

Measuring immigrants' perception of opportunities to invest in Albania

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Abstract. *Objective: The main objective of this work lies in the creation of a useful instrument to help: (i) scientific research and research in the field of migration and (ii) improving the decision-making of public institutions and cooperation in this field. Through this study, we seek to investigate the current perception of immigrants in relation to the country of origin. Method: An online questionnaire is used to measure the opinion and perception of representatives of Albanian immigrants regarding the factors that encourage or hinder them to contribute to Albania. This survey analysis aims to address the needs of the immigration community regarding the best practices they can offer by their involvement in the economic and social development of the country as well as the identification of obstacles for optimal engagement. Results: The main results regarding the factors that have induced the Albanians to leave the country are: (i) Lack of security and stability (ii) Poor living conditions and (iii) Corruption. These factors categorize migrants as not only economic migrants who leave the country for economic reasons only. Family and personal reasons is the main factor that can make the immigrants return, followed by the improvement of the situation in Albania, having secure employment and/or opening a business. These are signals for the central and local government to design, approve and implement real policies that can attract investments from immigrants. Originality: The study is done based on a questionnaire drafted from the authors. In order to draft the questionnaire, the authors did a literature review and current situation fact check.*

Keywords: *immigrants, investments opportunities, country of origin, measuring perception, online survey*

JEL classification: *F21, F22, F24.*

1. Introduction

Emigration is a phenomenon that has accompanied Albania since the 90s. During these 34 years, there have been several phases of mass emigration for various reasons and factors. However, looking and based at the high level of remittances different authors say that Albanians have been relatively closely connected to their country of origin. During the first decade, remittances played a key role, mainly financing the consumption of families in the country of origin. Over the next two decades, the approach of immigrants has changed. We have early immigrants who have lost ties with their country of origin, but also immigrants who continue to finance consumption and even invest in Albania. We also have a wave of young immigrants, mainly from the last decade, who are looking to settle abroad in order to have a better quality of life for themselves and their children.

This decrease of the active labor force abroad has influenced the reduction of productivity, increasing costs of firms finding qualified labor, costs in production, reduction of consumptions etc. In the case when you cannot stop people from leaving abroad, you should take measures to attract them to invest or return. The encouragement to invest in the country will increase their profits, but also

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contribute positively to the country of origin through financial contribution, transfer of new technologies, transfer of better management skills, increase in the quality of human capital, etc.

We developed an online survey targeting the Albanians who live abroad to get their opinion and perception about the current situation in Albania and their willingness to invest in their home country. The main objective of this work lies in the creation of a useful instrument to help: (i) scientific research and research in the field of migration and (ii) improving the decision-making of public institutions and cooperation in this field. After gathering the information from the survey, we processed the data and got interesting finding which are presented in this paper work.

2. Literature review

Migrants play a significant role in increasing economic links between their home and the countries where they are located. The main and the direct link is through remittances. They contribute to improve the life of the poor families, to finance healthcare, to repay a debt, to secure a loan, to finance the consumption of goods and services OECD (2017). Topxhiu, Xhelili (2016) stated that in the long-term, this reliance may contribute to the increase of inflation. A better use of remittances according to Ceessay et al. (2019) will be the investment of the money in different sectors or in starting their own businesses in their home country.

The concept of “brain drain” widely known in migration literature must be overcome by the skills and experience of diaspora members’ that the country of origin can attract through different policies. According to the study of Agunias and Newland (2012), small and poor countries find it difficult to compete in the global market for skills, but may persuade skilled emigrants who can contribute financially through investing or mentoring, teaching and applying best practices from the developed countries. Migrants can also facilitate their home countries’ integration into the global economy. They can contribute in connecting countries of origin to potential foreign investors and lobby in their destination countries for more favorable trade and labor flows (Agunias and Newland, 2012). In business activities between their countries of origin and destination, diasporas have been instrumental in developing export markets and other trade ties, supply chains and technology transfer mechanisms (OECD, 2017).

