

THE ROLE OF LABOR MIGRATION FROM RURAL AREAS OVER THE SUSTAINABLE AGRICULTURE DEVELOPMENT IN THE REPUBLIC OF MOLDOVA

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Agriculture in Moldova

- Agriculture has been one of the key driving forces in shaping Moldovan landscape, nature and culture over centuries
- Favourable climate and high quality soils historically have determined Moldova's agricultural specialization, particularly in the production of high value crops like fruits and vegetables

Structural changes

- Over the past twenty years, Moldova's economy has gone through significant structural changes
- The service sector has been the largest contributor to economic growth, and tradable sectors, namely agriculture and manufacturing, have stagnated

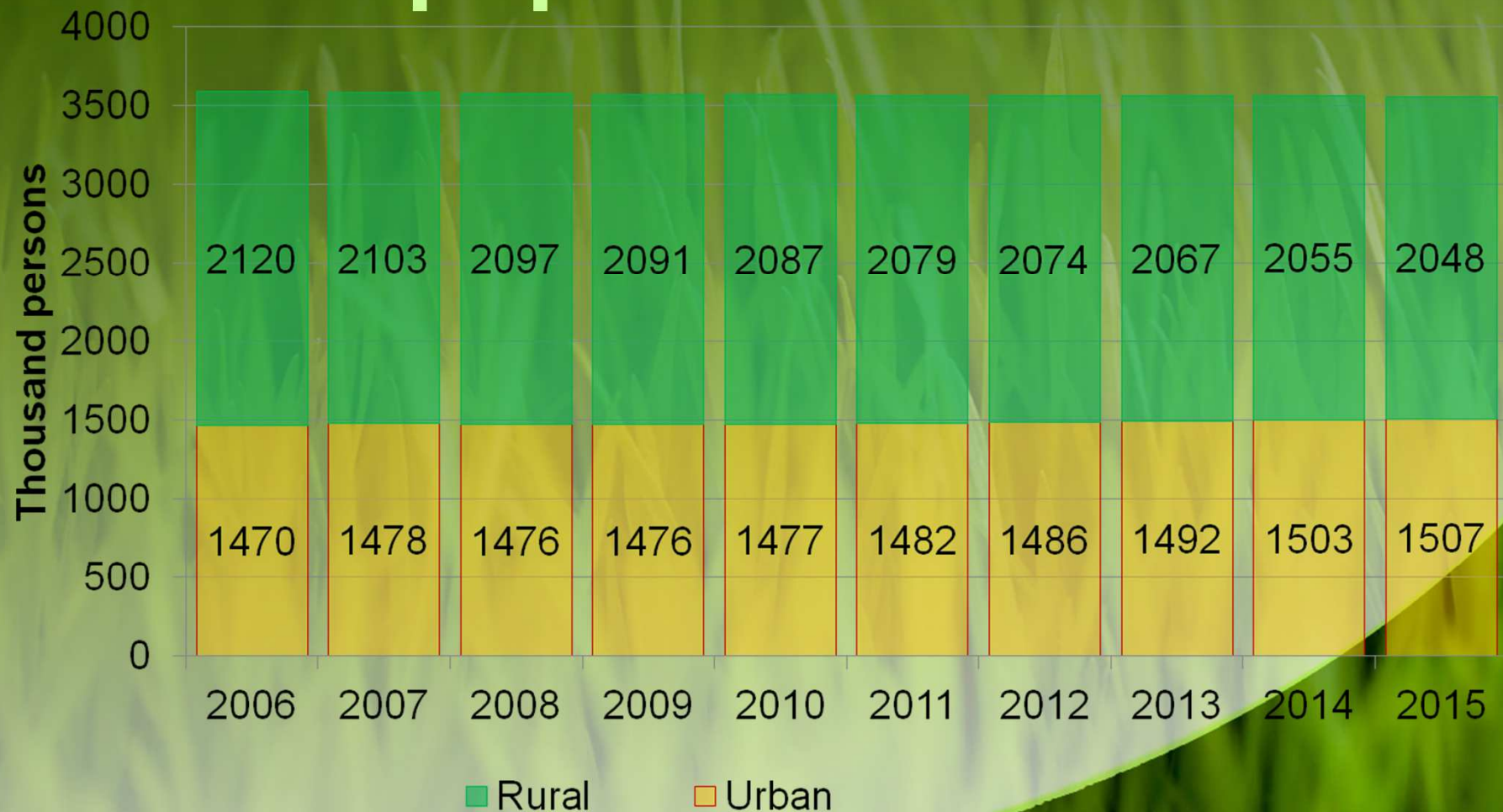
Structure of the GDP by sectors



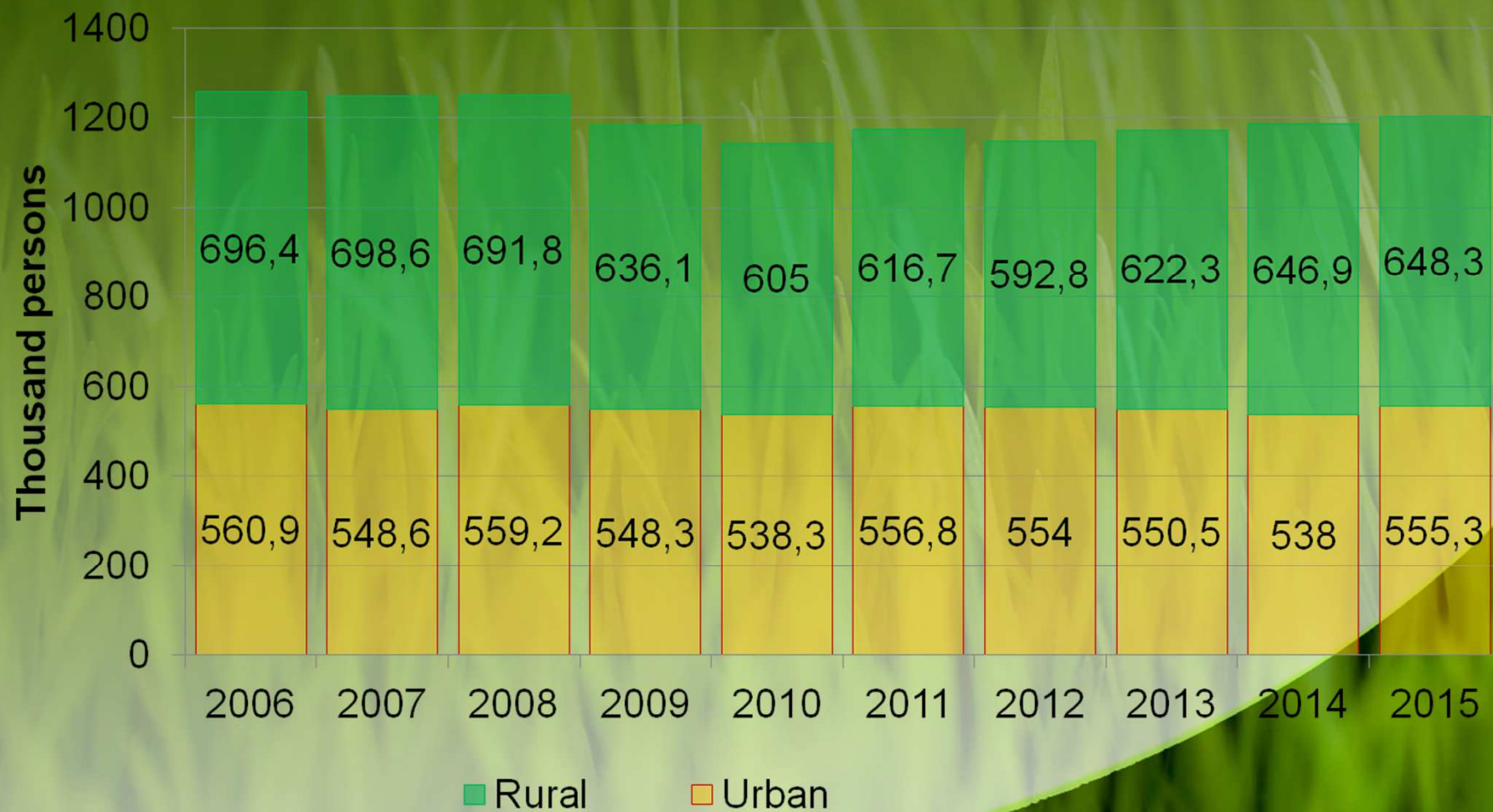
Rural transformations

- Magnitude of migration in Moldova has increased dramatically in the last decade
- During this period the working age population declined rapidly as a result of migration and other demographic processes

