

Economic and Social Effects of Migration on Sending Countries: The cases of Albania and Bulgaria
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1. Transnational perspective on migration: the need for the study

Until recently, European migration research has been mainly focused on the way immigrants fare in the host labour markets (e.g. what jobs they are doing and by doing them, whether they substitute or complement local labour; what's their effect on local wages; any fiscal effects: whether they pay taxes, have use of social benefits etc.). I myself have devoted years of research on the effects of Bulgarian migration on the Greek labour market, later on I did similar work on the Spanish and UK labour markets; the only part in my survey work that was somewhat related to effects on the origin referred to questions about remittances ('How often do you send money home? How much do you send on average per month? What's the use of the money you send at home?'). Not much attention has been paid to the effects of migration on the origin countries. In fact, some US-based anthropologists argued that the traditional migration theory, informed by and developed in service of the nation-state (Kearney, 1991) treated migrants as individuals who either departed (emigrants) or arrived (immigrants). This false dichotomy can only be overcome by accepting that migration is a transnational phenomenon that involves immigrants who 'forge and sustain multi-stranded social relations that link together their societies of origin and settlement' (Basch *et al.*, 1994). Thus, sending and receiving countries are understood as constituting one single field of migration analysis.

Within such a framework, which is more realistic in migration research, effective management of migration flows (e.g. prevention, integration or repatriation) requires the understanding of the costs and benefits of migration for both the sending and the origin countries.

2. Methodology:

- Evaluative review of relevant country - studies;
- My own survey work with Bulgarian immigrants in Greece (1996-200), Spain (2003-2004) and the UK (2004-2005) regarding legal status, remitting behaviour and intentions for return.

There is an abundance of research on Albanian migration from both home and host countries perspective mainly because of the dramatic scale of Albanian emigration in the beginning of the 1990s which attracted huge research and funding interest. The case of Bulgaria is different in there is still relative scarcity of research on both the origin and destinations (usually small-scale surveys).

3. Background:

3.1 Overview of migration processes in the two countries before 1989

Bulgaria and Albania had quite different emigration policies and patterns during the Cold War period. Of all countries in the former Socialist bloc, Albania was the most isolated and highly controlled. Emigration was virtually

non-existent and any attempt to cross the border was punished by imprisonment and even death. In Bulgaria, even though there was a ban on the free movement of citizens, labour migration did exist but was entirely controlled by the state. Labour supply was regulated by bilateral agreements with either countries from the Warsaw Pact or with countries in the Arab world that followed policies sympathetic to the Communist regime.

3.2 Overview of migration processes in the two countries after 1989

The fall of the Iron Curtain at the end of the 1980s triggered the changes in both countries under study, leading to increased out-migration. These changes were most dramatic in Albania, leading to a mass exodus from the country, which by 2001 had led to one sixth, possibly even one fifth of the country's population leaving abroad. People initially left by sea to Italy and over the mountains to Greece, but over time, increasing numbers started to move to other European destinations, including the UK. This was especially true in the aftermath of the 'pyramid' financial crisis in the country in 1997, when there was widespread political unrest, and the Kosovo war in 1999.

In contrast, movements from Bulgaria have developed more slowly over time and were not directly triggered by political conflicts. Bulgarian migrants have been even 'privileged' compared to Albanians in terms of access to the western labour markets. For example, since 1994, Bulgarians were making use of the ECAA and could come on self-employment visas to the UK. In 2001 when the country was taken out of the black Schengen list, Bulgarian nationals could stay visa free for three months in the countries of the Schengen area.

4. Economic effects on the two sending countries:

The effects of migration on the sending countries vary greatly depending on the size of the emigrant flows, the kind of migrants and labour and product market conditions in the country. In evaluating these effects, it is always useful to distinguish between skill levels given the differences in the labour markets for low-skilled and high-skilled workers.

What does the empirical evidence indicate with respect to the economic effects in Bulgaria and Albania?

