



ARE ALBANIAN EMIGRANTS GOING TO RETURN AND INVEST IN THEIR HOMELAND?

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- What is the probability of return among Albanian emigrants from the southwestern region of North Macedonia, and which variables decisively shape this likelihood?
- Under what conditions and motivations are emigrants inclined to invest in their homeland, and how does this intersect with their transnational identities?
- What institutional, policy, and structural frameworks are required to convert return potential into effective reintegration and development impact?
- What are the long-term societal and developmental consequences of inaction in addressing the challenge of large-scale emigration and return deterrence?

Problem definition and significance

Since the early 1990s, North Macedonia has been grappling with an entrenched phenomenon of massive emigration that has reshaped its demographic, economic, and social landscape. This migration wave, driven predominantly by economic hardship, political instability, and a perceived lack of future prospects, has seen more than a third of the population depart in search of better opportunities abroad. The southwestern region, where the Albanian ethnic minority forms a significant part of the local population, has been particularly affected. This exodus has had detrimental effects on the country's labour force, innovation potential, and demographic stability. The dual impact of depopulation and brain drain poses an existential threat to the nation's developmental trajectory, placing it among

the countries with the highest emigration rates in Europe. Particularly alarming is the departure of young, skilled, and educated individuals whose absence has contributed to labour shortages, stagnant economic growth, and the erosion of social capital.

The consequences of this migratory trend extend far beyond mere numbers. The reduction in the working-age population has placed an unsustainable burden on North Macedonia's pension and healthcare systems. Meanwhile, the shrinking of the domestic labour pool has constrained the capacity of small and medium-sized enterprises to expand, innovate, or even maintain existing productivity levels. The cumulative effect is a cycle of stagnation that further incentivizes outward migration, creating a feedback loop that undermines national resilience. This situation becomes even more precarious when considered

alongside the country's aspirations for European integration, which demand structural reforms, economic dynamism, and social stability all of which are undermined by the continual loss of human capital.

Amid this grim landscape, the potential for return migration emerges as a critical yet underutilized mechanism for reversing or at least mitigating these adverse trends. Return migration, particularly of those who have accumulated financial capital, professional expertise, and international experience, presents a promising avenue for revitalizing North Macedonia's economic development. Returnees can act as agents of change, bringing not only investment but also new skills, entrepreneurial spirit, and a cosmopolitan outlook. Their reintegration, however, is contingent upon the existence of an enabling environment, one that is conducive to business development, socially inclusive, and institutionally efficient.

Despite its transformative potential, return migration remains an insufficiently explored area in both policy and academic discourse. Existing initiatives to support the reintegration of returnees are fragmented and sporadic, often marred by bureaucratic inefficiency and a lack of strategic vision. Yet the benefits of encouraging return and investment by emigrants, particularly those from the Albanian community in the South-West, are manifold. These individuals often maintain strong emotional and familial connections to their places of origin, which can serve as a powerful incentive to return and contribute. However, the absence of coherent and comprehensive policies to harness this potential means that many who might consider returning ultimately decide against it.

This analysis draws on the empirical findings of the book "Albanian emigrations and their effects on demographic and socio-economic developments in North Macedonia", which offers one of the most comprehensive and data-driven

treatments of Albanian emigration from the region. The book examines the political, economic, and structural drivers of emigration based on a large-scale survey of Albanian emigrants from the South-West of North Macedonia. The study outlines how emigration has reshaped the demographic landscape and contributed to regional socio-economic disparities. It underscores the deep-rooted underdevelopment, governance challenges, and weak institutional responses that continue to fuel emigration, while offering forward-looking insights on return migration and diaspora engagement. The book's findings serve as a valuable reference for understanding the broader demographic shifts and policy gaps tied to emigration in North Macedonia.

