

Cutting the lifeline

Migration, Families and the Future of Kosovo

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EXECUTIVE SUMMARY

If there is one universal conviction about post-war Kosovo, it is that its economy is fuelled by remittances from the diaspora. Policy makers make the comfortable assumption that the diaspora and its fabled generosity will continue not only to plug a major gap in Kosovo's balance of payments, but also to provide an informal social safety net for poor households, making up for the lack of a welfare state.

This paper argues that times are changing. Remittances have fallen significantly from their post-war high, when they funded the reconstruction of homes across Kosovo. The reason is clear. Since NATO intervention in 1999, migration has swung into reverse, as more than 100,000 Kosovo Albanian refugees have been obliged to return from Germany in particular. Furthermore, the door to continuing migration is now shut, with only the lucky few with close family in the diaspora still able to go abroad through family reunification schemes. As a direct consequence, fewer than 15 percent of Kosovo families now receive regular remittances, and all the signs are that this is decreasing. The lifeline that kept rural Kosovo afloat for the past generation is being cut. This is the legacy facing a post-status Kosovo.

This report contains an unwelcome message for EU member states: it is simply incoherent to invest hundreds of millions of euros in the stabilisation of Kosovo, and at the same time to slam the door so abruptly on any further migration. It is even more incoherent that this is happening to a small society like Kosovo (less than 2 million inhabitants) at the very moment when millions of Romanians, Bulgarians, Latvians or Poles are finding employment in different parts of the European Union. If Europe is serious about finding a lasting political solution for Kosovo, it will need to identify ways in which rural Kosovars can find temporary work abroad. The alternative is to send ever more policemen to Kosovo to deal with a new generation of angry and desperate young men.

The report also contains some uncomfortable messages for Kosovo's own policy makers. Migration and remittances have been a lifeline, but they have not brought about development. They have simply substituted for the lack of any effective development policies. In doing so, they have helped to preserve one of Europe's oldest and most conservative institutions: the traditional, patriarchal household. The large, extended families in Kosovo's villages have survived 50 years of socialism, helping to protect Kosovo Albanians in the face of weak or hostile state institutions. They have also been a drag on rural development, contributing to a serious underinvestment in education and a distinct lack of innovation and entrepreneurship. Kosovar women have the lowest employment rates, and some of the lowest education levels, in all of Europe. Leaving rural Kosovo to depend on remittances for its survival has left it trapped in a vicious circle of underdevelopment.

Today the patriarchal household is coming under enormous pressure. Overcrowding in the villages and the fragmentation of landholdings into ever smaller plots is making even subsistence agriculture infeasible. There is a desperate shortage of employment, and cash income is very hard to come by. Families are no longer able to send their young men to work in Germany or Switzerland. As remittances disappear, ever more rural households are finding it impossible to make ends meet.

Under these accumulating pressures, there is every prospect that the traditional household will disintegrate, just as it has at comparable moments in history across the rest of the Balkans. The consequences for rural society could be very serious indeed. As the traditional solidarity breaks down, it will lead to an escalation of vulnerability and hardship. What's more, as the authority of the patriarchal family weakens, rural society may begin to lose its traditional passivity, as discord in the family erupts into the public sphere. All of this has happened before in South Eastern Europe.

The Kosovo state cannot afford to remain absent from rural areas. It will need to identify policies, institutions and resources to respond to the growing social crisis of its countryside, or the Kosovo state-building project will fail. If the state is unable to respond in time, it may find that the agenda is increasingly set by its angry young men.

“People have no faith in the potential of individuals to break from the status quo and bring about change. There is instead a vague assumption that one day everyone, all at once, will change the way they live, that at the same time all parents will send daughters to high school or let sons choose their own wives. No one believes that one individual or family can challenge the force of public opinion.”

Janet Reineck, *The Past As Refuge*

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I. INTRODUCTION

Current policy debates in Kosovo fail to address what might well be the most important development issue facing Kosovo today: the impact of migration. As a result, one of the most destabilising changes to affect Kosovo society for generations – the end of the era of mass migration – risks being entirely overlooked by those responsible for promoting stability and prosperity in Kosovo.

This report seeks to put migration at the heart of debates about the future of Kosovo. It analyses the impact of the end of mass migration since 1999, taking two, typical villages in particular as illustrations for the forces that have been set in motion in rural Kosovo. Its core thesis is certain to be uncomfortable for European policy makers: if young Kosovars are no longer able to come to Europe as migrant workers, the current crisis in rural Kosovo is certain to deepen, and the outcome is likely to be serious instability. For generations, work migration has provided a lifeline for rural communities, allowing them to survive in the face of desperately low levels of employment. Since 1999, over a hundred thousand people have been forced to return from the diaspora, while the emigration route has been largely closed off.¹ Within a short period of time, the lifeline will be cut, with unpredictable consequences for Kosovo society.

The basic dilemma of rural Kosovo is not new. In 1979, the World Bank wrote that poverty in Yugoslavia is “basically rural.” While it held out hopes for employment growth in most of the less developed regions, it did not see much prospect of change in Kosovo.

“The exception is Kosovo, which cannot, even under optimistic assumptions and even if the plan’s growth targets are achieved, be expected to absorb the increments to its labour force.”²

Since then, Kosovo’s population has continued to grow rapidly, but neither the number of jobs nor the availability of agricultural land has kept pace. With no real prospect of employment within Kosovo and little or no support from the state, generations of Kosovars have taken the migration route to Germany or Switzerland – often with great reluctance – as the only available means of survival.

Currently, some EU member states such as Germany and Austria restrict labour migration even for citizens of countries that have been EU members since 2004, and whose economies are growing rapidly. Countries which have allowed labour mobility, such as Ireland and the United Kingdom, appear to be having second thoughts, despite the strong evidence of the economic benefits it has brought them. Against this political background, suggesting that there needs to be serious reflection across Europe about labour migration from Kosovo may appear to be tilting at windmills. But the alternative, to try to stabilise Kosovo society in the absence of any positive economic dynamics, is equally quixotic. The foreign ministries of Europe are struggling with the question of how to craft a lasting political solution for Kosovo. The overriding objective of Europe’s interior ministries is to prevent any further migration from the Balkans. These two objectives are fundamentally inconsistent. This report explores what this means for policy, for both European and Kosovo institutions.

¹ This figure does not include refugees from the fighting in 1998 and 1999 who returned immediately after the end of hostilities.

² Martin Schrenk, Cyrus Ardalan and Nawal A. El Tatawy, *Yugoslavia. Self-management Socialism and the Challenges of Development. A World Bank Country Economic Report*, p. 284f.

But there is also an uncomfortable message for Kosovo policy makers in this report. In the post-war period, policy makers have been content with the comfortable notion that remittances from a generous Kosovo Albanian diaspora are able to keep rural Kosovo afloat, despite the absence of any credible agricultural or rural development policies. However, massive migration and large flows of remittances in recent decades have not actually promoted development in rural Kosovo. They have simply maintained the *status quo*. In doing so, they have helped to preserve one of Europe's oldest and most conservative institutions: the patriarchal Balkan family.

The traditional, multi-family household, once common across the former Yugoslavia but now found only in Kosovo, has helped protect Kosovo Albanians in the face of weak or hostile state institutions. It has also contributed to the lowest rates of female employment in Europe, serious underinvestment in education and a general lack of innovation and entrepreneurship. Its survival can no longer be taken for granted. If, as seems likely, the traditional family is entering a process of dissolution, the consequences for rural society will be profound.

Kosovo urgently needs continued migration to maintain social stability. However, a society that resolves its labour surplus problems solely through migration, as Kosovo has done for decades, reverts to instability once the safety valve of migration is shut off. Kosovo therefore also needs a social and institutional revolution in its countryside. The starting point for this has to be a reflection on the economic forces and value systems that have kept alive patriarchal family structures, on the status of rural women and above all on the role the Kosovo government can play to break a vicious circle of underdevelopment.

II. MIGRATION AS A WAY OF LIFE

A. Early migrants

Pristina airport lies 30km outside of the Kosovo capital. Originally constructed as a military airfield, its runway crosses the damp and unstable ground of Kosovo Polje. It was never built to handle the commercial air traffic of a European capital. As a result, it is slowly sinking into the marshes.³

Nonetheless, Pristina airport is today one of the busiest in South Eastern Europe. In 2003, a Swiss magazine described it as the most successful airport in the Western Balkans.⁴ There has been a 75 percent increase in passenger traffic since 2001, to nearly a million in 2005.⁵ Pristina has become a profitable destination; even in winter, 14 foreign airlines operate flights to Pristina on a daily basis.⁶

Some of the people pouring out of the new arrival hall are foreigners – UN staff or international policemen returning to work in Kosovo. The largest group of passengers, however, is young Albanian families living in Germany or Switzerland, who return to their

3 ESI Interview with Paul Nelles, Kosovo Trust Agency, 2005.

4 Norman C. Bandi, *Ein oftmals unterschätzter Markt*, Travel Inside (www.travelinside.ch), 4 July 2003. According to Unique (Airport Zürich AG) in April and May 2003 there were 392 flights to and from Pristina, 298 flights to and from Ljubljana, 283 flights to and from Belgrade, 226 flights to and from Zagreb and 201 flights to and from Skopje.

5 Statistical Office of Kosovo, Monthly Bulletin 4-2006, Pristina.

6 Pristina Airport, Flight Information 23 November 2005.

villages for a few weeks at a time. Pristina airport is the link between rural Kosovo and the global economy.

Migration has been a defining feature of Kosovo society for decades, just as it was in the past for generations of Irish, Greeks or Spaniards (or, in previous centuries, Germans or Swedes). Throughout the 20th century, rural Kosovo households survived and occasionally prospered by sending their men abroad as migrant labourers, to remain away from the family for most of the year. They became construction workers, agricultural labourers or ice-cream vendors. In the more distant past, they went to Istanbul and Thessaloniki; then, in the socialist era, to Zagreb or Belgrade (and were famed throughout the former Yugoslavia for their patisseries). In the late 1960s, the migration route went further west, to serve the needs of growing European economies for ‘guest workers’.

Kosovo’s migrant labourers did not lose touch with their families back in the village – at least, not for the first generation. They slept many to a room in Stuttgart or Geneva, saving their wages to send back to the family. The remittances would help to generate the cash that rural families needed to purchase a tractor or new livestock, to pay for weddings or enlarge the family house to make room for a new generation. In the words of an American anthropologist who studied Kosovo in the late 1980s, the typical life story in rural Kosovo in 1988 was that of:

“a boy who runs free until the day he finds himself on a train, a thirty-hour journey north, to Switzerland, to Austria, to find a job, any job, to earn the money that will buy the satin and gold for the bride that his parents have found for him.”⁷

For a brief period in the 1970s, it appeared that the benefits of socialist industrialisation might offer an alternative to migration. Education began to be seen as a route to economic security, and its popularity soared, even among the most traditional families. New jobs began to appear in public administration and socially owned companies. For a decade or so, some rural Kosovo Albanians were able to move into employment in Pristina, Prizren or Peja. Women could hope to find husbands who would remain in Kosovo; some women even aspired to work themselves.

This short period of hope was not to last. The crisis of Yugoslav socialism from the early 1980s brought urban job creation to an abrupt end; the repression of Milosevic reversed any progress that had been made. By the end of the 1980s, once again only emigration appeared to offer Kosovo Albanian families any hope of material advancement. Departures accelerated dramatically, with Germany and Switzerland the most favoured destinations. By the mid 1990s, it was estimated that as many as half a million Kosovo Albanians – around 25% of the total population – were living abroad.

B. End of an era

During the early 1990s, when violence and repression in Kosovo escalated, Kosovo Albanians arriving in Europe became political refugees, rather than migrant workers. Those who reached Germany were granted ‘toleration permits’ (*Duldung*), rather than political asylum. This enabled them to stay without proving that they had been individually persecuted, but left them subject to deportation at short notice once conditions in Kosovo changed.

7 Janet Reineck, *The Past as Refuge: Gender, Migration and Ideology Among the Kosovo Albanians*, 1991, p. 10.

With NATO intervention in 1999 and the end of Serbian control of Kosovo, the toleration of Kosovo Albanian refugees came to an end. More than a hundred thousand Kosovo Albanians were returned from Germany alone. At the same time, legitimate emigration became restricted to family reunion programmes. All of a sudden, Kosovo began involuntarily to re-import migrant labourers, and migration flows went into reverse. The economic lifeline that had kept rural Kosovo afloat was cut.

