

**12th OSCE Economic Forum
Prague, 31 May – 2 June 2004**

EF.GAL/17/04
2 June 2004

ENGLISH only

OSCE OFFICE FOR DEMOCRATIC INSTITUTIONS AND HUMAN RIGHTS
Contact point for Roma and Sinti Issues

OSCE OCEEA

BACKGROUND DOCUMENTATION

FOR THE SIDE EVENT ON ENTREPRENEURSHIP FOR ROMA AND SINTI
12th OSCE Economic Forum

Prague, 2 June 2004

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The Pakiv European Roma Fund - Experiences with economic development in marginalised Romani communities

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This document is based on the Pakiv European Roma Fund case study,
 prepared for the World Bank “
 Scaling Up Poverty Reduction - Global Learning Process and Shanghai
 Conference”

1 PAKIV’s Approach and Methods to combat socio-economic exclusion’

The **Pakiv European Roma Fund (PAKIV)** promotes the development of Romani civil society and intercultural understanding in Europe, in the framework of social, democratic and economic rights. The initiative emerged at the end of 2000 after more than 7 years of discussions on developmental experiences aimed at combating poverty and social exclusion of Romani communities in Central and Eastern Europe (CEE), especially innovative initiatives for income generation and new employment opportunities. Currently PAKIV is operating in 4 countries: Bulgaria, Hungary, Romania and Slovakia. The name *Pakiv* itself means *trust, respect* in Romani language. All PAKIV program components are designed as tools to nurture democratic values such as transparency, respect and responsibility for the communities, pluralism, respect for diversity and critical thinking.

Focusing on development opportunities, PAKIV acknowledges that any successful development endeavour entails a sequence of mutually reinforcing components. In particular, *sustainable income generation is impossible without a certain minimum level of skills and knowledge and this is the reason training and capacity development is an integral element of development efforts.* "Training" is not limited to formal seminars and workshops, but is conducted in the process of *doing*, within pilot implementation schemes, therefore providing for greater problem-solving skills and concrete self-involvement. PAKIV ensures the active participation of the community, where responsibility for the choices and the implementation rely directly with them. Furthermore, the private and the community interests are brought together for mutual benefit in a framework of mutual control and motivation for success.

¹ Based on Kirilov, 2003.

At the same time, the approach also looks to mobilise the internal group potential especially characteristic for closed traditional **communities** like the Roma. Unlike modern societies, amongst the Roma there is an additional resource that can be used for stimulating the development – the group resource or the powerful feeling of belonging to the community and the related dependence of the individual on the recognition and acceptance **from** the community. All of these aspects contribute to the communities' capacity to become independent of outside (subsidised) support, which is an intrinsic part of PAKIV's development vision.

In its efforts to combat socio-economic exclusion, the methodology employed by PAKIV includes the following five interrelated components:

1.1. Capacity building of young Romani community facilitators through a one-year international leadership and community development training course

PAKIV invests in the organisation of intensive leadership and community development training courses for a core group of young Roma, at the international level, who in turn are supported in their efforts to multiply the skills and knowledge through training and community development facilitation at county and local levels. The training takes place in both the CEE region and at least one West European country, in view of providing the participating youth with another perspective on West European standards of living, culture and society. In this regard, intensive, sustained theoretical and practical training provides participants with the start-up know-how and tools to stimulate social change at both the grassroots and policy levels.

In an international training environment, participants undergo an intensive learning experience involving the following topics: English language study, personal development, communication and presentation skills, team building, leadership, human rights, conflict management, needs assessments, programming, management and evaluation techniques, fund-raising, computer literacy, advocacy and campaigning, and grass-roots experiences with **income-generating** projects. In addition to the theoretical training, participants also follow a **mentored** process of community facilitation of small community actions aimed at strengthening local capacities and combating socio-economic exclusion. In this way, they gain practical experience in stimulating local development amongst marginalised groups.

1.2. Capacity building of the Romani community for self-organisation, community mobilisation and income generation

Through the work of the young Romani facilitators, PAKIV also builds up capacities amongst local Romani community groups to identify the immediate needs and outline solutions within which the community and individual interests are best met.² Building local capacities within the Romani communities is most effective when combining methods and approaches for practical application of the newly acquired skills and knowledge. These include facilitation methods, training, mentoring, and learning by doing within pilot projects supported by PAKIV. Here, ongoing analysis of the process and the achievements and failures of the realised initiatives provide for effective learning. The methods develop skills for achieving consensus in the process of working out alternative solutions rather than ready-made patterns.

1.3. Support of local income generation and employment-related activities sewing as tools to mobilize communities, to provide concrete experience to trainees and to influence public policies and practices.

Following the facilitation of preparatory community-based actions to build local trust and a shared vision for development, the operation of a development fund helps to stimulate start-up initiatives for income-generation and employment, which are promoted, planned and realised by local Romani communities in favour of common group interests and needs. The types of activities supported so far include animal husbandry, farming, vocational training and small business start-up, job orientation for marginalised youth, and town maintenance, amongst others.

1.4. Converting support from the program's Development Fund into several local revolving funds of the participating Romani communities.

With the investment in capacities and skills of the community group, there is an opportunity to form a reliable unit to manage a community-based revolving fund. The resources generated from the supported income generation initiatives are accumulated in local funds and provide the basis for a sustainable resource for the benefit of the community. This direction of the program's evolution becomes particularly important given the perspective of phasing out of the external support.

² Facilitators receive regular mentoring from staff and experts in view of improving their practical experience in community mobilising. Currently Pakiv is working with about 30 young Roma from the 4 countries.

These **community** revolving funds are created and managed by the Romani communities, and respond primarily to the needs of the community. The parallel function of these funds is to mobilise additional internal resources of the community, such as creating internal social funds and saving programs, therefore making an effective and responsible use of the imported resource.

1.5. Creating national and international networks for discussions, learning and advocacy for policy and public attitude change.

PAKIV also supports cross learning amongst the facilitators, where they visit ongoing income-generating and community organising activities in different participating locations. In this regard, facilitators have the possibility to learn from each other, provide mutual consultation, and build capacities for monitoring the developments in Romani communities in different regions of the countries. Facilitators co-operate in training and mentoring local Romani groups, predominantly youth, involved in supported project activities. Here, the skills and knowledge of former PAKIV trainees are being multiplied amongst local Roma in each of the countries.

The close links with grass-roots realities, combined with national networking, also provides the conditions for co-operation in advocacy and campaigning efforts to institute changes in attitudes, practices and policies of relevant actors and institutions in the localities.

Finally, as a regional organisation, the Pakiv European Roma Fund also stimulates international networking and communication, through the organisation of international training workshops, self-evaluation and strategizing sessions amongst its network of facilitators. Participants engage in analytical discussion and reflection on civil society and community development approaches and methods concerning Roma in the region.

In carrying out the above-mentioned, inter-related program components, PAKIV seeks to make a civic contribution to identifying appropriate national strategies and methods for combating exclusion amongst the Roma.

2. Economic development in marginalised communities - brief case presentations

2.1. *Community Banking in Biala Slatina, Bulgaria*

In combating socio-economic exclusion by promoting income-generation amongst Roma, PAKIV has been experimenting with the facilitation of community banking or revolving funds.³ In using a specific example of a program in the small town of Biala Slatina in Bulgaria, the steps and methods involved can be better understood.

