

## The Regional Distribution and Demographic Impacts of the Housing Allowance Program of the Vojvodina Economic Development Program

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### Abstract

*The relationship between demographic trends and economic performance has long been a central topic of scientific research. Population changes are determined by the number of births, deaths, and migration. In most developed countries, the birth rate has significantly decreased in recent decades. The population of Vojvodina and its neighbouring countries, including Hungary, has been steadily declining in recent decades. This trend is consistent with demographic processes in developed countries worldwide. The aim of the Vojvodina Economic Development Program is providing subsidies to ensure people's thriving in their homeland, with one of its key elements being home creation allowances linked to economic goals. The study examines the interconnections between demographic data and family support subsidies in Vojvodina, comparing it with population statistics from Hungary, its neighbouring countries as well as several other European states. In addition to demographic analyses based on both domestic and international literature, the study briefly reviews the family and home creation allowance systems of Hungary and the Visegrád countries, with a particular focus on measures aimed at retaining population and improving families' housing conditions. The study explores the significance of such grants in terms of improving the demographic situation of communities in the examined areas.*

**Keywords:** *demographic trends, home creation, family support, economic development, Vojvodina*

**JEL:** *D19, J13, J18, O18, R10*

### Introduction

The relationship between demographic trends and economic performance has long played a central role in the research of economics, sociology (Botev, 2012), and political science. Demographic changes, such as population growth or decline and age distribution, have a fundamental impact on the use of resources and economic growth (Bloom et al. 2001, Prskawetz et al. 2007). A society with a healthy demographic structure is also the foundation of sustainable economic development. Researchers have often highlighted that in a growing population, economic expansion is often faster, while declining populations are generally associated with slower growth or stagnation (Easterlin, 1966 - Sági et al. 2017).

This study focuses on Vojvodina, a geographical and administrative region, located in the northern part of Serbia, on the Pannonian Plain in Central Europe. Its total area is 21,506 km<sup>2</sup>. It has a favourable geographical position, traversed by two vital transport corridors: Corridor X and the Pan-European Corridor VII as well as the river Danube, which is fully navigable within Vojvodina. The region reflects the characteristics of the entire Carpathian Basin, incorporating the fertile plains of the Southern Great Plain, which is considered one of Europe's most favourable agricultural regions and serves as Serbia's "breadbasket" (Probáld, 2007). The Constitution defines

Vojvodina as an autonomous province of the Republic of Serbia. Therefore, in addition to being a geographically well-defined and distinct territorial unit, Vojvodina is also an administrative entity. It has a provincial parliament composed of 120 representatives elected through direct elections and a provincial government responsible for various delegated responsibilities from the central administrative level (Juhász, 2021; Rácz, 2023). The Carpathian Basin, including Serbia's northernmost region, Vojvodina, has experienced continuous population decline in recent decades, as has Hungary. This trend can also be observed in developed countries worldwide. Both domestic and foreign studies highlighted several key factors that decisively shape demographic processes. Population changes stem from changes in the number of births, deaths, and migration (Sági et al. 2017). In most developed countries, birth rates have significantly declined in recent decades, caused by increased labour market participation of women, delayed family formation, and changing family models, among others. The long-term decline in birth rates leads to population aging and natural population decrease. The changes in traditional family structures, shifting childbearing habits, and the individualization of society all contribute to declining birth rates. Delayed founding of family and having fewer children are often associated with urban lifestyles and modern social norms. Improved healthcare and rising living standards led to increased life expectancy. As a result, societies are aging, which poses increasingly serious economic challenges, given that the proportion of the working age population decreases, while the burden of supporting the elderly puts pressure on active workers and state pension systems. Demographic trends are further influenced by labour migration, particularly movement between developing and developed countries. For developed countries, immigration may provide to be a vital source of labour force, yet excessive migration can also lead to social tensions and integration problems. Conversely, the populations providing said labour force are likely to decline more rapidly, specifically due to the emigration of young and skilled workers.

Economic factors such as job insecurity for young people and difficulties in obtaining housing also negatively affect fertility rates. The Vojvodina Economic Development Program (VEDP) was initiated by the Alliance of Vojvodina Hungarians, supported by the Government of Hungary, and launched in 2016. It was based on the Vojvodina Hungarian Communities' Regional and Economic Development Strategy and Action Plan. The aim of the VEDP was to support developments that allow as many people as possible to realize their life goals by remaining in their homeland where they can plan their future in Vojvodina (Juhász, 2020). The program's onsite implementation has been coordinated and supervised by the Prosperitati Foundation (PF), which is a non-governmental, non-profit organization established for public benefit purposes, acting as a Vojvodina Hungarian regional and community development foundation (Prosperitati Foundation, 2024). To date, the Prosperitati Foundation has announced 58 calls for applications in 11 grant rounds, in categories such as agriculture, tourism, rural house purchasing, and business development. A total of 15,316 applications have been approved and financed, the total value so far amounts to nearly 184.4 billion HUF (473.2 million €), with the value of non-refundable grants exceeding 91.6 billion HUF (235 million €). Key outcomes of the program include the purchase of 5,374 hectares of farmland, the creation of 1,262 new homes, and the founding of 667 new businesses. In addition, the program has contributed to the further development of 2,233 businesses and over 6,000 farmsteads, ensuring the livelihoods of 12,500 employees. Every entrepreneur, farmer, and employee is also a family provider. Seen in this light, this economic development program has helped over 50,000 Vojvodina Hungarians to live and thrive in their homeland. One of the most popular and fruitful categories in all calls for application is the call for housing allowance, i.e., purchase of property suitable for farming or economic activities. The housing grant has also had considerable influence on demographic processes within the local

economic development program. This study provides a review of the demographic trends of the Vojvodina Hungarian community, offers a detailed description of the VEDP home creation allowance, and analyses its outcomes, focusing on the territorial aspects, thereby revealing interconnections.

