

# Patterns of Migration and Economic Liberalization in the Balkans<sup>1</sup>

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## **Introduction**

Migration, voluntary and involuntary, both internal and international, has dramatic social, cultural, economic and political ramifications for individuals, families, households, community, and society in both the sending and receiving populations. Currently, migration flows are changing the political, social, and economic map of Europe. The transformation from centrally planned to market oriented economies in the countries of Eastern Europe has led to the largest wave of migration the continent has seen since 1945-46. The sudden freedom to travel and Eastern Europe's economic turmoil and social upheaval caused by transitions to market economies have had implications for the causes, content, and consequences of this migration. The gradual disintegration of the authoritarian system in central and Eastern Europe and its final collapse during 1989-1991 created new conditions for, and new typologies of international migration.

Münz (1995) usefully categorizes migration in Europe into displacement and ethnic cleansing migration, de-colonization migration, post-colonial migration, labor migration, elite migration, and ethnic and political refugee and asylum-seeking migration. The first and last of these categories provide examples of how war and disaster have fused to constitute a "desperation migration," related to explicitly political events. In the 1950s and 1960s large numbers of workers from Southern Europe (Italy, Portugal, Greece, Spain, Turkey, and Yugoslavia) or from newly independent colonies such as Algeria or Indonesia migrated to Western Germany, France, Switzerland, the Netherlands, Belgium, and the Scandinavian countries as these nations experienced postwar reconstruction and industrial expansion. Decolonization and post-colonization labor migration are what turned Western Europe from a continent of emigration into one of immigration in the second half of the twentieth century. In the 1950s and 1960s large numbers of workers from Southern Europe (Italy, Portugal, Greece, Spain, Turkey, and Yugoslavia) or from newly independent colonies such as Algeria or Indonesia migrated to Western Germany, France, Switzerland, the Netherlands, Belgium, and the Scandinavian countries as these nations experienced their postwar reconstruction and industrial expansion. These population movements accelerated in the 1960s, turning the previously homogeneous destination societies into nations with diverse and heterogeneous ethnic immigrant communities (Münz and Ulrich, 1995).

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This trend has continued and expanded in the 1990s with the hitherto migrant-sending countries of Greece and Italy in particular, becoming migrant-receiving countries as migration from the former Soviet bloc, especially Albania, gathered momentum (Papademetriou, 1979; Petrinioti, 1993; Psimmenos, 1995). While Italy has consistently repatriated large numbers of Albanians (Misja, 1996; Hall, 1994), the extensive, porous, poorly guarded land border between Greece and Albania has meant that huge numbers of Albanians now live and work in Greece (mostly illegally) and there is a constant return and circular flow of migrants across the border<sup>2</sup> (Droukas, 1998; Glytsos, 1995; Lianos et al., 1996). Even at this early stage, there are some strong parallels to be drawn between Albanian-Greek and Albanian-Italian migration on the one hand and Mexican-U.S. immigration in terms of migration frequency and duration, migration strategies, and the impact of migration (see Massey et al. 1987; Droukas, 1998; Lazaridis and Romaniszyn, 1998).

This flow of Albanian Muslim<sup>3</sup> migrants into Western Europe is not unprecedented. France and Germany received large numbers of Muslim migrants from Algeria, Morocco, and Turkey throughout the 1960s, 1970s and into the 1980s<sup>4</sup> (Böhning, 1984). The sending countries saw out-migration as a partial solution to their chronic domestic unemployment levels and as a ready source of foreign exchange and wealth creation in the form of migrant remittances. The magnet of higher wages and steady work and the attraction of returning home with their target earnings in hand lured migrants into Western Europe. As Castles puts it, “they were becoming temporary proletarians abroad to avoid permanent proletarianization in their own countries” (Castles, 1986:770).

Substantial and distinct immigrant ethnic sub-populations have emerged in the migrant-receiving countries and the integration, or lack of integration, of these groups has become a highly politicized issue. Increasingly there are calls for increased immigration controls, restricted social programs for immigrants, and even for forcible immigrant repatriation (see Marger, 1992; NY Times, 2001). As relatively homogeneous nations, western European countries lack the

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<sup>2</sup> Current estimates indicate the number of Albanians in Greece at between 400,000 and 600,000 with about 50,000 in Italy. At a minimum, 15% of the population aged 18 and over and 12% of the total population are living abroad (Misja, 1996, Chtouris, 1999).

<sup>3</sup> The initial wave of Albanian migrants to Greece in 1991 was predominantly made up of Orthodox descendents of Greeks from the Iepirous region of Albania bordering Greece. Succeeding waves of immigrants have been overwhelmingly Muslim from throughout Albania.

