# Seven Country Reports



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AGRUMIG: Leaving something behind – Migration governance and agricultural & rural change in 'home' communities: Comparative experience from Europe, Asia and Africa



AGRUMIG Team

[Note on maps: The boundaries and names shown, and the designations used on all maps presented in this report, do not imply official endorsement or acceptance by AGRUMIG project members. They are presented for research contextual purposes only.]



# 1 China

#### 1.1 Context



Reforms in China in the 1980s promoted growth and economic strength in many sectors. These changes contributed to reshaping labor mobility in the country including internal movement between rural and urban areas. Large scale migration from inland regions to coastal areas began



in the 1990s and, by 2020 numbers had reached 286 million (China National Bureau of Statistics).

Liberalization of the Chinese economy and decollectivization included relaxation of the Hukou system which had previously regulated internal movement where major factors in this internal migration growth.

Nevertheless, migration and labor mobility in China remain strictly monitored and regulated by central government, including the number of migrant workers moving within and across provinces each

year as well as levels of international migration. Current migration and labor mobility policies have been aimed at improving the rural labor out-migration phenomenon, particularly for communities in left-behind areas.

The Covid-19 pandemic really tested the efficacy of some of these policy measures as many people returned to areas of origin. In the short term, the government controlled the flow of rural-urban labor mobility through actions to motivate migrants to return to their rural homes, including enhancing transportation services, improving the overall economic situation in the countryside by investing in infrastructure, as well as through launching programs such as the Rural Teachers

Information on labo		ion in 2	2019
Province	Guangdo ng	Jiangxi	Hunan
County/city	Maoming	Xinjian	Nanxian
Number of people migrated per household (person)	2.34	1.33	1.50
Average labor migration time (months)	8.91	10.21	7.08

Support Program and the New Rural Cooperative Medical Scheme (NCMS), delivering high-quality educational and medical resources to rural areas to ensure steady improvements in the quality of rural life.

#### 1.2 Findings

Major findings point to significant rural change due to the rural outmigration in China. Demographically, there are both left-behind elderly and children in these areas, and fewer young adults, with decreasing

	Year	overall level of mechanization (%)	Plough by machine(%)	Seeding by machine (%)	Harvest by machine (%)
China	2011	65.07	91.0	26.24	69.32
	2019	83.73	98.84	53.89	93.46

population levels overall in rural areas. and Economically, wage labor labor opportunities have increased. alongside mechanization and investments in labor-saving technology. For example direct seeding of rice (rather than transplantation) is more common, and frequently also involves shifting to new crops. There has also been substantial land transfer. and large scale farming and farming commercial development. Extensification has been accompanied by land abandonment.



In terms of social change, income increases for rural households have accompanied stronger connection between urban and rural areas, with lifestyles becoming similar. Problems emerging include reduced profitability of agricultural sectors, especially in grains production, and human security problems for elderly

Non-farm employment income and share				
Province	Guangdong	Jiangxi	Hunan	
County/city	Maoming	Xinjian	Nanxian	
Total income per household (CNY)	104105.10	102687.84	189417.50	
Average non-agricultural income share (%)	84,42	68.06	45.87	

and rural people who can no longer rely on family members being present. In addition, public services including health and education have decreased due to rural populations declining, with village clinics becoming less functional and village schools having to merge because of declining numbers on the roll. There was a suggestion that overall there had also been a decline in the quality of life for the elderly. Not only do they face additional hazards through living alone, but many also struggle to take care of children left in their care if the elderly carers fall sick and experience a physical decline.

In addition, intergenerational transfer of agricultural knowledge has diminished, as children maintain only limited engagement in agriculture, and the traditional transfer of skills from parents to children has been significantly weakened. There are instances of families of migrants sending children to live in towns nearby (often with one of the parents), where they can access better facilities. The merger of village-level primary schools with township-level middle schools is a combined impact of children joining parents in the cities and intermediary towns, and a legacy of the earlier birth control policy.

Hilly terrain around the Maoming research site makes the use of harvesters and other equipment problematic. 78% of households in the Maoming sample reported labour shortages as a result of out-migration, yet only 28% had responded by buying machinery. One response to insufficient labour at home, has been to lease out land to others, which is then often taken over by larger more commercial producers who rent additional plots to increase their output and achieve scale economies.

In the context of the Covid-19 pandemic, the Implementation Plan released by the Chinese government in March 2020 established interventions linking migration and development under one scheme, with the plan to enhance rural employment opportunities for returnees and those staying behind in rural China through optimizing rural entrepreneurial environments and local employment services as an alternative to migration.

Even for internal migrants in China, return to rural areas is often inevitable, particularly if a debilitating injury impedes their capacity to earn and means they can no longer afford to live in the city. For example, 18% of returnees in the Nanxian research site had returned home from cities due to poor health or illness.

Overall, the picture is of rural migration being an inevitable part of processes of urbanization and industrialization in China. It has provided opportunities for modernizing agriculture, leading from a peasant economy to marketization and commercialization of the rural economy. An inflow of non-farm income has also improved income levels and living standards of rural household, which has been used to invest in human capital.

#### 1.3 Policy issues

AGRUMIG findings from China stress the need for substantive impact assessment of employment generation interventions to help improve their functioning. There have been a number of policy interventions in response to the significant rural-urban migration over recent decades. These include, in the agricultural sector, implementing a grain production subsidy since 2004 and encouraging land transfer. Alongside this has been support to mechanization of agriculture and the use of labor-saving technologies. The government has also provided financial support to returnees who have engaged in land and developed e-businesses to sell agricultural products.

At rural district level, policy interventions have included implementation of a new medical insurance scheme since 2004 which allows migrants to buy medical insurance in an urban area if they work in formal industrial sectors, and a low-level pension system undertaken since 2009 which allows migrants to buy pension



insurance if they work in formal industries. In addition, the government has introduced free primary school and middle school education since 2006 as well as a minimum living standard system supporting poverty alleviation introduced from 2012-2020. Since 2019 a rural revitalization strategy has provided support for multi-dimensional development in rural area including industrial development, provision of a better environment and infrastructure, stronger rural governance, and greater cultural development.

The overall outcomes of these policy interventions include more than 90% of tillage and harvesting now being mechanized, growing popularity of large-scale and commercial farming, 95% of rural residents now buying medical insurance and provision of low-level pensions for the rural elderly. Villages have become cleaner and environments have improved. Roads and information systems have improved and most villages now have concreted access and tap water networks. Government now supplies financial support for the running of the village committee, and has taken on responsibility for the wages of village committee members, as well as providing government employees to work with these committees. The government has announced that absolute poverty has been eliminated and e-business for agricultural products has been developed with support from local government.

The key programs introduced are listed below:

# A. Government support for returnees: Rural employment & COVID-19 in China

- Plan for Expanding the Scale of Local and Nearby Employment for Migrant Workers Returning to or Staying in Rural Areas (March 26, 2020)
- Strengthening Employment Stability in Response to the Impact of the Novel Coronavirus Outbreak (March 20, 2020)
- **B.** Government support for urban migration & COVID-19 in China
  - Strengthening Employment Stability in Response to the Impact of the Novel Coronavirus Outbreak (March 20, 2020)
- C. Government support for rural vitalization
  - Three clean-ups, three pull-downs, three regulations
  - Targeted Poverty Alleviation Scheme
  - Strategy Plan for Rural Vitalisation (2018-2022)

These three interventions aim to increase the attractiveness of rural areas through employment opportunities for returnees as well as those staying in rural China. They also optimize the rural entrepreneurial environment and local agribusiness employment services. However, other interventions, such as in item B, instead focus on expanding job opportunities for migrant workers in urban areas or helping them to return to their urban jobs in the context of the Covid-19 pandemic, while ensuring social security for those most in need.

