

**CERGE-EI GDN RRC12**

**Thematic area:**

Migration (Urbanization and Cities: Urban / Rural Policy, Migration, Demographics)

## **Migration experience and wage premium: the case of Albanian return migrants<sup>1</sup>**

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### **Non-Technical Summary**

This study tests whether return migrants succeed in obtaining a wage premium (relative to individuals with no migration experience) for their experience gained abroad. The wage premium of return migrants is analysed using the 2005-2008 Albanian LSMS by conditional mixed processes and propensity score matching. The results indicate that the experience acquired abroad guarantees a wage premium, which is higher for skilled workers, government-sector workers or entrepreneurs. The study concludes that policy makers should target policies that motivate the return of highly skilled migrants by taking advantage of the wage premium effect. Further promotion of entrepreneurship might be a good incentive for migrants to return and become involved in new businesses at home.

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