To understand the impact of migration on Kosovo society, it is important to know how many Kosovo Albanians live outside Kosovo. This proves to be difficult to establish with any certainty. Kosovars are not distinguished in most administrative statistics from other citizens of Serbia and Montenegro.⁸ In March 1992, the Kosovar ‘government in exile’ made the first effort to estimate the total number of Kosovo Albanians abroad, arriving at the figure of 217,000. The study located the largest communities in Germany (82,348), Switzerland (72,448), Sweden (15,652) and Austria (12,300).⁹ Germany and Switzerland remained the two most popular destinations for Kosovars throughout the 1990s. As a result, the immigration policies of both countries had the most profound effects on developments in Kosovo.

Kosovo Albanians who arrived in Germany during the 1990s often applied for political asylum, but few were successful. The vast majority, including those whose appeal for asylum was rejected, received the status of ‘toleration permits’ (*Duldung*). This allowed them to remain in Germany without going through formal status determination, on condition they returned home as soon as the situation permitted. Following the withdrawal of Serbian forces from Kosovo, German authorities decided that that moment had come.

In 1999, they announced that 180,000 people from Kosovo had lost their legal status and were obliged to leave the country.¹⁰ Six years later, 90,000 had returned to Kosovo through assisted voluntary returns. Another 20,000 were deported, and an unknown number returned by themselves without being assisted by the authorities.¹¹ This means that a large proportion of the Kosovo Albanians who arrived in Germany during the 1990s have once again returned to Kosovo. Only one option remains for Kosovo Albanians who seek to live in Germany: family reunification, applied to the children and spouses of foreigners that have a residency permit, enough living space and a stable income. In 2004, exactly 4,905 such cases were registered.¹²

This massive post-war exodus from Germany is confirmed by all available data. The total number of citizens from Serbia-Montenegro resident in Germany fell by 212,000 between

8 Cay Lienau, “Die Albanische Minderheit”, in: Cornelia Schmalz-Jacobsen and Georg Hansen, *Ethnische Minderheiten in der Bundesrepublik Deutschland. Ein Lexikon*, München 1995, pp. 52-61.

9 Croatia: 9,087; Italy: 5,472; Slovenia: 4,977; Belgium: 4,137; Norway: 3,522; Denmark: 3,314; France: 1,998; Netherlands: 1,078; United Kingdom: 338; Finland: 295; Luxembourg: 166. Rifat Blaku, *Hintergründe der Auswanderung von Albanern aus Kosova in die Westeuropäischen Staaten*, Vienna, 1995, p. 10. Unlike the 1981 Yugoslav census numbers, these figures include illegal and non-registered workers, as well as second generation Kosovo Albanians.

10 Federal Ministry of Inner Affairs, Sachverständigenrat für Zuwanderung und Integration, Bundesamt für Migration und Flüchtlinge, *Migrationsbericht. Bericht des Sachverständigenrates für Zuwanderung und Integration im Auftrag der Bundesregierung, in Zusammenarbeit mit dem Europäischen Forum für Migrationsstudien (efms) an der Universität Bamberg – aktualisierte Ausgabe November 2004*, p. 41.

11 BMI Referat A4, 14 June 2005, *Rückkehr in das Kosovo seit Juni 1999*.

12 Bundesamt für die Anerkennung ausländischer Flüchtlinge, Referat 213 – Analyse Mittel-, Ost- und Südosteuropa, Informationszentrum Asyl und Migration, Serbien und Montenegro – Online-Loseblattwerk 15, *Flucht und Migration*, November 2003.

1998 and 2004.¹³ Subtracting those who received German citizenship during this period leaves 174,000 who left the country.¹⁴ During this period, the number of Yugoslavs in paid employment in Germany also dropped by 58,000.

No similar exodus has taken place from Switzerland, although the number of Kosovars had increased tremendously during the 1990s. The Swiss Federal Statistics Office reported in 1999 that there were 145,000 Kosovo Albanians with legal status and another 50,000 asylum seekers.¹⁵ However, the Swiss immigration rules were relatively liberal. Asylum seekers who had been in the country long enough and were economically active were able to obtain a *permis de séjour*, or temporary residence permit. Such a status led in due course to permanent residence permits. As a result, migration flows from Serbia-Montenegro to Switzerland between 2000 and 2004 remained positive, although they slowed significantly compared to the 1990s.¹⁶ Family unification accounts for 68 percent of all new arrivals in this period.

In earlier periods, Western Europe had opened its doors for labour migrants from Kosovo and across the former Yugoslavia to meet its demand for unskilled and manual labour. Then, during the turbulent 1990s, it tolerated Kosovars entering and remaining in large numbers, pending the stabilisation of the region. Since 1991, however, continuing migration has been limited to small numbers under family reunion programmes.

This amounts to a major change in both the volume and character of migration from Kosovo. In previous generations, emigrants were predominantly single, young men, sent abroad by their families to find work. Their social obligations to the family in the village remained strong. They would live frugally in their host countries, remitting a high share of their income back to the head of the household. This would usually continue until they returned to Kosovo, *unless* they married and brought their wife to live with them in Western Europe. As soon as they began to raise a family of their own abroad, formally splitting off from the household in Kosovo, the level of remittances would decline sharply. In other words, remittances decline over time unless they are sustained by a continuing flow of young men leaving Kosovo in search of work.

The consequences for remittances back to Kosovo are threefold. First, the total numbers of Kosovars living in the diaspora have decreased. Second, the diaspora is no longer being replenished by new arrivals of single young men. Third, the Kosovo Albanians who remain abroad increasingly have their families with them, and are therefore less likely to remit back to Kosovo.

The end of the era of mass migration was of course a reflection of a positive development – the end of political repression in Kosovo. However, it did not reflect any change in the economic conditions in Kosovo that had made mass migration vital for rural communities. It simply shut off a safety valve.

13 Beauftragte der Bundesregierung für Migration, und Flüchtlinge, Daten-Fakten-Trends. Strukturdaten der ausländischen Bevölkerung 2004, original source: Statistisches Bundesamt/Bundesverwaltungsamt – AZR.

14 Until 2002: Federal Statistical Office, “Statistics of naturalisations”, in: Statistisches Bundesamt, *Strukturdaten und Integrationsindikatoren über die ausländische Bevölkerung in Deutschland: Lagebericht 2005*, p. 22. Federal Statistical Office.

15 Marcel Heiniger (Bundesamt für Statistik), “Daten zu Muslimen und Musliminnen in der Schweiz”, in: *Tangram*, 7/1999, p. 80. 39,000 received German citizenship in those years.

16 Between 2000 and 2004 some 33,900 citizens from Serbia-Montenegro picked up residence in Switzerland and 8,800 gave it up. The total number increased from 197,000 to 199,200, despite the naturalisation of almost 27,000 during this period. *Ausländer und Asylstatistik*, pp. 114f and 130f.

C. Remittances: myth and reality

If there is one widely held belief about post-war Kosovo society, it is that the economy is fuelled by transfers from a generous diaspora. The diaspora and its wealth is one of the most powerful collective myths in Kosovo today, shared by foreigners and Kosovo Albanians alike. After all, it was Kosovo Albanians abroad that funded the parallel education and health institutions during the bitter days of the 1990s, collecting more than US\$125 million in ‘taxes’.¹⁷ It was also the diaspora that funded the Kosovo Liberation Army, and paid for a large share of post-war reconstruction.

However, for a phenomenon acknowledged to be central to the Kosovo economy, remittances have received remarkably little serious analysis. The moral economy behind remittances (who is under an obligation to whom) is rarely examined. The issue of remittances is curiously divorced from any discussion of migration, although it is evident that there is a causal link between the two.

In recent years, interest in remittances has increased sharply among economists and policy makers around the world. However, remittances prove to be a difficult subject to grasp. First, they are notoriously difficult to measure. Developed countries do not have accurate figures on remittances leaving the country, much of which goes through informal channels. Second, there are some tricky definitional problems. The concept covers a range of different phenomena.¹⁸

The traditional definition contains three elements: *worker remittances* are transfers by migrants who are resident and employed in foreign countries. A ‘migrant’ is someone who stays (or can be expected to stay) a year or more in a country, provided they have not been naturalised. *Employee compensation* comprises wages and benefits earned by individuals from economies in which they are not resident. This includes wages earned by seasonal workers abroad. In Kosovo’s case, it would also include salaries and other benefits paid to Kosovo Serbs by the Government of Serbia. *Migrant transfers* are the cash and assets brought back by migrants returning from abroad. Unlike the first two items, they are once-off transactions, and in most contexts are small in comparison to the first two items.¹⁹

The IMF first attempted to estimate total remittances to Kosovo in 2001, putting the figure at €610 million.²⁰ As the IMF acknowledged, there was a fair amount of guess work involved, which was borne out by the wide range of estimates that followed. In 2003, the Kosovo Ministry of Finance estimated remittances and income from foreign pensions at €720 million.²¹ In its 2003 Annual Report, the Banking and Payment Authority of Kosovo (BPK) –

17 For a detailed narrative of the Kosovo diaspora story see Paul Hockenos, *Homeland Calling – Exile Patriotism and the Balkan Wars*, 2003. On the Fund for the Republic of Kosovo see p. 178.

18 Expert groups from the IMF and the World Bank have only recently (2005) hammered out a new definition to be used by central banks around the world. Since most of the estimates cited here were made before 2005, the old definition is still used. In the new definition migrants transfers are no longer included under remittances.

19 IMF Statistics Department, *Balance of Payments Manual* (BPM5).

20 IMF, *Kosovo – Macroeconomic Issues and Fiscal Sustainability*, 2001, p. 23.

21 The Kosovo Government in its Budget 2003 refers to “[€]720 million of cash remittances, which included foreign social transfers (especially pensions and other social benefits paid to the former workers by governments of Serbia, Germany, Switzerland, and other countries), labor income of Kosovo Albanians currently working abroad (including Serbia), cash gifts provided by foreign residents

the closest thing Kosovo has to a central bank – put annual remittances at €568 million.²² In its Economic Memorandum of May 2004, World Bank suggested that average annual remittances between 1999 and 2003 had been €550 million.²³

From 2004, a lower set of estimates began to emerge. By 2006, the IMF had lowered its estimate for remittances in 2001 by nearly half, to €317 million, but considered that they had been gradually increasing to a high of €375 million in 2005.

Table 1: 2006 IMF estimates of remittances (€)²⁴

2001	317 million
2002	341 million
2003	341 million
2004	339 million
2005	375 million
2006	347 million

In fact, in some instances, it appeared that the IMF was adjusting the remittance estimate to fill gaps in its national accounting figures. This practice was noted with disapproval in an internal World Bank document – “it is not recommended that there is a return to the previous IMF method of increasing the workers’ remittance figure to reduce errors and omissions” – which called for the use of firmer data in preparing estimates.

Table 2: Rural household monthly income (€)

Source	May 2003	May 2004
Net wages - taxed remunerations	175.13	125.86
Remittances	58.83	41.65
Pensions	23.56	21.16
Wages in kind	13.68	3.72
Social aid	5.16	7.72
Other (rental income, internal remittances, gifts, net business income)	47.74	53.77
Average rural household income	€ 324.12	€ 253.88

There is strong evidence to suggest that remittances have been declining steadily over recent years, and are already even lower than these estimates. According to the two most recent Household Budget Surveys, remittances to the average rural household dropped from €58.83 in 2002/03 to €41.65 in 2003/04 – a fall of 25 percent in a single year.²⁵ (Remittances to

to Kosovo families, and cash brought to Kosovo by repatriates and visitors. Kosovo Budget 2003, MEF, p. 8.

22 *BPK Annual Report 2003*, March 2004, p. 14 (numbers based on IMF). Foreign pensions do not appear as a separate category in this report, which suggests that they are included under “remittances.”

23 World Bank, *Kosovo Economic Memorandum*, Washington, 17 May 2004, Report No: 28023-KOS.

24 IMF Aide Memoire 2006.

25 The Kosovo Statistical Office (SOK) has done two household budget surveys, one published in 2003 and the other in 2005. These surveys analysed rural and urban households separately by screening each month 200 households during 24 months. Each survey asked 2,400 families in different districts questions about consumption, expenditure and income sources. SOK, *Standard of Living Statistics 2002-2004*, Pristina, May 2005, p. 3.

urban households also declined, but less dramatically, from €27.90 to €25.04.) During the same period, *average household* income in rural areas fell substantially, from €324 to €253, as both net wages and remittances fell.²⁶ This is a dramatic decline. These survey results are also the most concrete data currently available.

The team working on the 2003/04 survey assumed a total of 193,251 rural and 88,448 urban households.²⁷ Applying this to the survey data yields total remittances of €166 million in 2003 and €123 million in 2004. This is around 36 percent of the IMF's most recent estimate (see table above). This is consistent with the findings of the Kosovo Poverty Assessment, that no more than 15 percent of Kosovo households now receive regular cash remittances.