Migrants or diaspora investors are less averse to political risks and economic shocks than foreign investors. The presence of these investments can also attract non-resident foreign investments. Egresi and Bodocan (2021) conclude that Diaspora investments can contribute to smoothing out issues between countries. Some of the factors that may influence a member of the diaspora to invest in his home country are: nationality, education, necessity, available alternatives, level of prosperity, and family setting. Members of the diaspora can more easily identify business opportunities in their home countries and identify products or services from host countries that could be used to take advantage of these opportunities. An interesting point of view is that of Nkongolo-Bakenda and Chrysostome (2013), which consider that the level of investments depends on the level of altruistic motivation, the need for social recognition, entrepreneurial opportunities, as well friendliness and receptivity of the home country and friendliness of the host country.

Besides factors that motivate diaspora entrepreneurs to invest in their homeland, researchers have also identified a number of constraining factors which may negatively influence their decision to invest. Among these, especially in developing countries, Okpara and Wynn (2007) mention: lack of (access to) financial resources, too little management experience, poverty of the environment, inadequate laws and regulations, adverse economic conditions, lack of infrastructure, corruption, and weak demand for products and services. Another study by Newland and Tanaka (2010) found the following constraining factors for investments from migrants to home countries: weak economy, weak governance, corruption, public institutions that are not functioning very well, no adequate access to finance, unfavorable perception of entrepreneurship, and insufficient human and social capital.

3. Data and methodology

The main objective of the paper is to investigate what is the current perception of immigrants in relation to the country of origin. Is it a good idea to invest in the country of origin? In order to answer

the question and to identify the factors that encourage or hinder the investment of immigrants in the home country we designed an online survey.

The online survey is a process that was developed in several stages such as: database definition, questionnaire techniques, final questionnaire design³, online distribution, database cleaning, survey analysis and database creation. The survey analysis aimed to address the needs of immigration and Diaspora community regarding the best practices they can offer in their involvement in the economic and social development of the country as well as the identification of obstacles that prevent optimal engagement. The questionnaire allowed to measure and give the perception of immigrant communities regarding the policies undertaken in the homeland to support the potential of the Diaspora, especially the economic, social, and "know how" transfer. Also, in this questionnaire it is intended to measure the perception and opinion of the participants regarding the advantages and disadvantages of their contribution to the homeland.

After the questionnaire was prepared, it was distributed in Google Form format, where it is noted that its purpose and its inputs will be used for research purposes only. data collection and processing took place⁴. Other sources were used (networks and personal contacts, Facebook and LinkedIn groups, etc.), or other techniques (such as the snowball technique) to achieve as many of the objectives set for the target groups as possible. The questionnaire was addressed to Albanians (entrepreneurs, employed, self-employed) living and working in the Diaspora⁵. The creation of the database is important as it is intended to highlight the opinion and perception of the participants as well as the findings related to the differences in opinion of Albanians living in different countries or even continents.

4. Research results and comments

The survey was distributed electronically to a sample of 200 people. About 75 percent of respondents are employed and 25% are entrepreneurs. The table below provides information on the general characteristics of the respondents.

Table 1. General information on survey respondents

| Employed/ Entrepreneurs | Residence before immigration | Actual residence | Gender |
|------------------------------------|---|---------------------------------|---------------------|
| 75% employed | 20% from North Albania | 63% in Europe including UK | 55% women and girls |
| 25% entrepreneurs | 35 % of Middle Albania | 28% in USA | 45% men and boys |
| | 45% from South Albania | 9% on different other countries | |

Source: authors' calculation.

It can be seen from the data, that a quarter of the answers were given by entrepreneurs who have their own businesses in the countries where they actually live. This fact helped us to draw conclusions about the policies that are implemented/should be implemented by the government to encourage the diaspora to invest in Albania or even consider returning. 63 percent of the respondents are resident in Europe, mostly in Germany, Italy, Greece and the United Kingdom. Regarding other countries, the United States of America dominates with 28 percent of responses and 9 percent are resident in different other countries in the world.