## **Research material and methodology**

In terms of methodology, the study is based primarily on reviewing the relevant literature and examining statistical data with the aim of uncovering the relationships between Vojvodina demographic data and the family support program. Therefore, the results of the 2022 Serbian census were closely examined, with a special focus on the changes in the Hungarian community's population size and proportion in Vojvodina. The obtained results were compared with data from previous censuses to demonstrate various demographic trends. Additionally, a comparative analysis was conducted with the population statistics of Hungary, the neighbouring countries, and certain other European states. The purpose was to interpret the data for Serbia, i.e., the changes in population size and composition of Hungarians in Vojvodina, in a wider, international context. Beyond demographic analyses, the study also touched upon the family and home creation allowance systems of Hungary and the Visegrád countries, paying special attention to subsidies aimed at retaining populations and improving homebuilding opportunities for families (as discussed in both domestic and international literature). The focus was on determining the impact and significance of these allowances on the improvement of the demographic situation in communities.

The central part of the analysis is focused on the housing allowance program under the Vojvodina Economic Development Program, which aims to facilitate home creation and boost local economic and agricultural activities. Special attention is paid to the territorial distribution of the target group reached by the program and its impact on the demographic indicators of the Hungarian community in Vojvodina. Wide-ranging analysis was conducted using databases of the Prosperitati Foundation and the Serbian Statistical Office, enhanced by specifically designed survey research. In the survey data collection, altogether 359 elements were processed, which represent a sample of the nearly 1,300 successful applications. After performing a statistical analysis of the collected data, the author focused his attention on how the subsidized applications affected the applicants' lives, including their thriving in the homeland and their future plans.

The author identified three main issues. First, he explored whether there was any correlation, and if so, what kind, between the results of the Prosperitati Foundation's home purchase subsidies and the demographic trends of the Hungarian community in Vojvodina. Second, he examined how successful applications influenced the applicants' and their families' prosperity and thriving in their homeland, particularly in terms of staying rooted and their future plans. Finally, he investigated how the subsidized home purchases affected the applicants' willingness to have children. The methodology used in the research was based on reliable and representative data, ensuring accurate and relevant outcomes. The statistical analyses revealed the connections between the allowance program and demographic processes, as well as indicated future development opportunities for the program. The outcomes highlighted that the Prosperitati Foundation's home purchase subsidies played a significant role in preserving and enhancing the Hungarian community in Vojvodina and contributed to improving families' living conditions, thereby increasing the community's stability in the future.

## Results

Demographic processes, particularly changes in the society's age composition, have a significant impact on the structure and performance of the economy. The effects of population changes are long-term, and unfavourable trends may be difficult or even impossible to reverse in the long run. From an economic perspective, the population size determines labour supply and consumption level. Additionally, age composition affects social systems such as healthcare and pension schemes, and it influences future economic prospects (Botos, 2012; Botos & Botos, 2012). Such economic transformations, in turn, have a substantial effect on demographic processes.

### *Demographic processes in Europe*

The mechanization of the manufacturing and service industries, the development of global communication networks, along with the historical and social transformations of the 20<sup>th</sup> century including advancements in healthcare, science, and technology, have all fundamentally changed the demographic landscape of Europe. Modernization not only altered people's lifestyles but also changed their views on family, cohabitation or living separately, and childbearing. This process was especially accelerated in the second half of the century. The demographic outlook of Europe changed substantially: while in the early 1960s, every 9<sup>th</sup> newborn was European, today this ratio has dropped to every 18<sup>th</sup> newborn (KSH, 2009). Population replacement is only ensured if the fertility rate is greater than 2.1. Currently, Europe experiences low birth rates, and in many countries, the proportion of childless women is exceptionally high. This trend is in striking contrast to the post WWII situation, when fertility rates in Western Europe skyrocketed. Among women born in the 1930s and 1940s, childlessness was relatively low. During the period of economic boom, the increase in marriage rates and the desire for children contributed greatly to higher birth rates. In welfare economies, improved financial conditions enabled people to start families and have children at a relatively young age (Sobotka, 2017).

In Eastern Europe, the societal expectation of early childbearing is still strong and is supported by political measures, moreover, the idea of contraception was less widespread compared to the West. Consequently, childlessness remained low, which this is still the trend among the women born in the 1960s. In most European countries the fertility rate is currently about 25-40% below the level necessary for simple population replacement. The highest fertility rates on the continent are found in Ireland, France, and the Nordic countries, while Central and Eastern European countries including Hungary, as well as Italy and Germany, are ranked in the bottom third of this list. Nevertheless, having children still seems to be considered an important and essential part of life. This can be deduced by the fact that 83-85% of Slovenians, Lithuanians, and Hungarians, and 65-70% of Poles, Germans, Czechs, Finns, and Austrians, as well as 59% of Italians, 35% of Belgians, and 25% of Dutch people viewed the growing proportion of childless couples as unfavourable. The Dutch, however, generally see childbearing as a private matter. More than half of the young people envision their future with two or more children, and few intend to remain childless. The planned number of children is the highest in Cyprus and Poland, but it is also relatively high in Finland. Yet new generations have undoubtedly been having fewer children than previous generations for decades (KSH, 2009).

