



Labour Migration in Albania – How to make the most of it?

Roundtable meeting

Tirana, 16 September 2022

Presentation Outline



1. Characteristics of Migration



2. Labour Market Outcomes in OECD Countries



3. Remittances as Income and Investment Source



4. Migration and Diaspora Policies



5. Way Forward – Policy Recommendations

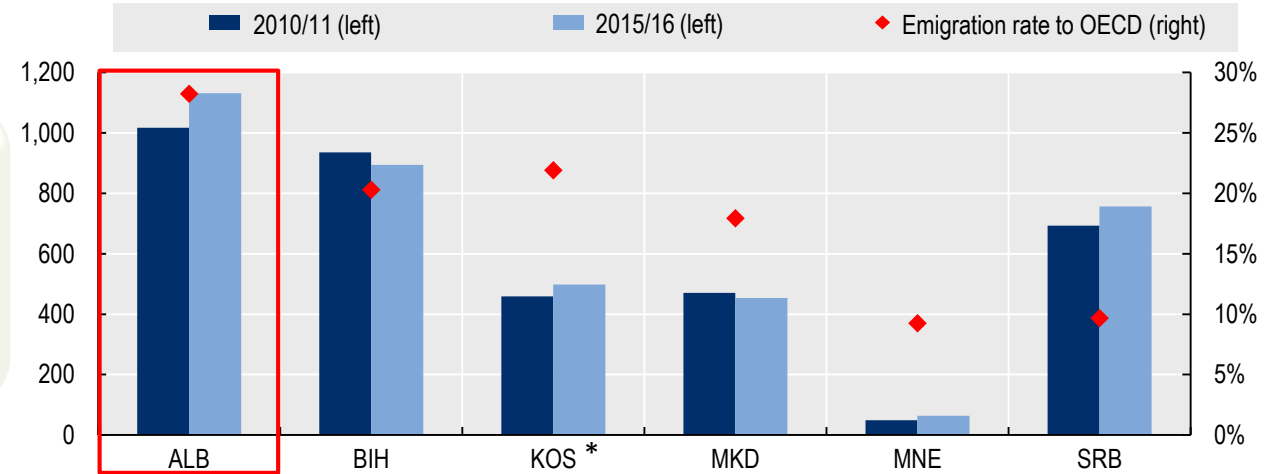


1. Characteristics of Migration – Trends



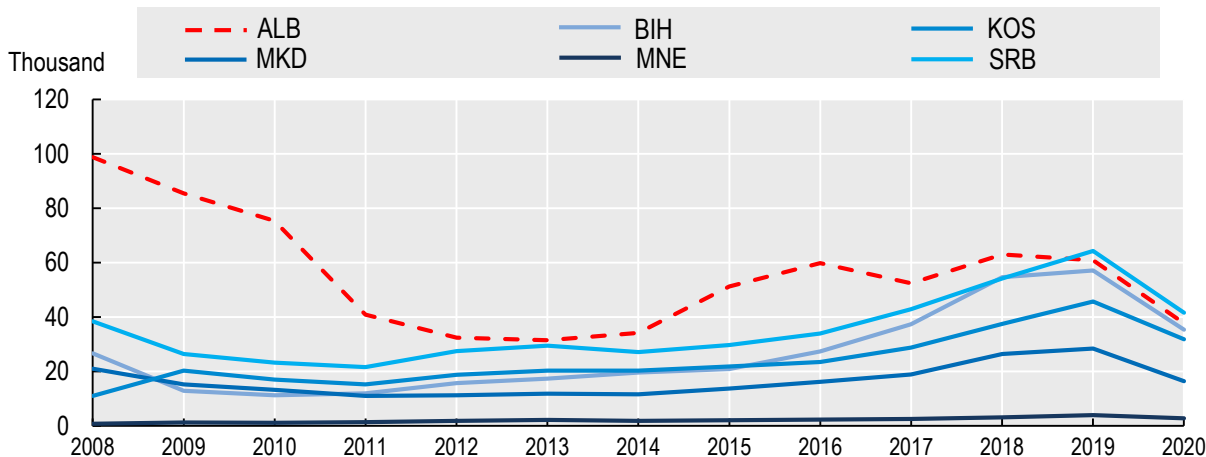
Albania has the highest emigration rate in the region, with 28% of its population living in OECD countries.

WB6 migrants in OECD countries



Note: More information is available at Figure 1.3 of the publication *Labour Migration In The Western Balkans*.
 Source: OECD (2016) OECD Database on Immigrants in OECD Countries (DIOC), The Swiss Federal Statistical Office (2022); Eurostat (2022), Population change - Demographic balance and crude rates at national level [DEMO_GIND].

First residence permits attained by WB6 citizens in European countries



Note: European destination countries include EU Member Countries, European Economic Area non-EU countries (Iceland, Liechtenstein and Norway) and Switzerland.

