secondary general education/gymnasium) and high (tertiary education), based on ISCED levels. Negative numbers refer to net emigration, while positive numbers refer to net immigration.
Source: Leitner (2021) based on the Albanian LFS.

In cumulative terms, net emigration of the highly educated was observed in this period, estimated at around 40 700 persons and accounting for almost 39% of the total cumulative outflow between 2012 and 2019. In the same period, net emigration of Albanians with medium vocational education came to 31 200 persons (almost 30%), while the share of low-educated migrants accounted for 21% and those with medium general education 10% of the total cumulative outflow (Leitner, 2021). This shows that students who have completed vocational education and university graduates are the groups most likely to emigrate from Albania. Hence Figure 3.2 endorses the hypothesis of a brain drain.

The occurrence of high- and medium-skilled migration from Albania (at this intensity and size) in this third decade is mainly related to powerful domestic factors, as well as external ones. These include not only the fragile nature of the Albanian economy, with its over-reliance on consumption funded by foreign-earned income and a low productive capacity of its own, but also structural weaknesses in the Albanian labour market.

3.1 Characteristics of the Albanian labour market

Since 2013/14, the Albanian labour market has been strengthened through increasing levels of labour force participation and employment and decreasing unemployment (see Table 3.3). Hence, labour force participation (for the 20–64-year-old cohort) surged to 75.9% in 2019, from 67.6% in 2013. Also, the employment rate for the population aged 15–64 rose from 49.9% in 2013 to 61.2% in 2019. As a result of these changes and the effects of emigration, unemployment, which has been recorded at two-digit levels since the post-socialist transition period, fell from 15.9% in 2013 to 11.5% in 2019. Most of the unemployment in Albania is long-term in nature, 63.4% of unemployed people have been without work for more than a year (INSTAT, 2020e).

Regardless of recent improvements in the Albanian labour market, youth unemployment (among 15-24-year-olds) remains very high, although it fell from 36.5% in 2016 to 27.2% in 2019. Unemployment is notably higher among young people who have completed tertiary education (34.7%), compared to those who have completed secondary education (28.9%) and primary education (18.4 %). In 2019, the NEET rate (percentage of young people aged 15–29 not in employment, education or training) was recorded at 26.6%.

TABLE 3.3 BASIC LABOUR MARKET INDICATORS (IN %)

Labour market indicators		2010	2013	2016	2019
Participation rate (20–64)	Total	69.7	67.6	73.3	75.9
	Male	81.2	79.2	82.5	84.4
	Female	58.9	57.6	64.2	67.6
Employment rate (15–64)	Total	53.5	49.9	55.9	61.2
	Male	63.1	57.3	61.9	68.2
	Female	44.5	43.1	49.7	54.4
Unemployment rate (15+)	Total	14.0	15.9	15.2	11.5
	Male	12.6	17.8	15.9	11.6
	Female	15.9	13.5	14.4	11.4
	Youth (15–24)	30.5		36.5	27.2
NEET rate	Youth (15–29)	31.4	33.4	30.0	26.6
Average gross pay (in lek)				47 522	52 380
Gender pay gap				11.4%	10.1%

Source: INSTAT (2020e).

Such positive trends in the labour market often conceal wide gender gaps and deep differences among age groups and geographical areas. Table 3.3 shows that in 2019 the gender gap in the participation rate was almost 17 percentage points, while in terms of the employment rate it was 14 percentage points, and for average gross pay almost 10%.

A very important characteristic of the Albanian labour market is the high share of agricultural employment, which accounted for 36.4% of total workforce in 2019, albeit down from 42.1% in 2010.

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The share of industry (including construction) is rather small, at 20.1% in 2019, and has remained unchanged over the last decade. However, the highest number of workers are employed in the services sector, which has been continuously growing throughout the last decade – increasing from 37.3% of total employment in 2010 to 43.5% in 2019. This means that there is a continuous exodus from agriculture into mostly low-skilled and low-paid service jobs in urban areas, while the share of high-skilled jobs remains low due to the limited development of high productivity sectors.

Seen against these employment shares in the broad economic sectors, the gross value added of agriculture remains quite low (around 21%), while the figure for industry is about 23%. The service sector thus accounts for about 56% of the gross value added. Among the sub-sectors showing an upward growth trend are wholesale and retail trade, construction, transport, hospitality, and real estate and renting activities. The share of exports in Albania's GDP was almost one-third in 2019, but the net inflow of foreign direct investment into the country is lower than in other countries of the region (ETF, 2021).

Foreign direct investment is concentrated in a number of sectors that make intensive use of low-skilled workers, such as textile production, the clothing industry, agri-food businesses, call centres and services. At the end of 2019, there were 6 443 foreign and joint enterprises in Albania, or 4% of the stock of national enterprises, employing 16.1% of the labour force (INSTAT, 2020g).

On top of these poor-quality jobs, there has been almost no increase in wages at the lower end of the scale over the past decade. In 2019, the average gross salary for an employed person was ALL 52 380 (ca. EUR 425), a rise of 9.3% from ALL 47 900 in 2015. When indexed by inflation, however, the real increase was only 2.4%. Moreover, INSTAT statistics (2020e) show that 27.9% of employees in 2019 were paid less than the official minimum wage and another 12.1% were paid the minimum rate, at ALL 30 000 (ca. EUR 244). This means that 40% of all employed people were paid only the official minimum wage or less.

The labour market in Albania is characterised by high informality, which generates low incomes, insecurity regarding the future and emotional stress. In 2019, around 30% of the workers in non-agricultural sectors were in informal employment (including the self-employed in unregistered businesses, wage workers without written contracts and unpaid family workers), an increase of around 0.6 percentage points compared to 2018 (INSTAT, 2020e).

Another characteristic of the labour market in Albania is the high level of vulnerable or precarious employment (encompassing people with no access to full employment rights, including contributing family members, wage employees without social security schemes, home and casual workers). In 2019, according to INSTAT data, only 45.7% of all employed persons were waged employees. The rest (54.3%) were classified as self-employed but, in reality, 22% of this group were contributing (unpaid) family workers, mostly working in subsistence agriculture (INSTAT, 2020e). As a result, the level of vulnerable employment is very high, comprising a 'structural weakness of the labour market' in Albania (ETF, 2019, p. 7). In 2018, the rate of such employment was estimated at 52.9%, down from 58.1% in 2011 (INSTAT, 2020e; 2015c). Therefore, in sum, unemployment, low wages and precarious employment possibilities are among the main key push factors for migration in certain segments of the population. A study carried out with returned Albanian asylum-seekers[21] in 2020 showed that

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[21] The study revealed that the educational level of the Albanian asylum-seekers was lower than the average of the general Albanian population and also lower than the level of other Albanians who have successfully migrated over recent years, or who intend to migrate, a group which includes a high proportion of people with

unemployment and very low wages were the main drivers for migration in this segment of population (Gëdeshi and King, 2020).

Although the skills and employment outlook has slightly improved for younger generations in the country, major challenges remain in terms of helping young people, such as ensuring students have faster and well-matched transitions into employment; providing upskilling or reskilling and work experience opportunities during the transition from school to work or in the early stages of a professional career; and catering for those who are most exposed to poverty, social exclusion and informal work (ETF, 2020b).

These characteristics of the labour market in Albania raise other questions. In particular, it may be asked: If employment is rising and unemployment falling, how can one explain the increased desire to emigrate over the last decade? A recent study on potential migration (Gëdeshi and King, 2018a) showed that students and those in employment have a higher propensity to migrate compared to the unemployed, self-employed and homemakers. This fact shows that employment, per se, does not prevent migration, nor is unemployment a particular factor in encouraging the desire to migrate.