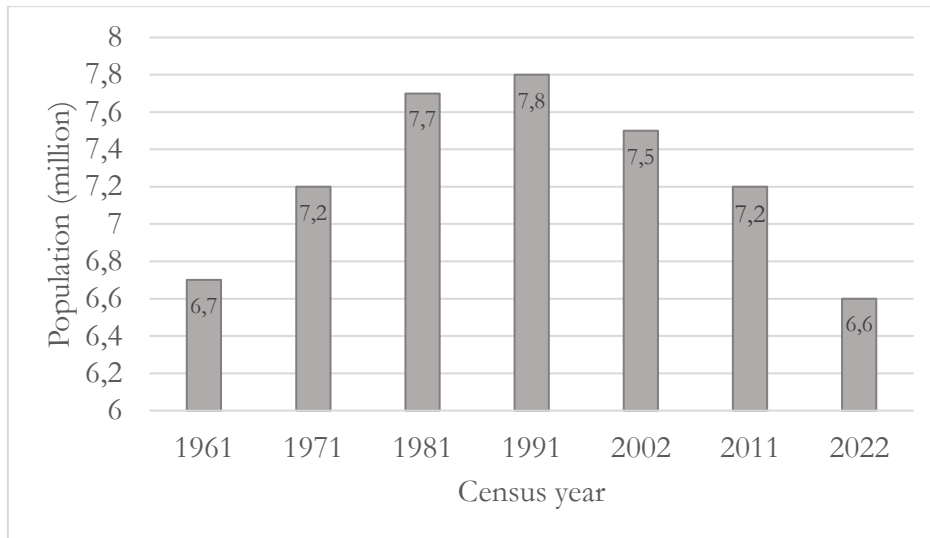
The total population of the Visegrád countries was 63.9 million people in 2020, of which Poland's was the largest, with nearly 38 million people, while only 5.5 million lived in Slovakia. Over the past ten years, Slovakia and the Czech Republic saw a slight population increase, while Poland and Hungary saw a decrease, mainly due to natural population decline, as the number of

deaths exceeded the number of births. A common challenge for the Visegrád countries is that its population is aging. In all four countries, the proportion of residents over the age of 65 has grown, while the number of children under 15 has either stagnated or actually dropped. Slovakia has the youngest population, whereas Hungary's population features the highest proportion of elderly people. Birth rates in all four countries are below the EU27 average, but fertility rates have been rising in recent years, specifically in Hungary. The effects of natural population decline are partially offset by immigration, particularly in the Czech Republic and Hungary, where international migration contributes positively to population stabilization (KSH, 2024).

Hungary's population over the past 100 years can be divided into two main periods: a continuous rise in numbers during the first period until the turning point in 1980, when in the second period the population numbers started to drop. Such changes were primarily influenced by natural growth and decline, as opposed to international migration, which had less of an impact. In 1920, Hungary's population was 7,987,000, which rose to 10,000,790 by 1980, but has since fallen to approximately 9,850,000 (Őri - Spéder, 2020). After the political transition in Hungary, the overall fertility rate dropped to around 1.3 and stagnated in the early 2000s. The situation worsened, as by 2016, one in six children born to Hungarian parents was, in fact, born abroad. By the end of the first decade following the regime change, the number of births had decreased to around 95,000. Between 2000 and 2008, this number remained largely the same, fluctuating between 95,000 and 100,000, then between 2008 and 2010 it dropped to approximately 90,000. In 1994 and 2015, the number of births was about 91,500. In the coming years, the number of women of childbearing age is expected to fall, so even given a growing willingness to have children, the actual birth numbers may continue to be low (Kapitány – Spéder, 2015). There are many underlying causes of such low fertility rate, including women postponing childbearing to a later age, especially in the years after the regime change. One of the main reasons for this postponement is the extensive time spent with studying and education. Additionally, young people find a stable economic background, specifically secure employment, and housing to be crucial for childbearing. Stable housing condition refers to primarily homeownership, i.e., purchasing one's own home (Bálint et al. 2011).

### ***Demographic changes in Serbia and Vojvodina in light of the latest census results***

The population on the current territory of the Republic of Serbia showed a steady growth rate during the period of the former Yugoslavia (1945–1991). After its dissolution, the population began to decline, as evidenced by census results. The population of Serbia was nearly the same in 1971 and 2011, amounting to approximately 7.2 million. More worryingly, the population in 2022 was the same as in 1961 (Figure 1).



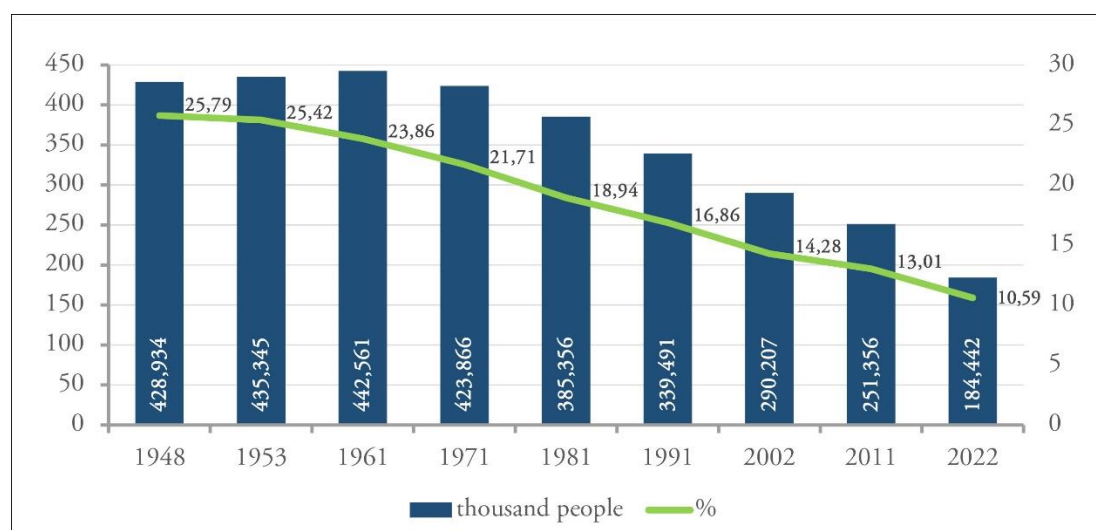
**Figure 1. Change in the number of inhabitants in Serbia according to the population census data 1961–2022**

