

## Increase of Trust to Meso-Level within the Community of Albanian Immigrants, Precondition for their Economic and Social Development



### Economics

**Keywords:** enclave, trust at meso-level, social capital, economic development, image.

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### Abstract

Once the fall of the communist regime, one of the cruelest dictatorships round Europe, the deep economic crisis induced all Albanians to the exodus versus neighbor European countries. Their exodus was short, immediate, uncontrolled, and not organized. Finding themselves in such difficult conditions of survival, they didn't preserved strong links with their home-country, and the co-nationals. They had a very hard beginning, dealing with their need to be employed, to have a house to live, and to be integrated to the new societies. In these conditions, we look today the Albanian immigrant community in lower levels of social hierarchy in the host countries, and this is reflected to the second generation of Albanian immigrants too. They have lower social status, occupy business and economic sectors of a lower social status, and are less developed. They still lack strong social capital and high level trusts too. But they are much more oriented to alter ties (weak), than to other immigrants in the Albanian community and more addicted to the host country living. They own weaker ties to the outside enclave community, and this is a good case for development and success. Increase of trust to meso-level within the Albanian enclave of the immigrants, reinforcing strong ties between Albanian egos, increasing the level of social capital, is necessary to support their economic and social development, improving image, social status and business potentials too. Identifying ways and possibilities to increase social capital, social status and the economic development, the Albanian immigrant community of the region of Lombardy in Italy will increase its potential to transnational bridging with home country in international trade.

### Introduction

The concept of social capital applied in economic performance of a business or business enclave has been evaluated as an asset and is currently being studied not only from the sociologist in the context of a club good, but also as a good which enhances and supports the success of a business. It enhances also the economic development and the social inclusion of a community.

This article gets use of a part of the results of an empirical research done on the Albanian immigrant entrepreneur community at the Province of Milan, Italy in order to create their profile and measure their entrepreneurial potentials abroad.

*Here we shall discuss some of the data under the hypothesis that, increase in social capital at meso-level terms, increase of trust as a club good between Egos in the Albanian immigrant enclaves/communities, fosters a considerable increase economically and in their social status in the foreign countries hierarchies.*

This is a very important tool in increasing their possibilities and potentials to perform better in the process of transnational bridging with Albania. Measuring this performance on the light of the increase in social capital between Egos, and getting use of their former weak ties already established earlier with Italians or other nationals (alters), is an important point of view compared to just low cost services or sectors often covered by Albanian immigrants. This can also explain some changes in their behavior toward the market environment compared to what they were educated and formed on their arrival in Italy.

Covering not very high social hierarchy professions or being involved in not very preferred businesses socially or not very much profitable, has been seen by them as their only limited possibilities to live and perform in Italy, as they mainly arrived there through informal exodus from Albania. They have been often called refugees rather than immigrants.

As it is also explained here below they have had no strong ties between egos of the same immigrant community. This has been also another factor sowing down their social and economic development as they couldn't find enough support to develop their ideas or to find better jobs once increasing professionally.

Recently, they have been developing more frequently their entrepreneurship and also competing for better jobs and social status as well. They are much more organized in social or professional organizations and networks, even Albanian ones, now, with quite a large number of memberships.

Discussing on such questions and based on statistics from the survey and from other earlier studies as well, we shall try to prove the important role of the increase in the social capital among Albanian immigrants in order to increase their entrepreneurial performance in Italy and in transnational bridging also.

### **Evolution of Albanian migration in Italy**

When analyzing the background of Albanian migration, is important to take into consideration the aspects of politics, cultural and economic ones. The first two exodus that of the early 1990s and August 1991 of “boat people” happened mainly because of political reason related closely and also affected from the domino effect of democratization of the system.

Albanians immigrated through a massive exodus versus Italy and other countries on the early 90s’ facing too many difficulties as they didn’t have any Albanian hosting community abroad to be relied on. Under such conditions they had two main options/directions, first, to be allocated together in areas established by the hosting countries’ governments – refugees camps or temporary infrastructure, and this way standing together to create their possible immigrant enclaves developing within the frame allowed by those governments, and second, to penetrate in the country and to find other ways to survive in the hosting countries, facing their problems on the employment and living on their own, leaving behind their old lives, in order to integrate to the foreign society and be integrated there as European citizens. They almost entirely have chosen the second alternative, losing this way for a considerable period old ties with their co-natives, merging in the host country communities.