General Background

Biala Slatina is a small town in North Bulgaria with a total population of about 13,923, of which the Roma account for about 3,000. Working as labourers in agricultural co-operatives and animal farms was the main source of occupation prior to the economic restructuring. Today, finding seasonal work as agricultural labourers and part-time work in a local cannery serve as the main source of temporary employment for many Romani families in the town. Here the minimum wage is about 50 USD per month. As with much of the Romani population, educational levels are generally low, the majority of families rely on social benefits as the most stable form of income. Very few Romani inhabitants have permanent work.

A local community-based organisation (CBO) formed of Romani youth from the town had been working on educational activities for about two-three years and decided to develop an income-generating component, based on the experience and discussions with community members about what can be done.

It was decided to start up a sheep-breeding program for individual families in the Romani neighbourhood. Fifteen families would receive five sheep and two months fodder, on condition that they pay back 80% of the total investment. The repayment would form the basis of a revolving fund, or bank for the community to continue supporting other income-generating activities. The total amount of the project support was 7,276 USD.⁴

³ The community banking model is one which essentially treats the whole community as one unit, and establishes semi-formal or formal institutions through which microfinance is dispensed. Such institutions are usually formed by extensive help from NGOs and other organisations, who also train the community members in various financial activities of the community bank. These institutions may have savings components and other income-generating projects included in their structure. In many cases, community banks are also part of larger community development programmes, which use finance as an inducement for action. (Grameen Communications 1998, <http://www.grameen-info.org/mcredit/cmodel.html>)

⁴ In addition to the income-generating element, the project also involved the organisation of local workshops on human rights issues, especially local cases of discrimination, and organised dialogue with various local authorities, in view of building partnerships to address problems confronting the Roma community.

Enhancing community participation through setting up a public council

In starting up the project, a new structure – the public council – was set up in order to provide for greater community representation, participation and control in the decision-making processes concerning the project. The public council is formed of five elected members from the community and two representatives of the CBO. The elected members are nominated and then voted on by community members and should be well respected, influential, and financially independent. The council also served as a mechanism to increase trust between the CBO and the other community members, and serve as another incentive for beneficiaries to repay their loans (e.g. maintain trust and respect from important community members).

The role of the public council was to

- develop the criteria for becoming a beneficiary in the project⁵
- select beneficiaries from amongst the applicants
- research the market and purchase the sheep that would be disbursed to the families
- take decisions over problems and for modifying plans and procedures (e.g. small budget adjustments, how to deal with defaulting beneficiaries, etc.)
- maintain good dialogue with beneficiaries
- participate in monthly meetings with the beneficiaries

As part of the project, training on small business management was organised for members of the public council and the local CBO staff. The functioning of the public council got off to a good start, fulfilling its role in connection to developing criteria, selecting beneficiaries and contracting with the families. However, in time the council became less active, with members not attending regular meetings.

Contracting the 'loan' between beneficiary and the local NGO

Fifteen families were chosen amongst the applicants, and they received 5 sheep, food for about five months, insurance, and veterinary assistance in caring for and advising on the breeding process. The total amounted to about 396 USD per family and was to be repaid over a period of eighteen months, following a two-month grace period. Exact timing of monthly repayments was negotiated with each additional family, according to their own needs.⁶

⁵ Criteria included: to be a reliable and responsible person who can be trusted; have experience with animal breeding, have the physical space and conditions for keeping five sheep; be personally involved in the sheep breeding, and not delegate to someone else; and be unable to buy five sheep with one's own resources (access to resources). Priority was given to families with children, especially those whose children attend school, and who had at least some other form of income, at least temporarily or part-time.

⁶ In May, families would be required to pay back a greater amount since it was expected that they would be able to sell more sheep since the St. George Day celebration (May 8) is a popular celebration involving the cooking of at

Initial results – animal breeding and loan repayment

Out of the fifteen families who received the loan in the form of five sheep, food and insurance, thirteen of the families have been paying back regularly, though at times having to postpone payments to a later date.⁷ The current rate of repayment to the community bank is about 75%, owing to late payments. The late payments are especially related to the availability of seasonal work (agricultural and farm labourers, public works), and the lack of regular income from sheep breeding. From this point of view, repayment has proven more difficult for the families, than originally expected. Nonetheless, the families are continuing to repay to the community bank, and have a new form of family income, through the ownership of the sheep. It is noted that the fact that other families are waiting to benefit from the support of new initiatives with the repaid loans serves as a „social pressure" to keep repaying⁸

Alongside the project's outcomes in terms of loan repayments, the setting up of the community bank has also stimulated community member in other ways. There is greater interest in the community to be active in improving their own situation, rather than just depending on social payments. There is hope and willingness in continuing the development and functioning of the community bank, and overall greater interest in working with the local CBO.⁹

2.2. Informal association for income-generation in Banloc, Romania

General background

Banloc is a small village located in Western Romania, with a total population of about 900, of which 245 are Roma.¹⁰ The majority of the Romani population in Banloc is illiterate (2 are university students¹¹, 2 attend high school, and 5 completed the 8th grade). During the Communist period, the Roma worked mainly as labourers on the state co-operative farms. Today, the main sources of income are social payments, child support related to school attendance and seasonal work as agricultural labourers.

Prior to support from PAKIV there was no form of self-organisation within the community, and they were not involved in activities of other NGOs working in the region. Through the work of a PAKIV facilitator who originates from

least one lamb per family.

⁷ In the other two cases, one family sold the sheep in order to have the resources to migrate to another location where work is more available, and the other

⁸ Until now, the community bank has provided two family loans between 100 – 300 USD, with the repaid funds.

⁹ Raykov, 2002.

¹⁰ Out of the 245, 162 are between 0-18 years old. (Romani Bax – Banloc Project proposal, 2002)

¹¹ One of these is the PAKIV facilitator, and the other is her sister.

Banloc, a local community group formed of interested persons decided to propose a pig-breeding initiative. From the start, the mayor of the village was encouraging and open to support the initiative where he was able. The interested group started out with 30 families, but when the time came for taking responsibility for the funding, the group dropped down to 9 families.

With support from PAKIV, the initiative group would purchase sows and renovate a common space for keeping them. Members of the group would equally share the responsibilities of caring and guarding the pigs, and each would receive a full grown pig at the end of 8 months, as „paymentⁿ.

Functioning of the initiative group and small pig farm

Through facilitated dialogue, the members decided upon the plans, roles and rules of the group. The work amongst the members was divided equally, each working one full shift of twenty-four hours, to feed, oversee and guard the pigs and food. The group developed a strict set of rules to be followed. Breaking the rules would mean exclusion from the group. The rules included, reporting for scheduled work duty unless otherwise agreed upon, no drinking while on duty, and all pigs and food should be accounted for at the end of each shift¹².

The members of the group worked voluntarily to renovate a small building provided for free by the local government of Banloc, which also supported the cost of electricity hook-up. From the project support, nine sows, ten medium-sized pigs and fodder were purchased. The total amount of support was 4,800 USD.¹³

In the first couple of months, the initiative group was reduced first to seven persons, since the one did not respect the rule of reporting for duty, and a piglet was injured and killed during another's guard. In the winter season, when work opportunities are fewer another 2 persons lost their right to participate when some of the fodder went missing during their watch. They eventually confessed to selling some fodder for money to buy food for the family. Nonetheless, during this period, the pigs continued to multiply, and at the end of the first eight months, the remaining families could take home their full-grown pig.