*Source: Statistical Office of Serbia, own editing (2024)*

Considering that in 2011, and especially in 2022, the population was significantly older compared to 1961 and 1971, coupled with the trend of population decline, the issue of depopulation has become one of the key priorities for public policymakers in Serbia. Both components of population change – natural population growth and migration – have contributed to the declining trend in Serbia’s total population, with natural growth becoming an increasingly significant factor. The natural population growth rate first hit negative values in 1992 and has since been in continuous decline. The average annual rate was -5.4 per 1,000 inhabitants during the 2017–2019 period, with the highest negative value of -8.0 recorded in 2020, the first year of the COVID-19 pandemic (Nikitović, 2022). The increasingly negative impact of natural population growth on the total population of Serbia since 1992 was partially mitigated by modest positive migration balances until 2000. However, net immigration during the wars of the 1990s in the former Yugoslav region had a contradictory effect on Serbia's total population. This was due to the significant influx of refugees from the Yugoslav region on the one hand and somewhat reduced migration outflows on the other. These two migration flows differed significantly in terms of age structure – among emigrants, young people predominated, while among immigrants, older individuals were more common. Consequently, the migration balance contributed to an increase in the median age of Serbia’s total population (Penev, 2006; Nikitović – Lukić, 2010). All projections indicate a further decline in Serbia’s population in the future. Large cities will continue to grow, while regional demographic and social development will become increasingly uneven. It must also be mentioned that there are considerable regional differences in fertility rates (Lukić – Nikitović, 2004).

The 2022 census data confirm that Vojvodina’s population is 1,740,230 and 184,442 people stated themselves to be of Hungarian nationality. Vojvodina makes up nearly one-third of Serbia's population. Hungarians represent the most significant national community (other than the majority nation of Serbs) and remain the largest national minority to this day. The demographic processes of Hungarians in Vojvodina have been examined by numerous researchers over the years. In the early 20th century, 378,634 Hungarians lived in the present-day territory of Vojvodina (Gábrity Molnár, 2005). Official census records indicated that population growth showed an upward trend until 1961 (despite enduring the two world wars), when the number of Hungarians topped with

442,561. After this point, their numbers declined steadily, both in absolute and relative terms (see Figure 2).



**Figure 2. Vojvodina Hungarian population 1948–2022**

*Source: Statistical Office of Serbia, own editing (2024)*

Sociologists define the Hungarian community in Vojvodina as an aging, shrinking community (Badis, 2017). The primary reasons for the decline are natural decrease (where the number of deaths exceeds the number of births), migration (Hungarian families moving to the native country, i.e., Hungary or abroad), and assimilation (in mixed marriages, issues related to religion, language use, and education typically turn out unfavourably for the Hungarian community). According to Gábrity Molnár (2005) other causes such as economic factors were also significant. However, similar demographic and socio-economic characteristics are found in the broader region of Central and Eastern Europe, as well, influencing population aging and intergenerational relationships. These include negative mortality trends, particularly the excessive mortality of men seen in some countries (the shortening of life expectancy and the unfavourable gender ratio), the combination of natural population decline, and net emigration. In these countries, rapid demographic changes coincided with political, economic, and social transformations (Botev, 2012). However, the demographic processes in Vojvodina indicate that the demographic indicators of not only the Hungarian community, but also of all other national communities follow a negative trend, including the majority Serbian nation. Except for the provincial capital and largest city in the region, Novi Sad, the total population in all 45 municipalities of Vojvodina has decreased. However, apart from the negative trends, there is also a positive trend seen in the Vojvodina Hungarian community: in 19 municipalities, the number of Hungarians actually rose, the rate of increase ranging from 2% to 550% as much as the figures recorded in 2011 (see Figure 3).