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

Emigration to Europe has increased by 50% between 2011 and 2019.

However, with the COVID-19 pandemic, it declined by 38% in 2020.

* This designation is without prejudice to positions on status, and is in line with United Nations Security Council Resolution 1244/99 and the Advisory Opinion of the International Court of Justice on Kosovo's declaration of independence.



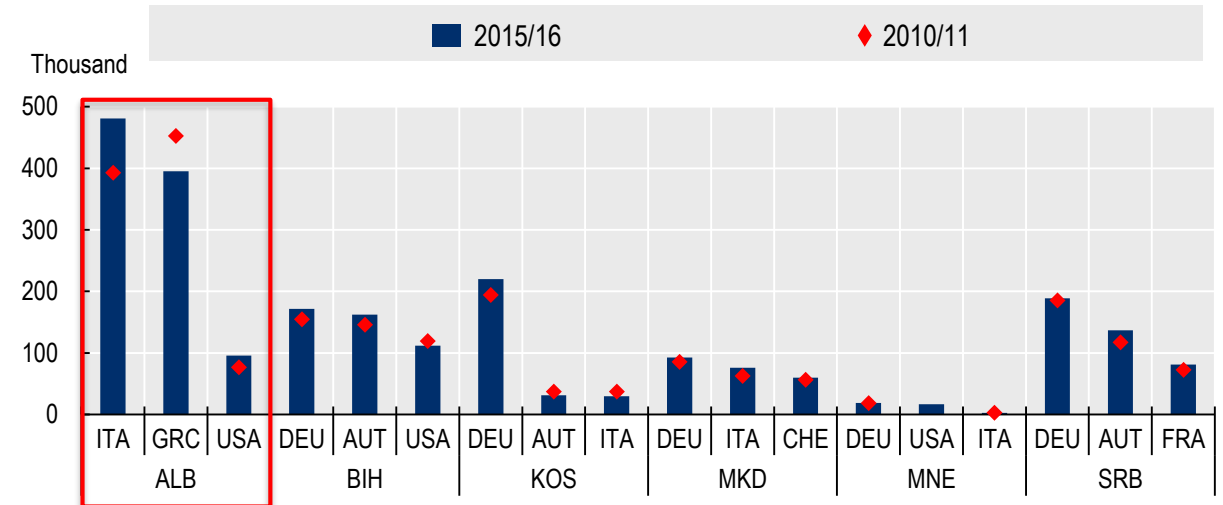
1. Characteristics of Migration – Destinations



Albanian migrants are predominantly living in a handful of traditional OECD destination countries...

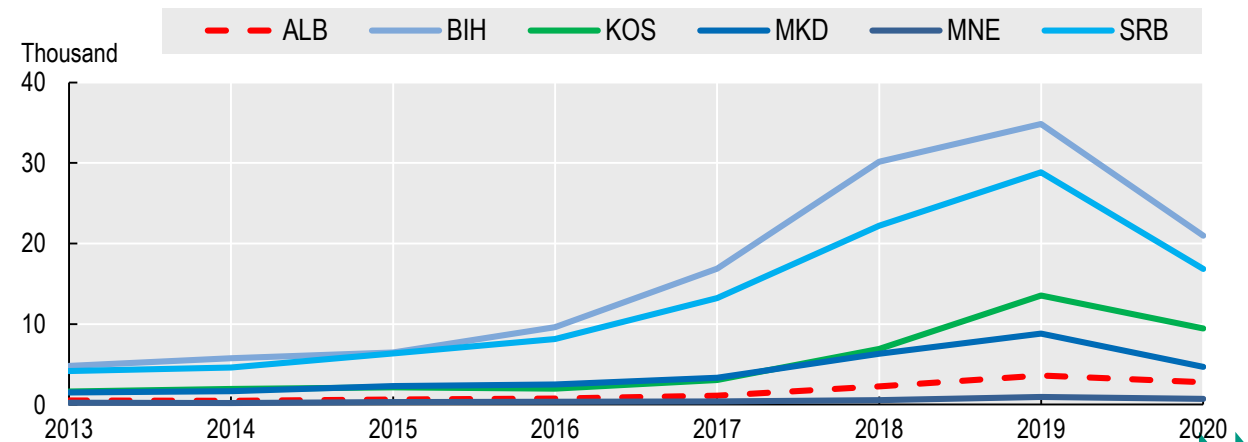
...but emigration to Central Eastern European countries increased by more than five times since 2013 until the start of the COVID-19 pandemic.