Could remittances have fallen so quickly in the immediate post-war period? One explanation can be found in the mass exodus of Kosovo Albanians from Germany. As more than 100,000 Kosovars returned from Germany, they repatriated their savings and their property (cars, household goods and so on). These were 'migrant transfers' – the third element of the traditional remittance definition. They were not, in economic parlance, a 'flow' like regular remittances, but a once-off transaction. It seems probable that a large share of remittances in the post-war years were transfers of this kind, and naturally came to an end as soon as the period of mass returns was over. In sum, the widely held image of the diaspora as Kosovo's golden goose is based on a reality that no longer exists.

D. Migration and tradition

For many Kosovo Albanians, migration has been their link to the world outside – whether they experienced it directly as migrants, or through consumer goods purchased from foreign earnings. It would seem to follow that migration has been an agent of modernisation in Kosovo. In fact, on closer study, the impact of migration in the past two decades on rural Kosovo may well have been quite the reverse.

Janet Reineck, an American anthropologist, studied "gender, migration and ideology" in the region of Opoja (Serbian: *Opolje*) in south-west Kosovo from May 1987 to December 1988.²⁸ Her fascinating account of rural society in the final years of Yugoslav socialism highlights "the trend of growing conservatism in rural Kosovo since 1981, and the strategies being used to enforce it: arranged marriages, the restrictions on women's movement outside the home, and keeping girls out of high-school."

Reineck noted that, to a region like Opoja, migration serves an essential social function: in the minds of people, it provides the only hope of escaping poverty. The area had been generating migrant workers for centuries. However, migration was not a welcome prospect. As one villager quoted by Reineck put it:

"It is understood that we have to become migrants. The prospect of migrating is a weight on everyone's shoulders. We don't like the idea, but for most families it is reality. Migration is the tradition established by our forefathers. It has always been this way."²⁹

26 Ibid., p. 4.

27 Communication with International advisor to Statistical Institute of Kosovo, Sasun Tsurunyan, 9 February 2006 and 21 February 2006.

28 Opoja then had 37,400 inhabitants and consisted of 21 villages. In fact, Reineck lived in Kosovo over four and a half years between 1981 and 1989.

29 Janet Reineck, *The Past as Refuge*, 1991, p. 125.

Migration is equated to suffering in popular sayings, songs and poems. “Separated and exiled, just for one dinar.” “He who has not tasted the sorrow of migration does not know what this life is about.” “He who first went out on the migrant trail, may God never give him peace!” As one poem puts it:

*The father is a stranger in his own house,
Damn the black migration!
Child after child is born,
And the father is not there to call.*³⁰

Reineck noted a sharp difference in impact between local labour migration and foreign migration. In Opoja, the men that found jobs in nearby towns while remaining close enough to home for frequent visits were quicker to adopt new values than those who went abroad.

“The man exposed to non-Opojan ideas, but close enough to monitor his family’s behaviour, is more elastic in his interpretation of local cultural mandates. He can send his daughters on to high school because he is nearby to observe their conduct. His wife can visit relatives in Prizren because he is close by, and his community knows it.”³¹

On the other hand, those who lived further away and visited the family rarely insisted on a strict moral conservatism to ‘protect’ their wives and children.

“The men believe that aging parents and other family members will be secure as long as strict, traditional behaviour is upheld in their absence. And they find comfort abroad knowing that each time they return home they will find the same lifestyle they left months, years, decades ago. The only changes they hope to find are in the family’s material conditions.”³²

At the centre of this lifestyle was the large patriarchal family. The average household size in Opoja in 1989 was 10 members. Within each family, “wives are to obey their husbands, all adult family members and senior in-married women. Husbands obey their elders. Everyone obeys the will of the head of the household.”³³

Those abroad were able to provide materially for their families, with new houses and modern appliances. However, access to consumer goods did nothing to change traditional values and attitudes. Reineck quotes one Opoja villager as saying:

“Those uneducated people who became migrants and prospered and spread their way of life in Opoja are responsible for our backward situation. Their idea of progress is to have big weddings, to dress the brides in expensive things, to build big new houses and buy new cars. They are the most conservative people, and they are the ones with influence. As long as I have nothing in my pocket, I cannot have the influence they have.”

Financial dependence on absent fathers reinforced the passivity and fatalism of those left behind, whose prospects of finding work in Kosovo were slight.

30 Xhemali Berisha, *Remember This, Migrant Men*, 1988, quoted in Reineck, p. 163.

31 Janet Reineck, *The Past as Refuge*, 1991, p. 161.

32 Ibid., p. 190.

33 Ibid., p. 76.

“Sensing the futility of planning their futures, the boys pass their eighteenth, twentieth, and twenty-fifth birthdays in the vague hope that an invitation to work from a relative abroad will rescue them from an uncertain future.”³⁴

Reineck pointed out that what she described in Opoja was common across rural Kosovo in the 1980s. At that time, out of 45,000 female students who began primary school each year, fewer than 8,000 made it to eighth grade.³⁵ In 1988, more than 90 percent of Albanian women in Kosovo were “economically dependent”. There was a huge discrepancy between the situation in Pristina (where in 1988 41 percent of girls went to secondary school) and rural areas (where the respective figure was often less than 4 percent).³⁶

Since Reineck’s study was undertaken 15 years ago, migration from Kosovo abroad has dramatically increased in volume. How has this affected the relationship between migration, remittances and wider development? Is it still plausible to assume that rural areas with most foreign migration would also tend to be more conservative? What will be the impact of an end of mass migration for such villages?

III. A TALE OF TWO VILLAGES

Cerrce (in Serbian *Crnce*) is a village of 300 households in north-west Kosovo on the border with Serbia. Lubishte (*Lubiste*), a village of 227 households, lies on the foothills of the Karadag Mountains in south-east Kosovo, near the Macedonian border. By Kosovo standards, Cerrce is a fairly prosperous village; Lubishte is certainly one of the poorest. In both villages, however, one can see the same forces that are reshaping rural Kosovo. There is a drama unfolding in the Kosovo countryside today, and policy-makers in both Pristina and in European capitals would do well to take note.³⁷

During 2004 and 2005, the two communities supported ESI in carrying out a complete survey of living conditions in both villages. Forty-four questions were put to all 527 households. Information was gathered on more than 4,000 individuals. The goal was to produce an X-ray of rural Kosovo on the verge of a decision on final status.³⁸

Compared to most of rural Kosovo, Cerrce is well connected: it is just 2 km south of the town of Istog (*Istok*), a municipal administrative centre. The main road from Istog to Peja (*Pec*) passes through the village. West of the main road are the *Mali i Moknes* or Rugova Mountains, rising steeply to 1,900 metres above sea level, which provide summer pasture for livestock. Traditionally, sheep and cattle were the mainstays of the local economy and men would spend the summer months in the mountains tending to their animals. East of the main road is the fertile plain of Dukagjin (*Metohija*), where the White Drin river (*Drini i Bardhe*) is fed from rainfall in the mountains. For centuries, the lively mountain streams have powered watermills and provided irrigation for market gardening. The climate here is milder and more suitable for agriculture than in many other parts of Kosovo. The old settlement of Cerrce lay

34 Ibid., p. 191.

35 Ibid., p. 168.

36 Ibid., p. 178.

37 In the course of the past two years ESI researchers visited a large number of Kosovo villages, interviewing large numbers of people on changing rural living conditions in the municipalities of Viti, Gjilan, Rahovec, Mitrovica, Prizren, Pristina and Strpce.

38 For information on the questionnaire and the research, see Annex 4. All data is summarized in Annex I and Annex II.

further up the hill, where ox trails led into the forest and to the alpine pastures. Today, the village boasts a primary school, a cultural centre and two small neighbourhood shops.

Cerrce's most famous son is Ibrahim Rugova, born into an influential family in 1944 during German occupation, when the village was part of Greater Albania. The world into which Rugova was born was a traditional one of patriarchal households and close-knit peasant communities. It was a world thrown into chaos by war, the continuous redrawing of borders and then the arrival of communism.³⁹ In 1946, his father, grandfather and two uncles were shot by the new communist regime. Rugova grew up as an orphan, attended secondary school in Istog and left for Pristina to study in the 1960s. In time, the citizens of Cerrce made their peace with the communist authorities, with its most prominent citizens taking up party cards. The latter brought a number of distinct advantages, in particular access to education and jobs in public administration and socially owned enterprises. Then, in 1989, Cerrce's officials burned their party books when Kosovo's autonomy was revoked and embraced Rugova's party, the Democratic League of Kosovo (LDK), which remains the dominant political force in the region.

The 1999 war brought about the near total destruction of the village. As the Albanians fled, Serbian forces destroyed all but a handful of houses in the village. Since 1999, however, almost all have been reconstructed, with the exception of those belonging to 18 minority (Roma and Serb) families, who have not returned. There are also 60 homes belonging to Albanian families who have left Kosovo, which are locked up. Of Cerrce's total population of 1,980, today 607 people live abroad.

Unlike Cerrce, Lubishte is by no means a privileged place. Until the mid-1970s, there was no reliable road connecting the village to the rest of the valley and the minor municipal centre of Viti in Eastern Kosovo. The quality of the soil is poor, and there is little water for agriculture. The asphalt road into the village runs only as far as the small village square. While some houses are large and well cared for, others are in a state of decay. On top of the highest hill stands a new mosque financed mainly with remittances collected by the village's diaspora in Geneva. Next to the mosque are portable shelters provided by the US military, which are used as classrooms. An attempt was made to replace the old school building from the early 1970s and damaged in an earthquake in 2002, but the project failed for lack of funds, leaving the new building unfinished. What is particularly striking is the obvious absence of any public social life, besides the small store on the village square. An internet café opened and then closed again. Young children gather the moment a visitor stops for more than a minute. Forty-five percent of the village population are younger than 16.

Lubishte too was once a pastoral community. Shepherds took their flocks to summer pastures high up in the Karadag mountains, but the creation of an international border with Macedonia in the 1990s brought this to an end. Over the past decade, this mountainous region has occasionally been a refuge for Albanian separatists from Macedonia and the Presevo Valley in Serbia. After the conflict in Macedonia in 2001, a few hundred Macedonian-Albanians temporarily fled to Lubishte. Today Lubishte has a population of 2,134, of which 572 are abroad, mostly in Switzerland and living in close-knit communities around Basel and Geneva.

39 Cerrce had been part of the Ottoman Empire until 1912; occupied by Montenegro until 1914; part of the Kingdom of Serbs, Croats and Slovenes in 1918; and part of Italian (and then German) controlled Greater Albania during World War II.

A. Europe's largest families

Kosovo famously has Europe's largest households. Even today, one does not need to go far to find them. The *average* household in the village of Cerrce has 6.6 members, the *average* household in Lubishte 9.5 members.

The largest household in Cerrce is that of Sadik Haskaj, with 24 persons living in one large house. The household includes Sadik's mother (71), Sadik and his six brothers (one of whom lives in Switzerland), who between them have four wives and twelve children. The *largest* household in Lubishte is that of Nure Nura and his wife Ramize (both in their 70s). It has 32 members: 6 sons and their 6 wives, one unmarried daughter and 17 grandchildren. The household shares two houses, but remains a single economic unit. Two of Nure's sons, Nefali (46) and Faruk (42), are in Austria, but their wives remain in Lubishte.

Families of this size are still common across rural Kosovo. Strikingly, family sizes in Kosovo did not change during a half century of Yugoslav communism. In 1948, the average Kosovo household had 6.4 members. In 1981, this had risen to 6.9 members, and in 2003 was back at 6.4 members.⁴⁰ To place this in context, in the European Economic Area the average household size declined from 2.8 in 1980 to 2.5 in 1995, with Ireland standing out with Western Europe's largest families at 4.0 members.⁴¹

Kosovo is today the last stronghold of a form of patriarchal family structure that was once common across the Balkans. It is a family structure that has survived 50 years of communism, decades of massive migration to Western countries as well as the disappearance of a pastoral economy.

Imer Maxharraj, a pensioner and once one of Kosovo's leading irrigation experts, was born in Cerrce in 1939 into a society that had changed little in a hundred years. The village was made up of only 14 large households. The five most influential families lived in *kullas* – large, fortress-like houses with thick stone walls and narrow slits of windows only on the second floor. Large households were a sign of wealth and influence, and some had more than 40 members. Households in this traditional mould were largely self-sufficient, producing not just their own foods, but also their own clothes and furniture.