- **Low-skilled emigration**

Massive emigration in Albania has affected virtually all classes and categories of the population, with the possible exception of the very old. In 1995, for example, only 5 years after the opening up the borders, the number of the emigrants represented 26% of the working age population (15-64 years of age) and 35% of the work force, which was certainly a sign of damage on the Albanian economy. At the same time, the loss of state sector jobs in Albania after 1990, followed by the widespread effects of the pyramid scheme collapse, resulted in mass unemployment. Therefore, it seems probable that the withdrawal of low skilled workers, even in these large numbers has imposed little damage on the country's economy. Rather, it may have even served to improve the lot of those left behind. The same effects were experienced by the Bulgarian economy in the 1990s: e.g. for the period 1990-

1994, the employment dropped by 45% and the real wage by 52%, the latter affected by two price shocks in 1991 and 1994 compensated inadequately. By 1996, Bulgaria was facing its most severe political and economic crisis, when inflation for 1996 hit 310.8% (in Albania was only 20% for that year). Physical survival came out as the most powerful push for leaving the country. Similar situation was created in Albania after the collapse of the financial pyramids in the winter of 1997, when again physical survival was the reason for leaving the country. Such migration patterns in both countries were certainly a device for reducing poverty for those staying behind while clearly offering significant financial relief for the low skilled immigrants themselves.

An interesting phenomenon has been observed in Albania – a proportion of the female working population has withdrawn from the labour market. There are various explanations for this: one factor certainly is the return to traditional family values, according to which women are responsible for domestic work and men are those earning money outside the household. Another explanation relates to the increased dependency on money sent home by emigrant husbands.

- **Regional effects on rural and urban areas**

In Albania, the rate of internal movement to urban areas (especially to Tirana) has accelerated significantly along with the explosion in emigration. Tirana alone is struggling to accommodate and service an increasing number of migrants concentrating in its poorest neighbourhoods. Consequently, rising urban unemployment has been a strong motivation for young adults to emigrate abroad.

In Bulgaria, massive emigration especially from the ethnically mixed regions in southeast Bulgaria resulted in the depopulation of some areas there (e.g. at the end of 2004, 144 formerly populated areas in the country became entirely depopulated (population=0); these are mainly border regions in the South and West of the country). In Bulgaria there is also considerable intensification of urbanization processes mainly from small and medium-sized urban areas to big urban centers. However, Sofia is characterized with the lowest unemployment rate in the country, therefore it's been more successful than Tirana in absorbing internal migrants.

- **High-skilled emigration**

There are no systematic data on the emigration of high-skilled workers from Bulgaria. However, a number of researchers believe that there has been just a trickle of highly qualified emigrants and even cumulative it's not big enough to make any difference at all. Others argued that the reduction in the number of scientist and professionals only served to bring the number of technicians to a more realistic level namely in line with other much wealthier countries in the area. However, brain loss had particularly severe consequences for the development of the ethnically mixed regions in the country. Empirical evidence showed that emigrations from these areas involved the most active and qualified segment of the population namely, those who had lost their privileged social status during the transition years of the 1990s. Among them were former mayors, representatives of municipal councils, former policemen, technicians, students and doctors. In an earlier research, Bobeva (1994, p. 227), based on Turkish statistics showed that the community of the

Bulgarian Turks lost 9,000 University graduates to emigration during the early 1990s.

Recent developments indicate that foreign companies investing in Bulgaria encounter a serious problem with the recruitment of qualified personnel, which questions both the skill composition of the Bulgarian emigration as well as the educational system in the country. Andres Sharp, deputy-director of the Swedish Company "Investor AB" when asked to comment on the advantages and disadvantages to invest in Bulgaria, mentioned: "...*the most important problem (for doing business in Bulgaria) is to find a really competent people to recruit. You 'export brain' and this turns out to be a serious issue for the foreign companies, coming in Bulgaria. Another issue is that people here do not know foreign languages*".

In 2001, *Balkan Courier* reported that Albanian Universities have lost 60 per cent of their professors to emigration. The socio-demographic profile of the highly skilled scientists, as outlined by INSTAT research (2004) is characterized by an older age cohort, wider participation of women (32 per cent of the emigrants) and family emigration (62 per cent of the emigrants leave with their families). They usually emigrate, via legal channels, to Canada, France, USA, Germany and England rather than Greece and Italy. This reveals alarming prospects of a more permanent settlement of high skilled Albanian migrants abroad, their gradually diminished financial contributions to home, and their very ambivalent plans for return.