<sup>4</sup> By the mid 1990s the foreign born proportion of Western Europe’s population had almost quadrupled from 1.3 percent to 4.9 percent (SOPEMI, 1995; Münz, 1995). In specific countries the increase in the proportion foreign-born was even greater: Germany’s foreign born population increased from just over 1 percent in 1950 to 4.9 percent in 1970 and 8.6 percent in 1992, almost two-thirds of whom are from Turkey and Yugoslavia; Switzerland’s foreign-born population was 6.1, 17.4, and 18.0 percent of the total population in 1950, 1971, and 1992 respectively; the Netherlands’ foreign born proportion rose to just over 5 percent in 1992, of whom the largest numbers are from Morocco and Turkey.

historical experience of the U.S. in absorbing large numbers of immigrants. There is a negative “ideology of migration” in Europe in that immigration is not perceived as making a long-term contribution to society (Livi-Bacci, 1993:41). In Germany, for example, the eventual assimilation of the immigrant population, mainly Muslim Turks and Slavs, is not seen as an appropriate societal goal. Very few of Germany’s three million Turks have been afforded citizenship, even those who are second- or third-generation German residents.

With the proposed and anticipated expansion of the European Union to include up to twelve new members from Central and Eastern Europe, the Baltic, Cyprus and possibly Turkey it is critical that we examine and understand the causes, channels, content, and consequences of migration to under conditions of economic liberalism and market transition.

I begin with a brief discussion of the process of economic liberalization in Eastern and Central Europe and a review of the Southern Balkan experience (Albania) in particular. Then I review current theories of migration and describe current trends and patterns of both international and internal migration in Albania. Following a discussion of the centrality of migrant remittances to migration and economic liberalization in Albania, the paper concludes with an explication of what is required empirically to facilitate a comprehensive examination of the relationship between migration and economic liberalization in the southern Balkans.

### **Economic Liberalization and the Transition to a Market Economy**

Europe has been transformed by the downfall of the Soviet Union and the disintegration of communist party rule in Eastern Europe. Within a series of countries, some of them former members of a Soviet bloc, others once part of the Soviet Union itself, a deep process of adjustment has been under way. This epochal process of change has reverberated, within and across the countries of Eastern and central Europe and into the wider world. Successful transition, as neoliberal theory would dictate, demands decisive uprooting and replacement of the old order (a central planning apparatus and massive state ownership, fixed non-convertible currencies, the dominance of an embedded political structure) with liberal reform of elections, political processes, prices and market mechanisms and a comprehensive privatization of land, industry and capital (Sachs and Pistor, 1997; Aslund, 1992, 1995; Hall, 1994). This “shock therapy” or “big bang” provides the impetus and momentum necessary to surmount opposition among entrenched interests and “innocent bystanders” to a radical package of market reform. Neoliberalism theory was dominant in the 1990s and “as long as the universe of experiments is the former Soviet Union and the countries of Eastern Europe, failures of the neoliberal program can be attributed to mistakes of execution,” (Burawoy, 1997:1434).

Burawoy rightly continues that neoliberalism is obsessed with *allocational efficiency* (italics in the original) through the balancing of supply and demand (p. 1435) and its Achilles heel is its inability to include or account for class. Evolutionary economists and sociologists, on the other hand, take the wider and deeper perspective that markets are a necessary but not a sufficient cause of economic development (see for example, Amin and Hausner, 1997). Shock therapy’s destruction of the old order prevents the orderly creation of a modern bourgeoisie.

Rather the “destruction” must be “creative” and must promote a stable social and ideological infrastructure (see below) within which a successful transition can be accomplished. Burawoy further exhorts western social scientists to avoid economic or cultural reductionism and “to reveal the real interests and forces at work in order to expand the horizon of possibilities and decipher the direction of change.” Inspired by this exhortation, this paper draws on this broader based theoretical perspective and incorporates elements of world systems theory, social capital theory and neo-classical economics to examine the complex relationship between migration and the transition to a market economy.

### **Theoretical Perspectives on Migration**

Theories explaining migration have been very comprehensively reviewed and evaluated, conceptually and empirically during the last decade (see Massey et al. 1993, 1994; Taylor et al. 1996; Massey and Espinosa, 1997, Massey 1999). The theoretical perspectives covered in these reviews range from those of neo-classical economics and the new economics of labor migration through segmented labor theory to social capital theory and world systems theory. Essentially, international migration is theorized as being caused by disparities in bi-national wage rates (neo-classical economic theory), the effects of social relations between people (social capital theory), malfunctioning credit, capital, and insurance markets (new economics of migration), industrial societies’ intrinsic demand for immigrant labor (segmented labor market theory), and the disruptive effects of capitalist development which displaces people from traditional livelihoods and forces them onto transnational labor markets (world systems theory).

