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## MIGRATION AND VARIABLES IN THE REMITTANCE BEHAVIOUR AMONG THE SERBIAN VLACH MIGRANTS - A KEY TO IDENTITY DYNAMICS

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**Abstract:** *The paper collects some reflections, as a result to preliminary field studies, representing a part of a larger research; it points out some hypothesis, focusing on the remittance motives and typical remittance behavior of a specific group of Serbian citizens working for generations in Western-European countries: the Romanian-speaking population from Eastern Serbia (a.k.a. Vlachs). The socially-motivated prestige-quest of this group seems to cause a specific and apparently paradoxical remittance behavior: the remittances are invested in luxurious oversized houses and agriculture machines in their more and more depopulated villages back home, that seem to be a symbolical lieu d'appartenance. The purposes of the extended research are: to explore to what extent the quest for local prestige and the need of consolidating a sense of "acceptable" identity is a variable significantly influencing the remittances behavior of the Vlach communities; to prove the intention of return of an important number of migrants, to forecast some future social, cultural and economical directions of the group, as well as to highlight the potential of the remittances in contributing to a long-term local development.*

**Key words:** *migration, remittances, identity dynamics*

### 1.DEFINITION OF TERMS AND THEORETICAL APPROACHES

Broadly defined, remittances are the money migrants earn abroad that are sent back home. They represent a private flow of capital from the country of employment to the country of origin. In this paper we will refer to *workers remittances* that are the value of monetary transfers sent or invested back home from workers abroad for more than one year. The circumstances and characteristics of migration may influence remittance behaviors in a number of ways, including the motivations for migrating, intentions to return to the country of origin, the duration of time since immigration and the number of emigrants leaving the source household.

Recent surveys on the complex phenomenon of international migrant remittances are leading to the following conclusions: international migrant remittances are a very important source of capital for developing countries; they surpass official development assistance and capital market flows. Moreover, remittances represent a very *stable* source of capital: in opposition to foreign investments that fell significantly in the last years, due to the recession, international migrant remittances continued to grow. Who transfers, why, how much, what are the economic consequences of remittances for developing countries and for the communities? The context in which remittances in our study case take place is that of a developing country, characterized by inequality and income volatility. Since

remittances have an effect on each of these dimensions, their overall economic impact is likely to be quite large.

At a macro level, it is not always possible to test appropriately for the macroeconomic impact of remittances because of poor data quality. At a micro level, it is extremely difficult to discriminate between competing theories of remittances, truly discriminative tests have to rely on additional variables for which details are not always available (Rapoport and Docquier 2000). This is where qualitative research can provide useful data and subtle insights.

Some scholars argue that a meaningful way to assess the economic role of remittances is to rely on household surveys and estimate the proportion of households for which remittances are an important source of income. Such surveys tend to show that remittances are often a crucial element of survival and livelihood strategies for many - typically rural- poor households (Rodriguez 1996; Cox, Eser and Jimenez 1998). The long run implications of remittances seem to be quite significant, as they have an influence on households' decisions in terms of labor supply, investment, education, migration, occupational choice, etc., with potentially important aggregated effects upon communities, at a bigger level.

According to various remittance theories, remittance behaviors are consistent with altruistic, exchange, and/or investment motives. There is rarely only one motive involved : for example, Cox, Eser and Jimenez (1998) or Feinerman and Seiler (2002) combine altruism and exchange, Foster and Rosenzweig (2001) combine altruism and mutual insurance, and Docquier and Rapoport (2000) combine altruism and the strategic motive. These approaches, as well as the results of empirical studies, lead to the conclusion that a mixture of specific individualistic and familial motives explains the likelihood and size of remittances.

May remittance behavior be predicted by the migrants' characteristics, or is there something beyond that, justifying a separated treatment? Funkhouser's (1995) study remains

exemplary, stating that migration and remittance decisions, although interdependent, are generally influenced by different sets of determinants. These "behavioral differences" link directly to different motivations to remit. At a theoretical level, we have on one hand, a variety of motives that are not exclusive one of the other, and, at the empirical level, difficulties inherent to the implementation of truly discriminative tests and researches.