One of the immediate impacts of such policies is their contribution to reducing rural labor availability which may also encourage more farmers to abandon agricultural production and move to the cities in search of employment opportunities. While we expect that in the short term, the pre-Covid19 implemented policies will have the potential to be impactful, programs launched during the pandemic itself may not be significant. Nevertheless, their assessment in the long term is critical to ensure that resources mobilized for their implementation will have been accounted for and that they will have reached their expected goals.

# 2 Ethiopia

#### 2.1 <u>Context</u>



With a population of over 110 million in 2021, some 85 percent of whom live in rural areas, Ethiopia's economy is still dominated by agriculture. Contributing some 45-50 percent of GDP and employing 70 percent of the active workforce (World Bank, 2021) most farming is still characterized by small-holder plots, with rainfed systems

predominating, though these systems are increasingly vulnerable to uncertain rainfall and temperature patterns. In addition, due to a complex of factors including major land degradation, farmland frequently suffers from depletion of soil nutrients.



As a result of low provision of jobs to the rapidly-expanding economically active population (some two million new recruits are added to the labour market each year) there is considerable international migration to the Gulf states, South Africa, Europe and North America – as well as internally. In fact, internal rural to urban migration is common, mainly to key cities and towns, especially to Addis Ababa and major towns in south and southwest Ethiopia. Drivers of migration in Ethiopia are multifaceted. These include growing climate risk to farming systems, declining land fertility and soil quality, lack of land and less remunerative agricultural systems amid pressures for cash income to cover growing rural expenses.



An advantage of rural outmigration often cited is that remittances sent by can cover the cost of migrants agricultural inputs to enhance productivity and other household expenses. One notable challenge, however, in AGRUMIG study areas is that outmigration is predominantly male, leaving women behind to carry out agricultural activities on top of traditional roles including domestic work and care for the elderly and children. This has usually led women to seek off-farm work to generate extra income with which to hire paid labor to assist in labor-intensive farming. Outmigration fuels further labor shortages,

making it expensive to hire paid workers to assist with, in some cases, labor shortages and high wages leaving land to be abandoned and/or causing changes to cropping patterns such as switching from barley to less labor-intensive potato production.

#### 2.2 Findings

In the Gamo Highlands of Ethiopia households with migrants and particularly those with higher remittance inflows have invested in livestock such as cattle, ox, sheep, goats and horses. Farmers were found to be minimizing production of barley -a major food crop -a it required so much labour. Instead, households were moving to less labour-intensive crops such as potatoes which, in turn, was affecting food consumption patterns. At the same time, unseasonal rains were a frequently reported challenge, with rainfall at harvest time being particularly damaging to crops.

One of the principal factors in migration decision making included the dependence of children on their parents to get access to land. As a result, large numbers of youth had no access to holdings and, in this context, many chose to leave in order to seek cash income with which to support the family while achieving their own financial independence.

During the Covid-19 pandemic, AGRUMIG findings suggest that mobility restrictions related to the outbreak prevented many Ethiopian migrants from taking up jobs abroad despite completing pre-departure trainings. Moreover, an absence of coordination between private recruitment agencies and relevant government agencies involved in the pre-departure training further derailed the process of enabling these migrants to secure employment abroad despite the easing of mobility restrictions. Ethiopian migrants who did not avail themselves of this training continued to travel abroad for employment using unregulated or illegal migration routes. This could encourage irregular migration in Ethiopia and the vulnerability of migrants to exploitation by human traffickers.

AGRUMIG findings also revealed that the success of the Ethiopian rural job creation strategy in the Gamo highlands could be further sustained by integrating rural employment and land access issues into policies on migration, since fragile access to land and shortage of funds impeded the program's implementation.



In terms of preparing for migration, AGRUMIG findings also suggested that pre-departure trainings have significant policy implications for migration governance as they promote regular and safe migration. This is through: i) improving relations between labor migrants and their overseas employers including understanding employment conditions in destination countries; ii) agreed job contracts and bilateral agreements; iii) preventing forcible apportionment of agricultural land as collateral to borrow money from private lenders to pay dealers facilitating irregular migration; iv) remittances channeled appropriately for family expenses and agricultural needs instead of repaying debts to release a family's farmland; v) savings and investment of migrants' money in appropriate ventures on return; and vi) less expensive and risk-averse migration routes in comparison with irregular migration. An example of the kinds of investments made in the Gamo Highlands of Ethiopia include higher remittance inflows being used to purchase additional livestock including cows, oxen, sheep, goats and horses.

### 2.3 Policy issues

In recent decades high population growth, low agricultural productivity amid scarce resources – principally land – have contributed to high unemployment rates, especially among young people, ultimately causing massive internal and international migration and labor mobility (Dessalegn, Nicol and Debevec, 2020). Although key destinations for international migration include the Gulf States, South Africa, North America, and Europe, overall internal migration flows from rural to urban areas are higher than international migration, with Addis Ababa being the leading destination.

Interventions support ways of better governing outmigration. These include predeparture training programs, interventions alleviating distress rural outmigration and rural job creation programs. Evidence on predeparture training for migrant workers suggests significant policy implications for migration governance. This is through: i) improving relations between labor migrants and their overseas employers including understanding employment conditions in destination countries; ii) agreed job contracts and bilateral agreements; iii) preventing forcible apportionment of agricultural land as collateral to borrow money from private lenders to pay dealers facilitating irregular migration; iv) remittances channeled appropriately for family expenses and agricultural needs instead of repaying debts to release a family's farmland; v) savings and investment of migrants' money in appropriate ventures on return; and vi) less expensive and risk-averse migration routes in comparison with irregular migration.

The overseas employment program is linked with overseas employment proclamation (2016). The aim is to strengthen lawful overseas employment with a focus on bilateral state agreements, upholding the rights, safety and dignity of migrants involved in overseas employment and giving pre-departure trainings for domestic migrant workers seeking jobs in the Gulf States and Lebanon. Training also seeks to highlight conditions of working as domestic workers in Gulf countries, to protect their labor and human rights and to cover travel procedures, employment rights and duties, as well as occupational safety and financial management.

As a result of Covid-19, there was severe disruption to predeparture training for migrant workers, and reduced coordination between relevant government institutions and private employment agencies. In the longer-term, challenges of coordination and accountability remain.

The rural job creation program launched by the MOA and adopted by the Council of Ministers in 2017 aims to diversify job opportunity options for rural job seekers, create new rural job opportunities and address the effects of lack of employment, including migration to urban areas and poverty levels. Job seekers are organized under associations and form enterprises. The main area of engagement is in agriculture, including livestock and crop production. Associations receive loans through micro finance and receive access to land.

# 3 Kyrgyzstan



#### 3.1 Context



Independence in 1991 created a new context for Kyrgyzstan's economic and social development. A traditionally agrarian country, between 1994 and 2001, profound change took place as the government redistributed just over a million hectares of land as land shares, comprising some 75% of all arable land in the country. Nearly 90% of rural residents therefore became landholders, although accompanying this redistribution was a major decline in

rural infrastructure including irrigation canals, roads and rural machinery.

Having relied on agriculture to drive its economy, new forms of income generation came to the fore. Agriculture's share of GDP declined from 43.9% in 1996 to just 12.3% in 2020, partly resulting from mass outmigration from the early 2000s onwards towards "oil boom" Russia and Kazakhstan. At present, according to the Kyrgyz Government, more than a million citizens now live and work abroad (Azattyk, 2022) with the Russian Federation – until recently – being the main destination and absorbing more than 95% of all migrants. The rest largely travel to Turkey, Kazakhstan, EU countries and the USA (Mogilevskii, 2022).