Top OECD destination countries of WB6 migrants



Source: OECD (2016), DIOC

Number of first residence permits issued to WB6 citizens in CEE countries

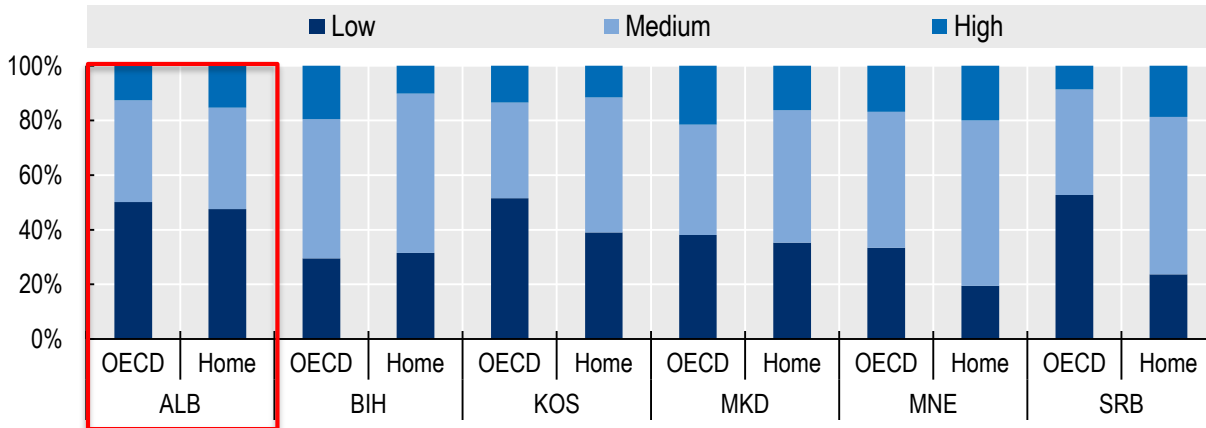


Note: CEE countries are Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, the Slovak Republic, and Slovenia. 4
Source: Eurostat (2021), First permits by reason, length of validity and citizenship [MIGR_RESFIRST]

1. Characteristics of Migration – Education levels



Education level of the working-age population in OECD countries and at home



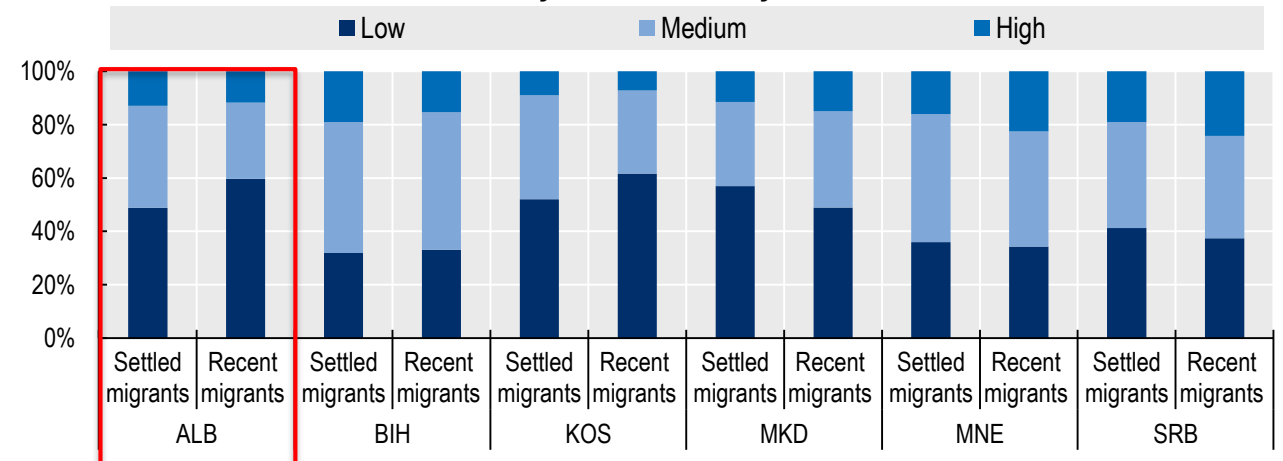
Note: Data for 2015.

Sources: OECD (2016), DIOC; Eurostat (2021), Population by educational attainment level, sex and age (%) [EDAT_LFSE_03]; World Bank and Vienna Institute for International Economic Studies (2022)

The Albanian diaspora is on average less educated than the working-age population in Albania.

More recent migrants from Albania are less educated than those who arrived earlier.

Distribution of education levels among WB6 migrants in OECD countries by duration of stay



Note: Settled migrants are defined as migrants who arrived prior to 2010. Recent migrants are defined as migrants who arrived in the country of destination between 2010 and 2015.

