

## CONTENT

- I. CONTEXT
- II. ALBANIA
- III. MACEDONIA
- CONCLUSION
- POLICY RESPONSES
  - POLICY RECOMMENDATIONS

# POLICY BRIEF

## "Migration and Development in Albania and Macedonia: the effects of migration and of remittances on education and health of family members left behind"

Albanian Centre for Socio-Economic Research, Tirana

Analytica, Skopje

25 August 2013, Skopje/Tirana<sup>1</sup>

---

<sup>1</sup> This Policy Brief has been written based on the results of the research project on the "effects of remittances on education and health of family members left behind", conducted in the framework of the Regional Research Promotion Programme in the Western Balkans (RRPP), which is run by the University of Fribourg upon a mandate of the Swiss Agency for Development and Cooperation SDC, Federal Department of Foreign Affairs. The views expressed in this report are those of the authors representing the implementing organizations ACSER (<http://www.acser-albania.org>) and Analytica (<http://analyticamk.org>) and do not necessarily represent opinions of the SDC and the University of Fribourg and neither views of other organizations the authors are affiliated with. Please address any correspondence to: Ana Stojilovska, Analytica think tank, e-mail: [astojilovska@analyticamk.org](mailto:astojilovska@analyticamk.org).



## *Migration and Development in Albania and Macedonia: the effects of remittances on education and health of family members left behind*

### I. CONTEXT

Albania and Macedonia as traditionally migrant sending countries have experienced unprecedented migration and the end of this process is not in sight, it continues unabated. Emigration is reshaping Albania and Macedonia affecting local politics, economies and priorities, including the education and health of the family members left behind.

As regards the effect of migration and remittances on education and health outcomes, the focus on Albania and Macedonia is crucial as there has been year on year low schooling and low health outputs in both of these countries. Children's school attendance rates and literacy rates as well as health status are relatively low, leaving significant room for improvements in educational attainment and healthcare. The education might be publicly provided, however many families cannot afford to pay for it for their members due to several expenses related to school attendance such as transport, textbooks, supplies, or other implicit costs such as losses in family members with the migration. The importance of migration and of remittances for the migrant sending countries is measured also by the well-being of their recipients in terms of improved health status and in particular the health of the children.

Remittances in volumes are high, and have become an increasing source of household income. Very interesting question is whether this increasing source of income has an impact on human capital accumulation decisions, including on schooling and healthcare. Many migrant sending families receive considerable financial transfers from their family members living and working abroad. Remittances help the population in migrant sending countries to cope with the distress of poverty, the inefficiencies of local labour markets and the break-down of the social security system.

## II. ALBANIA

Albania has experienced mass emigration of economically active citizens who are a source of substantial remittances. Migration is the defining political, social and economic phenomenon in Albania. Significant percentage of households in Albania has one or more members working overseas at any given time and more than a third of the households reported that they are receiving remittances. The stock of migrants abroad is believed to be around 1.5 million, which is half of the population that is currently living in Albania. Migration has been seen by most Albanians as the only avenue out of poverty as well as for expenses that relate to schooling and healthcare.

The results of this study on education in Albania confirm that migration experience of the parents and particularly of the father have an important effect on the years of schooling of the children left behind. Complementary to the migration experience of the parents, receiving remittances and allocating part of them to the education of the child, shows to play an important and positive role on the years of schooling and education of the children in Albania. Years of schooling of the child seems to be positively linked with the migration experience of the father and the length of the stay abroad, suggesting that children whose father stays longer abroad tend to attain more years of schooling. While the effect of the absence of the father on education of the child might turn out to become positive for longer stays, in case of mothers' absence such effect is negative implying that children left behind are exceptionally negatively affected by absence of the mother rather than the father and boys are the ones who are subjected to such effect but not the girls. Similarly, the estimation results concerning the effect of remittances appear to be positive and significant suggesting that remittances play a positive role on years of schooling of the child. The results suggest that girls are the main beneficiaries of the migration experience of the father and compared to their siblings, girls whose father migrated when they were below the age of 15 are the ones that might benefit more from the migration experience and remittances.

The results of this study on health in Albania show that children living in migrant households are less likely to be stunted and shorter than those living in non-migrant households. The results show that having a migrant member in the household has a positive and significant effect on the child's health indicator related with height as well as a negative effect on the likelihood of being stunted. Considering these estimation results, it

can be said that children living in Albania's migrant households have higher probabilities of not being stunted and also are taller than children living in non-migrant households.

### III. MACEDONIA

Macedonia has become characterized by growing migration, as a result of which many villages have disappeared and many young people have left the country in order to seek jobs abroad. The widespread growth of migration, approximately more than a quarter of the population has migrated from the country, yielded a dramatic increase in the flow of remittances to Macedonia. Remittances have represented considerable percentage of Macedonia's GDP over the past two decades and have resulted in high percentage of remittance receiving households at national level.