Evolution of the rural and urban population in the RM



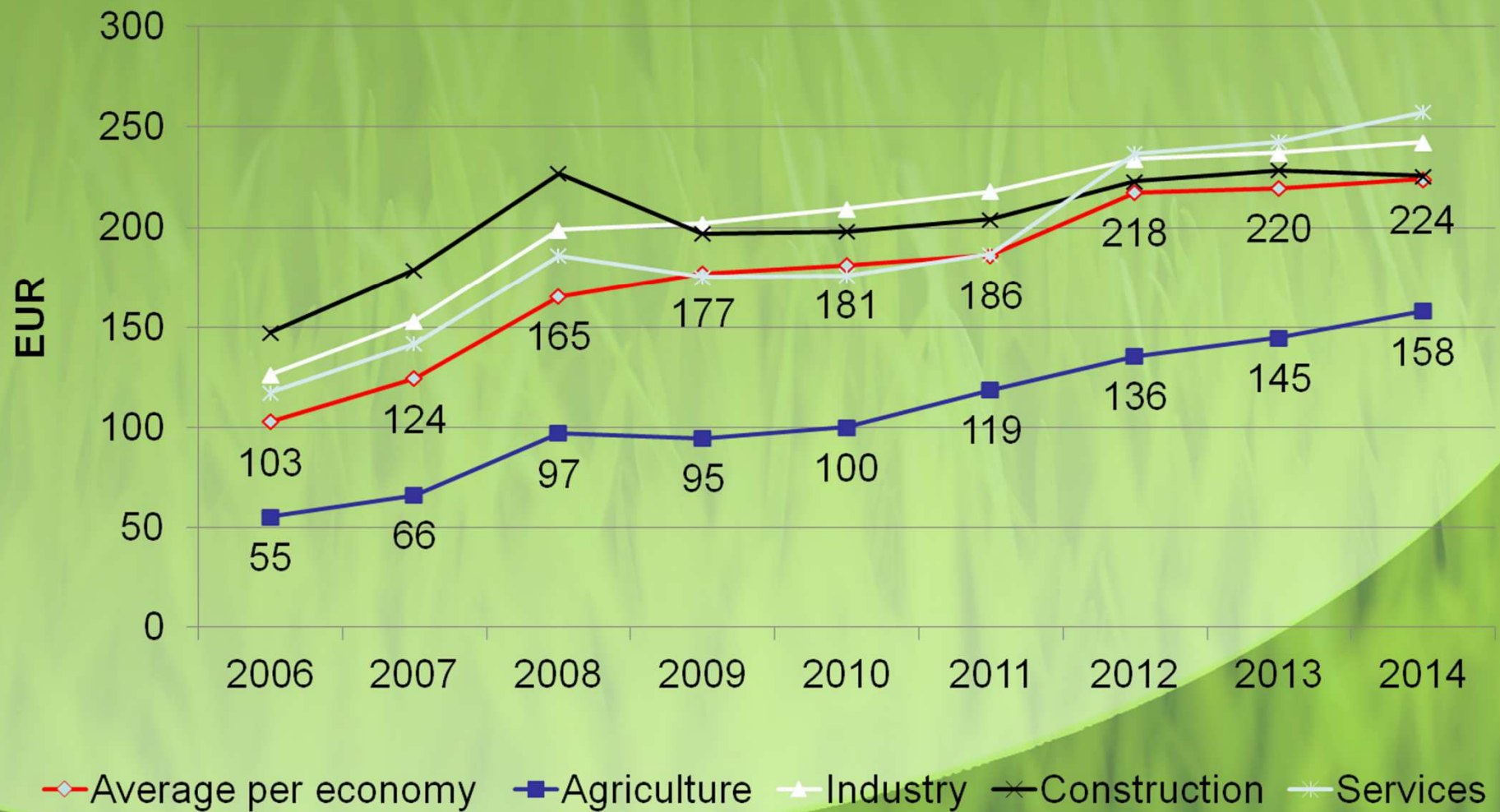
Population employed in urban and rural areas