Source: OECD (2016), DIOC



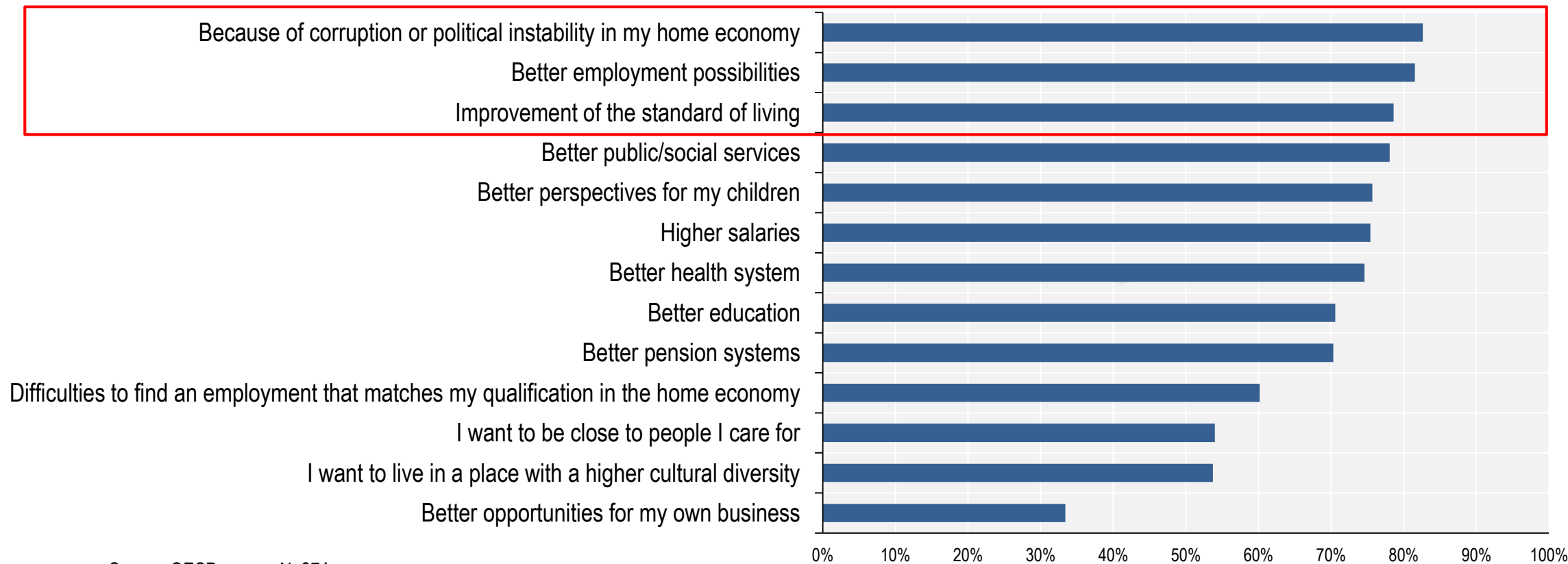
1. Characteristics of Migration – Motivations



A variety of social, economic and political factors drive emigration from the WB6 economies.

If you have migrated, what was the main reason to move to another country? (%)

■ Important or Very important as % of total sample



Source: OECD survey, N=374.