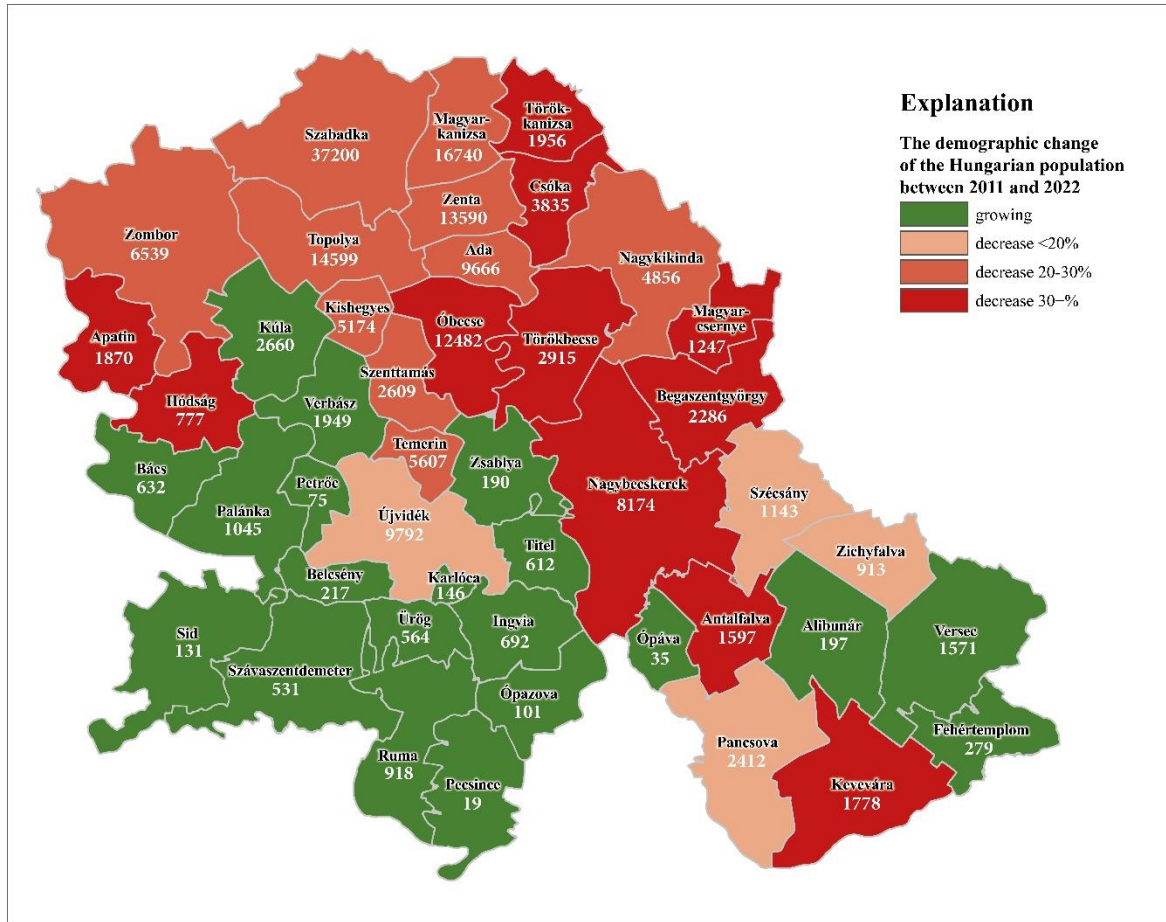


Figure 3. Demographic changes of the Hungarian community in Vojvodina 2011 –2022

Source: Statistical Office of Serbia, own editing (2024)

A closer look at these municipalities (Alibunár, Bács, Belcsény, Fehértemplom, Ingyia, Karlóca, Kúla, Ópáva, Ópazova, Palánka, Petrőc, Ruma, Sid, Szávaszentdemeter, Titel, Úrög, Verbász and Versec) revealed that in most towns, the Hungarian population does not exceed one thousand, and its proportion typically remains below 2%. Moreover, compared to the previous census, the total population has decreased even further in all of these towns. The number of births and migration indicators were not significantly different between these, and other municipalities studied, which led to the following conclusion: there has been a change in the willingness to identify as Hungarian in these areas. This, in fact, means that more people are now declaring their own Hungarian identity and heritage than before. This trend can be clearly traced back to the Hungarian national policy of the past twelve years, the historical reconciliation between the two nations, and the good relations established between the two countries. All these events have had a significantly positive impact on the Hungarian diaspora communities. Gábrity Molnár's (2005) stated that the term Hungarian diaspora generally referred to those members of the Hungarian population outside Hungary who live in a settlement or microregion where they make up less than 30% of the population compared to the majority nation. Hungarians in a diaspora are in a disadvantageous linguistic, ethnic, and religious situation and, isolated from the national body, face a degraded institutional system, and are exposed to constant risks of assimilation.



### ***Family Policy Measures in the Visegrád Cooperation Countries***

Pátkainé (2022) investigated the housing and family policy measures of the Visegrád countries (the Czech Republic, Slovakia, Poland, and Hungary) and pointed out that the common goal of all these countries is to protect families and encourage childbearing in response to the demographic challenges of low birth rates and population decline facing the region. The tool sets of family policy in the V4 countries are conspicuously similar; for example, all countries provide family allowances, maternity support, childcare benefits, and housing subsidies. However, differences emerge in the details and conditions of these measures. In the family support system, direct financial benefits such as family allowances and maternity support are fundamental. Hungary and Slovakia provide universal benefits, while in Poland and the Czech Republic, these are income dependent. The monthly amount of family allowance varies in each country but is typically tied to the number and age of the children. Maternity support is a one-time payment, which also differs in amount and conditions across these countries. In recent years, all four countries expanded their family support systems, with particular attention to large families and promoting childbearing. However, it must be emphasized that the impact on demographic changes can only be accurately assessed in the long term. Based on the data so far, fertility rates have seen a slight rise, which can be taken as a positive outcome of family policy measures.

Home creation allowances are particularly important in Hungary, where the Family Housing Allowance (CSOK) and the "Childbirth incentive" loan are key elements of its family policy. Housing subsidies are also available in Poland and Slovakia, but they include fewer elements and are generally smaller in amount. Even after the regime change, the same patterns of economic inequalities persisted (Ferge, 2000; Andorka, 2006; Éber, 2020). Some of the regional disparities can be traced back to global and local economic as well as political processes, which fundamentally affect the families' financial situations and living conditions (Hegedüs–Székely, 2022). The lengthy coming of age process along with the delayed transition to adulthood brings many existential challenges, therefore young people often experience uncertainty and a sense of hopelessness regarding their future (Csizmadia, 2018, 2022; Fazekas et al., 2019; Fazekas, 2023). Fazekas and Hamarics (2024) examined the connections between independence and existential challenges, focusing on the reasons behind delayed adulthood. They sought to identify who actually benefits from housing subsidies and what those people living in backward regions in Hungary can hope for. They concluded that family support measures introduced and modified as part of the family protection action plan launched in 2019 – such as the "Childbirth incentive" loan, mortgage relief, the expansion of CSOK (including changes in conditions and usage), and the introduction of the Rural CSOK – considerably influenced the propensity for indebtedness and opportunities for homeownership. Primarily aimed at young people, these support measures also influenced the target group's attitudes towards family planning and childbearing (Gábos, 2005). In analysing the effects of family and home creation allowance Sági and colleagues found that after the 2008 crisis, Hungary's fertility rate and birth numbers declined even further compared to previous years. In addition, the housing market stagnated, the number of housing constructions fell dramatically, which contributed to the deterioration of economic indicators. After 2010, the government focused on promoting home creation by transforming the family support system, but it was only after the 2015 financial consolidation that the economic situation enabled the state to form an effective a housing allowance system. By the end of 2016, already 36,000 families had benefited from the Family Housing Allowance (CSOK), amounting to approximately 87 billion HUF (approximately 209 million €) in 1.5 years. One-third of the awarded allowance agreements during that year had been submitted with the family's commitment to have more children in the future. Based on this,

