

## **SUMMARY OF THESIS**

**Gergely Horzsa**

### **Rural Development and Migration**

Effects of Rural Development Projects on Inter-  
nal Migration and Migration Aspirations of Rural  
Dwellers in Hungary

Supervisor: László Letenyeyi PhD  
associate professor

Budapest, 2021

**Department of Sociology and Social Policy**

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# **1. Background**

The thesis is focusing on the relationship between rural development subsidies and outwards mobility from rural settlements. In general, the thesis' aim is to analyse how rural development programmes influence emigration.

Hindering rural depopulation has long been a determined mission of territorial development policies, often explicitly motivated by the obviation of social conflicts that rural-urban migration might supposedly induce. Among Central-Eastern European countries, and particularly in Hungary this intent is peculiar, which can be explained by a relatively high share of non-urban dwellers and the high socio-economic gap between urban and rural population. Rooted in the belatedness of industrialisation and an intermitted, unfulfilled process of urbanisation, the relative difference between rural and urban population of Hungary, with regard to their chances of being poor is one of the highest in the EU.

In general, European rural development policies do not specifically aim to address rural depopulation.

Nevertheless, Hungarian development documents show a different picture. Hungary, as the EU member with one of the highest social gap between rural-urban population as well as one of the highest ratio of non-urban dwellers, has in its rural development policies the central objective of reinforcing ‘population retaining capacities’ of the countryside, which these documents aim to achieve through rural development initiatives. However, the scientific literature is sceptical about development of migrant-sending areas resulting in lower ratios of outwards mobility

Migration, according to de Haas (2014) should be regarded as an intrinsic part of social change (rather than a phenomenon affecting or being affected by it). The proposal builds on the development idea of Sen (2001) and the concept of involuntary mobility of Carling (2002). As much as Sen equates development with freedom, de Haas regards migration as freedom (and thus, social change: development). Migration is regarded as a function of capabilities and aspirations which intervene with one another, too. The author’s theories will be used to develop an empirical framework for the analysis of the relationship

between development (or, more generally: social change) and migration (as well as migration aspirations)

The thesis formulates four general research questions:

**Q01 Are rural development subsidies generally successful in reducing rural-urban migration in Hungary?**

This question is in align with the National Rural Strategy of Hungary (VM 2012), expecting to increase ‘population retaining capacity’ of rural areas by the initiation of rural development programmes.

**Q02 Does the effect of rural development subsidies on migration show a variety between regions with different socio-economic background and geographical location?**

Both in an international and intra-national context, several authors argued that increases in welfare do not trail similar migration consequences at different stages of welfare and having different position in the centre-periphery continuum (Arcalean, Glomm, and Schiopu 2012, Dustmann and Okatenko 2014, Kupiszewski, Durham, and Rees 1998, Rhoda 1983)

**Q03 Do rural development interventions, targeting different aspects of socio-economic life, trail different effects on outwards mobility?**

This question is based on researches summarized and integrated by Rhoda (1983), showing that while improvements in some aspects might indeed contribute to the reduction on outwards mobility (such as increasing incomes), others may act contrary (e.g. agricultural automation, cultural capital improvements).

**Q04 Do the outputs of development programmes, by fostering changes in opportunity structures, affect migration aspirations in the respective localities?**

As de Haas (2014) argues, migration is a function of opportunities and aspirations, which, though being theoretically separable, interact with one another. By a detailed analysis of opportunity and aspiration structures, a clearer and scientifically more valid understanding might be elaborated on how migration decisions formulate in relation with perceived socio-economic change. Addressing this question would invoke the analysis of perceived changes as well as cultural meanings of mobility.

## **2. Methods**

For the estimations and the evaluation of rural development funds' effects, a settlement-level database was developed, that consists of all settlements of Hungary as cases (n=3671). Various variables on each settlement were then included from different data sources regarding the geographical location, administrative status of each village, town, city and the capital, as well as several measures grasping different aspects of their economic, social and infrastructure status. The database also includes a multitude of computed variables based on these register and census data. The final database thus consists of 1168 variables on the individual settlements and thus more than 4 million data points providing a rich basis for detailed investigation of the questions in focus.

Data include register and census data and with which it is possible to investigate both the narrower issue in focus and migration as well as development in their wider socio-economic context. The database consists mostly of longitudinal data on the post-socialist era and in particular, the era of the first thorough EU budget period after Hungary's



EU-accession (that is, data from 2007 to 2013 and a few years preceding and following this period of time). The employment of longitudinal data was necessary in order to measure change rather than a cross-sectional situation of the socio-economic environment. On the other hand, measures of development were included in the database as non-longitudinal variables. Though detailed settlement-level data is available on required, attained and spent funds regarding each individual years, during the calculations, 2007-2013 budget period was regarded as one unit of time (and thus, one unit of 'treatment').