Number of employees in agriculture and its' share in total number of employees



Average monthly salary in selected sectors of the national economy

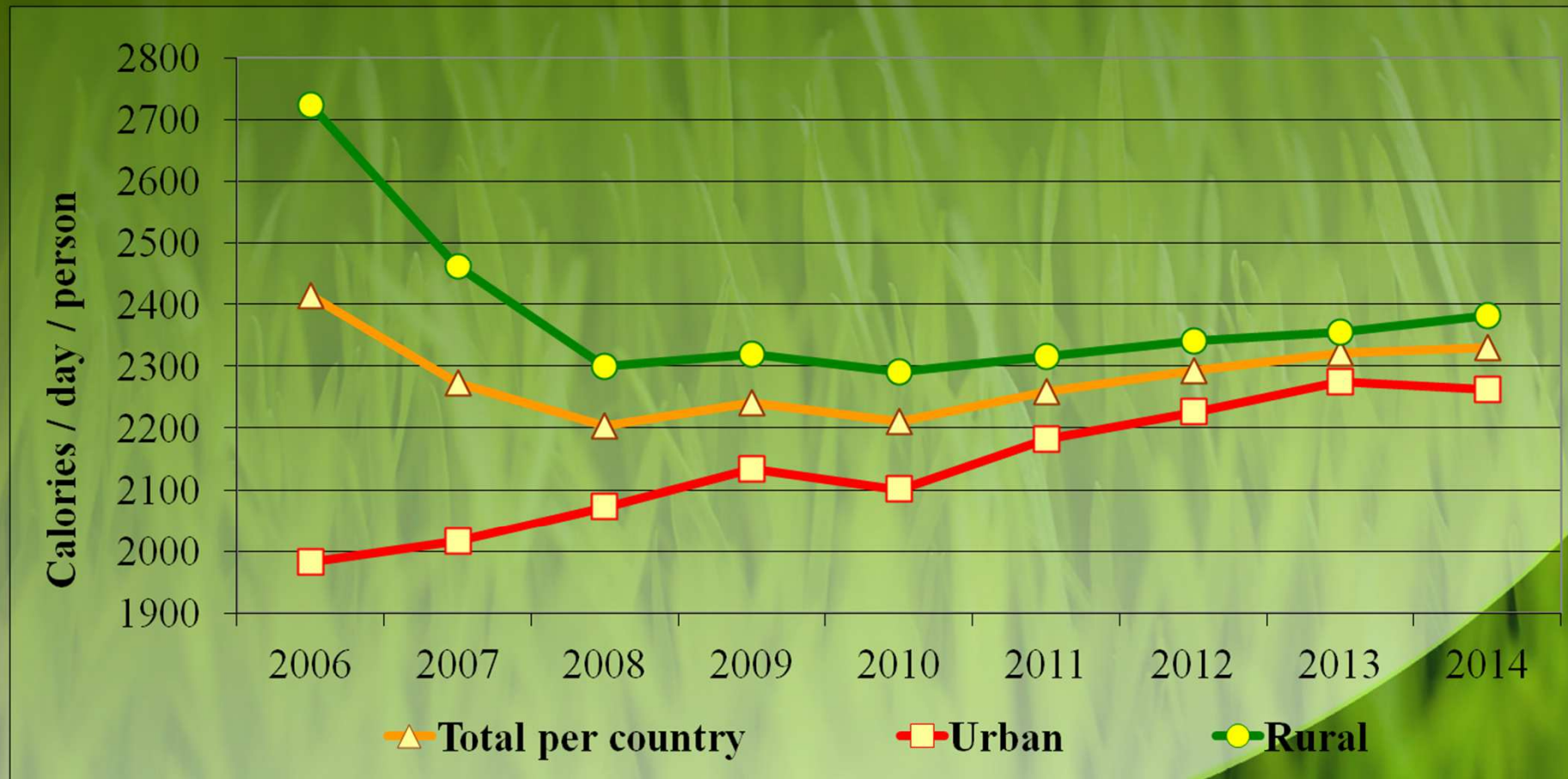


