

The Demand for and Supply of Nostalgic Products among the Albanian-Americans: A Survey

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University

Manuel Orozco

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Introduction

This report provides a characterization and analysis of transnational economic engagement by Albanian migrants in the U.S., focusing on the import and consumption of home country goods, which is typically referred to as “nostalgic trade.”

Migration has gained significant importance in economic development in as much as international institutions realize the impact human and labor mobility have on economic and social change. Increasingly, policy practitioners and development experts are considering how to incorporate migration into development plans. The Albanian Diaspora, an ethnic conglomerate of native and foreign born Albanians living outside of the country (or countries where the ethnicity is present, including Kosovo, Macedonia, Greece or Italy), is emblematic of such importance.¹

This report is based on interviews with a subset of the Albanian diaspora: Albanians living in the United States. 75% of those interviewed were Albanian nationals from Albania, the rest were ethnic Albanians from Kosovo (15%), Montenegro (7%) and other locations like Bosnia, Macedonia, Greece and Italy (3%).The study shows that this diaspora community is engaged with their home country, and that the majority of them consume a wide array of home country commodities such as beer and sweets.

Specifically, we find that over 60% of foreign born Albanians in the U.S. say they purchase Albanian imported products consisting of more than 30 kinds of commodities. In a year basis, Albanians say they spend US\$1,200 a year on these goods.

A key finding in the study is that Albanians struggle to find the products they want, stores typically are few, bring limited supplies and a small number of commodities, and are hard to reach.

Given the existing challenges we recommend steps to strengthen the nostalgic market through continued market research, trade-related technical assistance, diaspora-donor partnerships for nostalgic trade development, and trade fairs.

¹ Albanians constitute an ethnic group native to Albania or countries where the ethnicity is present, including Kosovo, Macedonia, Greece or Italy.

Survey methodology

This report draws from 207 surveys commissioned to the Inter-American Dialogue. It was conducted among foreign born as well as second and third generation Albanians in the United States. The surveys were conducted over the period March – April 2015, completely voluntary and anonymous. The surveys were conducted in English and lasted for approximately 10 minutes.

41 surveys were conducted in the metropolitan areas of Boston, 47 in Detroit, 97 in New York, and 22 in other cities throughout the United States, including 5 in Washington, DC. 83% of those interviewed were foreign born Albanians; 60% of all interviewed were Albanians born in Albania and 15% born in Kosovo.

The sample unit was selected in city streets in neighborhoods with large Albanian populations, such as Pelham Parkway and Arthur Avenue in the Bronx. Other surveys were conducted, with the permission of community leaders, at Balkan community centers, children’s dance classes, Albanian language classes, religious centers, charity fundraisers, and factories. The surveys sought to understand demand for Albanian products, any difficulties in finding Albanian products, general levels of transnational engagement, and demographic characteristics of respondents.

In addition to the survey, 15 site-visits and in-depth interviews were conducted to Balkan businesses in New York, Boston, Detroit, and Washington, DC. These site visits shed light on demand side dynamics, including consumer opinions about product availability, quality, and pricing. They also help to understand some of the challenges that local Balkan businesses may face in supplying Albanian products to a small but diverse diaspora population.

Table 1: Characteristics of Albanians in the U.S.

Gender	Female	47.3%
	Male	52.7%
US Citizen	No	30.1%
	Yes	69.9%
Education	High school or less	34.6%
	Some college	19.1%
	College graduate or higher	46.2%
Income	Less than \$30,000	52.7%
	\$30,000 - \$50,000	14.3%
	Over \$50,000	33.1%
Average age		41
Average total years in the U.S.		14

I The Albanian Diaspora in the U.S.: Transnational Engagement

Diaspora engagement is characterized by a migrant or ethno-national group's intention and motivation to establish transnational engagement. The term diaspora has evolved significantly, most recently with the end of the cold war and the intensification of migration. Moving from its origination as describing groups exiled or forced from a "homeland," the term diaspora is now used to describe major migrations and displacements of the second half of the twentieth century, as well as to analyze the development impact of these migrants' cross-border activities (for a literature review, see Orozco, 2013).