Between 2010 and 2017 the Kyrgyz Republic was consistently ranked among the five leading countries in terms of ratio of remittances to GDP. However, in 2022, the international sanctions regime against Russia led to a drop in migrant remittances. In the same year, for the first time, an agreement was signed with the



UK to include Kyrgyzstan in its agricultural work program providing labor for fruit picking - an example of destination diversification, although not without its own set of challenges. Overall, it is now estimated that every fifth employable citizen has migrated from Kyrgyzstan.

Poverty rates have witnessed a steady decline from 33.7% of the population in 2010 to 25% in 2021. As part of this economic shift, the rural labor market is being actively transformed. Non-farm activities now make up 40% of rural

employment and account for 48% of working hours in rural areas (Atamanov & VandenBerg, 2012). The level of outmigration is noticeable in the increased demand for mobile networks, which now cover 98% of the country's territory, essential for remaining in contact with relatives and transferring money. There has also been a noticeable monetization of agricultural work in rural areas due to labor shortages as well as transformations in cropping systems, with a shift from food crops to forage crops, also because of low mechanization rates. At the same time there are important social implications emerging from the mass outmigration. This includes 277,000 children from migrant families being left without parental care, with all the associated social impact this causes.

Mobility within Kyrgyzstan is regionally diverse. The labour mobility of southern regions, like Batken, Jalal-Abad and Osh, started earlier if compared to the Yssyk-Köl, Talas and Naryn regions. Chui region is an area that both sends and receives migrants. Differences among regions and mobility dynamics are explained mainly through their demographic characteristics and the availability of land. Atamanov and Van den Berg (2012) mention that land plots in the southern regions are several times smaller when compared to the north, which explains why farmers in the later region migrate less or prefer internal migration.

The insights presented are based on a study conducted by the University of Central Asia (UCA) between 2019 and 2022 in 16 villages in 3 regions: Batken, Jalal-Abad, and Naryn. The study used both qualitative and quantitative methods.



### 3.2 <u>Findings</u>

The insights presented are based on a study conducted by the University of Central Asia (UCA) between 2019 and 2022 across 16 villages in three regions: Batken, Jalal-Abad and Naryn. The study used both qualitative and quantitative methods.

Migration can play multiple roles in current rural dynamics, with both positive and negative outcomes. While labor migration may help rural households access capital and be able to continue to invest in agriculture through purchasing assets including livestock, land, seeds and fertilizers, at the same time the very movement of people out of rural areas can precipitate labor shortages and lead households to withdraw all together from the agricultural sector.

Two critical trends are discernible: declining agricultural production and a steady increase in remittances from different labor migration destinations. There is also an increasing role for the non-agricultural sector in the rural economy. These trends suggest that labor migration is having a transformative effect, with remittances accounting for some 30% of the country's GDP. However, AGRUMIG found that migration governance still focuses mainly on rights protection of migrants and does nothing to link actions and policies with sending communities and rural development policy. Arguably, the attractiveness of rural villages for return migration is a cross-cutting issue in rural development policy at all levels. For women participating in labor migration, especially divorced women, this enables their own economic autonomy and can support their empowerment, which would be more challenging and difficult to achieve had they stayed at home.

One key finding is that livestock herds have actually increased. This is because migrants to Russia, in particular, tend to invest savings in livestock, considered a secure investment. In regions coinciding with the focus area of the State Program for Irrigation Development of the Kyrgyz Republic (2017-2026), migrant households view agriculture as a complementary source of income, but with high risks of uncertainty. For example, the Program is affected by quality control, analysis and planning constraints. Although envisaging improvement of some 100,000 ha, (less than 10% of the current irrigated land area), it is not clear how the Government will increase employment in agriculture by 55% (245,000 new jobs according to the Program) if the improved irrigated area will increase by only 10%.

Results indicate that seasonal migration was more prevalent in Naryn, where almost 20% of households were involved in migration, in contrast to longer-term migration which prevailed in Jalal-Abad and Batken. Here, about 70% of households were involved in migration. Overall, the proportion of women in seasonal migration is 29%, slightly higher than that involved in long-term migration, which stands at 22%.

Over and above typical drivers of migration, including lack of opportunities, farm and off-farm income rural areas, low agricultural productivity, climate variability, personal and family debts, migration in Batken is also driven by security concerns. This is because of ongoing militarization of the border between Kyrgyzstan and Tajikistan along the Ferghana Valley.

There is a strong link between migration and livestock rearing in all three sites. A common practice for migrant and non-migrant households, substantial investment in livestock can increase wealth and provide a safe haven for remittances. Livestock species reared vary though goats and cattle are more likely on Batken farms, while cattle and rams dominated in Jalal-Abad, and horses, sheep, cattle, and yaks in Naryn.

One key finding is that migration could be a driver of rural stratification, especially where there are fewer pre-existing disparities in ownership of land and other assets. In this context, successful migration experiences could open doors for households to accumulate wealth and rise up the rural class hierarchy. For instance, in Naryn, investment of remittances in livestock is most widespread amongst farmers who have less access to land, as increasing the size of a herd can be a way to compensate for a lower agricultural income. However, the trend towards investing remittances in livestock increased pressure on pasturelands, to the extent that it has contributed to the range of factors in recent years contributing to land degradation.



### 3.3 Policy issues

The attractiveness of rural villages for return migration and the well-being of those left-behind should be a major focus for migration policy along with the inclusion of migration as a cross-cutting issue in rural development policy. In Kyrgyzstan, diaspora networks, too, have played an important role in supporting local development, and mobilizing funds to support communities during times of crisis such as during the Covid 19 pandemic.

Migration works in both directions: as a response to agrarian stress and as a way to mitigate it. Recognizing the multidimensional impact of migration helps enrich migration policy. The current approach to policy formulation on a sectoral basis, in which migration policy and agrarian policy are quite separated by sector, requires change. Evolution to a more holistically framed approach would see natural resource management institutions establish feedback mechanisms with migrants under which they could raise awareness around the environmental agenda including, for instance, overstocking and land degradation.

Migration can play multiple roles in current rural dynamics, with both positive and negative outcomes. While labor migration may help rural households access capital and be able to continue to invest in agriculture through purchasing livestock, land, seeds and fertilizers etc., at the same time the very movement of people out of rural areas can precipitate labor shortages and lead households to withdraw all together from farming systems.

Mobility within Kyrgyzstan is regionally diverse. The labour mobility of southern regions, like Batken, Jalal-Abad and Osh, started earlier when compared to the Yssyk-Köl, Talas and Naryn regions. Chui region is an area that both sends and receives migrants. Differences among regions and mobility dynamics are explained mainly through the demographic characteristics of territories and the availability of land allotments. Atamanov and Van den Berg (2012) mention that land plots in the southern regions are several times smaller compared to the north, which explains why farmers in the north migrate less or prefer internal migration.

# 4 Moldova

#### 4.1 <u>Context</u>



The Republic of Moldova is an Eastern European landlocked country where over the past three decades, short-term and long-term outmigration has become an important coping strategy, especially for people in rural areas. Few employment opportunities and low salary levels in these areas are the main reasons underlying outmigration, with an

estimated 984,000 Moldovans residing abroad in 2014 (European Training Foundation, 2015; IOM, 2018).

The central government has made some effort to support migrants settling back in Moldova. In 2014, the institution of the EaP (Eastern Partnership with the EU) eased access to European countries for Moldovan citizens, allowing circular mobility, including dual citizenship in Romania. This opened up a new range of work opportunities within EU states. These new waves of migration also affected the agricultural sector, causing labor shortages and reducing food demand as well as causing overall population levels to decrease.