Research seeking to understand migration at the level of the individual relies heavily on neo-classical micro-economic theory. An individual’s decision to migrate has most often been viewed as a straightforward cost-benefit decision where a migrant's expectation of higher wages at the destination makes the decision to move rational (Harris and Todaro, 1970; Sjaastad, 1962; Todaro, 1969, 1976, 1980). The expected total return is the sum of money returns and psychic benefits accumulated during migration minus the monetary and psychic costs of migration. Todaro (1969, 1976) suggested that migration is a function of origin-destination expected income differences coupled with the likelihood of obtaining a job at the destination. Because of the importance of wages and employment opportunities, the individual perspective turns the study of migration into the categorization of individual characteristics of migrants and the fit of those characteristics with neoclassical microeconomic human capital theory.

Despite recent assertions that the neoclassical theory of migration has been unjustly denounced (Stahl, 1995), it has been strongly criticized in studies that argue that the profound transformation and interaction of social and economic institutions mobilize labor for reasons beyond individual utility maximization (Massey, 1990a, 1993, 1998 1999). The critique rests on the basic idea that individual and structural elements are simultaneously involved in determining human migration patterns and processes. Actors who weigh the costs and benefits of movement inevitably make migration decisions, but these decisions are always made within the specific social and economic environments that are themselves determined by larger structural relations in the political economy (Amin, 1974; Goldscheider, 1987, Massey, 1990a). The immediate socioeconomic context not only helps to determine parameters such as the probability of

employment and the costs of migration, but also affects the way the cost-benefit calculations are framed and conceptualized. In other words, although it may be true that rational decisions of migration are made for maximizing expected returns, these decisions are always constrained by specific local structural conditions. Therefore, a more complete understanding of migration requires a greater emphasis on the integration of migration studies into broader theoretical developments in social structure and social and institutional change (Goldscheider, 1987; Guest, 1989; Wood, 1981). In fact, available evidence suggests that a large share of moves are not volitional but are structural, imposed by conditions beyond the individual's control, most commonly environmental, economic or political dislocations (Frejka, 1996; Homer-Dixon and Blitt, 1998).

Households face life with a fixed short-term set of resources and a set of basic consumption and reproduction needs. The former include land (farmland, real estate, general property), labor (the number, age, and sex of household members), and capital (savings, tools, and other real property) and the latter includes the household's age-sex composition and the family's social and economic aspirations. Households' resources are combined productively to meet the requirements of family maintenance and improvement and migration can be a very effective way of capitalizing on the household's labor power. A household's behavior in allocating workers to different productive pursuits may be viewed as a series of dynamic, flexible strategies that shift as needs and economic conditions change (Mullan et al., 1998).

Since economic conditions in the origin area are quite volatile, and because families in the agrarian sectors usually exist close to the subsistence level, poor households/families face serious risks to their well-being. In addition to the usual risks from drought, crop failure, and natural disasters, the social and economic transformations that occur during development and modernization create a very uncertain and unpredictable economic environment in rural areas. In such conditions, credit, capital, and insurance markets are defective, inaccessible, or absent and people migrate to manage risk and to accumulate capital for consumption and production (Stark and Bloom, 1985; Stark, 1991; Stark and Taylor, 1991). In Eastern Europe the transition from centrally planned to free market economies has been accompanied by a dramatic growth in unemployment, low wages, and higher prices for consumer goods. Living conditions and standards of living have deteriorated (Frejka, 1996). In the absence of other ways to insure against these risks, the migration of household/family members to diverse labor markets serves to reduce the overall risk to household/family income.

Network formation and the getting and spending of social capital are some of the most critical mechanisms supporting cumulative causation in international migration (Myrdal, 1957; Massey et al., 1987; Massey 1990; Massey et al., 1994). Migrant networks consist of institutional networks and interpersonal ties that link migrants, former migrants, and non-migrants in sending communities to specific points of destinations through the bonds of kinship, friendship, and shared community origin (Massey et al., 1987; Massey and Espana, 1987; Massey, 1988, 1990a, 1990b; Massey et al., 1993; Mullan, 1989; MacDonald and MacDonald, 1974). Networks increase the likelihood of movement because they lower the costs of relocation, and, assuming a positive

earnings differential between origin and destination areas, increase the expected net returns to migration. After the first migrants have left, the potential costs of migration are substantially lowered for friends and relatives left behind. Migration networks are constructed gradually as migration expands over time until network connections have diffused so widely in a sending area that all people who wish to migrate can do so without difficulty. Finally, as networks expand and the costs and risks of migration fall, the flow becomes less selective in socioeconomic terms and more representative of the sending community or society.