- **Effect of remittances**

At an aggregate level, the beneficial effects of remittances on the Albanian economy during the difficult years of transition have been widely recognised. The Bank of Albania estimated that in 2004 remittance flows to Albania amounted to approximately US\$ 1 billion, about 13.5 per cent of Albania's GDP. At this amount, remittances were three times higher than net foreign direct investment and double the official development aid received by Albania¹.

Quantitative analysis based on the 2002 LSMS for Albania provides a unique opportunity to study the remittance effects at household level. It reveals the important role played by remittances in the income strategy of Albanian households. Most of the remitters from abroad live in Italy and Greece. More than half of the recipient households live in rural areas. It is generally agreed that remittances have been an important mechanism for alleviating poverty in Albania and for increasing family income above extremely low levels. However, some authors² question the received wisdom that remittances have had an entirely beneficial effect on rescuing the Albanian people from dire poverty. Arrehag *et al.*(2005) using data from a survey of 1,315 rural and urban households in the Korce region, found insignificant differences between households that received remittances and those that did not, when comparing them on a variety of consumption measures (quality of dwelling, household goods etc.). Germenji and Swinnen (2005), when comparing

¹ Hernandez-Cross, R., J. de Luna Martinez, A. Amatuzio, K. Browik and F. Lagi (2006), p. 3.

² See also King (2005), p.151.

samples of remittance-receiving farm households and non-remittance receiving farm households found that farming efficiency was highest in the non-recipient households. In the recipient households, remittances tended to divert resources and efforts away from agriculture. However, Arrehag *et al.* (2005) provide evidence from the Korce region to show that in rural areas, migrant transfers are also used for investment in agriculture, which may increase the productivity in this sector.

Field surveys alike demonstrate that migration and remittances are the main factors that discriminate between poor and non-poor families. As eloquently put by an Albanian woman, from Gramshi: *"A poor family is considered to be the one that does not have a family member who can emigrate abroad"* (De Soto *et al.*, 2002). Access to emigration is seen by many in the country as the only viable way out of poverty³.

ALSMS shows that remittances go, in order of importance, to purchase food and basic necessities (33 per cent), followed by investments and the purchase of durable goods (12 per cent), and for medical expenses (9 per cent). Conspicuous consumption is evident in the extraordinary number of Mercedes Benz cars throughout Albania – this has become the ultimate symbol of a successful migrant or returnee (King, 2005). A recent World Bank report (2007) argues that if the propensity to consume from remittances is similar to other income, then every fifth dollar spent in 2003 in Albania came from remittances.

An important question rises about the sustainability of migrant remittances. They are still vital to keep the economy going, contributing about 14 per cent of GDP but this is unlikely to continue for much longer (World Bank, 2003). It is inevitable that remittance transfers will gradually decrease as there will be no family members left to support in Albania. Naturally, it is important for Albania to be able to create favourable conditions for an increasing share of migrant transfers to be converted into investment. First, it is very important that the investment climate in the country is improved. It is also very important that the share of undocumented Albanian migrants in the total of the country's migration decreases as legal migrants tend to use legal channels for remitting; they can travel home more frequently and have the potential to be more actively engaged in development at home. An important condition for this is that the Albanian migrants are in the neighbouring countries of Greece and Italy. An interesting parallel emerges with the Bulgarian immigrants. A survey amongst predominantly illegal immigrants in Madrid in 2003 and 2004 conducted by the author found that those legally entitled to stay and work in Spain were remitting substantially less, almost 1,220 EUR less per year, than those without this entitlement. Given this finding, legislative changes introduced by the Spanish government in 2005 to regulate the employment status of illegal workers may have significant implications for the future scale of remittances from Spain to Bulgaria (Markova and Reilly, 2007). This finding is resonant of that reported by Markova and Sarris (2002) for the Bulgarians in Athens. Recent World Bank report (2007) also revealed that 80% of those interviewed were not remitting at all, compared to 37% in Bosnia and Herzegovina and 62% in Romania.

³ See also King *et al.* 2003.