In terms of gender, 55 percent of the individuals who responded are women and girls, and from those, only 17 percent are self-employed or have their own businesses. Men and boys count 45 percent of the respondents and 36 percent of them are self-employed or have their own businesses.

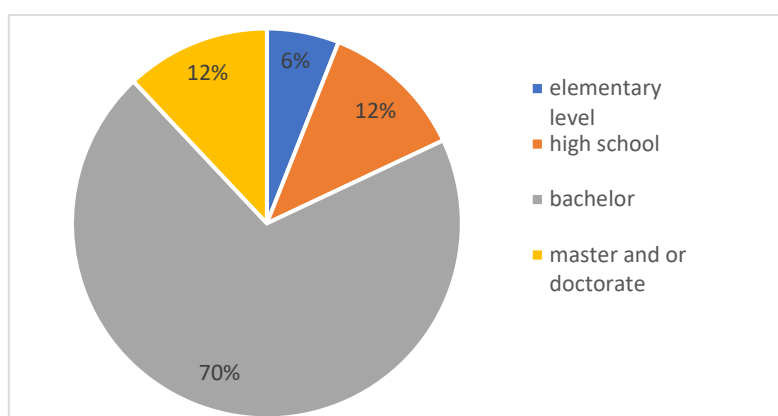
³ Gëdeshi & King (2018), and Barjaba (2019) studies helped us in designing the final questionnaires.

⁴ In addition to the explanation of the program "UT-Kërkim, Ekselencë dhe Inovacion" 2021, and the project financed by this program "Emigrimi afatgjatë dhe kontributi i tij në progresin ekonomik dhe social të vendit", at the introduction part of the survey is clearly stated that "The data and answers provided do not require identification and will be used responsibly and confidentially only for the aforementioned purpose. When filling out the questionnaire, please provide as accurate data as possible.

⁵ Based on the data of INSTAT, the emigrants in 2022 where 46,460 (<https://www.instat.gov.al/al/temat/treguesit-demografik%C3%AB-dhe-social%C3%AB/migrimi-dhe-integrimi-i-migrant%C3%ABve/#tab2>)

Most of the respondents of this survey have a bachelor degree (nearly 70 percent) and a master's degree and/or doctorate (12 percent). Only 6 percent have an 8-year school education. The work profiles are diverse and from the answers we figure out that immigrants have been able to integrate into the countries they have migrated and find themselves in all sectors of the economy. There are employees in the public sector and even in the police forces, in the private sector as masters in craftwork, service workers in various sectors, in academia, freelancers and entrepreneurs in various sectors of the economy. In summary it can be said that the professions are masters in the construction sector, lecturers, engineers, sellers, employed in the banking sector or even in various financial intermediaries, employed in the pre-university education system (educators or teachers), airport employees, accountants and tax specialists or economists, journalists, diplomats and entrepreneurs and managers of their own business.

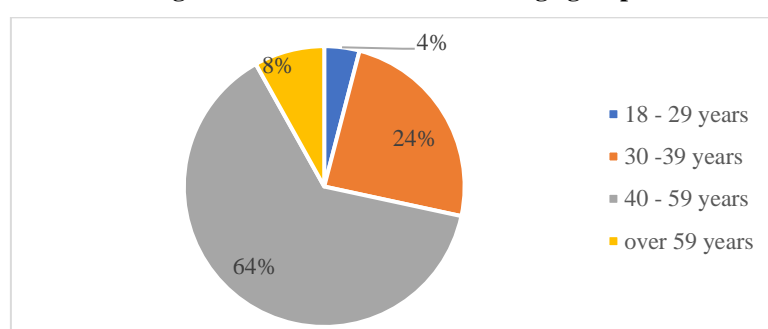
Figure 1. Education level



Source: authors' calculation.