This paper refers to diaspora as a:

...socio-political formation, created as a result of either voluntary or forced migration, whose members regard themselves as of the same ethno-national origin and who permanently reside as minorities in one or several host countries. Members of such entities maintain regular or occasional contacts with what they regard as their homeland and with individuals and groups of the same background residing in other host countries. (Sheffer, Gabriel. 2003. *Diaspora Politics: At Home Abroad*. Cambridge: 10-11)

In the United States, there is a community of Albanian nationals who have formed as a group across various cities and are part of a broader diaspora community. This diaspora community is a byproduct of international migration originating both in Albania and other places, like Kosovo, Italy and Greece. Much of contemporary Albanian migration stems back to the post 1990 dictatorial period. Since then Albanians have moved predominantly to Italy and Greece. Migration to the United States and the United Kingdom also emerged after 1992 and continued from 2000 onwards.

According to the United Nations, the number of Albanian migrants grew from just over 100,000 in 1990 to over one million ten years later from a country of 3 million people. The majority of Albanian emigrants are male, although female emigration has increased in recent years as women seek education opportunities and family reunification abroad. For example, from 2000 to 2013 the percent of migrants who were female increased from 40% to 46%. By 2013, the United Nations population division put the number at 1.25 million Albanians living abroad. The table below shows the place of destination of these communities.

Table 2: Number of Albanians living abroad

1990	2000	2013
125,387	791,716	1,252,066

Source: United Nations, Department of Economic and Social Affairs (2013). *Trends in International Migrant Stock: Migrants by Destination and Origin* (United Nations database, POP/DB/MIG/Stock/Rev.2013).

Most Albanian migrants work in low- to medium-skill positions. Male Albanian migrants in Greece and Italy work predominantly in construction. In the United Kingdom, most Albanian males work in construction and services, while two thirds of women are employed in the service sector.

Table 3: Main destination of Albanians abroad

Country	%	# of Migrants
Greece	46%	574,840
Italy	36%	449,657
United States	7%	84,665
Germany	3%	31,969
Macedonia	2%	25,400
Montenegro	2%	19,775
United Kingdom	1%	16,711
Canada	1%	12,648

Source: United Nations, Department of Economic and Social Affairs (2013). Trends in International Migrant Stock: Migrants by Destination and Origin (United Nations database, POP/DB/MIG/Stock/Rev.2013).

The Albanian Community in the United States

According to figures from the 2013 American Community Survey (ACS) of the U.S. Census Bureau, there are 81,047 foreign-born Albanian migrants in the United States, 48,728 of whom are U.S. citizens while 32,319 are non-U.S. citizens. With an average age of 37 years, 81.9% of Albanians immigrants in the United States are between the ages of 18 and 64. Half of the Albanian population in the United States has a college degree or higher and only 27.1% are employed in management or business sectors. Other work areas include service, sales, construction, and transportation.² Geographically, the majority of Albanian migrants are concentrated in New York City, Detroit, Boston, and Chicago.

Albanians have continuously migrated to the U.S. since the 1990s, and are likely to continue to do so in the near future. The United States has experienced two waves of migration from Albania: first, in the early 1920s, and second, during the 1990s. Sixty-one percent of Albanian migrants came after 2000. Moreover, since 2005 Albanian immigration has maintained a steady annual inflow of 3,000 people, in addition to an annual 5,000 non-immigrant visas, issued every year.³

