CZU: 339.94(450:478):323.113 **https://doi.org/10.59295/mpdnwe2024.07**

FOSTERING GROWTH: PROMOTING ECONOMIC RELATIONS IN EUROPEAN UNION FOR MOLDOVA DIASPORA EMPOWERMENT

ANTOCI Natalia
Moldova State University, Chisinau, Republic of Moldova
antocinatalia57@gmail.com
ORCID ID: 0000-0002-7433-106X
Pietro IANQUINTA
UNICAL – Università della Calabria, Italy
pietro.iaquinta@unical.it
Iris CEKANI
University of Tirana, Albania
info@unitir.edu.al
Francesco FAVIA
Pavaresia University College, Vlore, Albania

Purpose of the article: This article explores the influence of the evolving economic relationship between Italy and the Republic of Moldova on the strengthening of the Moldovan diaspora in Italy. By examining the multifaceted dimensions of this relationship, the study aims to highlight how economic ties can foster community cohesion and support among Moldovans living abroad.

Methodology: The research employs a mixed-methods approach, integrating both quantitative and qualitative data. Surveys were conducted among members of the Moldovan diaspora in Italy to gather insights into their perceptions of economic opportunities and community dynamics. Additionally, interviews with key stakeholders, including policymakers and community leaders, were undertaken to contextualize the economic developments and their effects on diaspora consolidation.

Conclusions: The findings indicate that the strengthening of economic ties between Italy and the Republic of Moldova significantly contributes to the cohesion of the Moldovan diaspora. Increased investment opportunities, remittances, and business collaborations have fostered a sense of community among Moldovans in Italy, enhancing their cultural identity and support networks. The article concludes that promoting economic relations is crucial for the diaspora's social and economic empowerment.

Originality: This study offers a novel perspective on the interplay between economic relations and diaspora dynamics, emphasizing the importance of economic factors in shaping community identity and solidarity. It contributes to the existing literature by providing empirical evidence from the Moldovan context and highlighting the broader implications for similar diasporic communities.

Keywords: Economic relations, diaspora consolidation, Moldova, Italy, community cohesion, remittances, investment opportunities.

Introduction

The relationship between economic relations and the empowerment of Moldova's diaspora within the European Union (EU) has been the subject of significant scholarly investigation. A wealth of research highlights the vital role that diaspora communities play in fostering socio-economic development and promoting Moldova's European integration. This literature review synthesizes findings from multiple studies, focusing on the contributions of diaspora policy, economic diplomacy, and cultural integration efforts.

The body of literature reviewed provides a comprehensive understanding of the interplay between economic relations and diaspora empowerment in the EU context. Scholars such as Moșneaga, Rusu, Enachi, Lozovanu, Hincu, and Morozan have highlighted the multidimensional contributions of Moldova's diaspora to national development and European integration. Their findings emphasize the critical role of diaspora communities in bridging cultural, economic, and political divides. While challenges remain, the consensus among these scholars is clear: Moldova's diaspora is a valuable asset that, if strategically engaged, can drive sustainable economic growth and strengthen the country's European ties. Future research and policy initiatives should focus on addressing structural barriers and fostering innovative collaborations to unlock the full potential of this dynamic community.

Results and discussions

V. Moșneaga (2014) provides a foundational analysis of Moldova's diaspora policy in his article Republic of Moldova: Diaspora and Diaspora Policy. He emphasizes how the government's strategic engagement with Moldovans living abroad has enhanced Moldova's global image while strengthening ties with host countries in the EU. Moșneaga argues that diaspora policy functions as both a diplomatic tool and a bridge for economic collaboration. This policy not only fosters cultural cohesion but also aligns with Moldova's aspirations to integrate into European structures.

Similarly, R. Rusu (2012), in The Impact of Diaspora on Political Processes in the Republic of Moldova, explores the interplay between cultural engagement and economic cooperation. Rusu highlights the dual nature of diaspora influence, wherein Moldovans abroad contribute to shaping public policies in their homeland while simultaneously advocating for stronger ties with the EU. His findings underline the diaspora's role as a significant political and economic constituency that supports Moldova's European trajectory.