However, data released by the Bulgarian National Bank show that the amounts of money sent by Bulgarians abroad to relatives in the country has, over recent years, increased consistently in absolute terms and as a percentage of measured GDP. For example, in 2004, such transfers comprised about 4.2% of measured Bulgarian GDP, forming national income bigger than the educational and healthcare budget of the country. Given the existence of both informal methods of transfers, transfers in cash and in-kind from returning Bulgarians from abroad, this is likely to under-report the actual scale of such transfers. Mintchev and Boshnakov (2005) estimate that the official figures register just some 45-50% of the actual migrant remittances. Recently, the Bulgarian National Bank announced changes in its methodology for calculating migrant transfers in the country. The corrected remittance figures for 2004 and 2005 are 921 million EUR and 810 million EUR respectively. According to data released by the state Agency for the Bulgarians Abroad⁴, at least 300,000 people send amounts ranging between US\$100 to US\$300 to their families on a regular monthly basis. Anecdotal evidence also suggests that undocumented Bulgarians and those on seasonal work in the neighbouring countries remit on average 250 Euros per month⁵. The remittances are used primarily to cover basic needs and the purchase of durable goods. Stanchev *et al.* (2005) argue that remittances in Bulgaria have become an important element in improving living standards and reviving the local economies through increased consumption and investment. These macroeconomic effects, they claim, can also have the effect of delaying government reforms for restructuring economic and other policies to tackle underlying causes.

However, there is scarcity of research providing empirical evidence on the use of remittances in Bulgaria. A qualitative study on the effects of seasonal migration on Bulgaria by Guentcheva *et al.* (2003) confirms the use of remittances for consumption and purchase of houses and flats. In an interview about the use of remittances, the secretary of the Momchilgrad municipality, Kurdzhali region, said: *"In spite of the widespread belief that remittances in the Kurdzhali region are at least 100 million EUR a year, they are considered 'dead capital', immobilised into purchases of apartments, houses or luxury cars. This money does not circulate, does not serve the local businesses. Money from seasonal workers abroad is not significant, because such people work primarily in low-wage sectors, do not bring much money and whatever they bring is used for consumption (often conspicuous). Our municipality is the region with most Mercedes cars per person in the whole country"* (in Guentcheva *et al.*, 2003, p. 49). The pattern of allocating migrants' money to houses and apartments has boosted the real estate market in the region, significantly pushing prices up. This trend was identified in the whole country.

⁴ The Agency for Bulgarians Abroad (ABA) is a state institution tasked with collecting data about expatriate Bulgarians. It also co-ordinates and supports the activities of state institutions towards expatriate Bulgarian communities (www.aba.government.bg). It should be noted that ABA uses the term 'expatriate Bulgarian' and does not use the concept 'Bulgarian emigrant'.

⁵ Capital, 2003.

The increased transfers affected the demand for properties in the country and, in the first quarter of 2006, the average house prices rose by 4.7%⁶.

- **Return migration**

Empirical evidence refers to Albania only. As in the case of migrant remittances and their contribution to the country's development, it is still difficult to give a definitive answer on whether Albanians return, and if so, how sustainable their return is, and what the likely impacts on development are. Probably the most unsustainable return has been the forced one from Greece, especially in the first half of the 1990s when the 'forced returnees' would go back again to Greece on the very same day. During the 1990s (and up until the first legalisation of undocumented migrants in Greece), Albanian migration to Greece had a predominantly circular character: migrants would alternate periods abroad with spells back in Albania, moving back and forth (Baldwin-Edwards, 2005; see also a survey by Labrianidis and Hatziprokopiou, 2005).

As with remittances, the most contested issue of Albanian return is the one of returnees' contribution to development at home. King and Vullnetari (2003) argue that there is little definitive return to Albania, and those few who have voluntarily returned often find the amount of money saved abroad does not generally enable them to invest in productive enterprises⁷. Among the most important factors that undermine Albanians' confidence to invest in their country are poor infrastructure, lack of credit facilities, especially long-term credit, lack of security and the political instability. However, recent economic developments in Albania show an increase in long-term loans (Kathimerini, November 16, 2005). Development of new enterprises does occur but it is still on a small scale and their capacity is usually hampered by lack of basic services such as water, electricity, roads, public transport etc.

However, surveys in host countries reveal the actual reluctance of Albanian migrants to consider return. Results of a recent survey of Albanian migrants in London show changes in their initial plans. Whilst many initially envisaged return after a couple of years of work in the UK, migrants are now trying to purchase properties in London for a more permanent settlement (Markova and Black, 2007).