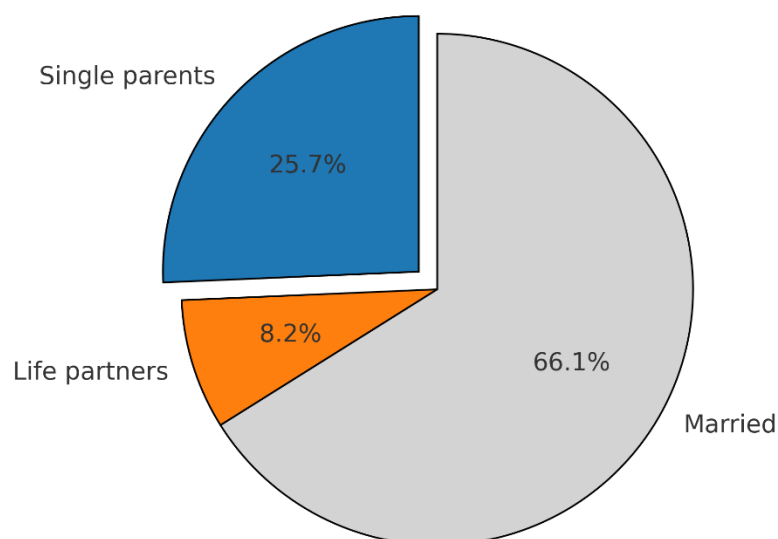
it can be concluded that home creation subsidies may increase the willingness to have children, as many applied for support with the intention of having future children. Acquiring appropriate housing can accelerate the birth of the first child and provide an opportunity for parents to have additional children during their fertile years. The fact that a home can be acquired more easily, or upgraded to a larger home, may also contribute to people opting for larger families. Furthermore, the realistic possibility of purchasing a home may encourage young people to stay in Hungary instead of seeking work abroad for financial reasons.

### ***Housing Allowances in Vojvodina***

The goal of the Vojvodina Economic Development Program is to promote and aid people in thriving in their homeland by supporting developments that encourage more people to stay rooted 'at home.' Over the past nine years, the primary aim of this support package has been to reach as many people as possible within a short time. Hence, the first subsidy packages to be launched were the small-scale allowances targeting micro and small family businesses and farmsteads along with the rural home creation allowance. These subsidies directly aid the applicants' remaining and thriving in Vojvodina. Further measures included the subsidies for founding new businesses, since creating a home or starting a business demonstrates a clear intention to build a future locally.

The purpose of the home creation support is to provide non-refundable support for the purchase of village houses and their plots of land, as well as farmsteads in the Vojvodina Autonomous Region for married couples, cohabitants, and parents raising a minor child or children alone. Primary objectives included providing support for staying and thriving in one's homeland, improving the demographic makeup of villages in Vojvodina, reducing the average age in communities, promoting the development of villages, and encouraging return migration. To stimulate economic activity, one of the requirements is that the selected property must also be suitable for farming or various agricultural activities. Another key condition was that recipients had to agree to live in or on the property for at least 10 years following the signing of the subsidy agreement.

Between 2016 and 2023 the Prosperitati Foundation announced this call for allowance application six times, every year, except for the two years following the pandemic. In total, 1,522 applications were submitted, of which 1,263 (82.98% success rate) were awarded a grant, totalling approximately 5.5 billion HUF (approximately 13.5 million €). The majority, i.e., two-thirds of the applicants, were married couples (see Figure 4), while a quarter of the applicants were single parents raising minor children. The applicants' average age was 37.8.



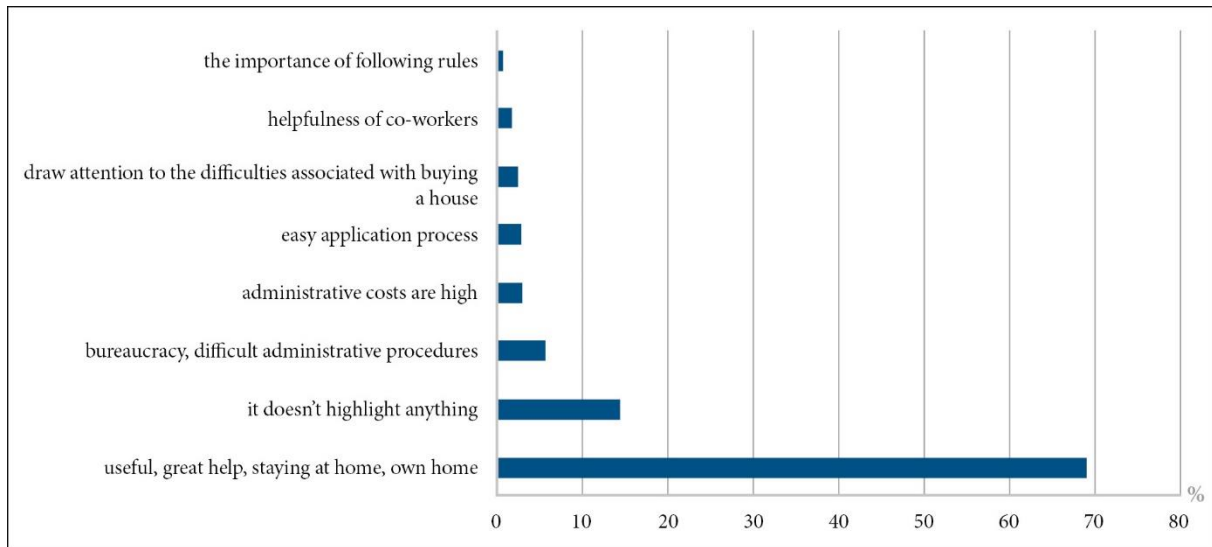
**Figure 4. Distribution of successful VEDP applicants by family status 2016 - 2023**

*Source: Prosperitati Foundation (2023), own editing*

Nearly half of the study participants were engaged in crop cultivation (growing vegetables and fruits), a little over one-tenth of them worked in livestock farming, while nearly one-fifth did both: grew crops and worked with livestock on their subsidized properties. However, only 10% of the respondents used other various opportunities offered by Prosperitati Foundation programs. This suggests that agricultural activities, whether crop cultivation, livestock farming, or a mix of both, are typically performed by applicant families as supplementary, household level income generating activities. Additionally, respondents expressed the need for further support, especially in areas such as home renovation, agricultural support, and business startup opportunities.