Most male migrants head to Russia, Ukraine, Spain, and Portugal, where they get jobs in construction; mainly



female migrants head to Italy and Turkey, where they can find work in domestic service or retirement and nursing homes (Stemmer, 2011).

A significant push factor is the heterogeneity of livelihood conditions between rural and urban dwellers. This includes a lack of infrastructure and public services in rural areas, poor agricultural productivity due to climate change variabilities, challenges in accessing markets to sell excess products, and the lack of off-farm career opportunities for young people. For most Moldovan smallholder farmers, labor migration is temporary and circular, in order to raise a minimum of capital to start a family business, either in the farming or non-farm sector. The decision to return home after some time abroad is fully embedded in the decision to migrate. This is slightly different for young people who out-migrate for more extended periods, usually for education or permanent work purposes, and do not necessarily return to reside in Moldova.

#### 4.2 Findings

Quantitative and qualitative studies were conducted by a research team from the University of Bologna, Italy, in collaboration with the National Institute for Economic Research, Moldova, and with the participation of the University of Birmingham.

A major lack of long-term economic prospects is the main driver of migration. Destination countries are decided by a mix of economic and non-economic factors. While remittances are seen as pivotal in financing agricultural activities, outmigration is also seen as a concrete threat to the future of the country's economy.

The results revealed that the most significant migration push factor is the heterogeneity of livelihood conditions between rural and urban dwellers. This includes a lack of infrastructure and public services in rural areas, poor agricultural productivity due to climate change variabilities, challenges in accessing markets to sell excess products, and a lack of off-farm career opportunities for young people. One comment that repeatedly came from these studies is that for most Moldovan smallholder farmers, labor migration is temporary and circular, in order to raise a minimum of capital to start a family business, either in the farming or non-farm sector. The decision to return home after some time abroad is fully embedded in the decision to migrate. This is slightly different for youngsters who out-migrate for more extended periods, usually for education or permanent work purposes, and do not necessarily return to reside in Moldova.

In Moldova, a number of returnees have invested in orchards, and some have made further investments in fruit processing plants such as production of raisins or plums. For example, the Moldovan Free Economic Zones (FEZs) offer employment opportunities with salaries lower than the average national salaries, making them an unattractive avenue to pursue. Migrants often come back to the country for a short duration as part of circular migration and then engage in other short-term migration to gain financial resources for the new businesses. Some are stuck in a vicious cycle of lack of financial resources, and hence the goal of attracting migrants back is not reached.

Some returnees have taken on large tracts of land on lease, often from the local authorities and are utilizing advanced farming technology. However, the risks for commercial farming are high – particularly at a time of unpredictable global markets and climate change. There was less evidence that successful investments were restricted to those with prior wealth. A number of returnees invested in orchards, and some had made further investments in fruit processing plants such as production of raisins or plums.

Interviews identified a large number of agro-entrepreneurs who had used their earnings to elevate their position in the rural agrarian structure. Many returnees who had previously had small or marginal farms had subsequently invested their earnings in successful agri-businesses, including orchards, livestock farms, agro-processing and agro-tourism. This was facilitated by government support schemes oriented to returnee



migrants and which offer to match fund 50% of any investments. Moldova is probably one of the few countries where there was widespread uptake of programmes which were specifically targeted at returnees to catalyse investment

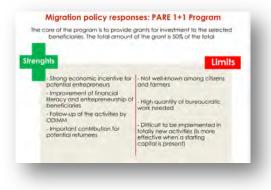
On issues of return, a large number of female entrepreneurs had returned from overseas. Many from Moldova had benefited from grants that were designed for women entrepreneurs to enable them to open their business on return. Some of the returnees join village farming associations providing peer-to-peer consultations and support.

#### 4.3 Policy issues

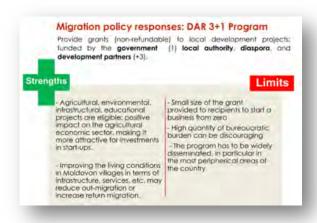
Many policies have been developed at different levels to attract investments from migrants. PARE 1+1, DAR 3+1, and public subsidies to agricultural producers have proven

to be effective measures, with some challenges including a lack of policy integration. For example. Moldova's current subvention framework (2017-2021), which is inspired by the national strategy of agricultural and rural development, does not explicitly engage with migration related issues.

Significantly, one of the main reasons for the success of Moldova's PARE 1+1 (Program for Attracting Remittances in the Economy) and DAR 1+3 (Diaspora Succeeds at Home Program) is the inbuilt mechanisms for monitoring and evaluating these programs. AGRUMIG findings suggest that the Moldovan program DAR 1+3 needs to be widely disseminated,



particularly to the peripheries of the country to help support a larger number of beneficiaries.



PARE 1+1 (Program for Attracting Remittances in the Economy) has been an effective tool for the reintegration of returnees. The program targets labor migrants and their first-degree relatives (with Moldovan citizenship) willing to set-up or develop a business in Moldova with money coming from remittances. Similarly, DAR 1+3 (*Diaspora Succeeds at Home Program*) offers financial incentives to migrants and organizes the support of the Moldovan diaspora in enabling local development.

What distinguishes these two programs from other financial interventions, for example, financial

precarity and indebtedness of migrants; and 2) PARE

1+1 and DAR 1+3 have inbuilt mechanisms such as

monitoring and evaluation which help ensure the

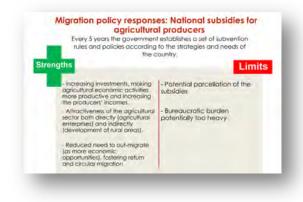
efficacy and pertinence of follow-up work. However,

Moldova's DAR 1+3 (Diaspora Succeeds at Home

Program) is constrained in its functioning due to cumbersome paperwork required to access grants that

discourages potential beneficiaries from applying to

incentives provided by the Nepal government for returnee migrants and Thailand's Loans for Overseas Labor Migration Project are the following: 1) PARE 1+1 and DAR 1+3 offer grants are not collateral-free or minimum-collateral loans, thus preventing further



the program. Despite gains achieved through PARE 1+1, one of its main limitations is financial cost, which can affect



financial sustainability. Incentives provided to beneficiaries are too low to generate a scaling up effect of economic activities. Particular difficulties surround starting a business from zero and relying only on PARE 1+1 funding, while the presence of starting capital seems to be an important condition for the success of activities financed through this program. Similarly, the Moldovan programme DAR 1+3 is constrained in its functioning due to the small size of the grant provided to recipients. This is insufficient to start a business from scratch and to generate a scaling up effect of economic activities. These challenges are exacerbated by the fact that migrants often come back to the country for a short duration as part of circular migration and then engage in other short-term migration to gain financial resources for the new businesses. Some are stuck in a vicious cycle of lack of financial resources, and hence the goal of attracting migrants back is not reached.

# 5 Morocco

#### 5.1 <u>Context</u>



Given its strategic location facing Europe and youthful population of more than 37 million, Morocco has long experienced migration trends. However, in recent years there has been an increase in internal and international outmigration, and a growing interconnection between the EU and Morocco on migration matters. In fact, policies in Morocco have followed those of the European Union and other international organizations

quite closely, which in and of itself has presented challenges, including contradictions between national mandates and those of external organizations.



To unpack these complexities, including different ongoing migration types and governance interventions, as well as how various actors use migration as an instrument to stimulate sustainable and gender-equitable growth, a team of researchers from the Université Mohammed V de Rabat conducted a series of interviews and consultation workshops both at regional and national levels with key stakeholders. The analysis also looked into migration phenomena, internally and internationally, at households and community levels.