Initial results and subsequent developments

Today, from the original nine sows and ten pigs, the local initiative group now has about one hundred and twenty pigs of various sizes. With additional support from PAKIV, they have also purchased two cows, which produce about six

¹² The number of pigs was confirmed at each new shift, where the persons would sign a book when handing over responsibility.

¹³ In addition to the income-generating elements (renovation of the building and purchase of the pigs), the project also involved organising a community workshop about the schooling situation of the children, a press conference to promote the local initiative and eventual registration of the initiative group.

hundred litres of milk per month. Part of the milk is sold to a local dairy for about 100 USD, which pays for the full time work of two group members who oversee the pigs and cows. Some pigs are sold for fodder, and are still used, together with milk, to „pay“ for occasional work done by community members (e.g. agricultural labour, volunteer schoolwork with children).

Alongside the setting up of the pig farm, the local initiative group has established regular communication, review and planning in the context of partnership agreements with the local authorities. The initiative group has been negotiating the use of local agricultural land, which they expect to receive at the end of 2003. Other issues related to a hepatitis outbreak, problems with petty theft amongst the Romani community members, lack of identity documents and Romani children's participation in the educational system have also been addressed, in co-operation with local authorities.

One year after the project, an agreement with the local city hall, primary school and initiative group has led to the setting up of a supplementary schooling program for Romani children, in view of increasing their sustained participation in school. In co-operation with schoolteachers, volunteers of the initiative group will also work with the children and their parents, in view of overcoming current barriers.

In the future, the initiative group plans to start up agricultural activities on the land provided by the local governments. Since the price of pigs has dropped considerably since the start, a large part will be sold and the money will be reinvested into the agriculture. The latter activity is also viewed as a way to involve more families, since interest has again increased after seeing that the pig farm is still working.

Overall, there is a greater sense of hope and motivation in the community to act together in improving their situation. Planning capacities have developed significantly, and there is greater interest in trying to improve the opportunities amongst the children of the **community**, through education. The **income-generating** activity involving a pig farm has served its role as a start-up activity leading to steady development involving more community members and other sectors needing attention (e.g. health, education, identity papers).¹⁴

¹⁴ Novacovici, 2003.

3. Preliminary experiences and lessons

Tackling unemployment and social dependency amongst an impoverished ethnic minority is a challenging development task. In the so-called developing world, there is considerable experience with micro-credits, community revolving funds and a number of methods for working with disadvantaged groups (e.g. Grameen bank, SEWA, CARE, and ACCION International). In testing and developing its own methodology in Romani communities of Central and Eastern Europe, PAKIV has also employed similar methods related to community controls and social guarantees, starting up **community** banking initiatives, and involving local NGOs as partners.

Amongst the local communities supported by PAKIV, **community** organising for income-generating purposes has been a completely new experience. Through regular facilitated discussions, local groups continue to undergo a process of learning based on planning, decision-making, reflection and adaptation of the projects. The initial support from PAKIV serves as a starting point for creating a resource in the community, which can be modified and further developed over time. In addition to these local learning processes, the facilitators themselves followed a learning process through working visits to each other's projects and regular international meetings to share experiences and analyse the methods and impact.

It should be mentioned that in some cases, the experimental income-generating activity proved less successful both in **terms** of creating new income and employment opportunities and in serving as a tool for sustained group development and **mobilisation**. Nonetheless, by stimulating reflection on the process, methods and influential factors, the experiences still provide for important learning.

In analysing some of the program's experiences with income-generation amongst impoverished **Roma** in Central and Eastern Europe, there are a few key practices that can be extracted.

3.1. Capacity-building for self-organisation combining individual and group interests amongst the poor

The development of local potential for community development, **self-organisation** (CBO) and self-help gives a tool kit for solving the problems at the group level, while stimulating personal realisation. Such a community interest perspective is the overarching framework in which private interest may fit in a sustainable way benefiting both the community and the individual. Small

production facilities identified on the basis of community decisions provide the necessary perspective for pursuing the private interests in a sustainable way.

3.2. Balancing individual and group responsibilities in developing social guarantees

Amongst the poor, the use of social guarantees related to inner community peer pressure and accountability play an important role in substituting for material guarantees of traditional bank loans. With the promise of new opportunities for other community members upon repayment, the beneficiaries become accountable to members of their own community rather than „outsiders^m. In addition, the creation of additional **community-based** decision-making structures, such as the public council, also serves as a kind of guarantee, in terms of respecting the original agreement in front of local leaders and influential persons.

Close attention should be given to the methods, procedures and roles of such bodies and arrangements, and the strategic participation of the target beneficiaries. For example, in the case of a local sheep-breeding initiative, some of the participants received infertile sheep. The sheep were selected and purchased by expert members of the public council, and therefore the beneficiaries do not want to be held responsible to repay them. Though it is likely that the same thing would have happened if the beneficiaries had purchased the sheep, they could not blame someone else for the misfortune.

3.3. Pace of turnover and sustaining motivation

Loan repayment and resisting temptations for immediate gains amongst extremely poor is extremely difficult, when the turnover of the respective income-generating activities is slow. In communities where most families are concerned with everyday subsistence, the high level of success in terms of keeping and breeding the animals, for example, is impressive. Still, since they do not produce a regular income, it is more difficult to maintain the necessary motivation to put off seeking immediate satisfaction of daily needs in order to reap the long-term benefits of sustainability.

3.4. Enabling environment

Certainly, the potential for development and change are affected by other factors, which can enable or hinder local efforts. The current situation of Roma

is, in part, a result of massive economic restructuring. Furthermore, the fact that the majority are now found concentrated in economically depressed regions of the participating countries makes things even more difficult. At the same time, experience shows that the open support of authorities, both in terms of resources, programs and through fostering a positive climate of willingness to engage the issues has an enabling effect on the process.

3.5. Development as process not project

In the case of income-generating initiatives supported by PAKIV, it is understood that the activity will not solve all the problems of an impoverished community, but should serve as a tool to stimulate an ongoing *process* of development. Too often, NGOs (and sometimes governments) in the CEE region are required to raise money in the context of concrete projects, often no longer than a year. In many ways, the results after 12-18 months can certainly give an indication of how things are going, but the outcomes are rather superficial. Real change, in the multifaceted elements of poverty takes real commitment and time, including the possibility to grow in pace with the development of local capacities. For even if there was an unlimited supply of resources, it is still necessary to ensure that the beneficiaries and other local partners are prepared to take a leading role in breaking the cycle of poverty. Therefore, development should be seen as a long-term process of change (and challenges), not just a short-term project.

3.6. Promoting lessons and experiences from civil society

Civil society initiatives have some advantages over larger scale state programs, in that there is greater flexibility to explore new approaches and methods. However, much of what happens in the context of civic programs remains unanalysed, limited to a project report form, shelved amongst various organisations' files. A lot of time is invested into running programs, obtaining funds and reporting, and far too little into analysing and reflecting on what really works and what doesn't, and how to increase the impact of civic initiatives by identifying ways to adapt the experiences and approaches to structural, systemic levels. In recognising this as one of the current weaknesses of civil society organisations, PAKIV seeks to promote and develop this practice and culture amongst civic organisations and activists working with Roma.