Disposable monthly household income per person

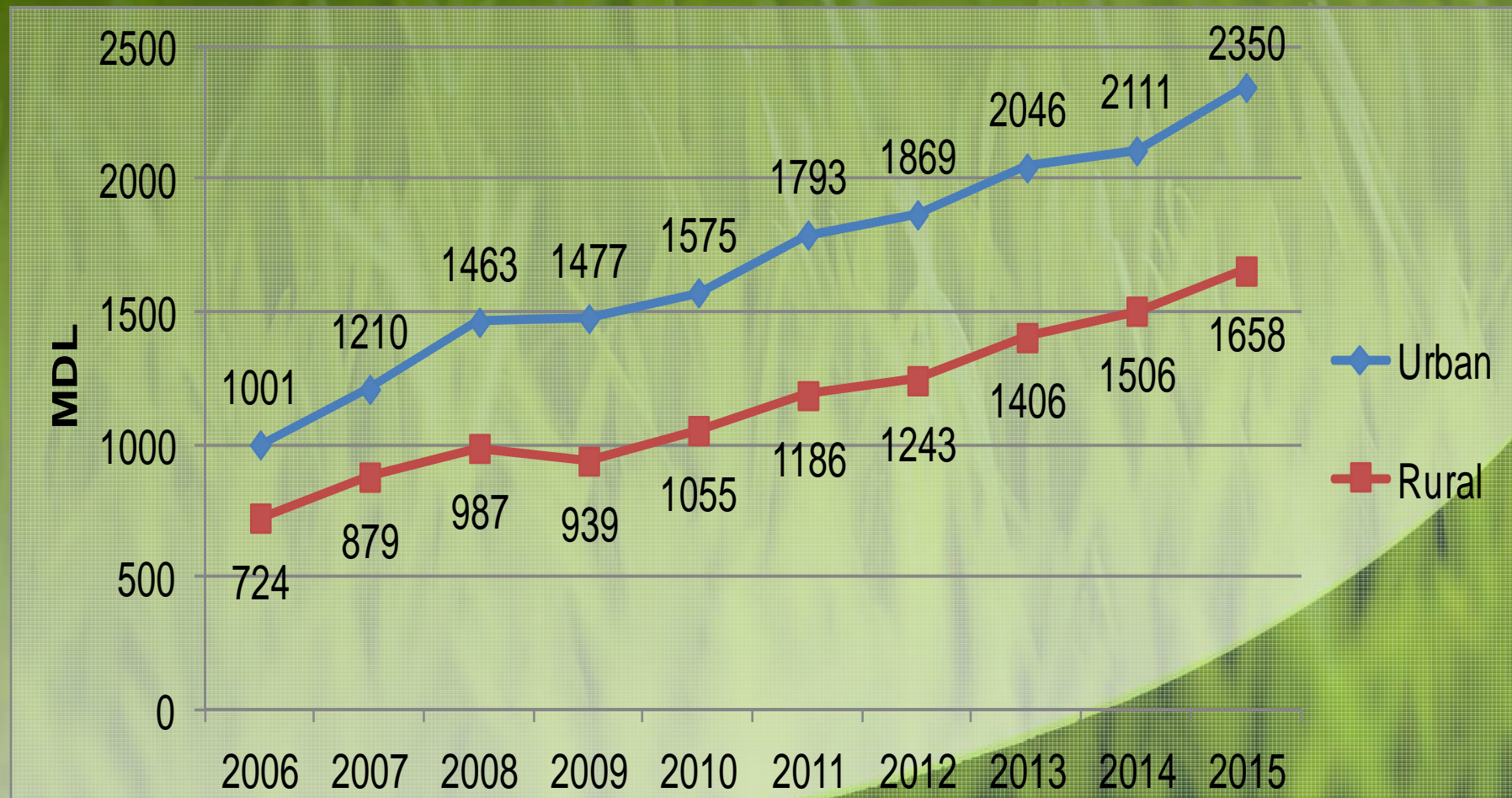


Average calorie intake in the Republic of Moldova in rural and urban areas, calories / day / person,