The economic impact of Moldova's diaspora is a recurring theme in the literature. V. Lozovanu (2015), in Economic Diplomacy: Reintegration of the Missing Link in the Foreign Policy of Moldova, examines how Moldova leverages its diaspora as economic ambassadors. Lozovanu identifies the diaspora as a critical element in Moldova's foreign policy, facilitating trade, attracting foreign direct investment, and promoting Moldova's business potential in European markets. His policy-focused analysis highlights the need for cohesive strategies that integrate diaspora networks into national development goals.

Further expanding on this theme, A. Enachi (2016), in Diaspora Contribution to the Europeanization Process in the Republic of Moldova, discusses how the Moldovan diaspora has supported the country's Europeanization. Enachi provides specific examples, such as economic partnerships with Italy, that demonstrate how diaspora communities act as intermediaries between Moldova and EU member states. He argues that this dynamic not only strengthens economic ties but also enhances Moldova's credibility as a European partner.

D. Hincu (2019) contributes to this discourse with his research on Mainstreaming Migration into Development: Potential in Engaging Its Diaspora. Hincu investigates the potential for harnessing diaspora resources to drive sustainable development in Moldova. His work highlights the underutilized potential of migration-driven development policies, arguing that Moldova could achieve greater economic growth by fostering stronger institutional support for diaspora initiatives.

A complementary perspective is provided by S. Morozan (2019), who explores the impact of migration patterns and visa liberalization in the EU on Moldova's diaspora. Morozan's findings reveal

that the integration of Moldovans into EU labor markets has created a robust network of skilled professionals and entrepreneurs. These individuals serve as conduits for knowledge transfer and economic collaboration, enriching both Moldova and the host countries.

The political dimensions of diaspora contributions are well-articulated by Enachi (2016) and Moșneaga (2014). Both authors argue that Moldovan diaspora communities are not only economic agents but also cultural and political advocates. Enachi highlights instances where diaspora groups have actively lobbied for Moldova's EU aspirations, showcasing their role as mediators in bilateral agreements and trade negotiations.

Rusu (2012) also notes the influence of the diaspora in electoral processes and public opinion formation, asserting that diaspora mobilization during elections has had significant repercussions for Moldova's policy directions. This political engagement has further reinforced Moldova's alignment with European values and economic policies.

While the literature unanimously recognizes the diaspora's positive contributions, it also highlights challenges. Lozovanu (2015) and Hincu (2019) discuss the fragmented nature of Moldova's diaspora policy, emphasizing the need for a more structured and inclusive approach. Lozovanu points to gaps in communication and institutional support, which hinder the full mobilization of diaspora resources.

Moreover, Morozan (2019) and Rusu (2012) identify integration challenges in host countries as a barrier to maximizing diaspora potential. These include issues of cultural adaptation, labor market barriers, and limited access to investment opportunities in Moldova. Addressing these challenges, the authors suggest, would require coordinated efforts between Moldova and EU member states.

The literature collectively underscores the need for Moldova to deepen its engagement with diaspora communities through innovative policies and partnerships. Enachi (2016) proposes the establishment of transnational business councils to facilitate trade and investment, while Hincu (2019) emphasizes the importance of educational and vocational programs to upskill diaspora members.

Lozovanu (2015) and Moșneaga (2014) advocate for enhanced cultural exchange initiatives, which could strengthen Moldova's soft power within the EU. Both authors suggest that fostering cultural ties would not only benefit Moldova's diaspora but also promote the country as an attractive economic partner in Europe.

The Moldovan diaspora, particularly those residing in European Union (EU) countries, plays a pivotal role in the economic and social fabric of the Republic of Moldova. The revenue generated by this diaspora, through remittances, investments, and trade facilitation, constitutes a significant portion of the country's financial inflows. This narrative delves into the multifaceted contributions of the EU-based Moldovan diaspora, their impact on Moldova's economy, the challenges encountered, and potential strategies to optimize their role.

One of the most direct and substantial ways the Moldovan diaspora in the EU contributes to the country's economy is through remittances. These financial transfers, sent to support families back home, have consistently represented 15-20% of Moldova's GDP, underscoring their importance in the national economic framework. In rural areas, remittances often act as a lifeline, funding essential needs such as food, housing, education, and healthcare.