Some of the key push factors driving people to migrate are linked to the functioning of the Albanian labour market, namely: the recruitment process; working conditions; low wages; limited opportunities for graduates to attain satisfying jobs that are decently paid and commensurate with their qualifications; the lack of opportunities for career advancement; job insecurity; and the entrenched networks of clientelism and 'connections' on which the ability to secure one of the few available higher-level jobs depends. The interviews featured below, carried out with young Albanians who were studying abroad or in Albania, reveal their experiences and perceptions in relation to recruitment and working conditions in the public sector.

Thus, substantial reforms are needed in the Albanian labour market in order to abate strong migration trends. All labour market policies and programmes that aim to reduce unemployment and increase the number of decent, well-paid jobs are relevant to the issue of emigration. The state should particularly focus on employment policies that affect medium- to high-skilled workers, who show a growing propensity to emigrate. Employment in the public sector needs to be rationalised, with fair and transparent recruitment procedures established. More flexibility and entrepreneurship support are needed for the development of new businesses that can generate much-needed jobs.

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tertiary education. Most of our interviewees had only 9 years of compulsory education and hence were qualified to do only manual or semi-skilled jobs. Very few had a recognised profession.

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BOX 3.1 EXAMPLES OF YOUNG PEOPLE'S EXPERIENCES IN THE LABOUR MARKET

Push factors were mentioned in the interviews with Albanian students abroad, which we conducted for the purpose of both this study and other reports related to potential migration. Accordingly, the challenge of finding employment emerged as the primary economic factor that prevented the return of students to Albania. Pranvera, a student in Italy, said: 'Nepotism is very present in Albania, it is flagrant. To find a job, you need to know someone who knows someone. I have many friends in Albania and I can say that only 10% of them have managed to find a job due to their own merits and qualifications. The others were helped by somebody of influence.'

Under these conditions, the inability of jobseekers to access a professional career on the basis of skills and qualifications is a widespread phenomenon. Edlira, who had just finished her Master in Hungary, felt unsure about her future and wished to continue her PhD abroad. 'Here [in Albania], even if you manage to find a job [in the public sector] without the help of somebody important, somebody in a political party or public institution, you have to do the work of several other persons, because many of them are incapable of performing their duties.'

Low wages were a demotivating factor for many students who expressed a desire to migrate. This is what Edmond, a student, said: 'In Albania, the salaries are very low. If you want to work in Albania, your salary does not permit you to live on your own, cover your living costs. [...] It is not enough just for daily living costs, let alone to go somewhere on holiday abroad.'

Job security was another element of concern. Alban, a student in Germany, said: 'In Albania, you may have a job today, but tomorrow, after elections, governments change and you lose your job [in the public sector]. Here, your job is safe. If you have a contract, it is difficult to terminate it, unless you commit some serious error.'

Labour market conditions in Albania (unemployment, low wages, high informality, vulnerable employment, shortages of qualified jobs, working conditions, etc.) and the large income gap with advanced economies in the EU and North America are not the only factors that explain people's desire to emigrate. Survey data from the European Values Study (EVS)[22] show that people in general, and potential migrants in particular, are dissatisfied with the country's education and healthcare provision, social security, civil service, justice system and political parties (among other factors). Table 3.4 shows that more than half of the overall Albanian population have little or no trust in state systems and actors, and in the case of potential migrants, the level of dissatisfaction is several percentage points higher.

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[22] The European Values Study is conducted once every 10 years in all European countries. It is a large-scale, cross-national, longitudinal survey research programme on basic human values such as life, family, work, religion, politics and society. It provides insights into the ideas, beliefs, preferences, attitudes, values and opinions of citizens all over Europe.

TABLE 3.4 LEVEL OF TRUST OF THE POPULATION AND POTENTIAL MIGRANTS IN STATE INSTITUTIONS AND ACTORS (IN %)

	Total population (18–40 years)				Potential migrants (18–40 years)			
	A great deal	Quite a lot	Not very much	None at all	A great deal	Quite a lot	Not very much	None at all
The education system	13.8	33.7	38.2	14.3	11.8	29.2	42.8	16.2
The healthcare system	10.6	32.0	35.7	21.7	9.4	31.1	32.4	27.1
The civil service	4.7	32.7	42.4	20.2	4.7	30.1	42.9	22.3
The social security system	7.4	34.7	37.5	20.4	4.8	34.0	37.1	24.1
The justice system	6.5	19.1	35.1	39.3	6.0	16.8	32.6	44.6
Political parties	0.7	4.0	23.6	71.7	0.3	4.4	19.9	75.4

Source: Gëdeshi and King, 2018a.

In a broader sense, Albanian emigration (even at such a size) shows the structural weakness of the Albania economy – characterised by a weak productive capacity and over-reliance on consumption funded by foreign-earned income – and the socio-political system. It also reveals the darker side of globalisation, the powerful internal disequilibria in the country and its peripheral position (economically and geopolitically) within Europe and the wider global sphere. New policies are therefore needed to promote private sector development, attract foreign direct investment (which relies on new technology and the availability of medium- and high-level skilled staff) and encourage diversification of the economy.

3.2 Labour shortage and migration

Over the last three decades Albania, through migration, has 'exported' its surplus and unemployed labour force, receiving in return compensating inflows of remittances. The lowering of unemployment rates, support for households and stimulation of investment and development represent the visible side of the migration coin. The other less obvious side reveals emerging skill gaps in the domestic labour market, especially in certain sectors; the case of medical professionals, which was addressed in the previous chapter, is but one example of a wider brain and skill drain affecting Albania.

Although unemployment stands at two-digit levels in Albania, many firms are in need of low- and medium-skilled workers or those with specific skills. A bulletin of the National Employment Service (2019) shows that of 49 000 job offers, almost half came from the textile and clothing industry. Qualified workers are also needed in call centres, businesses operating in the tourism sector and agriculture. Interviews have shown that in the absence of suitably qualified candidates, some firms have started to consider hiring workers from other countries such as Bangladesh, Thailand and the Philippines[23].

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[23] According to the interview with Ms Blerina Hoxha in the *Monitor* magazine.

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Albania needs to develop mechanisms to monitor these skill gaps and implement more systematic measures for the upskilling and reskilling of both current workers and adults in general (e.g. taking the lifelong learning approach). For example, digital and green skills could be prioritised as emerging gaps, and young people encouraged to remain in Albania in the medium term, working from home for employers in other countries – as happens in other countries of the region.

A new phenomenon noted in recent years in Albania, especially during the pandemic period, is that of so-called telemigrants: Albanian young people working for foreign companies through online platforms offering professional services in information technology, risk analysis, engineering and architecture, accounting, marketing, translation, data processing, etc. In June 2021, around 3 000 Albanians were registered as undertaking 'upwork'. Their payment rates were around USD 10 per hour, with many earning as much as USD 1 000 per month[24].

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[24]   Ibid.

4 HUMAN CAPITAL FORMATION AND MIGRATION

When it started its post-socialist transition in 1991, Albania had a population with more years of schooling than other developing countries with a comparable income per capita (World Bank, 2010). However, at least in the first decade of transition, the gross enrolment rate declined at all levels of education (Miluka, 2008). In 2018, the population had completed, on average, 10 years of schooling (UNESCO Institute for Statistics (UIS) database), which is low in comparison with the 14-years average in the OECD countries. In 2019, Albania had the lowest share of people who had completed tertiary or secondary education (57.5%) compared with other Western Balkan countries (figures here range from 81.1% for North Macedonia to 91.1% for Montenegro) (ETF, 2020a).