The Maxharraj household kept goats, sheep and cows, for meat, milk and cheese. It grew maize, wheat, rye, fruit and vegetables, producing its own bread and *raki*. Imer's father, the head of household, would assign the tasks: one man tended the sheep, another worked with oxen and plough, a third cut timber in the forest. Dairy cows were looked after by the children, who spent the summer months up in the mountain pastures. Horses and oxen were used to bring logs from the forest and stones from the mountains for construction. Occasionally money would be earned through the sale of cattle or vegetables on the green market in Istog. However, the household was able to survive largely outside of the cash economy, in large part because its labour was provided by family members.

Households like Imer's have long fascinated foreign visitors.⁴² A hundred years ago, they could be found in many rural areas across the Balkans, and were often called by the Slav word

40 SOK, Demographic and Health Survey 2003.

41 EEA in 1995 was the EU-15 plus Norway, Iceland and Lichtenstein. Source: European Environment Agency, Indicator Fact Sheet 2001.

42 Such households have been described in the 1990s by Karl Kaser (*Familie und Verwandtschaft auf dem Balkan – Family and Relations in the Balkans*, 1995; and *Hirten, Kaempfer, Stammeshelden –*

zadruga.⁴³ It refers to the practice of men remaining in the family home after marriage, creating large, multi-family households.

One of the keenest observers of such families was Vera Erlich, who undertook a large comparative study of families across Yugoslavia in the 1930s. She looked at 300 Albanian, Bosnian Muslim, Bosnian Christian, Serb and Croat villages.

“The basic principle of the *zadruga* was that the male members never leave the common home. Sons and their descendents remain within it, and only daughters leave it on marriage to become members of the *zadrugas* of their husbands. The *zadruga* was governed by a hierarchical system, every member having a definite rank within it. Rank was determined by age and sex, the sex criterion being stronger than the age criterion: all males were superior to any of the womenfolk ...”⁴⁴

As an economic unit, the *zadruga* is a true collective. All property is held jointly.

“In the *zadruga*, apart from clothing and small objects, there was no private property. Money was administered by the head, or else by another of the men to whom buying and selling had been assigned.”⁴⁵

All major decisions are taken by the head of household (*zoti i shtepise*): from when to plant the crops or slaughter an animal, to what constituted ‘a proper way of life’. This authority persists today, with the head of household deciding how remittances from family members abroad should be spent, and how much schooling the children should receive. Each grown man is considered to contribute an equal share to the family income, regardless of his actual labour. Income is pooled, and family members are entitled to equal provision for their basic needs. When households split, all property is divided equally among brothers, including the land. Since wives come from other villages, and daughters are expected to join another *zadruga* upon marriage, women do not inherit any share of the family property, and occupy a subordinate status within the household.⁴⁶

It is striking how little has changed in household organisation since those days. In Lubishte today, there are 89 households with more than 10 members, and 34 with more than 15. Even in Cerrce, the more ‘modern’ of the two villages, there are 27 households with multiple families living under the same roof. Many of the traditional forms of patriarchy that Erlich described in the 1930s are still recognisable. There are almost no unmarried women over 30, the eldest male still takes decisions on behalf of the family, and family life is organised around a clear hierarchy.

Haki Haskaj (36), who runs the Globi café in Cerrce and spent many years in Austria and Germany, still lives in a traditional multi-generation household with his father, who has

Sheppards, Fighters, Tribal Heroes, 1992); in the late 1980s by Janet Reineck (*The Past as Refuge*, 1991); in the 1970s by Berit Backer (*Behind Stone Walls – Changing Household Organisation Among the Albanians of Kosova*, 1979); in the 1990s by Gjergj Rrapi (the book appeared in 2003 in German as *Die albanische Groszfamilie im Kosovo*) and in the 1930s by Vera Erlich (*Family in Transition*), among others.

43 Also variously referred to as ‘Balkan family households’, ‘multiple family households’, ‘Balkan patriarchal families’, ‘complex’ or ‘communal joint families’.

44 Vera Erlich, *Family in Transition*, 1966, p. 32.

45 *Ibid.*, p. 34.

46 The unwritten rule that women do not inherit is contrary to both Islamic law and the 1946 Yugoslav Family Law. Anthropologists refer to the principle of marrying only women from outside the village as exogamy, and to the fact that women move into the husband’s household as patrilocality.

worked in Germany, and his brother. The two wives together care for 9 children, and all income is pooled.

Ismet Islami (49), the director of the primary school in Lubishte, is one of the most educated men in the village. He attended university Pristina, and today struggles to offer his five children (three sons and two daughters) the same opportunity. Two are already students, while the youngest goes to secondary school. Despite his education, Ismet upholds the traditional ways. He and his wife live with his parents. His father decides how to spend his teacher's salary of €222 per month. The household owns six hectares land, and he raises 8 cattle to help meet the costs of his children's studies. If he had brothers, he explains, the proceeds from the land would have to be shared with them and their children, and eventually the land would have to be divided.

Qefser Qahil lives in a house with 5 rooms with his brother in Lubishte. His brother works as a teacher in the local primary school and has six sons and one daughter. Qefser has two sons and one daughter. Now that his brother's two sons study, Qefser has to work harder than ever to help finance their studies. Recently he began the construction of a second house, to prepare for dividing the household. Once there are two houses, he and his brother will split the 5 ha of land into two. From then on, the two families will operate as separate economic units.

The continued prevalence of multi-family households, long after they have disappeared from the rest of the Balkans, is one of the defining features of rural Kosovo today. At first sight, it appears peculiarly anachronistic, given the tremendous changes in the economy and society since the Second World War, in particular the demise of the traditional pastoral way of life, the marginalisation of agriculture and the arrival of the cash economy.

In the Kosovo of half a century ago, land was plentiful. It was labour that was the scarce resource for agricultural households. Having many men in one household meant greater wealth and influence, allowing more land to be cultivated and more livestock to be tended. Households were self-sufficient in most respects, from food and clothing to construction and furniture making, and participated only marginally in the cash economy. High mortality rates kept population growth low, preventing households from becoming unmanageably large.

However, from the 1950s onwards, improved health services in Kosovo led to a rapid decline in mortality and spiralling population growth. As a result of improving health care life expectancy rose between 1952 and 1982 from 49 years to 68 years for men and from 45 years to 71 years for women! As late as the 1980s, population growth was over 2.5 percent, higher than in the 1940s.⁴⁷ At that rate, the population doubles every 30 years.

Population growth forced households to build new houses and divide. In Cerrce, the Rugova family first divided in 1949 – a major event in the life of the village still remembered by the older generation. Today there are 27 Rugova households, living in a distinct Rugova *mahala* or neighbourhood.⁴⁸ Imer's household, the Maxharraj, first separated in 1961, and Maxharraj *mahala* now consists of 16 households. The Rexhajs, who split first, have given rise to 91 houses in several distinct Rexhaj *mahalas*.

With every split, the land was divided among the sons, and the amount of land held by each household decreased. Through this process of land fragmentation, the decline in fortunes of

47 Karl Kaser, *Familie und Verwandtschaft auf dem Balkan*, 1995, p. 138.

48 The household *mahalas* remain central to the organisation of social life. Decisions affecting the village (such as how to build a new graveyard in 2006) are taken in a council of *mahala* representatives.

once influential families could be rapid. Today, the average plot of land owned by a household in Cerrce and Lubishte is around 1 hectare. A growing number of rural households have no agricultural land at all. As a result, the self-sufficiency of rural households has vanished,⁴⁹ and they have become drawn further into the cash economy. The traditional pastoral way of life has gone, and a growing proportion of food needs to be bought. Traditional skills in construction and carpentry are now provided for a fee, forming the core of the rural private sector.

There have also been changes in rural lifestyles. Illiteracy, which was the norm in the 1940s, had declined to 21 percent in 2000 (although this was higher than in 1981).⁵⁰ Among those younger than 30 it has however fallen to less than 2 percent.⁵¹ Houses are full of imported goods, including satellite televisions, suggesting a hunger for images from around the world. Migration has brought knowledge of modern values and lifestyles to even the most backward corner of Kosovo.

For all these reasons, historians have been predicting the imminent demise of the extended family in Kosovo for decades. In the 1960s, Vera Erlich offered her readers “the last picture of a foundering ship; the last record of the patriarchal social system which was about to crumble.” In 1979, a Norwegian author, Berit Backer, concluded her study of a West Kosovo village by arguing that:

“The process of change in Isniq is irreversible. New attitudes will prevent a return to the old ways... It seems clear, at any rate, that with the ideals held by today’s youth in the village, the age of the zadrugas has come to an end.”⁵²

The Austrian historian Karl Kaser wrote in 1995 that the patriarchal Balkan household, already restricted to ethnic Albanian areas, was part of a “vanishing culture”, and would disappear in the face of socio-economic development.⁵³

Table 3: Household composition – Lubishte and Cerrce

	%	Lubishte	No. of members	Cerrce	%
	10.5 %	24	1-4 members	65	21.7 %
	50.7 %	116	5-9 members	195	65.0 %
	23,6 %	54	10-14 members	28	9.3 %
	14.8 %	34	15-30 members	12	4.0 %
	0.4 %	1	more than 30	0	0.0 %
	100.0 %	229	Total	300	100.0 %

Yet every prediction of the imminent demise of the patriarchal family has proved to be premature. Though signs of stress are apparent, particularly in the desperate shortage of land, the dramatic changes in social forms that swept across other parts of the Balkans many generations ago have not yet come to Kosovo. This is the central paradox of rural Kosovo

49 As the demand for land increases, families build on land that used to serve as winter pasture for flocks. However, if they need to buy feed having sheep no longer pays off.
50 Kosovo Education Centre, *Facts and Figures about education in Kosovo*, 2001.
51 Statistical Office of Kosovo, *Demographic and Health Survey 2003, 2004*.
52 Berit Backer, *Behind Stone Walls – Changing Household Organisation Among the Albanians of Kosova*, 1979, p. 106.
53 Karl Kaser, *Familie und Verwandtschaft auf dem Balkan*, 1995.

today and it has two main explanations: the peculiar history and impact of Yugoslav communism in Kosovo, and the impact of mass migration and remittances more recently.

B. Communism's broken promise

The core economic and social agenda of Yugoslav communism was to overcome rural underdevelopment. Yugoslav sociologists of the pre-communist era had studied the “passive regions” (*pasivni krajevi*), “areas greatly deficient in food production as well as in other earning opportunities and therefore depending for livelihood, to a large extent, on outside earnings.”⁵⁴ As Jozo Tomasevic noted:

“A realisation of basic significance, which became clear during the 1930s to most Yugoslav economists and to some politicians and administrators, was that the problem of agricultural overpopulation was the central economic issue of the country and that it had far-reaching political and social significance and ramifications... Since mass emigration was impossible, the only avenue of approach to a permanent solution... was through industrialisation.”⁵⁵

In much of Yugoslavia, Yugoslav communists were guided by this vision of replacing a subsistence economy by a modern, urban and industrial one. Peasants were to be educated away from a subsistence mentality “towards an industrial mentality of ever-increasing social wealth.”⁵⁶ The tool of this transformation was the construction of socially owned factories, strategically distributed across the territory according to a social and political logic, rather than the demands of economic efficiency.

Yugoslav communism in Kosovo, however, was from the outset a very different experience. First, for most of its history it was far more repressive than anywhere else in the country. Kosovo suffered from several distinct periods of ethnically motivated repression: from 1945 to 1966 (the so-called Rankovic years, named after Tito's notorious chief of secret police) and again from 1989 to 1999 during the Milosevic era. The immediate post-war period was marked by executions and confiscations, which under Rankovic grew to a wave of brutality that in 1956 prompted large numbers of people from Kosovo to describe themselves as ‘Turks’ and emigrate to Turkey. The 1970s were a period of relative calm, but unrest erupted again in 1981. The economic and social crisis in Serbia and Kosovo led into the Milosevic period when Kosovo's autonomy was revoked and Albanians were purged *en masse* from public-sector employment. This adds up to 31 years of serious oppression, out of 54 years of communism.

Second, communist development in Kosovo was late, and very superficial. There was no serious programme of industrialisation until the mid-1960s. In Pristina and Mitrovica, a few factories were constructed alongside a large public administration, creating a veneer of modernity. But communist development did not even begin to reach rural Kosovo.

The rural municipality of Viti (*Vitina*), of which Lubishte forms part, illustrates this clearly. Until the mid 1970s, there was no industrial development of any kind. Then a limestone quarry was opened in 1976, followed by a sawmill in 1979. A metalworking company Vinex

54 Jozo Tomasevic, *Peasants, Politics and Economic Change*, p. 265.

55 *Ibid.*, p 338.