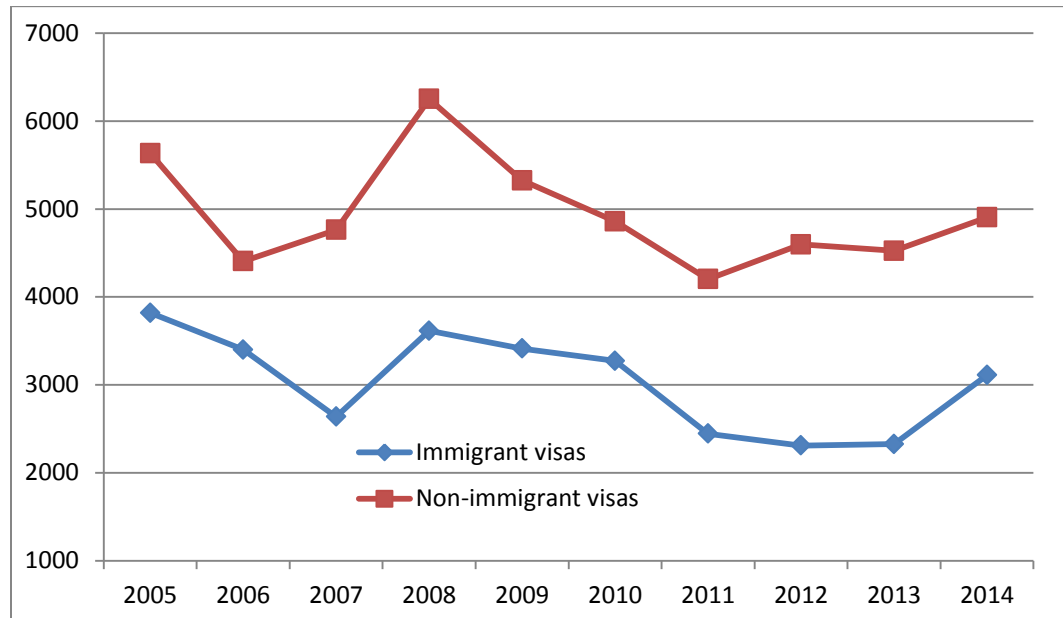
Overall, by the year 2025 the number of Albanians in the U.S. will have reached over 110,000 people, 93% of which will be 18 years old or older, and they will occupy 44,000 households. This figure is significant for a number of reasons.

To begin with, Albanians constitute one of the younger emerging migration populations in the U.S. relative to the years of arrival and continued inflow. Second, as a market they represent an important and crucial economic resource for Albania.

² S0201: SELECTED POPULATION PROFILE IN THE UNITED STATES 2013 American Community Survey 1-Year Estimates.

³ USDOS, Bureau of Consular Affairs, Immigrant and Non-immigrant Visa statistics, <http://travel.state.gov/content/visas/english/law-and-policy/statistics/non-immigrant-visas.html>

Figure 1: Immigrant and non-Immigrant visas issued in Albania, annual



Source: US Department of State, Nonimmigrant visa statistics, <http://travel.state.gov/content/visas/english/law-and-policy/statistics/non-immigrant-visas.html>

Migrant Transnational Economic Engagement

Diasporas participate in a number of transnational economic activities with the homeland and set the basis for deep ties and impact there. Those ties and impacts may create a space for intervention in economic development, particularly when government policies integrate such engagements. These ties can be referred to as the value chain of migrant transnational economic engagement and entails at least six different linkages (see table below). These linkages interact with the host, home country and a range of intermediary institutions that facilitate those links.

Table 4 presents those activities and their corresponding relationship to the areas of engagement. Typically, the two most substantive activities or practices in which immigrants engage are consuming home country goods and sending money to their families. The landscape of such dynamics is an important first level layout of the extent to which a country is benefited and impacted by these flows.

Albanian Transnational Engagement

This section explores the extent of Albanian transnationalism, and is based on the survey of Albanian communities described in the earlier section. Albanian migrants were asked questions about their engagement with Albania, and particularly as it relates to the consumption of home country goods, such as food and cultural commodities. Previous work on international migration shows that many diasporas seek to connect to their homeland in various ways, establishing transnational networks and becoming transnational communities with ties to their home country (Orozco, 2013).

The level of that engagement varies across nationalities and is influenced by an array of factors, including the rationale for migrating. Two of the most typical ways of transnational engagement are consuming home country goods and sending money home. In the case of Albanians, transnational ties are not different to other communities, and the trend in practice is only slightly different in magnitude.

Table 4: Migrant economic activities

Engagement Economic activity	Adults participating	Host country	Intermediation	Home country
<i>Activity associated with</i>				
A) Family remittances	60%-80%	The decision to remit a share of the workers' income	The work of remittance service providers	Effect of remittances on family household economics
B) Consumption	80%-90%	Consume home country goods or services related to the homeland	Supply chain of products and services	Production chain of home country goods
C) Philanthropy	10%-20%	Raise funds to donate to the hometown	Transfer and donation implementation mechanisms	Funds received and projects implemented
D) Entrepreneurship	5%-10%	The decision to create or maintain a minority owned business	The enabling environment to form a business	Creating a micro or small enterprise by an immigrant or family member in homeland
E) Investment	5%-10%	The effort to allocate capital for a particular investment or business venture	The investment environment	Allocating capital for a particular asset or venture in the hometown
F) Knowledge transfer	5%	Information and skills acquired as development tools	Institutions forming skills in the knowledge economy	Methods to share information, knowledge and skills that enhance local and national development

Source: Orozco, Manuel. Migrant Remittances and Development in the Global Economy. Boulder: Lynne Reinner, 2013.