The path models were developed based on the literature as well as development policy documents. The models include per capita amount of EAFRD subsidies spent locally as explanatory variable, whereas the final dependent variable is the change in the share of emigrants (3-year moving averages). Models include 3 further intermediary variables measuring proportionate change in the local labour market (micro enterprises, employment and incomes). Altogether, regarding all subsamples (determined by village and subsidy types), 15 path models were developed.

Qualitative investigations included a series of fieldwork. In the time period of 2014-2019, fieldwork in altogether 8 Hungarian, non-agglomeration villages were conducted with the definite aim to try to address questions of socio-economic change in rural areas as well as questions of rural-urban linkages and mobility. These fieldworks were led by myself, whereas research group members were mostly graduate students of social sciences.

Fieldworks took the time of around a week each, during which either one or two villages were investigated and with one exception took place during the summer. Altogether, 163 semi-structured interviews, conducted with interviewees of various socio-economic background and local roles, were voice-recorded of 78 minutes of length on the average. This provides an around 211-hour length audio source that were after the fieldwork the subject of verbatim transcription. Field variety concerns the villages' EAFRD support, migration tendencies and labour market as well.

Though there were cases, in which the concrete and direct effects of (EU-sponsored) development programmes on

mobility could be seen, the aim of the analysis was instead to grasp individual narratives and subjective perceptions on changes in the local environment (and distinct programmes within this), as well as arguments on whether or not to move. Nevertheless, from an individual perspective, a bigger picture on changes is to be seen, and the margins of individual development programmes become transparent and merged.

For the analysis of narratives, a categorisation system was elaborated of respondents based on migration aspiration and opportunity narratives and de Haas' theoretic concept. Voluntary mobile; voluntary immobile, involuntary immobile respondents were differentiated based on the quality (negative/positive) of their pro-move/pro-stay narratives. Acquiescent immobile respondents were identified by the analysis of these mobility narratives together with responses provided for a standardised question enquiring about what they would do, having won the national lottery. To answer the research questions, typical "change-narratives" were connected to migration-categories and investigated in an inductive way accordingly.

### **3. Results**

#### **3.1. Statistical data analysis**

General results of the linear regression-based path analyses (conducted with regard of various subsamples of villages as well as various types ('axes') of rural development subsidies) suggest that though no direct relationship is present between development and migration, however through intermediate labour market effects, EAFRD subsidies seem to influence outwards mobility positively among disadvantageous villages. Meanwhile, such (or a more 'desirable', negative) effect cannot be presented with regard to those villages that are neither disadvantageous, nor being located in agglomeration zones of cities. Nevertheless, based on previous theories, it is hypothesized that developing different aspects of local socio-economic lives trail different outcomes on migration. The differentiation between the four 'axes' of rural development subsidies provided a great opportunity to investigate these outcomes in a development-target distinction. In addition, disadvantageous villages were differentiated from those located in agglomeration zones of cities and the rest.

In the analyses, instead of the cross-sectional values of the variables, their proportionate (per capita) change were introduced: the average value of the two or three years following the 2007-2013 period was compared with the average value of the three years preceding it. Therefore, relative changes could be grasped. The analyses revealed that general patterns indeed do mask territorial and more importantly, development target area-differences. Nevertheless, similarities are present, too: it can generally be seen, regardless of what geographical area is concerned, that:

1. Both the proportionate increase in the number of enterprises and employees seem to increase incomes.
2. The change in the share of micro enterprises results in no significant change in employee ratios.

Outwards mobility is in interaction with both entrepreneurship, employment and incomes. However, differences are seen between settlements of different status:

3. Employment and incomes are both in positive relationship with migration: the higher their value, the higher is the share of those leaving the settlement. This statement is true to disadvantageous villages and,

considering incomes, to agglomeration villages. In agglomeration villages, however, employment seem to decrease emigration.

4. In contrast with employment and incomes, entrepreneurship in disadvantageous villages seem to decrease emigration, but has no relevant effects elsewhere.

Subsidies in some cases have direct effects on outwards mobility:

5. Investments into agricultural competitiveness (axis 1) negatively, whereas investments into agricultural sustainability (axis 2) positively influence emigration from disadvantageous and (considering axis 2 subsidies), agglomeration villages.
6. Rural development in its narrower sense (axis 3) has a negative (thus, 'desirable') effect on emigration in disadvantageous and agglomeration villages, and community development (axis 4) trail a positive (thus, 'undesirable') effect on emigration in disadvantageous villages.

Besides the often weak and non-existent direct effects of subsidies on migration, some significant and in all cases

positive impacts could be found between subsidies and labour market variables.

7. Regardless of geographical and socio-economic status, axis 3 and axis 4 developments (i.e., non-agrarian rural development subsidies), contributed greatly to the appearance of new micro-enterprises. Besides this, entrepreneurship was positively influenced in disadvantaged villages by agricultural investments, too.
8. Those were axis 3 investments, that had a positive effect on employment: the more rural development subsidies were spent per capita from this budget, the more positive was the growth in the share of ‘fulltime taxpayers’. Sadly, this statement is not true to disadvantaged villages.