However, as shown in Table 4.1, the education level of the active population in the country has been improving over the past decade, as a result of an increase in secondary and tertiary enrolment rates. Between 2010 and 2019 the percentage of the active population with low educational attainment dropped from 51.6% to 42.6%. While the share of those with high educational attainment increased considerably (by 8.8 percentage points, from 12.5% in 2010 to 21.3% in 2019), the share of the active population with medium educational attainment remained more or less stable (36.2% in 2019 compared to 35.9% in 2010).

TABLE 4.1 EDUCATIONAL ATTAINMENT OF ACTIVE POPULATION (AGED 15+, IN %)

Education level	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Low	51.6	50.8	51.0	48.5	45.6	44.1	45.3	44.7	43.2	42.6
Medium	35.9	37.0	35.7	34.8	37.1	37.2	36.5	36.3	36.8	36.2
High	12.5	12.2	13.3	16.7	17.3	18.7	18.1	19.0	20.0	21.3
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: ETF (2020a).

The educational system of Albania is outlined in Annex 2. In 2019, high school attendance as a proportion the school-age population (the gross enrolment rate was 90.7%, up from 88.3% in 2010 (INSTAT, 2020a). During the period 2010–19, 335 877 students graduated from general high schools and 45 627 additional students graduated from vocational high schools (INSTAT, 2020a). In 2019, around 34 000 students completed their university education and the gross enrolment rate was estimated at 59.5% (Table 4.2). During the period, 2010–19, around 182 000 students completed their Bachelor studies and around 121 000 more gained their Master's degrees.

The ratio of students completing vocational high school education to the overall number of students graduating from secondary education is low (14.2% in 2019) (see Table 4.2). Enrolments in vocational programmes as a percentage of all upper secondary students was 16.3% in 2015, and rose to 18.2% in 2019 (with an extremely small share of female students) (ETF, 2020a). The potential of vocational training to support competitiveness, innovation and growth has largely been overlooked in education and training policies when compared with the role attributed to the higher education sector (ETF, 2020b). This neglect has a potentially negative impact on the country's prospects as it underestimates the crucial importance of widely available and high-quality VET for both low-skilled and high-skilled occupations – jobs that are necessary for maintaining and developing the economy, promoting inclusive growth and increasing social cohesion.

TABLE 4.2 NUMBER OF STUDENTS COMPLETING SECONDARY AND TERTIARY EDUCATION, BY YEAR

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General high school	29 984	35 553	38 083	41 577	32 118	34 927	33 214	31 221	30 010	29 190
Vocational high school	4 839	4 801	2 844	4 322	3 136	4 702	5 369	5 215	5 268	4 831
High school (total)	**34 823**	**40 354**	**40 927**	**45 899**	**35 254**	**39 629**	**37 221**	**36 436**	**35 278**	**34 021**
Bachelor only	12 075	14 010	20 871	20 351	17 469	19 152	18 652	20 423	20 108	18 696
Master or equivalent	10 283	8 804	8 240	10 014	11 668	14 377	12 878	14 750	14 223	16 195
Bachelor and Master or equivalent	**22 358**	**22 814**	**29 111**	**30 365**	**29 137**	**33 529**	**31 530**	**35 173**	**34 331**	**34 891**

Source: Data from INSTAT website (2020): http://databaza.instat.gov.al/pxweb/sq/DST/?rxid=e8e71624-e065-4741-80ea-5f351b5d699d

Despite improvements over the last decade, the quality of education and training in Albania remains a challenge. According to PISA, which tests the skills and knowledge of 15-year-old students, in 2015 around 50% of Albanian schoolchildren at this age were functionally illiterate. This trend deteriorated in 2018 in 'reading' and 'science' (Table 4.3). In PISA 2018, Albania lost 10 points from its PISA 2015 ranking, down to 61 from 51, out of 78 countries in the list (OECD, 2018). According to the Human Capital Index 2020 for Albania, a child who starts school at the age of 4 can expect to complete 12.9 years of schooling by her 18th birthday. Factoring in what children actually learn, however, brings the expected years of schooling to nine years only (so-called learning-adjusted years of school) (World Bank, 2020c). Based on the PISA assessment, the World Bank (2019) estimates that Albania, similarly to other Western Balkan countries, will need approximately 29 years for its population to reach today's EU reading average.

TABLE 4.3 PERCENTAGE OF ALBANIAN STUDENTS AGED 15 WHO UNDERACHIEVED IN PISA TESTS

PISA	2009	2012	2015	2018
Reading	69.0	52.3	50.3	52.2
Mathematics	67.7	60.7	53.3	42.4
Science	57.3	53.1	41.7	47.0

Source: OECD PISA database.

Moreover, there are also other issues at play in the country: a relatively high share of early school leavers from education[25], which was 16.3% in 2019 – albeit successfully reduced from almost 32% in 2010. In addition, adult participation in lifelong learning (% aged 25–64 who attended any training) has traditionally been low and is decreasing (0.8% in 2019) (ETF, 2020a). The ETF Torino Process assessment (2019) highlighted the low participation rates in education and training from a lifelong

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[25] Early school leavers are calculated as % of those aged 18–24 who are only lower secondary graduates.

learning perspective as one of the three issues that need policy attention. The others were the low quality of education and training and its weak alignment to the labour market (ETF, 2019).

Higher education also requires attention, as the quality of Albanian universities is relatively low, in part attributable to a rapid expansion of public and private universities across the country. Albania has not featured in the QS World University Ranking since 2004. The Webometrics Ranking of World Universities, an initiative set up by a research group in Spain, is the only ranking that mentions Albania. According to this ranking, Albanian universities are among the last placed in the region, ranking from 4 979 (Epoka University) to 14 010 (Luigj Gurakuqi University)[26].

One of the factors affecting the quality of education in Albania is the low budget allocated for its provision. In 2019 Albania spent 3.3% of its GDP on education, which was largely consistent for the period 2014–19 (INSTAT, 2020a). This share of GDP was much lower than both the OECD and the EU average (5.4% and 4.6% respectively) in 2018[27], and lower too than the Western Balkan countries for which data were available[28]. The differences in these percentage figures are all the more significant when we recall that Albania has a very low GDP per capita.

Another contributing factor is the emigration of a significant proportion of university staff members. Thus, the emigration of the most dynamic and elite academics has also affected the quality of university education. Studies show that around 40% of university staff members, mainly the younger ones who had studied abroad, had emigrated between 1990 and 2008, which reduces the training capacities for the younger generations (Gëdeshi and King, 2018b; World Bank, 2010).

4.1 Migration prospects as an incentive for human capital formation

In Chapter 2 above, based on survey data regarding potential migration, it was shown that there is a strong correlation between education and potential migration (Gëdeshi and King, 2018a). Such a link may be utilised by policymakers in the future. The desire to migrate to advanced economies in the EU could serve as an incentive for potential migrants to advance their education, improve their professional skills and qualifications, and learn a foreign language.

Potential migrants' growing interest in vocational education and training is also corroborated by survey data. A study on potential migration in Albania showed that almost 85% of potential migrants would like to participate in a training course in an effort to prepare for living and working abroad (Table 4.4). Potential migrants who want to attend such courses show a greater interest in learning the language (72.3%), vocational training (39.1%), cultural orientation (22.9%) and university studies (17%) (Gëdeshi and King, 2018a; King and Gëdeshi, 2020b). Interest in preparing for working and living in the preferred destination country has grown notably compared to the ETF survey in 2007, when only 48.7% of potential migrants expressed such a desire (ETF, 2007). This impulse should be supported because it increases the human capital for both the potential migrant and the country of origin (on the assumption that not all will migrate).