Morocco's long history of integration into capitalist markets includes a colonial economic legacy of involvement in mining and forestry. At independence there was an extension of recruitment into the administration for Moroccans, and an increased mobility between towns and countryside took place, consequently increasing access to urban

consumer goods for many rural people. However, the lack of available cash income, on the one hand, and the availability of consumer goods in the market, on the other, meant these goods were not widely available to the majority of the population. Migration made access possible.

Today, Morocco is classified among middle income countries with an emerging economy, and between 2000 and 2017 average annual GDP growth was 4.4%, while GDP per capita increased annually by 3.1%, amidst a reduction in poverty but also an amplification in inequalities. Migration histories in this development context are complex. From the colonial and post-colonial period onwards, through a period of family reunification, then the closure of this process, and an increase in the complexity of migration flows between Morocco and Europe and, finally, Morocco playing a new role as a migration transit stop for Africa migration into Europe.

Insights from the research are primarily based on the results of activities that took place at the following three locations selected under the AGRUMIG project: Tadla and Plateaux des Phosphates in the provinces of



Fquih Ben Salah, Béni Mellal, and Khouribga; Middle Atlas-High Moulouya and Eastern High Atlas in the province of Midelt; and the Oasis of Figuig in the provinces of Figuig.

The research focused on drivers of socio-demographic change and production structures in places of origin and their relationship to migration decision making, either internally or internationally, and then the relationships of migration in both material and immaterial senses to their places of origin.

#### 5.2 Findings

While migration is a major choice for rural households facing livelihoods challenges, the research revealed that forms of migration used in the three regions no longer accord with a simplistic linkage between migration and lack of means of subsistence. In fact, the phenomenon now crosses different social strata and international migration is no longer accessible only to members of the wealthiest households.

In recent years migration has increased substantially. In some sites such as Figuig there is a long history of out-migration, dating back to before the start of the 20<sup>th</sup> century during French colonial occupation. AGRUMIG findings also reveal Morocco's lack of integration between migration and the country's prevailing agricultural development strategy, namely the Plan Maroc Vert (2008-2020), which aims to attract investment in Morocco's agricultural sector, especially from overseas. By way of an omission, the PMV doesn't recognize migrants as a specific category that could significantly contribute to these agricultural investments.

After migration, it is common for in-laws to receive and control the remittances sent by male family members abroad. In the survey across all three sites, only 8% of recorded remittance recipients were with the wife of the migrant. However, this was not a universal theme. The increased autonomy and emancipation from gender norms they experienced through the migration process, are not necessarily replicated when they reintegrate into the community, and face unchanged gender norms. It was for this reason that many returnee women in Morocco actually relocate to local towns rather than returning to rural areas.

Differences were noted in the research between the objectives of the two projects linked to setting up drip irrigation and reviving polyculture in the Figuig Oasis research site. The former focuses on technical aspects and the latter on environmental considerations, sustainable development and the safeguarding of heritage and biodiversity. AGRUMIG findings suggest that differences and opposition to the proposed agricultural models in the two projects in the same region are among the reasons for failure of these projects in the Figuig Oasis. Moreover, conflicting perspectives of actors involved in interventions can contribute to their failure. For example, the two projects linked with drip irrigation and reviving polyculture in the Figuig Oasis, including local and diaspora associations, engender problems of coordination between actors claiming to be from Figuig, grouped in local associations and diaspora associations in France. These associations are ethnically based and bring together members of families from the same *ksar* (village community), and there are as many associations as there are *kasrs* in the Oasis. AGRUMIG findings suggest that these differences in identities negatively impacted project outcomes.

Diaspora associations were active in the study sites, and an interesting finding was the role that some played in supporting care for the elderly, who were experiencing the challenge of a missing generation. In Figuig, an association made up of women, some of whom were retired, took care of this task, with costs partly covered by remittances from migrants. In the center of Oulad Youssef (Tadla) a hemodialysis center has been created, partly financed by migrants.

At the same time as providing economic opportunity, outmigration also provides an escape from social and moral pressure that weigh on young people, preventing them from expressing themselves and leading a more independent and individual life. The work of NGOs and stories of returnees mean there is widespread awareness of the challenges faced by migrants, although this has not stopped a generation of youth from wanting to experience migration

Some of the agrarian stress limiting production in some areas is related to water. Growing water stress has pushed many to use groundwater use, stimulated by the financial support for drip irrigation under the Green



Morocco Plan, at the same time, also contributing to aquifer depletion. Large farmers who can afford the investment, are able to adapt by moving to areas where groundwater is not yet exploited while other farmers face spiraling costs of irrigation without significant improvements in productivity.

The sharing of inherited land leads to fragmentation of plots which become smaller and smaller and unsuitable for cultivation. In the oasis of Figuig as in the plain of Tadla there are micro plots that are no longer cultivable and lie abandoned, some being used for house construction. There is also an interesting trend whereby the migrants give up their land to other farmers who lack land. These farmers cultivate it on a sharecropping basis in exchange for a quarter of the harvest. The sharecroppers' access to land allows them to save money, and through the links they forge with migrant landowners, emigration for them also becomes possible.

While there is significant policy interest in returnee migrant 'success stories' (Spitzer, 2016), across all sites these are a minority. In Morocco, only 13% of households had earned more than 30,000 Dirham (approx. \$8100), an amount sufficient to build up savings that can be mobilized for large-scale investment. Only 12.1% of transfers to sampled households in Morocco by migrants were reportedly directed towards productive investments.

One example of investments is irrigation. Central to agricultural intensification, remittances support such investments amongst returnees alongside the purchases of land. In the Tadla plain, returnee commercial farmers would often live in the town and operate modern farms using drip irrigation in the rural hinterland. In the Figuig oasis, some returnees have bought former rangelands outside the oasis and converted them for irrigated cultivation. However, the investment is large and requires substantial capital

#### 5.3 Policy issues

Morocco is at the centre of key international policy processes on migration. The country instituted its own migration law in 2013, and subsequently hosted the summit (in Marrakech) at which the "Global Compact for Safe, Orderly and Regular Migration", was adopted in December 2018. At the same time, the headquarters of the African Observatory on Migration (OAM) has been set up in Rabat under which there is a ministerial commission in charge of MREs, development of financial and economic instruments, optimization of contributions of monetary transfers from migrants, and promoting the participation of migrant actors in local development.

Migration policies in Morocco modelled on those of the European Union and international organizations are somewhat limited by incoherence between the mandates of domestic and international policies. For example, in the Beni Mellal-Khénifra region the EU-funded Deployment of Migration Policies at Regional Level (DEPOMI) program and the German BMZ funded Reinforcement of Moroccan Local Authorities in the improvement of reception structures for migrants (RECOSA5) program work in the same field.

Fostering rural development and offering grants may prevent out-migration and encourage returnees' reintegration into the economy, as well as boost investments in agriculture as illustrated in the rural and local development initiatives targeted towards migrants, returnees and the diaspora in Morocco. For example, the Joint Initiative for Development and Migration (JIDM) in Morocco offers a key illustration of a global interagency partnership involving the UNDP, IOM, ITC-ILO, UN Women, UNHCR, UNFPA, and UNTAR, with funding from the European Union and the Swiss Agency for Development and Cooperation in addition to Moroccan national, regional and local partners. This potentially sets the stage for a power struggle between contending actors representing different interests.

Overall, migration as a component of government policy is managed by the Ministry of Foreign Affairs through the Department of Moroccans Residing Abroad. Whether they have returned or are still living in the host country, migrants can benefit from development policies carried out by the government. This includes subsidies allocated to agricultural investors by the Green Morocco Plan and, more recently, by the "Green Generation 2020-2030 Strategy".