At this point of view, the creation and establishment of the new ties with other people than Albanian ones, alters to Albanian immigrant community or ‘enclave’, increased their uncertainties and insecurities related to the way how to live their lives. They started to work according to the market possibilities, without any labor references on their past experiences and existing skills, covering this way low positions in the hierarchy of labor, and holding a low social position in the social environment. Their incomes were not very satisfactory too. This was related to the first stage, when they were mostly considered and called randomly refugees instead of immigrants.

As an economic indicator poverty is the next factor of immigration of Albanians mainly during 1997. When we speak about poverty, according to the Albanian perception of the phenomenon we refer to “encompassing aspects such as lack of hope; feeling excluded from social and commercial life; inability to feed, clothe and house the family; and the difficulty of continuing traditions which are seen as vital for the permanence of family unit” [1]. The fall of communism was associated with the phenomenon of unemployment, especially in cities which were industrialized before it, and even in the rural part of the country as well. Other indicators such related to wealth and research done on economic perspective of Albania show that during this period poverty was widespread in the country. Academics who studied Albanian migration of that time used also the term “economic refugees” to describe the Albanian migrant of 1990s.

The second stage started somehow at the end of 2000 and the beginning of the new century, once they had already matured considerable working experiences and confirmed their abilities as human capital in the labor market too. We can consider this as an internal exodus of the former Albanian refugees within the hosting countries, toward industrial areas where they could compete based on their skills and other qualities embedded in their human capital, rather than on cheap labor and cheap living costs. At this stage they redirected their

movement, ‘internal exodus’, toward co-nationals living in these areas, re-establishing the Albanian enclaves and immigrant communities, reinforcing also ties with Egos.

Overlast decade they started to increase their self-expectance related to working conditions, social status and competitiveness in the host country economies and markets. It started as process based, first, on interpersonal trust and ties with parents and relatives, to continue then with strengthening of Albanian communities and being more organized socially and economically, but, still covering and doing low interest businesses to the host country citizens. They established their activity more in construction, automotive services, cleaning and in some cases restaurants and trade. Increasing activity with the home country somehow increased their social status as they started to hold intermediary positions between Albanian businesses/economy and the host country organizations. They started to build transnational distribution channels interweaving market resources both sides and creating their new profile in the international marketing.

In order to deal with the new situation, they started to organize among them and be much more conscious on their joint power and potentials to the market due to their new roles and positions. They started to gain new higher social status abroad. All this has been estimated mostly in economic terms, but it is important to understand the main driving force, social capital, as a club good created and reinforced by the increase in trust level among them, Albanian immigrant community common trust, a meso-level one, interweaved with host country state of nature in macro-level trust and social capital as public goods guaranteeing their enclave existence and development even legally speaking.

**Social capital and meso – level application**

The concept of social capital is distinctly related to two different theoretical background that divide between micro and macro sociology but both of them finalize the same important highlight of the concept as a good, asset or resource of social relation the same as other resources. Studies of the field that agree and accept social capital as a capital have finalized and measured it at the three different levels that are micro, meso and macro. Moreover advanced studies have identified the three dimensions of it moving between structural content and a collective good. [2].

As we can notice by the table below, all the three levels have one common indicator to be measured, that is trust. To make it simpler we can identify the trust in three levels, micro level trust for interpersonal trust, meso - level trust as community or collective trust, or club good to trust between people already organized and participating in certain collectives or communities, and last but the most important level trust in macro level or systemic trust to consider of great importance public goods of social common interest. To this conceptualization we can also classify the social capital as the main element to foster development in micro, meso and also macro level.