The probability of return: Between rational choice and emotional embeddedness

The likelihood of return among Albanian emigrants is mediated by a convergence of socio-demographic, emotional, and structural factors. While neoclassical economic theory would posit that return is primarily driven by diminishing marginal utility of staying abroad or the completion of migration's original economic objectives, empirical evidence from the southwestern region paints a more nuanced portrait. Return decisions are deeply embedded in life course dynamics, familial configurations, and the social meanings attached to both home and host contexts.

Quantitative data derived from the empirical survey of over 400 Albanian emigrants suggest that age is among the most salient predictors of return propensity. Older emigrants, particularly those who migrated during the 1990s, exhibit a statistically significant inclination to return. This trend aligns with both behavioural economic and transnationalism frameworks, wherein return is conceptualized less as an economic optimization

and more as a spatial and emotional reintegration into one's symbolic universe. These individuals often express desires for cultural continuity, familial proximity, and a dignified aging process rooted in the familiarity of homeland customs and landscapes.

Conversely, younger emigrants, many of whom are embedded in tertiary education systems or professional labour markets abroad, demonstrate lower return probabilities. Their migratory experience is characterized by deeper structural integration into host societies, language acquisition, and the formation of binational or transnational identities. For this cohort, return is less a viable trajectory and more a nostalgic abstraction, particularly in the absence of meaningful institutional mechanisms that would allow them to translate their professional credentials into viable employment pathways at home.

Educational attainment further complicates the return matrix. Migrants with lower educational levels, often employed in low-skill labour markets abroad, are more likely to consider returning due to limited mobility and residual familial anchorage. In contrast, highly educated emigrants, having achieved integration into high-skill sectors, frequently perceive return as a professional demotion given the weak absorptive capacity of the domestic labour market. The structural inability of the North Macedonian economy, particularly in peripheral regions, to accommodate high-skill labour constitutes a formidable deterrent to return, transforming brain drain into a long-term structural depletion.

The likelihood and nature of diaspora investment in their homeland

Investment behaviour among emigrants is shaped not merely by capital availability but by a triangulation of identity, institutional trust, and perceived opportunity. Traditional economic

models would suggest that migrants are rational actors seeking to maximize returns on capital. Yet in the context of Albanian emigrants from North Macedonia, investment is often motivated as much by affective commitments and identity affirmation as by financial rationality.

Empirical evidence underscores the pivotal role of transnational behaviours, especially the frequency of homeland visits and remittance regularity, as proxies for emotional and cultural connectivity. These behaviours are positively correlated with the likelihood of homeland investment, revealing that investment is rarely a cold financial transaction. Rather, it is embedded within a moral economy of care, obligation, and symbolic reaffirmation of belonging. For many, investing in the homeland constitutes an act of narrative continuity, a way of maintaining presence in absence.

However, the act of investment remains contingent upon a host of institutional mediators. Bureaucratic opacity, inconsistent enforcement of property rights, and a lack of formalized diaspora engagement infrastructure serve as formidable deterrents. Migrants frequently report encountering a labyrinthine administrative apparatus that treats them not as returning citizens but as foreign speculators. This not only disincentivizes large-scale investment but also corrodes trust in state institutions. Moreover, the absence of dedicated financial instruments such as matching grants, diaspora bonds, or co-investment platforms further constrains the investment potential of a diaspora that is otherwise willing.

Gender dynamics also play a salient role. Male emigrants were found to be significantly more likely to engage in economic investment than their female counterparts. While this may reflect patriarchal inheritance norms and familial expectations, it also suggests that investment strategies are informed by gendered access to decision-making and financial resources within

the diaspora itself. These patterns must be understood not only sociologically but also as indicators of the need for gender-sensitive diaspora policy frameworks.

Institutional preconditions for return and reintegration: From ad hoc programs to strategic architecture

The transformation of return migration from an individual choice into a collective development strategy necessitates a paradigmatic shift in how governments conceptualize and operationalize diaspora engagement. At present, policies related to return migration in North Macedonia are characterized by fragmentation, sporadic implementation, and a lack of long-term strategic vision. This institutional vacuum results in a disjuncture between the willingness of emigrants to return and the practical feasibility of doing so.

