

# The Impact of Emigration on Structural changes in Serbian Agriculture

**Prof. Natalija Bogdanov**

Faculty of Agriculture University of Belgrade

**Prof. Marija Babović**

Faculty of Philosophy University of Belgrade

IAMO Forum 2016

*Rural Labor In Transition: Structural Change, Migration And Governance*

22 - 24 June 2016 | Halle (Saale), Germany

# The reserach context

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- **Understanding the structural changes in agriculture**
  - ▶ *are characterized by* changes in the distribution of production factors (labour, land and financial capital)
  - ▶ *have been analyzed* within the comprehensive framework - changes in the economic and physical size of holdings, farm size distribution, farm labour distribution, farming operations, the use of technology, the financial and institutional arrangements,, etc. (Goddard et al. 1993, Boehlje, 1999, Buchenrieder and Mollers ed., 2009).
- **The effects of migration and remittances on the agriculture**
  - ▶ *The consequences of migration on structural changes are multi-dimensional*, affecting wide range of economic, social and environmental issues
    - ▶ *For the migrant sending countries* remittance inflows could provide a means to overcome credit market constraints, boosting the capacity of households to invest
    - ▶ **There is less evidence on the economic impact of external migration on the reallocation of resources**
- ▶ **Reserach objective is to**
  - ▶ estimate the magnitude and spatial patterns of out migration of Serbian rural population
  - ▶ contribute to better understanding of the impact of out migration on the direction and pace of structural changes in agriculture in different regions



# Motivation - the case of Serbia

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- ▶ **The intense emigration started in the mid-1960s**
  - ▶ First wave of migrants in Western Europe
  - ▶ Profiles of emigrants were dominated by unskilled or semi-skilled workers, including from rural areas (over 70% of emigrants in period 1970-1990s from rural areas)
- ▶ **Various factors encouraged emigration over the coming decades** (Bobić, Babović, 2013)
  - ▶ political (disagreement with the prevailing ideology, fear of military recruitment ),
  - ▶ economic (unemployment, poverty)
  - ▶ humanitarian (refugees and asylum seekers).
- ▶ **The period after the dissolution of the SFRY,**
  - ▶ The largest wave of immigration to and emigration from Serbia - refugees and IDPs from ex YU republics
- ▶ **Recent migration trends indicate that there are significant regional differences in migration patterns, in the structure of migrants and livelihood strategies of their households**