The Moroccan State has also multiple bodies for promoting the roles of migrants in development. This includes the Hassan II Foundation for MREs, providing investment and support for projects, and the Council Community of Moroccans Abroad (CCME), the mission of which, in addition to defending the human rights of migrants, is to further involve the Moroccan diaspora in socio-economic development of the country. Alongside these public policy directions, other policy is being implemented by different international organizations (NGOs, International Cooperation Agencies) targeting migrants. The degree of coordination and collaboration between the actions of these external bodies and those of the Moroccan government is questionable, however.

### 6 Nepal

#### 6.1 <u>Context</u>



Nepal has a long history of migration, going back to the colonial period, including extended labor migration to India, its southern, eastern, and western neighbor. In the last 30 years migration has reached exceptionally high levels, with most migrants going to the Gulf states, Malaysia, and some to other destinations including Korea, Japan, and Poland.

In Nepal, Ethiopia, Morocco and Thailand the post-1990s period saw waves of economic

liberalization. The post 1990s period was also marked by rising demand for labor in both Europe and regional growth centers such as the Gulf states, Malaysia, Russia, Taiwan, Korea and Japan. Reasons for this migration are multiple, and include demand for cash income and transport routes that have enabled far greater mobility.

1981 Nepalese census data shows that just over 400,000 household members were classified as "absentees",



rising to almost 2m in the 2011 census. The destination of migrants over these years has also changed considerably: In 1980, 93% of migrants travelled to India whereas from the 1990s onwards a shift to Gulf states and Malaysia began, reaching more than 90% in the 2010s, when fewer than 10% went to India (Khatiwada, 2014).

The COVID-19 pandemic disrupted migration flows to many regions, causing significant impacts. There has been a mass

return and repatriation of migrants, posing challenging mobility issues due to restrictions and travel bans. These restrictions were particularly severe in Gulf Cooperation Council (GCC) countries and Malaysia, which, combined, employed over 90% of migrant workers from both research districts. A few workers from both districts were also engaged in long-term migration to India. The pandemic caused the early return of some migrants in Dhanusha, for instance. Some returnee migrants who were on a home visit could not return to their place of work due to travel restrictions, with most eventually losing their jobs.

#### 6.2 <u>Findings</u>

A number of factors help to explain Nepal's major rise in outmigration in the past three decades. The agricultural sector plays an essential socio-economic role in Nepal, providing more than 20% of GDP, although significant challenges remain for smallholder farmers. These include factors such as access to land through ownership or tenancy in areas such as Bhojpur and Dhanusha. Land-poverty is therefore a key factor



as agriculture is the primary source of livelihoods. For many farming households a dual livelihood strategy has therefore been required involving subsistence agriculture plus cash income from local wage labor or a migrant household member abroad. Other issues that make the farming environment more challenging include growing climate vulnerability and poor access to agricultural inputs such as fertilizers and pesticides, which further restricts crop productivity.

In Nepal, however, there was no clear relationship between levels of migration and wealth. Young men from households who appear to be 'better off' with secure access to land and other productive assets still migrate, even if they already have livelihood security at home. The 'poverty drives migration theme' is therefore perhaps misleading. Costs of migration were reported to have increased for migrant workers preventing most from returning to work and others from initiating their migration journey. The rates of long-term labor migration had declined in Dhanusha while they had slightly increased in Bhojpur. Some government and NGOs programs have provided support and even loans to returnee migrants. However, these uncoordinated actions were not very effective. Some efforts have been undertaken to coordinate donor programs through the government, such as the SDC safer migration (SAMI) project. Poor households who were already more likely to be in debt prior to migrating, were less likely to have savings, and there was clear evidence that they often took lower paid jobs overseas. As a result, households with migrants were more likely to be rapidly pushed into financial distress if the migrant themselves faced any difficulties at their destination.

In Nepal, as in other areas of high inequality, some farmers who had been in a subordinate position in the land ownership structure prior to migration were able to achieve transformative change following their return, with high value investments and purchases of land. In most cases, however, where this had occurred, the migrant in question had secured passage to a more 'lucrative' destination such as Japan, Korea or Romania which offer strong scope to save, albeit often at considerable initial cost – including agency fees up to four times those charged for migration to the Gulf

There were a high number of distress stories in Nepal stemming from a combination of factors including high fees paid to migrate (which results in most migrants being in debt before departure), low wages received by migrants in the Gulf states and Malaysia (which are far below what migrants to the EU would receive), and restrictive employment visas which mean employees can be easily deported on the loss of a job. After the Covid 19 pandemic, for instance, many companies closed down, and migrants were forced to return home. The most notable driver of distress for migrants in the case of Nepal is the opaque chain of intermediaries who mediate access to employment as well as weak enforcement of migrant rights overseas.

The COVID-19 pandemic disrupted migration flows to many countries, causing significant impacts. There was a mass return and repatriation of migrants, posing challenging mobility issues due to restrictions and travel bans. These restrictions were particularly severe from Gulf Cooperation Council (GCC) countries and Malaysia, which, when combined, employed over 90% of migrant workers from both districts. A few workers were also engaged in long-term migration to India. The pandemic caused the early return of some migrants in Dhanusha, for instance. Some returnee migrants who were on a home visit could not return to work due to travel restrictions, most eventually losing their jobs. With a decline in the demand for workers in the destinations mentioned above, it became more competitive to migrate.

The consequences of migration for women can be substantial. In Nepal, poor women-headed households often had no choice but to hire in labour from outside. This of course significantly increased the cost of production, particularly as migration-induced labour shortages have resulted in a rise in farm wages. There is also some evidence that migration has contributed to some context to a hollowing out of local institutions such as irrigation user committees.

In terms of the links to agricultural development and remittances, In Bhojpur, there was strong potential for cash crop production, such as *rudraksha*, (a ceremonial bead with a strong market value in China and India) and with limited scope for mechanisation or agricultural improvements, it was the only investments in land which would support profitable farming ventures. However, only 40% of returnees had bought land, and within this group most purchases were just small plots to improve food security. Only 29% had purchased



more than a hectare, an area which would allow the household to yield a surplus and support diversification into commercial crops.

In Bhojpur, migration has supported some level of ecological regeneration with evidence of forest cover increasing. While this is in part due to improved transportation which has allowed more people in local bazaars to use gas rather than fuelwood, there are changes in forest management which can be connected back to migration. For example, agro-forestry has become more common in the context of migration. Families with migrants in the upper altitudes in Bhojpur, often plant fast growing trees such as *utis* (a type of alder), particularly on less productive holdings, as they require limited labor and can yield a good profit after a few years when sold to sawmills

For instance, delayed rains often resulted in delayed planting of critical crops such as paddy. Also, in Nepal and Ethiopia, unseasonal rains were a frequently-reported challenge, with rainfall at harvest time being particularly damaging to crops. There are also vulnerabilities rooted in class position, linked to the ability to invest in climate-smart technologies. For example, in Dhanusha those who are able to afford investments in groundwater irrigation are less likely to experience negative impacts on crop yields of droughts.

There is a tendency in Nepal for better off migrants to have higher remittances in the first place – often because they secure better-paid jobs overseas. This can be due to higher levels of education, improved social networks, or the ability to pay to secure passage to a more lucrative destination. For example, in Nepal, better off migrants are more likely to secure passage to high income countries such as Korea, Israel or Japan, rather than less lucrative migration routes to the Gulf states.

In Nepal, a major challenge is the size of household plots, which has been dwindling as land is divided up within families in recent decades. The persistence of unequal landlord-tenant relations has aggravated this, with large tracts of land in the Dhanusha and Bhojpur sites belonging to absentee landlords many of whom were upper castes who had benefited from the feudal Rana era land administration system up until the 1950s. Tenant farmers on the whole lived in chronic food insecurity, with a large share of the harvest (usually up to 50%) being given away as rent. Set against this context, migration is one of the only means to generate the cash needed to buy food.