Micro-level (private good)	Structural dimension: the pattern of steady relations of ego with others. Content dimension: recognition (Coleman, 1990; Lin 2000), cooperation, personaltrust (Mollering, 2006), solidarity, loyalty, reputation (Lin, 2000), access to sensibleinformation (Granovetter, 1973)
Meso-level (club good)	Social identity and belonging, collective interests associations, inclusion of insidersin a common social circle and exclusion of outsiders (Durlauf, 2005), organizations(Coleman, 1990)
Macro-level (public good)	Civicness (Putnam, 1993), systemic trust, shared norms and values (Fukuyama, 1995), ‘rules of the game’, membership in voluntary associations (Hall, 2002)

**Table 1: Different levels of social capital.[2]**

Sociologists already have studied the strong relation between social capital and economic development. Taking this as an axiom already proved now, we can observe the Albanian immigrant community and verify their situation through statistics and qualitative analysis related to the level of social capital embedded among them in order to support more development and increase in their social status.

The hypothesis we want to prove is:

*H<sub>0</sub> - The increase in social capital at meso - level terms, increase of trust as a club good between Egos in the Albanian immigrant enclaves/communities combined with important improvements in human capital attributes through better and coherent professional and higher education, as well as inclusion and involvement in social and professional networks, both in Italy and in their home country - Albania, foster a considerable increase and development economically and in their social status in the foreign countries hierarchies.*

### **Materials, Method and Findings' Discussions**

In order to analyze the Albanian immigrant community on their potentials to international trade and transnational bridging with their home country, we considered for our study the Albanian immigrant entrepreneur community in the province of Milan, Italy. We identified 17000 registered economic units owed by Albanians from the register of Camera di Commercio of Milan. While considering their economic profiles, we identified that they were mostly self-employed, or as they were considered by Italian law, 'liberiprofessionisti'. At this point we made a qualification of their index establishing as a criterion the number of employees. We identified a sample of 204 Albanian immigrant businesses with more than tree employees. This was sat because of the need for more emphasized business profile of the selected sample.

We interviewed 204 Albanian immigrant businesses to 49 set of questions related to different issues in order to have a complete profile of the Albanian immigrant entrepreneur. Part of these questions were demographic ones, economic ones, education ones, behavior ones, social belonging ones, performance ones and connection ones. Out of these typology of questions we identified some of those related to enclave belonging, trust belonging, social inclusion belonging, typology of ties belonging and considering the impact of such questions on the generic performance of the Albanian immigrant businesses in the host country market or in the international trade with Albania through bridging transnational both sides.

We analyzed the data with SPSS in order to see through descriptive statistics their profile and the relations through different factors or variables listed in the questionnaire with their performance in their entrepreneurship. For the purpose of this paper we analyze here below some relations of different immigrant enclave factors and trust related with their possible increase in entrepreneurship performance. This is combined with other statistical data from other studies too.

Albanian immigrants are the second biggest group of immigrants in Italy sharing more than 13.7% of the total non communitarian citizens. But they have the highest unemployment rate among them 15.3%. The sectors of concentration for Albanian workers are the construction and industry which compose 53% of the total employed. The other half is distributed among other sectors such as other public services, restaurants, financial activities and other services to the entrepreneurship, agriculture, and commerce.

Even being the second biggest group of immigrants in Italy, Albanian ones do not hold the same position related to entrepreneurial activities. They are ranked only the fourth place on the total immigrants in Italy.

They come mostly from central areas in Albania or from advanced areas in education in Albania. Immigrants coming from western territories, as well as the north-western ones have had, even in the past, good