4. Concluding remarks

Through its program activities, PAKIV is developing a network of young Romani leaders able to activate their communities, stimulate local development

processes bringing greater individual and group self-reliance and to use local experiences to influence public policy. The particular emphasis on capacity building amongst Romani youth and local communities, both through formal training and creating opportunities for "learning by doing" is a key element to PAKIV's approach. By investing in the acquisition of knowledge, new skills, and concrete experiences, program interventions have a sustainable impact on the beneficiaries, who will continue to use these 'assets' throughout their lives. Another important aspect is the need to build partnerships at all levels of operations, since neither PAKIV as an institution, nor the grassroots Romani communities it supports can expect to stimulate real social change in isolation. Finally, in contributing to the development of civil society, PAKIV would like to stress the importance of cultivating a value-driven vision of civic work and social responsibility amongst the Romani youth and all those involved in development efforts.

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NEW INITIATIVES IN 2004

Registration of national Pakiv organisations

Following the original strategy of the Pakiv initiative, former trainees in each of the countries have begun procedures for setting up autonomous national organisations.² In doing so, the initiative begins a process of decentralisation, while diversifying its resource possibilities by gaining access to national funding in each country.

Engendering development work with grass-roots Roma communities

Supported by the Open Society Institute's Network Women's Program, this special project takes a „first step" toward increasing gender awareness and responsiveness amongst development practitioners working with Roma in the region. Through training, community-based analyses, report writing and distribution, the program will both raise capacities for employing specific gender analysis frameworks and produce new knowledge concerning actual gender roles and relations amongst Roma groups in a number of locations in Bulgaria, Hungary, Romania and Slovakia.

PAST AND PRESENT TRAINEES ACTIVE IN THE PAKIV NETWORK

Bulgaria

Krasimir KIRILOV, 30, is from Sliven in East Central Bulgaria. Prior to the Paluv training Krasimir had primarily volunteer experiences with various Roma NGOs. After completing the course, he has been working as a Program Co-ordinator for the Creating Effective Grassroots Alternatives organisation, which works with Romani communities in Bulgaria. His hobbies are music, computers and photography.

Katya VESSELINOVA, 24, lives in Pazardjik and studies economics in Blagoevgrad University. Katya has been working in a local NGO called "Future", where she participated in training courses on teamwork and communication, and played a part in a Roma theatre called "Perpeto Romile".

Katya ARSENOVA, 20, is from Lom, in Northwest Bulgaria. Katya finished high school with a specialisation as a fashion designer, and has been working as a volunteer in the Roma-Lorn foundation.

Emil METODIEV, 22, from Dupnica in Southwest Bulgaria has been part of a local initiative group of young Roma from his town. Following the Pakiv course, Emil was hired as a program assistant in the Creating Effective Grassroots Alternatives organisation.

Boyko STOIANOV, 21, lives in Kustendil, near Sofia and works in an NGO called "Nevo Drom (New Way)" as an Assistant Teacher.

² The exception is Bulgaria, where it is not necessary to register another Pakiv-related organization, since the participants there can operate within the Pakiv European Roma Fund - Bulgaria, as a separate program.

Assen KARAGYOZOV, 26, is from Plovdiv. **Assen** was coordinator of the project "Land as the Main Source of Income" for the Foundation for Regional Development – Roma Plovdiv. Since 1999, **Assen** has been President of the local Roma Youth organisation "Roma Stolipinovo – Plovdiv".

Miglena MIHAILOVA, 29, is from Southwest Bulgaria. Miglena is a lawyer and has been working in Blagoevgrad since 1998 in NGO activities, volunteer consulting services to local Roma and mediation between Roma and local government authorities. More recently, Miglena has also become active in women's rights activities.

Silviya FILIPOVA, 21, was born in Pazardjik in South Bulgaria, and currently works with a local initiative group in her home town, while assisting with the Pakiv office administration. Silviya has also been active in women's rights issues.

Svetlin RAIKOV, 31, lives and works in the town of Lom, in Northwest Bulgaria. Svetlin's prior experience was with the Roma-Lom Foundation in the educational and economic programs of the organisation. Recently, Svetlin was appointed Vice-Mayor of Lom.

Hunnary

Bela RACZ, 23, is from **Nogradmegyer**, (North Hungary), and currently studying to be an employment bureau advisor. **Bela** completed the Roma mainstream media internship program of the Centre for Independent Journalism, and has carried out local research on housing discrimination for the European Roma Rights Centre.

Imre BALOGH, 23, is from **Barcs**, in Southwest Hungary. with professional education in accounting-administration. Imre works as the Secretary of the Organisation of Roma Representatives of South-Somogy County (DCKSz) and started university studies in English language and Romology.

Judit BARI BEREZNE, 29, is from Northeast Hungary, and has experience as a co-ordinator of a program to support Roma university students and working as an assistant researcher in the preparation of a report for the OSI EU Monitoring Program. More recently she has been active in programs concerning health issues and training Romani women.

Szilvia REZMUVES, 28, is from Tiszavasvari in East Hungary, and has prior experience as an NGO program co-ordinator and vice-president of the local Roma self-government of Tiszavasvari from 1998-2000. Szilvia is currently a university student in Social Policy and has been part of a program for organising Romani women at the local level.

Renáta Ronta, 21, is from South Hungary. Renata is a social worker, and has been working with a local NGO and Roma community centre in her region.

Romania

Cosmina NOVACOVICI, 25, is from a small village near Timisoara in West Romania. Her work experience includes rehabilitation pedagogy for disabled children and cultural education activities with Roma children. Cosmina is currently a student of Political Science and

Communication at the University of Timisoara, and has been participating in women's networking and organising in the region.

Florin NASTURE, 27, is from Fetesti in Southeast Romania. Florin has been working on the development of a local Roma organisation "O Del Amenca", publications of biblical translations into Romani language and completing his university studies in Theology and Letters.

Ion GORACEL, 34, is from Petrosani in Southwest Romania. Ion has a university degree in sociology and has been working as a trainer for the Allavida Foundation and the Resource Centre for Roma Communities in Romania.

Marian GUGA, 22, is from a small village near Cluj in Northwest Romania. Marian is a student of Social Assistance at the University in Cluj, and is in the management team of the 'Romano Suno' students association.

Alina LĂCĂTUS, 21, comes from Bistrița Năsăud, in North Romania. Alina is a 3rd year student in the Faculty of Economics, Department of Tourism and Services in the University in Cluj – Napoca, and a member of the Roma Students Association "Romano Suno". She has been involved in all the actions of the organisation, and has carried out volunteer work in a local Roma community.

Iulia HĂLĂNGESCU, 24, is from the Roman in Northeast Romania. Currently, Iulia is a student of Social Work at Bucharest University.

Claudia GROSU, 23, is from Brăila in East Romania. Recently Claudia graduated from Bucharest University with a degree in Mathematics. Claudia has been working with a local NGO in her hometown.

Bogdan CHIRIAC, 21, is from Iasi, located in Northeast Romania. He is a 3rd year student of History, and a member of the "Romatin Students and Youth Organisation" from Iasi. Main activities of the organisation concern human rights of Roma, and improving interethnic relations between Roma and Romanians.

