

Housing and the Roma in Hungary

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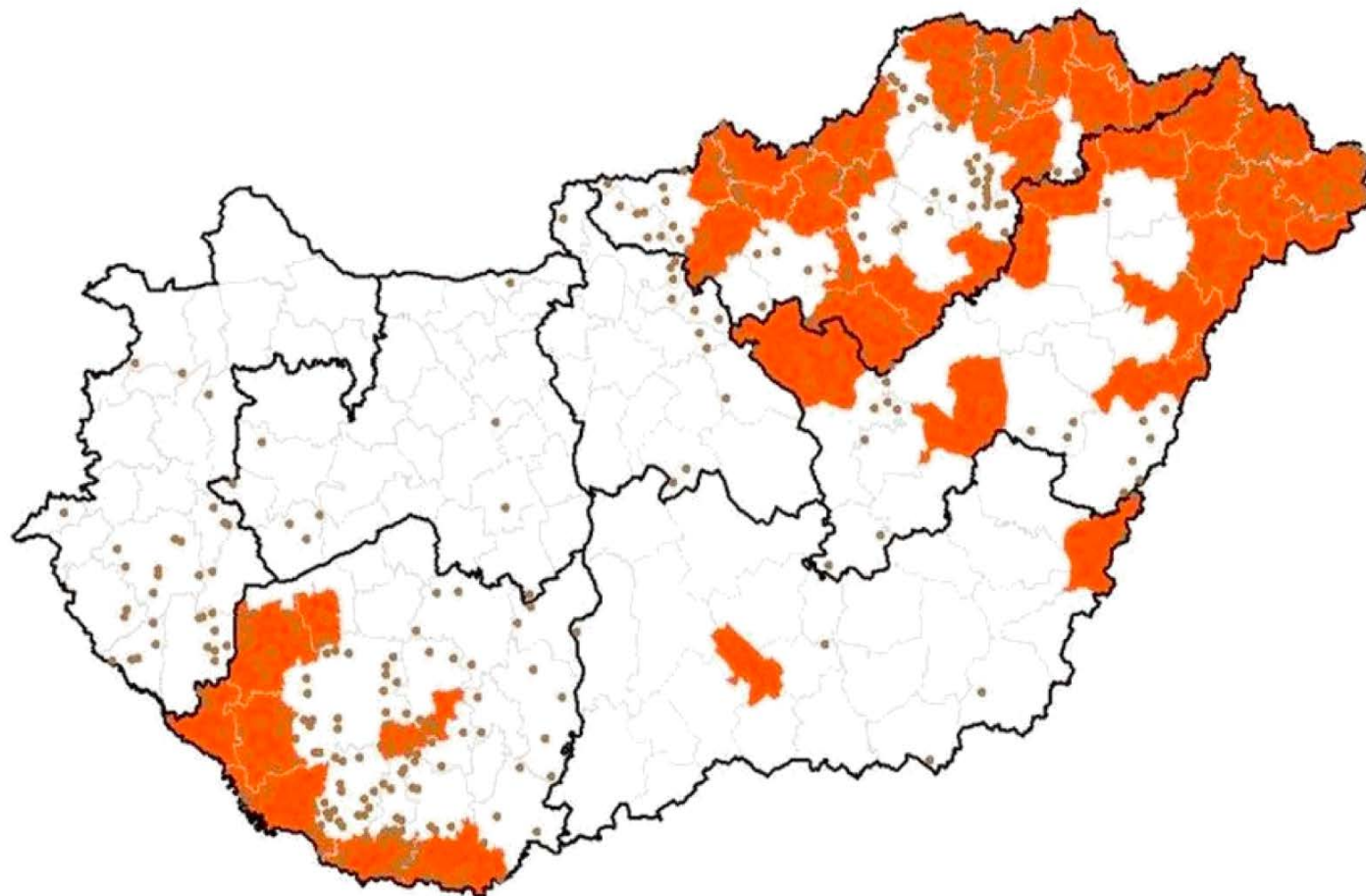
The Context

- Total population of Hungary is less than 10 million.
- Based on estimates, Roma make up 7 to 10 % of the total population.
- The Roma in Hungary live geographically concentrated
 - Ghetto villages (Northern, Eastern and Southern part of the country)
 - Gentrification
 - Segregation
- Around 3% of the total population live in segregated places but 30% of the Roma live that way.
- 10-12% of the dwellings are substandard

The Context, II

- The Roma in Hungary live geographically concentrated
 - Ghetto villages (Northern, Eastern and Southern regions of the country);
 - Situation of segregated settlements in small and remote villages is worse because of the lack of public services (or poor quality of them);
 - Not only the physical segregation but the poor quality of the housing stock is a problem and its reason, as well.

