

## BUSINESS DEVELOPMENT IN AGRICULTURE: BETWEEN MYTH AND REALITY FOR MOLDOVAN MIGRANTS

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### Abstract

Currently, entrepreneurship and migration go hand in hand. On the one hand, migration causes the population to adapt to the new social, economic and geopolitical conditions. On the other hand, the development of entrepreneurship requires the creation of new products and services that society requires over a period of time. The symbiosis between returned migrants and the development of business in the field of agriculture can become the key to success for the economy of the Republic of Moldova. The phenomenon of migration in the Republic of Moldova has been going on for several decades, and in the last period of time, as a result of the triggering of the COVID pandemic situation, it is attenuating. In this sense, one of the basic prerogatives of public authorities is reintegration and return of Moldovan migrants and their support through various programs and tools. The most popular of the support programs, intended for migrants and their relatives who want to start a business in the Republic of Moldova, is the Program for Attracting Remittances in Economy "PARE 1 + 1". Businesses created by migrants, tangentially, were also supported with the support of other state programs and foreign donors through technical assistance, training, workshops, participation in conferences and exhibitions, preferential lending, funding through grants before and after investment, compensation, direct payments per animal, various tax mechanisms, etc.

**Key words:** migrants, entrepreneurship, agriculture.

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Migration still remains the concern of citizens but also of state institutions to stop it. The Republic of Moldova is to a greater extent a country of origin of migration, characterized predominantly by the emigration of Moldovan citizens, with approximately 17.5% of persons permanently settled abroad, gone to work, study or for the purpose of family reunification. Although the level of migration to the Russian Federation, Ukraine and other CIS countries is very high, migration flows to the European Union and North America are increasing significantly. This migration profile is a major strategic factor, but also a potential risk for the country.

The strategic objectives of the Republic of Moldova reveal the importance of migration for development, because the trends related to economic growth in the Republic of Moldova and poverty reduction are closely correlated with the flow of remittances and their consumption. Therefore, migration is an interdisciplinary phenomenon, which affects all segments of the population, public and private institutions, and migration-related activities affect a number of areas and sectors, but especially the agricultural sector in the country.

For the purpose of national development, it is imperative that policies and interventions promote the circular nature of migrants' contributions and productive outcomes. Migrants can contribute to the sustainable development of the Republic of Moldova through professional skills, human skills and financial resources aimed at key sectors of the Moldovan state.

### MATERIAL AND METHOD

In this paper were used methods of empirical research, mathematics, history, comparison, systemic, analytical, economic and other methods for studying the phenomenon of migration and agricultural entrepreneurship.

### RESULTS AND DISCUSSIONS

The phenomenon of migration in the Republic of Moldova has been continuing for several decades, and in the last period of time, as a result of the onset of the COVID pandemic situation, it is attenuating. In this sense, one of the basic prerogatives of public authorities is reintegration and return of Moldovan migrants and their support through various programs and tools.

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Under the conditions of the development of the market economy, the small and medium enterprises sector contributes to the improvement of the economic situation, stimulates the increase of production volume, implements new technologies and creates new jobs.

The most popular of the support programs, intended for migrants and their relatives who want to start a business in the Republic of Moldova, is the Program for Attracting Remittances in Economy "PARE 1 + 1", implemented by the Organization for the Development of Small and Medium Enterprises (ODIMM). The "PARE 1 + 1" program can be an emotional and financial rehabilitation for those who no longer want to be someone's employee, but intend to manage their business, being their own boss.

The "PARE 1 + 1" program (*figure 1*) aims to facilitate access to finance for migrants and reintegrate them into society, while contributing to

the stimulation of remittances through official channels, the takeover and implementation of good practices in the host states of migrants, thus creating a leverage for the introduction of innovations and new technologies in the Republic of Moldova.

The priorities of the "PARE 1 + 1" Program are: creation of new jobs, export orientation, import substitution, implementation of energy efficiency projects, creation and development of businesses in rural areas, application of modern technologies, transfer of know-how, innovations.

Under the "PARE 1 + 1" Program, entrepreneurs have the opportunity to benefit from a grant in the amount of up to 250 thousand lei, based on the rule "1 + 1", which provides that each leu invested in remittances will be supplemented by one leu within the Program.

