

## Labor market opportunities and immigration flow

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### Abstract:

*The main purpose of the study is to explore the opportunities of the labor market offered to youth population in Albanian leading to reasons for leaving the country. The study is exploratory in nature based on the database of Census 2011, Instat and Eurostat data and aiming to deepen the reason why young generation of labor force consider immigration as the best option for them. The problem of this research study lays into a psychological screen based on data and statistics regarding labor market as the key reason why Albanian youths massively leave the country. Results' show that labor market is seen more like a destine situation rather than an attraction. Insecurity for the stable job, low wages mismatching skills towards education, lack of recruitment and selection procedures to be hired, and lack of labor market policies for the youth make them feel stressed and raise their hope out of their native country. On the other hand loss of human capital, depopulation of the country of origin, exposure to social impact of immigration are causes towards a further disturbed psychological health of the individual. This study concludes in recommendations regarding labor market policy, further support of institutions regarding budget and bureaucracy for a better access of job and opportunities from the private and public sector and for more innovative work and hiring procedures.*

**Key words:** labor market, immigration, mismatching skills, recruitment and selection procedures, young population, human

capital, education, private and public sector, disturbed psychological health.

## **INTRODUCTION:**

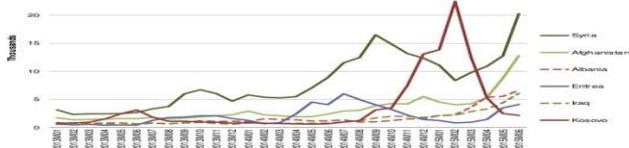
The main purpose of the study is to explore the reasons the opportunities of the labor market for Albanian youth to leave the country. The study is exploratory in nature and seeks to deepen the reasons why young people of the labor force consider international migration as the best option for them. The study of immigration is rooted in many disciplines such as ethnicity, anthropology, but this article lags into a psychological consideration because of the psychologists screen of the work/labor market as one of the reasons why young generation of Albania massively leave the country. Mismatching skills towards education, lack of recruitment and selection procedures to be hired, low wages and lack of labor market policies for the youth population make them feel stressed and stimulates them hope out of their native country.

### **Overview of Albanian international migration situation**

Albania is considered from EU countries to be sending the biggest number of young international migrants from Europe. International migration is “the movement of persons who leave their country of origin, or the country of habitual residence to establish themselves either permanently or temporarily in another country or when an international frontier is crossed”. This definition taken from the Vocabulary of the International Migration Organization (IOM, 2007) gives the idea of the move, of an action which during all the history of humankind has been a process accompanying people and their change. Migration Policy Institute (B. Kosta, 2004) has divided the Albanian history of international migration into three stages: first is the early outflow of emigrants before 1944, secondly the Diaspora referring to the people who left Albania during the

communist regime in 1945-1990, and the significant flow from 1990 continuing nowadays. The actual migration is considered from the strategies of national employment and skills 2014-2020 “Higher skills and better jobs for all women and men” as mobility for employment abroad, justified to be present in Albania as a phenomenon existing in every society and linked with the human nature itself, with the rhythm of economic development and Albanian’s geographical proximity to countries with higher level of standards and development. In the same line it is even the Reintegration Strategy for Albanian citizens. Institutions claim to create opportunities through the people themselves and not everything to the state and its institutions. Moreover the actual pre-negotiation stage of Albania creates opportunity to benefit from the access to markets of the Member states where workforce can have trainings and further qualification to reach the “desired employment”. In a chronological order the stages of immigration are significantly related to the change that politics and the social circumstances are viciously interrelated. Although there are different stages and time periods they have one thing in common: people are moving in search of work aiming for a better life. The phenomena of international migration is worldwide but what makes the case of Albania so special is the fact that it never stops happening probably because of the lack of stability regarding economy and work which are considered to be the existence issues Albanians are still troubling for. Data regarding the origin of international migrants according to the OECD International Migration outlook 2015 (Ch. Dumonte, 2015) and the refugee crises puts Albanian international migration aside to Syria, Afghanistan and Iraq alarming us about the situation of migrants and/or migrant returnees.

 The number of asylum seekers from Syria, Afghanistan, Albania and Iraq has increased dramatically since April



Recorded as a country with transitioned economy Albania is not either one of the preferable countries for immigration.