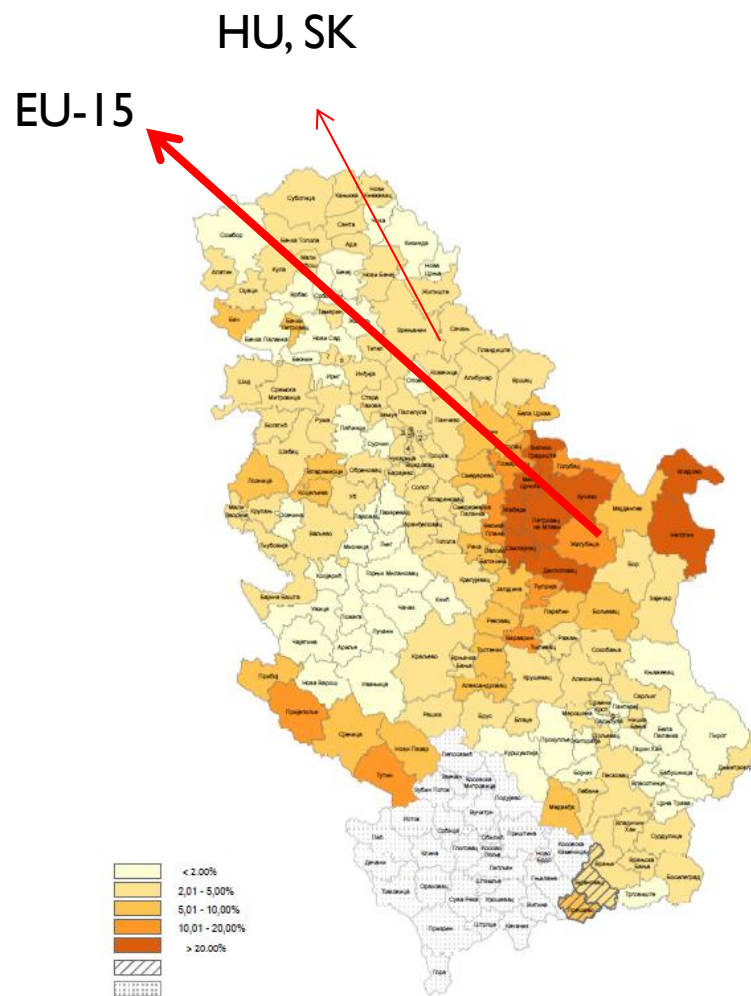
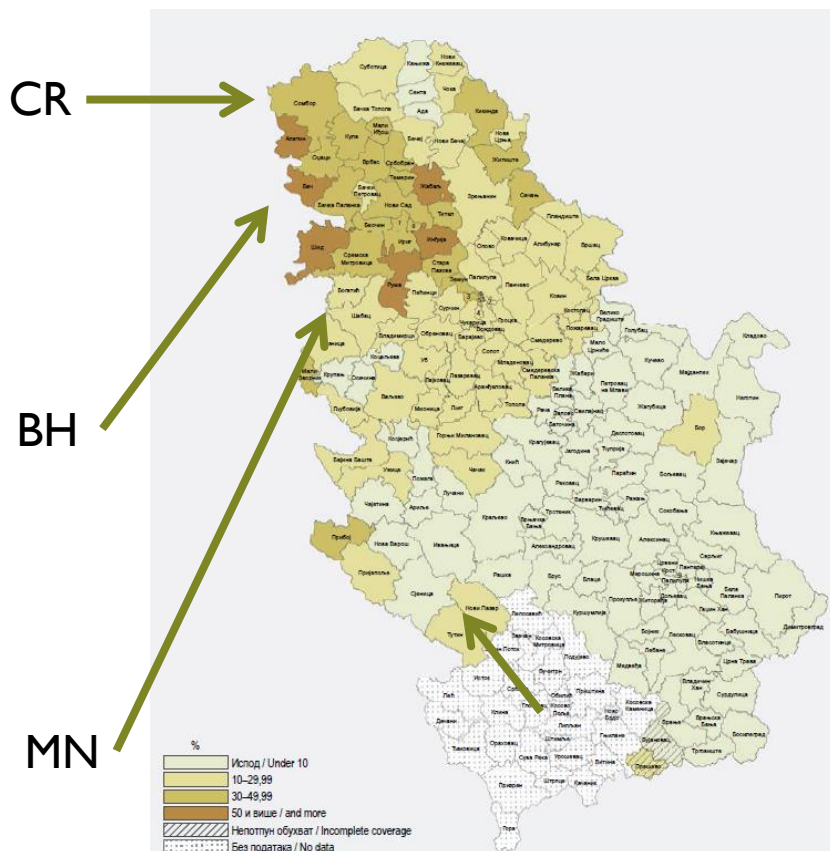