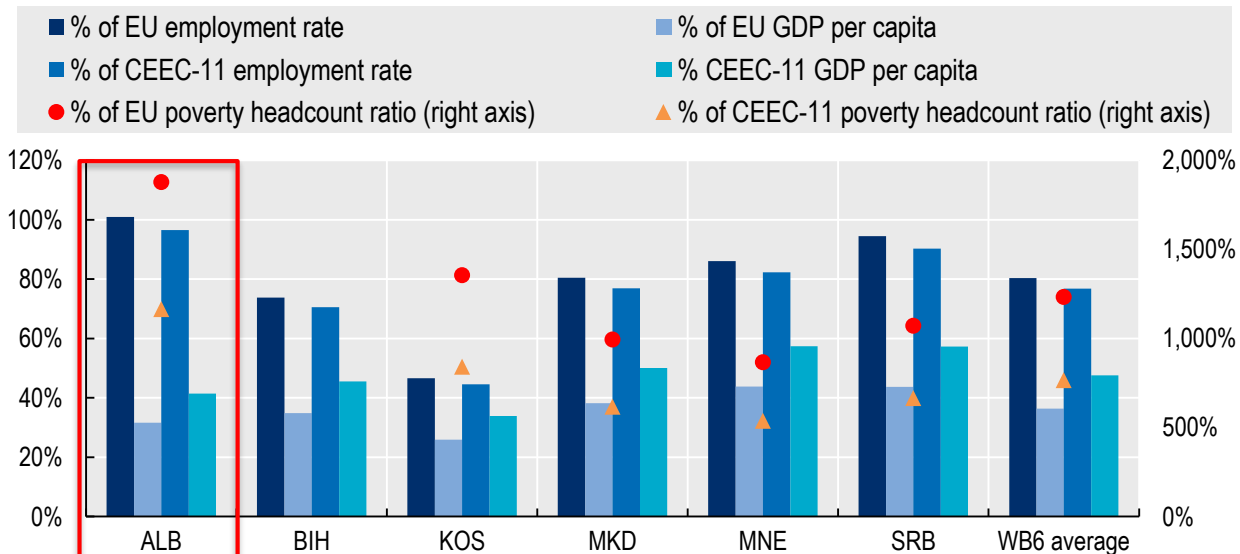


1. Characteristics of Migration – Main drivers



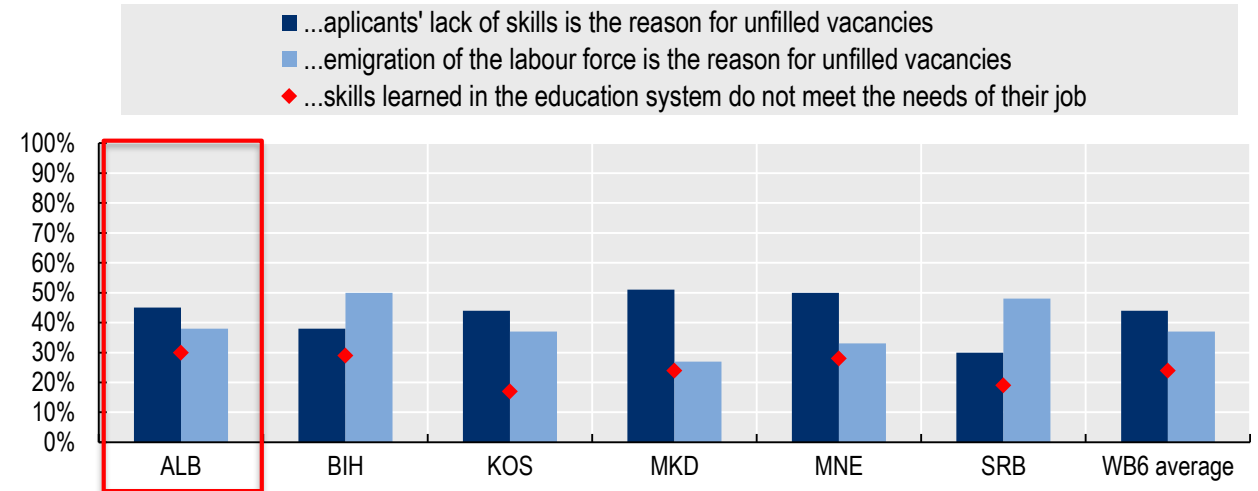
Education systems have difficulties producing needed skills, reinforcing skills mismatches and shortages.

WB6 development gaps as shares of EU and CEEC-11 averages (2020)



Source: World Bank (2021), World Development Indicators

Skills mismatches and labour shortages in the WB6 - % of respondents stating that...



Sources: RCC (2021), Balkan Public Opinion Barometer 2021; Balkan Business Opinion Barometer 2021

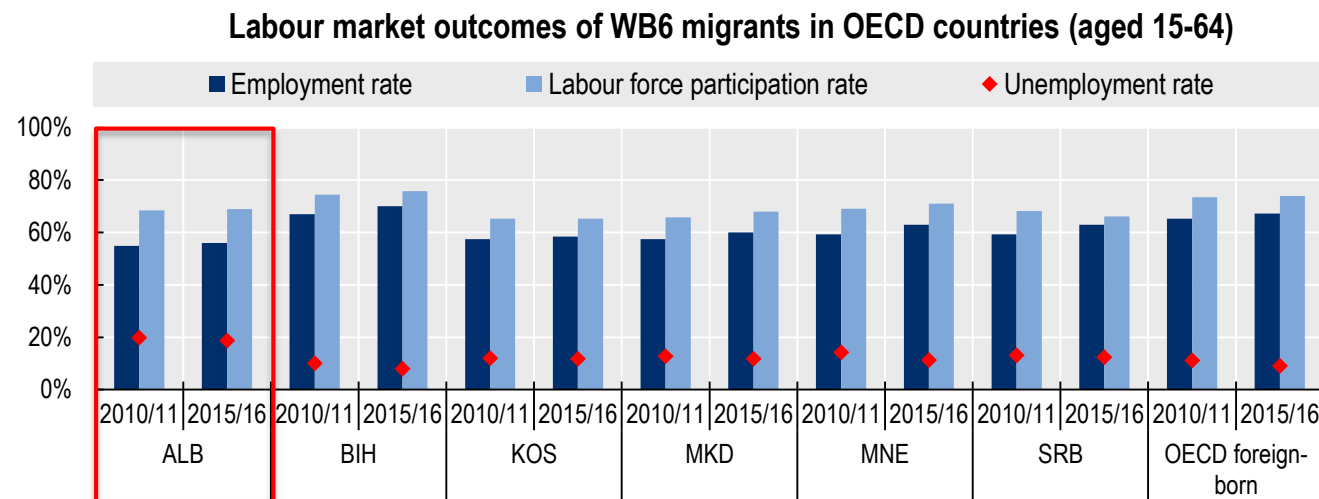
Development gaps with EU and Central Eastern European Countries remain large.



