

### **REAL CORP 2018**

# EXPANDING CITIES – DIMINISHING SPACE Revival of the Countryside

Friday, 6<sup>th</sup> April 2018 Vienna, Austria



# RURAL REVIVAL FINANCING IN SERBIA: KIKINDA MUNICIPALITY CASE STUDY

Danilo S. FURUNDŽIĆ<sup>1</sup>, Božidar S. FURUNDŽIĆ<sup>2</sup> Dragana IVANIŠ<sup>3</sup>, Dijana JAKŠIĆ-KIURSKI<sup>3</sup>, Ivana PETROVIĆ<sup>3</sup>

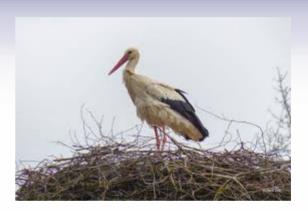
<sup>1</sup> University of Belgrade, Belgrade <sup>2</sup> CPM Consulting, Belgrade <sup>3</sup> Public Company "Kikinda", Kikinda, Serbia

### CONTENTS

- 1. INTRODUCTION
- 2. SERBIA
- 3. KIKINDA
- 4. MOKRIN
- 5. RURAL REVIVAL FINANCING
- 6. CONCLUSIONS
- 7. **REFERENCES**

# **1. INTRODUCTION**







# **DESOLATION PROBLEM**

- MIGRATION: from villages towards towns
- VILLAGES: abandoned and devastated
- PREVENTION: financial support
- RESOURCES: municipal & local
- BENEFIT:
- GOAL:
- SERBIA:

young people stay in the villages

- sustainable growth of countryside
- balanced development

### THIS PAPER OBJECTIVE

• DETERMINE:

financial resource for rural revival (FRFRR)

- CASE STUDY:
  - Kikinda town and municipality in Banat
  - Mokrin prosperous village near Kikinda
- EVALUATE:

municipal budget increase as possible FRFRR

### 2. SERBIA



### **DATA ON SERBIA**

- Landlocked country in the Balkan
- Population over 7 millions inhabitants
- Borders 8 countries
- Well connected by the Danube and motorways
- Member of the United Nations
- Upper-middle income economy
- Developed agriculture, industry and services

### **RURAL SERBIA**

- Favorable land and climate
- Fertile Pannonian Plain in Vojvodina
- Large rural potential
- Diverse agricultural production: crop field (70%) & cattle (30%)
- World second largest producer of:

raspberries & plums

### **URBANIZATION OF SERBIA**

- Before the Second World War: over 80% of the population lived in villages
- After the Second World War: rapid urbanization increase of urban settlements decrease of countryside inhabitants

### **URBAN SETTLEMENTS IN SERBIA**

#### Inhabitants living in urban settlements

Year	1953	1961	1971	1981	1991	2002	2011
Urban inhabitants [%]	22.5	29.8	40.6	46.6	51.2	<b>56.4</b>	59.4

