



# Consequences of rural out-migration on structural changes in agriculture in Serbia

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# Serbia - Diversity of Rural Areas

Lowland area

Hilly area

High mountains

Landscape



Agriculture



Countryside



# Research objective

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- ▶ **The overall objective:**

- ▶ To contribute to designing the conceptual framework for study on impact of out-migration on structural change in Serbian agriculture

- ▶ **The specific objectives**

- ▶ To provide an overview of the current state of migration and the relevance of the topic
- ▶ To present the theoretical background and approaches used to explain issues relating to rural out-migration
- ▶ To present results of case study research :
  - the magnitude and spatial patterns of rural out-migration in Serbia
  - impact of out migration on the direction and pace of structural changes in agriculture
- ▶ To propose research objective and method for further empirical research on this subject



# Motivation - the relevance of the topic

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- ▶ In recent decades Serbia experienced a profound shift in the population distribution from rural to urban areas and out of country
- ▶ The literature on rural to urban migration is vast, but it focuses on migration-induced changes in the population distribution
- ▶ Macroeconomic research and analysis of the effects of remittances are focused on economic growth;
  - ▶ Yet little is known about impact on expenditure patterns and savings of remittance-receiving households
- ▶ ***The out-migration patterns of rural people and the consequences on agricultural holdings did not receive (any) attention of scientists!***



# Rural out-migration – Serbian case

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- ▶ A long standing history of out-migration
  - ▶ the intense emigration started in the mid-1960s; first wave of migrants in Western Europe
  - ▶ over 70% of emigrants in period 1970-1990s were from rural areas (approximately 80% to France, Austria and Germany);
- ▶ Diverse driving forces behind rural migrations since 1990s
  - ▶ political (disagreement with the prevailing ideology, fear of military recruitment), economic (unemployment, poverty) humanitarian (refugees and asylum seekers) (Bobić, Babović, 2014)
  - ▶ the largest wave of immigration to and emigration from Serbia - refugees and IDPs from ex YU republics
- ▶ Recent migration trends
  - ▶ significant regional differences in migration patterns,
  - ▶ differences in the structure of migrants and livelihood strategies of their households



**„Gast arbeiters“ of 1970s**



**Visa seekers 1991-2009**



**Refugees and IDPs - war  
time 1990s**



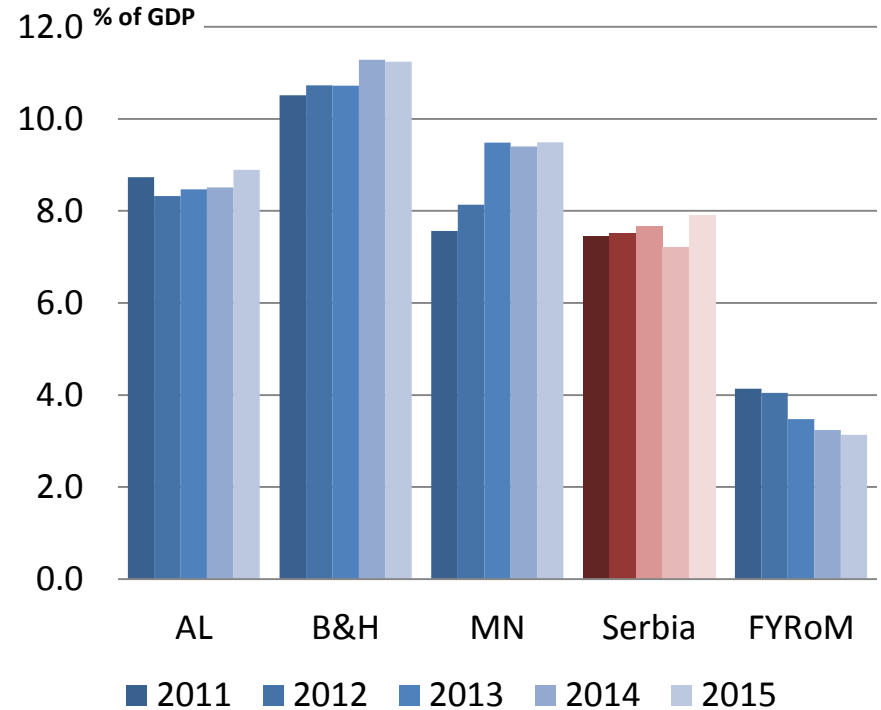
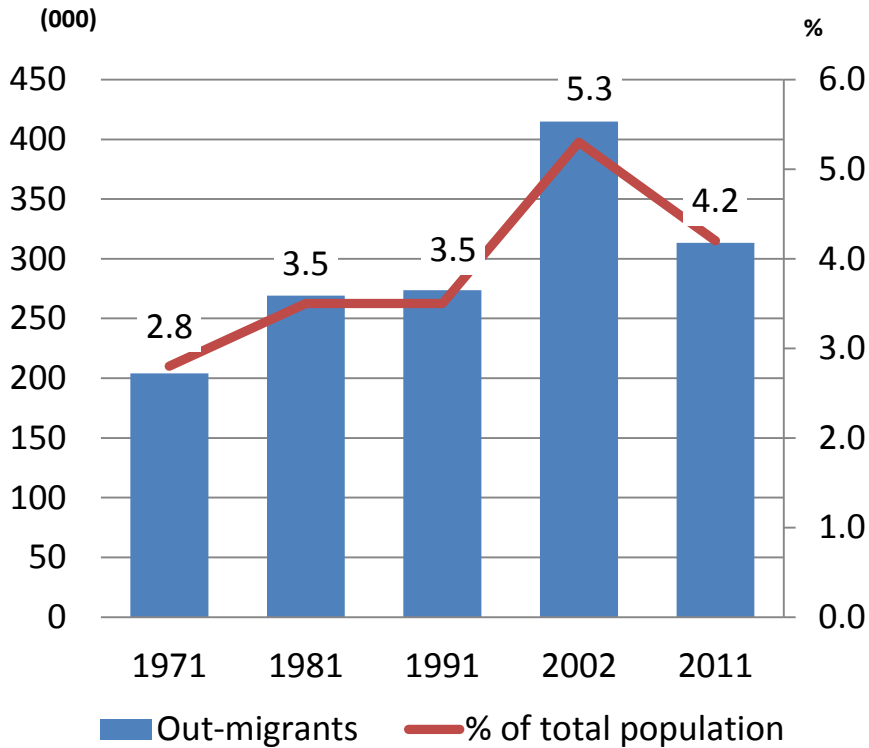
**„Brain drain“ 2010s**