Beginning with Wallerstein's seminal work of the early 1970s, world systems theorists see the globalization of market forces as responsible for the origins of international migration. Capitalist development and expansion disrupts the existing social, economic, and institutional order and induces wrenching dislocations of people from long-established, time-honored livelihoods into wage-centered, competitive, transnational labor markets (Sassen, 1988; Morawska, 1990). The new economics and world systems theories both see migration as occurring first in areas that are in the midst of economic development. International migration is expected when the small business enterprise sector is growing, where industries account for an escalating share of GDP, and wage-rates, self-employment and female labor participation are increasing.

Among the major consequences of migration are the economic, social, and institutional changes and dislocations experienced in both the sending and receiving societies. The nature, magnitude, frequency/regularity, and impact of migrant remittances on individuals, social aggregates, and institutions are of central importance. Income and wealth distribution in the sending community is affected strongly by migrant remittances (Taylor and Wyatt, 1996). The most frequent use of migrant remittances is for family maintenance, such as the needs of food, clothing, and health (Massey and Parrado, 1994; Massey et al., 1987; Rhoades, 1978). Once physiological needs are met, improving housing conditions and living standards is a priority-spending goal of migrant remittances. Migrant remittances are used to purchase modern merchandise, such as washing machines, televisions, stereos, and so on. In the middle and later stages of migration, a larger proportion of migrant remittances are used in productive investment, particularly creating businesses that lead to local economic development that helps lower pressures for out-migration. However, most businesses depending on migrant remittances are small (Massey and Parrado, 1992; Massey et al., 1987; Rhoades, 1978).

Migrant remittances can also have negative consequences. First, migrant remittances and savings might cause income inequality (Stark, Taylor, and Yitzhaki, 1986) and the redistribution of land, which leads to further out-migration since land in rural destination areas is a very important source of security and prestige. Second, although migrant remittances may improve area of origin economic conditions, they can provoke non-migrants' feeling of relative deprivation, which is a cause for continuous out-migration (Stark, 1984; Stark and Taylor, 1989, 1991). Migrant remittances are of critical importance in the case of Albania and are discussed in detail below.

International migration is far more dynamic and self-reinforcing than has generally been realized and is likely to be most acute during the early phases of transition, economic development

and restructuring. Furthermore, family members within households make migration decisions jointly and local socioeconomic conditions are affected by evolving political, social, economic and institutional structures at local, national and international levels. The theoretical and conceptual complexity of migration requires economic, social, infrastructural, and institutional data at the individual, household, and community levels to facilitate a comprehensive examination of the relationship between international migration and the transition to a market oriented economy.

### **Overview of Economic Liberalization in Albania**

The democratically elected government that assumed office in Albania in April 1992 launched an ambitious economic reform program to halt economic deterioration and put the country on the path toward a market economy. Key elements included price and exchange system liberalization, fiscal consolidation, monetary restraint and a firm incomes policy. These were complemented by a comprehensive package of structural reforms including privatization, enterprise, and financial sector reform, and creation of the legal framework for a market economy and private sector activity. Most prices were liberalized and are now at or near international levels. Most agriculture, state housing, and small industry have been privatized. Progress has continued in the privatization of transport, services, and small and medium enterprises. In 1995, the government began privatizing large state enterprises. Results of Albania's efforts have been encouraging. Led by the agricultural sector, real GDP grew by an estimated 11% in 1993, 8% in 1994, and over 8% in 1995. Most of this growth occurred in the private sector. Annual inflation dropped from 250% in 1991 to single digits, although this has risen again due to continued deficit spending and is now around 17%. The lek stabilized. Albania is no longer dependent on food aid. Farmers' small plots are being intensively cultivated, there are large numbers of new shops in the cities, and rural-to-urban migration is underway. The speed and vigor of private entrepreneurial response to Albania's opening and liberalizing has been better than expected

It is estimated that over 15% of the labor-force, predominantly young males, had left Albania for Greece, Italy and other western European countries by the mid-to-late 1990s (Misja, 1996). The pervasiveness of migration from Albania, its coincidence with the onset of a macroeconomic and structural transition reform program, and the dearth of research on the causes, content, and consequences of this massive migrant outflow makes Albania an excellent case study for research on the individual, institutional, and societal implications of migration. From having practically no international migration, Albania is now very heavily dependent on the remittances from the more than 15% of the population that works abroad, mostly in Greece.

An extremely poor country by European standards, Albania is making the difficult transition to a more open-market economy. Since 1990, after half a century of almost complete communist supported isolation, Albania has faced massive challenges in its process of transition from a command-driven to a democratic and market oriented system (Hall, 1994; Hamilton and Solanki, 1993). Following initial economic disintegration in the very early 1990s, Albania experienced relatively rapid economic growth and increased economic integration into the wider European economy in the period 1993-1995. This progress slowed when the country was swept by a wave of financial and political crises and unrest from 1996-99 and with a per capita GDP of

just under \$1000, Albania also faces the challenges common to many poor developing countries (USAID, 1998; Economist, 2001).