Obviously the remittances are not driven by a single motive. A combination of different motives applies, with the exact mixture varying over times and places, and discriminative tests are not always available. Were they not so, it would still be quite presumptuous to infer from the results that a particular motive is dominant in explaining remittance behavior. Methodologically, my study will favor the qualitative approach, because a repetitive pattern among the Serbian Vlach population, observed by successive field researches, along generations of migrants, might lead to more accurate conclusions.

In terms of remittance motives, this paper will concentrate on the *prestige-seeking* as a main motive of remitting. Status-seeking economic behavior has been seriously studied, but little economical and even sociological literature was dedicated to social status and prestige as a main reason of migrants to remit, although the anthropological field of research is abundant in "proof". The main literature reference is Schierup and Ålund's in-depth research in the 80's and the 90's, among Vlach migrants in Scandinavian societies (Schierup and Ålund 1987, 1996). Prestige as a reason to remit and as a variable shaping the remittance behavior is also revealed in a study by Naiditch and Vranceanu (2009).<sup>1</sup> They highlight the importance of the usage of

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<sup>1</sup> The paper first highlights prestige seeking as a major remittance motive, but then it focuses on „strategic remittances”, comparisons between “successful and unsuccessful” migrants and the subsequent games of appearances in their home communities.



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remittances in acquiring, building, consolidating and changing social status.

Most of the Serbs remittances are invested in real estate or agricultural production. For many households in Serbia, the remittances are an important and stable source of income. Branko Hinic (National Bank of Serbia) emphasized that of the approximately four million persons of Serbian origin living abroad, those with commercial or family ties send money back to their country of origin and remittances are the most stable and independent source of funds. Beatrice Meyer, Country Director of the Swiss State Secretariat for Economic Affairs (SECO), spoke in a conference about the Swiss-Serbian remittances corridor; according to a study - based on interviews with 343 households in two rural areas of Serbia, 600 interviews with Serbian households in Switzerland plus interviews with key individuals in the banking sector, financial institutions, government, diaspora and focus groups, and with specific companies in Switzerland and Belgrade - 75% of the Serbian households interviewed in Switzerland sent money or goods to their relatives in Serbia in the twelve months before the interview. These opinions show clearly the relevance and potential of remittances for Serbia and for the Serbian society as a whole.

## **2. SERBIAN VLACH MIGRANTS – A PARADOXICAL REMITTANCE BEHAVIOR**

The studied region (Eastern Serbia) is a rural and highly conservative one, but its inhabitants have been very mobile for the last fifty years. After the Second World War, large waves of people from the rural areas started migrating to the industrialized regions. After this "first wave" of internal migration, the

workers, due to the favorable conjuncture of the international labor market, became part of a second move of migration abroad (Sorescu-Marinkovic, 2007). Official emigration from socialist Yugoslavia began in 1965, after the government launched a radically liberal reform of the country's economy, continued in the 80's (when the Yugoslav economy had entered a phase of severe crisis) and, in the beginning of the 1990s, political, economic and social collapse of the former Yugoslavia resulted in the exodus of a substantial number of persons (Kogan, 2003).

By 1973, the number of Yugoslav citizens in European and overseas countries had already grown from a few thousand to almost one and a half million (Schierup and Ålund 1987, Vesić 1978). As far as the percentage of Vlach workers from abroad is concerned, studies show contradictory figures, but some researchers state that the percent of Vlachs working abroad was about four times bigger than that of Serbs (see Sorescu-Marinkovic,).

The concrete processes of migration among individual groups have varied greatly in relation to socio-professional, cultural and historical factors. With our target-group, the Romanian-speaking Vlachs from eastern Serbia, this mass migration of workers had the fewest traits of emigration – partly because of the considerable investments into the property, household and economy (Marijanović 1981), partly because of the regular return home, at certain, well established dates, most often linked to ceremonial events.

As literature and field researches show, the Vlachs are involved, for several decades now, in massive migrations to western countries. The remittances are invested back home in huge households and agriculture machines.

Even in the absence of development policies, these remittances should have a significant influence on local entrepreneurship and revive the life of the rural areas back home. But our preliminary field observations (2007-2010) showed an apparent *paradox*: more and more migrants are still staying abroad, local population decreases, but the remittances continue to be abundantly invested in impressive houses, properties and agriculture machines. Thus, the immediate sense of the use of remittances is unclear.