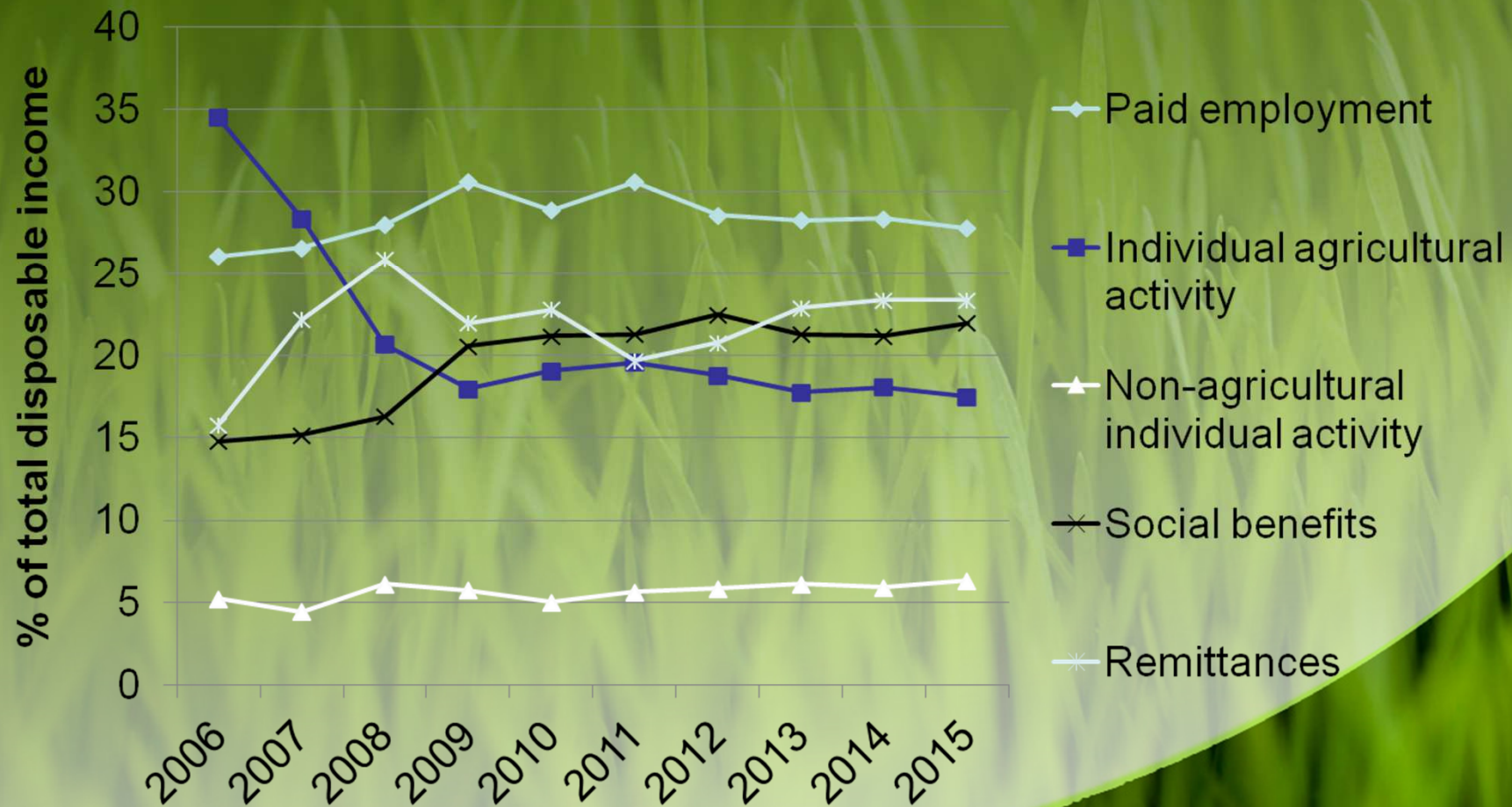
2006-2014