Slovakia

Erika **ADAMOVA**, 27, is from Presov, in East Slovakia. Erika is in her final year of university studies as a social worker, and has been working as co-ordinator of the Centre of Education and Culture of Romani Youth and Children of the Kosice region.

Katarina VAVREKOVA, 19, from Central Slovakia. Katarina is a student of tourism, with prior experience working with a local Roma NGO concerned with Roma children and youth activities.

Lucia CUREJOVA, 22, comes from Stara Lubovna in Northeast Slovakia. Lucia worked for the Roma Press Agency in Kosice as a journalist, and has published a book of traditional Roma stories in Romani language.

Zdenka DEMETEROVA, **23**, comes from Humenne in Eastern Slovakia. Zdenka attended a course of journalism and has been working in the Roma Internet radio program of **Dzeno** association in Prague.

Lydia BARIOVA, 23, comes from Prievidza in Central Slovakia. Lydia is a university student of Social Work. Lydia's experience includes working with a Romani youth organisation in the sphere of human rights and social issues, and more recently getting involved in Romani women's rights issues.

Miroslav CONKA, 21, is from Spisska Nova Ves in East Slovakia. Miroslav has been working as a social worker in the Roma community in the context of a governmental project. In addition to work, he is also a university student of Social Work.

Total: 28

Male: 12

Female: 16

Average Age: 24

**Income generating activities
to promote entrepreneurship among Roma
in Central and Eastern Europe**

**by
Spolu International Foundation and its partners**

*Proposed background documentation to the Side Event on
Promoting entrepreneurship and opportunities for economic development for Roma and Sinti
organised by OSCE/OSCEEA, ODZHR CPRSI and Pakiv-European Roma Fund
on 2nd June 2004 in Prague*

Utrecht, The Netherlands, May 2004
Froukelien IJntema

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Spolu International Foundation and income generating activities

Since 1993, Spolu International Foundation has been active to improve the socio-economic position of disadvantaged Roma communities in Central and Eastern Europe, through an integrated community development approach. Community development aims to create favourable conditions in which a community itself will be able to solve problems in its further development. In the past few years, Spolu and its partner organisations have come across a growing demand for support of initiatives of an economic nature. Spolu strengthens Roma communities by stimulating their leadership, self-organisation and social structure. We strive to establish genuine cooperation between Roma communities and the ethnic majority, local authorities and institutions. Our experience shows that combining potential in different sectors like education, housing, employment, safety and culture, has a mutually reinforcing effect. Spolu works in Romania, Bulgaria, Macedonia, the Czech Republic and Slovakia, with and through partner organisations.

Roma, a history of exclusion

Approximately eight million Roma are living in Europe, of whom about six million in Central and Eastern Europe. The major part of this Roma population lives a life of day-to-day survival. Many Roma communities are in fact 'Third World enclaves'. For centuries, a wide gap of mutual mistrust has grown between the Roma minority on the one hand and the ethnic majorities on the other hand. This mistrust is most clearly visible in the relationship between Roma and the authorities. One example is the redistribution of land after the fall of the communist system. Even though many Roma have worked for years in the agricultural cooperatives and have gained a lot of experience in agriculture, several legal provisions excluded them from getting land.

Roma have known a long tradition of persecution, pogroms, resulting in the murder of 600 000 Roma by the Nazi-Germans during World War II. Like in Western Europe, the Roma under the communist regimes in Central and Eastern Europe were forced to assimilate into mainstream society. As a result they did have access to education, housing, health care and the labour market. On the other hand however, they were forced to abandon their cultural and social identity. This gravely undermined the character of the Roma communities. Largely as a result of a ban on their cultural and political organisation, the Roma could hardly organise themselves and remained almost invisible in the local, national and international political arenas. The Roma became objects of policy, in which they did not take part by definition. It was policy for *them, without them*. The many and long lasting negative experiences have often resulted in a loss of belief in themselves and in a positive future, leading to a loss of hope and motivation among many Roma to try and change their situation.

Deteriorating economic position

Since the fall of the Berlin Wall in 1989, the economic position of the around six million Roma in Central and Eastern Europe is dramatically deteriorating. As a result of closing down the state cooperatives, many people lost their jobs. Minority groups like the Roma were affected the most: 60 - 95 % of the Roma in Central and Eastern Europe are unemployed. The formal labour market is almost closed to them. They hardly have a chance to get a regular job because of discrimination and prejudices among the majority. In spite of official policies of integration, they are often denied access to quality education and other public services and facilities, like electricity and drinking water. The low level of education and skills among disadvantaged Roma is another serious handicap both on the labour market and in successfully initiating and managing income generating initiatives. Many Roma live in a vicious circle of poverty and discrimination.

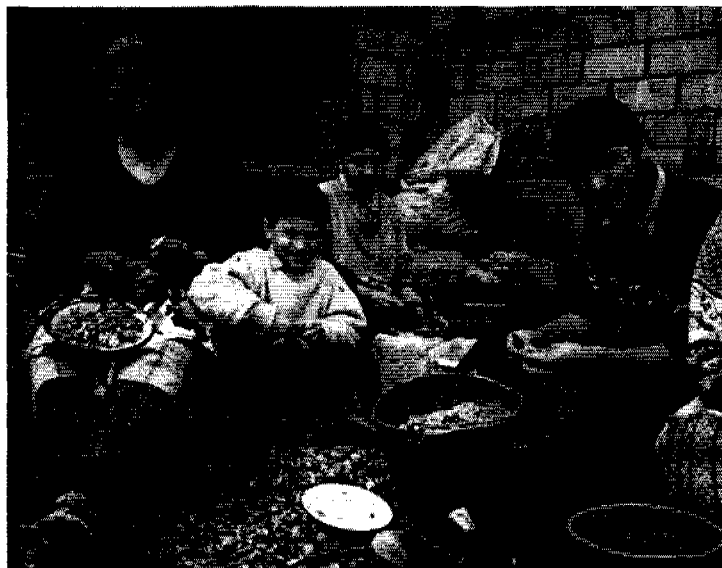
Barriers to success

Success of income generating activities and market oriented initiatives depends on a lot of different factors. Several barriers put Roma in a disadvantaged position when it comes to developing successful economic and income generating initiatives:

- a negative or even hostile attitude of the non-Roma majority prevents Roma from getting access to land, markets **and/or** financial institutions. This is worsened by the fact that unemployment rates in most Eastern European countries are high.
- a loss of motivation among Roma caused by loss of belief in themselves and in a positive future, which in turn is a result of many and long lasting negative experiences of violence and exclusion.
- poverty, which makes it **difficult** to take financial risks. For instance, it may be considered safer to remain dependent on social assistance, if available at all.
- a low level of education and skills among disadvantaged Roma, caused by lack of access to quality education and training.
- a shortage of leadership in Roma communities.

Subsistence

Things like this force Roma to find and create their own sources of income. They **often** have to operate in a grey circuit, which only reinforces their already marginalised position. Many Roma live **day-by-day**, finding food, clothes and shelter for their families. They are often engaged in a variety of **small-scale** income-generating activities in the informal market: they collect mushrooms or medicinal herbs in the forest, produce brooms, spoons or baskets, do agricultural work as day labourers, produce bricks, perform unskilled construction work, take part in digging works, or are involved in trade activities. A lot of this is seasonal labour. The income from these activities are often not even enough to sustain a family. Besides, a number of the crafts and trades that Roma traditionally do no longer seem to be marketable these days.