As Table 5 shows, the most characteristic practice among Albanians is buying home country goods and sending money back home. Among other nationalities, investing back home is a rare activity performed by less than 20% of migrants, whereas is much higher among Albanians. Those reporting visiting the homeland at least once a year are no different to other nationalities. This activity is one of the least performed forms of engagement, either partly due to their legal status in the United States or to costs of traveling or distance and connections (or travel time) to the home country.

The main difference between Albanians and other foreign born nationalities in the U.S. is that they are more engaged in organizations linked to Albania and investing back home, and consume and remit less. Overall, more than half of Albanian surveys perform at least three transnational activities.

Table 5: Forms of home country engagement among Albanians in the U.S.

Indicator	%
Buys home country goods	62.0%
Sends money back home	56.6%
Belongs to organizations linked to Albania	54.5%
Invests back home	30.6%
Visits Albania	23.9%

Source: Survey of Albanian Migrants, Inter-American Dialogue, Spring 2015.

Table 6: Forms of home country engagement among foreign-born nationalities in the U.S.

	Percent of immigrants who ...			
	Send once money	Travel 1+ times a year	Belong to a philanthropic organization	Buy home country goods
Albania	57	24	55	62
Average	74	24	17	89
Mexico	84	5	15	99
Dominican Rep.	78	63	20	97
Nigeria	55	47	22	93
Colombia	66	7	15	92
Paraguay	66	10	38	92
Ghana	68	32	23	91
Honduras	91	25	8	90
El Salvador	76	14	4	88
Bolivia	74	19	6	86
India	60	18	13	85
Ethiopia	70	14	39	78
Philippines	71	40	2	71

Source: for Albania is the Survey of Albanian Migrants, Inter-American Dialogue, Spring 2015; for all other countries Orozco, Manuel. Tasting identity. Microlinks (2009).

The following sections contextualize these issues as they relate to the Albanian experience. Specifically, they connect the intersecting realities of migration and of transnational economic activities, particularly of the nostalgic trade.

II Understanding Albanian Nostalgic Trade in the U.S. within the Context of Transnational Engagement

Here we take a closer look at the main source of engagement, nostalgic trade. The Albanian community in the U.S., formed by the first generation as well as the older generation Albanians, stressed a demand for various home country goods. Nearly two thirds of Albanian (62.7%) said they consume imported products from home.

Although 62.7% of all Albanians reported purchasing imported products from Albania, there are some interesting characteristics. For example, 87% of Albanians from Kosovo reported purchasing Albanian products and nearly 80% of those in New York buy them.

Table 7: Percent of respondents who purchase imported Albanian products⁴

Overall, Albanian Diaspora		62.7%
Country where migrant was born *	Albania	58.2%
	Kosovo	86.7%
	Macedonia	33.3%
	Montenegro	71.4%
Generation of migrant	1st Generation: Migrant	64.7%
	2nd Generation: Parents are Albanian	51.7%
	3rd Generation: Grandparents are Albanian	60.0%
Gender	Female	64.2%
	Male	61.3%
Citizenship	Not a US Citizen	63.8%
	US Citizen	61.7%
Current State of Residence *	New York	76.8%
	Michigan	57.8%
	Massachusetts	51.2%
Education *	High school or less	73%
	Some college	57%
Income	Less than US\$50,000	69%
	Over US\$50,000	61%
Belongs to a philanthropic institution *		58%
Sends money home *		63.4%

Source: Survey of Albanian Migrants, Inter-American Dialogue, Spring 2015. * statistical significance. n=128

⁴ 61.8% or 128 of all surveyed Albanian-Americans consume goods imported from their home country. This table is based on those individuals only.

The average number of goods consumed was 3, but the total number of goods mentioned was more than 30. Of those, the most popular products include a variety of meat, followed by cheese and alcohol (Albanian liquor), and coffee. If burek and sausage are combined, then meat, cheese, bread and alcohol are the predominant kinds of products consumed by this community. Moreover, the quantity of goods purchased, which on average was three, correlated to similar variables, specifically, to belonging to a community group, being older and more educated.