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[26] For more info, see: www.webometrics.info/en/Europe/Albania

[27] Eurostat (2018), Total general government expenditure on education as % of GDP: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Total_general_government_expenditure_on_education,_2018,_%25_of_GDP.png

[28] UNESCO, Welcome to UIS.Stat: http://data.uis.unesco.org/ (last accessed 29 July 2020).

TABLE 4.4 DESIRE FOR TRAINING AND TYPE OF TRAINING, 2018 AND 2007 (IN %)

Surveys	Desire for training	Language learning	Cultural orientation	Vocational training	University studies	Other	Don't know
2018 survey	85.0	72.3	22.9	39.1	17.0	–	–
2007 survey	48.7	85.1	9.3	19.4	7.4	0.9	1.4

Source: Gëdeshi and King (2018a); ETF (2007).

Another survey, conducted by the IOM and GIZ in 2019 with returning Albanian asylum-seekers, showed almost the same thing[29]. More than two-thirds of returnees who wanted to re-emigrate were prepared to participate in training, mainly to learn a profession that matches the labour market demand in the host country[30]. Others wished to learn or improve their knowledge of the language of the host country (Gëdeshi and King, 2020; 2021).

The desire to migrate also drives senior high-school students, those enrolled in both general (gymnasium) and professional studies, to attain better school results. A survey carried out by the Centre for Economic and Social Studies in 2019 (Table 4.5) showed that almost 20% of senior high-school students aiming for higher education wanted to study abroad, around 41% in Albanian universities and the rest, 39%, wished to study partly in Albania (Bachelor) and partly abroad (Master). The desire to study abroad is generally present from the first year of high school (in some interviews even earlier), and reflects young people' perceptions of the state of education and their prospects in Albania. In other instances, this desire is nourished by well-educated parents who want a good education for their children and often see their future as lying abroad. The conversation between parents and their children in relation to studying abroad reveals a cross-generational division of labour and responsibility within the family. Parents take care of the family's financial resources, whereas the children's duties are to excel in their performance at school and in learning foreign languages.

TABLE 4.5 DESIRE OF SENIOR HIGH-SCHOOL STUDENTS TO STUDY ABROAD AND IN ALBANIA (IN %)

Description	Girls (N = 402)	Boys (N = 235)	Total (N = 637)
Wish to study abroad	20.3	18.9	19.8
Wish to study in Albania	37.8	47.3	41.2
Wish to study both abroad and in Albania	41.9	33.8	39
Total	100	100	100

Source: Centre for Economic and Social Studies, Survey with Albanian senior high-school students, 2019.

Such a correlation between education and emigration is also expressed in the learning of a foreign language. Although English is the primary foreign language taught at Albanian schools, an increasing number of Albanian young people want to learn German, the language of the desired destination country. According to the Ministry of Education, Sports and Youth, the number of students in pre-

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[29] The research is based on 12 focus groups and 45 semi-structured interviews with returned asylum-seekers conducted in different towns and regions of Albania, as well as 30 key-informant interviews. In addition, a survey was conducted with 712 household asylum-seeker returnees.

[30] According to the study, Albanian asylum-seekers were mainly young people with lower education and professional skills compared to the general population of Albania.

university education studying German at school (as a first or second foreign language) was 12 678 in 2019, up from 6 400 in 2012. In the meantime, 2 200 students were learning German in the university system[31] and over 20 000 young people were studying German through private courses[32].

4.2 International education as a factor for migration

In the case of Albania, international education is a factor for migration. We can cite here two examples from the Albanian experience. As mentioned previously, dissatisfaction with the quality of education in the country is a key push factor for the migration of Albanian households and individuals. In a 2018 survey with potential migrants, 12% of respondents stated as their main reason for emigration 'to finance children's education', versus 2.7% in a similar survey conducted in 2007 (ETF, 2007).

FIGURE 4.1 TERTIARY STUDENTS FROM WESTERN BALKAN COUNTRIES STUDYING ABROAD, 1998–2018

Source: http://uis.unesco.org/en/uis-student-flow
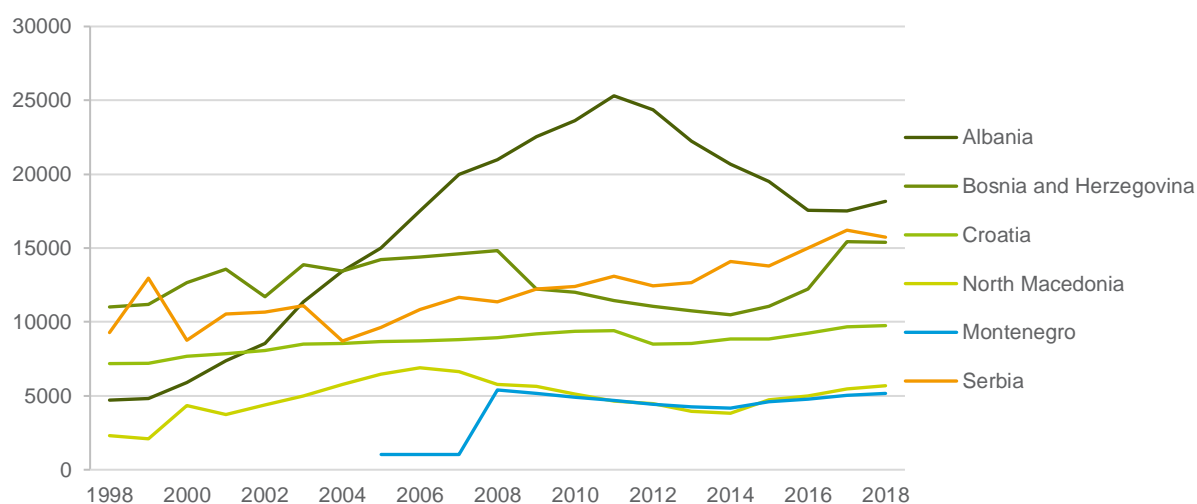
The second example is related to the Albanians who study abroad (Gëdeshi and King, 2018b). According to UIS data, in 2018, around 18 200 Albanians were studying abroad, mainly in EU countries. Such figures place Albania at the top of the Western Balkan countries in this respect (Figure 4.1), though by size of population it is ranked fourth, and by income per capita, it is the second lowest, above Kosovo.

In general, the best and most talented students go on to study in universities in the most advanced OECD countries. They have excellent academic achievements and typically master one or two foreign languages. Most of them come from families that form the intellectual elite in Albania and that have significant financial resources. More than half (55.9%) of their parents have higher education, which is five times more than the country's average[33]. The education level of the parents of young people

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[31] Ministry of Education, Sports and Youth, August 2020.

[32] Interview with Ms Alketa Kuka, Head of the Language Department, Goethe Institute, Tirana.

[33] According to the census of 2011, in Albania, 10.7% of the population aged 40–69 years old, which corresponds to the age of the students' parents, had completed tertiary education. For more information, see: www.instat.gov.al/en/themes/censuses/census-of-population-and-housing/

studying abroad is almost twice that of the parents of undergraduates or senior high-school students studying in Albania.

Interviews show that, in many cases, sending children to study abroad in advanced OECD countries is seen by parents as a way of ensuring that their children integrate more easily and progress further in the host countries in terms of income and career.