- **Social effects of migration on the sending countries**

Although economic effects of migration have been extensively studied, the social effects have received less attention. However, they are very important and very closely linked to the much more studied economic effects.

The social effects of migration amongst others consist of change in family composition, family separations and the abandonment of old people, child outcomes in terms of labour, health and education.

For example, most of the households in Albania have only women, children and elderly. Among the women are also wives of emigrated sons, since the

⁶ *Capital*, 2006. The Housing market: How much of migrants' money affect demand, issue 24. (in Bulgarian)

⁷ Kule *et al.* (2002), in their regionally representative survey, present more positive findings.

wife becomes a member of the husbands' family according to the 'virilocal nature of Albanian customary law' (King and Vullnetari, 2003).

In Albania, one of the key social issues arising from the age and gender selectivity (mostly young men emigrating) of Albanian migration is family separations and the abandonment of many old people. Many women are separated from their partners. Just over 20,000 married women were living without their husbands at the time of the 2001 census (INSTAT, 2004). Children suffer too from the absence of their fathers. Perhaps the most serious problem concerns elderly people who have lost their family and social support. Even though Albanian custom obliges the youngest son and his wife to take care of his parents in their old age, migration breaks down the tradition. This very human aspect of the effect of Albanian migration has rarely been mentioned in the existing literature. King and Vullnetari (2006)⁸ examine, based on semi-structured interviews with elderly people in areas of heavy out-migration in northern and southern Albania, the human impact of emigration on older people and their coping strategies, one of which is to follow their children abroad to provide childcare for their grandchildren, enabling both the working-age parents to engage in paid work. It is recognised that the sudden political, social and rural dislocations that followed the fall of communism in Albania, have made older people particularly vulnerable. Many have been left behind by their emigrant children, creating the phenomenon of the socially-isolated 'elderly orphans'⁹. It's been argued that while migrant remittances cushion this social isolation, the loss of children and grandchildren through emigration has undermined older people's self-respect and have ruined the foundations of the (the *raison d'être*) of Albanian family life.

The age- and sex-selectivity of Albanian migration puts particular pressure on those women left behind in rural areas. They bear the burden of looking after the family, the house and the land. They are acutely aware of the social costs accrued on Albanian rural families and communities left behind. They are also very much aware of their increased vulnerability and psychological stress (Ibid).

Two quotations by De Soto *et al.* (2002, p.46 cited in King and Vullnetari, 2006, p.10) from women in southern Albania sum up these issues:

'There are no weddings...in the village, only funerals have occurred over the last three years. We are all going to leave'

'Emigration is a means of survival but it is causing a tragic end to Albanian families. We all feel heartsick for our sons and consider emigration an irreparable wound caused by the difficult life we are living.'

In Bulgaria, anecdotal evidence indicates similar effects of emigration especially in the rural areas of the ethnically mixed regions in the south (Kroumovgrad, Momchilgrad); Men are engaged in seasonal/temporary/circular migration in Greece or Turkey. Women are left

⁸ See also King (2004) and Vullnetari (2004).

⁹ De Soto *et al.*(2002, p.46) calls those elderly people abandoned by their emigrant children and with small pensions and declining social support in the neo-liberal Albania to be lonely 'orphan' pensioners.

behind to take care of children and elderly. What men earn though is just enough to keep the family out of poverty.

A study by Guentcheva et al. (2003) alarms of the high dropout school rates amongst children of migrant parents, left behind in Bulgaria. Another research on the access to education in Bulgaria found that most frequently cited reason for dropping out of school was to join the family in their travels abroad as seasonal short- or longer-term migrants (Iliev and Kabakchieva, 2002). It was reported, in other cases, children were left in Bulgaria in the care of grandmothers or aunts. Such pupils, some teachers said, possessed more cash, sent by their parents. They became easily spoiled, undisciplined as they would not obey their elderly grandparents or other relatives serving as their guardians; they would start smoking, drinking and eventually leave school altogether. The research revealed, however, some positive stories of families of returned seasonal migrants who invested their savings into securing better education for their children.