# Rural out-migration – Serbian case

Continued flows of emigration and huge diaspora population

The significant inflow of remittances, high impact on GDP

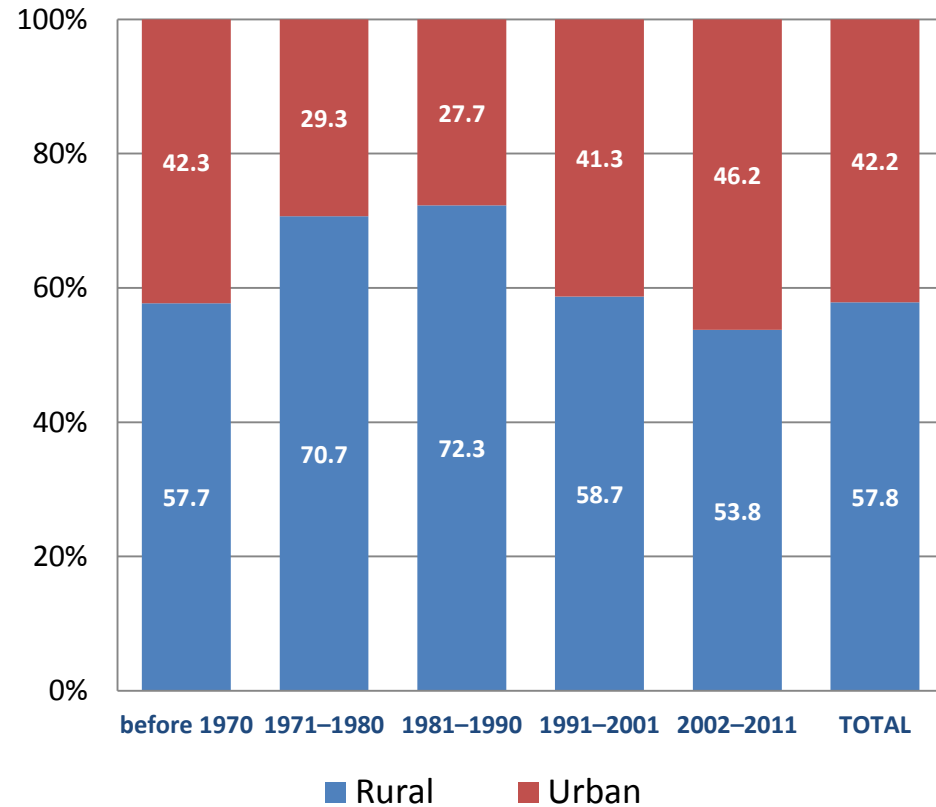
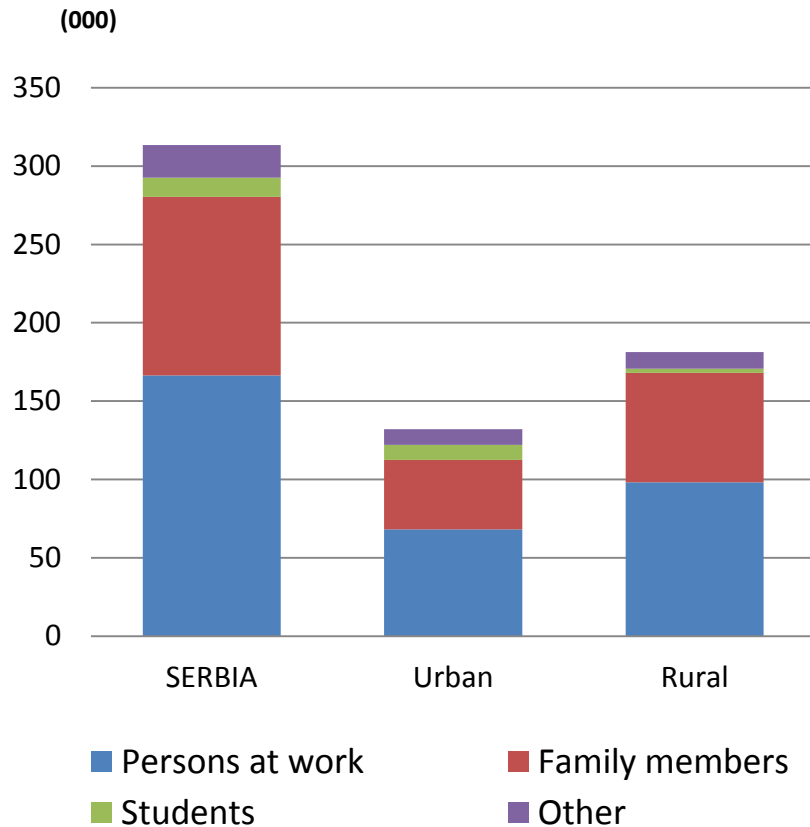