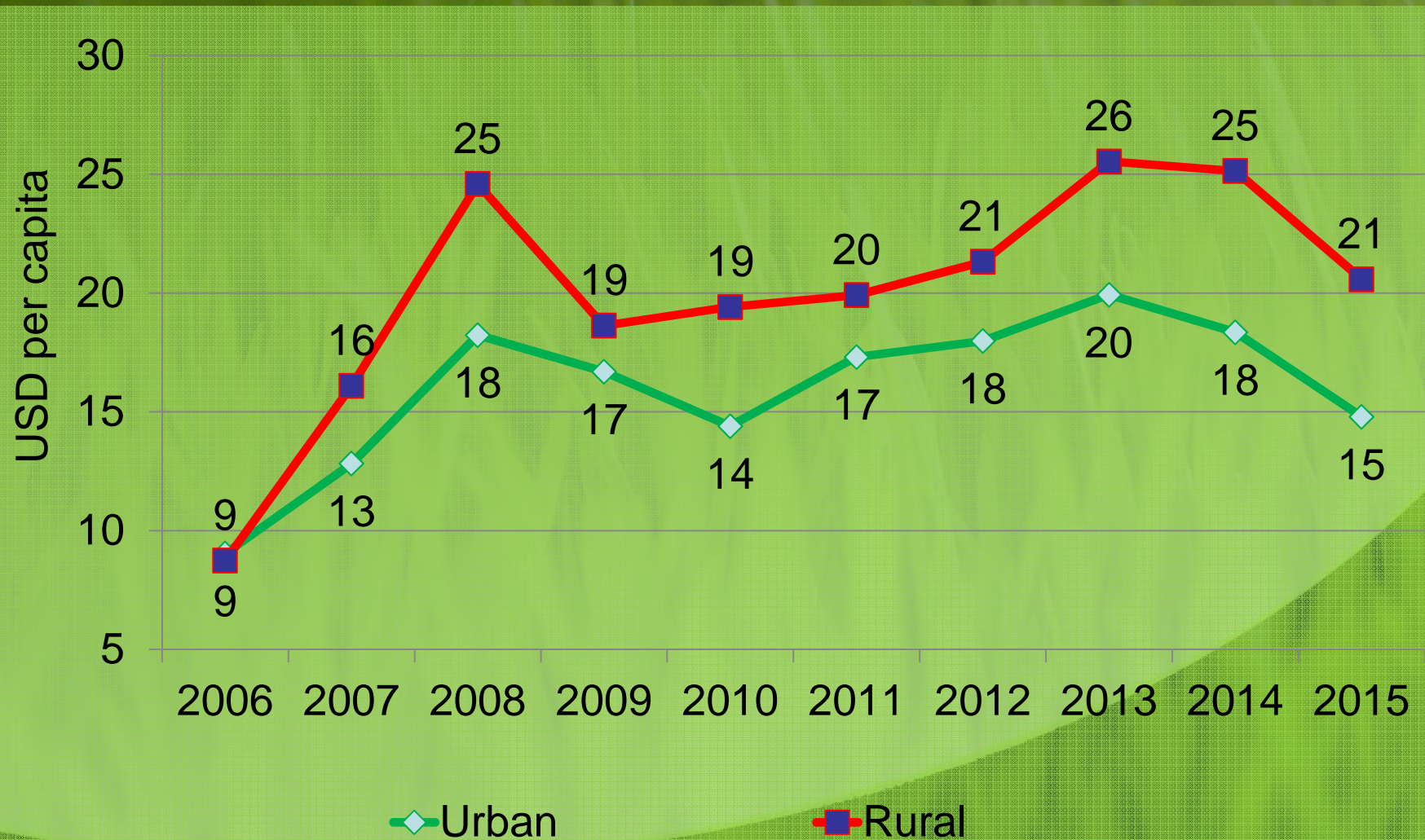
Disposable monthly household income per person