5. Strategic issues arising from Albanian and Bulgarian emigration

• Future Trends

While economic reasons will remain an important driver of migration for both countries, other factors such as EU membership and demographics will play an increasingly important role as well. Albania and Turkey are the only South-East European countries that are forecast to not experience population decline. Bulgaria will continue to experience population decline owing to both more deaths than births and more emigration than immigration. The demand for working-age population will create a demand for workers that can only be sourced from abroad. First signs of Bulgaria turning into an immigration country are already visible with Chinese, Iraqis, and Afghans choosing the country as their final destination for work and residence. Bulgarians interviewed in South-East England in the summer of 2005, reported strong willingness to return subject to improved conditions at home due to EU membership (Markova and Black, 2007).

• Inducing Circular or Temporary migration

This is particularly important for Albania and Bulgaria in relation to Greece. The pattern of cross-border mobility and the effectiveness of the corresponding development policies in the region are predetermined by migrant legal status in the host country (Greece) and corrupted customs officials.

Incentives and flexible schemes for return migration or circular migration can be created by destination countries allowing returning migrants to benefit from the rights they acquire during their work abroad such as pensions, health insurance, unemployment benefits. Transferability of migrant pension rights by Greece to its neighbours, Albania and Bulgaria, might prove extremely beneficial in the long-run in terms of encouraging return.

Nonetheless, policies that facilitate temporary migration movement, if effectively implemented and monitored, could be extremely useful in South-Eastern Europe, given the seasonal character of the employment in the rural areas of the host countries, the project-specific nature of construction activities and the contract-work character of home-based services and trading. They would preserve the beneficial effect of the legal status without creating incentives for permanent settlement. More importantly, these special agreements would preserve the necessary flexibility in the foreigner's working conditions, by maintaining the cost-advantages in contracts and by securing employment. Policies to facilitate temporary and circular migration movements should also be supplemented by social and educational policies that would underpin integration and be consistent with migrant workers' needs. Educational exchanges, training programmes, bilateral or multilateral agreements for the transfer of social security and of insurance and health benefits are some of the policy measures that would facilitate temporary and circular migration flows and promote regional integration and development.

Therefore, if temporary and circular migrations are considered to be beneficial for both the sending and the receiving country, then they should be fostered rather than made difficult. As it was shown in the United States, tighter controls at the Mexican border have caused more undocumented migrants to stay. Earlier on, the German experience also showed that difficulties to reenter the country have hampered the return migration. These are clear examples of counter-productive policy measures. Hence, temporary and circular migrations require more serious attention by policy-makers and researchers.

However, some have challenged the circular and temporary model of migration as being indeed economically beneficially mainly for the host and home country but with high social costs for the migrants themselves. As Bulgarian who 'circulates' between Bulgaria and Greece said: *"You make life in both countries but at the end you do not know where you belong, where 'most' of your life is, where is your base. It's difficult to keep a family together this way"*.

- **Diaspora**

High skilled emigration from both countries and especially from Bulgaria given its EU membership, will continue to grow mainly because of the selective immigration policies of the Western countries (UK: The Points-based systems; Germany: 'Green cards' for IT specialists). Besides, evidence suggests that remittances can't be a long-term solution. Therefore, the sending countries should consider other ways, beyond remittances, for attracting migrant contributions for home development.

In this respect, in the last years, at a European level, there has been a growing interest in the potential for development through emigrant communities abroad, with the Global Commission on International Migration arguing that: "Countries of origin can gain a considerable advantage by harnessing the talents and resources of Diaspora populations, which have grown significantly in size and scope as a result of the recent expansion of international migration". (GCIM, 2005. *Migration in an interconnected world*:

New directions for action. Geneva: GCIM, p. 29). In its COM (2005) 390 final, the European Commission proposes concrete measures for the enhancement of the role of Diasporas in the member states. Some of the initiatives include supporting member states to map their Diasporas and to engage with Diaspora organizations, which could be representative interlocutors in development policy.