Regarding the influence of migration and of remittances on education in Macedonia, findings of the research suggest that the parental migration experience has an important effect on the education attainment of the child, whereas the remittances have insignificant effect on the education status of the children. Particularly, the migration experience of the father has an important role in the education status of the children. Namely, in the beginning of the migration the absence of the father has a negative effect on the years of schooling of the child. However in long-term, father's migration experience has a positive effect. This finding is suggesting that children whose father stays longer abroad tend to attain more years of schooling. Regarding the impact of mother's migration, years of the mother abroad in long term negatively affects the education level of the child, especially for the girls. This suggests that while the absence of the father for longer periods has a positive effect on the education level of the child, the absence of the mother has the negative effect on the children's education level in Macedonia. The main conclusion for Macedonia is that parental migration and the length of the stay abroad of the parents is important. These findings also point out that distinguishing between parental migration and the length of the stay abroad of the parents is important. The absence of the father in the long term will be accompanied by positive effect on education level and the mother's migration is highly probable to negatively affect the education level of the child.

The results concerning the effect of remittances showed that remittances have no effect on years of schooling of the child. Remittances appear to have insignificant effect on the education level of the child.

The results of this study on health in Macedonia are seen in the conclusions that children living in migrant households are more likely to be stunted and have higher possibilities for being obese. The possibility of being stunted and obese decreases as child is growing.

### **CONCLUSION**

The evidence from this study suggests that migration has impact (positive and negative) on children's school attendance and well-being. The migration, in principle, and remittances in exceptional circumstances have fostered productive spending in sectors including in education and healthcare where market failures may be more manifested and the consequences of liquidity shortages are most felt. Migration experience of the parents and particularly of the father have an important effect on the years of schooling of the children left behind. This is applicable to both Albania and Macedonia. The children living in migrant households are less likely to be stunted and shorter than those living in non-migrant households, a fact which applies only to Albania. While in Macedonia, children living in migrant households are more likely to be stunted and have higher possibilities for being obese.

### **POLICY RESPONSES**

Albania and Macedonia as origin countries have undertaken activities in response to the growing migration by instituting strategies for migration as well as structures for dealing with the needs of emigrants. Several important strategic documents on migration have been adopted, although their implementation is yet to be seen. Also, there has been no initiative to promote the effects of migration and of remittances into the socio-economic development in these two migrant sending countries. Furthermore, no policy measures have been taken to increase the protection of the family members left behind from future migration. In short, migration policies have tended to be more general migration policies rather than dealing with the specifics of the impact of migration and of remittances on the

socio-economic development, including the areas of education and health of the children left behind.

## **POLICY RECOMMENDATIONS**

Based on the research results, there are several key policy areas which require further consideration by the governments of Albania and Macedonia. The following recommendations are proposed based on the presented research results:

- Governments should provide more gender balanced education which would reduce gender inequalities in terms of years of schooling and education level attainment.
- Governments should introduce more family-friendly policies which could contribute to smooth the direct negative effects of parental migration and any potential negative effect on the welfare of the children.
- Policy measures which governments put in place in the field of education and health need to take into account the impact of migration and of remittances.
- The tightening of expenses in the field of education and health, which has been happening in both Albania and Macedonia may seem politically attractive in the short term, but it can actually increase the risk of failure in the performance of their pupils in the schools as well as in their health positions, thus increasing the vulnerability of the children left behind from migration and expose them to greater risk of exploitation.
- Flexible channels for education and health care should be designed for children left behind from migration. It is essential that Ministries of education and of health work to ensure easy enrolment of the children left behind and for their proper treatment.
- Policy coordination with destination countries would contribute to integrating successfully the migration considerations into overall economic and social policies in Albania and Macedonia.
- Remittances should be factored into any reforms of the banking and financial systems in these two countries. Policies which undervalue the volume and impact of remittances on the "health" of the economy only risk deterioration of the macro-economic situation. Remittances could play a crucial role on the path

towards faster economic growth and raising the competitiveness of Albania's and Macedonia's economies by contributing to the education and wellbeing of the future generations. It is essential that not only are remittances recognized as important, but also that they are channelled properly in order to alleviate the economic disparities in the municipalities from where most of the migrants originate.

- There is often no data available on migration and on remittances that could shed light on the extent of their volume and impact. In this regard, Albania and Macedonia should further strengthen their statistics and data collection systems to allow for better analysis of the extent of migration and of remittances and their impact.
- Policies which will allow migrants to easily invest in their country of origin can help to further the positive impact of migration and of remittances.
- Easy access to education and health insurance needs to be ensured as the level of vulnerability of family members left behind from migration can also be impacted by their access (or lack of it) to education and social protection benefits.
- Policies should be undertaken by both countries' governments to raise awareness of how emigrants contribute to enriching their countries of origin both economically and socially. Efforts to raise awareness of their contributions should be further emphasized by all stakeholders.
- Emigrants can act as agents of development in their countries of origin. As remittances are but one of the many ways for migrants to contribute to the development of their countries of origin, efforts should be made to help keep remittances' transaction costs low.