

# **INTENTION TO EMIGRATE IN TRANSITION COUNTRIES: THE CASE OF ALBANIA**

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## **Abstract**

We analyse the profile of potential emigrants from Albania using data from the Central and Eastern Europe Eurobarometer in 1992. Respondents were asked to rate on a four-point scale the likelihood that they would go to Western Europe to live and work. Our results show that the intention to emigrate is positively correlated with males, education and certain occupations, and negatively correlated with age. There is little relation between emigration and income, but those who believe the country is going in the right direction are also more likely to emigrate than those who do not.

**JEL Classification:** F22, O52, P2

**Keywords:** Emigration, Transition, Albania

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# European Bank for Reconstruction and Development

## **INTENTION TO EMIGRATE IN TRANSITION COUNTRIES: THE CASE OF ALBANIA**

### **1. Introduction**

The collapse of communism in Europe and the former Soviet Union in recent years has led to the opening-up of these countries during their transition period, and to the availability of many new opportunities for their citizens. Principal among these for many people is the potential to leave their country of origin and emigrate to another country, something that was difficult or impossible under virtually all communist systems. Writing in the early stages of transition, Layard *et al.* (1992, p.24) argued that “all the economic and political factors point to a major pressure to migrate.” The implications of large-scale emigration flows are enormous, both for the host and the source countries. To date however, emigration from east to west has been considerably less than one might have expected from purely economic factors.

In this paper we focus on one country, Albania, which has seen very high emigration during the transition. The number of Albanians living abroad has increased steadily throughout the decade and in 1997 it was estimated (by the Greek Ministry for Foreign Affairs) that more than half a million (about 15% of the population) were living abroad, many of them temporarily. In per capita terms, this is larger by a considerable order of magnitude than most other European countries in transition (for a comparison with selected transition countries, see United Nations Economic Commission for Europe, 1995, Table 5.3.4).

The benefits of emigration for Albania are stressed in Mançellari *et al.* (1996). In order to evaluate the costs however, we need to know something about the profile of the emigrants, and it is this issue that we address in this paper. To be specific, we focus on three questions. First, are young people more likely to emigrate than old people? Second, is emigration concentrated among the educated or the uneducated part of the population? Third, does

income facilitate emigration and make it more likely, or are those on higher income more likely to stay in Albania?

Unfortunately, answering these questions directly is difficult as there is very limited information on actual emigrants, and we are unaware of any comprehensive survey of Albanians who are living and working abroad.<sup>1</sup> Therefore, we adopt an indirect approach. Based on a survey carried out in 1992, we analyse the reported intention of Albanians to emigrate, and we address the questions above using econometric techniques. As a result, we can construct a picture of a typical “likely Albanian emigrant”, at an early stage of transition to a market economy.

In order to analyse the data, we first present a number of cross-tabulations, and these are discussed in section 2. However, such pairwise comparisons cannot reveal the *partial* impact of a particular variable on emigration intentions. In section 3 therefore, we report and discuss the results of estimating equations using ordered probit analysis. Our main findings are that intention to emigrate is associated with males, youth, education, and certain occupations. There is little evidence of a relation between income and potential emigration, but interestingly, those who think that a free market is right for Albania are also more likely to declare their intention of leaving. Section 4 concludes the paper with a discussion of the implications of our results.

## **2. Data Description**

The data used in our analysis are from the Central and Eastern Euro-Barometer 3, and are described in Reif and Cunningham (1992). The survey was carried out in late 1992 in eighteen former communist countries of Europe and the former Soviet Union. Approximately

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<sup>1</sup> Lianos *et al.* (1996) contains some useful information from a survey of Albanian workers in northern Greece.

one thousand people aged fifteen and over were sampled in each country. Respondents were asked a variety of demographic questions, in addition to their attitudes to various economic and political reforms, to the European Union and some of its institutions, and to other issues.