In terms of sectors, they are employed or operate in Education (pre-university and higher) and Scientific Research, Construction, Services, Financial Institutions, Academy, Chemical Industry, Real Estate, Furnishing, Renovation, Cafe and Restaurant, Telecommunication and Transport, Manufacturing Industry, Aviation, Garment Industry, Order and Security, Media, Tourism Sector, Health, Trade, Retail and International Organization. This diverse composition also shows the variety of knowledge and experiences that can be brought to Albania through their investments or contribution.

Figure 2. The distribution of the age groups



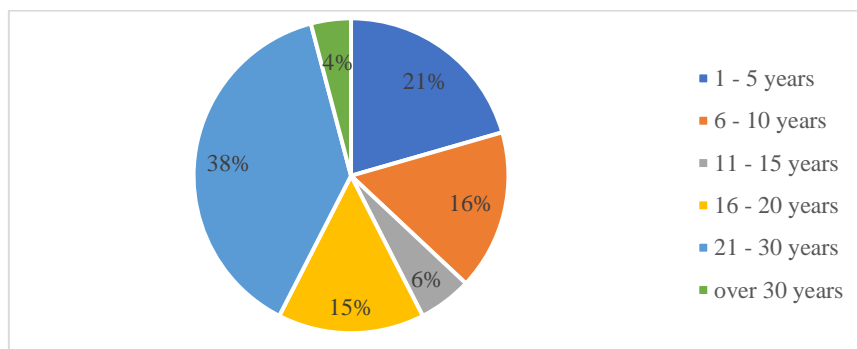
Source: authors' calculation.

As shown in Figure 2, 64 percent of the respondents are between 40 to 59 years old. Meanwhile, 24 percent belong to the 30 - 39 age group. As it can be seen from the figure above, most of the respondents are over 30 years old.

The next figure shows the years of living and working abroad. About 41 percent of the respondents live and work abroad for more than 20 years. 15 percent live and work from 16 to 20 years. Nearly the same percentage is that of the persons who live abroad from 11 to 15 years. The percentage of respondents that have 5 years or less of living and working abroad is 21 percent, which coincides with the increased number of Albanians who want to leave the country in recent years.

Also, the distribution of the respondents regarding the level of operation of the companies or institutions where they are employed, is as it follows: 42 percent work in companies that operate at the national level, 23 percent work in companies that operate at the local level and 35 percent at companies/institutions that operate at the international level.

Figure 3. Years of living and working abroad

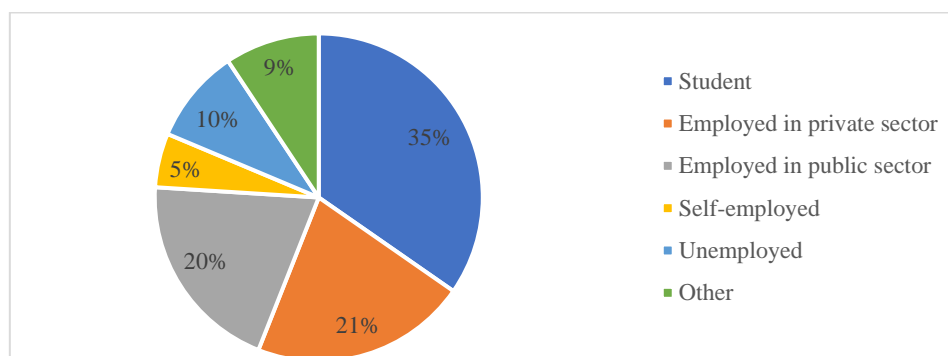


Source: authors' calculation.

Migration and factors affecting its rate

The objective for this part of the questionnaire is to identify the reasons that induced Albanians to leave the country and the reasons that will urge them back. Thus, 97 percent of the people who responded lived part of their life in Albania, while almost 50 percent of them emigrated in the period 1990-2005 and 27 percent of them emigrated after 2015. These figures confirm the trends that have been analyzed in other studies, but the level of emigration after 2015 is very worrying. As it is emphasized above most of the people who live and work abroad from 21-30 years have emigrated in the period 1990 – 2005.

Figure 4. Distribution of activities realized in Albania before migrating



Source: authors' calculation.

