

Outmigration and labor mobility issues in Moldova

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Context

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 living in rural areas (Figure 1). Few employment opportunities and low salaries are the main reasons underlying outmigration, with an estimated 984,000 living abroad in 2014 (European Training Foundation 2015; IOM 2017). These new waves of migration also affected the agriculture sector, by causing labor shortages, reducing food demand and causing population levels to decrease.

Most male migrants head to Russia, Ukraine, Spain and Portugal where they are employed in construction. 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 in Moldova. This includes a lack of infrastructure and public services in rural areas, poor agricultural productivity, climate change variabilities, challenges in accessing markets to sell surplus production and the lack of off-farm career opportunities for young people. For most Moldovan smallholder farmers, labor migration is temporary and circular to raise a minimum of capital to start a family business, either in agriculture or

the non-farm sector. The decision to return home after some time abroad is embedded in the decision to migrate. This is slightly different for young people who outmigrate for more extended periods, usually for education or permanent work and do not necessarily return home.



Figure 1. Landlocked Moldova.



Table 1 highlights the three key research sites considered by the AGRUMIG project research team in Moldova with their descriptions.

Findings

Quantitative and qualitative studies were conducted in January 2021 by a research team from the University of Bologna, Italy, in collaboration with the National Institute for Economic Research of Moldova, and with the participation of the University of Birmingham.

Key findings of AGRUMIG project research point to the lack of long-term economic prospects as the main driver of migration. Outmigration is largely circular and part of a

livelihood diversification strategy. 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 threat to the future of the country's economy.

The central government has tried to support migrants to settle back in Moldova. The Eastern Partnership eased access to European countries for Moldovan citizens, permitting circular mobility patterns, including dual citizenship in Romania and opening new work opportunities within the European Union areas.

In Moldova, several returnees invested in orchards and some made investments in fruit processing plants, (e.g.,

Table 1. Study site and migration context.

Site	Features of an agricultural economy	Percentage of HHS with seasonal migrants (%)	Percentage of HHS with long-term migrants (%)	Destination for long-term migrants	Percentage of HHS with returnees	Percentage of male and female migrants
Northern	Hilly zone with forests, steppes and meadow vegetation. It has the most fertile soil with a high water-holding capacity.	65%	81%	Russia 37%	65%	64% male
				Italy 14%		36% female
				Germany 12%		
Central	The Central region is hilly and has deep valleys, less fertile soil, and is best for perennial crops like orchards and vineyards.	63%	73%	Italy 31%	31%	54% male
				Russia 17%		46% female
Southern	The Southern region has steppe to meadow terrain with both highly fertile and less fertile soils. Due to higher temperatures and lower rainfall, this region has only marginal production without irrigation.	68%	86%	Russia 34%	35.6%	54% male
				Italy 21%		46% female
				Germany 13%		

Note: HH = Household.

the production of raisins or plums). The Moldovan Free Economic Zones offer employment opportunities with salaries lower than the national average, making them an unattractive avenue to pursue.

Some returnees have taken on large tracts of land on lease, often from the local authorities and are using 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.

Interviews conducted identified many agro-entrepreneurs having used their earnings to elevate their position in the rural agrarian structure. For instance, many returnees had previously owned small or marginal farms, yet had subsequently invested their earnings in successful agri-businesses, including orchards, livestock farms, agro-processing and agrotourism. This was facilitated by government support schemes such as the Program for Attracting Remittances in the Economy (PARE 1+1), which is oriented to returnee migrants and offers to provide match funding of 50% for any investments. Moldova is one of the few countries under the AGRUMIG project where widespread uptake of programs was specifically targeted to returnees in order to catalyze investment.

On issues of return, many women entrepreneurs have returned from overseas. Some had benefited from grants that were designed for them to open a business on return. Some of the returnees joined village farming associations providing peer-to-peer consultations and support.

Policy issues

Migration is a part of the livelihood strategies of many rural households. A large set of policies have been developed at different levels to attract investments from migrants (Figures 2, 3, and 4). PARE 1+1, the Diaspora Succeeds at Home Program (DAR 1+3) and national subsidies for agricultural producers have proven to be effective measures while exhibiting challenges, including a lack of policy integration.



Figure 2. Migration policy responses: DAR 1+3 Program.



Figure 3. Migration policy responses: National subsidies for agricultural producers.



Figure 4. Migration policy responses: PARE 1+1 Program.

For example, Moldova's current subvention framework (2017–2021), which is inspired by the national strategy for agricultural and rural development, does not explicitly engage with migration-related issues. One of the main reasons for the success of Moldova's PARE 1+1 and DAR 1+3 is the inbuilt mechanisms for monitoring and evaluation of these programs.

AGRUMIG project findings suggest that the DAR 1+3 program needs to be widely disseminated, particularly to the country's peripheries, in order to support more beneficiaries. PARE 1+1 has been an effective tool for the reintegration of returnees. The program significantly 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 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, such as financial incentives provided by the Nepali government for returnee migrants and Thailand's Loans for Overseas Labor Migration Project, are: i) PARE 1+1 and DAR 1+3 offer grants and not collateral-free or minimum-collateral loans, thus preventing further precarity and indebtedness of migrants; and ii) PARE 1+1 and DAR 1+3 have inbuilt mechanisms such as monitoring and evaluation of these

programs which help ensure the efficacy and pertinence of follow-up work. DAR 1+3 is somewhat constrained, however, because of the cumbersome paperwork required to access grants that discourage potential beneficiaries from applying to the program.

Despite gains achieved through PARE 1+1, one of its main limitations is financial cost which can affect its 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 starting capital seems to be an important condition for the success of activities financed through this program. Similarly,

DAR 1+3 is constrained due to the small size of the grant provided to recipients.

The grant is not enough to start a business from scratch and generate scaling-up of economic activities. These challenges are exacerbated by migrants often returning to the country for a short time as part of circular migration and then engaging in other short-term migration to gain financial resources for 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. The requirement of a high level of financial literacy to access PARE 1+1 resources and the level of paperwork needed to access DAR 1+3 grants discourage potential beneficiaries from applying to these programs.

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AGRUMIG Project

The project titled **AGRUMIG 'Leaving something behind' - Migration governance and agricultural & rural change in 'home' communities: Comparative experience from Europe, Asia and Africa** proposes an integrated approach to migration governance to address the two-way relationship between labor mobility and changes in agriculture and the rural sector. Migration creates challenges for rural 'sending' communities in low- and middle-income countries, yet it can also be transformative. The project engages in a comparative analysis of seven countries (China, Ethiopia, Kyrgyzstan, Moldova, Morocco, Nepal and Thailand) to identify the economic, institutional, cultural and agroecological factors which shape these relationships. It will identify the range of governance interventions that can harness migration to stimulate sustainable, gender equitable growth in agriculture, and reduce the distress associated with migration.

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(Call: Towards forward-looking migration governance: Addressing the challenges, assessing capacities and designing future strategies)

Project website: <http://agrumig.iwmi.org>

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This project is part of the MARIS (Migration, Agriculture and Resilience: Initiative for Sustainability) network (<http://maris.iwmi.org>)