Promoting studying abroad in advanced OECD countries is probably a good strategy for Albania, assuming the students return, as it enhances the human capital of the country, both quantitatively and qualitatively. Investments in this human capital growth originate mainly from families and individuals, with other smaller funding streams coming from international resources (foundations, universities and governments of host countries) and, to a lesser extent, from the Government of Albania. These investments are important, since people equipped with a high level of human capital constitute one of the major factors, probably the key one, in promoting the economic growth and development of a country. But then the question is whether such investments, amounting to hundreds of millions of euros per year, come back to the home country, in the form of returned human capital, or remain in the host country because students choose not to return.

In this regard, 651 Albanian students studying abroad were asked about their intention to return to Albania (see King and Gëdeshi, 2020a). Their responses indicate a relatively strong desire to stay abroad, with half of them not intending to return to Albania, while another 30% want to return after a period spent abroad (Table 4.6). There may be many reasons that prevent these intentions from becoming reality, conditioned as they are by labour market opportunities, restrictive policies in host countries, changes in the student's personal situation, family circumstances, etc. However, the responses show the strong correlation between potential and real migration.

TABLE 4.6 REGARDING YOUR INTENTION TO RETURN TO ALBANIA, WHICH OF THE FOLLOWING STATEMENTS MOST CLOSELY MATCHES YOUR EXPECTATIONS?

No	Intention to return to Albania	Number	%
1	I do not intend to return to Albania in the foreseeable future	327	50.5
2	Return to Albania after graduating, to look for employment	30	4.6
3	Return to Albania after graduating, for further study	5	0.8
4	Return to Albania after a period spent working abroad	195	30.1
5	Return to Albania to study, after a period of working abroad	8	1.2
6	Other plans	83	12.8
	Total	**648**	**100**

Source: King and Gëdeshi (2020a).

Thus, children of elite Albanian families – generally 'the best and the brightest' – going abroad to study poses a serious risk of brain drain. The socio-economic consequences of this phenomenon are clearly evident: every year, qualified human and financial resources, or rather the youth and the financial elite of Albania, leave the country permanently (financially in the form of study fees), amounting to losses of tens of millions of euros.

4.3 Domestic university education and vocational education policy affecting international migration

The supply of university places within the country has been increasing fast, but this process has not been associated with new jobs. According to data from INSTAT, the number of students in Albanian universities surged from 27 359 in 1990 to 40 267 in 2000, 134 877 in 2010 and 139 043 in 2018 (Gërmenji and Milo, 2011; INSTAT, 2015a; 2019). This rapid rise in the number of students (more than three-fold in the period 2000–10) was due to the combined effect of the expansion of capacity in public universities and the establishment of many new private universities[34].

According to a survey in 2019 of 1 650 students across almost all the public and private universities, 79% of university students (average age 22 years) in Albania intended to migrate abroad (Table 4.7). The intention to migrate is related to how the students envisaged their future. On the one hand, it is a reflection of the realities of the economic, social and political situation in Albania; on the other hand, it signals the perceived potential opportunities in the host country.

TABLE 4.7 INTENTION TO EMIGRATE AMONG THE ALBANIAN UNIVERSITY STUDENTS, 2019 (IN %)

| Intention to emigrate answer	Total	Male	Female
Yes	79.0	78.1	79.4
No	9.8	11.9	9.0
Don't know	11.2	10.0	11.6
Total	100	100	100

Source: King and Gëdeshi (2020a).

The survey results (Table 4.7) show a minor difference in the desire to migrate between female (79.4%) and male (78.1%) students. Historically, Albanian migration has been led by men, whereas women followed at a later stage, through family reunification or marriage. A higher intention to migrate among young women than young men (+1.3 percentage points), which is also noted in other studies of young people (e.g. Cela and Kamberi, 2019), indicates increasing levels of initiative-taking, emancipation and independence among female students.

The intention to emigrate is higher among groups of students in certain fields of study, such as medicine (91.5%), informatics (84.4%), nurses (83%) and engineering (79.2%), which is explained by there being more opportunities for employment in the desired migration country in these areas (Figure 4.2). But still, in general, the intention to migrate is relatively high across the board. This worrying rising trend calls for action on the part of society. Eventually it may give rise to a shortage of staff in certain professions that are very much needed in Albania.

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[34] In 2020, Albania had 15 public universities with 104 802 students and 26 private universities with 25 462 students.

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FIGURE 4.2 INTENTION TO MIGRATE BY FIELD OF STUDY (IN %)
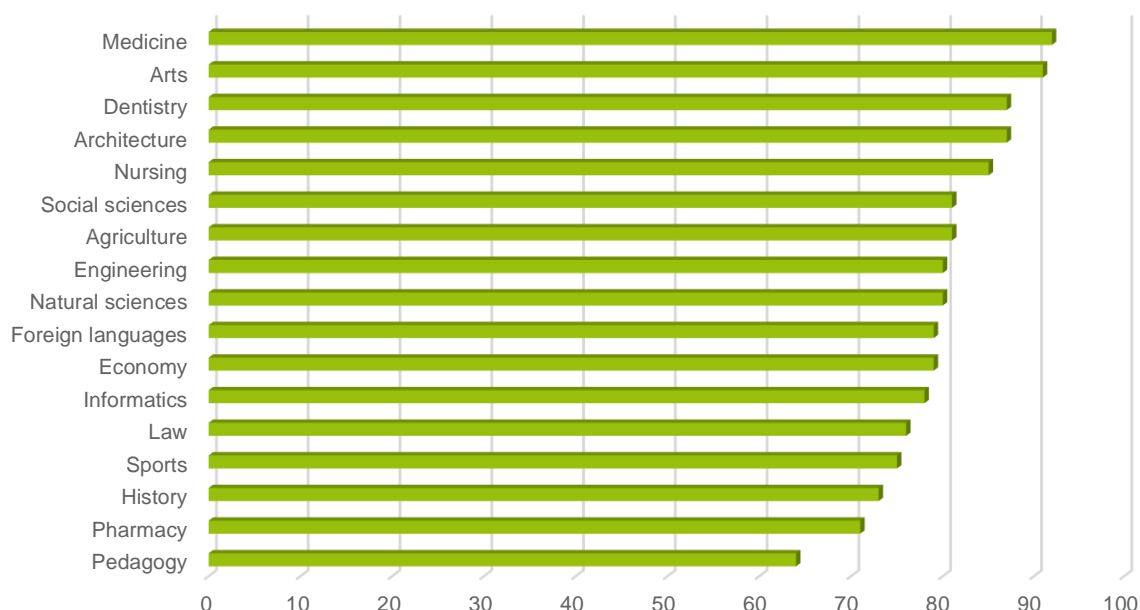
Source: King and Gëdeshi (2020a).

Similar to the push factors mentioned previously, 65% of university students surveyed expressed a wish to emigrate for economic reasons (e.g. to improve their living standards, to find a job with better working conditions, to embark on an international career, to access a better social security system). Another 17% of students want to move abroad to continue their studies (Masters, specialised studies, etc.), while another 17% give other social reasons, such as 'in Albania there are no real prospects', 'I do not like to live in Albania', 'family reunification', 'better healthcare services' (King and Gëdeshi, 2020a).

Such a desire for emigration has also been noted in vocational schools. According to an interview with an official of the Ministry of Finance and Economy, 'there is an increase in the demand for enrolment in vocational training schools, especially in professions related to information technology and social and health care, because people know that those branches are in high demand in foreign markets'. As mentioned above, this is also corroborated by the findings of the cohort approach analysis covering the 2012–19 period (Leitner, 2021).