## **LABOR MARKET A SITUATION OR ATTRACTION**

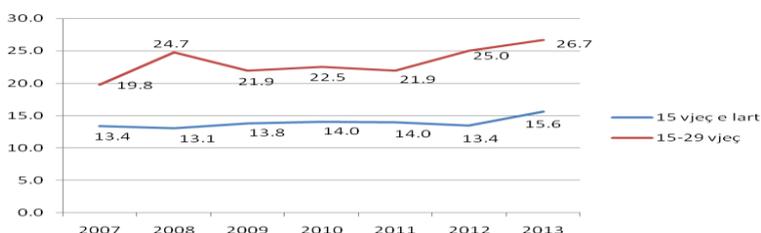
Whether Albanians migrate internationally for reasons that have to do with work or other reasons such as foreigner attraction of the other countries or for qualification, data collected from Census 2011 the first and only Census survey done to the Albanian population in the country, has shown that the main reason of migration is work. Leaving the country means challenging oneself across time and opportunities, actually not every migrant succeeds in finding the job and life predicted. Thus, the situation of migrants returning back to Albania mainly from EU countries shows that returned migrants have come back because of the lack of work in the EU destination countries. <sup>1</sup>Data shows that the increase of Albanians coming back from Italy and Greece is also clearly visible. To link the economic situation as the reason for returning, data also includes return migration from Germany, the country less affected by the economic crisis but rather affected from refugee flow and bureaucracy in treating and employing informal migrant employees and it was noted that the number of Albanians returning from Germany had remained stable over time.

It is rather sensitive that the young generation considered as the reflection of hope, innovation and motivation for the native country is hit from unemployment making this target group

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<sup>1</sup>[http://www.instat.gov.al/media/242045/migration\\_in\\_albania.pdf](http://www.instat.gov.al/media/242045/migration_in_albania.pdf)

more prone to international migration. The unemployment rate of young ages from 15 until 29 years old during 2011-2013 because of the high unemployment rate of youngsters. The unemployment rate for the youngsters is shown in the <sup>2</sup>graphic below:



Referring to the Labor Force Survey the unemployment rate during 2013-2014 divided into four trimesters of the year shows that the unemployment rate is rather high even for the adult ages. In all age categories it is shown that unemployment implies roughly males rather than females. This explains why the male population has the highest rate of migration compared with female population. At this point it should be taken into consideration even the gender orientation of the migration policies of the origin countries of international migration. When referring to the payment motivation regarding all working forces registered in Albania during 2010-2013 data shows that there is a negative balance of the chances to get a job and salary satisfaction. If the real salary change during 2010-2013 has been from 3-3.4-5.2-2, for the last two years payment change did not have positive records. In many cases data regarding Albanians international migration has not been clear because of the self-presentation of Albanians citizens as Albanians from Kosovo (IOM and ISOP, 2008). That is why many of the data in this research article has been received from Instat and Eurostat reports and surveys.

<sup>2</sup>[http://www.instat.gov.al/media/242045/migration\\_in\\_albania.pdf](http://www.instat.gov.al/media/242045/migration_in_albania.pdf)

## **LOSS OF HUMAN CAPITAL AND LEAVE OF YOUNG GENERATION. LABOR MARKET PROBLEM?**

The agendas of migration policy seem to be one of the most budgeted from many international organizations located in Albania but not only. The attention of the migration policy and its issue seems to have a particular focus from the governmental institutions such as the Ministry of Social affairs, the Ministry of foreign affairs, however yet is nothing seen regarding measures to prohibit the loss of the young generation crossing the Albanian borders because of the need to work and secure their life. For better understanding the risks posed by young international migration would allow our institutions to address more effectively the domestic policy concerns and raise the platform of supporting youth throughout their demands to find themselves work.

In the psychological context work is not only a place which produces payment for the worker, but it even exposes ones' personality, skills and affects the emotional wellbeing. With the climate of raised unemployment for the young generation we are growing a society with negative trends leading to depressed state of mind referring to limits in every aspect of life. According to the comparative study (Bartlett and Arandarenko, 2012) did for the Balkan countries (excepting Albania and Bosnia and Herzegovina) they examined the labor market opportunities these country offered to the population who could get a job versus the skills the unemployed people had. They argued that for as long as new technologies require new skills there are identified huge gaps of soft skills like communication, working in groups, team work and entrepreneurial attitudes for the transition Balkan countries (Masson and Fensi, 2008). They show that "the increase in demand for the generic skills has reflected the decline of manufacturing and growth of new service sectors". What is to be stressed out is the concept of skills mismatch seen as incomplete or lacked skills for the unemployed population to

make possible a new job, which tends to be more and more persistent. There is highly recommended to improve the skills and generate new techniques of gaining skills. It is not only needed to create vacant jobs and new opportunities of work, but the need to gain new skills comes as an important issue for the policy makers and for the education system in order to tail the proper skills and competences for the employee to make them possible forces for the competing labor market.