Cross-tabulation analysis of the data revealed that 94.4% of home purchasers invested personal funds in home renovations and would welcome additional subsidies for home improvement. However, only 3.6% received external financial support for renovations, partly due to limited grant options and partly due to eligibility requirements to qualify for Vojvodina's grant programs, e.g., the requirement that applicants had to be large families. In terms of community involvement, 69% of home purchasers participated in local activities, principally by supporting cultural and sports initiatives. Volunteering was also prominent, with participants actively in aiding prospective applicants and involved in local government work.

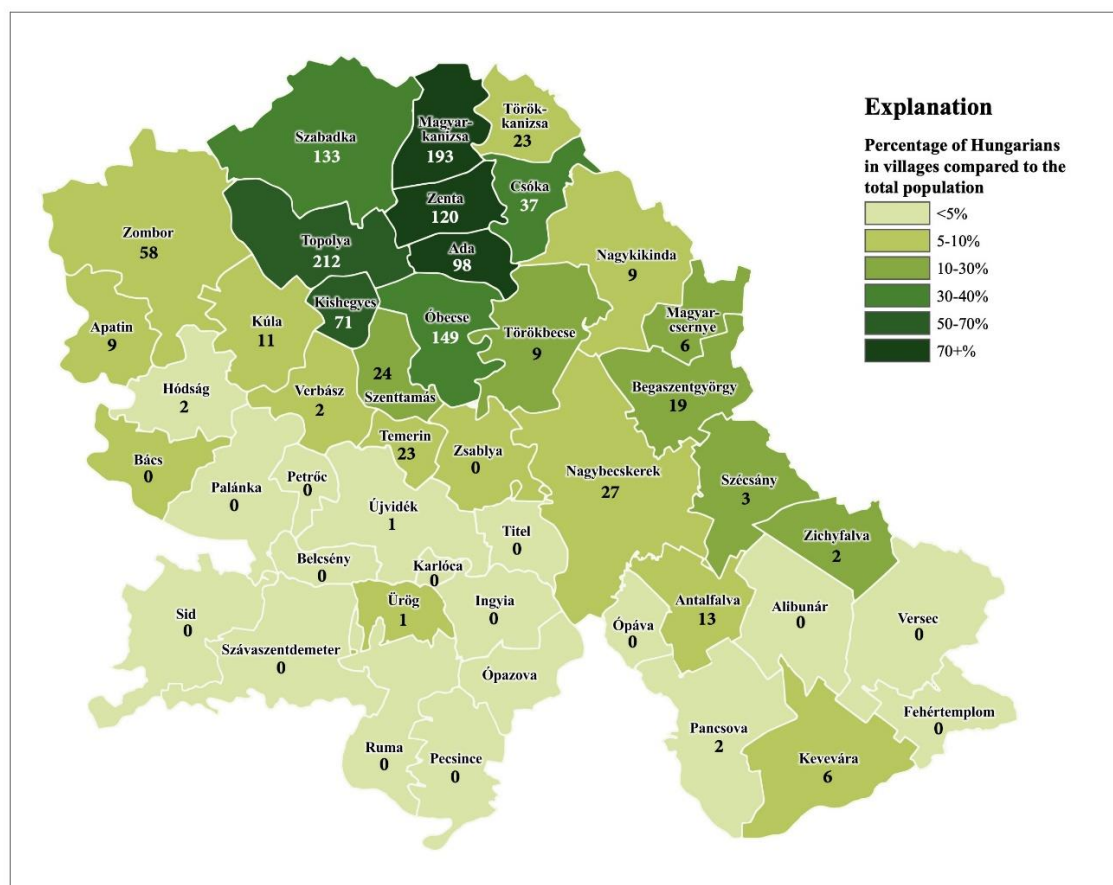
When asked about how the awarded home purchasing grant impacted their decision to remain and thrive in their homeland, respondents rated its impact on a scale of 1 to 10 with an average score of 8.66 (standard deviation 2.24), indicating a strong positive influence on remaining. The community retaining power of the housing subsidy is further illustrated by the fact that 99.4% of successful applicants stated they were not planning to leave Vojvodina in the next three years, and 91.6% intended to continue their children's education locally (a positive contribution to the Vojvodina primary education system). The most influential factors for staying in their homeland are family and friends, current employment, homeownership, and patriotism. However, respondents most commonly highlighted the staying power of the housing support itself (see Figure 5).



**Figure 5. Key aspects highlighted by study participants regarding the VEDP housing allowance**

*Source: Own editing, based on own research*

Taking into account the sum total of all who, thanks to the subsidy, decided to plan their future and live their daily lives in Vojvodina, including the number of children born thereafter, it can be concluded that the VDEP housing support has had a significantly positive impact on Vojvodina's demographic processes. In total, the subsidies have supported approximately 4,124 Hungarians in Vojvodina to date, prompting them to remain and thrive in their homeland. This figure exceeds the Hungarian population of each of the 32 municipalities, including large Hungarian communities such as Begaszentgyörgy, Csóka, Kúla, Pancsova or Szenttamás, and is close to the number of Hungarian residents in municipalities like Kishegyes or the city of Nagykikinda. To illustrate this point: the demographic impact of this measure is equivalent to preserving the entire Hungarian population of the municipalities of Magyarcsérnye, Törökkanizsa, and Zichyfalva. In terms of fund distribution (see Figure 6), successful applications were realized in 28 out of the 45 municipalities in Vojvodina, encompassing a total of 97 settlements.