For our purposes, the key question in the survey was the following: interviewees were asked “How likely is it that you will move to Western Europe to live and work?” The possible answers to this question range from: “definitely move to Western Europe to live and work”, to “probably”, “probably not” and “definitely not”.<sup>2</sup> The breakdown of the responses to this question by country is reported in Table 1. This table highlights the extraordinary difference between Albania and all other countries in the sample. More than 60% of Albanians said that they would either “definitely” or “probably” emigrate, while, with the exception of Moldova, the next highest percentage in these categories is Georgia with 42.3%.<sup>3</sup> In most countries, more than 80% say that they will probably or definitely not emigrate.

Table 2 presents a similar picture, comparing countries according to their responses to the question, “Do you intend to go and work in Western Europe?” Nearly three-fifths of Albanian replied that they did (a few had already done so), significantly higher than in all other countries.

Table 3 shows the breakdown of the responses in Albania according to a number of personal characteristics. Various patterns are immediately apparent. First, males are more likely to express an intention to leave than females; more than 70% of the former say they are more likely than not to leave (with nearly half (46%) saying “definitely”), compared to just over 50% of females. Second, there is a clear negative correlation between likelihood of emigration and age; more than three-quarters of those 40 or under report themselves likely to

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<sup>2</sup> Some respondents refused to answer or were not asked the question. These are deleted from the results in Tables 1-4.

<sup>3</sup> Moldova’s sample size is far smaller than in all other countries, and therefore the figures should be treated with caution.

leave, compared to less than half of those over 40. Third, those who have only elementary education are the least likely to report an intention to emigrate.

The remaining patterns are less clear-cut, but contain a number of points of interest none the less. There appears to be little association between intention to leave and income level. However, those who believe the creation of a free-market economy is right for the country on balance seem to be more likely to leave. Certain occupations such as students and the unemployed also declare a strong intention to emigrate, as do those living in larger towns.

It is worth comparing the results above with those of the International Organization for Migration (1995), and with Lianos *et al.* (1996). The former is based on two surveys in Albania, one in 1992 and one in 1995, of approximately one thousand people in each case. The interviewees were asked a number of questions about intention to travel or emigrate to another country. For example, in 1992, 79% said they were either likely or very likely to go to live in another country to work for a few months, and 73% for a few years, but only 24% said they were likely/very likely to move to another country permanently.<sup>4</sup> All of these numbers are significantly smaller in 1995, which is hardly surprising since emigration at the point was already estimated to be between three and four hundred thousand. Similar patterns to ours with respect to age, sex and education are apparent from this survey, thus providing some independent corroboration for the Eurobarometer sample.

Lianos *et al.* (1996) is a survey of immigrants, most of whom are Albanians, in the northern part of Greece. With regard to our questions, they find that more than two-thirds of the emigrants are male, the majority are under thirty years of age, and about a third have acquired either technical training or secondary school education. These results are also consistent with the patterns in Table 3.

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<sup>4</sup> We have excluded the “don’t knows” from these calculations.

### 3. Estimation and Further Results

Cross-tabulations of the type reported above are useful for giving an initial overview of the data, but for a more systematic analysis of the data and of the partial effect of each variable on our dependent variable, we now turn to a discussion of results using econometric estimation. One possibility is to scale the responses to the emigration question arbitrarily, say 1 to 4, and apply ordinary least squares (see, for example, Brym, 1992).<sup>5</sup> However, it is well known that this is not strictly valid, given that the dependent variable is ordinal, rather than cardinal. Instead, the most efficient way of analysing the data is by ordered probit analysis pioneered by Aitchison and Silvey (1957) and McKelvey and Zavoina (1975) (for a textbook treatment, see Maddala, 1983). The results from a variety of models are presented in Table 4.

Column 1 presents a baseline specification. The dependent variable is ordered by likelihood of emigration, so that a positive sign on a variable coefficient indicates a positive effect of this variable on emigration intention.<sup>6</sup> As expected, males are more likely to wish to leave than females, and intention to leave declines with age. With regard to education, the omitted dummy variable is for those with elementary education only, and relative to these, people at all levels of education beyond elementary are more likely to emigrate.

The relation between intention to leave and income however is not statistically well-defined. It may be that there are opposing effects of approximately equal force at work here: on the one hand, low income people might be more desperate to go abroad, in hope of earning some money; on the other hand, travelling abroad involves costs, which are more easily

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<sup>5</sup> An alternative approach is illustrated in Sandu and De Jong (1996), based on path and simultaneous equation models.