2. Labour Market Outcomes in OECD Countries

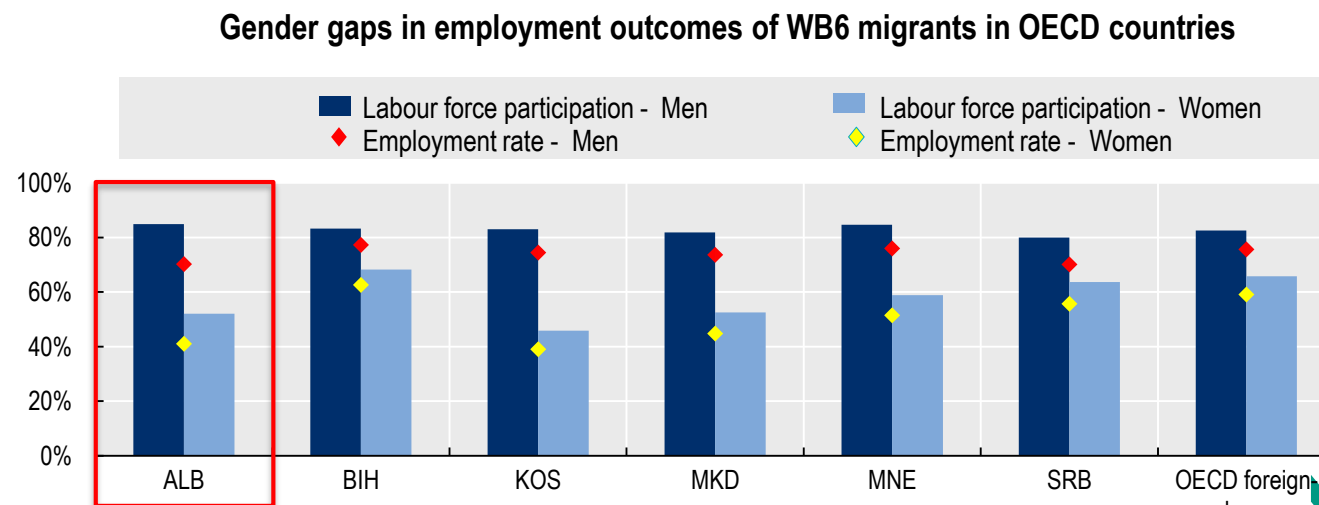


Labour market outcomes of Albanian migrants are worse than average outcomes for WB6 migrants and the foreign-born population in OECD countries.



Source: OECD (2016), DIOC

Gender gaps in employment outcomes of WB6 migrants are significant, and the gaps for Albanian migrants are larger than the WB6 average.



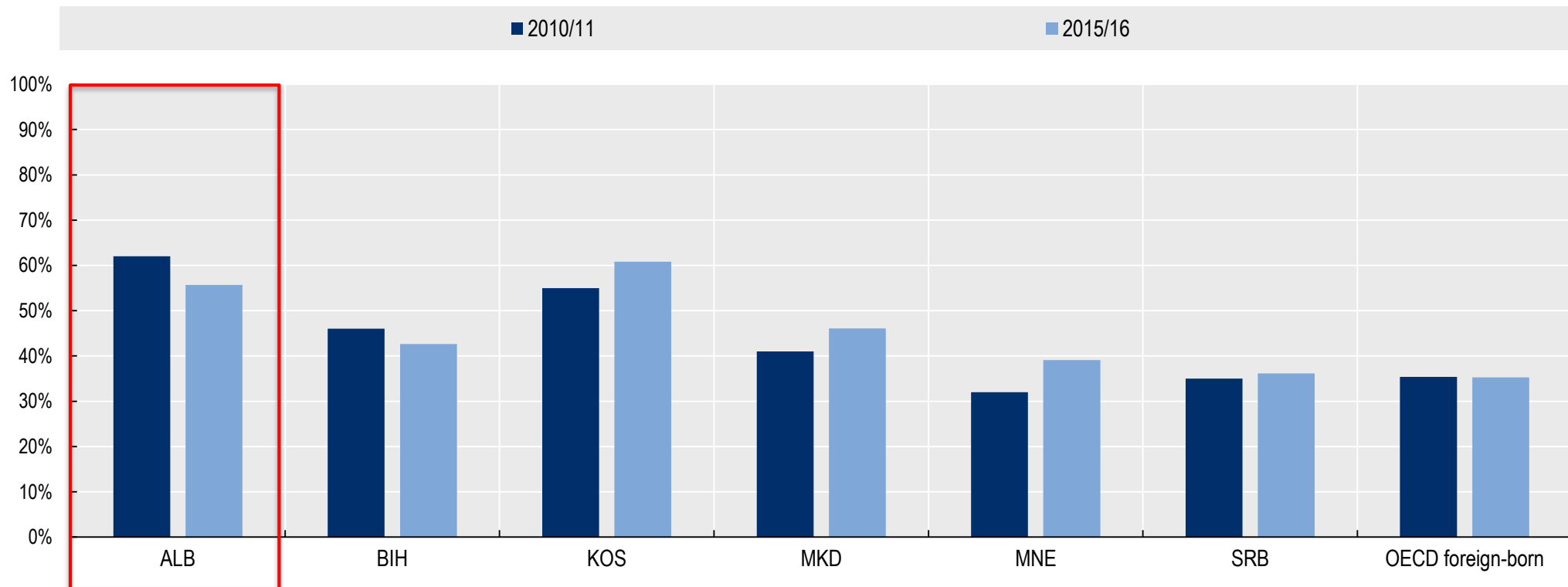
Notre Data for 2015
Source: OECD (2016), DIOC