Magas arányú cigány népességgel rendelkező térségek



A 2001-es népszámláláskor magukat cigány etnikumunak vallók aránya meghaladja az országos átlag kétszeresét (kistérségek), illetve háromszorosát (települések)

The Context, III

- Debt trap: Based on estimates, one fifth of the Hungarian households have overdue utility bills invoices (water, electricity etc.). More than 20% of the households pays more than 30% of their income for public services related to the household income (before the financial crisis).
- The ratio of social housing decreased from 22 to 4% since the beginning of 90's.
- Previous (social) housing programs caused 'market failures' or financial abuses.
- Value of the properties is symbolic. It causes that habitants are immobile and they cannot be financed by the formal bank sector.

The Context, IV

Complexity of the problem:

- Lack of access to labour;
- bad health conditions;
- exclusion from decision making;
- low or unfinished education;
- severe living conditions
- no community cohesion.

Paradox situation:

- The more vulnerable the household is, the less energy efficient is the house. That is the poor families have to spend more money on for the wood (or pay a fine when stealing wood) and they cannot afford installing the insulation.
- Children living in segregated settlements are excluded from the 'normal' elementary school or they can't access the same quality of education that higher class children enjoy. This increases/preserves the gap between Roma and non-Roma children.
- Funding/ Application (?) system is contradictory because the more underdeveloped a settlement is, the less likely that it will apply for EU-funds to liquidate its segregated settlements.

The Context, IV

- Governmental Programs

- People living in deep poverty (the Roma) cannot benefit from governmental programs (pre-savings based fund, debt-consolidation program for governmental employees) because those are targeted to the middle or upper-middle class.

- Roma Settlement Rehabilitation Program could reach only 31 settlements. There is no model-program, best practice and experience neither on the governmental nor at the Beneficiary side.

- Administrative and financial burden of the calls hinders the participation of small and underdeveloped settlements.

- There is no real complexity in the programs (i.e the most recent program does not contain infrastructural pillar - it will maintain the segregated situation.

Solutions

Governmental Programs

- using financial instruments such as the European Agricultural Fund for Rural Development;
- making greater use of technical assistance,
- increasing the implementation period of the projects,
- ensuring that the various EU funds available can be applied in a more integrated and flexible manner in the future,
- evaluation the results,
- using global grants

(Review of the EU Framework for National Roma Integration Strategies by OSI)

- using 'applicant-friendly' procedures, taking into account the differences between the applicants' capacity and motivation,
- ensuring real complexity by involving the target group in the planning
- motivating the municipalities to prepare feasible and efficient local programs to eliminate the segregated neighbourhoods (real integration)
- considering NGOs as eligible applicants - in case of resistance of the municipalities

Solutions II

- Alternative and pilot programs

- It must not be a competition. Pilots, alternatives should complement the governmental measures and looking for new and innovative approaches.

- Asset building based approach

- Focusing on the 'missing parts' of the governmental programs or running parallel and financially independent local programs. (Avoiding the cross-finance.)

- Energy efficiency (improving the energy efficiency of the houses AND assisting the households to use alternative energy - e.g. biomass briquettes)

- Community based actions (community development, community based planning, exploring the local resources)

An Example

- Autonomia's Asset Building Program

- Various methods to tested to provide a flexible 'menu' for different communities:

- IDA-Housing
 - Bank of Chance
 - CAF-Model

- The overall aim was to manage the complex problem with financial (asset building) measures:

- Savings instead of loans
 - Loans provided in a sustainable, fair and simple way
 - Financial development and education in an indirect way
 - Consolidating household budgets (or preventing further debts)
 - Finding and testing new and adaptable models to complete the state run programs

CAF Method

Groups build savings to have their own loan capital. It is an 'open source' self-banking model.



Method can be efficient against illegal money-lending / usury, in case of financial emergency situations and for community development. Asset building effect is significant. Participants can save for housing aim, as well.



Results I

- The effect of the financial crisis was serious (very high drop out rate compared to the previous programs)
- Methods work but the saving capacity is very limited (10-12 Euros monthly)
- Regarding the state of the houses, renovation, energy efficiency and conservation (drainage system, roof-repairing, eliminating wetness of the walls) can be feasible
- Complexity of the housing program (it was not 'housing' ...) was efficient (energy-efficiency, technical advisory, mentoring, financial education, community development).
- CAF and Bank of Chance model can (could) be financially self-sustainable after a launching period.

Results II

- Asset building theory can be useful to
 - involve and motivate the target group into a big scale Settlement Alleviation (anti-segregation) Program;
 - motivate them to manage a planned household economy;
 - consider their homes and environment as a value and invest in them;
 - develop the communities.

- There are many opportunities to complete these programs:
 - voluntary work
 - donations (materials)
 - media and awareness raising against the stereotypes.

Thank you for your attention!

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