56 Susan Woodward, *Socialist Unemployment*, 1995, p. 74.

was created in 1980 to produce nuts and bolts.⁵⁷ There was a flour mill, and a company that bottled mineral water. In 1985, the municipality's largest employer, the textile factory Letnica, was established to produce work uniforms. This was a political investment directed at creating employment for some 460 Croat Catholics in the region. Fifty percent of the funds came from Croatia. After 1991, when the Croats left the region, it ceased production. At its height in the late 1980s, no more than 1,500 people in the municipality of around 50,000 had jobs in socially owned industries. Many of them were Serbs and Croats.

The lack of any real economic dynamic in the towns also had consequences for rural areas, especially the Albanian villages. In the 1950s, the municipal centre of Viti had 700 inhabitants. Almost none of them were Albanian. In 1978, when Isa Uka, a leading communist official from Lubishte, bought a house in the town, it was only the 7th owned by an Albanian.

The village of Lubishte remained cut off from even the most rudimentary efforts at development. There was no electricity until 1970. A road to the village was constructed only in 1976. Until then, people would have to walk to Viti town, down in the valley, and even tractors were often unable to get through. In the winter, it was sometimes impossible to leave the village for months. In Lubishte, a few villagers did succeed in acquiring education and finding jobs elsewhere in Kosovo. However, this was a rarity. Lubishte went from pre-socialist underdevelopment to post-socialist poverty without any intervening period of modernisation.

It was a different matter in Cerrce and the municipality to which it belonged (Istog). When Imer Maxharraj became one of the first boys from the village to embark on an academic career – spending 8 years in Istog secondary school before studying agriculture in Belgrade – he was still an exception. Until the Second World War, there had been no primary schools in Albanian language in Kosovo. Until the 1960s, there were very few secondary schools. Since education was a condition for most wage employment, rural Albanians were largely excluded from the formal economy by their language. For villagers, acquiring education meant associating themselves with Serbian language and culture, which many resisted.

From the 1960s, there was a major campaign to overcome rural illiteracy, and many farmers' sons began to continue their education into secondary school. New attitudes towards education began to emerge: *Vec me shkolle ka ardhmeri* (only with education is there a future). In the popular imagination education became the alternative to migration, seen as a far preferable route to economic security.

This triggered a revolution in expectations, described by Berit Backer in the village of Isniq in Western Kosovo during the 1970s. The chances of obtaining salaried employment of any kind without education were next to nothing. According to Backer,

“People tend to see education as the highway to modernization. This is particularly the case since the status of the Albanian language improved in 1968 in the schools and administration, and a university was opened in Pristina.”⁵⁸

According to Backer, the villagers saw education as a “fairly secure investment” – language which expressed the optimism of the 1970s.

57 Privreda SR Srbije, *The Economy of the Socialist Republic of Serbia*, 1988.

58 Berit Backer, *Behind Stone Walls – Changing Household Organisation Among the Albanians of Kosova*, 1979, p. 40.

In Cerrce, communism also created new kinds of jobs. By 1989, 60 villagers had found a job in socialist companies and 40 villagers had found employment in public institutions: local schools, police, the hospital at Istog. Five socialist cooperatives linked private farmers to markets. There was a veterinary institute, an irrigation company and a fish farm (Trofta). An agricultural combine managed 2,145 hectares of land and vineyards, a thousand head of cattle, 18,000 pigs and a plant for feed concentrate.

Yet communism did not change the essentially rural character of West Kosovo. There was little real industrialisation in Istog town: one sawmill (Radusha) founded in the 50s, where by 1989 76 workers produced doors and windows;⁵⁹ and a textile factory founded in the 1960s, where 225 workers produced yarn.⁶⁰ A large car parts factory in nearby Peja (Ramiz Sadiku), half an hour's drive away, absorbed some of the unskilled village labour. However, in 1981 the 50,000 inhabitants of Istog municipality had no more than 3,000 jobs outside agriculture and a mere 250 in industry. In 1989, over 70 percent of the social product of the municipality of Istog was generated in agriculture.⁶¹

Table 4: *The broken promise of socialism in Kosovo*⁶²

Year	Population	Working age population	Non-agricultural jobs (ratio to working age pop.)
1953	813,000	433,000	...
1963	1,021,000	529,000	77,658 (14.7%)
1973	1,329,000	682,000	120,168 (17.6%)
1983	1,676,000	909,000	198,484 (21.8%)
1989	1,939,000	1,102,000	243,441 (22.1%)

Rapid population growth far exceeded the ability of the Kosovo economy to generate jobs. While the ratio of non-agricultural jobs to the working age population rose from 18 to 22 percent in the 1970s, it remained stagnant in the 1980s (see table 4). No more than 22 percent of the working age population had a job outside of (largely subsistence) agriculture.

The collapse of the Yugoslav economy, the dismissals of Albanian workers under Milosevic and finally the collapse of Yugoslavia all reversed whatever gains had been made. Opportunities for paid employment almost entirely disappeared, leaving the villages back where they had been a generation before. Many of the young men (and some young women) who had invested in their own education felt cheated by the turn of events.

“A boy finished high school and signs up at the employment bureau, but there are no results. And there is nothing to do at home – a little wood to gather, a bit of wheat to harvest. They do not know where to turn. If they finish college, they will end up doing physical labor as migrants anyway.”⁶³

59 SOE-Database of the UNMIK Department of Trade and Industry, 26th of August 2002.

60 Ibid.

61 *Statisticki Godisnjak SFR Jugoslavije 1991*, Belgrade, 1992, p. 656.

62 Source: *Statisticki Godisnjaka SFR Jugoslavije 1991*, pp. 414f. The labor force in SFRY included men between 15 and 64 and women between 15 and 59.

63 Janet Reineck, *The Past as Refuge*, 1991, p. 167.

The trend away from formal education in the 1980s was particularly strong for village girls, of whom less than one in five completed primary school. According to Janet Reineck, in Opoja during the late 1970s, 40 percent of the high-school students were females. Ten years later, in 1988, this percentage had plummeted to 4.5 percent.

The Fezaj family in Cerrce illustrates the failed promise of the 1970s. In 1970, when paid employment in Cerrce was impossible to find, young Smajl Fezaj responded to an advertisement posted in a local labour office to take a job in a factory in Stuttgart, Germany, leaving his family in the village. His wages financed the purchase of additional agricultural land and mountain pastures. With more feed for winter and larger pastures for summer, the family could increase its livestock, and began to produce clotted cream (*kajmak*) and cheese to sell.

Smajl's four sons had higher ambitions. All finished secondary school, hoping for jobs in socially owned factories or the public administration. However, only the eldest son was successful, finding a job for a few years in a local utility company. The third son went to Germany in 1989, managing to obtain residency papers in 2002, after 13 years in Germany. The youngest son obtained a university education in Pristina. In 2001, his family found him a wife 'with papers', a woman from a nearby village who worked in Switzerland.

The second son, Faik, entered Germany illegally in 1994 with the assistance of professional traffickers. Once there, Faik received a toleration permit. He worked illegally and was twice arrested by German police during labour inspections. He and his family received the order to leave Germany in 2003. One night a few months later, German police came to their apartment, arrested them and deported the family. In February 2006, Faik died at 44 years of age from a stroke. His father Smajl had died in 2002 on the way to the Pristina airport to return to work in Stuttgart.

The fate of the four Fezaj brothers sums up the modern history of rural Kosovo: traditional agriculture until the 1960s, a brief hope of modernisation in the 1970s, stagnation in the 1980s and exodus in the 1990s. All four brothers began with the same education and opportunities, but were unable to put this to use in the local economy. Today, two of them are doing well in Germany and Switzerland. The third is struggling, surviving largely from his mother's German widow's pension. Faik's widow and four children are left without income, hoping that Faik's brothers will continue to support them.

The promise of the 1970s – education, wage employment and a decent standard of living in Kosovo – proved empty for the vast majority of Kosovo's villagers. Huge numbers were forced into migration, as the only available survival strategy. With a state that was absent or actively hostile, the traditional family was the only institution offering reliable protection against poverty.

C. The impact of migration

For Cerrce and Lubishte, as throughout Kosovo, the 1990s was an era of mass migration. In Cerrce, there are 1,980 'inhabitants' across 300 households. However, a third of these (607) in fact live abroad. In Lubishte, of 2,134 people in 227 households, a quarter of them (572) live abroad.

The first migrants left the villages in the early 1970s as guest workers, and migration continued steadily through the 1980s. However, it was in the 1990s, against the backdrop of Yugoslavia's economic collapse and Milosevic's repression, that migration increased dramatically.

Of the Cerrcians who have migrated, 36 left in the 1970s, 41 in the 1980s and 204 in the 1990s. In Lubishte, the pattern was similar: 38 left in the 1970s, 116 in the 1980s and 242 in the 1990s. While most migrants from Lubishte went to Switzerland, the largest number of villagers who left Cerrce headed for Germany.⁶⁴

Since 1999, however, the migration experience of the two villages diverged. In Cerrce, 1999 marked the point where net migration turned negative for the first time in the history of the village, as Germany began to repatriate Kosovars. Forty-five people have returned 'voluntarily' since 1999, and another 31 were deported. Over the same period, only 20 people managed to leave. As a direct result, 33 households lost their source of remittances.

In Lubishte, migration has slowed significantly compared to the 1990s, but has remained positive. There were 17 voluntary returns and 16 deportations.⁶⁵ Over the same period, 39 people left Lubishte, yielding net emigration of 6 people. The difference lies mainly in the location of the main part of the Lubishte diaspora (72 percent) in Switzerland, which unlike Germany chose not to expel Kosovars after 1999.

However, the era of labour migration from Kosovo has finished for both Switzerland and Germany, as for the rest of Europe. Since 1999, the only legitimate migration route still available is family reunification. Only those who already have close family in the diaspora are able to leave.

What was the impact of this massive outflow of people in the 1990s on the economy and social life of the two villages? The US economist, Jane Jacobs, discussing "regions workers abandon", argues that the contribution of remittances to development is slight. Analysing earlier waves of Yugoslav labour migration, she noted:

"Remittances, while they last, do alleviate poverty in abandoned regions, just as any forms of transfer payments from rich to poor regions alleviate poverty while they last. The money buys imports for people and institutions which they would otherwise have to go without, but that is all it does... They did nothing to convert stagnation to development."⁶⁶

In Lubishte and Cerrce, remittances certainly played a crucial role in alleviating poverty *while they lasted*. In Cerrce, at least 14 of 30 tractors were bought with money earned abroad. Of 100 households who own cars, 45 were bought with remittances. Remittances also paid for reconstruction: at least 79 houses were reconstructed or built with diaspora money, for an average sum of around €30,000 per house. In Lubishte at least 118 houses were financed by remittances. Of 97 households who own a tractor, 91 told us that the money for its purchase was earned abroad. Of 147 households who own a car, 137 bought it with transfers. In short, without transfers there would hardly be any cars, tractors or new houses in the village today.

⁶⁴ The date of departure could not be established for all members of households who are abroad; in addition a number of those now abroad were born there.

⁶⁵ These repatriations took place from Germany, France and Austria.

⁶⁶ Jane Jacobs, *Cities and the Wealth of Nations*, 1984, p. 75.

ESI also calculated the contribution remittances make to the total cash income of villagers in both Lubishte and Cerrce (see Annex 3). In Lubishte, the dependence on remittances is extremely high: 60 percent of total cash income comes from transfers and foreign pensions. In Cerrce, the wealthier of the two, remittances account for 27 percent of total cash income. Although Cerrce has more people abroad, there are more households which receive remittances in Lubishte (see Annex 1 and 2).

However, building houses or buying cars does not produce sustainable growth. What has been the broader impact of migration on the economic structures in the two communities?

In Cerrce, there are 766 residents of working age. Of these, 231 people describe themselves as having some sort of regular cash income. Looking at all existing jobs reveals a deeply depressed region. The old industrial jobs are gone. Commercial agriculture has totally collapsed. Construction work, much of it casual, and public-sector jobs are the two largest sources of income. In Lubishte, the situation is worse. Of 842 residents of working age, only 134 (16 percent) have any kind of paid employment or regular cash income from work, yielding a desperately low rate of employment.

Part of the reason is that remittance-financed capital investments have not helped to change economic structures – that is, to enable people to do new things, or even old things in new ways. The state of agriculture is a good illustration. A large number of tractors have been purchased through remittances. However, the family farms are producing almost exclusively for their own consumption. They produce corn to feed their cattle for dairy products, and grow wheat to bake their own bread. There is no specialisation, and no new crops or techniques. The purchase of tractors has simply produced over-capitalised subsistence farms.