The program comprises 4 components, as follows:

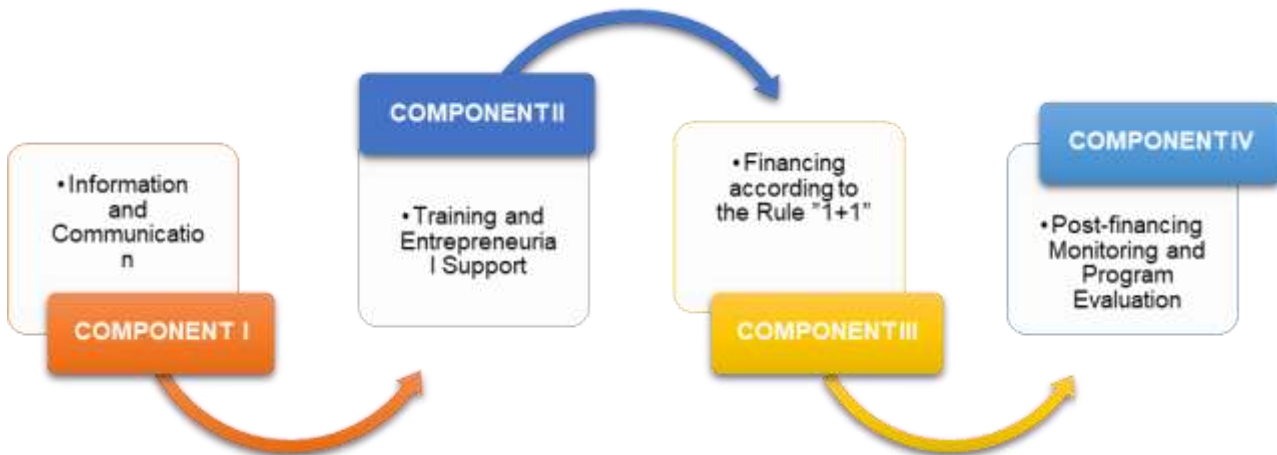


Figure 1 Components of the "PARE 1 + 1" Program

In order to promote and increase the visibility of the "PARE 1 + 1" Program, during the entire implementation period of the "PARE 1 + 1" Program, various round tables, meetings, conferences, presentations were organized within the television and radio programs. In partnership with the International Organization for Migration and the Diaspora Relations Office, meetings with the diaspora were organized both in the country and abroad. Through the embassies and consulates of the Republic of Moldova, ministries, district councils, business incubators, the Nexus Moldova

organization and the media, information about the Program, leaflets, brochures and newspapers were disseminated.

During the program, 2611 migrants were trained and 2020 small and medium enterprises were financed, in a total amount of about 364.63 million lei. The total value of investments in the economy is over 1080.12 million lei, thus, each lei granted in the form of a grant generates about 3.0 lei investments in the economy (*figure 2*).

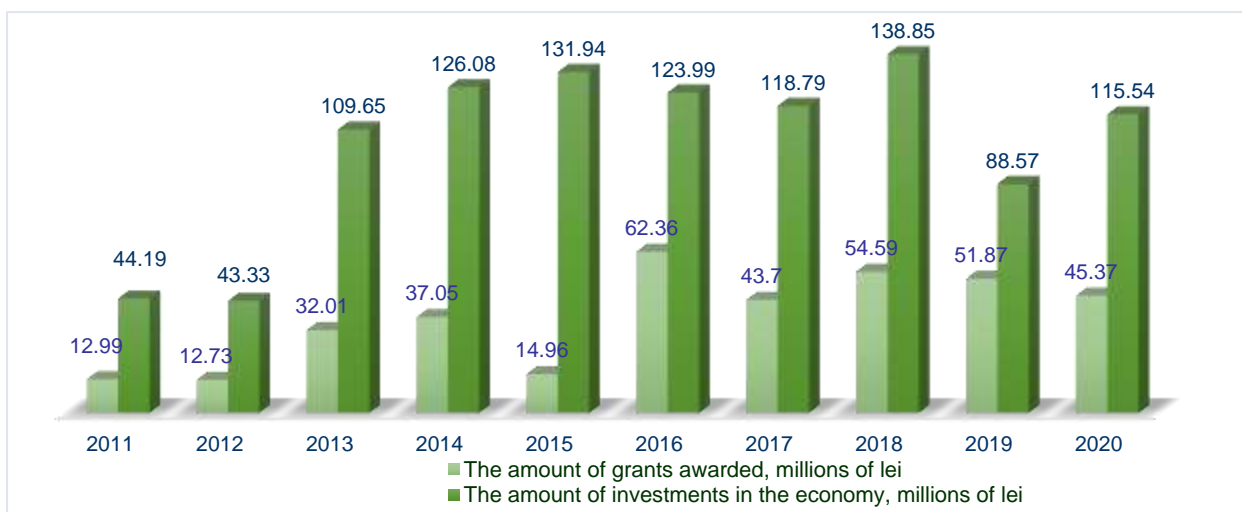


Figure 2 The amount of grants awarded and investments in the economy, millions of lei

Over 10 years, it has contributed to the financing of 2020 small and medium-sized enterprises, including 1022 agricultural entrepreneurs. The analysis of the data of the evolution of the businesses financed by the field of activity reveals the fact that mainly the migrants

returning to the country invest in the agricultural field, fact represented also in *figure 3*. At the same time, it should be mentioned that over 50% of the entrepreneurs who provide services are also the services provided to the agricultural sector.