# Rural out-migration – Serbian case

Over 6% of the rural population lives abroad and make up 58% of the total emigration

Persons at work from rural areas living abroad for a longer time



**The abandoned villages...**



**... and the abandoned agricultural land**



**In cash and in kind personal transfers to families**



**A key waypoint on two major migration routes across SE Europe**



# Research design and methods

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- ▶ **The theoretical framework**

- ▶ *Theories of international migration*

- ▶ Different disciplines, assumptions, hypotheses, different levels of analysis;
- ▶ Theories on consequences of migration missing!
  - ▶ widespread controversy on the nature, causes, and consequences of migration (Haas, H. 2007),
  - ▶ different and sometimes conflicting findings (Massey 1993, Salt 1987, Chen 2014)

- *Theories of structural changes in agriculture*

- ▶ a long term phenomenon, occurs over a relatively long period of time
- ▶ are characterized by changes in the distribution of production factors
- ▶ 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).



# Research design and methods

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## ▶ Research objective

- ▶ The selection of territory unit(s) of analysis
- ▶ Recognizing and identifying a key dimension of structural change in agriculture caused by out-migration,
- ▶ selecting an appropriate sample of participants (profile migrant and migrant household and control group)

## ▶ The selection of research area

- ▶ Based on secondary data from population census
  - ▶ insufficiently reliable statistics due to under-registration, under-coverage;
    - even more less reliable and less accessible data collected by the statistics of receiving countries