This is due in large part to land fragmentation. In Cerrce, the average household has 1.14 hectares of land. Only 2 farmers own more than ten cows, still driving them to the mountain pastures during the summer. The socialist cooperatives no longer support farmers with the purchase of inputs or the marketing of produce. Shortly after the war, some 10 people in the village began to work in nearby green markets, trading their own and imported fruit and vegetables. Only four of them have continued in this business. Skender Kaliqani, the former director of the socialist cooperative, has the only specialised agro-business in the area. He runs a chicken farm, selling eggs to retailers in Istog and through his own shop.

Qefser Qahili Lubishte has 5 calves, 3 milk cows and one bull. On his land he can produce enough flour to bake bread for 10 months. But life is getting more expensive. Before the war, one litre of gasoline cost €0.30; in 2004 it was €0.70, and now it is €1. The price of fertilisers went from €8 to €12 for a 50kg bag. Qefser complains to ESI:

“If the state gives us gas for a smaller price it would be better. Or if there would be the possibility to take a credit. But we cannot take a credit because nobody in my family has a permanent, salaried work. My brother only has a contract for 1 year and a small salary.”

To survive in agriculture he would have to purchase new land down in the plain sold by Serbs. But this is very expensive and requires savings he will never accumulate. Across Kosovo agriculture generates less cash revenues than are invested. The average annual *expenditure* per farm is €658. The average reported cash *revenue* is €507.⁶⁷

67 *Small farms (less than 2 ha) report expenditure of € 578 and cash revenue of € 408. Source: SOK, Agricultural Household Survey 2004, p. 30.*

Both villages illustrate clearly that Kosovo has no effective agricultural or rural development policy. In the absence of a supportive state, remittances are unable to lift local farmers out of their subsistence level.

In the enterprise sector, most of the private businesses draw on capital earned abroad, but there are few examples of successful transfer of skills learned abroad to the local economy. In Cerrce, every significant private-sector investment was financed from migration earnings. Of the few entrepreneurs in the village, most are returnees. This is also true for the (very few) businesses in Lubishte. However, even these investments have done little to change the pattern of stagnation in the two villages.

There was a construction boom in the first few years after the war (not surprisingly, considering that 90 percent of houses in Cerrce had been destroyed). The largest local construction company, employing 12 people, was launched in 2000 when two brothers returned from abroad with a starting capital of €200,000. However, housing construction was largely complete by 2004, causing the sector to contract rapidly.

The remainder of the private sector in Cerrce is made up of family-run micro-enterprises: shops, taxis, car mechanics. There are a few restaurants and cafés, one swimming pool and an internet café. None of the companies require any special skills.

The era of mass migration is now drawing to a close, without having changed the structure of the economy having generated any sustained cycle of development. In economic terms, remittances have simply brought about more of what was already present in the local economy: construction services, shops, cafés, taxis, car mechanics and petrol stations. They have provided a supplement to household income, enabling some families to enjoy modern consumer goods, while keeping the poorest families one step away from destitution. However, as Jane Jacobs notes, if remittances dry up, these benefits would quickly dissipate.

“The taxi, bought with the savings of years of frugal living in Rotterdam and imported into a poor village in North Africa or southern Europe eventually breaks down beyond repair, and in the meantime it has not earned its owner enough to finance a replacement. The village store fails. The trouble is that the rural economies from which these ambitious migrants come and to which they return are too stagnant and inflexible to make room for new activities.”⁶⁸

As a result, the economic and social problems that made migration a necessity in the past are still very much present. In Cerrce, 35 percent of the population is under 16. Each year, thirty of them reach working age, without a real chance of finding local employment. Without the safety valve of continued migration, the social pressures are accumulating. Yet for rural Kosovo, Cerrce is as good as it gets.

D. To be a woman

One of the social realities setting Kosovo apart from the rest of Europe today is its extremely low rate of female employment. In Cerrce, there are 35 women employed, making an employment rate of 9 percent among working-age women. This is close to the Kosovo average. In Lubishte, there are only two women employed – less than one percent.

68 Jane Jacobs, *Cities and the Wealth of Nations*, 1984, p 77.

Extremely low employment rates among women generate one of Kosovo's most pressing economic problems – its very high dependency ratio. On average, every Kosovo who is employed has to support 4.78 people who are not.⁶⁹

Low employment is a reflection of traditional attitudes on the role of women, which are proving tenacious. In the 1970s, Berit Backer noted that education offered the main hope of changing these attitudes.

“Women's influence today is not so much the result of rebelling housewives as it is the influence of education among girls... In 1975 more girls than boys were attending the secondary school”⁷⁰

But this trend did not survive the onset of the 1981 economic crisis. The percentage of women without primary education is over three times higher than for men. Seventy percent of adult women have only primary education or less.⁷¹

This leaves women extremely dependent on the traditional household. As Janet Reineck noted in the late 1980s, a rural woman in Kosovo

“has little chance of economic survival on her own. She is destined to be economically and emotionally dependent on her husband and his family. In order to live peacefully among them she must earn the respect of the family and the community. To earn this respect, she must fulfil the cultural expectations which inform every part of her life.”⁷²

For Hyre Azizi, secretary at the Lubishte primary school, the main reasons why so few women from Lubishte – currently around ten – attend secondary school are the poverty of so many families and the lack of any real prospect of women earning a living even with education. Most girls, she notes, see that those women who now work as teachers or nurses earn so little that they remain poor. Often the best educated parents, who would be most likely to send their children to higher education, lack the financial means to do so. Those with more money, namely families with members abroad, do not value education the same way – especially since education does not increase a girl's social status. Hyre says:

“a girl with papers is more valuable, she enjoys a higher social status, than a female doctor or engineer working here in Kosovo. There are few reasons for girls to continue studying... Some even quit and throw away their university degree even if they are only 2-3 exams away from finishing, if there is a chance to marry a person with papers. Education has lost its value”.⁷³

Fikrete Dalipi, a carpenter's daughter, is one of only two women from Lubishte currently studying at university. She has completed one semester at Kaktus, one of the new, private faculties in Pristina. It costs €270 each semester to register. Fikrete also pays €60 per month in rent for sharing a flat with other girls in Pristina. Her friend Melihate, whose father owns one of the three shops in Lubishte, will join her for the coming semester, studying economics at Fama private university for €1,300 per year. The two are the first women from Lubishte to

69 SOK Labour Force Survey 2004, p. 15.

70 Berit Backer, *Behind Stone Walls*, 1979, p. 100.

71 SOK, Agricultural Household Budget Survey, 2004.

72 Janet Reineck, *The Past as Refuge*, 1991, p. 11.

73 ESI Interview, 8 September 2006.

study in a decade. With no bank loans or scholarships available, the costs of studying are out of reach for most families.

Some villagers, at great cost and sacrifice, try to offer education as a way forward to their children. Most do not. According to the director of Lubishte's primary school, a father who wanted his children to study would have to sell land to finance it. There is no system of stipends for rural families. Under these conditions, the fact that nobody expects women to work provides a rationale to save on their education.

Social opportunities for women also remain constrained by traditional values. Most women are married by the age of 30, and it is considered a matter of shame for the family if they are not. Divorces remain extremely rare, due to a combination of social and economic constraints. In a society without a social safety net, women have little chance of surviving on their own. Women have equal rights with men under the laws governing inheritance, but very rarely claim their rights. In Lubishte, informants could think of only a single example where a woman had inherited property, in a specific case where there had been no son to claim it. Some villagers regard the official family law as a 'Serb law', and not in keeping with their traditions.

IV. DONNER PARTY IN KOSOVO

In 1994 the US anthropologist Donald Grayson wrote a scientific study of one of the most famous episodes in the history of the American West: the ill-fated Donner Party, which met a tragic end in the snows of the Sierra Nevada. The Donner Party was a group of settlers that set out with wagons on the 2,000-mile trek from Illinois to California in the 1840s. Having crossed the Great Salt Lake Desert, the party became trapped by early snows in the mountains. Unable to go either forward or back, 40 of 87 perished before help arrived in the spring. This included almost all the young men who had travelled without family. Grayson noted that there was a direct correlation between family size and the likelihood of survival:

“surviving males travelled with families averaging 8.4 people. Males who did not survive travelled with families averaging 5.7 individuals. Surviving females of this age travelled with families whose size averaged 10.1 individuals ... larger kin groups seem to have provided life-enhancing support to members of the Donner party”⁷⁴

In 2006 German author Frank Schirrmacher published a book – *Minimum* – that uses the Donner Party as a metaphor for a crisis facing European society in the 21st century. Schirrmacher speaks of the family as *Überlebensfabrik* (“survival machine”) increasingly put under threat by sharply falling European birth rates.⁷⁵ He offers dire warnings of a future in which kinship networks are withering, most children will grow up without brothers or sisters, and people may come to discover in their old age that they have placed too much reliance on the welfare state.

Similar debates are taking place across most of Europe. Today, the new EU member states in Central Europe have some of the lowest birth rates in the world: 1.2 children per woman in the Czech Republic, Slovenia, Latvia and Poland, far below the 2.1 needed to maintain population. Greece, Italy and Spain have had rates of 1.3 and under for a decade. As one

74 Donald Grayson, *Differential Mortality and the Donner Party Disaster*, Evolutionary Anthropology, 1994, p. 157.

75 Frank Schirrmacher, *Minimum*, 2006, p. 39.

recent article noted alarmingly (and erroneously): “no European country is maintaining its population through births.”⁷⁶

However, no contributor to this debate on the future of the European family pointed out that in fact there is today a part of Europe, just one hour’s flight from Vienna, where the traditional, patriarchal family is still the norm. In fact, the situation in rural Kosovo today is the reverse image of that across the rest of Europe, East and West. In Kosovo population growth continues at the rate of 1.6 percent annually.⁷⁷ At this rate, the population doubles within 43 years.

Instead of closing primary schools, as happens today in many German villages, school classes are run in shifts in a desperate attempt to keep up with the demand. There is hardly a woman in rural Kosovo older than 30 who is not married. There are almost no divorces in rural areas. There are almost no single-person households. Like the single strong men who travelled in the Donner party and perished first, they simply would not survive.

Schirmmacher makes the point that an overly economic way of looking at life runs counter to the ‘moral economy’ of the traditional family, where services are rendered without expectation of reward. In fact, in rural Kosovo today there is hardly a cash economy left to compete with the moral economy of the traditional household. Land is not seen as an economic asset, but as the physical basis for a household. Employment outside the family is exceptional. Above all, Kosovo stands out through the almost complete absence of a welfare state to provide security.

The social system of Kosovo takes the solidarity mechanism of the extended Balkan household for granted. It is not designed for a society of nuclear families. The number of recipients of social assistance in Kosovo has *fallen* from 2004 to 2005. No household gets any assistance if there is even one adult who is *available* for work, either in Kosovo or abroad. Whether the adult is actually employed makes no difference. The only exception to this rule is for families which have less than 0.5 ha, nobody abroad and a child younger than 6 years of age. These families may receive a modest benefit, until the child reaches the age of 6.⁷⁸

The history of modern Kosovo shows that there is a price to be paid – in terms of both general economic development and individual autonomy – for having traditional patriarchal families as the only source of social security. However, as long as there is no alternative route to economic security, the traditional values tend to survive. As Hyseni Maxharraj put it to ESI in Cerrce:

“Who would really like to live together with his brother under one roof, when both are married? We are not different from you in Western Europe. It was only out of need that we arranged ourselves for the time being.”

Nonetheless, the history of the Balkans shows that, under certain conditions, the patriarchal household breaks down, even in the absence of any alternative path to material security.

One of the best studies on the impact of economic crisis on family structures is that of Vera Erlich, a Croat social scientist who led a huge research project on changing family structures

⁷⁶ IHT, “Europe, East and West, wrestles with falling birthrates”, 3 September 2006.

⁷⁷ Source: SOK, Demographic and Health Survey 2003.

⁷⁸ Rexhep Rexhepi, responsible for social welfare in Lubishte, to ESI, September 2006.

in Yugoslav villages in the late 1930s. Published in the 1960s, the research shows how a combination of factors – growing dependency of rural households on cash incomes, rising rural populations, a general economic crisis and the curtailment of opportunities to migrate from rural areas either abroad or to cities – eventually destroyed traditional households, breaking them up into many smaller units.

Analysing the data she received from 300 villages across the country in 1938, Erlich found that villages in which the *zadruga* (families which included married sons) still predominated could be found only in Albanian and Orthodox Macedonian villages. In these villages, “sons do not separate from their fathers while he is alive. Such division is regarded as shameful in the extreme.”⁷⁹ In these villages, the authority of the father remained unquestioned. These were close-knit and closed rural communities, which barely participated in the cash economy, and were therefore insulated from the hardship that the Great Depression was generating in the rest of Yugoslavia.