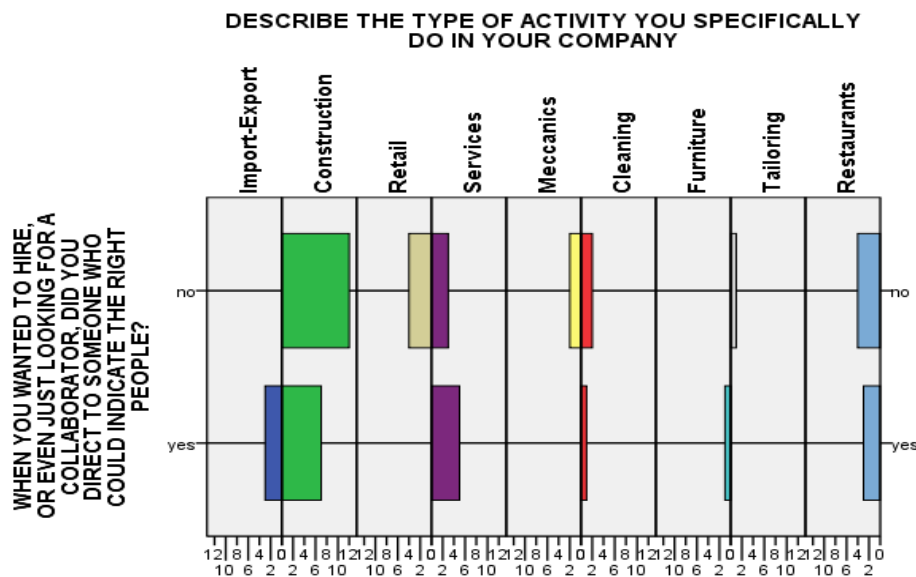
knowledge of Italian language and somehow culture, due to the continuous contact they have had through Italian radio and TV media. The average Albanian immigrant entrepreneur in total has twelve (12) years of education (46.7%) and also granted a diploma for that mainly in the capital, Tirana. He is married and has children (76.6%) while his partner nationality is Albanian (88.6%).

The average Albanian entrepreneur is engaged in activities within the construction sector mainly (40.4%) and also services (17.3%) and restaurants (13.5%) with 2 or 3 dependents and collaborators in more than 90% of the cases Albanian ones. They mostly hire Albanian employees.

They show for a considerable set of weak ties with alters. Their market segment is concentrated in the province where they mostly live and sell their products or services (34%) where 6-10 clients are business clients and have Italian origin (66.7%) while suppliers can be both from the province or region (38%) and have Italian origin (84.4%), too. In cases when there are suppliers from Albania the percentage of purchases over the total is 2-5 % ( 93%).

Albanian entrepreneur do believe that relations with Italians (51.9%), as well as with other immigrant non family parents, but co-nationals (50%), relationship with other immigrants non conational (50%) and family relations (40.7%) are very useful in managing their entrepreneurship. On the other hand they are not sure if connections with Albanian association in Italy or Albania, or just Italian ones do influence their activity. They are still not aware of the importance of strong and weak ties with Egos and alters to create trust and club goods, fostering this way the development of their economies and of the immigrant enclave too.

When searching for a collaborator or a dependent, the entrepreneur typically does not ask or directs to another specific person for advices, neither does this for business consulting purposes (62%). They consent themselves to the case and to the moment possibilities. They randomly mostly refer or direct to parent or co-nationals' ties, and very rarely to alters or alter organizations (Fig.1).



**Figure 1: Consultancy based on sectors.**

From the business and social experience they have accumulated until now, they would agree or strongly agree that aspects such as; the desire to work, the professionalism and experience, familiarity with Italians, professional experience and traditions of their family and knowledge of Italian language are important aspects in

successfully managing their enterprise. They have relations with other Albanian and Italian entrepreneurs in Italy (87.8%), but few relations with Albanian entrepreneurs in home country. Those who have relations with the home country partners, do this for buying and selling of products and services.

Regarding their family and children, the Albanian immigrant entrepreneurs actually do not prefer to inherit their business activity to them, rather than want the second generation to find a job different from theirs, thanks to a good education and diploma, and, of course, more integration in the foreign society. They want their second generation to be involved in more prestigious sectors than their ones. This would improve their social status. They see as strong support on this regard their better education and the community confidence on them and their human capital too.

A small number of Albanian immigrants in Italy are part of associations of entrepreneurs (6%) or other bodies of compatriots (7%), while more than these are participating in Italian associations of category (15%).

They consult the parent ties or conational ones in 47% of the cases to hire people. 38% of them consider being consulted by the Egos as important tool to success.

Considering the people they used to know during their stay and activity in Italy, only 22.4% were Albanians. The rest were alters to their Albanian enclave.