<sup>6</sup> More precisely, a positive coefficient indicates that the effect of this variable is to lower the probability of being in the category “definitely will not emigrate”, and raise the probability of being in the category “definitely will emigrate”. The effect on the probability of being in one of the middle two categories cannot be determined solely by looking at the sign of the coefficient.

afforded by those with higher levels of income. We have tried experimenting with breaking up the income variable in different ways, but this makes little or no difference to our results.

Column 2 adds an attitudinal question to the previous specification, namely, whether respondents think that a free market is right or wrong for Albania. The coefficient is positive and statistically significant (at 5%), suggesting an association between those who believe in a free market, and intention to emigrate. The other coefficients remain largely unaltered, although the “higher education” dummy is now significant only at 10%.

Column 3 also includes occupational dummies. The omitted category is “pensioners”, and relative to these, all occupations (except “housewife”) have stronger intentions to emigrate. This conclusion remains even when town size dummies are included (in column 4); this specification suggests that the size of town where intention to leave is strongest is in the 50-100,000 category. Even with the inclusion of these controls however, the main conclusions concerning age, sex and education remain unchanged, as does the positive link between emigration potential and support for the free market.<sup>7</sup>

Before concluding this section, it is worth noting that we addressed the possibility that our results are biased by omitting from our sample those who did not answer the question on emigration intentions. We tested for selectivity bias by using the Heckman two-stage procedure. We found that there are differences among different groups in terms of willingness to respond; for example, younger males are more willing to answer than older females. However, we also found no evidence that the results above are affected in any significant way when we allow for these differences.<sup>8</sup>

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<sup>7</sup> The coefficient on higher education is now insignificant, however.

<sup>8</sup> These results are available on request.

#### 4. Discussion and Conclusion

Our main objective in this paper has been to characterise the main features of Albanian emigrants. It is worth emphasising again that we have had to approach this by an indirect route, based on self-reported probabilities of emigration, and we have no way of knowing how many of those who said they would definitely or probably leave actually did so. Indeed the numbers declaring their intention of leaving are so high that it must be the case that many of them never actually did, or at least have not yet done so. Nevertheless, the results obtained and discussed above are quite informative and contain a number of revealing patterns.

It is no surprise that males are more likely to leave than females, and young people more likely than old. What may surprise some are the results on education; these suggest that, to some extent at least, the people who intended to leave Albania in 1992 were those whom the country could ill afford to lose, namely educated young men and (to a lesser extent) women. On the other hand, these may be more likely to get jobs abroad, which in turn will translate into higher remittances back to Albania. This “investment” aspect of emigration is stressed by Poirine (1997) and is clearly of crucial importance in the Albanian context. Poirine notes that young adults are those with the highest propensity to remit, and that remittances tend to be higher when there is a large turnover of emigrants, something which is especially true for Albania since 1992 (see Mançellari *et al.*, 1996).

The difference between Albania and other countries is likely to be due to a combination of the extreme poverty and lack of job opportunities facing the country in 1992, and the proximity of prosperous neighbouring countries (especially Greece and Italy). In the case of Greece at least, the relatively high demand for young, unskilled and casual labour, in conjunction with lax immigration controls, explain to some extent the large emigration flows from Albania since 1992.



The emigration profile developed in this paper is important for assessing the benefits and costs for a labour-exporting country like Albania, as emigration is likely to provide a safety valve for Albanians for a number of years to come. The fact that Albanian emigration is concentrated so much among young, relatively educated people highlights the importance of developing return incentive schemes, so that skills and experience gained abroad can eventually be of benefit to Albania also.