Everywhere else, the traditional family was in turmoil and “in different stages of disintegration”. As the population increased, cities were unable to absorb the excess rural labour.⁸⁰ At the same time, the Great Depression caused a slump in agricultural prices, rapidly eroding farm incomes. Across Yugoslavia, the crisis of the countryside meant that by 1939 the standard of living had fallen below that of a generation before.

“An atmosphere of failure, deceived hopes, and pessimism prevailed. The phenomenon of collapse and rebellion is the main impression when one studies family relations in the state of quick transformation. The most common and also the most significant characteristic of this phase is the extensive discord or disunion in the family which suddenly appears.”⁸¹

Increasing conflict between sons and fathers was a sign that the traditional household was under stress. A report from a village near Niksic in Montenegro emphasized the economic dimension of this challenge to the traditional hierarchies.

“The village was hit by a new wave of scarcity and poverty, and, as a result, the standing of the older people was undermined and hence that of the family. Today more often than ever previously one has children prematurely leaving their parents and not respecting any of the parents wishes.”⁸²

Erlich notes that the breakdown of the authority of the old head of the *zadruga* resulted in conflicts and violence across rural Yugoslavia. “In the stage of the decay of the patriarchal system, the rights of every member of the family became insecure, hence everybody at once fought for more rights.”⁸³

A similar set of factors had been at work in Croatia in the late 19th century, when the collapse of the *zadruga* began there. As the Croatian economist Rudolf Bicanic noted:

79 Vera Erlich, *Family in Transition*, 1966, p. 39.

80 In 1931 population growth was between 1.7 and 2.1 percent in most provinces. See Kaser, 1995, p. 150.

81 Vera Erlich, *Family in Transition*, 1966, p. 424.

82 Ibid. p. 69.

83 Ibid. p. 92: “Peasant sons show inconsiderate attitudes and violence not in the patriarchal phase but in the phase in which the family hierarchy disintegrates.”

“As long as everything proceeded in the house according to old customs, the zadruga members did not criticize the senior, nor blame him for bad management. But when the price of agrarian products dropped, all needs could no longer be satisfied in the old way.”⁸⁴

Is this past chapter of Balkan history about to become Kosovo’s future? For a brief period in the 1970s, it looked like the transition from the traditional Balkan family to smaller urban households would be gradual, triggered by urbanisation and increasing reliance on wage labour. This *has* happened in Pristina. Then came the 1980s and 90s, which brought two changes: an increasingly hostile economic and political environment, and the availability of cash remittances from migrant labour. The traditional family reverted to its old role, given a new lease on life by cash earned in Switzerland and Germany. It was remittances that enabled it to survive the decline of the pastoral economy and agricultural society that had given birth to it.

With the end of mass migration, the pressures in rural Kosovo are now growing rapidly. Kosovo’s villages, which have long since ceased to be economically self-sufficient, are also becoming ever more crowded. As a result of inheritance rules, the average plot has become inadequate even for subsistence agriculture. As the era of migration draws to a close, Kosovo will see its resident population – particularly in rural areas – grow even faster than during the 1990s.

Today, 1,397,333 people live in rural areas (73.2 percent of Kosovo’s population).⁸⁵ In the quarter century since 1981, the urban population grew by 100,000, the rural population by 220,000 people.⁸⁶ It is in rural areas that Kosovo’s population continues to grow fastest today.

In 2004, Kosovo had 117,967 agricultural households.⁸⁷ Between them, they had only 115,000 hectares of land under cultivation.⁸⁸ Almost 90,000 of their farms are smaller than 2 hectares (the average is 0.88 ha).⁸⁹ A growing proportion of rural households no longer have enough land to meet the family’s need for wheat flour for the year. It is simply impossible to divide landholdings any further.

The result is increasing dissatisfaction and discord. Frustrations rise among those abroad, who have reached the limit of their capacity and their willingness to support family back in the village. Dissatisfaction is also rising among sons who no longer wish to contribute their meagre earnings into the communal pot, but instead prefer to take their chances with the nuclear family.

In 2004, ESI was shown a letter in the village of Gjylekare in Viti municipality, just 5 km away from Lubishte, sent by a villager who had emigrated in 1971. Since 1971, he had

84 Rudolf Bicanic in *Agrarna Krisa u Hrvatskoj 1873-1895*, quoted in Vera Erlich, *Family in Transition*, 1966, p. 50.

85 Communication with Statistical Institute Kosovo, international advisor Sasun Tsirunyan, 9 February 2006 and 21 February 2006.

⁸⁶ In 1981, there were 1,171,812 people living in rural areas, 73.9 percent of the total population. *Statisticki Godisnjak Jugoslavije* 1991, Belgrade.

87 An agricultural household is one that possesses and cultivates more than 0.10 ha of arable land or less than 0.10 ha of arable land but at least some livestock.

88 SOK, *Agricultural Household Survey*, 2004, p. 14.

89 In all of Kosovo there are 369 households that SOK considers “large farms” with an average of 25.5 hectares (the size of a small farm in Germany).

bought his family a combine harvester, two hectares of land and a number of vehicles, as well as paid for the construction of new houses for each of his four brothers. In the letter, he informed his brothers that from now on, he intended to work only for himself.

The end of large-scale migration, cutting the lifeline of cash flowing into rural areas, is likely to increase the stresses on rural households, challenging traditional values and accelerating the creation of smaller units.

Modern Balkan history suggests that even the most tried survival machine – the patriarchal family – can break down. At present the Kosovo government and its international advisers seem to be taking the pacifying and social security role of the Kosovo rural household for granted. This is dangerous. In the coming period, the absence of a credible social and economic policies in the rural areas is certain to become increasingly costly.

Austrian historian Karl Kaser, a leading expert on the Balkan family, warned in 1995 that “we can assume that traditional value systems are put under enormous strain by the processes of modernisation; this includes the threat of an explosion under conditions of social crisis.”⁹⁰ Today, all the conditions are in place for such an explosion to occur. To imagine the consequences of this worst-case scenario for Kosovo, it is enough to remember the chaos that swept through Albania in 1996.

V. CONCLUSION – END OF AN ERA?

What is the new era into which Kosovo is currently moving? Ask any diplomat or international official, journalist or analyst, and the answer is likely to be the same: Kosovo is finally on the verge of a decision on final status. In Kosovo, both politicians and citizens look to a decision on final status as ushering in a brave new world.

Yet the harsh reality that will confront Kosovo at that moment is already apparent. Since 2004, the IMF has been sounding the alarm bell. After some years of celebrating the successes of UNMIK’s economic policies, its most recent reports are increasingly blunt in their presentation of Kosovo’s economic situation: Kosovo “could fall into a vicious circle”; it has “deeply rooted problems”; the situation is “fragile”; “vulnerable”; and “the near term outlook, even under a more benign scenario, does not look promising”.⁹¹ Since 2004, Kosovo’s economy has in fact been shrinking, despite the continuing international presence. However, this alarming news has not yet begun to filter through into international thinking about Kosovo’s future.

The succession of bad economic news has not led international and local policy makers to examine the structural causes of the disappointing economic performance since 1999. It has not led to a closer look at economic trends in rural areas, and it has not triggered a serious debate on the impact of European migration policy on Kosovo.

If such a debate were to begin now, how would it need to be conducted to lead to meaningful results? Clearly, on the side of Kosovo politicians, the first step would be to define credible economic and social policies for rural areas that would bring about the structural changes that migration alone will never produce. Agricultural policy remains marginal to the domestic political debate. In relative terms, Kosovo has the largest rural population and the lowest per

⁹⁰ Karl Kaser, *Familie und Verwandtschaft auf dem Balkan*, 1995, p. 16.

⁹¹ IMF, *Gearing Policies*, 2004, p.5.

capita spending on agriculture and rural areas in the Western Balkans.⁹² Any national development strategy must also address the problem of inadequate access to and high costs of further education in rural areas. New funding schemes to enable rural students, including women, to receive a proper education should be a national priority.

European countries should also work with Kosovar authorities to set in place work migration schemes to parts of the European Union in need of labour, in a way that is politically acceptable to European countries. This would obviously require close cooperation between European and Kosovar institutions in fighting organized crime, already a European priority interest in Kosovo and one concern of the public in many EU countries. But it would also require concrete steps to help Kosovars gain access to EU labour markets.

That a managed process of labour migration is feasible is apparent from the experience of other migratory movements in the past five years. Since joining the European Union in May 2004, the small state of Latvia has seen between 50,000 and 100,000 of its citizens move to work in other European countries (where there is an obvious demand).⁹³ In Romania, authorities estimate that there are over 2 million Romanians working abroad, many of them seasonally in Italy and Spain, taking advantage of direct bus links between their villages and Italy, Spain or France. There are indications that low birth rates and migration to wealthier EU members are beginning to create labour shortages in numerous other expanding European economies, including in Central Europe. In recent years, a booming Spanish economy has accepted close to 500,000 foreign workers annually. As a recent article put it:

“a decade’s worth of robust economic growth had transformed Spain from a country that primarily exported workers to one that desperately needed to bring them in... there are still many jobs, particularly in fields like construction or information technology, that Spanish workers are either unwilling or unqualified to do. Moreover, Spain’s impressive economic performance is coupled with one of the lowest birth rates in Europe, meaning companies will have trouble finding replacements for retiring workers without turning to immigrant labor.”⁹⁴

Kosovo should set up a national institution to manage the economic, social and legal implications of migration. Such an institution would need to focus not only on Germany, Austria and Switzerland, the classic destinations of Kosovars, but on the whole European labour market. It should study experiences with work migration from around the world, and lobby for access of Kosovars. It should also provide feedback to education institutions and policy makes in Kosovo on the needs of European labour market and their implications for education and training.

There is much loose rhetoric about the *Europeanisation* of Kosovo as the way forward after resolving its status. But unless such Europeanisation includes at least some focus on migration and some access to European labour markets, it will remain no more than a slogan. Unless its benefits can be seen by citizens in Lubishte and Cerrce, in Isniq and Opoja, it will be no more substantial than the promise of communism. Current EU policy – to continue to invest tens of millions of Euro to stabilize Kosovo and South Eastern Europe without a credible development policy – is incoherent. So is the practice of Kosovo authorities of relying on remittances to keep the rural economy afloat.

⁹² Christian Boese, Emil Erjavec, Miroslav Radnak, *Strategic Study – Support to Agricultural Sector in the Western Balkans*, Arcotrass, 2005.

⁹³ International Herald Tribune, *Migration’s flip side: all roads lead out*, 6 December 2005.

⁹⁴ International Herald Tribune, *New EU opens doors to eastern workers*, 2 May 2006.

Both the citizens of rural Kosovo and European tax-payers deserve better than a set of policies that are failing and bound to fail in the future. It is only by reconsidering current policies that a worthy goal – to stabilise once and for all the Southern Balkans after a decade of wars – will be reached.

ANNEX I – Cerrce in figures (2005)

Total population	1,980				
Resident population	1,311				
Resident in rest of Kosovo	62				
Abroad	607	376	Germany		
		72	Switzerland		
		42	Austria		
		38	Sweden		
		17	Norway		
		17	Luxembourg		
		16	Belgium		
		24	<i>other countries</i> (France, Croatia, Australia, United Kingdom, Italy, USA, Albania)		
		5	unknown		
Total households	300	78	all members abroad		
		8	elsewhere in Kosovo		
		55	in Cerrce with some members abroad		
		159	in Cerrce with nobody abroad		
Average household size	6.6		(including non-resident members)		
Age of resident population		451	1-15 years		
		766	16-64 years		
		84	65 and older		
		10	age unknown		
Working age population	766	376	Men	194	working
		390	Women	35	working
Men and Women working	229	83	Private Sector		
		55	Public Administration		
		39	Farming (4 of these: illegal woodcutting)		
		23	Seasonal jobs (mainly construction)		
		18	Socially-owned companies / Public companies		
		11	International Organisations (six NGOs)		
Private sector jobs	83		25 in construction (eight leaders of on/off construction teams, twelve in Gurrakuq, one in Istog, one freelance painter, one excavator driver, two workers in quarry in Cerrce)		
			11 in three sawmills, a furniture production and a wooden floor producer; 2 taxi drivers, 1 bus driver, 7 car mechanics; 20 in nine cafés and restaurants and one internet café; 8 in trade (four traders of scrap metal, cattle and eggs from own production; four in shops and petrol station); 5 workers, 1 guard, 1 in agricultural pharmacy; 1 in credit organisation, 1 engineer in IT company		
Social assistance	29		households (estimated 129 members) total transfer each month: € 1,792		
Kosovo pensions	80		total transfer each month: € 3,360		
Foreign pensions	12		total transfer each month: € 4,510		

Estimated remitters

71

total transfer each month: € 15,852,88

The assumption is that all 71 adult men abroad with members of their household in the village remit. Their average salary (from the survey) is € 1,488.57 per month. If they send 15 percent every month, as the IMF assumed in its own calculations, this would amount to remittances of € 223.28. This fits with the amount of remittances received by rural households according to the 2003/4 Household Budget Survey.