All the discussion here above is based on the survey data collected. If we consider also other nationality immigrant communities and their experiences, we can easily notice that they have had a fare more fast increase and development in the host countries once they created and where more based on their immigrant enclaves of consumption, and build their industrial chains as well to support this demand for products and services and in order to comply with the extensions of that demand among alter ties that their egos have had and established while living and working in the host country. We can refer on this reasoning to the Indian, Egyptian, Chinese, Italian, Irish, German, and other Asian communities, which now represent very important enclaves, both of consumption and of business in the host countries, and give a very important contribution through transnational bridging with their home countries. More statistical secondary information on this regard will be provided in another paper regarding further development and evolution the Albanian community of immigrants on a wider spectrum. Due to the limited space related to the size of the document/paper induced by the conference body, we couldn't include that information here.

### **Conclusions and Recommendations**

This entire statistical map related to ties and community/enclave membership or belonging show still for weak club goods limited to financial support or hiring of employees, rather than other kinds of trust and elements showing for an increased social capital at meso-level.

This also explains their still involvement in low prestige industries or sectors, maintaining still low ranking in the foreign countries societies.

Lacking behind in such level trust (meso-level), immigrant community level, does not fit with the presence of trust in macro level or public goods already present in these societies for all the citizens without discriminations.

Having similar problems with trust and social capital in the peer or home country, does not give them the possibility to higher social inclusions in the foreign country, lacking importantly the necessary social capital to be highly developed and to increase their potential to competitiveness in the host country market and society.

At this point of discussion, referring to how the Albanian immigrant entrepreneurs can increase their performance measured through increase in number of employees the last three years, or better increasing their revenues enlarging the market to the alter community of the provinces they live and operate, as well as making reference to the facts analyzed here above, structural trust (micro-level), interpersonal level, is not enough to foster this targets/goals. They should in any case increase trust in community level and rely on macro social capital offered by the host country in order to perform better and to gain increased social status and inclusion, increasing this way their prestige and image, helping themselves to get a more important status and play a more important role while bridging transnational trading with Albania, or competing in the host country market with domestic Italian ones in all sectors of economy and social life.

The study is limited to deduction and abstraction, and analysis of facts and figures on a binomial base, controlling one by one all factors considered of structural content and collective good in relation to their business performance. Running a regression in order to see their combined effect to the business performance of the Albanian immigrant entrepreneurship, would increase the accuracy of the test of our hypothesis. This will be subject of a deeper study and research in the near future.

The sample also represents only the Albanian immigrant community of the province of Milan and limits the possibility to extend all the conclusions for the entire Albanian immigrant community, but still it shows for important facts/findings and developments.

To conclude, this discussion is of great importance to give some recommendations in regard to the increase of the development potentials among Albanian immigrant enclave in Italy, fostering their increase in trust at community level and get as a result better performance of this enclave.

They have to intensify the activities in their enclaves of consumption and business, in order to increase transparency and confidence/trust among community, and institutionalize their egos status within. This will help increase confidence on egos relations and trust at a community level, as it is possible to have a certain 'enclave community citizenship' and even enclave institutions as well. Increase of trust at meso-level will reinforce their business position and social status once endowed to higher social capital, necessary to more development.

They do have enough considerable weak ties with alters on which they can count for more economic exchanges and social inclusion to the host country society and market. This is a good key to reinforce their possibilities for success.

Increasing and updating their knowledge and education, especially in new professional skills even to modern end developed markets like Italy, is a strong tool to gain comparative advantage for being more competitive. They are doing this with the second generation, which also appears to be pretty much more socially integrated in the host country society and more competitive in the science and business environment. Being supported from much more believe in terms of trust to club goods and social capital among their Egos of the Albanian immigrant enclave will enhance their performance in different aspects, especially in economic development.

Being part of compatriot organizations, both social ones and of professional category, will enhance the exchange of information and trust and will increase their social capital status fostering more development. The same is worthy for the non Albanian associations and organizations too, especially to those dominated by Italians. This will make possible the increase of trust among Egos of Albanian enclaves and alters of the host country communities and of the social inclusion and increased social status as well. This will help establish more sustainable relationships with the host country economy and market as well.

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