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**TABLE 1: Likelihood of Emigration by Country**

	<b>Definitely</b>	<b>Probably</b>	<b>Probably not</b>	<b>Definitely not</b>
<b>Albania</b>	331 (38.0%)	218 (25.1%)	72 (8.3%)	249 (28.6%)
<b>Armenia</b>	61 (7.5%)	164 (20.1%)	207 (25.4%)	383 (47.0%)
<b>Belrussia</b>	10 (1.0%)	65 (6.6%)	279 (28.2%)	637 (64.3%)
<b>Bulgaria</b>	22 (1.8%)	111 (9.1%)	209 (17.1%)	883 (72.1%)
<b>Czech</b>	4 (0.4%)	36 (3.9%)	115 (12.6%)	758 (83.0%)
<b>Slovak</b>	4 (0.6%)	33 (4.7%)	99 (14.1%)	565 (80.6%)
<b>Estonia</b>	21 (2.2%)	104 (11.1%)	286 (30.6%)	523 (56.0%)
<b>Georgia</b>	71 (9.5%)	245 (32.8%)	257 (34.4%)	174 (23.3%)
<b>Hungary</b>	8 (0.8%)	31 (3.2%)	161 (16.5%)	778 (79.6%)
<b>Latvia</b>	22 (2.3%)	111 (11.8%)	212 (22.5%)	598 (63.4%)
<b>Lithuania</b>	7 (0.7%)	87 (9.1%)	298 (31.0%)	569 (59.2%)
<b>FYROM</b>	39 (4.9%)	179 (22.7%)	210 (26.6%)	360 (45.7%)
<b>Moldova</b>	30 (27.0%)	56 (50.5%)	18 (16.2%)	7 (6.3%)
<b>Poland</b>	13 (1.4%)	32 (3.4%)	178 (18.7%)	730 (76.6%)
<b>Romania</b>	27 (2.8%)	137 (14.2%)	158 (16.4%)	642 (66.6%)
<b>Euro-Russia</b>	6 (0.6%)	55 (5.8%)	220 (23.2%)	669 (70.4%)
<b>Slovenia</b>	14 (1.4%)	54 (5.3%)	240 (23.6%)	709 (69.7%)
<b>Ukraine</b>	13 (1.0%)	168 (12.7%)	264 (20.0%)	875 (66.3%)

**Note:** “Don’t know” and “No answer” are excluded.

**Source:** Central and Eastern Eurobarometer No.3.

**TABLE 2: Probability of Working in Western Europe**

	<b>Yes</b>	<b>No</b>	<b>Already Worked There</b>	
<b>Albania</b>	560 (56.9%)	415 (42.2%)	9	(0.9%)
<b>Armenia</b>	403 (46.8%)	438 (50.9%)	20	(2.3%)
<b>Belrussia</b>	331 (32.2%)	662 (64.5%)	34	(3.3%)
<b>Bulgaria</b>	309 (25.1%)	907 (64.5%)	17	(1.4%)
<b>Czech</b>	257 (27.9%)	654 (71.1%)	9	(1.0%)
<b>Slovak</b>	253 (35.2%)	462 (64.3%)	4	(0.6%)
<b>Estonia</b>	316 (32.3%)	637 (65.1%)	25	(2.6%)
<b>Georgia</b>	415 (41.7%)	556 (55.9%)	24	(2.4%)
<b>Hungary</b>	244 (24.6%)	729 (73.6%)	17	(1.7%)
<b>Latvia</b>	300 (31.2%)	649 (67.5%)	12	(1.2%)
<b>Lithuania</b>	254 (25.8%)	722 (73.4%)	7	(0.7%)
<b>FYROM</b>	465 (48.4%)	454 (47.2%)	42	(4.4%)
<b>Moldova</b>	145 (15.2%)	797 (83.3%)	15	(1.6%)
<b>Poland</b>	298 (30.4%)	638 (65.0%)	45	(4.6%)
<b>Romania</b>	324 (32.9%)	648 (65.7%)	14	(1.4%)
<b>Euro-Russia</b>	290 (29.7%)	678 (69.5%)	8	(0.8%)
<b>Slovenia</b>	345 (33.2%)	663 (63.8%)	32	(3.1%)
<b>Ukraine</b>	413 (30.2%)	946 (69.2%)	9	(0.7%)