Most of the emigrants were students before emigrating. The percentage of the respondents which have been employed either in the public or private sector is nearly the same. Despite the fact that 50 percent have emigrated between 1990 and 2015, only 10 percent declare that they were unemployed before emigrating, while 9 answers are evasive. 74 percent of immigrants have a foreign citizenship and this includes almost the entire age group of 40 - 59 years old.

Regarding the income they had before emigration, 60 percent had income less than 50,000 ALL (500 €)⁶ per month, 18 percent had more than 50,000 ALL (500 €) but less than 100,000 ALL (1000 €) and 14 percent had income more than 100,000 ALL (1000 €) but less than 500,000 ALL (5000 €) per month. The information given from these data is interesting. Lack of financial resources is one of the factors that push people to leave the country. But this is not the only factor.

⁶ Using the exchange rate of June 2024 1€= 100.4 ALL

Interesting findings come out when the respondents are asked about the source of income before they immigrate. No response identified employment in the agricultural sector. 63 percent of those who responded identified employment (private or public sector), 12 percent identified self-employment, 7 percent identified that they lived only by using remittances and about 18 percent identified other sources. As expected, because it is proved that remittances are important for the economy of the country (Meyer & Shera, 2017), about 62 percent of respondents continue to send income to family members. Of these, 18 percent make monthly transfers and about 58 percent of them make transfers once every 6 months or once a year. These findings confirm the stage in which the emigration of Albanians is, where they think to leaving abroad as a family. This also reduces the frequency of sending money. The most used money transfer channels are non-banking financial institutions (like MoneyGram or Western Union) and in person. Only 15 percent choose to bring money through family members. These channels are mostly used because of the high commissions applied by the banking system. When asked about the factors that induced them to leave and about the factors that may encourage them to return, the answers are consistent.

Table 2. Factors influencing the decisions to leave/return in Albania

| Factors pushing for leaving Albania | Percentage | Factors that pull (attract) people to return in Albania | Percentage |
|--|-------------------|--|-------------------|
| Unemployment | 7% | Personal reasons | 23% |
| Wages and prices | 9% | Unutilized resources on business | 6% |
| Taxation | 6% | Infrastructure improvement | 8% |
| Living conditions | 15% | Improvement of social and economic welfare | 20% |
| Corruption | 10% | Unable to integrate in labor market abroad | 1% |
| High education quality | 8% | A 100% ability to get employed | 11% |
| Lack of investment in R&D | 7% | Realization of professional objectives | 8% |
| Healthcare problems | 8% | Opportunity to use capacities build abroad | 10% |
| Lack of safety and stability | 21% | Desire of investing in Albania | 11% |
| Others | 9% | Others | 2% |

Source: authors' calculation.

The factors that were mostly chosen as reasons for leaving are: (i) Lack of security and stability (ii) Bad living conditions and (iii) Corruption. These factors prove that Albanians cannot be categorized only as economic immigrants who leave the country for economic reasons. The main reason is that they do not feel safe for their lives or even for their children. A considerable number of answers also received "other" alternatives, but without defining the other factors.

Regarding the factors that can bring them back to the country, it is clear from the table above that the first place is occupied by family and personal reasons. The second most important factor is the improvement of the situation in Albania, which more or less coincides with the main factor identified as the driving force for Albanians to flee. It is interesting to see that having secure employment, opening a business and the possibility of investment have a relatively large weight in the decision of Albanians to return. These are signals for the central and local government to design, approve and implement real policies that can attract investments of Albanian immigrants in Albania.

Regardless of the factors that will encourage immigrants to return, 90 percent of the respondents do not think of returning to Albania and 38 percent of them categorically state that they will not return. Their answer is 'Absolutely No'. In other words, 1 in 3 emigrants has declared that they do not think of returning to Albania at all. The rest are less emphatic as they say No but it doesn't exclude any possible returning. Of the 10 percent who consider returning, only half of them intend to return within 2 years.