#### Settlements with less than 100 inhabitants

Year	1961	1971	1981	1991	2002
Number of settlements	80	140	280	487	713

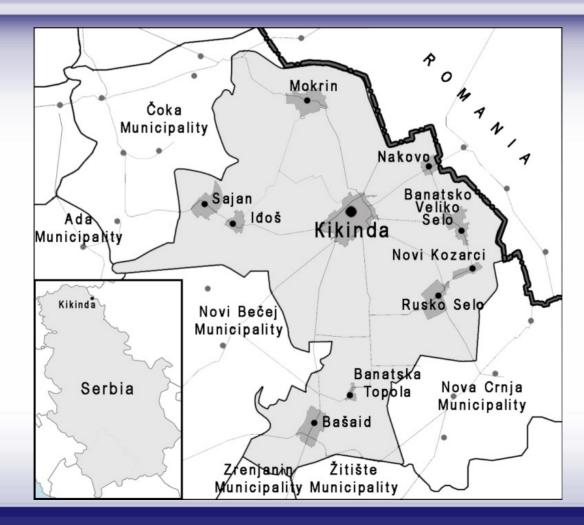
### 3. KIKINDA







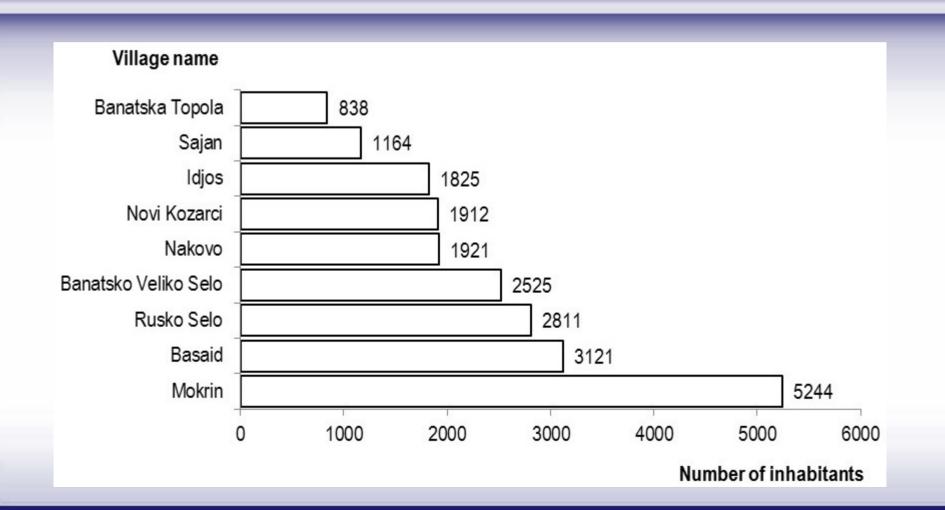
### **MUNICIPALITY OF KIKINDA**



### **KIKINDA MUNICIPALITY DATA**

Total area	783 [km²]
Agricultural area (2013)	70 538 [ha]
Population (2011)	59 453
Number of population per 1 km2 (2011)	76
Population average age (2011)	42.4
Natural increase per 1.000 inhabitants (2014)	- 6.8
Number of employees (2014)	13 679
Number of employees in agriculture (2011)	9 181

### **VILLAGES INHABITANTS**



# VILLAGE POPULATION CHANGE

Years	1953-1960	1961-1970	1971-1980	1981-1990	1991-2001	2002-2011			
VILLAGE		[%]							
Banatsko Veliko Selo	+0.10	-1.78	-0.78	-0.61	-0.29	-2.08			
Banatska Topola	+0.86	+5.31	-2.24	-1.36	-1.11	-3.01			
Basaid	-0.11	-1.06	-1.08	-0.32	-0.60	-1.27			
ldjoš	-0.87	-1.17	-0.83	-0.33	-0.36	-1.94			
Mokrin	-0.06	-0.78	-1.09	-0.41	-0.57	-1.28			
Nakovo	-0.53	-1.74	-0.84	-0.31	-0.39	-2.55			
Novi Kozarci	+0.12	-1.77	-1.39	-0.70	-0.80	-2.03			
Rusko Selo	-0.58	-0.78	-0.46	-0.41	-0.48	-1.85			
Šajan	-0.51	-1.62	-1.79	-0.62	-1.29	-1.56			

Change of population in percent during time. People leave villages.

### **ABANDONED HOUSES IN VILLAGES**

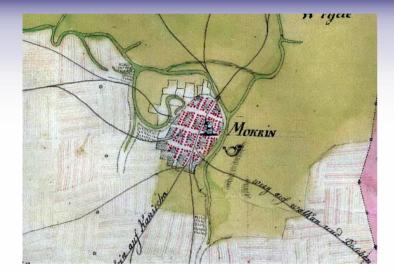






fppt.com

### 4. MOKRIN



Military Mokrin (1760)

Orient Express (1888) had stop in Mokrin



### **MOKRIN VILLAGE**



Large and prosperous Mokrin in Kikinda Municipality.

### **MOKRIN HERITAGE**



#### Serbian Church (1898)



Salash (1930) : solitary farm with buildings, livestock, tools

### MOKRIN HOUSE: "TERRA PANONICA"



Cultural & tourist complex.

Space for work & stay.

Modern urban & rural spot

### MOKRIN ETHNO HOUSE: "SHADOOF"



Rural house built in 1925.

Shadoof for raising water in the garden.

Facilities for cultural & tourist activities.

### **GEESE FIGHT**



Geese Fight tournament.

Famous worldwide & registered by UNESCO.

### EASTER EGGS STRIKING



Easter Eggs Striking tournament.

Annual competition on Easter Sunday by the Julian Calendar.

### **INCOME IN MOKRIN**

INCOME IN MOKRIN							
AGRICULTURAL	[%]	NON-AGRICULTURAL	[%]				
Sale of fodder products	50	Pension for employment work	45				
Sale of milk	30	Pension for agriculture work	15				
Sale of fattened cattle	10	Salary for current work	30				
Sale of fattened pigs	10	Social assistance	10				
TOTAL	100	TOTAL	100				

### LIVING STANDARD IN MOKRIN

	LIVING STANDARD IN MOKRIN								
		- Salary or pension		- Salary or pension					
	ABOVE AVERAGE HOUSEHOLD 20 %	<ul> <li>Tractor (2 pieces)</li> <li>Most of farm machinery</li> </ul>	AVERAGE HOUSEHOLD	<ul> <li>Tractor</li> <li>Some of farm machinery</li> </ul>					
		- Cattle over 20 head	40 %	- Cattle up to 20 head					
		- Arable land over 10 ha		- Arable land up to 10 ha					
-		Seasonal workers     Pension		Seasonal workers     Pension					
	OLD-AGE HOUSEHOLD	- Cattle up to 5 head	SINGLE HOUSEHOLD	- Cattle 1 or 2 head					
	30 %	- Arable land renting	10 %	- Arable land renting					
		- Workers shortage		- Workers shortage					

### **OPPORTUNITIES IN MOKRIN**

> Wealthy nature.