According to Eurostat reports youth employment over the four past years “can only be described as a cataclysmic failure on behalf of decision-makers with regards to youth people”. Long term unemployment can have a profound impact on the personal development of the youth population. Eurostat data regarding the unemployment youth of Western Balkans notes that half of young people are out of work in many areas. The considered European failure regarding youth unemployment and in career development in medium or even long term is considered to last in Europe for the next 20 years affecting economic social and psychological instability. The interaction (Angrist and Kugler, 2003) between labor market institutions and the effect of immigration it is estimated that the restricted labor market brings to native job losses in the country increasing the negative immigration effects. The authors claim that policy measurements on native countries such as restrictive economic measures can play an important role for the natives but on the other hand firing costs (because of changing personnel), high replacement rates, rigid wages may negatively aggravate the equilibrium of the natives and raise the chances for immigration.

What can be seen from the international migration figures it is the change of the rate of people who choose to immigrate: if during 1990-2000 there were many professional people who left Albania to immigrate, nowadays we can see that the range of people immigrating is especially young. Albanian youths have inherited from the prohibited conditions of their parents the desire to get a good education, which in

most cases is reflected in the number of university degrees and masters young generation takes in our days. But regarding the way they can use their university degrees to get a job and make themselves a future they almost fail. The <sup>3</sup>mismatch between university curricula and the proper skills required during job seeking or when hired in a job creates a huge gap questioning themselves whether they can afford themselves a life in the future or not. However being young in Europe is one of the advantages that one person from all over the globe can have in life, but on the other hand the chances and conditions offered to the youths to create life are still. Eurostat reports and statistics show that in 2013, “the EU-28 employment rate for persons aged 15–29 stood at 46 %. However, an analysis by age group delivers a more nuanced image of the labor situation of young people. In 2013, 32 % of young Europeans aged 15–24 were employed, while the employment rate among young Europeans aged 25–29 stood at 71 %”. This worry should belong not only to Europeans making European labor strategy but even to the institutions of our country by surveying the phenomena and making good policies to reduce the number of young unemployed. However a good analyze should be taken to get to know whether the young generation migrates because of the ideal concepts and the ideal image of life abroad or because of the media perception of better economic and social opportunities overseas. The proper mirror of life overseas should have been seen even from the visa liberalization process, and in fact it has had some impact, but not long term effect. The migration phenomena of Albanians moving with their families can alter the facts by saying that the economic conditions are stimulating people to sell everything and hopelessly leave the country. Should our institutions sensibly make these people aware of the impossible dreams they have raised in their hopeful blue moon minds, or should we only

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<sup>3</sup>[http://ec.europa.eu/eurostat/statisticsexplained/index.php/Being\\_young\\_in\\_Europe\\_today\\_-\\_labour\\_market\\_access\\_and\\_participation](http://ec.europa.eu/eurostat/statisticsexplained/index.php/Being_young_in_Europe_today_-_labour_market_access_and_participation).

speak using statistics and analyzing the social and psychosocial effects of the phenomenon?

The theory of human capital argues that the individual workers are just like consumers who choose how many shirts or goods to buy and it is assumed that they are free to move from one place to another searching for opportunities to be hired from capitalists to the point at which the productivity of the worker offsets the wage which the capitalist has to lay out. In one study committed to investigate the relationship between social integration and psychological distress in immigrants in Oslo, Norway, with focus on gender differences. Studies have shown an increased prevalence of psychological distress among immigrants from eastern countries (Africa, Asia, East-Europe), meanwhile international immigrants coming from western countries have registered the same prevalence as the Norwegian born people. Analysis showed that among non-western immigrants the lack of paid employment, negative life events, lack of social support and a feeling of powerlessness were important explanatory factors for both men and women, whereas denial of jobs and past traumatic experiences was stronger associated with psychological distress in men, whereas older age, living without a partner and experiencing denial of housing seemed more important in women. Male population from the east was found to suffer mental health problems more than female population, phenomena traditionally linked with the social integration challenges of man abroad. This issue should be taken into consideration for job opportunity policies and migrant social integration too.