Collecting and processing fresh produce © Spolu International Foundation

Many of the subsistence activities are carried out on a family basis, like collecting mushrooms or herbs. Each family sells its products to a middleman separately. A lack of trust among Roma families in the communities, as well as shortage of leadership and organisation, often withholds individual families to combine their efforts in order to increase their 'bargaining power'. However, cooperation and mutual trust are essential to make such income generating efforts more effective and productive.

Moneylenders

A problem that is particularly great in Slovakia is the power of people who lend money to Roma against exorbitant interest rates, which put them in huge, **often** irreparable debts. Breaking the dependency on these money-lenders would increase the options for many Roma families to strengthen their economic position.

Poverty and taking risks

Taking risks and planning ahead are typical features of income generating initiatives of a more sustainable and 'formal' nature. People living in poverty - like many Roma are - cannot easily take (economic) risks. Poverty forces them to diversify their economic activities in order to spread the risk of failure. They tend to be engaged in a variety of small-scale income-generating activities in the informal market. It is risky for them to specialise in one economic activity and focus all their attention and resources on this one activity. They tend to live by the day and spend whatever income they have 'hand-to-mouth'. On the one hand, it involves parties like non-governmental organisations (NGOs) to open up windows of opportunities for disadvantaged Roma which motivate them to participate in income generating activities of a more sustainable nature. On the other hand, it takes time to develop confidence and skills of Roma to plan ahead for the medium and longer term.

Creating opportunities for subsistence activities might be a relatively small step, involvement in formal business-like initiatives seems to be a giant leap for most Roma people. Business opportunities are at all scarce within Roma communities. Besides, not everyone wants to be an entrepreneur. Many Roma are afraid or suspicious of all kinds of obligations like repayment of loans, registrations and official demands that they have to fulfil.

As part of a strategy of initial poverty alleviation, Spolu together with its partners assist people to increase their bargaining power in the informal market. Spolu supports disadvantaged Roma with a talent for entrepreneurship on their way to starting a small business, by providing small credits to generate additional family income. With that money and with support in the form of training they can show their commitment and other qualities that could lead to successful entrepreneurship. Once they have shown this commitment, we continue our support until they can be 'handed over' to local Small Business Development Centres or Micro-Finance Institutions.

Partners and target group

Target group

In supporting income generating initiatives Spolu and its partner organisations target this most disadvantaged and excluded segment of the Roma population in Central and Eastern Europe; more specifically in Bulgaria, Macedonia, Albania, Moldova and Slovakia.

Spolu International Foundation

Spolu International Foundation is one of the few organisations in Western Europe which concentrates specifically on the Roma in Central and Eastern Europe and is unique in its community development approach¹. Spolu supports income generating initiatives within the framework of this approach: income generating initiatives should be combined with activities in the field of education, housing, culture, health care and security. These activities can stimulate the initiative among Roma, their self confidence, their self organisation and leadership. By doing this, favourable conditions for income generating initiatives are created. At the same time, strengthening of the economic base of Roma communities may well have a positive effect on their development as a whole.

By income generation Spolu does not only mean increase of income, Although economic sustainability of the initiative is important, we see profit as a necessary means to an end and not so

¹ For a 'curriculum vitae' of Spolu International Foundation, see **Annex 3**.

much as an end in itself. The effects of the initiatives should be wider. Being economically independent increases human dignity, self-respect, the feeling of being a citizen; it also means a growing awareness of belonging to mainstream society. It is the basis for a decent family life and an active community life. It will diminish the gap of mutual mistrust between Roma and non-Roma. People and communities should regain belief in the future. This is what community development can stimulate.

Up to now, Spolu and its partner organisations have supported a bakery with loans and grants, as well as some agricultural cooperations and associations, a brick production collective, and wood and metal workshops. A very successful project supported by Spolu was the production of bricks and the construction of ten new houses in a very poor Roma settlement in **Nuşfalau** in North Western Romania. The concrete and visible results of these projects changed the attitude among the Roma. They started to get confidence in themselves, in our co-operation and began to organise themselves. As a result they became real partners of the local authorities. Last June, one of the men who was involved in the project said: *"through this project our community got **back** its soul"*.

National partner organisations

Spolu operates in eight countries with and through partner organisations:

- Albania - Roma Union Amaro Drom
- Bulgaria - Association Integro Bulgaria
- Czech Republic - **Vzájemné soužití**
- Macedonia - Fundatia Avundipe
- Moldova - Tarna Rom
- Romania - **Agentia Împreună**
- Serbia & Montenegro - Kulturni Centar Roma
- Slovakia - **Združenie Spolu**

Spolu cannot be successful outside its partner network, because:

- the national partner organisations are in direct contact with the local communities, NGOs and projects.
- they know the specific characteristics of their country or region best.
- together with the people in the local projects, they have to take over responsibility for this programme and by so doing ensure its sustainability.
- they will be involved with advocacy for this programme in their respective countries and - together with Spolu International Foundation - on international level. It is one of Spolu's aims to contribute to the creation of an international network of professional Roma organisations.

Small-scale local income generating initiatives

Spolu and its partner organisations assist local Roma communities to initiate and establish exemplary **small-scale** local income generating initiatives in several Central and Eastern European countries, according to specific guidelines.

It has been Spolu's experience that a relatively long time is needed for the identification of priorities and responsible people in a local Roma community and for the preparation of feasible plans to be executed by local Roma families.

Preparation phase

As mentioned before, a period of thorough preparation of income generating projects is explicitly part of the project cycle. It consists of identification of grassroots ideas and initiatives, conducting feasibility studies and drawing up business plans. Spolu International, national partner **organisations**, local Roma organisations and local experts play a part in this phase, which can take up to one year.

- **Grassroot initiative**

Activity

To start with, **people/families** in the local community present their ideas for income generating initiatives to a local Roma organisation or **Spolu's** partner organisation in that specific country.

Approach

It is important that the initiatives and ideas come from the local communities themselves and that they 'own' the process. The people from the local communities know each other better, they know their own capabilities, their experience, their stories and traditions in the economic field. The initiative should be based on felt needs, and build on existing strengths, activities, assets and relationships in the community, with an understanding of the context in which it would be implemented.

- **Identification**

Activity

In a creative process of cooperation between the initiators, the local Roma organisation (**and/or** a representative of the partner organisation or Spolu International Foundation) the initial ideas are evaluated and further developed. In most cases a representative of the partner organisation visits the community and discusses these ideas, or they receive a draft plan in writing to give feedback on.

Approach

Spolu and its partners work according to a certain method when getting in contact with a Roma community that wishes to enter into a community development programme. The working method has also been applied to preparing income generating activities. Spolu promotes a participative process of learning and negotiation between community and community development organisation. A representative of Spolu International or one of its partner organisations discusses with a relatively small group of people - Roma representatives and local authorities - about the qualifications, the jobs and the occupations of the Roma in that particular community, the social-economical history of the locality and the possibilities of implementing an economic activity. Other issues of discussion are the parties' potential contributions to the activity, its risks, the market for the products, the draft business plan of the suggested activity, as well as the conditions of reimbursement of loans and credits. The outcomes of these discussions at the local level are used as entry points for the identification of potentially suitable income generating projects. Clear agreements based on mutual respect are crucial in this process.

