

MUTUAL LEARNING PROGRAMME:
PEER COUNTRY COMMENTS PAPER - HUNGARY

Ethnicity or social exclusion?

Peer Review on “Supporting the Labour Market Integration of the Roma Community
in the Czech Republic”

Czech Republic, 25 – 26 November 2010

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1 LABOUR MARKET SITUATION IN THE PEER COUNTRY

This paper has been prepared for a Peer Review within the framework of the Mutual Learning Programme. It provides information on Hungary's comments on the policy example of the Host Country for the Peer Review. For information on the policy example, please refer to the Host Country Discussion Paper.

In Hungary, during the census of 2001, 190,046 persons indicated that they belong to the Roma minority, and 48,685 indicated that they speak one of the Roma languages as their mother tongue. According to related estimates of authoritative experts and Roma organizations, there are 450,000–650,000 Roma people living in Hungary. The Roma community represents about 4.5%-6.5% of the inhabitants of Hungary. We consider as a fact that, unlike the majority population, the number of individuals in the Roma minority has been growing, and by 2021, the entire Roma population may reach up to 800,000.¹ This trend is one of the key reasons for the relevance of strong national actions to tackle the gap between the Roma minority and the majority population.

The average life quality and standards of habitation of the Roma people, as well as their health conditions and schooling levels, are materially worse than those of the population in general. The life expectancy of the Roma population is 10 years lower than the Hungarian average, more than 14% of the Roma population lives in settlements without electricity, piped water or other basic amenities.

Of course, like many countries, Hungary does not have exact figures on the Roma population since we have no data on ethnic minority status in labour surveys and registration. According to the most relevant expert survey in 2003, 21% of the Roma population aged 15-74 was employed, and this figure was 1% less than ten years earlier.² The national figures were around 50% in that year, so we can easily see that the Roma have the worst labour market situation in the country. In 2007, the employment rate in Hungary was 50.9% which decreased to 49.2% by 2009 due to the crisis. The unemployment rate of the Roma population demonstrates a picture of labour market and social exclusion. The total unemployment rate of the Hungarian working age population in 2008 was 7.4% which increased to 10% in 2009. Among the Roma, this rate was estimated to 50%-60%, in some deprived areas it can reach 100%. One-sixth of Roma woman had some regular work, and there is wide-ranging occurrence of undeclared casual work.

Comparison of the rate of employment of the Roma and the total population in 2003 (%)³

| | Roma population | Total population |
|-----------------------|-----------------|------------------|
| Male aged 15-64 | 28.0 | 63.5 |
| Female aged 15-64 | 15.1 | 50.9 |
| Population aged 15-64 | 21.4 | 57.0 |

¹ Hablicsek László: A népesség jövőbeni alakulása. In Tóth Pál Péter [szerk.]: A magyarországi bevándorlás. Lucidus Kiadó, Budapest, 2006.

² Kemény-Janky-Lengyel (2004) Gypsies in Hungary, 1971-2003. MTA (Hungarian Academy of Sciences) Institution for Research of Ethnic and National Minorities

³ Source: CSO, and Kemény-Janky-Lengyel (2004) Gypsies in Hungary, 1971-2003. MTA (Hungarian Academy of Sciences) Institution for Research of Ethnic and National Minorities

We can point at the following as the main reasons of labour market exclusion:

- The most important reason is the low educational level reached by many young people in the Roma community. Today it is common knowledge that education is the most important social mobility factor, and it is a vital factor in being employed. Lower education levels cause a high risk of unemployment and poverty. As in the rest of Europe, in Hungary there is also a limited demand for unskilled workers. According to Delphoi Consulting's survey, one third of the Roma population (over the age of 19) only have an elementary school degree, only 11% finished secondary education. So most of the Roma population seeks elementary occupations. Younger generations have more opportunity, but still every third Roma child studies in a segregated school or class, where the majority of the pupils are Roma. These schools usually have fewer resources and equipment as well as in human capital. The proportion of Roma students admitted to universities and colleges was only 1.2% (of 20-24 aged Roma).
- The second reason is the territorial distribution of the Roma population. They are concentrated in the crisis areas of the country. More than one third of the Roma population lives in the localities with the highest unemployment rate. A considerable share live in the eastern, north-eastern, south-eastern regions of the country, which are characterised by low labour demand. They live in settlements with poor public transport, with generally unhealthy and unsanitary living conditions. In most cases there is little mobility from these regions, because the real estate cannot be sold. As Gabor Kertesi and Arpad Abraham wrote in their study, "the people of the crisis regions are bound to the land, without other opportunity they remain the prisoners of poverty".⁴
- Additional difficulties should be mentioned in relation to prejudices existing against Roma people. According to Eurobarometer, discrimination against ethnic minorities is widespread in Hungary, with 79% arguing that discrimination against Roma is widespread. This rate is 18% higher than the EU average. Sixty-five percent of the population thinks that skin colour or ethnic background negatively affects the job opportunities of a candidate.⁵

2 ASSESSMENT OF THE POLICY MEASURE

The main strategic documents in Hungary with regards to Roma inclusion are: The Decade of Roma Inclusion Programme and the Social Renewal Operational Program. The Decade of Roma Inclusion Programme aims at accelerating and ensuring the social and economic integration of Roma people in a sustainable manner, as well as at contributing to any positive change in the general image of Roma people.