Migration process in either way affects the migrant's origin country in a various forms bringing changes in labor market as well as changes in productivity inducing ongoing shocks and responses affecting labor resource availability and productivity. Migration might even lead to depopulation or more often to massive departure of labor with specific levels and types of skills which at least in the short-run may have severe adverse effects on the stock of human resources. All the

changes in the labor market affect development. On the other hand remittances sent from migrants to their families serving as a positive way of raising expenditures for their relatives has many times shocked the principles of work for many other people who could get a job and run the economy on their own. Productivity changes and reduce of the desire to work because of income coming from migrants (especially youngsters) has channeled the limits between laziness and endeavors of getting a job highly considered as a transfer of responsibility. The cycle model of migration presents the growth (or development of a country) as the sum of labor supply changes, productivity effects and transfer effects. The loss of human resources bringing depopulation of the country/place of origin is noted in Albania along with the transfer of the intellectual property causing brain drain commonly considered as one of the most negative effects of international migration from the perspective of country development. "On the one hand, there has been accelerating demand for skilled workers in developed economies experiencing labor shortages. On the other hand, better wages and employment conditions, better information, recruitment, and cheaper transportation are encouraging skilled migrants to seek jobs in developed economies" (Lowell and Findlay, 2001). Bad practice must be avoided and there should be established better practices regarding the employment of young population. The American Psychology Association (APA, 2002) stresses the fact that in the current anti-immigrant climate, phenomena like xenophobia and discrimination significantly impact the lives of immigrants. Relevant studies suggest that immigrants may not experience more mental illness or psychological distress than non-immigrants (Alegría, Canino, Stinson, and Grant, 2006). Moreover the high prevalence of mental problems including anxiety, depression, post-trauma are much more linked to the immigration experience itself because of family separation, exposure to a new environment. Alarm is raised from ILO regarding the trend of violation to work for

immigrants: “migrant workers who borrow money from third parties face an increased risk of being in forced labor.”

What OECD countries do for reducing the phenomena of migration because of labor is recognizing the problem and addressing thee from strategies to consequent actions. The concept of “lifetime employability” referred to could be done through education and qualification related to the market requests and encouragement of skilled people. The Action Plan for Youth launched to assess the skills, and employability of the youth in the country of origin brining to strategy is an optimal practice but the products of which should be reflected in raised hope and responsibility from youth. On the other hand formal institutions should lead the public and private sector to easier terms of employability such as recruitment and training as precondition for employability of the youth. Referring to the study of INSTAT (2013), 2000 Albanian citizens who had migrated abroad and returned to Albania either voluntary or involuntary were interviewed for their status of reintegration in Albania and they declared that The three main pull factors for emigration were: Lack of employment (71.8%), followed by better job opportunities (67.7%) and better income prospects (64.7%). Even though not at a higher percentage, family reunification is a reason for migration for 16.3 % of the respondents and for 43.8 % of the females. The general insecurity in the country is also perceived by 8.8 % respondents as a push factor for emigration.

## **CONCLUSIONS:**

The research study consisting in data and reports regarding immigration scenarios of young Albanians presents the phenomena happening in terms of lack of job opportunities, but not only. Lack of job stability, low wages, lack of recruitment,

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<sup>4</sup><http://www.ilo.org/global/topics/fair-recruitment/lang--en/index.htm>

training and qualification for a new job are reasons for making the image of a new life abroad accelerating chances for a better life and a better management of human capital. Facts and figures reporting the move of young Albanians as an attraction abroad are no longer part of the Albanian international migration, but focus on job opportunities and a more stable job and economy. The picture asks for a serious consideration of the phenomena not only under the economists point of view but even on a psychological consideration taking present the psychological impact immigration has towards the immigrants and the family natives bringing to depopulation, family and social problems. Bringing together all the strategies and reports international organizations do in the name of migration, risk and support, all national strategies and recommendations for policies, my recommendations should not only focus on policies but even on practical considerations regarding the individual of today as a person lacking job and being tomorrow prone to immigration. Shall this lead to problem solving? Further studies regarding the psychological and mental health of the immigrant in the process of migration and forward and reasons leading to would better help to support the lack of employment issues.

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