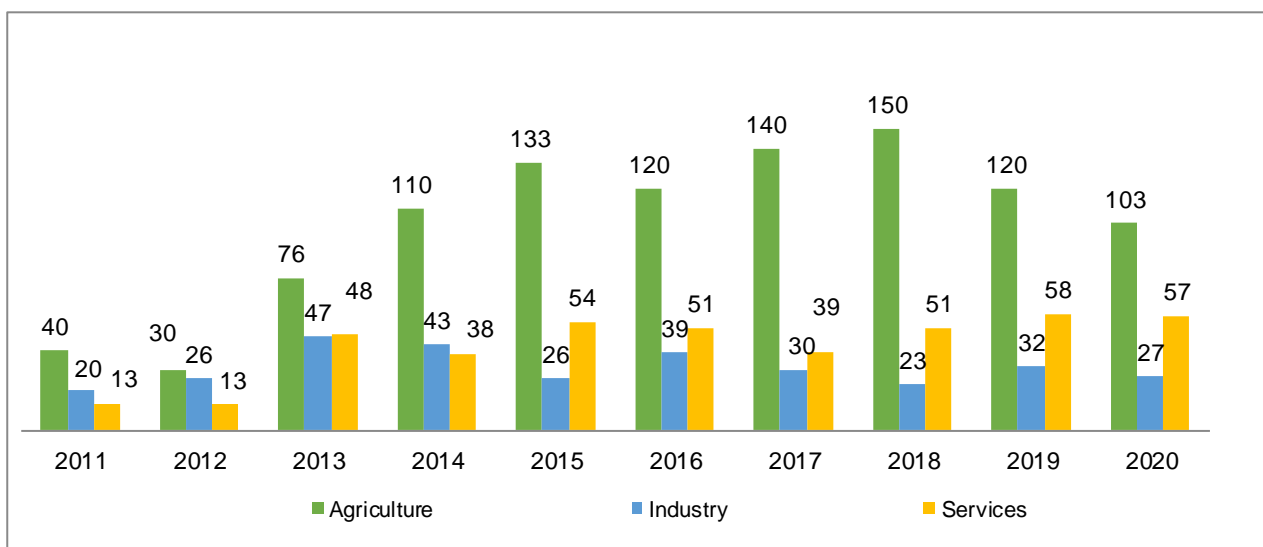


Figure 3 Investment areas

Thanks to the experience gained from work in more than 35 countries around the world, migrants returning to the country have contributed to the creation of new businesses, developed new business areas, such as raising snails, chinchillas, ostriches, vipers; cultivation of energy willow, paulownia, asparagus, sea buckthorn, poppy seeds and blueberries; channeled the means obtained from abroad to the construction of greenhouses, refrigerators, dryers, mills, sorting and processing lines of agricultural products; they opened agrotourism pensions and eco-villas, etc.

Businesses created by migrants, tangentially, were also supported with the support of other state

programs and foreign donors through technical assistance, training, workshops, participation in conferences and exhibitions, preferential lending, funding through grants before and after investment, compensation, direct payments per animal, various tax mechanisms, etc.

Although migrants returning to the country receive support from the state to develop their business in agriculture, they still face problems and obstacles aimed at:

- labor shortages and low skills;
- insufficiency of entrepreneurial culture;

- insufficient training of entrepreneurs in the field of efficient business development and management;
- frequent changes of the legal framework;
- lack of knowledge in the field of labor law;
- bureaucratic problems in the territory (granting authorizations, licenses, etc.);
- lack of knowledge regarding export and import customs procedures;
- the benefits of associating entrepreneurs and the possibilities for accessing foreign markets are not fully known.

### CONCLUSIONS

Labor migration from Moldova has increased sharply over the last two decades. Numerous studies of the migration phenomenon have demonstrated the significant impact that this movement of labor has on the economic and social situation in the country. Despite the increased importance given to the relationship between the diaspora and development, national migration policies have often failed to reap the maximum benefits because they have not adequately integrated migration policies into their overall development strategies. Moldova still demonstrates shortcomings in the scope of a comprehensive policy framework for migration, which requires an explicit national policy, a regulatory framework, an

organized institutional structure and an effective mechanism for coordinating migration policies.

In conclusion, we mention that although, through various support instruments, it contributes to the development of agricultural business, this branch in the Republic of Moldova is not sufficiently developed and requires first of all involvement and support in developing the managerial and professional skills of local entrepreneurs abroad.

On the other hand, in order to revive the agricultural sector in the Republic of Moldova and to streamline entrepreneurial activities in this field, it is necessary to be aware of the application of insurance instruments. Ensuring agriculture will also reduce the risks of losses due to the involvement of natural factors: drought, frost, rain, hail, floods, etc. And as a final result, returned migrants will show positive results and they will no longer have to leave again to work and develop the economies of other host states.

### REFERENCES

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