**Note:** “Don’t know” and “No answer” are excluded.

**Source:** Central and Eastern Eurobarometer No.3.

**TABLE 3: Likelihood of Emigration from Albania**

	<b>Definitely</b>		<b>Probably</b>		<b>Probably Not</b>		<b>DefinitelyNot</b>	
<b>Sex</b>								
Male	221	(46.0%)	128	(26.7%)	40	(8.3%)	91	(19.0%)
Female	110	(28.2%)	90	(23.1%)	32	(8.2%)	158	(40.5%)
<b>Age</b>								
<=20	71	(54.2%)	35	(26.7%)	5	(3.8%)	20	(15.3%)
21 – 30	77	(45.3%)	50	(29.4%)	11	(6.5%)	32	(18.8%)
31 – 40	82	(40.6%)	56	(27.7%)	16	(7.9%)	48	(23.8%)
41 – 50	59	(32.8%)	44	(24.4%)	27	(15.0%)	50	(27.8%)
51 – 60	29	(26.1%)	22	(19.8%)	9	(8.1%)	51	(45.9%)
61 +	13	(17.1%)	11	(14.5%)	4	(5.3%)	48	(63.2%)
<b>Education</b>								
Elementary	80	(30.5%)	58	(22.1%)	19	(7.3%)	105	(40.1%)
Some Secondary	60	(50.0%)	35	(29.2%)	3	(2.5%)	22	(18.3%)
Secondary-Grad	140	(40.2%)	77	(22.1%)	37	(10.6%)	94	(27.0%)
Higher Education	45	(36.6%)	46	(37.4%)	12	(9.8%)	20	(16.3%)
<b>Income</b>								
Low income	48	(37.8%)	36	(28.3%)	14	(11.0%)	29	(22.8%)
Medium income	203	(36.4%)	134	(24.1%)	47	(8.4%)	173	(31.1%)
High Income	80	(43.0%)	48	(25.8%)	11	(5.9%)	47	(25.3%)
<b>Free Market</b>								
Right	266	(41.6%)	154	(24.1%)	55	(8.6%)	165	(25.8%)
Wrong	53	(28.0%)	57	(30.2%)	16	(8.5%)	63	(33.3%)
<b>Direction</b>								
Right	259	(38.8%)	173	(25.9%)	56	(8.4%)	180	(26.9%)
Wrong	59	(38.3%)	37	(24.0%)	12	(7.8%)	46	(29.9%)
<b>Occupation</b>								
Senior Mngmnt	21	(44.7%)	16	(34.0%)	4	(8.5%)	6	(12.8%)
Middle/Lower Mngmt	39	(39.4%)	29	(29.3%)	12	(12.1%)	19	(19.2%)
Secret/Clerical	0	(0.0%)	0	(0.0%)	2	(66.7%)	1	(33.3%)
Skilled Worker	62	(34.8%)	47	(26.4%)	28	(15.7%)	41	(23.0%)
Unskilled Workers	26	(39.4%)	13	(19.7%)	4	(6.1%)	23	(34.8%)
Farmer	27	(42.2%)	21	(32.8%)	2	(3.1%)	14	(21.9%)
Other paid work	24	(51.1%)	12	(25.5%)	2	(4.3%)	9	(19.1%)
Pensioner	15	(16.7%)	9	(10.0%)	2	(2.2%)	64	(71.1%)
Housewife	13	(18.8%)	9	(13.0%)	6	(8.7%)	41	(59.4%)
Student	51	(56.0%)	30	(33.0%)	1	(1.1%)	9	(9.9%)
Unemployed	39	(53.4%)	14	(19.2%)	5	(6.8%)	15	(20.5%)
<b>Size of town</b>								
<Village	4	(50.0%)	2	(25.0%)	2	(25.0%)	0	(0.0%)
Village	138	(35.5%)	96	(24.7%)	32	(8.2%)	123	(31.6%)
<=20000	58	(40.3%)	34	(23.6%)	11	(7.6%)	41	(28.5%)
20 – 50000	75	(41.7%)	39	(21.7%)	19	(10.6%)	47	(26.1%)
50 – 100000	42	(43.8%)	29	(30.2%)	5	(5.2%)	20	(20.8%)
Tirana	14	(26.4%)	18	(34.0%)	3	(5.7%)	18	(34.0%)

