

Labour Migration in the Western Balkans: Mapping Patterns, Addressing Challenges and Reaping Benefits

ALBANIA



Key facts



GDP growth
(2021)¹

8.3%



Unemployment
(2021)¹

12.1%

of population
aged 15-64



Net FDI
(2021)¹

6.6%

of GDP



Albanian migrants
worldwide (2020)²

1.25mil



Emigration rate
worldwide (2020)²

30.3%



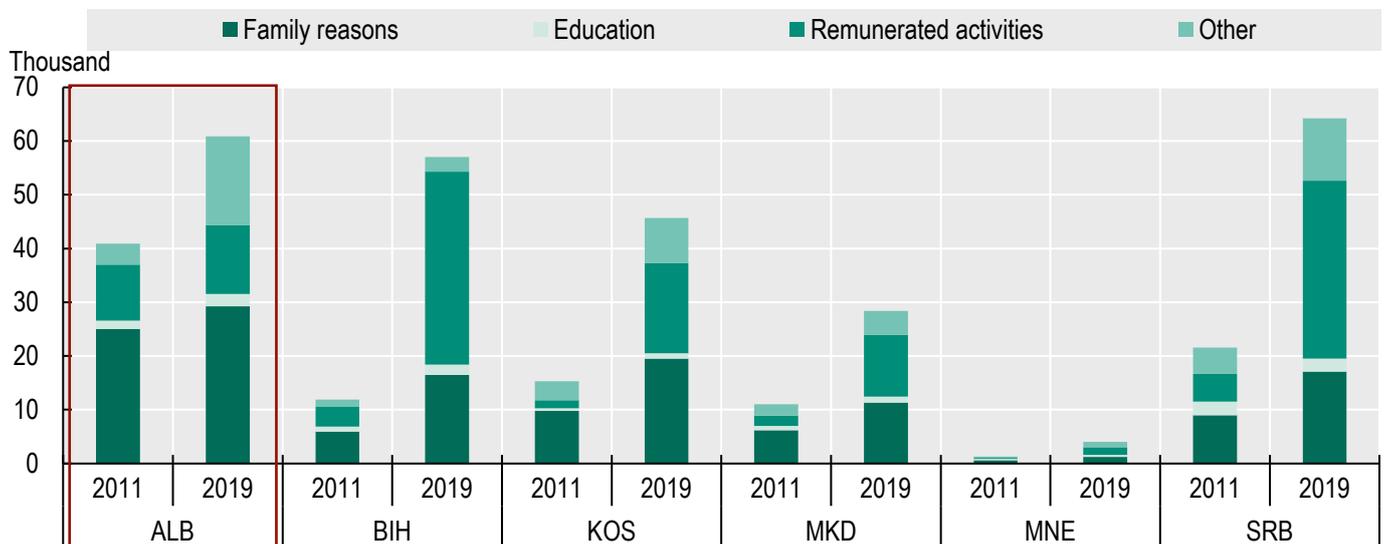
Personal remittances
received (2020)³

9.9%

of GDP

Sources: ¹European Commission (2022), EU Candidate Countries' & Potential Candidates' Economic Quarterly (CCEQ) – 1st Quarter 2022; ²UN DESA (2021), International Migrant Stock 2020; ³World Bank (2022), World Development Indicators

Migration from Albania to the European Economic Area has increased by 50% over the last decade



Note: Number of first residence permits attained by WB6 citizens in European destination countries by citizenship and reason. European destination countries include EU Member Countries, EEA non-EU countries (Iceland, Liechtenstein and Norway) and Switzerland. "Other" includes international protection, residence without the right to work (such as pensioners), and people in the intermediate stages of the regularisation process. Data for the United Kingdom are available until 2018.

Source: Eurostat (2021), First permits by reason, length of validity and citizenship [MIGR_RESFIRST]

In 2011, Albanian citizens predominantly migrated to the European Economic Area (EEA) and Switzerland for family reasons. However, work reasons have gained importance. The number of first residence permits for remunerated activities issued to Albanian citizens increased by 22% between 2011 and 2019.

Key findings:

- ❖ **Albania has the largest number of migrants** (one million Albanians living abroad) **and highest emigration rate of all WB6 economies in OECD countries.** The majority of Albanian migrants in OECD countries are concentrated in Italy (43%) and Greece (35%).
- ❖ **Emigration to Europe dropped during the 2008 financial crisis, but has rebounded since.** Issued first residence permits for the EEA and Switzerland nearly doubled between 2013 and 2019. In 2020, with the start of the COVID-19 pandemic, the number of permits decreased by 38% compared to the previous year.
- ❖ **Migrants from Albania had a lower employment rate (56%) than migrants from other WB6 economies and the overall foreign-born population in OECD countries (67%).** They also had the highest unemployment rate (19%) of all migrants from the WB6 and a rate substantially higher than that of the total foreign-born population in OECD countries (9%). In addition, almost 56% of highly skilled migrants from Albania were overqualified for their job in OECD destination countries (OECD DIOC, 2015/16).
- ❖ **Remittances to Albania are substantial, estimated at close to 10% of Albania's GDP,** and contribute to reduced poverty and improved living standards. They are, however, often sent through informal channels, due to lack of trust in or access to the financial sector, which keeps remittances outside the formal financial system.
- ❖ **Albania developed a specific institutional and policy framework to engage with its diaspora,** through the National Diaspora Agency, and the national diaspora strategy. However, a number of gaps remain in labour migration management and diaspora engagement, particularly when it comes to dedicated mechanisms to support investments and knowledge transfers.

Main priorities:

- ❖ **Support Albanian migrants in OECD destination countries, in order to address their relatively high levels of unemployment, inactivity and over-qualification.** This could include measures such as pre-departure information and language training prior to migration; alignment of education and training curricula with international standards to improve recognition of migrants' education and skills abroad; and encouraging more migration to take place through established migration schemes to improve labour market integration in destination countries.
- ❖ **Conduct regular studies on the needs of and constraints on Albanian households receiving remittances,** to be able to tailor financial services that can encourage transfers through regular channels and facilitate remittance investments.
- ❖ **Develop the institutional framework to support diaspora investment and knowledge transfers** through the creation of dedicated mechanisms and tools and the strengthening of institutional capacity. There is a need to strengthen the long-term and systematic involvement of the state, notably by more investment in capacity building and creating dedicated mechanisms and tools to support diaspora engagement through knowledge transfers.

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This report analyses labour migration patterns of the Western Balkan economies, investigates their root causes as well as potential consequences, and examines the economies' current migration and diaspora policies. It builds on results from an original survey of emigrants from the Western Balkans in addition to a wide range of OECD and international migration data sources as well as regional stakeholder consultations.

The report provides Western Balkan policy-makers with targeted policy recommendations on how to address the structural challenges, which incentivise emigration and maximise the benefits from emigration for the Western Balkan economies' own socio-economic development by strengthening ties with the diaspora and capitalising on its skills and investment resources.