While the mid-1990s were a period of relatively impressive economic growth in Albania, the late 1990s saw the reemergence of internal political, social, and economic strife made more acute through the huge upheaval associated with the NATO-Serbia war of early 1999. Much of the internal dislocation (e.g. increasing unemployment, declines in industrial and agricultural output of 70% and 30% respectively, increasing budget deficits and inflation, a scandal-ridden burgeoning speculative, informal and unregulated “financial” sector) is attributed to infrastructure supply and planning bottlenecks associated with the collapse of the central planning system and to immense disruption associated with the spontaneous mass privatization and fragmentation of land. Inadequate transportation, communication, power, water, and energy systems, weak and opaque legal and judicial institutions and very limited protection of private property ownership rights and procedures have also contributed to Albania’s social and economic difficulties.

Agriculture dominates Albania’s economy and represents 50% of GDP and a similar percentage of employment. The land ownership disputes and associated civil turmoil of the early and mid-1990s made the transition to market economics more difficult and continue to contribute to the general instability of the late 1990s. Some improvements are discernible. External aid agencies have made considerable efforts to assist in increasing agricultural production through credit loans, fertilizer imports, and support of the national farmers’ association. Over 90% of the land has been privatized and legal land ownership certificates and property titles are being issued to individuals, families, and small enterprises through a network of land registration offices. With the buying and selling of land soon to be legally recognized and enforceable, Albania should experience land consolidation and the creation of more economically viable land-holding units but for now property rights and property protection institutions are volatile.

The nascent business enterprise sector is growing and slowly accounting for an increasing share of GDP and employment. Sustaining this growth requires completion of the privatization program, the development of capital markets and a robust financial/banking sector (both commercial and investment). Critically needed foreign investment to accomplish these requirements is slowly being injected into the Albanian economy, and is only now beginning to resume following the uncertainty and turmoil that have followed the NATO-Serbia conflict. In the first days of January 2000 the World Bank announced that it would continue providing credits to support the Albanian economy. During 2000 the World Bank will disburse over \$200 million to Albanian economic restructuring projects and it envisages earmarking up to \$100 million annually. Since 1992, Albania has signed agreements to receive close to \$500 million to be utilized for infrastructure including energy, water supply, forest protection, education and health.

Compounding this economic and social dislocation is Albania’s difficulty in successfully institutionalizing the basic democratic concepts of popular representation, political participation, respected legal structures, basic human rights, and functioning local government bureaucracies and services. Albania has no tradition of decentralized authority and the citizenry has no

experience with autonomous local government administration. Decisions are expected to emanate from Tirana, the capital, and despite recent legislation designed to encourage and enhance local government effectiveness, there is considerable district level resistance to local empowerment and the forces of decentralization (Hall, 1994; Hamilton and Solanki, 1993). The general absence of well-informed citizen participation in political, social, and economic decision making, the barely adequate ability of legal and constitutional systems to support democratic and market reforms, and limited effective, responsive and accountable local government agencies, municipal services, and public administration contribute to Albania's instability and make sustained economic and social progress a difficult process.

The Albanian experience of the 1990s is dramatic evidence that market oriented economies do not evolve naturally and fluidly but rather are socially and culturally constructed. The efficient operation of a market economy requires the construction of both physical infrastructure (transportation, communication, power, water, and energy systems) and a social infrastructure of public and private organizations, government, non-government, economic, social, environmental, and democratic agencies, laws and institutions. Embedded within the creation and functioning of the physical and social infrastructures is an ideological infrastructure of attitudes, ideals, standards, expectations, and cultural practices. The Schumpeterian idea of "creative destruction" captures this notion of the replacement of old infrastructures by new open market ones (see Helmstadter and Perlman, 1996). International migration arises in response to the social, physical, and ideological infrastructure upheavals that accompany the conception, gestation, and birth of market oriented economies.

Albanian workers in the 1990s have been dislodged from a communist system where the State was responsible for finding work for and providing for the welfare of its citizens (see Misja, 1996) into nascent, strife-torn, stressed and struggling market oriented social, political, economic, administrative and institutional infrastructures. Albanians are now at the "mercy of the market" as the old structures are being "creatively destroyed" and the new infrastructures are having serious birthing problems. Because the risk of failures in the emerging infrastructures is great, internal migration, international migration and the consequent remittance of earnings, offers individuals, families, households, and communities a means of protecting themselves against these risks through diversifying their income sources while simultaneously reducing the family or household consumption burden.