The diaspora residing in countries like Italy, Germany, and Spain, among other EU states, predominantly works in industries such as construction, agriculture, domestic services, and hospitality. These sectors offer stable incomes, enabling Moldovans to remit significant portions of their earnings to

family members. The favorable exchange rates and stable economic conditions in the EU further amplify the impact of these financial flows, providing a crucial buffer for Moldova against economic volatility.

Remittances are not merely instruments of survival for Moldovan families; they also contribute to broader economic stability. By driving household consumption, they stimulate demand for goods and services within the domestic market. This, in turn, supports local businesses and sustains employment, creating a ripple effect that benefits the economy at large.

Beyond remittances, the Moldovan diaspora has begun playing an active role in fostering investment and entrepreneurship in their home country. Many expatriates channel their earnings into real estate investments, purchasing homes for personal use, rental income, or future returns. This trend has significantly boosted the real estate sector in Moldova, particularly in urban areas.

In addition to real estate, small and medium enterprises (SMEs) have emerged as a key area of diaspora investment. Moldovans residing in the EU often leverage their experiences abroad to establish businesses in sectors such as agriculture, tourism, and retail back home. For instance, Moldova's agricultural exports, including its renowned wines, have gained traction in EU markets, driven in part by diaspora entrepreneurs acting as intermediaries or distributors.

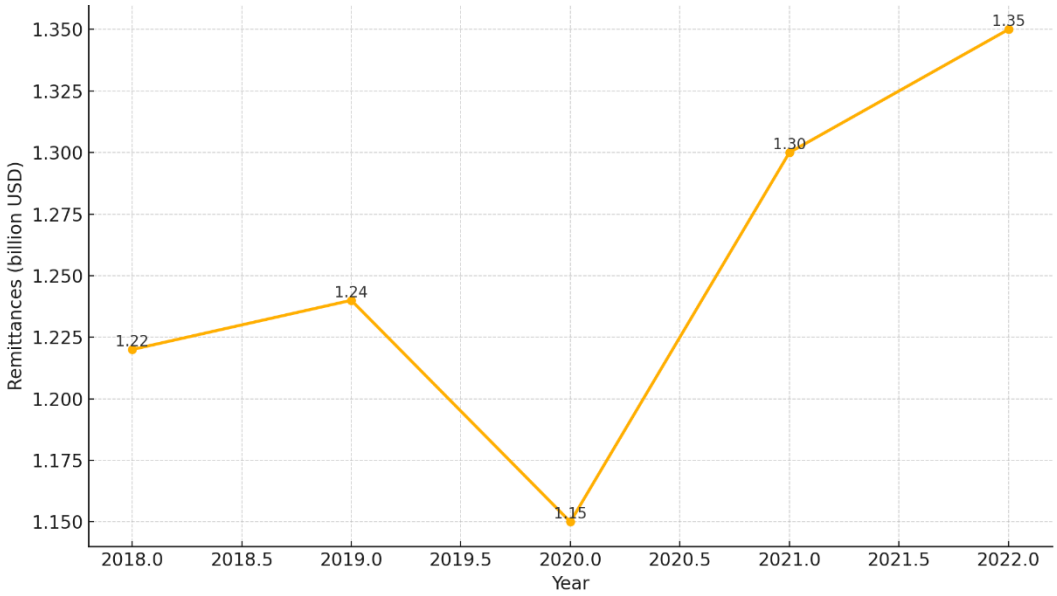


Figure 1: Remittances from diaspora

These investments are not limited to traditional industries. A growing number of Moldovan expatriates are channeling funds into start-ups, particularly in technology and sustainable agriculture. Collaboration with EU partners has enabled some Moldovans to capitalize on the country’s low labor costs and access to European markets through preferential trade agreements.

The diaspora’s contribution extends beyond financial transfers and investments; it also plays a critical role in bolstering Moldova’s trade and export potential. By creating demand for Moldovan products in EU markets, diaspora communities act as informal ambassadors for their home country. Traditional goods, such as wines, agricultural products, and artisanal crafts, find a receptive audience

among diaspora members and their extended networks, which helps establish Moldova's presence in the European market.

Furthermore, Moldovan expatriates often act as conduits for introducing local businesses to EU trade opportunities. Through informal and formal networks, they facilitate connections between Moldovan producers and European buyers, enabling the export of goods and services. This engagement is particularly significant given Moldova's dependence on external markets to sustain its economic growth.