# The research context - the case of Serbia



# Population immigrating from the former SFRY republics, by municipalities/cities, 2011

# The share of people working - staying abroad in the total population of the municipality



# Research design and methods

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- ▶ **Secondary data were used in the review of the literature and in the selection of research method**
  - ▶ Data are insufficiently reliable - under-registration, under-coverage; even more less reliable and less accessible are the data collected by the statistics of receiving countries
- ▶ **A multi-locational case-study approach was employed to address the research objectives (Bilsborrow 2012)**
  - ▶ *Case studies* used to address
    - ▶ an explanatory questions - „Why does emigration happen and what other aspects are related to this issue?”
    - ▶ a descriptive question - “What is the relationship between the emigration and the structural changes in agriculture at regional level?”
  - ▶ *Two districts* with the uneven characteristics of rural areas, family farms and different forms of migration
    - ▶ Eastern Serbia (ES) – Region with long lasting migration from rural; first wave migrants (Region FWM)
    - ▶ Southern Banat (SB) – Region with the newly emerged pattern of ethnic emigration (Region NEEM)
  - ▶ *Data collection*- focus groups to study collective discourses; by non-structured interviews with key persons in the communities and groups being studied (Kruger, 1988; Morgan 1997; Skribs, Woodward 2007; Ushakov ed., 2014; Nagatomo, 2015)



# Results



	Region of first wave migrants
Local agricultural system	<ul style="list-style-type: none"> <li>• Remittance driven family economies dominate</li> <li>• Agricultural sector based on medium-sized, mixed family farms</li> <li>• Machinery and equipment in good working condition</li> <li>• An inactive land market ( land left uncultivated)</li> <li>• Underdeveloped or lack of value chain; lack of supporting logistics systems</li> </ul>
Type and patterns of migration	<ul style="list-style-type: none"> <li>• Massive and long-lasting out-migration;</li> <li>• Migration is used by household members as a strategy to move out of low productive agriculture</li> <li>• Reasons for migrating differ, but 'push' factors seem to prevail:               <ul style="list-style-type: none"> <li>○ unfavourable investment environment of recipient communities</li> <li>○ the access to and quality of social services</li> </ul> </li> </ul>
Migrant characteristics and demographic patterns	<ul style="list-style-type: none"> <li>• The second /third generation of migrants (as children and grandchildren of the post1960-70s wave of immigration); idealization of return to the homeland</li> <li>• Different types of families in terms of employment status of members abroad, length of stay, stage of life (incl. retired parents living abroad);</li> <li>• New wave of migrants - seasonal workers in middle age; low and semi-skilled, incl. illegal;</li> </ul>
Remittance patterns and the impact on household wellbeing	<ul style="list-style-type: none"> <li>• Migration and remittances fostered household farm investment (including farm land expansion) and agricultural production until 1990s;</li> <li>• Remittances receiving households mostly spend additional income on increased consumption, investing in housing, entrepreneurial non-farm activities, purchase of apartments in the cities</li> <li>• A large percentage are saving for retirement</li> </ul>



# Results



	Region with the ethnic pattern of emigration
Local conditions of agriculture systems	<ul style="list-style-type: none"> <li>• Sharply dual farm structure</li> <li>• The capital-intensive agriculture and well established value chain</li> <li>• Highly dynamic process of structural transformation in agriculture</li> <li>• Lack of job opportunities out of agriculture</li> <li>• The agricultural land leasing market has been more active than sales</li> <li>• Higher importance of income from leasing of farm land</li> </ul>
Type and patterns of migration	<ul style="list-style-type: none"> <li>• Significant out-migration of national minorities; started since 2010s</li> <li>• Migratory flows and the dynamics are influenced by immigration policies of destination countries</li> <li>• Pull factors draw migrants towards motherland - better economic opportunities, and the promise of a better opportunities for children</li> <li>• Driven by decision to settle permanently in destination country</li> </ul>
Migrant characteristics and demographic patterns	<ul style="list-style-type: none"> <li>• Young people - to continue higher education in one of EU countries</li> <li>• Middle-aged people with families</li> <li>• Migrants with mostly technical job experience, craftsmen entrepreneurs..</li> <li>• Benefit of education in mother tongue (mother-tongue fluency)</li> </ul>
Remittance patterns and the impacts on household wellbeing	<ul style="list-style-type: none"> <li>• Remittances are less important for household wellbeing</li> <li>• Migrants have some accumulated savings and more likely in position to find a better job</li> <li>• Remittance transfer and migrant earnings enabling to save money for family reunification, for the purchase of houses, apartments, starting own business in destination country</li> </ul>