4.4 Impact of migration on the human capital formation of family members

The impact of migration on the human capital formation of family members is a relatively little-addressed topic in Albania. In an exception to this disregard, Miluka (2008) and Dabalen and Miluka (2010) in their studies, based on the 2005 Albania Living Standard Measurement Survey, emphasised an overall negative impact of migration on education in Albania, with larger negative impacts for the rural areas and females. This finding is explained by the fact that young people from migrant families (due to migration networks and the availability of information) intended to migrate in the future to neighbouring countries (Greece, Italy), where employment opportunities were higher in low-skilled jobs, which induced them to invest less in education.

However, in the third decade of the Albanian migration, the situation changed. The closure of the migration channel with Greece, which required migrants at lower skill levels, and the opening of new perspectives in advanced Western European countries (mainly Germany), which requires migrants with higher education and skill levels, has driven the formation of human capital in Albania. In this case, migration has had a positive impact on the development of human capital.

Another positive effect of migration on education is seen in the remittances or savings of returnees, which are used to finance the education of young family members, thus ensuring a better future for them (Vullnetari, 2007). INSTAT survey with returnees also showed that their remittances were used for children's education (the third most important use after 'fulfilment of family needs' and 'buy/construct a house') (INSTAT and IOM, 2014). Meanwhile, a survey of Albanian students abroad showed that 21% of them had either one or both parents who were emigrants (mainly in Greece and Italy), whose savings served as a source of funding for their studies (King and Gëdeshi, 2020a).

Migrant networks also play a role in human capital formation in Albania. Surveys and interviews with senior high-school students show that many of them have been encouraged to study abroad by having a network of relatives in other countries, which helps in reducing financial, psychological and information costs (King and Gëdeshi, 2020a).

4.5 The contribution of skill acquisition abroad to human capital supply at home

The international migration of Albanians, especially starting from the late 1990s, runs in parallel with their return. During the last decade the return of migrants peaked twice: in 2009–13, when more the 134 000 Albanian migrants returned as a result of the global economic crises (INSTAT and IOM, 2014); and in 2016–18, when thousands of Albanian asylum-seekers returned (mainly from Germany and France) (Gëdeshi and King, 2020). The return of migrants is a potentially very important process for the economic and social development of Albania. Returnees bring financial capital (savings), human capital (skills and know-how, new mentalities and ideas, work habits, etc.) and social capital.

An ETF study with Albanian returnees showed that they had acquired a range of skills from their many years of experience abroad (mainly in construction, services, agriculture, manufacturing, etc.), and that 16.5% had been trained or had studied in the host country. The study further showed that migrants returning from advanced Western European countries (e.g. Germany, the UK) were twice as likely to have received training there, compared to returnees from Greece (ETF, 2007).

Irrespective of the human capital they had acquired abroad, there is no agency in Albania to certify the skills that people have learned informally and non-formally (mostly on-the-job learning), including the skills of migrants. If such a system were in place, it could facilitate the validation and certification of skills learnt outside school, helping the possessors of such skills to raise their profile in the eyes of employers and find jobs related to their profession and qualifications.

5 IMPACT OF THE COVID-19 CRISIS

The Covid-19 pandemic has plunged the Albanian economy into its deepest recession since the beginning of the post-socialist transition in 1991 and the events that ensued after the collapse of the pyramid schemes in 1997. The Covid-19 crisis was the second shock to hit Albania's economy, following a devastating earthquake in November 2019. Compared to its 2019 level, the country's GDP contracted by 3.8% in 2020 as tourism and services contracted abruptly. The unemployment rate rose by 0.2% and labour force participation fell from 60.4% in 2019 to 59.5% in 2020. Even remittances declined by 9.6% during the period January–September 2020 compared to the same period in 2019 (Bank of Albania, 2021)[35].

According to the World Bank (2021), increased social spending and earthquake reconstruction activity partially alleviated the impact of the pandemic on poverty in 2020 and 2021. Given that the global vaccination rollout will take several years, growth in the tourism and travel sectors is likely to remain limited. Overall, however, GDP is estimated to grow by 4.4% in 2021, as exports, consumption, and investment begin to rebound (World Bank, 2021). The services sector, led by tourism and construction, are expected to drive the recovery, mainly due to investment in reconstruction. In the next few years, private consumption will become increasingly important for growth.

However, many families still struggle with poverty, inequality and vulnerability in Albania. According to the World Bank (2020d), 34.6% of Albanians were living in poverty in 2019 (on less than 5.5 dollar per day per capita in 2011 purchasing power parity). A scenario development performed by the World Bank predicts that the poverty level in Albania will increase by 4–8 percentage points, reaching around 40% in the first scenario (optimistic) and 44% in the second scenario (pessimistic), meaning an additional 115 000–230 000 persons falling into poverty (World Bank, 2020d). Thus, in the best-case scenario, poverty in Albania in 2020 would reach 2012 levels (39.1%) and in the worst-case scenario, poverty would hit 2005 levels (42.6%). In both projections of the World Bank, the middle class would shrink. The expansion of poverty would affect most families living in urban areas, especially those working in the services sector.

The question to ask in this case is what will happen to the migration situation when travelling to EU countries eventually resumes at the end of the Covid-19 crisis? In this case, we need to refer to the experience of the global economic crisis. As a result of that event, economic push factors for emigration increased (unemployment, lower incomes and remittances, rising levels of poverty), but the traditional destinations for Albanian migration (Greece, Italy) offered fewer opportunities due to their own economic difficulties. Consequently, the mass of potential migrants oriented themselves towards Germany and other EU countries in the mid-2010s.

Economic push factors for emigration in Albania have continued to build up, even during the Covid-19 crisis. Migratory flows toward EU countries have also continued, but at more moderate rates due to travel bans[36]. As a result, Albania may witness a high intensity of emigration once the restrictive travel measures are lifted, comprising a mix of lower-skilled, highly skilled and professional workers.

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[35] Data from the Bank of Albania website, see:
www.bankofalbania.org/Statistikat/Statistikat_e_Sektorit_te_Jashtem/

[36] According to INSTAT, the number of emigrants from Albania in 2020 was 23 854 persons or 45.6% less than in 2019. For more details see INSTAT (2021).

6 CONCLUSIONS AND POLICY IMPLICATIONS

Albania is characterised by a very high level of migration, ranking it among the top countries in the world for the share (as a percentage of the current population) and intensity of international migration. While groups from all socio-economic backgrounds and levels of education have migrated out of Albania, in the last decade, brain-drain outflows have been on the rise. Youngsters in their 20s, including the best educated and most qualified people, are emigrating to advanced EU and North American countries.

The global economic crisis and favourable immigration policies in Germany and in some other countries are some of the contributing factors to this situation. Based on international databases (IAB/DIOC), this report has shown that Albanian migrants in the first two decades of emigration, concentrated mainly in Italy and Greece, had low to medium levels of education. This is explained by the fact that these two countries needed a supply of cheap labour, mainly in their agriculture, construction and service sectors. The closing of these traditional channels for Albanian migrants, due to the limited number of employment opportunities, and the opening of new opportunities in Germany (with new jobs, high salaries and better living conditions) changed the profile of migrants in the last decade.

Albanian migration continues and is likely to do so into the future. Therefore, on the assumption that it is impossible to halt migration trends, national policies should aim to make migration more circulatory and take advantage of the Albanian diaspora. For this to happen, the Albanian government needs to offer its people, and specially its younger generation, hope that the country can change for the better.