More than half of highly skilled Albanian migrants are over-qualified for the jobs they do in OECD countries – a share higher than the WB6 average.

Over-qualification rates of WB6 migrants in the OECD area



Note: Overqualified is defined as having tertiary education (ISCED 5-8) and an occupational skill level that is low or medium (ISCO 4-9). Over-qualification is only calculated for highly skilled migrants.

Source: OECD (2016), DIOC.

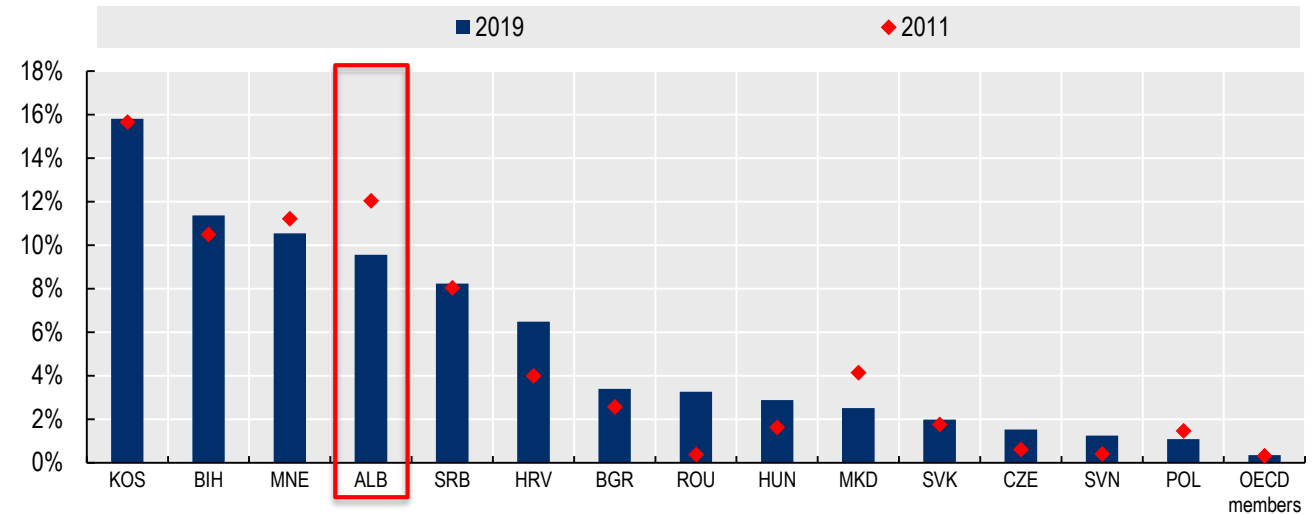


3. Remittances as Income and Investment Source



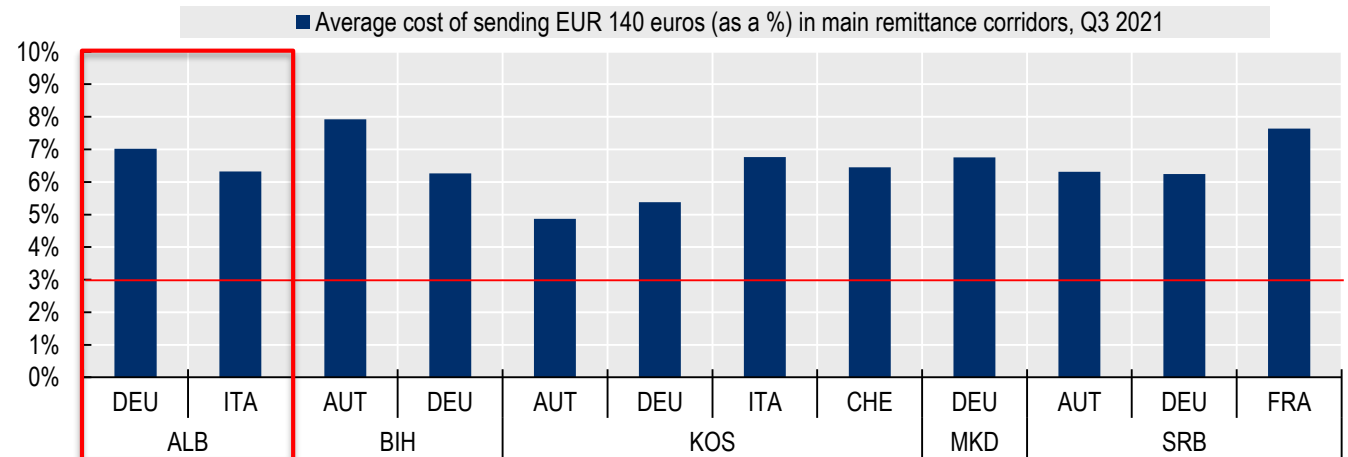
Albania received an estimated 9.6% of its GDP in remittances in 2019, ...