# Research design and methods

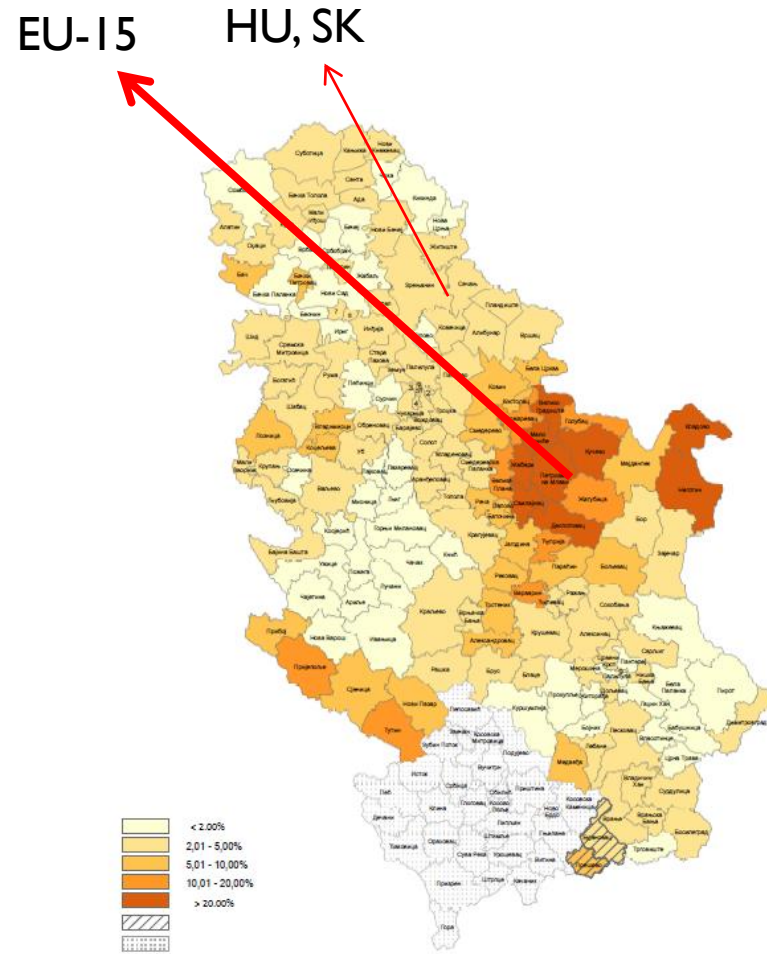
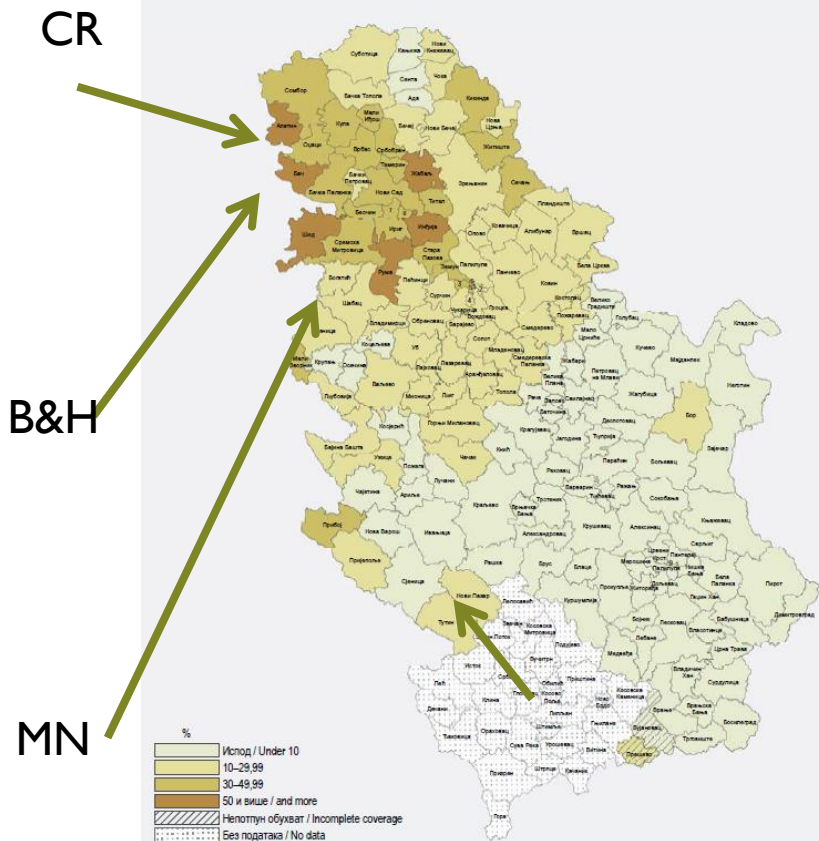
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- ▶ **A multi-locational case-study approach, two districts**
  - ▶ *Eastern Serbia*
    - ▶ Region with long lasting rural out-migration (region LLM);
    - ▶ municipalities with over 30% of working population living abroad!
  - ▶ *Southern Banat*
    - ▶ not distinguished by a prevalence of external migrants, but with a significant representation of national minorities in the total population, whose home country within the EU.;
    - ▶ Region with the newly emerged pattern of ethnic migration - Slovak minority; (region NEEM);
- ▶ **Data collection**
  - ▶ non-structured interviews with key persons and groups;
    - ▶ Local economy and agricultural system
    - ▶ Migrant characteristics, type and patterns of migration
    - ▶ Remittance patterns and the impact on household wellbeing