Many households in Nepal have purchased a plot of additional land, although in most cases this is simply to strengthen food security rather than supporting the production of a significant surplus. In one site in Nepal, purchases of land are actually outweighed by sales of land, which paradoxically are often to pay for migration itself, or repay associated debts if things do not go to plan.

#### 6.3 Policy issues

Nepal's policy responses to migration are complex and varied. AGRUMIG research shows that while the pre-departure trainings put in place by the government are, in theory, designed to offer safe migration channels such as those offered through bilateral projects (for example, the Safer Migration Project) and initiatives of governmental and non-governmental organizations, their uptake is often patchy. They also fail to reach irregular migrants. These migrants, primarily women, choose to transit through India for which labor permits are not required as per governmental policy, and expose themselves to risks such as human trafficking, forced labor in destination countries and loss of lives of migrants abroad each year.

Other programs, for example the employment generation programs and skills development trainings in Nepal, do not regard migrant returnees as a separate category requiring a different kind of training aimed at their reintegration into the local economy. Further, Nepal's Ministry of Labor and Employment collect data on migrant workers abroad but no information is obtained on the returnees. For example, the efficacy of the employment generation programs for youth and vulnerable communities, the skills development trainings, and the government's subsidized loan program have been marred by weak coverage. Also, the focus of government policies and programs is primarily outgoing migrant workers and not returnees.

The Foreign Employment Board in Nepal lacks the initiative to ensure the country gains from the skills set of migrant workers. Additionally, Nepal's Ministry of Labour, Employment and Social Security has no



information on returnees despite an initiative launched to this effect in 2020 after the outbreak of the COVID-19 pandemic. Further, there are no mechanisms to reintegrate migrants into the economy either by way of providing information to develop enterprises or by matching their skills with local employment opportunities. Similarly, Nepal's Agriculture Development Strategy (2015-2035) is not sensitive to the needs of migrants, women, youth and the vulnerable sections of society.

AGRUMIG findings suggest that monitoring and evaluation of pre-departure trainings in Nepal are unsatisfactory. For example, training centers have no data on the number of trainees who found employment. Further, poor monitoring and evaluation of the Prime Minister Employment Program was seen to contribute to its unsustainability and misuse of funds. For example, several agricultural interventions in Nepal do not meet their targets due to weak implementation. This contributes to greater migration flows from rural areas and discourages return migration. If interventions geared toward supporting youth enterprises in agriculture and the rural economy were implemented – and coordinated with other development initiatives – they could have the potential to retain youth in the country. For example, using raw materials found locally, providing skills-based trainings for localized production and consumption and investment in projects with the assistance of relevant governmental and non-governmental agencies can incentivize returnee reintegration in the local economy.

The cost of migration was also reported to have increased for migrant workers preventing most from returning to work and others from initiating their migration journey. The rates of long-term labor migration had declined in Dhanusha while they had slightly increased in Bhojpur. Some government and NGO programs have provided support and even loans to returnee migrants. However, these uncoordinated actions were not very effective. Some efforts have been undertaken to coordinate donor programs through the government, such as the SDC safer migration (SAMI) project.

Some of the gaps identified in labour recruitment policies and practices include under the Foreign Employment Act of Nepal the government imagines that employers will contact Nepali private recruitment agencies (PRAs) whenever they want to recruit Nepali workers. However, in practice, they rarely directly contact the PRAs and instead PRAs approach prospective employers with the help of other recruitment agencies or agents in the destination countries. There is also a policy of sending representatives to destinations to build networks with employer companies, as well as paying commission to intermediaries and human resource departments and employers to procure labour demand. In practice, recruitment agencies use a wide range of methods to recruit workers including more recent use of online recruitment via social media, thanks to the spread of digital technology.

Informal intermediaries' (agents') role in recruitment of workers is noticeable. Although formally labour intermediaries are not authorised and their existence not recognised, in practice they play important roles. In terms of convenience, it is easier to gain the trust of workers via agents, who are usually distant relatives, villagers, or acquaintances. These roles would partially relieve PRAs from the responsibility of addressing migrant workers' grievances. It is also noticeable that job advertisements published in newspapers do not reach many potential migrant workers. One PRA rep states: 'In reality, around 99 per cent of the business of recruitment agencies does not happen without the use of intermediaries/agents.'

The implementation of a 'free visa, free ticket' migration policy (or 'employer pays' model) was introduced to curb the high cost of migration, but has remained largely ineffective. On average workers pay over USD 1,000. Reasons given are high recruitment costs and payment to intermediaries involved in workers' recruitment in Nepal, as well as payment to recruitment agencies and human resource officials of employers while procuring labour opportunities abroad.

Major gaps identified in policies and practices of labour recruitment in Nepal include limitations of national policies and authority, part of which lies in the unequal power relations between the labour sending and receiving countries. And one factor includes countries of labour demand having multiple potential access to global cheap labour sources. Moreover, the state's disapproval of the service offered by informal labour intermediaries has further complicated the process of providing safe migration services to workers. Agents cannot be made accountable since they operate outside the legal purview.

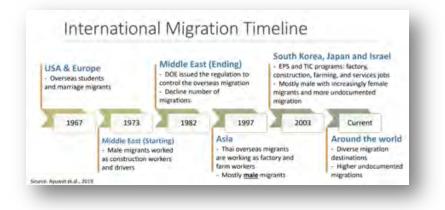


# 7 Thailand

# 7.1 <u>Context</u>



Thailand's economy was largely dependent on agricultural production until the 1970s. Migration has since become a common strategy for rural household needing to cope with and adapt to changes in agricultural production and prices, as well as land pressures and the desire to seek income diversification (Huguet et al, 2011 and Rigg et.al., 2014)



The agricultural sector has also suffered from reduced access to natural resources and external stressors such as climate change (UNDP, 2010). Consequently, rural households dominated by small-scale family farms that cultivate cash crops such as sugar cane, cassava, maize and rubber are faced with the inevitable challenge of seeking other sources of income, mainly off-farm.

Under rapid industrialization over the past 50 years, the contribution of the agricultural sector to Thai GDP fell to 11.47 percent in 2014, with only 32 percent of the workforce being employed in the sector in 2015 (Naruchaikusol, 2016). Rural areas are dominated by small-scale family farms that cultivate cash crops such as sugar cane, cassava, maize and rubber and face the inevitable challenge of seeking other sources of income, mainly off-farm.

To diversify their sources of income, labor migration has become an important strategy to address growing household needs for access to education, healthcare, and other services that are barely available locally or, if available, are unaffordable to those on agricultural incomes alone (Rigg, 2019). Men dominate Thailand's legal immigration flow, yet the number of women migrating for work overseas has increased significantly, primarily through unauthorized channels. The top three destinations for migrants are Taiwan, South Korea,



and Israel.

Although labor mobility through migration offers multiple advantages, e.g., remittances and higher education, it also negatively affects sending communities (e.g., agricultural labor outflow and social effects on demography and families left behind). For instance, rice sowing, either by hand or machine, has been adopted as a coping mechanism to save labor and investment costs as a result of declining availability. However, there are also instances where remittances have also contributed to

crop diversification and increased mechanization. Aside from crop production, other activities like pig farming and chicken breeding add to household livelihood strategies.