Remittance inflows to WB6 economies and selected CEE countries



Source: World Bank (2021), World Development Indicators

Remittance transfer costs to Western Balkan economies



Note: The line represents the commitment set by Sustainable Development Goal (SDG) 10.c to reduce the transaction cost of remittances to 3%. For Switzerland, the percentage is calculated as the average costs of sending 160 CHF.
 Source: World Bank (2022), World Bank Remittance Price Worldwide Database

...but there are barriers (e.g. high transfer costs) preventing their full investment potential.



4. Migration and Diaspora Policies in Albania



Albania's main migration policy strategy is the **National Strategy on Migration and Action Plan (2019-2022)**.

A strategy for diaspora engagement is also in place: **Albanian Diaspora National Strategy (2021-2025) and Action Plan**.

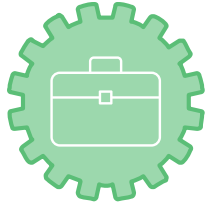
It concentrates on:

- Strengthening and developing relations with the Albanian diaspora
- Attracting investments from the diaspora and formalizing remittances.

However, **the strategic framework can be reinforced** by:

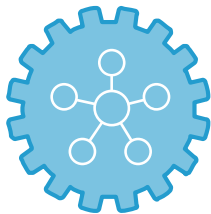
- Developing the institutional framework to support diaspora investment and knowledge transfers
- Reinforcing data collection and support for the better labour market outcomes of Albanian emigrants.





Strengthen the management of labour migration flows and improve the outcomes of labour migrants in destination countries.

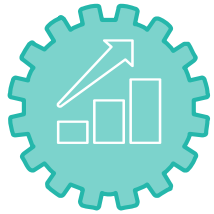
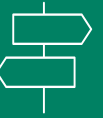
- Reinforce **migration management** by improving institutional co-ordination and boosting migration data collection.
- Support Albanian migrants' **employment outcomes abroad** to **address their relatively high levels of unemployment, inactivity and over-qualification**, by strengthening and harmonising curricula and skills recognition systems, and using partnerships with destination countries.



Alleviate the strength of push factors for emigration.

- Ameliorate the **conditions for living, working and investing** in the Western Balkans by pursuing economic and social reforms.
- Improve **citizens' education and labour market outcomes** by strengthening skills policies and improving employment conditions.





Maximise the development benefits from emigration.

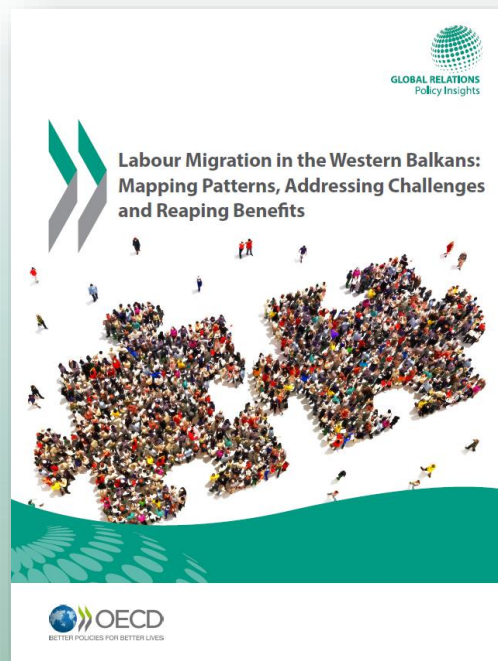
- Develop the **institutional framework** to **support diaspora investment and knowledge transfers** through the creation of dedicated mechanisms and tools and strengthening of institutional capacity.
- Build trust and strengthen the **engagement with the diaspora** by capitalising on the active diaspora associations that already exist.
- Facilitate **emigrants' return and reintegration** into the labour market by providing incentives and simplifying administrative procedures.
- Conduct **regular studies** on the needs of and constraints on households receiving remittances, **to tailor financial services** that can **encourage transfers through regular channels and facilitate remittance investments**.



Thank you for your attention!

For further information, please consult our website:

www.oecd.org/south-east-europe



Find the full publication here: oe.cd/labourmigration

Find the key findings for Albania here: oe.cd/LMALB

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