Reintegration is not merely a logistical challenge; it is a political one. The state must assume a proactive role in establishing a coherent architecture that addresses both the economic and psycho-social dimensions of return. This includes the development of specialized administrative bodies capable of coordinating employment services, business incubation, housing access, and credential recognition. Fiscal incentives and startup grants could serve as effective tools to stimulate investment by returnees, particularly in sectors with high developmental impact. Furthermore, institutional reforms must address the broader climate of governance by ensuring legal predictability, minimizing corruption, and promoting procedural transparency. Without such systemic foundations, any incentives offered to returnees are likely to be perceived as cosmetic or insincere.

The strategic inclusion of the diaspora in national planning processes, such as labour market assessments, regional development strategies,

and educational reforms, would serve to institutionalize their participation not as donors but as stakeholders. Equally important is the creation of participatory platforms, virtual or in-person, that allow returnees to contribute knowledge, express grievances, and collaborate with local actors. Only through such dialogic mechanisms can the diaspora be transformed into a constitutive part of the national body politic.

The consequences of policy inaction: Toward irreversible decline?

The failure to address the challenge of emigration and return migration does not merely entail missed opportunities, it risks precipitating a demographic and developmental unravelling. In the southwestern region, the continued erosion of the working-age population is already producing discernible labour market bottlenecks, declining school enrollments, and the contraction of local economies. These dynamics, if left unchecked, could lead to the spatial marginalization of entire communities and the entrenchment of regional inequalities.

Beyond the immediate economic ramifications, the long-term implications for national cohesion are profound. The normalization of emigration as a generational aspiration delegitimizes domestic institutions and undermines the very premise of collective national progress. This condition is further exacerbated by the geopolitical context of EU integration, wherein demographic resilience, economic sustainability, and institutional credibility are all prerequisites for accession. In this sense, the persistence of mass emigration and the failure to operationalize return strategies may not only jeopardize internal stability but also compromise North Macedonia's European future.

It is essential to underscore that addressing these challenges requires a departure from instrumentalist or politically selective understandings of

migration. It would be a grave miscalculation for state institutions to view the emigration crisis through a narrow ethno-national lens. While it is empirically true that the Albanian community has experienced the highest emigration rates, any attempt to frame this phenomenon as ethnically peripheral would constitute a profound analytical and policy failure. Migration affects the integrity of the state as a whole, not simply specific demographic segments. It weakens the national tax base, diminishes the human capital stock, and undermines the social foundations of territorial cohesion.

The macroeconomic risks associated with continued migration and insufficient diaspora engagement are neither abstract nor distant, they constitute an imminent structural vulnerability. North Macedonia's monetary architecture, premised on the credibility of a fixed exchange rate regime, is inextricably linked to the sustained inflow of remittances. These transfers, largely originating from first-generation emigrants, have functioned not merely as private income streams but as systemic stabilizers, underwriting foreign exchange reserves and offsetting chronic current account deficits. Yet this foundation is inherently precarious. As diasporic ties attenuate across generations, the predictability and volume of remittances are likely to decline, threatening the very mechanisms through which macroeconom-

ic stability is preserved. In the absence of robust, institutionalized engagement with the second and third generations, who increasingly lack both affective connection and perceived stake in the homeland, the country risks a gradual yet consequential erosion of its external financing base. Such a trajectory would undermine the sustainability of the fixed peg, constrain monetary autonomy, and amplify exposure to external shocks. More critically, it could precipitate a crisis of confidence among investors and international partners, thereby entrenching a cycle of fiscal tightening, social dislocation, and developmental stagnation. To neglect this dimension is to ignore the fragility embedded within the current macroeconomic equilibrium, and to gamble the country's stability on the inertia of transnational solidarity. It is therefore imperative for policymakers to treat emigration not as a peripheral issue but as a central challenge that demands immediate, strategic, and sustained engagement. Only by mobilizing the potential of return migration and diaspora investment can North Macedonia hope to reverse the tide and secure a prosperous and stable future for its citizens.

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