

## From migrant to micro-entrepreneur: do-it-yourself development in Albania

Labour migration and micro-enterprise are rarely considered as being inter-related, but recent experience in southern Albania shows that they often are. Specifically, labour migration is used to accumulate savings, which are then invested in some form of economic activity, typically a one-person or family enterprise, in Albania. The evidence suggests that a great deal may be gained by recognising the potential of this inter-relationship and using it to boost economic development, at the same time solving some of the problems associated with migration.

Many of the numerous migrants who have left southern Albania over the past decade to seek work in neighbouring countries move back and forth. Some spend long periods in Albania between spells of working abroad. This is a familiar pattern in international migration and is perhaps best documented for European migrants to the United States during the nineteenth and twentieth centuries. In southern Albania too, prior to 1945, periodic or seasonal work migrations were a familiar way of life; the migrants were known as *kurbet*. However, the migrations of the past decade are not a conscious resumption of this custom – rather they are an attempt to replicate the work migrations of Greeks, Italians, Turks and Yugoslavs in more recent decades – but they have much in common with it and the term *kurbet* is still sometimes used.

### Migrants

For most people, emigration is a solution to a problem that exists now. It is not a long-term life choice, and may be reversed at any time. The exceptions are those, in large part professionals or aspiring professionals, who think that development in Albania will take too long to benefit their careers – or even allow them to pursue a professional career at all – or who just want the good life ready-made, even at the expense of their careers. They are a minority, and tend to prefer to go to North America. For the majority, emigration is a temporary expedient that is rarely made absolutely final; it is a necessity as long as they see no way of earning a living at home.

The immediate imperative is to earn money to feed a family. Emigrant remittances are probably the single most effective means of lifting a family out of poverty in Albania. Every emigrant wants to earn more than just subsistence so as to improve the situation of his or her family in the longer term. Their circumstances vary, depending on their position in a foreign labour market. Some barely get by, but most succeed in accumulating modest savings although emigrants were among the casualties of the disastrous pyramid savings schemes in 1997.

Their first priority is usually to improve living conditions in Albania for themselves and, often, for their parents by building a new house or improving an old one. In the summer of 2000, it seemed that half of Albania was building itself a house. This investment in housing has been a major factor in maintaining the building industry as one of the leading sectors in the economy, while emigrants have thus enabled many of

their fellow countrymen to earn a living within the country. Remittances have also provided an important source of investment in Albania's other major economic sector, agriculture, which has grown impressively during the 1990s. In addition, emigrants release resources – land, houses and even household equipment such as refrigerators – which members of their extended families use for their own small-scale income generating activities.

### **Micro-entrepreneurs**

However, a substantial number of emigrants use money earned abroad to create a means to make a living for themselves in Albania. Commonly, the money provides start-up finance for a micro-enterprise, or is used to buy equipment to improve the productivity and efficiency of the money-making activities in which they and their families are already engaged. The earnings from abroad may form the entire original capital (which is then often built on as a business grows), or it may be just one element in a package put together from a number of sources, such as loans from within an extended family. In some cases, obtaining finance is the plan from the outset, i.e. it is a means to overcome both the shortage, and the expense, of available credit which is frustrating economic development. For others, it may have been a decision formulated while abroad as a way of putting an end to the hardships of emigration, both for the worker and for family members left at home. And for others, when they come home for a visit, it is a fine to avoid going abroad again.

The infinite variety of financial arrangements to which emigrants' savings contribute and, above all, the internal family nature of many such arrangements, make it virtually impossible to quantify the extent of economic activity financed in this way. However, it is undeniable from the qualitative evidence, in this case from south Albanian villages, that the benefit to the Albanian economy of investment in micro-enterprises by returned emigrants is considerable.

The rapid growth in the number of shops (until ten years ago there were few) has been financed in part by emigrants' savings. These include not only grocery shops but also specialist shops that have enabled people with skills (a goldsmith, for example) to turn them into a means of making a living. Small workshops have come into existence, making window frames and fitted cupboards, using machinery bought by a spell of working abroad. Yet others have invested their savings in filling stations, where once these were a rarity. Vehicles, especially vans but also motor bikes, are used to start a trading activity (typically buying or selling agricultural produce) or to expand and make more profitable an existing small enterprise that had relied on bicycles and public transport. Migrants who return to villages have bought tractors, equipped with trailers, and sometimes other machinery, which are used for contract agricultural work and haulage. Among the most visible of micro-enterprises are the innumerable bars and fast food outlets. It is evident from the rapid rise in the availability of *sowlaki* (*sufflaq* in Albanian), pizza (*pica*) and toasted sandwiches that, in some cases, work abroad provided not only the finance but also an opportunity to learn: some former emigrants have replicated the enterprise they worked in.

## **Lessons**

It would be a mistake to assume that, as they presently exist, micro-enterprises offer a magic solution to the problems of economic development and migration, but they can play a part. Many micro-enterprises have been successful but, by their nature, they often lead a precarious existence. Some fail after a short time. That so many micro-entrepreneurs nonetheless persevere in Albania, working extremely hard for modest rewards, may well be due to the lack of alternatives. It may also be related to these potentially being just one of a family's multiple income sources (none of which will ever make them rich). From time to time, some former migrants find it necessary to go abroad again to earn money. Tractor-owners, for example, who make a reasonable living in summer, often cannot find enough work in winter. Yet this should not be taken as justification to dismiss the hard work and enterprise of these micro-entrepreneurs as misguided. To the extent that many try and, in the circumstances, achieve some impressive degree of success, it is worth looking further at the potential their efforts represent and how it can be developed.

Until more people can find a job and make a living in Albania, the young, enterprising, energetic, frustrated and desperate will seek work elsewhere, whatever obstacles are put in their way. Rather than try to stop the unstoppable, this energy and initiative should be harnessed to contribute towards a longer-term solution of the problems that cause migrants to leave in the first place. One of the most effective ways to do this is to open up viable routes to return, with one such being the means of creating one's own job.

It is more than a little ironic that the countries that put up barriers to immigration are the same ones that contribute development aid to the immigrants' home countries, without apparently recognising that the two are connected. An examination of the return on the investments of former emigrants could well show that, in economic development terms, their costs are low so they give better value for money than much development aid. Their total effect on the economy is undoubtedly greater. The contribution of past generations of emigrants can still be discerned in countries such as Greece, for example. Moreover, when they create livelihoods for themselves, micro-entrepreneurs generate further growth in the economy as a whole. If potential micro-entrepreneurs were to be given a hand, still more might be achieved. Schemes could be devised with incentives (and conditions!) that, for example, offered a period of work experience and an opportunity to earn and save abroad, as well as advice, access to small-scale credit, even matching finance, and support after returning home. There would then not only be more small enterprises, but they would have a better chance of flourishing and growing into something bigger. And perhaps the next generation of potential emigrants might not have to leave to find work.