In general, besides the mentioned weak positive correlations between development subsidies and labour-market variables, it is especially the labour market and mobility patterns of the *least developed settlements*, on which development subsidies seemed to trail consequences. In these locations, rural development funds were more convincingly connected to a rise in enterprises, although funds

spent for agricultural development seems absolutely ineffective in contributing to employment (that is, share of employed people living locally). Both these factors influence incomes positively. However, with rising incomes and employment, a much higher level of outwards mobility is expected, while conversely, entrepreneurship seems to reduce the share of those deciding to move away. As these impacts balance out one another, the overall effects of the different forms of rural development subsidies vary, with agricultural investments rather contributing to immobility and non-agricultural payments only doing alike because their incapability to promote new jobs.

These findings are highly in align with the claims of Rhoda (1983) on both the different forms of development trailing different results, and the rejection of the common belief that development of sending areas generally reduce rural outwards mobility.



### **3.2. Qualitative fieldwork**

The outcomes of the series of fieldwork presented in the dissertation could not only provide a valid micro-approach of the problem in focus in parallel, but were also able to shed light on how and why these interactions work so in practice. The investigation itself was based on respondents' perceptions of changes within the local context and their narratives on personal (im)mobility considerations.

The results suggest as follows:

- Voluntary immobility is facilitated by positive changes in local career opportunities (instead of simply jobs), a sense of freedom and independence that the countryside may provide (instead of vivid local cultural life) and strong personal connections (instead of weak community ties). Nevertheless, programmes focusing on the development of utilities, infrastructure and cultural life, though typically do appear in personal narratives of voluntary immobile people, are rather considered secondarily in importance for staying.
- The few development programmes that facilitate personal career opportunities (such as those supporting

family farms and manufacturing industry) are much higher in importance, but only among owners and managers. This helps to explain the negative correlation between enterprises and outwards mobility seen in the path models.

- Conversely, as turns out from the narratives, job creation, at least seemingly, positively influences emigration through two factors. First, because the rise of employees are connected to the rise of nearby, rather than local jobs, and without infrastructure development, bad commuting opportunities significantly cause relocations. Second, because local jobs, especially those created through development programmes are temporary and thus, trail uncertainty – in general, they cannot compete with jobs elsewhere and may only delay migration.
- More generally, development programmes seem contributing to local labour market opportunities only temporarily, only as long as the given subsidies are being granted and are ineffective in trailing longer-term development consequences. In addition, their negative effects are universally recognised by respondents: by

trailing corruption, bureaucratic stress, indebtedness of local governments, the decrease of local jobs (e.g. as a result of land concentration and automatization), and creating distrust, they in several ways result in negative outcomes. These findings don't only support the results of the regression analyses, but also question whether the found more satisfactory elements of those models are permanent or conversely, only temporary.

- Besides the interviews reflecting the wellbeing-enhancing aspect of capabilities to migrate (see the difference between voluntary and involuntary immobile respondents), they also show, that these choices of mobility and immobility, are themselves facilitated by the will of achieving more freedom.
- Migration (to choose where to live), as a form of freedom, itself contributes to other forms of freedom, however, the narratives indicate that freedom is subjective and not universal, and consequently, aspirations whether or not to move are influenced by personal subjective understanding and ranking of its forms. For some, freedom guaranteed by space and the opportunity for a higher variety of physical activities, provided by

the countryside is more important than city opportunities and vice versa. For some, self-actualisation opportunities provided by local activities are more important than city jobs which, besides the opportunities provided by a higher salary may not promise any possibilities for relevant careers.

- From the micro perspective, it is precisely the lack of freedom-enhancing factor of Hungarian rural development programmes (thus, their failure to be understood as development in the way Sen understands them), why they seem to be ineffective in trailing satisfactory outcomes. Instead, as seen, these are interpreted by several respondents as dependency-increasing interventions, let these dependencies be meant on either the personal or community level.
- While rural development programmes are present in respondents' minds, they are embedded in general interpretations of change, including the decrease in personal opportunities for conveniently access services such as commuting (bad roads and mass transportation), education (closing of local schools), commerce and career opportunities, as well as community-level opportunities

(continuous decrease of local governments' incomes and responsibilities). While positive changes due to development projects are thus acknowledged in many settlements, these are not the factors that influence either immobility or mobility aspirations.

Those are instead personal freedom-maximalisation strategies that play a crucial role both among those being happy to stay and planning to move. Instead of jobs and employment, career opportunities (including entrepreneurship and education) and self-actualisation is, that seems to matter in either moving or staying. Instead of local cultural life, basic welfare services and rural idyll in general, it is personal connections and the liberating aspects of the rural idyll that seems to matter in staying. It is unsurprising thus, that those were exactly these aspects of development programmes that seemed to reduce outwards mobility, whereas other aspects had no or even, contrary effects, some of which lies in the very essence and organisational setting of subsidisation.

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