When it comes to the question of how did they choose a foreign country to live, most of the respondents have emigrated and settled in countries where (i) they had relatives who had settled there before (ii) they knew the language of the country they went to (iii) it was a country with high living standards and (iv) countries with supportive policies for immigrants.

Investments in Albania and possible return

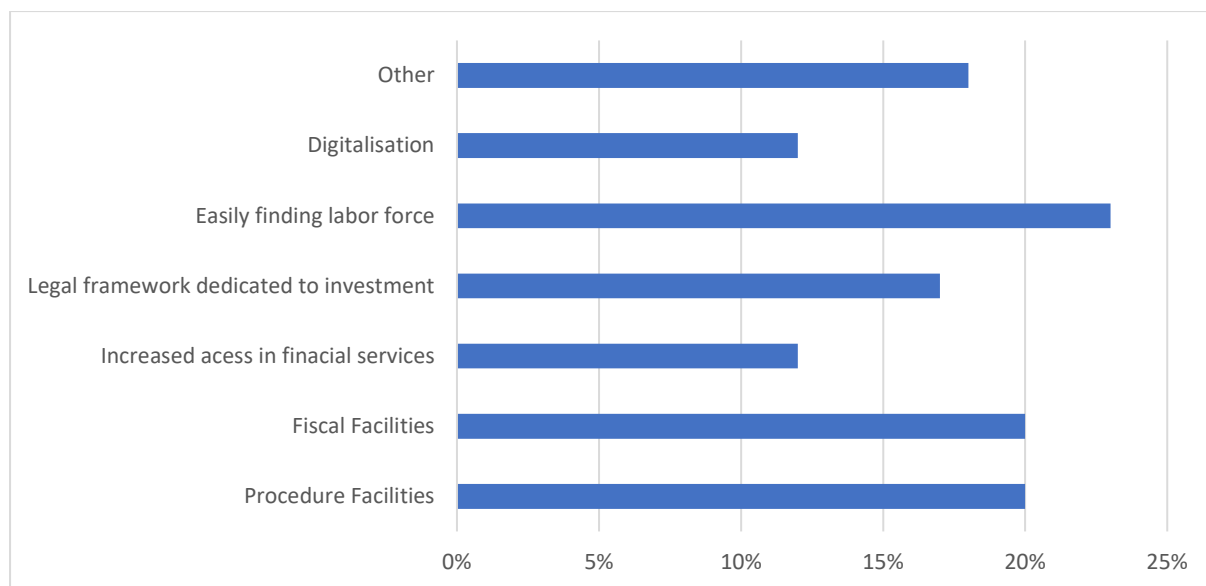
In this third part of the questionnaire, the objective was to evaluate and obtain information regarding the perception of Albanians living abroad regarding investment opportunities in their country and their interests in investing in specific sectors of the economy. When asked to give their opinion about the future of Albania, 52 percent say that the future is not promising and 48 percent see it as promising. This result should be an incentive for the government to design and implement policies that make the majority of Albanians living abroad see the country's future as promising. This recommendation is also confirmed by the answers given from the respondents, where 95 percent of the answers call the intervention of the government with policies to facilitate their return to Albania, very necessary. They have identified some specific policies. Among the most requested are:

- Creation of facilitating conditions in doing business
- Employment opportunities
- Improving the quality of public education
- Improving the quality of health services
- Financial support (through grants)

Although 48 percent of the respondents see Albania's situation as promising, when asked if they have invested in Albania, 70 percent of the answers are negative. This may look like a contradiction, but there may also be other influencing factors. This conclusion is confirmed by the answers to the following question 'If you haven't invested, do you think about investing?', where 56 percent answered "No". Even though 96 percent of them think that the future is promising in Albania, it is not enough for them to consider investing in their home country. About 68 percent of the respondents declared that they have a lot of information or enough information about investment opportunities in Albania, but only 30 percent of the nearly half of the respondents have invested in Albania. They have invested in sectors such as: Real Estate, Energy, Agriculture, Construction, Trade, Hotel Guest House and Restaurant, Mask Production, Publishing, Textile and Culinary Export Trade. Real estate is the sector where 50 percent of these investments are directed. This is also confirmed from the answers given about the investment value. This is because only 5 answers give an investment value higher than 200,000 Euros. As it can be seen the investments in other sectors are very few.