Albanians' response has been to migrate, internally from rural Albania to the center of the country and from all regions to Greece and Italy but also to Turkey, Germany, and in still small but rapidly growing numbers to North America, especially Canada. As one observer put it early in 2001:

This is a country where the brightest and best pile into motorboats for the scary trip across the Adriatic to Italy: of the more than 1 million or so Albanians living outside the country, fewer than one-fifth left with valid visas. Grinding poverty is still pervasive: annual GDP is around \$1000 per head, more than a dozen times less than it is in Greece, across the southern border. Roads are dire. [P]ower cuts have been

repeatedly plunging the country into darkness and caused havoc. *The Economist*, February 24<sup>th</sup>, 2001 (p.59)

The *Economist* article from which the above quotation is drawn aptly captures the contemporary social, economic, and political situation in Albania. It goes on to describe the recent political progress that has been made in Albania, the 7% growth rate in the economy this year, the stable currency, and the 2% inflation rate. It also very briefly makes mention of the role of migrant remittances from abroad, where more than a quarter of Albanian's of working age have gone since communism ended a decade ago, in financing a building boom in Tirana.

### **The Centrality of Migrant Remittances to the Albanian Transition**

Of acute relevance to Albania is the issue of migrant remittances from abroad. Albania's limited industrial sector, now less than one-sixth of GDP, has grown only slowly in the mid-to-late 1990s. By some estimates, workers' remittances from Greece and Italy contribute some 20% to GDP and are vital to all aspects of the Albanian economy (Misja, 1996). Income distribution in the sending community is usually affected strongly by remittances. This is especially true when the sending area is predominantly rural, but even in urban areas substantial remittances can increase class differentiation, accelerate or facilitate technological change, stimulate local businesses and commerce, and generally alter production and consumption relations and the division of labor (Bilsborrow, 1984:267). Several crucial concerns have been identified as deserving special attention when studying the impact of remittances (Bilsborrow, 1984:265):

First, net remittances between areas, households, and individuals should be considered as opposed to the usual practice of considering only gross flows in one direction. When a migrant leaves a community she/he will normally take savings out of the community or have the journey financed by a local loan or from family donations and may require continued financial support during the early stage of migration. Gradually this pattern will change and the remittance flows will vary in strength and direction depending on the type of migration involved. Target-income goals are usually associated with return or circular migrants. Remittances from long-term migrants usually begin after a number of years and may not significantly decline with time. Family re-unification migration may mean that family members follow the initial migrant and take family savings, assets and wealth with them. Unsuccessful migrants may remit little or nothing.

Second, the socio-economic effects of remittances are extremely difficult to disentangle. The immediate use to which a specific remitted amount is put can be difficult to identify. Remittances are extremely fungible. Extremely complex motivations underpin remittance generation and receipt, and notions of "use," "intended use," and "actual use," of remittances are difficult to disentangle. Remittances may be distinguished in terms of what was remitted for household consumption, household expenses or investment, and productive investment. Not only is it important to categorize remittances simply in terms of "consumption" or "investment" but we must also assess whether remittances alter patterns of consumption or investment.

Third, there are definitional problems associated with the concept of remittances. A strict definition of remittances as money transfer may omit non-monetary transfers such as goods, gifts and loans. Non-monetary transfers can be as essential for the receiving household as monetary transfers but are difficult to measure and gauge. Fourth, the time period over which remittances should be considered requires careful consideration. There is a positive association between the duration of migration (duration of stay) and the necessity to incorporate a deflationary component into the financial value of the remittance. Also, propensities to remit change with increasing duration of migration. Finally, not all remittances operate at the individual or household level. These traditional kin-based income transfers constitute the most commonly operationalized concept of remittances but the role of migrant associations in collecting money and/or goods to remit back to the sending community for collective social or economic projects can be important. Such collective actions may be ethnically or religious-based. Collective transfers can help alleviate economic or political crises in the sending community or they may be organized as a coordinated development effort. Such actions are especially relevant in societies undergoing the transition to a market-oriented economy.

In summary, transfers to out-migrants, transfers from out-migrants, remittances and return migrants, remittances and in-migrants must all be included in any comprehensive assessment of the role and impact of migration related income and wealth transfers and their relation to the process of transition.

### **Future Research**

There are considerable gaps in our knowledge of this migration response to economic liberalization in the Southern Balkans including: 1) the role of internal migration, internal displacement, transit migration, and trafficking brought about by political upheaval in northern Albania and Macedonia; 2) a paucity of empirical detail on the processes of negotiation and outcome determination concerning the decision to migrate; 3) a similar lack of understanding of the specific strategies of migration adopted by those leaving; 4) an assessment of how this migration has affected individuals and institutions in the migrant sending communities; and 5) an examination of the consequences of the migration for individuals and institutions in the migrant receiving communities.