> Household manufacturing.

> Agricultural tradition.

> Various handicrafts.

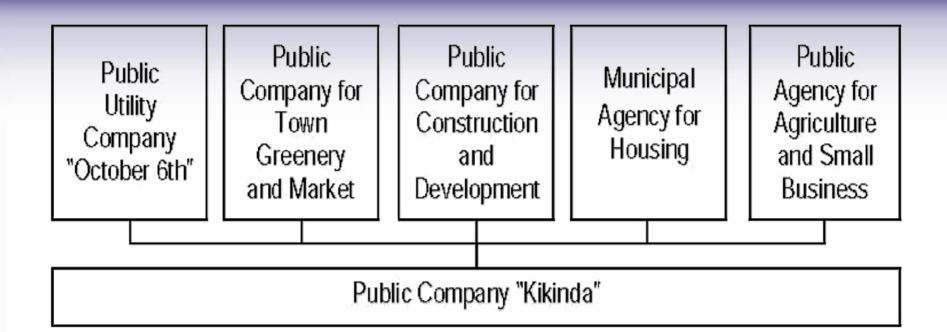
> Ethno-tourism facilities.

- > Two annual tournaments.
- > Exquisite Mokrin products: rolled leaf cheese quince brendy goat milk soap

### **5. RURAL REVIVAL MUNICIPAL FINANCING**



## **COMMUNAL MERGING (2015)**

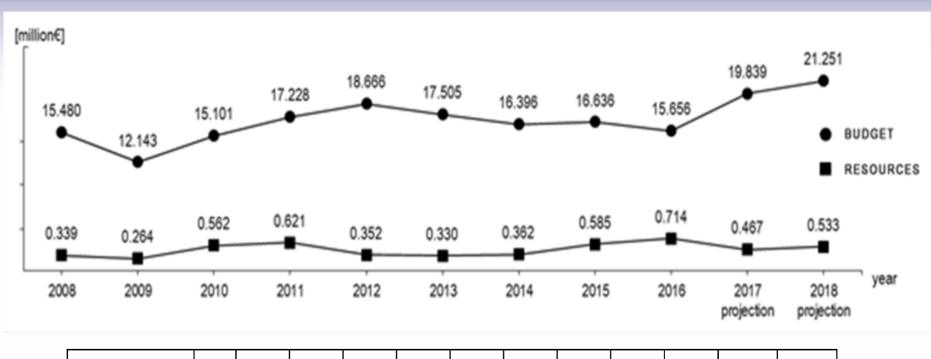


### 5 Public Companies (5PC) are merged into Public Company Kikinda (PCK)

### **MERGING ECONOMIC ECHO**

	BEFORE M	ERGING	AFTER ME	RGING	DIFFERENCE
	Five comp	oanies	PC Kiki	nda	
	(5PC	;)	(PCK)		(5PC–PCK)
	2014 (state)		2016 (state)		
OUTFLOW	Cash	Share	Cash	Share	Cash
	[million €]	[%]	[million €]	[%]	[million €]
Operating activities	5.410	73	2.745	83	2.665
Investing activities	1.838	25	396	12	1.442
Financial activities	162	2	180	5	-18
TOTAL	7.410	100	3.321	100	4.089

### **RURAL REVIVAL MUNICIPAL FINANCING**



Year		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017*	2018*
Share in budget	[%]	2	2	4	4	2	2	2	4	5	2	3

### KIKINDA MUNICIPALITY INVESTMENT PLAN

	PROJECT	PERIOD	VALUE
#	PROJECT	[year]	[million €]
1	Roads in municipality – maintenance	2018-2020	1.288
2	Pedestrian trails in villages – maintenance	2018	0.145
3	Mokrin – technical design preparing	2017-2020	0.165
4	Mokrin and Idjoš – investment in building	2016-2019	0.037
5	Rural development – subsidies	2018	0.164
6	Agricultural policy – grants	2018	0.745
		TOTAL	2.544

### 6. CONCLUSIONS



## **MUNICIPAL & LOCAL SYNERGY**

- Recognition: rural revival importance
- Funding: agriculture sustainable growth
- Making: financial resources
- Synergy: municipal and local authorities
- Villages: own resources obtainment
- Objective: rural life better quality
- Mokrin: instructive and encouraging example

# 7. REFERENCES



# **AUTHORS CITED**

- DELOITTE, 2015
- FURUNDZIC S. D., FURUNDZIC S. B, IVANIŠ D, 2016
- FURUNDZIC S. D., JAKŠIC-KIURSKI D., PETROVIC I, 2016
- FAO, 2017

- GULAN, 2002
- ILIJAŠEV, 2002
- LAZIC, 2002
- MOKRIN HOUSE, 2017
- RIS, 2008
- SIEPA, 2015
- SYBRS, 2011

### THANK YOU FOR ATTENTION









fppt.com