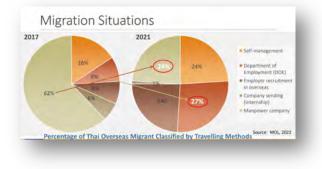
# 7.2 <u>Findings</u>

Livelihoods in Udonthani (Ban Chai sub-district) are primarily centred around small-scale farming (e.g. rice, sugarcane, tobacco, rubber plantations, etc.). Rice broadcasting has been adopted in order to save labour and investment costs. Limited alternative off-farm labour opportunities exist (there are no factories in the area and the next major city centre is a long distance). Other sources of income are the production of handicrafts and construction labor provision.



In Chiang Mai, Mae Sueksub-district is located in an important watershed area and forest reserve. Land title deeds are not permitted in the mountain areas. There have been transformations in land use with a shift from traditional rotational cultivation, especially of upland rice and traditional crops, towards cash crops such as maize and potato. There are high levels of internal migration, especially working in related tourism businesses such as in elephant camps, souvenir shops, as tour guides, restaurant and hotel workers, etc.

Only limited alternative off-farm labor opportunities could yield enough income in rural areas. At the same time, there is an emergence of specialized production of handicrafts and service provision by individuals as constructors. Another source of income explored is related to eco-tourism and elephant conservation. The



lack of alternative off-farm labor opportunities and the need for a higher income due to rising costs of living, including health care and education, were frequently mentioned as reasons why people migrate.

Migration could also contribute to social inequality in several ways. Households with international migrants tend to enjoy a higher living standing in their community since international migrants can send higher remittances than domestic migrants. However, when migrant children are left behind and

taken care of by grandparents, their behavior is frequently discussed as challenging, affecting their social life and learning abilities.

Financial remittances enable households to build up savings and cover daily household expenses including health care (parent and family members), children's education as well as debt payments and improvements and reconstruction of houses. In agriculture, remittances support the application of fertilizers, seeds, and hiring cost for equipment, etc. New crop investment – for example in rubber plantations, sugarcane, etc – are also covered. Improvements in water management include irrigation systems as well as buying assets including land, houses, vehicles, and agricultural machinery.

In terms of impacts of migration, mobility has brought knowledge, ideas and skills, and networks. These include knowledge of new crops and agricultural practices (greenhouses, organic farming) and new managerial and financial skills, as well as languages (e.g. English and Chinese). Access to sources of information and institutional support have helped to facilitate an online market for goods, and soft-loans. New business models initiated by returnees and migrants include a Korean language school, eco-tourism, a new restaurant, and drone services, etc.

A huge gulf in earnings is noted between domestic and international migrants. An average of about 40,000 THB/year is reported by domestic migrants compared to around 200,000 by international migrants. In both countries, availability of credit means that some poorer households can access lucrative overseas work, but they will generally take longer to save as a greater share of cash will be absorbed into repaying loans

Similarly, a common concern of returnees is the debt from loans they received initially to migrate accessing Thailand's Loans for Overseas Labour Migration Project. High interest rates make it sometimes hard for many returnees to free themselves from a heavy financial burden. Those who mortgaged land plots worry that they might lose them if they don't find money from other sources in time. Further limitations concern the discontinuation of promoting such loan schemes by the banks, since they are less beneficial to them compared to other types of loans.

In the case of Thailand, while some migrants bring back agricultural knowledge, such as irrigation techniques from Israel or farm management from Japan, the majority of skills and knowledge migrants acquire during their migration experience are highly specialized (e.g. in electronics manufacturing)



#### 7.3 <u>Policy issues</u>

There are a number of key intervention areas by the Thai government in response to migration challenges. The first intervention areas is pre-departure training of migrants and protection under various bi-lateral agreement and programs. Pre-departure training covers three major topics including: 1) preparation for travels; 2) living and culture; and 3) privileges and protection. On the positive side, this covers health and accident insurance, legal support, travel and repatriation costs, as well as top-up money. On the negative side, this does not cover undocumented or irregular migrants.

The bi-lateral agreement programs were initiated in 2004. These include factory, construction agriculture and services. There is both a language skills test requirement and a clear criminal record check. For migration to South Korea the EPS Program was initiated in 2008. EPS aims to reduce all documentation processes and procedures. Thai labour has been recognised as honest and hardworking. More recently, undocumented migration has been in significant decline. For Taiwan, the Direct Employment program was initiated in 2010. Under a bilateral agreement with Israel, work is provided as farm workers in "moshavs" and "Kibbutzim" (cooperative farmers' villages and agriculture communities) for Thai migrants who have never worked before in Israel. The program covers THB80,000 (EUR2,220) for air fare, employment and management costs as well as insurance. The Thailand-Israel Cooperation on the Placement of Workers (TIC) initiative was launched in 2012. In addition, there is a Technical Intern Training Program in Japan with an Internship duration of three years plus a monthly salary without management fee.

The second intervention areas is the Young Smart Farmer Program (YSF). YSF aims to enhance young farmer capacity (17-45 years old) to engage in and develop the agriculture sector. The benefits of the program are the diverse skills and knowledge that this generates between young and older, more experienced farmers. The drawbacks are the limited number of migrants and returnees actually involved in the YSF program. YSF is also affected by weak implementation that has contributed to benefits not reaching both farmers and returnees.

The third intervention area is the reintegration project to promote and share successful examples of Thai overseas migrants and returnees under which they can apply the knowledge and experience gained from abroad, and invest remittances in agriculture and rural development. The benefits relate to the exchange of experience between returnees and potential migrants. The challenges include limited information sharing and budget support (only five provinces per year). By contrast, participation in the Thailand-Israel Cooperation on the Placement of Workers (TIC) bilateral programme has led to Thai migrants developing their skills and knowledge in agriculture. Further, migrants have returned with improved knowledge and skills on seeding, irrigation, and applying fertilisers to apply on their own farms.

The fourth intervention area is the range of loan schemes to support Thai overseas migrants. Three government banks (KTB, GSB, and BAAC) under agreement with the Department of Employment (DOE) offer a loan scheme to documented labour migrants providing 7-8% interest rates. The benefits include this system helping to cut off loan sharks and the loss of land. The challenges include limited information sharing, the loan scheme offers the service to documented migrants only, and land is required as collateral.

Challenges of migration policies include labour shortage in rural areas and demand for mechanisation. In addition, there is difficulty in accessing returnees given no collection of official records on returnee migrants. There are also shifting household inequalities between households where there is no migration, internal migration, and international migration. Precarious working conditions also affect migrants in some destinations including safety, social protection, and mental health issues. A lack of communication between agricultural and migration policy stakeholders is also notable. Some return migrants are considered outsiders when returning home and, finally, migrant skills on return may not match the need for domestic jobs.

There is also limited access to potential returnees to help them connect with the DOE's returnee reintegration program. Additionally, data on returnees and their social remittances are inadequate. There have also been cases of the Thailand-Israel Cooperation on the Placement of Workers (TIC) scheme leading to human rights violation due to power imbalances between the governments of recruiting and sending countries. This highlights the need for co-operation between sending and destination countries.



Thailand's DOE also has a limited budget to implement the returnee reintegration project as a consequence of which only those with connections to high-level authorities from the Ministry of Labor and a small number of migrants can avail themselves of the program's benefits. Furthermore, the DOE returnee reintegration project in Thailand is not widely known and considered a short-term or ad-hoc project which impedes its functioning. People are less aware of Thailand's Loans for Overseas Labor Migration Project, leaving them to rely on private loan schemes or loan sharks, which require far less paperwork than banks.

Findings from the working of the DOE's returnee reintegration program in Thailand highlight the necessity to create a systematic and strategic approach to facilitate the transfer of skills and knowledge of migrants working abroad and to enhance the skills and qualifications of migrants for a decent salary in Thailand. Returnees hope that this program will allow them to convert their working experience into a certificate that they can use when applying for jobs.