

# **Social Exclusion and Housing in the Czech Republic: Chance to Reintegration (?)**

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## Structure of the presentation

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- ➔ housing policy in Czech Republic
- ➔ housing situation of socially excluded
- ➔ barriers of successful reintegration into the housing market
- ➔ three examples of programmes for integration in the housing market
- ➔ pilot model – „guaranteed housing “
- ➔ conclusion



## Research

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### *research project:*

- ➔ ***a questionnaire survey to estimate the number of people at risk of acute inaccessibility of housing***
  - » conducted at city halls in all major towns (in excess of 10,000 inhabitants) in in three regions with the country's three largest cities (Prague and Central Bohemia, Brno and South Moravia and Ostrava with the Moravian-Silesian Region)
  
- ➔ ***interviews with representatives of managements of non-profit organisations active in the area of assistance to socially excluded and individual interviews with social workers***
  - » 29 interviews
  
- ➔ ***individual and group interviews with socially excluded***
  - » 10 individual interview in Prague
  - » 6 focus groups – 2 in Prague, 2 in Brno, 2 in Ostrava



## Housing policy in the Czech Republic

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- ➔ In the Czech Republic public support for housing policy is now clearly inclined to owner-occupied housing, a fact which in itself reduces its aggregate efficiency.
- ➔ State offers no support (grants, soft loans, guarantees) to purchase existing flats for social housing service (intended, for example, for non-profit organizations). Social housing as a housing concept is not clearly defined by law.
- ➔ After 1989 municipalities became owners of the housing stocks - their responsibilities also included the creation of local housing policies – PRIVATIZATION → the number of released flats is low and the majority of the released flats is rented by the municipalities under market conditions („envelope method“)
- ➔ The support of NGO to provide social housing and housing management is completely absent. In the Czech Republic, non-profit organisations can only apply for grants for the operation of shelters and dormitories.
- ➔ The main tool to support the demand for rental housing in the Czech Republic is the housing allowance.
  - » households in sub-lease relationship are not entitled to the allowance.
  - » person in material need: In „justified cases“ housing supplement may cover housing costs in full - depends on the assessment made by staff of the competent municipal office



## Homeless people – Reintegration programmes

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### **Social policy:**

- ➔ **Street work, Day centre, Dormitory** (one-night accommodation)
- ➔ **Shelter** (short-term accommodation in single- or multi-bedded rooms. The contract is usually signed for 6 months.)

### **independent rental housing**

- » *Only in very few cases homeless people left the shelter for individual long-term rental housing.*

In most cases clients of shelters (after the expiration of stay) are encouraged to use sublease, hostels, or change shelters of various organizations; a small proportion rents cottages in gardening colonies.

*Some organizations leave selected clients in shelters for up to 8 years, because the clients have no prospect of finding independent housing. According to non-profit organizations' staff (working in Prague), 20% of clients of shelters would be able to live independently but lack the opportunity to transition into independent rental housing.*

### **commercial hostels**

- » the standard of housing does not correspond to what the household would be able to „afford“ for the same or similar price in the free market, not to mention living in council rental flats



## Households in acute housing need

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- ➔ Different causes: family breakdown, addiction, indebtedness, unemployment, departure from prison, undervalue the situation (not asking for help)
- ➔ **some of households lived in relative cheap rental housing** (council housing) → debts on rent → eviction → relative expensive commercial hostel, social excluded localities
- ➔ **Roma people usually do not become roofless:** housing with relatives, unfit housing, extreme overcrowded housing, housing in localities of social exclusion (ethnic ghettos)

Two groups:

- ❖ **a group of households with insufficient capacity to maintain long-term rental housing**  
(low level of financial capability)
- ❖ **a group of households for which the market offered housing is unaffordable without public assistance and which are discriminated against both for this and for other reasons in the housing market, but have sufficient competence to maintain long-term rental housing**
  - » discrimination in the open housing market - ethnic origin, young families with children, families with more children, incomplete families and households of immigrants



## Roma issue

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- ➔ According to the representatives of non-profit organisations, in terms of housing Roma experience discriminatory treatment in a much greater extent than in terms of employment or education.
- ➔ **risk aversion** – marginalisation of the Roma
  - » The majority of the rental flats in the Czech Republic is owned by small owners.
  - » The threat of discrimination is logically very high. Small landlords seek to find a tenant with minimum risk and to achieve this objective they make use of prejudices.
  - » The Czech Republic belongs to countries with the most decentralized local government in the EU.
  - » Such decentralization leads to great difficulties placing any social assistance facilities anywhere within the municipalities (logically, no borough wants to "host" the poor from all other boroughs).
  - » Any municipality is obviously expected to act in the public interest. The term „public interest“, however, may pose a risk, because marginalisation of such an extensively rejected target group as Romany are can be demagogically declared to be a matter of public interest.
- ➔ According to surveys, long-term unpopular potential neighbours include Ukrainians, Vietnamese, Arabs. Nevertheless, Romany are distinctively worst off and the society's aversion towards them has been showing a fairly increasing trend over the past 10 years.