A closer historical look to the process shows that, at the beginning of the migrations period, in the typical Vlach household, consisting of three, up to four successive generations, the elderly would care for youngsters and children while the parental generation left to work in western countries. At first, the main motive for migration was achieving, as soon as possible, a better material situation (and, subsequently, increase of the relative social status). But when the most immediate needs had been covered, remittances from abroad started to be used to buy land, houses, dowries, etc. (Schierup, 1973). This rapidly led to a huge increase in the needs of the average household, inducing more people to migrate abroad; dowries rose, ceremonies became ostentatious and spectacular, exceeding the resources of those households who had no foreign remittances (Schierup and Ålund, 1987); prices of land grew and, with them, the norm as to what was considered a "decent" household evolved to unexpectedly high levels. Huge, sometimes opulent, 2-3 storey villas and mansions took the place of once humble peasant cottages. Nowadays, in many migrants' villages, the small traditional houses are seldom to be seen. They represent a rarity soon to be extinct, an anomaly in the context of a totally reshaped architectural landscape. Similarly to many migrants villages in Romania, the family still uses only two or three rooms; many of them are empty or populated by a few old people, with the rest of the family absent in Western Europe most of the year and over the years.

Some social and cultural characteristics of the Serbian Vlachs are revealed by literature and by previous anthropological research.

Their actions pursuing prestige are due to many factors: a critical level of self-esteem as an ethnic group with ambiguous denominations and object to political conflicts and claims, the lack of ethnical minority rights, the perpetuation of a rural society with oral language, the low level of education and the lack of elites. The Vlachs haven't taken part in the process of urbanization in Serbia and have until recently resisted the school education of their children, thus having no crystallized elites. (The first optional Romanian language classes were implemented in 2013 in a few schools from Eastern Serbia). Vlachs are seen, even today, as the most "rural" and one of the most "traditional" population groups in Serbia. Consequently, their main social structure and self-identification remained anchored in the structure and "traditional" values of the family. The poor educational level among migrants acted as an obstacle against integration in the host-countries, reinforcing family ties and consolidating eventual return as the most acceptable choice. Family values – important between migrants, also acted as a tie and a shield against what might have been perceived as a strange, hostile and cold milieu.

My hypothesis is that an important part of the migrants developed a *special remittance behavior*. They are acting led by two distinct but simultaneous motives: the need to increase their financial level and *the need to establish and consolidate their sense of identity and local prestige, back home*. The migrants seem to be planning to return home by the age of retirement, with a better financial situation and a significantly increased status, due to the "proof" of their financial boost (huge decorated houses, modern agriculture machines). Furthermore, their prestige might be increased via their children; some of them are now studying abroad and might return home as successful businessmen, experts or even local investors.

Schierup and Ålund, in a study describing the formation of a Vlach immigrant ethnic community in Denmark and Sweden and discussing the reasons of obstinately



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preserving the ethnic identity and traditional customs, found out that "for the vast majority of Vlachs – young and old – the primary point of identification remained the village or the local area of origin in Yugoslavia. One's link to the local microcosm in Yugoslavia would end in the homestead and the house, for the sake of which years of hard work and abstinence in Scandinavia had been sacrificed" (Schierup and Ålund, 1996). In the 80's and 90's, one could already observe, among migrant Vlachs, some developing strategies of integration in the society of immigration (Schierup and Ålund, 1987). They were seen as emerging ethnic minority cultures, but still, at the same time they continued to harbor profound feelings of attachment to their country of origin and a desire for eventual return. This desire ranged from real plans for social and economic reintegration back home, to the more frequent vague ideas of returning "someday".

Conspicuous status display in the back-home context seemed to become at first a purpose by itself. Investments in tractors and agriculture machines increased, even among those owning no land! A contradictory phenomenon occurred soon after: the belief that agriculture itself was no more sufficient to fulfill the needs of the "developed" families and households. At the same time, the low level of education/specialization of the migrants left them with few possibilities of reintegration and finding jobs back home, so they postponed their return. Lacking a solid "link" from one historical and generational context to another (which could be represented for instance, by coherent plans of local investment), they continued the process over the years, and the "temporary migration" developed into a continuous "*migrancy process*". (Schierup and Ålund).

Speaking of intention to return in a context of decades of migration, when the length of stay loses its characteristics of temporariness, Ivo Baucic expressed it in the excellent phrase of "*a state of continuing temporariness*". This might be explained by their evolution in a complex socio-historical context, as well as by their special minority status.