Migration from Albania and the process of economic liberalization are theorized to be linked together conceptually through the disruptive effects of capitalist development and market transition which displaces individuals and families from traditional livelihoods, malfunctioning credit, capital and insurance markets which are unable to meet demands for capital, and the cumulative creation and diffusion of social networks linking migrants, former migrants, potential migrants, and non-migrants. In the words of one scholar, “[I]nternational migration, in short, does not stem from a lack of economic development, but from development itself,” (Massey, 1998:3). Albania, in the paroxysms of market development presents a unique, if difficult, opportunity to examine this proposition empirically and thus guide researchers and policy makers in understanding the vast social, economic, and institutional changes currently in progress in eastern and central Europe. The transition process can be better understood, assisted, and

evaluated through a comprehensive assessment of the migration arising from and contributing to that process.

For example, figure 1 presents a schematic representation of the multi-level factors influencing the decision to migrate

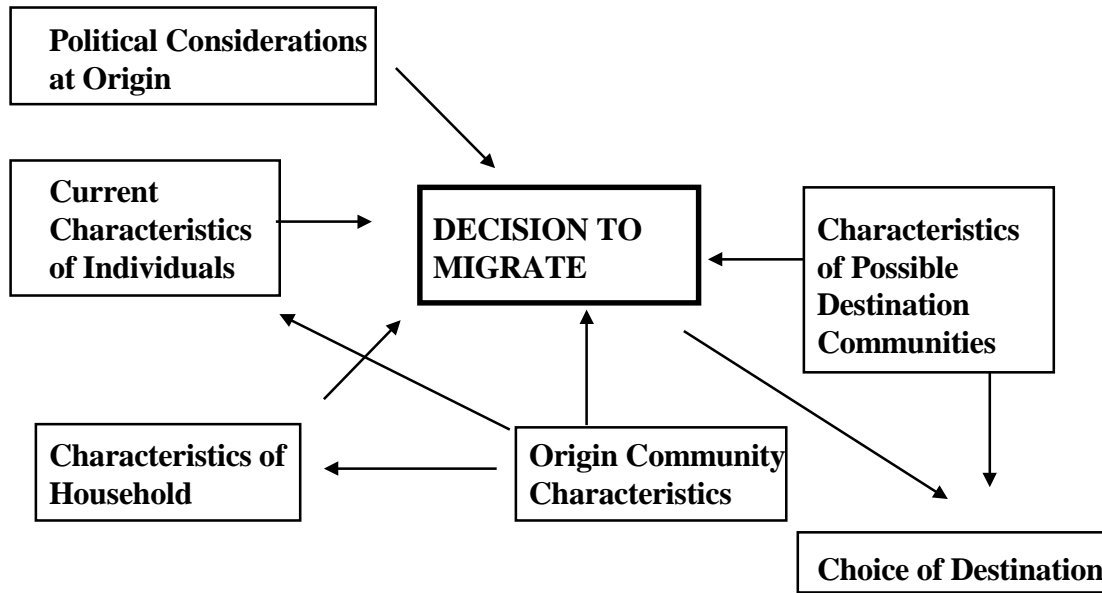


Figure 1. Illustration of Factors Influencing Migration Decisions

Similar schematics will be developed fully and carefully specify the content of migration in Albania and the consequences of migration for the sending/receiving communities for both internal rural to urban migration and international migration. These schematics depict hypothesized directional causal relationships that can be empirically operationalized and tested for validity, reliability, strength, and significance once the proper data has been collected.

## Conclusion

Understanding migration causes, content, and consequences in eastern and central Europe and especially in the Balkans is a critical public policy issue. The International Confederation of Free Trade Unions predicts upwards of 20 million migrant workers seeking economic opportunity and /or “displaced by civil conflict and environmental degradation” (Platt, 2001: 33). The United nations has addressed this issue in a recent report on replacement migration which discusses the implications of the shrinking and aging of the populations of the industrialized world. Replacement migration will become a critical mechanism for industrialized countries to avoid weakening their social security/pension/entitlement programs and simultaneously maintain economic growth. Migration will increase as both the push factors emphasized in this paper and the pull factors of labor demand in the west are intensified. The countries of Western Europe and North America must reconcile their need for foreign workers with their current restrictive

migration policies. Similarly, policy makers must not ignore the human rights dimension. Workers protection is currently covered under such rather feeble and outmoded conventions such as the International Labour Organization's 1949 Migration for Employment Convention. This and similar documents were created in an era of state sponsored immigration and they are totally inadequate for today's realities of illegal, undocumented, circular, temporary, and transit migration<sup>5</sup>.