- **Feasibility studies**

Activity

A feasibility study is carried out by the foreseen participants with the support of the local Roma organisation **and/or** other local experts.

Approach

The feasibility study determines:

- a. to what extent the participants are capable and well-equipped to initiate the suggested project. And if not, what would be needed to get to that point, like training, monitoring, advice, etc.
- b. whether there is a market for the products **and/or** services that the project aims to deliver. Several initiatives have failed due to dependence on one type of product **and/or** one buyer.
- c. a cost-benefit analysis not only in financial terms, but also in social terms; **e.g.** what would be the social costs and benefits for the community as a whole.
- d. the risks and opportunities facing the project and the strengths to build on and weaknesses to overcome regarding the project - in other words a basic SWOT-analysis.
- e. how the suggested initiative complies with the guiding principles mentioned below.

From the start, the suggested initiative should show a perspective on becoming sustainable in the future. Depending on the size and complexity of the suggested project, the elaborateness of the feasibility study will vary. Based on the outcomes of the feasibility study, the local Roma organisation - in consultation with the national partner organisation **and/or** Spolu International Foundation - will decide whether the community should or should not proceed with the initiative.

- ***Writing business plans***

Activity

Once an intended initiative has been deemed feasible, the participants will draw up a business plan with the support of the local Roma organisation and/or the partner organisation or other local experts.

Approach

Basic guidelines for writing a business plan for a small-scale local income generating initiative have been developed. Again, the size and complexity of the proposed initiative determines how detailed the business plan will be. In some cases, an accountant **and/or** a lawyer is consulted to check the plan.

Approval and fundraising

Activities

1. The business plan is given to the board of the local Roma organisation for review.
2. If the board advises positively on the plan based on set criteria, the plan will be sent to the national partner organisation (or else directly to Spolu International Foundation).
3. The national partner organisation (or Spolu International Foundation) reviews the proposal and if necessary instructs the local Roma organisation to improve the proposal.
4. If the national partner organisation has approved of the proposal according to the guiding principles it will send the proposal with a recommendation to Spolu International Foundation.
5. Spolu International Foundation will combine all the plans and proposals for local projects from different countries into one programme and will raise **funds** for it.

Guiding principles

Project proposals and business plans are assessed according to a number of guiding principles. Part of these principles will apply in a flexible way, because Spolu wishes to give room to innovating and inspiring initiatives on the one hand and to the possibility of gradual improvement of the initiative in the process of its development.

1. In **general**, Spolu will seriously consider proposals for income generating initiatives, if they:
 - a. have emancipating aspects: people who have their own source of income, are more independent and their self-respect and respect in the community will increase,
 - b. create awareness of basic human rights, like the right to equal access to the labour market and public labour services,
 - c. lead to an increase of Roma participation in society,
 - d. build up community feeling and leadership structures,
 - e. lead to the creation or improvement of relationships (of cooperation) with experts, local institutions and authorities,
 - f. break dependency.

Other general aspects of income generating proposals that are treated positively:

- g. they support the creation of a Roma middle class,
- h. they lead to the creation of employment and **official** jobs, with all social and economic benefits.

2. In order to achieve this, Spolu has the following, more **specific guiding principles**:
 - a. The initiative should be based on Roma initiative from within the community, Roma should be the 'owners of the project'⁷.
 - b. The initiative benefits disadvantaged Roma and leads to the creation of a sustainable livelihood and an increase in their bargaining power.
 - c. The project has to be economically feasible. From the start, it has to show a perspective on making a profit. However, profit is seen as a necessary means to an end and not so much as an end in itself: the initiative at least aims for optimum profit, not necessarily for maximum profit. Optimum profit is based on an analysis of opportunities, talents and wishes of (people in) a given context. In the initiative a balance needs to be found between striving for profit and the capacity to take risks.
 - d. If the nature of the project allows it, as many community members as possible should be included in the activities in order to create a maximum learning effect. Otherwise, the initiative should either have clear and positive spin-off effects for the wider community or set a positive example for the wider community.
 - e. Community members should get the opportunity to improve their qualifications, **e.g.** through economic and vocational education and training (preparing a business plan, be involved in medium and long term planning, vocational skills, etc). Attention has to be paid to the gender aspect.
 - f. People should gain experience in entering into loans and repayment schedules, working according to legal standards (**e.g.** entering into contracts), building alliances, etc.
 - g. The initiative should be based on experience and expertise existing in the communities.
 - h. The initiatives should promote a culture of saving.

Since the goal of income generating activities within community development projects is not just profit but a sustainable livelihood, Spolu International Foundation will have to be more flexible in keeping to contractual agreements than banks and other economic institutions. Sanctions and criteria will be determined in negotiations with the beneficiaries.

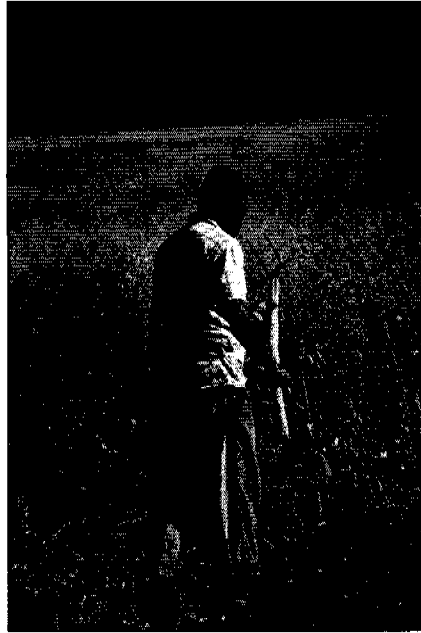
Income generating activities

Spolu and its partners only support relatively small-scale income generating initiatives. Initially, the emphasis is on quick and visible results in order to evoke and create commitment and a new belief in future possibilities. The process of implementation and consolidation of an income generating project takes approximately two years. The process is coordinated, monitored and coached by both the national partner organisation and Spolu International Foundation.

Lessons learnt from the Integro Cooperative Senovo, Bulgaria

In 2001, Integro established the Integro Cooperative in Senovo. The results of the first season were disappointing. By the end of 2003, in spite of expert advice, the cooperative was not able to pay back its loan to the Rabobank Foundation. The cooperative started pigs breeding with the hope to pay back some of the loan from the profit. The members were not really interested in the pigs, because the money was intended for the Rabobank. As a result, the initiative failed. Spolu and Integro successfully negotiated with the Rabobank Foundation to find an adequate solution for this problem.

The network learnt some useful lessons from the experiences of the Integro Cooperative Senovo. Most importantly, without assuming personal risk and direct responsibility there is a lack of commitment and sense of 'ownership'. Integro changed its approach. New initiatives are small-scale and on family basis. Integro Senovo started a kind of 'revolving fund' for individual credit to selected Roma families on contract. A sheep breeding project was started in 2002. Practical skills training in sheep breeding took place in 2003. The new strategy has led to active commitment. Full repayment of credits is expected before July 2004.