According to the Social Renewal Operational Program: "The joint analysis of employment, education, and regional-settlement data of the Roma imply that there is an ethnic-based layer living in poverty, in the process of evolving, that will be permanently excluded from the rest of society in every respect, and will most probably hand down this situation to their children. The inequalities in the employment system —and the dysfunctions of the education system and segregation of settlements closely related to such inequalities— afflict a particular part of the population of Hungary clearly identifiable in terms of regions

⁴ Ábrahám Árpád – Kertesi Gábor: A munkanélküliség regionális egyenlőtlenségei Magyarországon 1990 és 1995 között. A foglalkoztatási diszkrimináció és az emberi tőke váltakozó szerepe. Közgazdasági Szemle. 43. 1996. 7-8

⁵ Eurobarometer: Discrimination in the EU 2009

and ethnic origin. To eliminate the accumulation of disadvantage, harmonised measures covering all of the fields of the economy, transport conditions, education, culture, health care, living conditions and social services simultaneously as well as complex regional programmes and anti-discrimination actions are required—primarily in the rural crisis zones of the country densely inhabited by the Roma. In addition to the programmes directly or indirectly focusing on the Roma, the key issue of the social integration of the Roma is in the horizontal enforcement of their equal opportunities.”⁶

In Hungary we have the same question: who is Roma? Those who are registered in the census, or those who consider themselves Roma? Roma people often live together with other socially excluded groups, and their needs are tackled as a social or anti-poverty issue rather than an ethnic issue. This theoretical question has a long history in Hungary as well as in the Czech Republic. There are several different views according to employment programs. Some experts and policy makers say (for example as written in Social Renewal OP) that the Roma question should be a horizontal issue. Some say we have to tackle social exclusion and poverty, for the Roma and non Roma population alike. And some say we have to deal with the ethnic dimension of the situation of the Roma minority. We also need to deal with the question of separating social inclusion policies from the Roma issue.

We have several projects on field social work and labour counselling implemented by NGO's. We found projects all over the country focusing on employment, housing, and social development of Roma settlements. The ESF and the National Employment Fund financed some of them. We also had good initiatives in EQUAL. But we can see problems similar to those of the Host Country. There is no database of the records and results of projects carried out by NGO's, neither qualitative nor quantitative, and we have no data on ethnicity in the labour register or in the labour survey. So we can only estimate the extent of the problems.

The projects and organisations dealing with Roma employment are very diverse. This diversity of measures helps them to reach the local communities and tackle real needs. But we can state that some of the organisations are facing financial and capacity problems, which lead to the questionable quality of services. These organisations are also unstable, and most of them practice crisis management from time to time. But they have a very important role to bring Roma back into the labour market. The reintegration of the Roma unemployed is a very complex task, and national services (social and employment alike) have no capacity to deal with it.⁷

The Public Employment Service (PES) has a system of service providing contracts with NGO's. This system allows very few organisations to have some financing for their services to local communities, among them Roma unemployed. This is also a very unstable system, with high administrative demands and the quality of services is not standardized.

In Hungary there is a need to strengthen NGOs dealing with the reintegration of people furthest from the labour market. These organisations are only effective if they have adequate knowledge and capacity, and financial stability. Better cooperation with the PES is also needed.

To promote Roma people becoming beneficiaries of the projects financed by the ESF the PES cooperates with Roma organisations when implementing programmes aimed at unemployed and economically inactive persons, as well as at those with lower-levels of school qualifications or at backward and disadvantaged regions. Besides that, 'specific programmes' directly targeting the Roma population are also required (for instance, the employment of Roma staff at the Public Employment Service). In addition to programmes designed to combat labour market disadvantages, initiatives to fight discrimination and

⁶ Social Renewal Operational Programme (SROP)

⁷ Arató Krisztina–Bartal Anna Mária–Kónya Márton–Nizák Péter: European Structural Funds and partnership in Hungary, Rejtjel Kiadó, Budapest, 2008

comprehensive regional development programmes will also play an important role in improving the labour market situation of the Roma.

We have some forward-looking national programs as well. The “Development of the Public Employment Service as part of the integrated social and employment service system” (TAMOP 1.3.1) project has a component on Roma employment counsellors. In 2010 twenty-six Roma social workers will start to work in the local Labour Offices to help Roma unemployed better access their services and training.