The conditions attached to being a guest-worker in western Europe in the 1950s and 1960s very specifically listed the recruitment, working, living and legal requirements and expectations of the participants in those programs<sup>6</sup>. The bilateral labor agreements between agents in the receiving and sending countries spelled out the conditions and rules governing labor recruitment. Agents of recruitment (commissions, labor brokers, or receiving countries' labor ministries) were responsible for selecting the most suitable applicants and for regulating the immigration flow. As one source notes, "such agreements provided for selection procedures, transportation, housing, placement, wage and social benefits, transfer of savings and, in general, the various rights and obligations of the parties to the work contract" (Papademetriou, 1988:347).

Work and residence permits were issued to each worker initially for one year and then through periodic renewal, usually for several years, and it was through the issuing, renewing, and curtailing of these permits that the immigration flow was regulated. In those countries which maintained guest-worker programs through the 1950s and 1960s, so great was the demand for labor that many states eventually had to grant significant improvements to the initially very limited guest-workers rights and contract provisions in terms of more freedom for occupational or industry mobility, longer-term stay, and family reunification (Platt, 2001).

The early 1970s constitute a clear dividing line in European immigration patterns and regulation during the last 50 years. After the energy crisis of the early 1970s and the subsequent increases in unemployment and the onset of economic recession in western Europe, immigration was severely curtailed by restrictive measures imposed by Britain, France, Germany, Switzerland, and the Netherlands to prevent any exacerbation of the worsening economic situation. Only skilled workers, the families of immigrants already in these countries, and refugees gained regularized admittance after about 1974. However, this sharp curtailment of the guest-worker programs failed to have the desired effect of reducing, stopping, and reversing the immigration flow because the process of immigration once initiated generates its own cumulative causation and momentum (Massey, 1988). The guest-worker programs provided the initial

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<sup>5</sup> For a brief, introductory discussion of international agreements and conventions covering migrants rights, including ILO and UN conventions and the migrant workers' convention (MWC) see Platt, 2001.

<sup>6</sup> The major bilateral agreements were between France and Algeria, Spain, Portugal, Yugoslavia, and Turkey, between Germany and Greece, Italy, Morocco, Portugal, Spain, Tunisia, and Yugoslavia, between Switzerland and Italy, and between the Netherlands and Greece, Italy, Morocco, Portugal, Spain, Turkey, Tunisia, and Yugoslavia (Castles et al. 1984; Castles, 1986).

momentum for mass immigration and the immigrants' intention of temporary stay gradually gave way to more long term settlement in the face of the reality of integration, reduced desire to return home, and the arrival of immediate family members.

Although the guest-worker programs had all been officially abandoned by 1974, entry of dependents and family of guest-workers did continue. In the Netherlands, for example, 80,000 dependents of guest-workers had arrived by 1977, and in Germany guest-workers from Turkey brought in large numbers of immediate family in the late 1970s and early 1980s. Immigration regulation did not have the desired effect and the guest-worker programs resulted in many countries of Western Europe have large, permanent immigrant populations. The social foundations of immigration are impervious to externally imposed regulations and controls and once a critical threshold of mass migration has been reached, government regulations will have little impact on what has become a self-perpetuating dynamic social process.

Because of the post-1950 immigration, ethnic patterns in western Europe are beginning to converge on those of the U.S. Substantial and distinct ethnic sub-populations have emerged in Britain, France, Germany, The Netherlands, and Switzerland and now in Italy and Greece. The integration, or lack of integration, of these groups has become a highly politicized issue. Increasingly there are calls for increased immigration controls, restricted social programs for immigrants, and even for immigrant repatriation (NY Times, 2001). But yet the complicated processes, motivations, and strategies underlying this immigration are poorly understood.

As relatively homogeneous nations, western European countries lack the historical experience of the U.S. in absorbing large numbers of immigrants. There is a negative "ideology of migration" in Europe in that immigration is not perceived as making a long-term contribution to society (Livi-Bacci, 1993:41; NY Times, 2001; Platt, 2001). In contrast, part of the enduring myth of the U.S. is its self-perceived image as a "nation of immigrants" and despite nativist clamor to close the doors, overall immigration is probably viewed favorably. In Germany the eventual assimilation of the immigrant population, mainly Turks and Yugoslavs, is not seen as an appropriate societal goal. Very few of Germany's three million Turks have been afforded citizenship, even those who are second- or third-generation German residents. No notion of eventual social integration was inherent in western Europe's temporary worker regulation, the native culture is the dominant culture and completely defines nationality and feelings of belonging.

Changing such entrenched anti-immigrant sentiments and policies, while a desirable economic policy objective for the west, faces considerable political resistance. The southern Balkans case study is an ideal vehicle for applying our hard-earned knowledge and understanding of the conceptual complexities underlying migration as it initiates, develops, and persists.