There is a close correlation between migration and education in Albania. The education system has contributed to two push factors for migration. The low quality of provision encourages many individuals to migrate with the aim of obtaining a better education for themselves, or for their children. Thus, the number of Albanian students studying abroad is high and places Albania ahead of other Western Balkan countries in this respect. In addition, only a very few of these students want to return to Albania. On the other hand, the university system in Albania produces more graduates than are required to meet the actual needs for qualified and specialised labour in the country. As a result, a significant number of these young people, against the backdrop of a shortage of skilled jobs and working conditions, emigrate abroad.

New trends in international migration push potential migrants to enhance their education and qualification levels. Almost all the surveys and interviews carried out by the Centre for Economic and Social Studies show that the potential Albanian migrants of today are more aware than their counterparts a decade ago of the need for professional training, language acquisition and learning about the culture of the host country in order to be able to adapt more easily to labour market demands.

Despite some positive trends in recent years, the labour market in Albania requires deep structural changes and important reforms in public and private sector employment. Two-digit unemployment rates, low wages, high levels of informal labour and work-related vulnerability, a shortage of jobs requiring good skills and qualifications, a lack of opportunities for career advancement, and job insecurity are some of the push factors that generate migrant flows, from lower-skilled workers to examples of brain drain. The state should particularly focus on those employment policies that affect medium- to high-skilled workers, who have shown an increasingly higher propensity to emigrate.

Thus, substantial reforms are needed in the Albanian labour market in order to alleviate strong migration trends. All labour market policies and programmes that aim to reduce unemployment and increase the number of decent and well-paid jobs available are relevant in terms of emigration. As the intention to emigrate is also high among the employed and skilled workers, reforms need to focus not only on job creation, but also on recruitment, types of contract, remuneration, quality of jobs and career progression. Employment in the public sector needs to be rationalised, with the establishment of fair and transparent recruitment procedures. More flexibility and entrepreneurship support are also required for developing the new businesses that will generate much-needed jobs.

In particular, the country's young people need clear future prospects in order to minimise the number of those who see emigration as 'the only solution'. This would require not only improving and expanding the employment structure and opportunities for doing business in Albania, but also creating a nurturing environment in which talented and well-educated young people can find skilled and satisfying jobs with pay commensurate to their qualifications, and where there are equal opportunities for professional advancement. Moreover, this requires solutions in many other areas such as health, education and social protection services, and will involve dealing with corruption, enhancing physical and social security, enriching social-cultural life, creating clean environments, and implementing regional development policies. Given the economic structure of the country and the still important role of agriculture in the economy, socio-economic differences need to be addressed between urban and rural areas and Tirana versus the regions.

The state needs to offer something concrete to its young population: job offers, education or training opportunities, apprenticeship or traineeships, etc. A promising development is the plan to introduce the Youth Guarantee schemes within the IPA 2022 programme in Kosovo. If implemented, all young people under the age of 30 would receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education. This would also boost services for career guidance and counselling, skills development programmes in promising sectors such as ICT, job search support and employment subsidies, as well as programmes for self-employment and business start-ups for young people.

There could be emerging skill gaps in the domestic labour market as a result of migration. The country needs to develop mechanisms to monitor these skill gaps and accordingly instigate more systematic measures for the upskilling and reskilling of current workers and adults alike (e.g. through the lifelong learning approach). For example, digital and green skills could be prioritised as emerging gaps, and IT education could be improved and diversified in both initial and continuing education. This could encourage young and economically active people to remain in Albania and work from home for employers in other countries – as happens in other countries of the region (e.g. Serbia).

Responses to these challenges are required not only from the government, but also from the private sector and individuals. In particular, the government needs to attract foreign direct investment and enable private sector development, which will comprise the ultimate source of skilled jobs creation. Creating labour demand, particularly for high- and medium-skilled workers in Albania is an absolute necessity. Public administration cannot be the only source of high- and medium-skilled jobs; more good-quality jobs need to come from the private sector.

Migrants' savings and remittances form one of the key financial resources for private sector development. Studies show that the ratio between migrants' annual remittances and savings is 1 to 5.1, that is, Albanian migrants remit 1 unit and save 5.1 units in the destination country (de Zwager et

al., 2010). Thus, under certain policies, promoting the use of a part of the savings of Albanian migrants for investment in the home country would boost remittances and improve their quality (productive use).

The Bank of Albania[37] produces regular statistics and reports on remittances[38], and recently has been applying a new Law on Payment Services, which will enable the easier and cheaper transfer of remittances and the greater formalisation of money transfers. In addition to these initiatives, more ambitious policies can be introduced to support the use of remittances for economic development. A valuable lesson is the 1+1 initiative in Moldova, where migrants receive half of their investment costs from the state for projects in priority economic sectors. In the case of Albania, where the numbers of programmes with significant public spending are very limited, and given the current context of economic hardships, EU funding could be helpful.

Spending on education (at all levels), as a percentage of GDP, should rise continuously until, in the long term, it is approximated to EU levels. More investment is needed at all education levels, from primary and secondary to higher education, with a particular focus on key competences and digital skills. Improving the quality of education and VET for all should be a priority for the state, while the education system needs to adapt quickly to the high degree of mobility of the population. In addition, more investment is needed to expand scientific research, with a view to raising the status and profile of Albanian universities. Albania can also foster cooperation with EU universities, especially through members of the Albanian scientific diaspora.

Policies aimed at acquiring human capital and skills, particularly outside the formal education system, could be also strengthened. As a complement to such policies, also necessary is the validation and/or recognition of skills acquired outside the formal system or abroad (mostly in non-formal and informal contexts). In this way, Albanian emigrants as well as returnees, could benefit from the higher visibility and portability of their skills for employment.

Given the rising educational profile of Albanian migrants, avenues should be explored for reaching bilateral agreements with key destination countries on managing skilled migration. The new EU Pact on Migration and Asylum (European Commission, 2020) could represent an opportunity to develop such a dialogue, proposing as it does the launch of Talent Partnerships with interested third countries (including in the Western Balkans) to help boost mutually beneficial international mobility and establish an EU Talent Pool for skilled third-country nationals.

This policy suggestion is made in the belief that skilled migrants (through higher savings and remittances, investments and enhanced human and social capital) could contribute more, upon return, for themselves, the home country and the host country (a triple-win situation). Consequently, the preliminary education and training of potential migrants may be an option, which could be achieved in close cooperation with the host country. In this case, the host country could invest in vocational training and education in Albania – within the framework of bilateral agreements – in the hope that not all the trainees (valuable human resources) would wish to leave.

The recognition of education and training by host countries is another measure that would facilitate employment and ensure a higher income for Albanian migrants. Formal channels and employment

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[37] In December 2017, a Memorandum of Understanding on remittances policy coordination was signed between the Bank of Albania, the Minister of State for the Diaspora and the Ministry of Finance and Economy.

[38] The Bank of Albania has started to publish annual reports on remittances, such as *Remittances: a support to development*, 2018; *Diaspora and payments*, 2019; and *Pandemic and remittances*, 2021.

agencies could play a significant role in this respect. They could facilitate and minimise the transition period until a job is found in the formal sector that is in line with the education and qualification levels of the individual migrant[39]. In this case, we would not have a brain waste, but a win-win-win situation. These formal channels could also be used to facilitate the return of migrants and their entry into employment in Albania, taking into consideration the qualifications and experience earned in the host country.

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[39] The 2007 survey showed that it took Albanian migrants on average two–three years to find a job that fitted their education and qualifications. This transitory period is characterised by high mobility and periods of unemployment. The minimisation of this period would undoubtedly boost the earnings of Albanian migrants and hence increase remittances.