Table: Monthly work income in Cerrce

	Jobs	Average cash income per month (€)	Total per month (€)
Seasonal work and farming	62	121 ⁹⁵	7,502
Self-employment	35	345 ⁹⁶	12,075
Private employment	48	280 ⁹⁷	13,440
Public companies/SOEs	18	206 ⁹⁸	3,708
NGOs/IOs	11	324 ⁹⁹	3,564
Public administration	55	167 ¹⁰⁰	9,185
Total	229	216	49,474

Table: Monthly transfers and work income in Cerrce

	Income	Average per month (€)	Total per month (€)
Employment	229	216	49,474
Social aid (Kosovo budget)	29	62	1,798
Kosovo pensions	80	42	3,360
Foreign pensions	12	376	4,512
Remittances	71	223	15,833
Total	520	144	74,977

66 percent of income is generated through work. 34 percent is transfers. Of total transfers (€ 25,503), only 7 percent are social aid and 13.2 percent local pensions. Of the total income these Kosovo public transfers make up only 6.9 percent. 79.8 percent of total transfers are remittances: 62.1 percent worker remittances and 17.7 percent foreign pensions.

95 On the basis of 18 answers.
 96 On the basis of 20 answers.
 97 On the basis of 35 answers.
 98 On the basis of 17 answers.
 99 On the basis of 7 answers.
 100 On the basis of 51 answers.

ANNEX II – Lubishte in Figures (2005)

Total population	2,134		
Resident population	1,543		
Resident in rest of Kosovo	19		
Abroad	572	414	Switzerland
		79	Germany
		31	Austria
		35	United States
		13	<i>other countries</i> (France, Italy, Slovenia and Belgium)
Total households	227	34	all abroad
		5	all elsewhere in Kosovo
		88	in Lubishte with some members abroad
		100	in Lubishte with nobody abroad
Average household size	9.5		(including non-resident members)
Age of resident population		628	1-15 years
		842	16-64 years
		73	65 and older
		0	<i>age unknown</i>
Working age population	842		
		407	Men 131 working
		435	Women 2 working
Men and Women working	133	40	Farming (earning cash income)
		38	Private Sector
		26	Public Administration
		19	Seasonal jobs
		9	Socially-owned companies / Public companies
		1	International Organisation
Private sector jobs	38		
			2 in car repair shops in Ramnishte and Lubishte
			4 in construction (3 qualified in glass works, water and electrical installations)
			4 in two carpentries
			9 taxi drivers
			11 in six grocery shops
			1 construction material trade
			1 used cars trader
			1 white goods dealer
			1 boutique
			8 in four restaurants in Viti and Klllokot (Qebaptore, Kalaja, Kulla and Hevi) and in one billard room in Viti
Social assistance	38		households (estimated 167 members)
			total transfer each month: € 2,386
Kosovo pensions	74		total transfer each month: € 3,108

Foreign pensions	5	total transfer each month: € 2,668.75
Estimated remitters	156	total transfer each month: € 30,639.96

The assumption is that all adult men abroad with household members in the village are remitters. Their average (declared) salary abroad is € 1,309.37 per month. 15 percent of this would be € 196,41. In this case total transfer each month would be € 30,639.96.

Table: Monthly Work Income in Lubishte

	Jobs	Average cash income per month (€)	Total per month (€)
1. Seasonal work and farming	59	114 ¹⁰¹	6,726
2. Self-employment	33	125 ¹⁰²	4,125
3. Private employment	5	118 ¹⁰³	590
4. Public companies / SOEs	9	144 ¹⁰⁴	1,296
5. NGOs/IOs	1	350 ¹⁰⁵	350
6. Public administration	26	153 ¹⁰⁶	3,978
Total work income	133	128	17,065

Table: Monthly transfers and income

	Income	Average per month (€)	Total per month (€)
Employment	133		17,065
Social assistance	38	63	2,394
Kosovo pensions	74	42	3,108
Foreign pensions	5	534	2,670
Remittances	156	196	30,576
Total work/transfer income	406	137	55,813

Jobs generate 30.5 percent of all cash income. Transfers account for 69.5 percent. Of total transfers (€ 38,803) 6.2 percent is social aid. 8 percent are local pensions. Remittances are 85.9 percent of all transfers: 79 percent are worker remittances and 6.9 percent foreign pensions.

101 On the basis of 7 answers of seasonal workers. Farmers did not state cash income. According to the 2004 Agricultural Household Survey, the average cash income of a farmer is negative (i.e. Kosovo farmers spend more cash on inputs like fertiliser or petrol than they receive for sales in the market).

102 On the basis of 17 answer.

103 On the basis of 4 answers.

104 On the basis of 9 answers.

105 On the basis of one answer.

106 On the basis of 26 answers.

ANNEX III – A rich and a poor village

Table: Cash Income in two Kosovo villages

	Lubishte		Cerrce	
	Income per month (€)	%	Income per month (€)	%
1. Social assistance	2,394	4.3	1,798	2.4
2. Kosovo pensions	3,108	5.5	3,360	4.5
3. Foreign pensions	2,670	4.8	4,512	6.0
4. Remittances	30,576	54.8	15,833	21.1
5. Economic activities	17,065	30.6	49,474	66.0
Total	55,813	100.0	74,977	100.0
Per capita	36		57	

Remittances account for almost 55 percent of cash income in Lubishte. 5 foreign pensions account for another 5 percent of cash income.

In Cerrce income from remittances has fallen to 21 percent of cash income. Not surprisingly, 12 foreign pensions generate more income than 80 Kosovo pensions.

The per capita income in Cerrce is significantly above that in Lubishte.

Social assistance plays a very limited role in both villages.

ANNEX IV – VILLAGE RESEARCH METHODOLOGY

Our goal in these detailed case studies was to estimate sources and types of cash income in one relatively prosperous and in one relatively poor rural area. Another was to understand the kind of jobs that have emerged in post-war Kosovo, the prospects for job creation for the rural population, and the size, nature and impact of migration. In the course of the research, changing household structures came ever more sharply into focus as central to understanding the plight of the countryside. To obtain hard data, a house-by-house survey was undertaken in two villages, in close cooperation with members of the respective village councils. The survey was launched in spring 2004, and analysed and completed in 2005.

The ESI questionnaire had 44 questions (see below). Both villages were visited several times by teams of ESI researchers. In Cerrce and Lubishte, detailed maps of the village were drawn, and data was collected house-by-house.

In early 2005, the responses were analysed for consistency, and used to identify additional research questions. ESI researchers then visited many individual families and the village leaders, making corrections to the survey data and collecting additional qualitative information. The data was presented to local leaders to check for obvious mistakes and to obtain feedback. Co-operation from the villagers was high. In the case of Lubishte, the leader of the village council and an activist visited each family to support them in completing the forms. In the case of Cerrce, the village leader called a session of the village council and distributed the forms to the representative of each neighbourhood (*mahalla*). Nobody was paid for participating in the research, and there were no additional motivating mechanisms beyond the moral influence of village council members.

Obtaining answers to 44 questions for over 4,000 individuals (1,980 in Cerrce and 2,134 in Lubishte) was obviously a challenge. Where a complete household was absent, neighbours and members of the village council would supply basic information (number of household members, names, place of residence).

There are gaps in data where entire families were abroad. In Cerrce, we did not obtain the gender of 27 people, the first name of 109, the birthplace of 142 or the education level of 534. In Lubishte, on the other hand, much less information was missing: the age was missing in only 3 cases, while 202 chose not to answer the question on their level of education. Contradictions were checked and questions asked again. One reason for missing data was the absence of whole families, for which people did not know all answers. In most cases, the gaps in the data are not statistically significant. The only area where full information was not forthcoming was on the level of regular remittances, which some households were reluctant to disclose.

The questionnaire had 44 questions:

Questions related to the family relations, names and surnames, birth place, age and place of living:

- which mahalla
- which houses
- which relation to the household head
- birthplace
- residence
- age

Questions related to education, employment and local incomes:

- Schooling, literacy
- profession
- place of employment
- monthly income from work
- seasonal work income per month
- income from sales of farm products

monthly local pension
social aid
pensions

Questions related to migration:

year of emigration
possession of regular work permit
other residency statuses (refugee, asylum, illegal)
year of voluntary return
year of forced return

Questions related to transfers and remittances from diaspora (and IC):

start-up capital for entrepreneurs
foreign pensions
current remittances
level of remittances in comparison to year before
level of remittance in comparison before war
transfers for the purchase of automobiles
transfers for the purchase of tractors
transfers for the construction of houses
transfers for the reconstruction of houses
international aid for reconstruction of houses
transfers for investments into agriculture

Questions related to property, ownership, infrastructure:

company
automobile
tractor
house
house in other places
size of land
ownership of land
cows
chicken
sheep
stall
infrastructure

ANNEX V – IMF REMITTANCE CALCULATIONS (2004)

It is instructive to examine in more detail exactly how some IMF remittance estimates are arrived at. The methodology is set out in an annex to a November 2004 IMF report.¹⁰⁷ While there are household surveys giving figures on remittance income, the IMF considers that the true scale of remittances is significantly underreported. It therefore scales them up, using the following calculations.

In 2003, a large Demographic and Health Survey calculated (based on sampling) that Kosovo Albanian households have about 170,000 family members in foreign countries.¹⁰⁸ Of these, 80,000 men and 35,000 women are adults.¹⁰⁹

The IMF assumes that all adult men and half of all adult women are employed and likely to remit a share of their income, giving a total of 100,000 remitters.

Most of the Kosovo Albanian diaspora is in Germany. To simplify the calculations, the IMF assumes that all of them are in Germany.

The authors then assume that the average income of a Kosovo Albanian abroad is the same as that of the average German (€26,700 per annum), and that they remit 15 percent of their annual income (which other surveys have suggested is the rate for Latin American workers in the United States).

Thus, there are 100,000 remitters sending back an average of €3,700 each year, for a total of €370 million.

Any modelling of this nature necessarily entails simplifications. What makes these particular calculations problematic is that they use assumptions in place of facts that could easily be ascertained.

It is not reasonable to assume that all working-age Kosovo Albanian men abroad have a full-time job. German government figures show that the employment rate of ‘Yugoslav’ immigrants (citizens of Serbia, Montenegro and Kosovo – there is no special category for Kosovo Albanians) is significantly lower than for Germans. In 2003, 27.4 percent of all Yugoslavs in Germany worked, compared to 33.2 percent of all Germans. Yugoslav households had on average more children to support (2.1) than German households.¹¹⁰ It is also a younger population, with 24.8 percent of all ‘Yugoslavs’ under 18 years of age.¹¹¹ Nor is it reasonable to assume that Kosovo Albanians in Germany have the same income as Germans. Official figures show that 54 percent of all foreign workers in Germany are in blue-collar employment, compared to only 30 percent of Germans. Furthermore, the German government reports that in 2002, around 20 percent of Yugoslav immigrants were unemployed, receiving social assistance or aid for asylum seekers,¹¹²

If these known facts are taken into account, the calculation of total remittances produces much lower figures. If we retain the assumption that all of these 170,000 Kosovo Albanians live in Germany, then on average 27.4 percent of them have employment, yielding 46,600 wage earners, not 100,000. And if they do manage to remit 15 percent of an average German wage, total remittances would come to only

107 IMF, *Kosovo – gearing policies towards growth and development*, 18 November 2004, Annex II, “Estimating workers’ remittances” pp. 67-71.

108 SOK, *Demographic and Health Survey 2003*, Chapter 3 – Population characteristics, pp. 24ff.

109 Source: *Ibid.*, p. 25.

110 Published in Statistisches Bundesamt, *Strukturdaten und Integrationsindikatoren über die ausländische Bevölkerung in Deutschland 2002*, Wiesbaden 2004, table 4.4.

111 Beauftragte der Bundesregierung fuer Migration, *Flüchtlinge und Integration, Daten – Fakten – Trends. Strukturdaten der ausländischen Bevölkerung*, Berlin, 2004, p. 20; Source: Statistisches Bundesamt.

112 No large sums can be remitted from welfare benefits, which are partly paid in kind and not in cash. Statistisches Bundesamt, *Strukturdaten und Integrationsindikatoren über die ausländische Bevölkerung in Deutschland 2002*, March 2004, Table 1.6.3, Table 7.6 and Table 8.10.

€187 million – about half of the IMF estimate. However, the likelihood is that their real earnings are even lower. It is clear that the IMF estimate is too high to be plausible.