# Population immigrating from the former SFRY republics, by municipalities

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



# Results

## Region with long lasting migration (LLM)

### local economy and agriculture system

- Remittance driven family economies; Lack of jobs out of farming;
- Farm structure dominated by medium-sized, mixed family farms;
- An inactive land market (land left uncultivated);
- Unfavourable investment environment of recipient communities
- Environmental degradation due to lack of human activity in the area

### Migrant profile, type and patterns of migration

- Massive and long-lasting out-migration (from 1970s);
- Different types of migrant families in terms of employment status of members abroad, length of stay, stage of life;
- New wave of migrants - seasonal workers in middle age; low and semi-skilled, incl. illegal; family reunification purposes

### Remittance patterns and the impact on household wellbeing

- Remittances mostly spend on consumption, housing,
- Migration and remittances fostered entrepreneurial non-farm activities, farm investment (including farm land expansion) and agricultural production until 1990s;
- Unfavourable business environment resulted in decreased investment
- A large percentage are saving for retirement
  - Risk of poverty of retired returnees, disabled, single-person households
  - the possibility of losing social and economic security; the personal security and safety issues



# Results

## Region with the new ethnic pattern of emigration (NEEM)



### local economy and agriculture system

- Lack of job opportunities out of agriculture
- Sharply dual farm structure
- The capital-intensive agriculture;
- The agricultural land leasing market more active than sales;
- Higher share of income arising from leasing of farm land



### Migrant characteristics, type and patterns of migration

- Out-migration of national minorities since 2010s
- Migratory flows are influenced by immigration policies of destination countries
- Pull factors draw migrants towards motherlands (EU countries):
- Migration driven by decision to settle permanently in destination country
- Young people - to continue higher education in one of EU countries;
- Middle-aged people with families; people with mostly technical job experience (craftsmen entrepreneurs);



### Remittance patterns and the impact on household wellbeing

- Remittances are less important for migrant sending household wellbeing!!!
- Migrants have (some) savings and more likely in position to find a better job
- Remittance transfer and migrant earnings enabling to save money for family reunification, for the purchase of houses, apartments, starting own business in destination country



# Conclusions and suggestions for future research

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- ▶ The consequences of rural out-migration on agriculture and rural areas of Serbia
  - ▶ complex and mixed - multi-dimensional, affecting wide range of economic, social and demographic issues; significant regional differences
- ▶ Selecting a research question
  - ▶ **Region LLM** – consequences of out migration on farm structure and land distribution, land use patterns, farm labour, technological changes
  - ▶ **Region NEEM** – consequences of out migrations on land rents, saving/investment patterns of migrant sending households
- ▶ Territorial aggregation
  - ▶ the administrative units belonging to same migration system (municipality or neighbouring municipalities)
  - ▶ the district-level unit of observation is too general to capture the micro-level system of behavior, resources transfers;



# Conclusions and suggestions for future research

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- ▶ Time perspective
  - ▶ Long term perspective is relevant for LLM region!!
- ▶ Method
  - ▶ longitudinal panel data;
  - ▶ in depth survey with retrospective questions related to institutional frame!
- ▶ Unit of observation
  - ▶ Migrant and/or migrant household: return migrants; long-term migration families; household head migrant;
  - ▶ A proxy respondent for migrant or migrants household ??? (seasonal vs. permanent, etc)



# Conclusions and suggestions for future research

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- ▶ What factors to consider and what data to collect at individual /household level?
  - ▶ *Socio-cultural factors* emotional attachment towards agriculture and family assets; household decision-making, intergenerational transfer of family assets; culture and tradition of migration among of specific ethnic groups (Roma, Vlachs..)
  - ▶ *Family and local economy*
    - ▶ assets owned by family members (migrant vs. \_\_\_\_);
    - ▶ remittances importance for family budget; farm size distribution;
    - ▶ land cover and land use patterns; technological changes ; agriculture market land market dynamic;
- ▶ Some other examples from the literature - the effects of climate change, technological changes, feminization of agriculture, etc. have not been identified as the factors of importance for structural changes in studied regions



# Conclusions and suggestions for future research

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- ▶ The wider relevance of undertaking further research
  - ▶ NEEM - Ethnic migration of the rural population are present in the Balkans and the Pannonian Plain since the 1990s; No evidence on effects on land market, land use patterns, etc., even though the consequences for certain (micro) regions are high
  - ▶ LLM - The case study of LLM region is relevant for other ex YU countries; cross country research of the impact of institutional framework (economic, financial, fiscal), political crises and transition process on investment behaviour and saving patterns of migrant-sending households; dynamics of structural changes etc.



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**Thank you for your attention!**

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