The “Accreditation system of labour market services” (TAMOP 2.6.1) project’s strategic goal is the development of a transparent and accountable labour market services system, in which the state is able to purchase services from NGOs to jobseekers at a nationally guaranteed standard. This standardization process will lead to a better quality of service provision and could help NGOs create a stable and sustainable way of work.

3 ASSESSMENT OF THE SUCCESS FACTORS AND TRANSFERABILITY

In Hungary, NGO’s also have an important role in tackling social inclusion and employment opportunities of the Roma. They can deliver services and projects right to the localities and can develop new methods to foster labour market participation. But they have problems similar to those examined in the host country paper. The problem also needs to be seen in a complex way. The integration into the labour market is affected by education, housing and discrimination, so the answers should be coordinated in these areas.

The establishment of a governmental Agency for Social Inclusion in Roma Localities would answer some problems. This agency could be able to facilitate cooperation between the actors and the different ministries, and could create a wide network. It can also help NGOs with capacity building, and can be a good tool to decrease the administrative burden. In several cases the municipalities of the deprived regions have no capacity and professional knowledge on social inclusion and conflict management to develop and implement effective projects. A central agency could act as a coordinator of these actions and help localities to form their way of development. It is a very good measure if the agency can get the decision and coordination closer to the beneficiaries and deprived localities.

But some questions still remain. This kind of agency cannot tackle the problem of targeting. Do these measures have to target only the Roma population or other socially excluded groups? If we target only the Roma, how can we measure it? In the deprived localities we have a mix of population, even if the Roma are over represented, the non Roma members of the community shouldn’t be excluded. Community development could be key to the inclusion of deprived localities. A central organization coordinating community development of the most deprived areas could be a good measure in Hungary too, but not only with a Roma focus. The name of the agency could be dividing. In 2010 a government office responsible for social inclusion, lead by Zoltán Balogh, was formed in Hungary. So an agency on social inclusion and not only on Roma, would be closer to the Hungarian government’s strategy.

The other unsolved problem is NGO capacities and sustainability. A government agency on Roma issues could help NGOs in strategic planning and capacity building, but they would also need stable financing to become professional service providers.

4 QUESTIONS

1. We would like to see some of the 72 projects, what do they target, how do they involve the whole locality.
2. How can the results be measured, considering the problem of measurement of Roma identification?
3. Are the non-Roma residents of these localities excluded?
4. Does it create conflict being labelled as a Roma locality?

ANNEX 1: SUMMARY TABLE

| Labour market situation in the Peer Country |
|---|
| <ul style="list-style-type: none"> • According to the most relevant expert survey in 2003, 21% of the Roma population aged 15-74 were employed. The national figures were around 50% in that year, so we can easily see that the Roma have the worst labour market situation in the country. Among the Roma, the unemployment rate was estimated to be 50%-60%, in some deprived areas it can reach 100%. • The most important reason for labour market exclusion is low educational level. One third of the Roma population (over the age of 19) have only an elementary school degree, only 11% finished secondary education. • The second reason is territorial distribution. They are concentrated in the crisis areas of the country. More than one third of the Roma population lives in the localities with the highest unemployment rate. • Additional difficulties should be mentioned in relation to prejudices existing against Roma people. |
| Assessment of the policy measure |
| <ul style="list-style-type: none"> • In Hungary we have the same question: who is Roma? Those who are registered in the census, or those who consider themselves Roma? Roma people often live together with other socially excluded groups, and their needs are tackled as a social or anti-poverty issue rather than an ethnic issue. • The projects and organisations dealing with Roma employment are very diverse. This diversity of measures helps them to reach the local communities and tackle real needs. But we can state that some of the organisations are facing financial and capacity problems, which leads to a questionable quality of services. • Forward pointing programs: The „Development of the Public Employment Service as part of the integrated social and employment service system” (TAMOP 1.3.1); “The Accreditation system of labour market services” (TAMOP 2.6.1) project’s strategic goal is the development of a transparent and accountable labour market services system. |
| Assessment of success factors and transferability |
| <ul style="list-style-type: none"> • In Hungary there is a need to strengthen NGOs dealing with the reintegration of people furthest from the labour market. These organisations are only effective if they have adequate knowledge and capacity, and financial stability. Better cooperation with the PES is also needed. • The establishment of a governmental Agency for Social Inclusion in Roma Localities would answer some problems (co-operation between the actors and the different ministries, help to NGOs and municipalities in capacity building). • But some questions still remain. This kind of agency can’t tackle the problem of targeting. Community development could be key to the inclusion of deprived localities. A central organization coordinating the community development of the most deprived areas could be a good measure in Hungary too, but not only with a Roma focus. |

| Questions |
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| <ul style="list-style-type: none">• We would like to see some of the 72 projects, what do they target, how do they involve the whole locality.• How can the results be measured considering the problem of measurement of Roma identification?• Are the non-Roma residents of these localities excluded?• Does it create conflict being labelled as Roma locality? |