Structure of disposable income of rural households



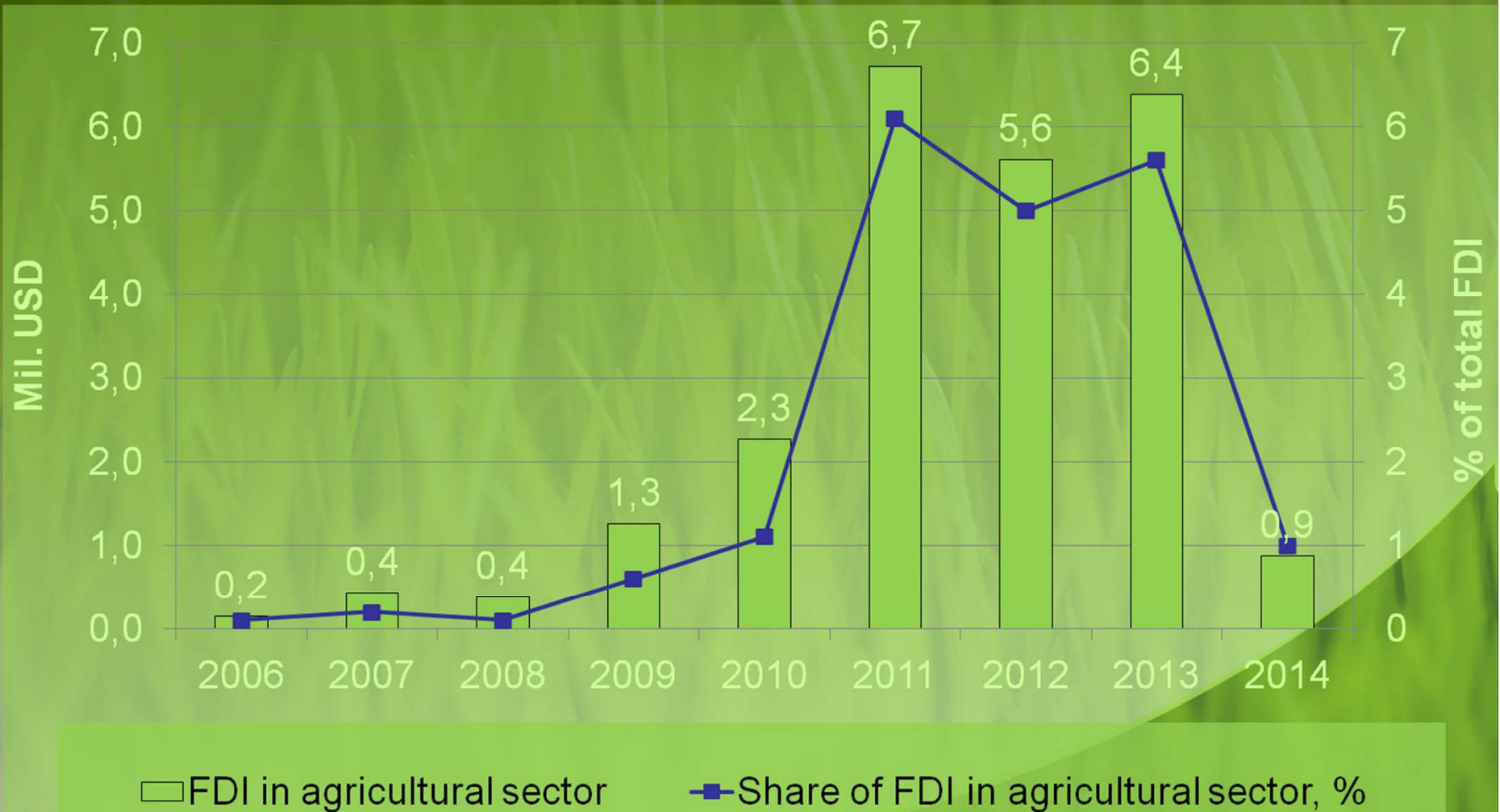
Remittances, USD per capita



Recent trends in agri-food sector

- The vulnerability of this sector to natural, economic and commercial risks remains to be very high
- Reducing the number of people engaged in agriculture in all farming systems demonstrates the inability of agriculture to absorb surplus labor, which creates an uncertain situation in the planning of economic development in rural areas

FDI flows in agriculture



Education system

- Agricultural education system is largely outdated using educational plans and curricula, training and teaching resources primarily inherited from the Soviet system.
- A mismatch exists between the qualifications provided by the VET system and the requirements of the present labor market for training of self-employed farmers

Effects of migration

- Internal and international migration can be positive forces for economic and social development
- Migration offer a mechanism to rebalance labor markets in areas of origin and destination, and to accelerate the diffusion of ideas and technologies
- Migration can results also in significant flows of remittances

Conclusions

- **Availability of the labor force is an important factor for sustainable development of rural areas**
- **Insufficient organization of the agricultural producers is one of the most important issue for the agricultural sector development**
- **In Moldova, the number of poor people in rural areas exceeds the capacity of agriculture to provide sustainable livelihood opportunities**
- **In the current period of economic transition, the agricultural sector fulfills an important role of social support due to the fact that a large mass of migrants may return to agriculture because of the lack of better employment opportunities**

Recommendations

- **Agricultural sector needs specific actions in order to stimulate development of the high value agriculture through development of the post harvest and market infrastructure**
- **Given that remittances constitute a key source of external financing in rural areas it is crucially important to identify and establish policy strategies to strengthen the effectiveness and development impact of migrant remittances**
- **Diversification of agriculture and non-agricultural activities in rural areas can absorb the surplus of rural labor, exploit its comparative advantages, boost rural economic growth and improve the overall quality of life in villages**

**Thank you for
attention!**