Table 7: Top 15 Albanian products consumed by Albanians in the U.S.

Product	Top product
Meat	16%
Cheese	13%
Beer	10%
Alcohol	8%
Coffee	7%
Dessert	5%
Burek	3%
Sausage	3%
Bread	2%
Clothing	2%
Music	2%
Olive Oil	2%
Pickled Vegetables	2%
Religious items	2%
Souvenirs	2%

Source: Survey of Albanian Migrants, Inter-American Dialogue, Spring 2015. n=128

Not all products mentioned may be of strict Albanian origin. For example, when US customs data on imports of Albanian origin food products is compared with what the Albanian diaspora reports, there are some inconsistencies:⁵

Although many Albanians cited cheese as a nostalgic good, customs data shows no import value for that item. The Trade Commission data may suggest a few things:

- Many people may have reported purchasing Albanian cheese, but they may be referring to Albanian-style cheese from Bulgaria, Kosovo or Greece.
- Not all imported goods considered as Albanian may be coming from Albania but from other Balkan countries, or
- These products were brought informally—a typical practice when trading markets are not fully established—or

⁵ Interviews and site observations at local Balkan grocery stores also confirm these findings. Many grocers, for example, explained that Albanian style cheese actually comes from Bulgaria. These also mentioned that some Albanian-style sausages are actually produced in the United States.

- These products once at the local store were given a substantially higher price in order to cover distribution and retail store revenues and get higher profit.

Table 8: U.S. imports of Albanian commodities

Description	2014 US\$
Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	41,422
Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder	13,112
Articles of apparel and clothing accessories, not knitted or crocheted	2,862
Iron and steel	2,587
Footwear, gaiters and the like; parts of such articles	2,574
Coffee, tea, mate and spices	854
Articles of apparel and clothing accessories, knitted or crocheted	811
Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silkworm gut)	637
Edible vegetables and certain roots and tubers	578
Other (aluminum, wood, electrical machinery, oils and resins)	3531
Total	68,969

Source: <https://dataweb.usitc.gov/scripts/REPORT.asp>

Table 9: Imports of Albanian products reported at customs

Item	2014 US\$
Cheese	0
Desserts & Sweets	7,858
Meat	0
Coffee	46,696
Sausage ⁶	0
Bread	0
Beer	14,336
Raki	7,055
Flour & Baking materials	15,048
Olives	10,354

Source: US International Trade Commission Data, Declared Customs Value of Imports for Consumption, Actual Dollars, 1996-2014, Select Products.

Regardless of their true origin, many of these products constitute a relatively important portion of their overall consumption. In fact, the amount spent is not negligible because nearly half say they spend about US\$180/month, equaling an average of US\$2,172 a year. This consumption of nostalgic goods is

⁶ Stores carry a variety of sausage products that appear to be imported from Albania. The fact that they do not appear among US International Trade Commission data suggests that a) they may be mislabeled or mis-categorized in customs data, or b) they may actually be produced in the United States.

5% of an average annual income of US\$40,000. The table below shows the range of amounts spent monthly among Albanian migrants.

Table 10: Distribution of monthly expenses on Albanian nostalgic goods

Range	
Less than 100	56%
100 to 200	15%
Over 200	29%
Average (US\$)	181

Source: Survey of Albanian Migrants, Inter-American Dialogue, Spring 2015.n=104

III Characterizing Consumption of Nostalgic Commodities

These commodities are supplied by a network of ethnic stores of predominantly Balkan origin. The demand of these products, however, is met by a range of challenges that make it difficult for Albanians to purchase these commodities on a regular basis.

Shopping Characteristics on the Demand Side

Albanian migrants consider a number of factors when shopping for nostalgic goods. The country where the product is from and the quality of the product are their most important considerations. The majority of respondents reported shopping for Albanian products at least once a month, as the table below shows.

Table 11: When shopping for imported Albanian products, most important considerations

Consideration	(% of each option)*
The cost of the product	11.3%
The fact that it's from my country	46.0%
The quality of the product	40.3%
The uniqueness of the product	9.7%
Religious reasons	1.6%
Other	48.4%

Source: Survey of Albanian Migrants, Inter-American Dialogue, Spring 2015. *More than one answer was possible. n=128

38% percent of all respondents shop for Albanian products at local Albanian stores in the United States. Some respondents also shop at local Balkan stores, as well as other types of local stores. In surveys, respondents commented that several large American chain stores (e.g., Walmart) carry Albanian products in neighborhoods where many Albanians live.