# Results

	Region of first wave migrants	Region with the ethnic pattern of emigration
<b>Labour redistribution</b> (Harris and Todaro, 1970)	<ul style="list-style-type: none"> <li>• Agricultural labor shortages (will likely persist in the long term)</li> <li>• limited possibilities of specialization in sub-sectors for which the region has comparative advantages</li> </ul>	<ul style="list-style-type: none"> <li>• a positive impact on the overall growth of productivity in agriculture</li> </ul>
<b>Land market and farm consolidation</b> (Haynes-Young, McNally, 2001; Weiss, 1999)	<ul style="list-style-type: none"> <li>• The current farm structure remains „frozen“ due to lack of activity on land market</li> </ul>	<ul style="list-style-type: none"> <li>• Reallocation of land toward more efficient users</li> <li>• Encourage polarisation of farms according size and income structure</li> </ul>
<b>Financial assets</b> (Gallerani et al., 2008)	<ul style="list-style-type: none"> <li>• A small proportion investing remittances in small business development;</li> <li>• Remittances are generally not used for investment in agriculture, incl. in on-farm activities</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction of on farm investment;</li> <li>• The outflow of financial capital toward destination country;</li> <li>• Agricultural land provides a „saftey net“</li> </ul>
<b>What other aspects are relevant?</b>		
<b>Poverty issue</b>	<ul style="list-style-type: none"> <li>• Risk of poverty for retired returnees, disabled, single-person households</li> <li>• the possibility of losing social and economic security;</li> <li>• the personal security and safety issues</li> </ul>	
<b>Environmental imapctcs</b>	<ul style="list-style-type: none"> <li>• Further abondement of agricultural land;</li> <li>• Envirinmental degardation due to luck of human activity in the area</li> </ul>	
<b>Local economy</b>		<ul style="list-style-type: none"> <li>• Decrease in service sector activity;</li> <li>• Employment and production opportunities decrease in the rural sector</li> </ul>

# Conclusions

- ▶ **The impact of out migration on agriculture sector in Serbia is mixed, highly contextual and dependant on multi-facets of the migration process**
- ▶ *At the household/individual level factor of key relevance is expected length of stay - temporary vs. permanent*
  - ▶ family life course and livelihood strategies, household decision-making about collective/shared resources of family members (intra-household resource allocation), social norms and expectations about intergenerational transfers
- ▶ *At the community/local level - job prospects, performance of agriculture sector and the overall economic environment,*
  - ▶ links between the migrants and their areas of origin
  - ▶ culture and tradition of migration among of specific groups
- ▶ **To assess correctly the impact of out migration on the agriculture and investment patterns of migrant households, comparisons between migrant and non-migrant households needed**
  - ▶ Survey on sample population (Survey at origin - Survey at destination)
  - ▶ Appropriate time reference is necessary
  - ▶ Need to define migrants of interest
  - ▶ purpose
  - ▶ Regional comparisons are of less relevance

# Further steps

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- ▶ **Research on the effects of out migration on the economic and structural changes in agriculture requires**
  - ▶ deeper understanding of local social and cultural context (i.e. emotional attachment towards agriculture and family assets of respondents etc.)
  - ▶ assess the wider range of institutional settings and institutional arrangements
- ▶ **The wider relevance of undertaking further research**
  - ▶ Ethnic migration of the rural population are present in the Balkans and the Pannonian Plain since the 1990s; their effects are not sufficiently examined, even though the consequences for certain (micro) regions are high
  - ▶ The case study of region of FVM is relevant example to examine the effects of migration in the time dimension (from multigenerational perspective of the family members) and in a specific institutional framework (economic, financial, fiscal; political crises and transition process).



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**Thank you for your attention!**

**[Natalija.bogdanov@agrif.bg.ac.rs](mailto:Natalija.bogdanov@agrif.bg.ac.rs)**

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