## Barriers to integration

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- ➔ *lack of council housing stock for this purpose (insufficient or rather completely non-existent cooperation between non-profit organisations and municipalities in this area and/or lack of cooperation between the social and housing departments of municipalities in the area)*
- ➔ *financial unaffordability of private rental housing, which is very often due to the fact that most clients fail to conclude a usual lease agreement and to register their permanent address, which would entitle them to a housing allowance*
- ➔ *debts*
- ➔ *poverty trap*
  - » *the overly generous social benefits system, which does not encourage clients to seek employment (if the client is employed, the benefits are reduced by the income from employment and the household's financial situation remains unchanged); this phenomenon also leads to misuse of the housing allowance (and supplement) to pay inappropriately high rents in commercial hostels or rental flats in excluded localities.*
- ➔ *demotivation – no chance to live better, living in localities where nobody pays rent, ...*





## Barriers to integration

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- ➔ Reintegration programmes usually consider three levels of housing: short-term emergency housing, social housing with supporting field social services and long-term independent rental housing. However, due to the unavailability of higher-level housing, **the programmes are often practically implemented on the first stage only** (short-term emergency housing).
- ➔ Currently, the slowly developing cooperation between non-profit organisations and municipalities has been causing the second level of housing to appear, yet still only to a very limited extent.

### Sequence of the services provided – example CSSP (allowance organization of city Prague)

*life on the street* ➔ field programmes ➔ Hermes dormitory (233 beds) ➔ shelter for individuals for 3 months (55 beds) ➔ Šromovka shelter for individual and families with children for no more than 1 year (100 beds) ➔ social housing for no more than 3 year (5 flats) ➔ *independent rental housing*

- » *a very low permeability of the system - 99% percent of the clients are still in the early stages of the programme (up to the shelter)*



## Example of reintegration programme

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### ➔ **Homelessness Prevention Programme - The Salvation Army, Ostrava**

- » 25 council flats - sublease agreements – „training flats“ - 2 months (with possible extension up to 5 years)
- » most clients have experienced some form of shelter
- » the intention of the programme
  - regular payment of rent and charges for electricity and gas
  - to enable users to become independent in housing as well as in professional, personal and family life
- » recommendation
  - The user would then turn from a subtenant into a tenant of the original training flat.
  - a fixed-term lease agreement (6 months), which both parties will accept as a test agreement. Project staff will continue to perform social work; afterwards, a lease agreement will be concluded for a longer period. The boroughs provide the Salvation Army with another council flat for the purpose of "training housing" for new users.
- » *From October 2007 until the end of 2009 **6 households out of the original 18 concluded a lease agreement with the municipality (borough); one household found independent housing and 11 households left the programme for violations of the terms of the programme.***



## Example of reintegration programme

### ➔ **The Resocialisation Programme - Centrom, Ostrava**

- » three-level model: short-term housing or insufficient housing – social housing – long-term rental housing
- » "social housing" (housing for the re-socialisation programme - a programme of housing with the supporting social programme)
- » offers approximately 40-50 flats from different landlords
- » trying to get their own apartments and own hostel
- » 2009 - integration linked with housing in the standard housing market (departure from social housing to long-term rental housing) has proved successful in only two out of the original ten households