Table 12: Frequency of purchase

Frequency of purchase	
Two or more times a week	7.0%
Once a week	25.2%
Every two weeks	10.4%
Once a month	25.2%
Less than once a month	28.7%
Other	3.5%
Total	100.0%

Source: Survey of Albanian Migrants, Inter-American Dialogue, Spring 2015. n=115

Table 13: Shopping location for Albanian products

Shopping location	
Local Albanian Store	38%
Local Balkan Store	18%
Other type of local store (American store, Italian store, etc.)	23%
Online	2%
Other	20%
Total	100%

Source: Survey of Albanian Migrants, Inter-American Dialogue, Spring 2015. n=128

A Challenging Environment on the Supply Side

As mentioned earlier, when compared to the demand, the supply of Albanian nostalgic products to diaspora communities in the United States is very incipient. Imports have not yet caught up with demand. In fact, nearly half of Albanians in the U.S. report difficulties in finding their favorite Albanian products. Suppliers, for example are few and with limited geographic and product availability.

Limited Product Availability

Surveys show that the main reasons for not consuming Albanian products are related to availability. Either consumers cannot find the desired products (33.8%), or they have to bring them from Albania themselves (9.9%), or the stores that sell them are too far away (5.9%). These responses point to a variety of issues with supply. “If I would find Albanian things, I would buy them,” many respondents reported.

Table 14: Reasons for not consuming Albanian products

Cannot find the desired products	33.8%
The stores are far away	5.9%
Found good substitutes among products from other countries	22.1%
Does not miss Albanian products	13.2%
Not sure	14.7%
Brings products from Albania	11.8%
Other reasons	17.6%

Source: Survey of Albanian Migrants, Inter-American Dialogue, Spring 2015. n=128

The limited availability of Albanian products was further confirmed through visits to local stores in Michigan, New York and Boston. In some cases, Balkan groceries did not carry a single Albanian product, even though the main customers were Albanian. Moreover, even Albanian groceries owned by Albanian families carry only 1-5 Albanian products, as the table below shows. Product supply varied a great deal by location, and only two stores provided the largest supply of Albanian products. The Detroit, Michigan metropolitan area has limited availability of a few products. Boston, Massachusetts has almost no

Albanian products, according to surveys and interviews. What comes across is that even though the demand for products extends to more than a handful of products, suppliers only cater a few of them.

Table 15: Supply of Albanian products by local stores

	Albanian products	# Albanian Products Available	Specific Albanian products of note	Products from other Balkan Countries
Detroit and vicinities				
Euro Mini Mart	Yes	1-5	Fig jam, pickled vegetables	Yes
European Beverages	Yes	1-5	Wines	Yes
La Grusa Meat and Fruit Ranch	Yes	1-5	Wines	Yes
Max's Retail and Imports	No ⁷			Yes
Studio Malesia	Yes	50+	Artwork, musical instruments, CDs, soccer balls, flags	Yes
Zahi & Issa Mediterranean Market	No ⁸			Yes
New York City and vicinities				
Albanian-American Deli	Yes	5-10	Mountain tea, herbs, fig jam, olive oil	Yes
AlbanianShopping.net	Yes	50+	Sausage, gifts, books, souvenirs	Yes
Briska Grocery	No			Yes
Euro Foods Scalinada	No			Yes
Kosovo Deli	No			Yes
La Cantina Wines and Liquor	Yes	1-5	Wine, Raki	No
Mergimtari	Yes	5-10	Fig jam, ajvar, coffee, cookies, sausages	Yes
Stepping Out: Gym Locker Sports	Yes	1-5	Soccer scarves, soccer hoodies	No
Teitel Brothers	No			No

Source: Interviews with Albanian Businesses, Inter-American Dialogue, Spring 2015.

Products That Are Difficult to Find

Nearly half of Albanians in the U.S. report difficulties in finding their favorite Albanian products. Respondents in Massachusetts and Michigan reported having more difficulty than those living in New York, which has greater availability of products. What comes out also is that difficulties in finding products is not for lesser used or known commodities, but even the most typically consumed products are hard to find.

⁷ Only "Albanian-style" products from other Balkan countries.

