



Ministarstvo poljoprivrede i ruralnog razvoja
Crne Gore



Rural Development and Labour Migration

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by

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Addressing the Root Causes of Migration – A Way out of the EU Refugee Crisis? German Minister for Development Cooperation:

„Most of the refugees I met – like most people – have the desire for a future in their home regions. They want to live where they feel at home and where their families are staying. All our efforts and our energy is required to help to make this desire real.“

Question: Can development cooperation fulfill that political expectation ?





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Controversies

- „Diversion from failure of EU migration policies!“
- „After 5 decades development cooperation, there are more refugees than ever before“
 - „not more of the same!“
- „misuse of ODA funds for protecting against migrants!“
- „the more effective development cooperation is, the more migrants will come to EU“





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Focus of this Presentation

1. Labour migration
2. Regions of origin
3. Rural development

Specified question: (How) Can development cooperation interventions in rural regions improve living conditions as far as to provide people with a promising future in their home areas?





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Changing perceptions regarding rural development and migration

- **1980s:** RD Programme Goal: „Reducing rural exodus“
 - *Migration as a problem – RD is the solution*
 - *limited success*

- **Now:** Rural Transformation: RD promoting „stepping out“
 - *Migration as the solution – „grow or give way!“*
 - *Open question: stepping out which direction?*





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Contents



1. Analysis:

- i. Drivers of labour migration
- ii. Effects of DC

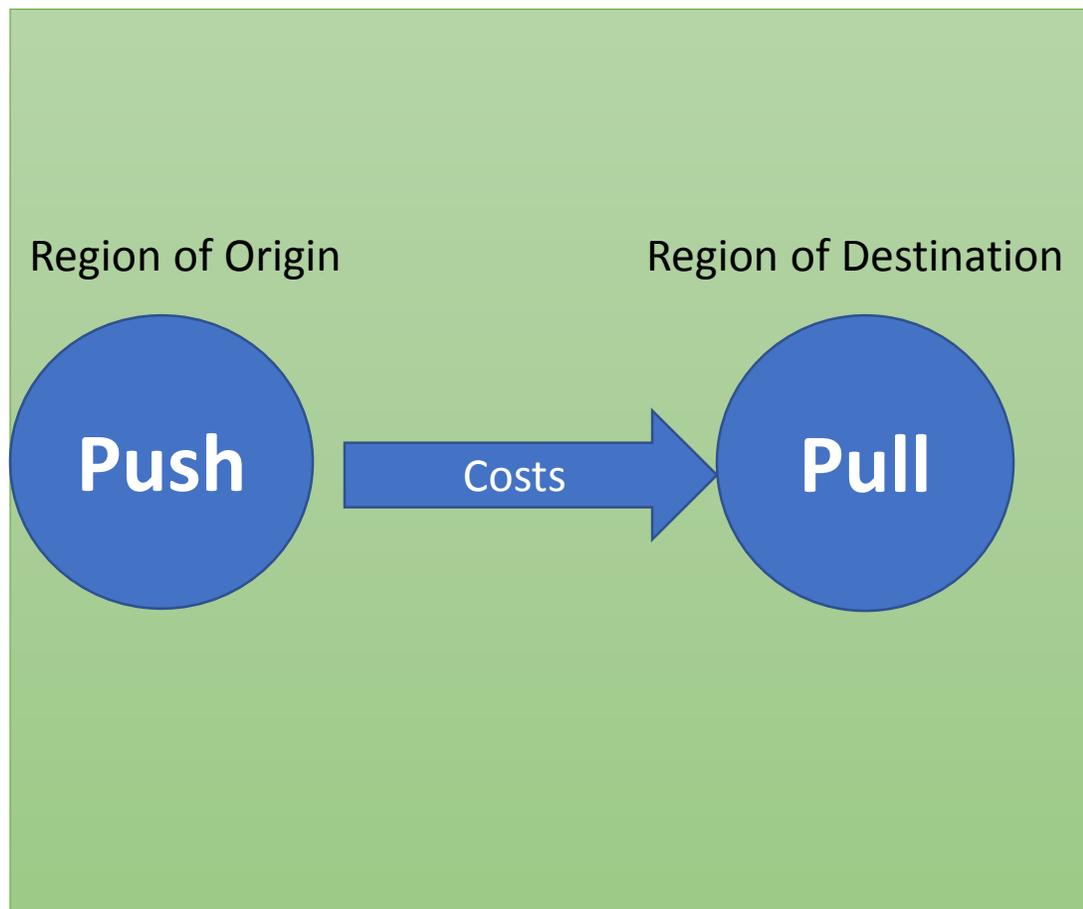
2. Recommendations:

- i. Rural development
- ii. beyond





Migration Theory: Basics



Push and Pull:

- 1. *Push:*** Adverse conditions in region of origin
- 2. *Pull:*** Attractive conditions in region of destination; including networks
- 3. *Migration costs:*** monetary; risks



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Push Factors I: Macro Economic Perspective

Job-less growth by globalisation:

- Global growth rates p.a. 1995 – 2008:
 - Trade: 9%
 - BIP: 4,5%
 - Employment: 0%
 - Reason: Global competition by rationalization
 - **W-Balkan:**
 - Stagnating unemployment on high levels
 - Surplus labour as a result of economic modernization
- *Challenge of creating economic opportunities*





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Push Factors II: Micro Perspective

Translocal Livelihood Systems:

- High share of rural households is part of translocal livelihood systems
 - Migration as part of diversified strategies of income generation
 - Migration as a temporary, circular process; direction depending on opportunities and life cycle status
 - Causing factor: Neither rural nor urban / external income sources are sufficient and sufficiently stable
 - Migration culture: migration of young men as a family obligation
 - At different economic levels / destination differing by economic level
- *Challenge of offering better alternatives*





Constraining Factor: Migration Costs

- Global experience: Migration distance correlates with income level of migrants
 - poorer people not going to international destinations
 - Poverty reduction might provide the poor with assets to migrate to EU
- Migration cascade: Migrants tend to take one step only
 - migration pressure is passed on from destination to destination
 - Poverty reduction in rural places of origin helps reducing migration pressure in the whole system
- W-Balkans: Declining migration costs to EU-destinations
 - *majority can afford migration*



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Impact of Development Cooperation

- Limited impact of DC on macro-economic performance
- Mass employment generation as a result of industrial and trade policies (e.g. China, S-Korea), rather than DC
- But: Rural development programmes can help, where new opportunities go along with better prices for agricultural / rural products
- Risk of negative employment impact of DC due to indiscriminate labour-saving technological modernization





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Remigration and Reintegration

- Lasting reintegration depends on reducing PUSH-Factors in regions of origin
- Focussed support for remigrants will not reduce migration flows
- *Success of reintegration depends on same factors like for reduction of out-migration*



Recommendations I: Do no harm! Leave no one behind!

1. Avoid increasing unemployment by labour-saving technical progress
2. Avoid increasing landlessness by large-scale land investments / land legislation
3. Avoid setting standards in value-chain promotion that exclude resource-poor producers
4. Refrain from promoting socially exclusive approaches towards rural transformation

➤ *Social exclusion will stimulate out-migration without positive perspective*



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Recommendations II: Jobs! Jobs! Plus Migration!

- Addressing the major PUSH-factors in the W-Balkan means creating better income opportunities for rural people (espec. the youth) in rural *and urban* areas.
- As wage-labour is the most important income source and as potentials for small-scale entrepreneurship seem to be limited, the focus needs to be put on jobs.
- Taking the macro-economic limitations into account, short-term DC-strategies towards creating jobs and income opportunities should focus on **three pillars**:
 1. Labour-intensive and competitive **agriculture-based value chains** with complementary trade policy reforms
 2. **Labour-intensive public employment programmes** for better public infrastructure and services
 3. Agreements with EU for regulated systems of **circular migration**





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Recommendations III: Value Chain Promotion

1. **Opportunities** to be identified for competitive labour-intensive commodities and services
2. **Potentials** of different target groups for entrepreneurship and for low-skill wage employment to be identified
 - including those of lower strata / marginalized groups!
3. Labour-intensive but competitive („appropriate“) **technologies** to be identified
4. **Investments** to be promoted by PPP considering their net-employment effect
5. **Skills development** tailor-made to identified opportunities and potentials
6. **EU Trade Policies** to be adjusted





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Recommendations IV: Public Employment Programmes

- **Rationale:**

1. Limited scope for competitive (low-skill) employment generation in the private sectors
2. Fits into translocal livelihood-systems
3. Need for better public infrastructure and services
4. Short-term impact

- **Area-covering institutionalization:** broad-based, sustainable

- **Technical cooperation:** Concept and systems development

- **Financial support:** Special funding and control mechanisms





Recommendations V: Circular Migration

- **Rationale:**
 1. Necessary complementary effort
 2. Fits into translocale livelihood-systems
 3. Temporary supplementary income source for many
- **Institutionalization** as a regulated agreement based migration system
- **Technical cooperation:** Tailor-made skills development based on needs assessment



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Conclusion

- Rural development can contribute if
 - Oriented towards *Net*-employment effect of its interventions
 - Accompanied by targetted trade policy adjustments
- RD contribution is necessary, but not sufficient:
 - need for urban employment
 - need for public employment programmes
- As all these efforts may not be sufficient, taking the economic and political environment into account, migration will still play a role.
 - should be regulated
 - be based on assessment of labour demand and supply
 - should be open for many >>> circular!.





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Thank you for your attention!