### ➔ **Community housing - ČESKÝ ZÁPAD O.S., Dobrá voda near Toužim**

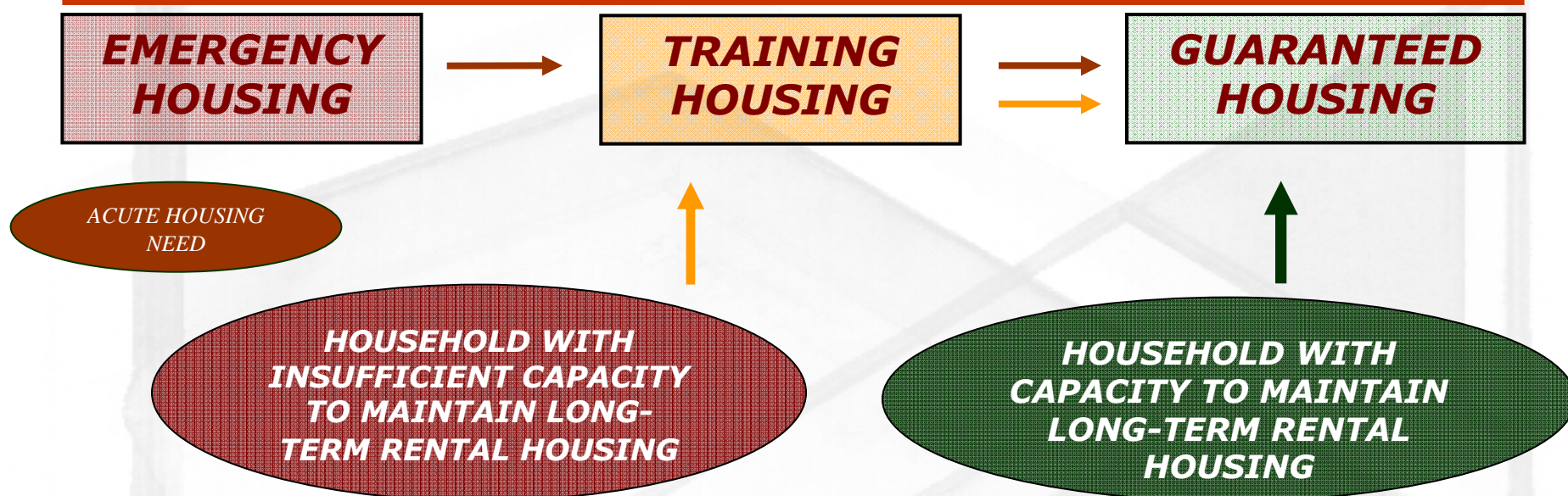
- » **Aim is to improving the locality**
- » NGO bought a house with 14 flats occupied by Roma (from Municipality)
  - house and flats in bad technical situation, very bad housing conditions, debts on rent
- » community work with tenants, voting a residential board, participation in reconstruction, participation in housing management and maintenance

Motto: *Find a solution instead of complaining about the problem*

- RESULTS: good housing conditions, satisfaction of housing, regular paying of rents by tenants



## Alternative model – Pilot project - „Guaranteed housing“



### ➔ **Guaranteed housing:**

- guarantee for **private landlords** - to cover non-payment of rents and damages
- a lower rent to compensate for guaranteeing the payment of the rent
- guarantor – **NGO** or **municipality**
- NGO – social work with tenants
- NGO (municipality) - the regulation of rent setting, contract terms and quality criteria
- **split of responsibilities** between tenant, NGO, municipality, landlord



## Conclusion

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- ➔ The current practice in the Czech Republic **does not adequately address the problem of social and spatial exclusion**, as non-profit organisations are yet unable to acquire housing outside the excluded areas.
- ➔ There are many barriers, particularly the **impossibility of claiming a housing allowance and supplement for subtenants, extra maintenance costs due to a specific target group** (high level of deterioration) or **the non-profit entities' inability to raise money to repair assets not owned by the entities**. The role of municipalities in implementation of reintegration programmes is gradually improving as they rent their apartments for the purpose of training housing to non-profit organisations more than they did in the past, however, still insufficiently.
- ➔ Successful completion of the reintegration process is generally hindered by insufficient number of apartments, which non-profit organizations in the Czech Republic have available for this purpose, or by their **lack of activity in securing housing and housing management** (rarely do they have their own housing stock, mediation model is not applied).
- ➔ „housing first“ model - The inquired non-profit organizations in the Czech Republic agreed that successful reintegration needs **a fast pathway to independent housing**; however, in a situation where it is very difficult to mediate independent housing for people in shelters who, as observed by non-profit organizations, would already be able to live independently, **it is unrealistic to provide such housing for people who do not have such competence**.



## Conclusion

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- ? **greater flexibility and variety of tools**; greater involvement of private capital and private rental housing (various forms of "mediation"); the greater role of non-profit organisations, or closer co-operation between municipalities and local non-profit sector including volunteers - **PREFERENCES OF HOUSEHOLDS**
- ➔ **households that have the sufficient competence to maintain long-term rental housing and who "only" face market discrimination or lack of available housing** - the main objective should be to help place the household into a **long-term rental apartment of a common standard in the shortest time possible**
  - » system of guarantee for private landlords
- ➔ In the Czech Republic, however, a demonstrable **deficit of competence** (e.g. a household has once failed to maintain the offered housing) and accumulation of multiple problems (crime, debt, addiction) are very likely to result in the household having to pass through a certain level of housing **linked to individually shaped social work and to participate in the programme (transfer to long-term housing would preconditioned by co-operation with social workers and problem-solving)**. In such case (application of more housing levels) it can be expected that some households may return to lower housing levels; however, such a "fall" should probably be last option after all other measures have failed to work (for example, after the household refuses to accept the payment schedule in case of any outstanding rent). At the same time the model should be flexible enough to offer some households that do not need to go through all stages of rehabilitation, the possibility of faster progress.
  - » model: training housing – long-term housing



**Thank you for your attention.**

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