⁸ Only "Albanian-style" products from other Balkan countries.

Table 16: Difficulty in finding products

% All responses	
Difficulty finding Albanian products	
All respondents from cities in key states where research was done	47.8%
Respondents in Massachusetts (Boston,	76.3%
Respondents in Michigan (Detroit)	53.3%
Respondents in New York (Manhattan, Bronx, Yonkers, etc.)	29.4%
Most mentioned products that are difficult to find	
Meat & Dried Meat, Desserts & Sweets, cheese, and others	

Source: Survey of Albanian Migrants, Inter-American Dialogue, Spring 2015. *For products, more than one response was possible.

Opportunities for Expanding Current Offerings

A majority (72%) of businesses said they would consider adding Albanian products in the future, pointing to an important opportunity to expand the current supply. Stores that do not currently offer Albanian products mentioned that their Albanian customers have requested Albanian coffee, jarred vegetables, and cheeses. One in three stores reported difficulty in finding the Albanian product(s) that their customers request. One store manager, who does not currently supply Albanian products, said that “if you could find me a manufacturer of Albanian feta cheese, I would definitely be interested.” There also may be opportunities to expand the offering of products through online retail. One business owner noted that online shopping can make a wider variety of Albanian products available. It can also make Albanian products accessible to Albanian Americans outside of New York – namely, those living in the Boston and Detroit metropolitan areas.

Challenges to Expanding Current Offerings

In interviews, Albanian American business leaders highlighted problems with carrying paperwork, red tape in Albania in bringing goods. Distrust, informality, and issues with customs inspections were mentioned as reasons why they do not currently do business with Albania.

One import manager noted that he imports and distributes coffee from every Balkan country except for Albania. This dates back to a failed business deal he had with an Albanian coffee company, he explained. After months of discussion, negotiation, and organization, the first shipment was in place. However, at the last minute, the Albanian company tried to change the terms of their agreement and raise the price. At this point, the U.S.-based importer walked away from the deal. He attributed the breakdown to a lack of “longstanding business relationships” with Albania, which has only recently engaged in global trade. Without the personal relationships, there is no sense of trust, and deals can easily fall through.

There are also issues with informality, as another businessman explained. In his dealings with a larger Albanian company, he found them unfamiliar with contracts, and hesitant to develop a formal written contract. It took considerable efforts, both in the United States and in Albania, to write and sign a

contract formalizing their business relationship. He attributed this to a “different way of doing things,” whereas the importer, who had been in the U.S. for over a decade, had “gotten used to the American business world.” Ultimately, the deal fell through because the Albanian producer could not supply the product in the quantity desired on a regular basis.

Finally, there are challenges related to customs inspections, according to several interviews conducted. Since Albania is a small exporter, and a relatively new exporter, the Food and Drug Administration “does not look kindly” on Albanian products, according to one businessman. They may question that the shipment contains what it says it contains.

U.S. customs officials may also question the quality of the product, especially if it is a food product. In some cases, Albanian products lack English labels, or have poorly-translated labels, which can make normal food items seem suspicious or low-quality to inspectors, the businessman explained. Another study showed that Albanian diasporas stressed that importing Albanian goods was complicated due to obstacles in transportation costs, reliable partners back home and product standards.⁹

⁹ http://projects.ig.harvard.edu/files/albaniagrowthlab/files/diaspora_survey_results_report_v5.pdf. Page 33, Figure 42.

IV Aligning Diaspora Engagement and Best Practices

Transnational engagement faces different challenges and problems; nostalgic trade is only one example. Addressing the challenges and opportunities provides a pathway to promote development in a holistic way.

For countries like Albania, where there is significant dependence on migrant economic activities, the urgency of acting is imperative, yet it depends on the political priorities set by authorities. The more clarity authorities have about the hierarchy of needs, the more efficient and impactful the initiative will be.

Determining whether any of these migrant activities are challenged by barriers, or present important development opportunities, is of central importance. Despite the fact that more than half of Albanians in the U.S. have a demand for more than 30 commodities, local stores usually only supply one sixth of those, and that with difficulty.

Often the challenges and opportunities are not adequately diagnosed. Sometimes a country takes a first step in designing policies based on untested assumptions about migration and its economic significance. For example, governments assume that diasporas are wealthy and would by default invest in their home country economies. In the case of Albania, for example, there is no awareness of the size of the demand for Albanian commodities. Both challenges and opportunities should be weighed against the costs and benefits offered by the ways in which each policy issue can be addressed.