Vlach migrants use most of their savings for investments in huge houses in their villages of origin and in agricultural machines and tools – investments definitely connected to "prestige games" among migrant households, but also representing a justification for emigration: that of conveying a social status that the migrant is deprived of in his country of adoption (Ålund 1986). I would add that this behavior, by creating a status, by signaling a consolidated financial equilibrium and by bringing into Vlach communities successive layers of well-assimilated western cultural patterns, represents an attempt of *crystallizing an acceptable and respectable identity*, one which they are still deprived of in Serbia.

The attachment to the home village through household investments is supplemented by periodical returns (especially for the complex cult of the dead) and by expensive and lavish ritual practices. All the important rites of passage are taking place in the villages back home, through rich ceremonies that become themselves, year after year, identity markers. Schierup and Ålund see in them a "commitment to return". I also see them as a confirmation of belonging, a symbolic investment for their "lieu d'appartenance", a performance successively

adding sense and legitimacy to their feeling of “meaningful belonging” (Mihailescu, 2002).<sup>2</sup>

### 3.SOCIAL PROCESSES AND SOME “POSSIBLE FUTURES”

Even after years of migration, the Vlach migrants describe themselves as belonging to one (multigenerational) household, with its roots in the village of origin. Bonds to homeland are enforced by endogamous marriages with partners chosen from their village. Many youngsters still spend time in the land of origin, at least during primary school. On the other hand, a younger generation, multilingual and well educated in western schools, emerges.

There is an ongoing system of socialization in the communities of origin, reinforced by yearly visits for ceremonial purposes. These rich ceremonies, with all generations taking part, enforce socio-cultural links and maintain the idea of a future return.

Several future perspectives are “opening” for the Vlach migrant families :

In the first scenario, as younger generation becomes better educated and more cognizant of the possibilities for economic independence, in the context of global crisis, conflicts between the generations may tend to become more frequent and divisive. The authority of the older generation is resting on conservative moral and ideological foundations, on mythical and magical sanctions and a common attachment to symbols of “the little tradition” (Redfield, 1960), merely connected to contemporary survival mechanisms. This could eventually lead to a “rupture” between generations, endangering the future of Serbian-based Vlach villages.

In a second, more optimistic scenario, the presently active working generation, cosmopolite, mobile and better educated than their parents, but still connected to family and homeland, might become the architect of the “missing link” between generations. They can encourage local development through means

of remittances, and they can constitute a new political elite, polarized around community interests. This way, several goals could be acquired: strengthening their sense of identity (including strong political contributions of newly formed elites), maintaining the family and community ties, as well as an economical stability for all generations, in the increasingly developing homelands. Paradoxically, the global economical crisis might encourage this second option: rising unemployment and structural transformations in western economies can become an obstacle for migrants, pushing them to return home and come up with alternative solutions. The processes of transformation are collective (when asked about their date of return home, the migrants would answer “when the others will start departing” – cf Schierul and Alund, 1997). “Traditions” as well, remain an inter-generational socialization area, interweaving cultural values and meanings and allowing the collective process of transformation.

As far as identity is concerned: the economical and status-seeking motivations of Vlachs are by far a priority and they seem to outclass, by far, the “identity” questionings or turmoils. But this might turn into an advantage in the identity crystallizing process. The emancipation and the recuperation of minority rights under an obsolete, *strictly ethnical*, frame of reference, might be a “late victory”, unsatisfactory in the context of the global identity crisis and the “de-traditionalization” that came along with globalization.

As Cohen and Taylor put it, the quest for “identity making” in contemporary society becomes the expression of a particular dialectic between real needs and the culture industry's simultaneous articulation and distortion of these needs. In this sense, it will be interesting to see how younger generations of Vlachs will experiment and apply new ways of identification and new ways of articulating identities in a coherent system, compatible with their economical dynamics and braided with their community values.

No important social movements or developments are possible without ties. In this context, attachment to homeland and – adapted but still strong - family ties may

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<sup>2</sup> See Mihailescu - identity as a “legitimate discourse about a meaningful belonging”.



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constitute part of the structure on which the layers of group identification will be weaved.

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Households (Photo - Annemarie Sorescu-Marinkovic)