



Determinant Factors of Remittances in Albania

Elfrida Tarku

Finance – Accounting department, Business Faculty University “Aleksandër Moisiu” of Durrës, Durrës, Albania, itaraku@yahoo.com

Ejona Duçi

Finance – Accounting department, Business Faculty University “Aleksandër Moisiu” of Durrës, Durrës, Albania, jonaduci@yahoo.com

Abstract

Over the years, remittances have attracted the attention of researchers, policy-makers, civil society representatives and the international community due to the variation of their flows each year and more. The main purpose of this paper is to reflect some of the main macroeconomic and macroeconomic remittances in developing countries. In the case of Albania, the paper aims to present the impacts of income from remittances with well-being and the decisions of Albanians regarding the use of these revenues. In this paper we will elaborate in detail the factors that determine the remittances of Albanian emigrants. The model that results best in showing the link between remittances and their determining factors is the linear dummy independent model. The source of information is the World Economic Outlook. Data on remittances are obtained from the Balance of Payments of the Bank of Albania and include the monetary transfers of emigrants who are employed in the host country and are considered resident in this country's economy

The data are in time series and I have seen the impact of these factors on the performance of the years, respectively for the last 30 years. And we have come to the conclusion that the GDP factor is the factor that has the greatest impact on the remittances of Albanian emigrants. Unlike other economic issues, on the issue of remittances in Albania the studies undertaken are scarce, and the study of this field is a innovation for our country. The results of the work indicate that remittances are an important item of the Balance of Payments that affects the macroeconomic stability of the beneficiary country and also contributes to increasing household consumption, reducing poverty and improving the level of living.

Keywords: unemployment, GDP, emigration, developing countries, remittances, consumption, income, balance of payments.