Policy Recommendations

The lack of product availability and quantity could be addressed by pointing to some initiatives that can be sponsored by the Albanian government or the donor community:

- Conduct in-depth market research on migrant consumers and their demand for home-country products,
- Identify Albanian businesses producing in-demand products,
- Offer business coaching (with a transnational focus),
- Educate and train small and medium sized producers in Albania on foreign market requirements,
- Develop product branding,
- Market home-country products to a larger audience,
- Organize trade fair and promotion events;
- Pilot a diaspora-donor nostalgic trade partnership.

Conduct in-depth market research on migrant consumers and their demand for home-country products

This small survey points out to a relatively important purchasing power of nostalgic goods among the Albanian-Americans. At the same time, nearly 50% of migrants struggle to purchase home-country products because they cannot currently find them. A larger market research study should focus on the

types of products most in demand and the gaps in their supply. Producers, exporters, and vendors of nostalgic goods need better market research. Very few of the vendors are familiar with the characteristics of their consumers, the geographic distribution of the Albanian diaspora communities, the products they currently purchase, their quantity, the products they would like to purchase if there was supply, and the types of advertising that are most effective for this population segment. This information is important for any market, and especially for a complex, global market like that of the nostalgia trade. Market research will help identify diaspora demand for products, which in turn can be used to help small producers in Albania. This information will be crucial to better size the value of the market, to present specifics of product needs, quantities, cost and pricing.

Identify Albanian businesses producing in-demand products

A list of Albanian producers and distributing companies could be created for those 30 or more commodities for which there is diaspora demand. This may include producers of cheese, bread products, spices, fruit, and herbal teas, for example (exact products would depend on the results of the market research). Factors such as the type of product, quality of product, region of production, and scale of production would be considered in creating the roster. The purpose of this roster is to identify and reach out to potential participants in the business coaching and SPS trainings as explained in recommendations 3 and 4.

Offer business coaching with a transnational focus

There are few programs providing technical assistance to cater to the diaspora-driven demand. Technical assistance consists of providing input to producers and distributors to reach out to the Albanian diaspora. Areas of potential technical assistance include developing a business plan, understanding current market demands and trends, managing contracts, liaising with distributors in the U.S., and scaling up.

Educate and train small and medium sized producers in Albania on foreign market requirements

Lack of awareness of foreign market requirements – particularly sanitary and phytosanitary standards – is cited as a key barrier to market entry for many small and medium sized producers. It is important to support projects that educate producers on existing international and national health and safety regulations in their key export markets. For producers of nostalgic goods looking to expand or enter into the U.S. market, capacity building training on compliance with Food and Drug Administration (FDA) policies and the Food Safety Modernization Act should be combined with guidance on how to correctly label products for US consumers in a way that emphasizes FDA certification (including certification done by third parties).

Develop product branding and marketing.

Many nostalgic products currently being sold do not meet standard labeling. In order to sustain and increase their sales, more needs to be done to create appealing labeling and brand recognition. Successful labeling may include specific designs related to the products' origin, cultural significance, or quality. It may also be beneficial have ingredient and health information in several relevant languages.

Market and advertising research is needed to find the best means of labeling and branding nostalgic goods.

Market home-country products to a larger audience

Nostalgic consumption begins with the diaspora, but need not be limited to it. In many US and European cities, there is demand for “ethnic” food products. Often, these products began as nostalgic, diaspora foods, became “discovered” by chefs or food critics, and are now purchased and consumed by adventurous eaters. The process of cross-over to the mainstream can be slow, but increased marketing could accelerate it and generate economic opportunities for small producers in Albania. We propose working with a team of marketing specialists to promote key products from each country, via online apps and web portals.

Organize trade fair and promotion events

One key strategy that can motivate producers and distributors is to promote a trade fair in Albania, where distributors in the U.S. meet local Albanian producers and government authorities offer advice on rules and procedures for trading. Additional opportunities for product promotion include cultural or food fairs and monthly subscriptions.

Pilot a diaspora-donor nostalgic trade partnership

International donors such as the International Fund for Agricultural Development can work with diaspora businesses and local producers to implement a project on nostalgic trade that can be brought to scale.