**Note:** For variable definitions see Appendix.

**Source:** Central and Eastern Eurobarometer No.3.

**TABLE 4. Likelihood of Emigration Equations: Ordered Probit Estimates**

	<b>Model 1</b>	<b>Model 2</b>	<b>Model 3</b>	<b>Model 4</b>
<b>Constant</b>	1.14 (7.12)	0.97 (5.25)	0.03 (0.09)	0.09 (0.30)
<b>Male</b>	0.79 (9.49)	0.79 (9.17)	0.76 (8.28)	0.76 (8.12)
<b>Age</b>	-0.03 (9.76)	-0.03 (9.15)	-0.02 (-4.20)	-0.02 (4.37)
<b>Education</b>				
Some Secondary	0.38 (2.76)	0.39 (2.80)	0.28 (1.88)	0.25 (1.61)
Secondary – Grad	0.23 (2.42)	0.22 (2.29)	0.20 (1.84)	0.18 (1.61)
Higher	0.26 (1.98)	0.23 (1.70)	0.06 (0.33)	0.04 (0.25)
<b>Income</b>				
Medium	-0.11 (0.96)	-0.18 (1.47)	-0.18 (1.39)	-0.18 (1.39)
High	0.09 (0.67)	0.02 (0.12)	-0.01 (0.08)	-0.02 (0.11)
<b>Free Market - Right</b>		0.31 (3.13)	0.30 (2.97)	0.28 (2.78)
<b>Occupation</b>				
Middle/Lower Man.			0.96 (3.73)	0.91 (3.54)
Skilled Worker			0.74 (3.66)	0.71 (3.51)
Unskilled worker			0.58 (3.33)	0.57 (3.23)
Farmer			0.60 (3.01)	0.61 (3.03)
Other paid work			0.84 (3.81)	0.86 (3.81)
Pensioner			0.82 (3.78)	0.80 (3.67)
Housewife			0.20 (0.87)	0.19 (0.84)
Student			0.97 (3.61)	1.00 (3.71)
Unemployed			0.91 (4.46)	0.88 (4.22)
<b>Size of town</b>				
<=20000				-0.02 (0.15)
20 - 50000				0.06 (0.49)
50 - 100000				0.33 (2.17)
Tirana				-0.25 (1.28)
<b>MU (1)</b>	0.28 (8.77)	0.29 (8.74)	0.30 (8.47)	0.30 (8.47)
<b>MU (2)</b>	1.02(19.54)	1.04(19.35)	1.04(18.46)	1.05(18.39)
No. of observations	853	815	775	775
Log-Likelihood	-997.31	-955.05	-887.71	-883.62

**Notes:**

1. t-statistics (absolute values) are in parentheses.
2. MU (1) and MU (2) are threshold parameters.
3. “Don’t know” and other missing values are excluded from the sample.
4. For variable definitions and omitted categories see Appendix.

**Source:** Central and Eastern Eurobarometer No. 3.

## **APPENDIX: Data Definitions**

**Male:** respondent is male.

**Age:** age of respondent at date of interview.

**Income:** income of respondent is scaled 1 to 16. “Low” represents 1-2, “medium” is 3-4, and “high” includes all those above 4. The omitted category in the regressions is “low.”

**Free market:** respondents say that the creation of a free market economy is right for Albania’s future.

**Direction:** respondents say whether or not, in their opinion, the country is moving in the right direction.

**Education:**

Elementary: respondent has completed primary school education or less only.

Some secondary: respondent has completed primary school and has attended secondary school.

Secondary-graduated: respondent has completed secondary school.

Higher: respondent has a higher education degree, teacher-training degree or other post-secondary qualification.

The omitted category in the regressions is “elementary.”

**Occupations:** As listed in Table 3. In the regressions, the “secretary/clerical” category is combined with “middle/lower management.” The omitted category in the regressions is “pensioners.”

**Size of Town:**

Rural and small villages.

Towns with less than 20,000.

Towns with between 20 and 50,000.

Towns with between 50 and 100,000.

The capital, Tirana.

The omitted category in the regressions was “rural and small villages.”