Regarding the progress of the investment, 54 percent of them are neutral about the success of their investment, 12 percent say that their investment has been somehow successful, 15 percent consider the investment unsuccessful. Interesting is the fact that 19 percent did not respond at all, even though they said that they invested in Albania. Regarding the reasons they have for investing in Albania, the chart below gives their ranking.

Figure 5. The main reasons that influence the decision to invest or not in Albania



Source: authors' calculation

Figure 5 highlights the reasons diaspora members had for investing in Albania. Thus, the most important are: (i) the opportunity to find labor force, (ii) procedural facilities, (iii) fiscal facilities. An important factor here is the answer “Others”, which indicates that there are other elements that are more related to individuals and their personal decisions, rather than the government policies in facilitating investments.

The answers regarding the main official channels where they can get information about investment opportunities in Albania are discouraging as some of them say they have no information at all. Meanwhile, some of them state that they get their information from main media websites, websites of national institutions such as Ministry of Interior, Ministry of Foreign Affairs, Municipality, Diaspora Business Chamber, AIDA, National Registering Center, Chamber of Business, Ministry of Diaspora of Kosovo, social network and family.

5. Conclusions

The conclusions that derive from the analysis of the studied sample help to create a useful instrument for further scientific research and research in the field of migration and for improving the decision-making of public institutions and cooperation in this field.

The answers of the survey show that the immigrants are integrated in the countries where they are settled, finding themselves in different sectors of the economy. However, there are differences in the adaption of the women and girls and men and boys. The last ones represent 45 percent of the survey participants, but 36 percent of them are entrepreneurs or have their own business, whereas the percentage of girls and women who run their own business is 17 percent. Important information comes from the sectors they are hired for, like construction, services, trade, financial system, education and research, chemical industry, etc. This diverse composition also shows the variety of knowledge and experiences that can be brought to Albania through investments.

Most of the respondents have migrated between the years 1990 – 2005, but also 27 percent of them have migrated after 2015. This is a considerable figure taking into account that there are three decades from the beginning of the transition process. This conclusion is also in line with other studies that also require measurements taken by the government because this level of migration in recent years is very worrying. The low level of wages is the main factor among the respondents, where 60 percent of them had wages lower than 500€ Economic issues have always been an inducing factor to emigrate, but the ranking of the factors that influenced their migration showed interesting results. The lack of safety and stability and living conditions were ranked in the first places, which are mainly linked to the recent wave of migration.

It's a fact that 62 percent of the respondents continue to send income to their families and 58 percent of them make monthly transfers. This finding also coincides with the findings of similar studies where it is emphasized that Albanians intend to leave the country as a family, which reduces the frequency of sending money. In terms of transferring money, most use non-banks financial institutions, or in person by themselves or relatives. This data can be a signal for the second level banks, that if they want to be involved in this service, they should become more attractive with the services they offer and/or reduce the transfer commissions.

Meanwhile, the main factors that can contribute to their returning in the origin country are family and personal reasons. In second place is the improvement of the situation in Albania, which more or less coincides with the main factor that is identified as the driving force for Albanians to flee. Looking at the data, immigrants are not optimistic about the future of the country and 90% of them do not think of returning. They would return if a number of conditions were met. One of the conditions they demand is the improvement of living conditions and the implementation of supportive policies by the government.

Although the results are interesting, there are still limits to the research. The biggest challenge we faced was the difficulty in contacting or receiving responses from the individuals we reached out to. Another issue was the very low level of interest among the contacted individuals in completing the survey.

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Authors' contribution: *"Introduction, O.M.; Literature review, O.M, A.V.; Data and methodology, A.V, O.M; Research results and comments, O.M, A.V.; Conclusion, A.V, O.M."*

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