While the Moldovan diaspora's contributions are substantial, several challenges hinder the full realization of their economic potential. One of the most pressing issues is the prevalence of informal remittance channels. Many Moldovans abroad opt for unofficial methods to send money home, driven by lower costs and ease of use. However, these informal transfers are difficult to track and integrate into Moldova's formal economic planning.

Another challenge lies in the fragmented nature of diaspora engagement policies. Although Moldova has taken steps to foster closer ties with its expatriates, institutional support remains insufficient. Many members of the diaspora find it difficult to access investment opportunities or navigate bureaucratic hurdles when attempting to contribute to Moldova's development.

Additionally, integration challenges in host countries often limit the diaspora's capacity to contribute effectively. Moldovans in the EU face barriers such as language difficulties, discrimination, and limited access to certain sectors of the labor market. These challenges reduce their economic potential and, by extension, the scale of their contributions to Moldova.

In addition to their economic contributions, the Moldovan diaspora plays a significant role in shaping the country's political and social dynamics. Diaspora communities have been active in supporting Moldova's European integration efforts, lobbying for policies that align the country with EU norms and values. Their participation in Moldovan elections has been particularly impactful, influencing the country's political direction and public policy decisions.

Socially, the diaspora acts as a bridge between Moldova and the EU, facilitating cultural exchanges and promoting Moldova's rich heritage abroad. Through community events, cultural festivals, and advocacy, the diaspora strengthens Moldova's soft power in Europe, enhancing its image and fostering goodwill.

Conclusions

The Moldovan diaspora in the EU represents a vital asset for the country's economic and social development. Their contributions, spanning remittances, investments, trade facilitation, and cultural diplomacy, have the potential to transform Moldova's economic landscape. However, realizing this potential requires coordinated efforts to address the challenges outlined above.

With targeted policies and sustained engagement, Moldova can strengthen its ties with its diaspora and maximize their contributions. By creating an environment conducive to investment, collaboration, and cultural exchange, the country can ensure that its expatriates continue to play a pivotal role in its growth and integration into the European community.

The revenue generated by the EU-based Moldovan diaspora is a cornerstone of the Republic of Moldova's economy. Their remittances support millions of families, their investments drive local businesses, and their advocacy fosters stronger ties between Moldova and the EU. While challenges persist, strategic interventions and institutional reforms can unlock the full potential of this dynamic

community. In a rapidly globalizing world, the Moldovan diaspora stands as a testament to the power of transnational collaboration in driving national development.

Bibliography

1. Enachi, A. (2016). *Diaspora contribution to the Europeanization process in the Republic of Moldova*. Eurolimes. https://www.academia.edu/download/49010621/EU_Relations_with_Eastern_Partnership._Strategy__Opportunities_and_Challenges-30308.pdf#page=272
2. Hincu, D. (2019). *Mainstreaming migration into development: Potential in engaging its diaspora*. Global Campus Human Rights Report. https://scholar.archive.org/work/xb7dk2xqx5el5k4orq3mrmgwp4/access/wayback/http://swe.uw.edu.pl/10.10.pdf
3. Lozovanu, V. (2015). *Economic diplomacy: Reintegration of the missing link in the foreign policy of Moldova*. IDIS "Viitorul" Policy Brief. http://viitorul.org/files/4641294_en_policy_brief_n.pdf
4. Moșneaga, V. (2014). *Republic of Moldova: Diaspora and diaspora policy*. Slovenská politologická revue. http://archive.sciendo.com/SJPS/sjps.2014.14.issue-2/sjps-2014-0007/sjps-2014-0007.pdf
5. Morozan, S. (2019). *Dynamics of migration flows in the Republic of Moldova in the European Union*. Simpozion Științific Internațional al Tinerilor Cercetători. https://ibn.idsi.md/sites/default/files/imag_file/48-56_3.pdf
6. Rusu, R. (2012). *The impact of diaspora on political processes in the Republic of Moldova*. Administrarea Publică. https://ibn.idsi.md/sites/default/files/imag_file/14.The%20impact%20of%20Diaspora%20on%20political%20processes%20in%20RM.pdf