A potent benefit of high-skilled emigration is the creation of a large, well-educated Diaspora. Individual migrant contributions are usually related, amongst others, to financially supporting family members back home or establishing small family projects, in case of return. Diaspora contributions, on the other hand, can act as a means of organizing individual migrant contributions, thus having wider impacts on the economic and political developmental processes in the sending countries. Whereas a single migrant, irrespective of their skills and wealth, can have a limited impact on processes back home, the Diaspora, as a collective resource, can actually have a more organized and targeted impact on development both at home and in the host country, e.g. through advocating for home-country interests abroad or through building schools and hospitals, or through supporting certain NGOs and/or political parties.

Amongst the countries perceived as having developed more successful policies in attracting their Diasporas for development are China, India and Taiwan – all have developed business oriented models to involve their Diasporas in development in a multi-dimensional way.

India and China provide an interesting contrast in terms of efficiency of government programmes towards involving Diasporas in home development. Both of the countries have provided special investment arrangements for non-resident or expatriate nationals, but in practice, levels of Diaspora engagement and investment have been much higher in China than in India. This contrast was reviewed in 2000 by a High Level Committee on the Indian Diaspora, which concluded that one of the reasons why Indian expatriates have sent money to families but have not invested was due to the Indian government having systematically ignored the Diaspora's concerns. In contrast, Taiwan has focused less on investment and more on making use of expatriates' skills both through networking and return. In addition to establishing a database of skilled migrants, the Taiwan government has systematically invited scientists, professionals and technicians to visit Taiwan to teach and network. It has also built business and industrial parks that include high quality housing and schools aimed at attracting emigrant investors and professionals to return with their families (Newman and Patrick, 2004).

It is not just the government that can promote networking between Diaspora and the home country. Meyer and Brown (1999) and Brown (2000) identify internet-based expatriate networks of skilled professionals and students that facilitate the transfer of knowledge. In India, there are a number of business networks that link entrepreneurs in India and the US, and elsewhere, whilst similar networks exist for Armenian expatriates in IT, Afghan engineers, and Lebanese working in business. In Central and Eastern Europe, such organizations include the Forum for Science and Reform in Romania, and Polish Scientists Abroad. Similar organizations also exist in Albania but their effectiveness to development has not been evaluated.

One of the obstacles to Diaspora's involvement in home development can be the lack of trust in government. The word 'corruption' is the first that comes to mind when migrants talk about their home governments. It is natural for migrants to wonder why their countries are interested in them now while they have not been interested before they migrated. Often migrants would prefer to give directly to needy individuals than to any group, especially if it is associated with the state. For any state-driven efforts to be successful, migrants need to trust their government. Moreover, they would need good reasons to do so. The degree of migrants' trust in their government is a particularly high barrier for transnational policies to work.

Black and Gedeshi (2006) suggested a model of an 'Albanians abroad' policy' to include:

- acknowledging the contribution of Albanians abroad
- providing systematic support, protection and/or advocacy for Albanians abroad
- promoting Albanian culture abroad
- facilitating or promoting dual citizenship and/or overseas voting
- promoting philanthropy, either individual or through home/village/town, alumni, professional or religious associations
- developing knowledge networks and database of skills (in 2005, a network of Albanian academics in UK was established)
- promoting short-term return to engage in specific projects (e.g. TOKTEN=Transfer of Knowledge Through Expatriate Nationals, promoted by UNDP finance for short-term visits and database skills, MIDA)

Many of the Bulgarian expatriates have University degrees especially those in the first emigration waves to Western Europe and the United States of America. In the last ten years or so, most of the young financial brokers have organized themselves in special structures aiming at attracting the business interest to Bulgaria. The "City Club" in London and the "Wall's Street" in New York are the most successful among them. Again, anecdotal evidence suggests that the London 'City Club' members in fact introduced the Bulgarian real estate market to the British and played a significant role in bringing the number of British people in Bulgaria to 33,000. The engagement of the government with Bulgarians abroad dates back to the year 2000 when the then Prime Minister Ivan Kostov in an attempt to attract the interest and expertise of the young Bulgarian expatriates to Bulgaria, organized in April that year an event entitled "Bulgarian Easter". Shortly after, a similar initiative followed, in the summer of 2000, organised by the then President Peter Stoyanov. Ironically, just a year later, some of the invited financial brokers from London became the main reason for Kostov's party's major loss in the elections of June 2001. During the last years, a few wealthy expatriates managed to invest in productive enterprises in Bulgaria.

