

Remittances in Albania

(Country of Origin)

- **General information**

Albania has a territorial extension of 28,748 km² and a population of 3,582,205, 50.2% of which are women. The urban population is 44.6%. According to the Human Development Report of 2000, 60% of the population believes that the family situation is very difficult, 23% believes it is difficult and 17% believes it is good (1). According to the CESS Report (August 2003) (2), it is estimated that during the next 12 years there will be 600,000 international migrants, equivalent to 17% of the present population. In other words, it is calculated that an average of 50,000 persons plan to migrate annually. According to the same source, 13.2% long-term migrants are women. The three main destination countries for migratory flows from Albania are Greece (41%), Italy (30%) and Macedonia (11%).

- **Gender**

Development index relating to gender (rank)	59/177
Development index relating to gender (index)	0.780
Gender inequality in education (female literacy rate as a % of the male rate), 2004	100%
Female economic activity rate (% between 15 years and more), 2004	49.4%

Source: UNDP, <http://hdr.undp.org/hdr2006/statistics/countries/>

Regardless of the early entrance of women to the labour market in comparison to men, the report of the INSTAT (3) based on the 2001 census, highlights that the unemployment rate of women in Albania is higher than men's and that this gap increases with age. Their unemployment is explained for the most part due to their social reproduction labor, domestic workload, marriage and their participation in economic non-remunerated sectors.

As explained in the report "Gender perspectives in Albania", the 2001 census (INSTAT) (4), Albania has a patrilineal and patriarchal tradition in the sense that it is the father who exercises authority. This model differentiates from the Albanian socialist model in the sense that the State promoted equal opportunities between men and women in education and labour market, while culturally, the woman was responsible for caring the home and should contribute to domestic work more than men. The authors provide a historical analysis of the changes in gender relations after the fall of the socialist regime. They explain that after the socialist era, women have increased their level of education but have lost in terms of access to the labour market, quantitatively as well as qualitatively. At the same time, they have had to assume more the roles for caring, due to the loss of quality in public services. Comparing the case of Albania to other countries in East Europe, the authors are pessimistic about the possibility of converting the

improvement in education into improvement of women’s social, market and decision-making participation.

- **Countries sending remittances to Albania**

According to World Bank (5) estimates, 40.5% of the remittances received by Albania originate from Greece, 34.4% from Italy, and 6.9% from Macedonia. The CESS (2003) (6) estimates that most of the remittances arrive in Albania through informal channels.

- **Evolution of remittances**

According to the Bank of Albania the volume of remittances went from 377.9 million Dollars to 631.5 million Dollars between 1994 and 2002, representing an increase of 67% in eight years, as can be observed in the following chart:

The banking system and emigrants’ remittances

	1994	1995	1996	1997	1998	1999	2000	2001	2002
Remittances	377.9	384.6	499.6	266.9	452.3	368.1	530	614.9	631.5
Remittances transferred through the banking system and other agencies (in million USD)	28.3	59.5	60.0	83.6	113.7	89.08	162.8	243.8	282.3
In % against the total remittances	7.5	15.5	12.0	31.3	25.1	24.1	30.7	39.3	39.3

Source: Bank of Albania, 2003 in CESS, The encouragement of social-economic development in relation to the growth of the role of the remittances, 2003

- **Albania’s income on account of remittances and in comparison to other income received by the country**

According to the CESS report (2003) (7), remittances are a macroeconomic balance factor for Albania as well as a poverty reducing factor in homes. Remittances represent twice of national exports. In 2002, they represented 191.2% of imports and 55% of the commercial deficit. In 2001, they were equal to 15.1% of the gross domestic product (GDP).

- **Characteristics of remittance-receiving households**

According to the CESS report (August 2003) (8) concerning a survey carried out in January 2003 on the total of migrants –all destination countries included- the ethnic composition of long-term migrants is of 93% Albanian, 3.7% Greek, 2.3% Aromanians and 1% Romanians. Concerning

religious tendencies, 59.2% are Muslim, 24.6% are Christians, 9.5% Catholic, and 6.2% do not belong to any religion. The privilege of all Greek, Macedonian, and Aromanian communities of migrating legally allows them to improve their living conditions. This is not the case of the Romanians which is the most marginalized community in Albania. The aforementioned shows that there exist differences in the destiny of remittances depending on ethnic origin.

(1) UNDP Tirana, Albania Human Development Report 2000, 2000

(2) Center for Economic and Social Studies (CESS), The encouragement of social-economic development in relation to the growth of the role of the remittances, Final draft, Research Report commissioned by UNDP and Soros Foundation, August 2003

(3) INSTAT, Population and Housing Census, 2001

(4) INSTAT, Population and Housing Census, 2001

(5) World Bank, "South-South Migration and Remittances," Development Prospects Group, (www.worldbank.org/prospects/migrationandremittances).

(6) Ibid

(7) Ibid

(8) Ibid