**Figure 6. Number of successful VEDP home creation allowance projects per municipality relative to the proportion of the Hungarian population**

*Source: Prosperitati Foundation (2023), Own editing*

The amount of subsidies provided within the measure was correlated with the number of Hungarians registered in a given area. The Pearson correlation coefficient ( $r=0.78$ ,  $p=0.00$ ) confirmed a strong, positive relationship, meaning that areas with a higher number of Hungarian residents also received higher amounts of awarded allowances. More importantly, this observation also holds true when considering the proportion of the Hungarian population and the support provided ( $r=0.86$ ,  $p=0.001$ ). It can thus be stated that, in accordance with the proportion of Hungarians in Vojvodina, they do have access to the home building subsidies and can also request this form of support. The data further indicates that areas without successful applications have higher average net incomes. Yet, this finding is not statistically significant ( $t=0.65$ ,  $p=0.5$ ). This suggests that even in areas where community members have greater financial means, the support opportunity is still used. Thus, higher income does not preclude Vojvodina Hungarians from applying for support, possibly driven by other motivations such as further development or patriotism.

## **Conclusions and Recommendations**

The analysed statistical data has led to the conclusion that, similar to demographic trends observed in Hungary, the Visegrád countries, and much of Europe, population decline is a critical issue in Vojvodina, particularly among the Hungarian community. Though, it also affects all national communities in the region, including the majority Serbian population. The main causes are natural decline (where the number of deaths exceeds births) and emigration, which is exacerbated by young people's moving abroad due to limited local economic opportunities. Assimilation processes may also contribute to the decline in the Hungarian population, especially in mixed marriages, where linguistic and cultural integration accelerate the process. Nonetheless, national policy measures over the past 14 years and the enhancement of Hungarian-Serbian relations have managed to turn the trends, as seen most clearly in the Hungarian diaspora of Szerémség.

Economic and demographic processes are intricately linked; economic insecurity and housing challenges significantly reduce the willingness to have children. The lack of housing opportunities, high real estate prices, and the labour market situation of young people are critical factors leading many to delay or forgo having children.

The analysis of home creation allowance in Vojvodina, Hungary, and surrounding countries indicated that such measures contribute to mitigating negative demographic trends by potentially increasing the willingness to have children. Securing adequate housing may advance the birth of the first child and allow parents to have more children during their fertile years. Easier access to homes, as well as acquiring larger homes, may also encourage founding larger families. Furthermore, the realistic prospect of acquiring independent property may persuade young people to stay in their homeland, i.e., convince precisely those young people who might otherwise take on work abroad for financial reasons. It can also be inferred that the Hungarian population in Vojvodina has proportional access to housing measures, enabling them to utilize this form of support as well.

The Vojvodina Economic Development Program (VEDP) has had a substantial impact on retaining local communities and slowing population decline, especially through home creation support in the form of housing allowances. The program has successfully promoted people to remain in their homeland, helping them prosper and thrive as a local Hungarian community in Vojvodina and improving family's living conditions. Data shows that among families receiving support, there has been a considerable increase in the willingness to have children, contributing to the demographic stability of the community. Home creation allowances, therefore, play a vital role not only in improving the economic situation but also in enhancing the demographic stability of the Vojvodina Hungarian community. Moreover, due to home creation support, families not only stay locally but also actively participate in local community life, making their communities strong and sustainable in the long run.

## Appendix

The Hungarian language is in official use in the Autonomous Province of Vojvodina. In accordance with the rights guaranteed by the Constitution and the legal framework, the Hungarian National Council (MNT) has determined the official Hungarian names of the settlements in Vojvodina. In this paper, respecting the acquired rights of the Hungarian community in Vojvodina, the author uses the Hungarian version of names of the municipalities, according to the following list:

No.	Name of municipality in Hungarian	Name of municipality in Serbian
1.	Ada	Ada
2.	Alibunár	Alibunar
3.	Antalfalval	Kovačica
4.	Apatin	Apatin
5.	Bács	Bač
6.	Begaszentgyörgy	Žitište
7.	Belcsény	Beočin
8.	Csóka	Čoka
9.	Fehértemplom	Bela Crkva
10.	Hódság	Odžaci
11.	Karlóca	Sremski Karlovci
12.	Ingyia	Indija
13.	Kevevára	Kovin
14.	Kishegyes	Mali Idoš
15.	Kúla	Kula
16.	Magyarcsernye	Nova Crnja
17.	Magyarkanizsa	Kanjiža
18.	Nagybecskerek	Zrenjanin
19.	Nagykikinda	Kikinda
20.	Óbecse	Bečej
21.	Ópáva	Opovo
22.	Ópázova	Stara Pazova
23.	Palánka	Bačka Palanka
24.	Pancsova	Pančevo
25.	Pecsince	Pećinci
26.	Petróc	Bački Petrovac
27.	Ruma	Ruma
28.	Sid	Šid
29.	Szabadka	Subotica
30.	Szávaszentdemeter	Sremska Mitrovica
31.	Szécsány	Sečanj
32.	Szenttamás	Srbobran
33.	Temerin	Temerin
34.	Titel	Titel
35.	Topolya	Bačka Topola
36.	Törökbecse	Novi Bečej

37.	Törökkanizsa	Novi Kneževac
38.	Újvidék	Novi Sad
39.	Űrög	Irig
40.	Verbász	Vrbas
41.	Versec	Vršac
42.	Zenta	Senta
43.	Zichyfalva	Plandište
44.	Zombor	Sombor
45.	Zsablya	Žabalj

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