ANNEXES

Annex 1.   Methodology of the cohort approach

Generally, there are no official (longer-term) home-based migration statistics for Albania, particularly in terms of the skills composition of migrants. Hence, data on skill-differentiated net migration are approximated and computed through a cohort approach which identifies and follows age cohorts over time.

This innovative methodology rests on the idea that in the absence of fertility and mortality, any population changes are the result of migration, so that migration dynamics can be deduced from population changes observable in official statistics. LFS data are used, whose rotating sample design does not allow a person to be traced over time but whose stratification and weighting scheme allows the identification of representative groups (age cohorts) which can be followed over time.

Assuming zero fertility and in the absence of (substantial) mortality, differences in the size of an age cohort between two consecutive years give a good approximation of (cohort-specific) net migration in a year. In this context, an increase in the size of an age cohort is indicative of net immigration, while, conversely, a decrease in the size of an age cohort is an indication for net emigration. The methodology uses national LFS data for the years 2011 to 2019 and focuses on the sub-population of persons aged 15–39, which is characterised by zero fertility, low mortality and strong migration dynamics. In the first year of the period of analysis, this sample population is split up into five different five-year age cohorts: 15–19, 20–24, 25–29, 30–34, 35–39, and each cohort is then followed over time until 2019. Every year, each cohort ages by one year, and so eventually, in 2019, has aged by nine years. The analysis reports results for the period 2012–19.

Furthermore, starting in 2011, each year a new group of young persons aged 15 enters the survey population (newcomers) and ages by 1 year each year. Each of these newcomer groups in every year from 2011 onwards (i.e. those reaching the entry level age of 15 in 2011, 2012, etc.) is also followed separately on a yearly basis until 2019 to guarantee that all relevant age groups, as well those younger than the aforementioned 5-year age cohorts (and which would be part of the potential labour force), are captured, and the net migration of these newcomer age groups is also estimated. Due to stronger migration dynamics in later years, for each of the newcomer groups only those persons who are aged 18 and older are analysed.

The cohort approach is applied to the sub-population of persons aged 15–39 as well as a further breakdown into the following four educational attainment levels: low (primary or lower secondary education); medium general (upper secondary general education/gymnasium); medium VET (upper secondary vocational education and training): and high (tertiary education).

In the analysis at the more detailed ISCED/educational attainment level, complex changes in skill/educational composition are observable, particularly among the two youngest age cohorts and the newcomers (i.e. those below 25 years of age). These changes are associated with educational transitions to higher education levels as people graduate from one of the two secondary education tracks and transit from low to either medium general or medium VET or graduate from tertiary studies and subsequently transit from medium general or medium VET to high. These educational transitions were corrected by means of detailed education statistics in order not to erroneously attribute them to net migration.

Annex 2. Educational structure of Albania
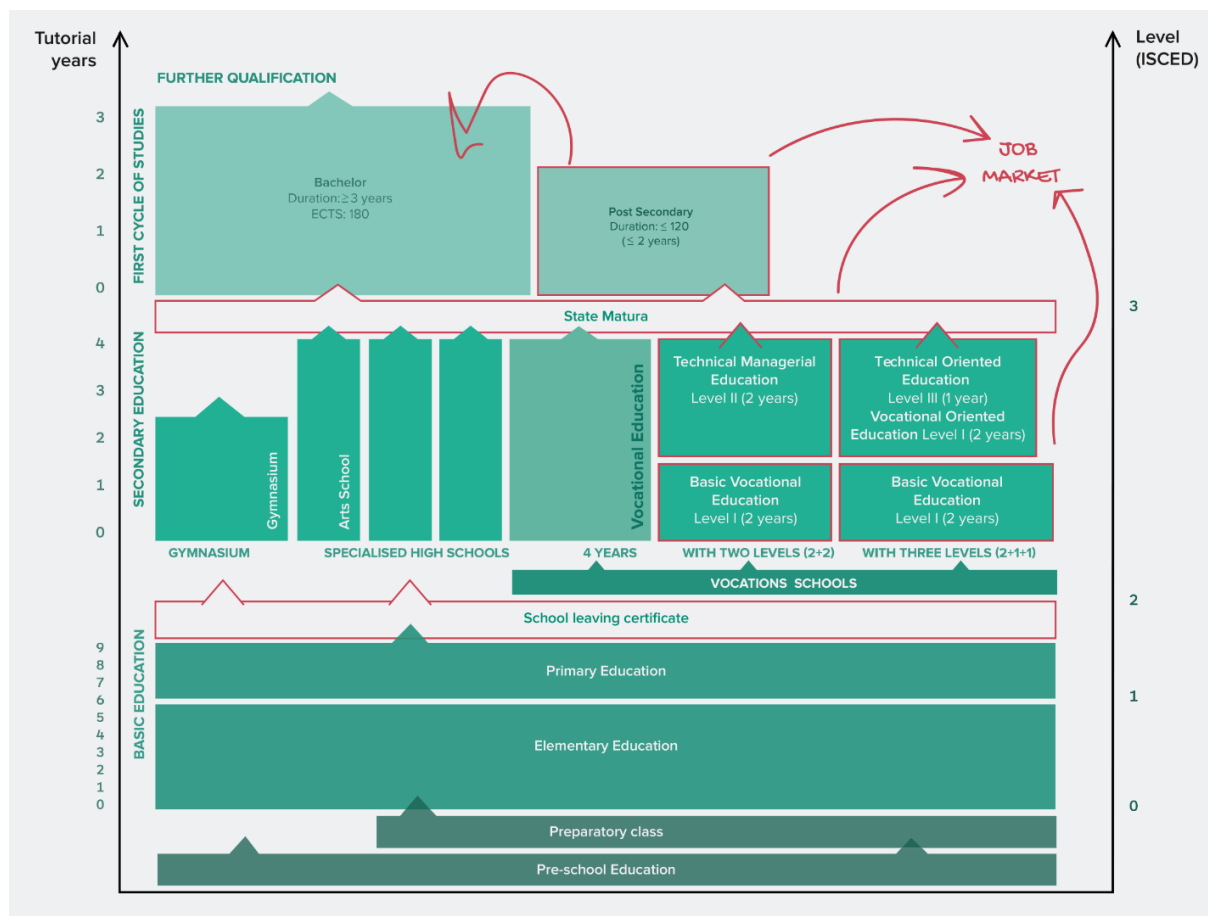
Source: UNDP (2020).

LIST OF ABBREVIATIONS AND ACRONYMS

ALL   Albanian lek (currency)

CESS   Centre for Economic and Social Studies

DIOC   Database on Immigrants in OECD and non-OECD Countries (OECD)

ETF   European Training Foundation

EU   European Union

EUR   Euro (currency)

Eurostat Statistical Office of the European Union

GDP   Gross domestic product

GIZ   Deutsche Gesellschaft für Internationale Zusammenarbeit (German association for international cooperation)

IAB   Institute for Employment Research

INSTAT   Albanian National Institute of Statistics

IOM   International Organisation for Migration

ISCED   International Standard Classification of Education

IT   Information technology

LFS   Labour force survey

NEET   (Young people) not in employment, education or training

OECD   Organisation for Economic Cooperation and Development

PISA   Programme for International Student Assessment (OECD)

UIS   UNESCO Institute for Statistics

UK   United Kingdom

UN   United Nations

UNESCO   United Nations Educational, Scientific and Cultural Organisation

US   United States of America

USD   United States dollar (currency)

VET   Vocational education and training

wiiw   Wiener Institut für Internationale Wirtschaftsvergleiche (Vienna Institute for International Economic Studies)

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