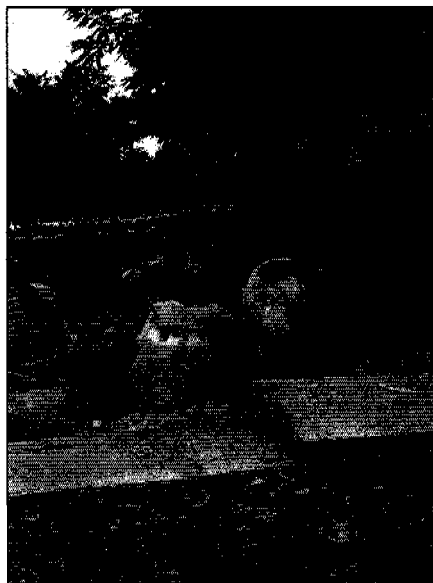
Anglunipe member at work in the field
© Spolu International Foundation

Lessons learnt from the Anglunipe Association, Kriva Palanka - Rancovce, Macedonia

The Anglunipe Association started in 2002. It learnt from the Integro Cooperative to organise the work on family basis instead of collectively. The members got organised, they were involved, committed and motivated by their own interests. However, they had a big marketing problem, because of unexpected imports from Bulgaria. As a result, the management as well as several families could not sell and were not able to repay the loan. Since the members had signed a loan agreement, legal steps could be taken to demand repayment. In October 2003, a Dutch agricultural expert visited Anglunipe Agricultural Association. Based on his advice, Spolu allowed Anglunipe to dump the stored harvest on the market at cost price and to use the proceeds for cattle breeding on family basis, following the strategy of Integro Bulgaria. In the annex a description of income generating activities by Roma women in Rancovce (Eastern Macedonia).

Shortlist of projects in 2003

- Albania
 - pigs breeding in **Levan**
- Bulgaria
 - Integro Cooperative (agriculture and pigs) in **Senovo**
 - sheep breeding in **Senovo**
 - preparation of new projects, like horses in **Ognianovo**, bees
- Macedonia
 - Anglunipe Agricultural Association
 - women's gardening project
 - youth music group
 - loan to women for travel expenses for seasonal work in a mushroom factory
 - youth trading activities
- Serbia and Montenegro
 - geese projects in **Backi Monostor** and **Mol**
- Slovakia
 - preparation of a bees project, pigs breeding, and a wood workshop



Geese project in Backi Monostor
© Kulturni Centar Roma

In 2003, Spolu received many proposals for new IGA from its partner organisations. This way Spolu could start to extend its experience in this field. For **Združenie Spolu** in Slovakia IGA are a new field of activity. Spolu International assisted **Združenie Spolu** to find funding for three new income generating initiatives. In Bulgaria, it has been difficult to find adequate funding for IGA. With the help of a number of church congregations a few projects could be financed. Spolu's partner in the Czech Republic so far does not prioritise IGA. Independent from Spolu, **Agentia Împreună** in Romania has implemented an extensive Job Creation programme for Roma. Initiatives in other countries could be supported from funds already available to Spolu.

Spolu is negotiating possibilities for cooperation with Heifer International. As a test case - with positive results - Heifer Albania has trained Roma families in **Levan** in several aspects of pigs breeding.

Training and coaching

Training and coaching is very practical and directly related to the 'job' at hand, for example:

- Practical 'on-the-job' training on how to do a *feasibility* study, for either the workers of the local Roma organisation or the participants in the income generating activities.

Likewise, writing a *business* plan is a process of 'learning-by-doing' involving training for the participants. If they are not able to do the actual writing of the plan, at least they will contribute their ideas.

- **Economic education** is an important part of the implementation phase of the initiative. Examples are business skills like:
 - o market research and marketing
 - although external expertise may be needed to get the relevant information, the participants will have to understand the relevance and basic principles of it.
 - o how to deal with contracts
 - o how to deal with loans and credits:
 - who takes the risks
 - guarantees for loans

- ways to reimburse in money, in kind or in labour
 - o bookkeeping and administration
 - o record keeping, etc.
- The (further) *development of professional skills* also involves training. The content of the training depends on the kind of business. Examples: agricultural skills, **technical/mechanical** skills, etc.
- Training in *management and organisational skills* like: what does it mean to be a **board(member)**, how to take decisions together, planning ahead, assignment of roles and responsibilities.

Developing expertise, methods and strategies

The growing experience and expertise of Spolu and its partner organisations in the field of income generating initiatives as part of community development is quite unique. We perform a pioneering role in trying to improve the economic position of the most disadvantaged Roma, with a number of positive results so far.

Developing successful economic initiatives with Roma is a challenging, time-consuming and labour-intensive process, given the complexity of the issue as described in the problem analysis. Spolu and its partners are in a constant process of learning from successes and mistakes. This is essential in a process of developing flexible and workable methods and strategies.

Spolu and its partner organisations are developing their experience through their day-to-day involvement with the concrete income generating projects. As partners, we can also learn a lot **from** each other's experience. Besides, Spolu has created an informal Expert Group of experts in the field of local development and small and medium enterprise and had in depth discussions and exchange of views and methods of developing sustainable income generating initiatives with disadvantaged groups.

Income generating initiative by the active women of Rancovce, Macedonia

Rancovce is a village in North-Eastern Macedonia, situated between Kumanova and Kriva Palanka. In Rancovce live ca 400 Roma, spread over two 'Mahala's' (Roma quarters). They live from informal trade, day-labour and agricultural activities for subsistence. In collaboration with Avundipe (a grass-roots Roma-organisation) Spolu has been working in Rancovce since 2001. We started small-scale community development activities like supporting a sports group and infrastructural improvements with the aim to stimulate self-organisation and to build up leadership and self-confidence. In 2002, an agricultural association was initiated, in which eight families from Rancovce participate. They hired land from the old co-operative and planted various crops. The season was good, but unfortunately marketing of the crops was problematic: they could only sell part of the crops. Now, the people from Rancovce are looking for alternative ways to generate an income. One interesting initiative has come from the women of Rancovce.

Roma women from Rancovce have received support from **Avundipe/Spolu** to meet weekly and talk about all kind of things over a cup of coffee. This 'Romany Coffee' started as a social activity to bring the women outside the house and to make friends. For a long time, there were about twenty women who attend these meeting very regularly and who are active in the community. Two women, Gordana and Valentina, are the leaders of the group. Vidanco, the community worker of Avundipe, is sometimes present in these meetings. After a while they started to talk about common problems and together thought of solutions. Gradually the women decided they wanted to see changes. First they came with the idea to cook something together, to celebrate International Women's Day. When these activities turned out to be successful they discussed: 'Why don't we become active and generate income for ourselves?'

Their first plan was to grow vegetables like potatoes in their own gardens. They went to Vidanco to explain their plan. Vidanco found out that this initiative is really coming from the women and that they are capable to realise it. All women are depending on social care and do not have a chance to find another income. And, at the same time, the women will get experience to work regularly. Then he listened to them and asked questions like: Is it sustainable for the longer term? What will be your own contribution? Which will be the criteria to receive the support? After deciding the procedures, the women asked Avundipe support for the purchase of seed material to plant vegetables. The other necessities will be contributed by themselves, like labour, fertilizer, pesticides, water and, tools. Part of the harvest will be food for their families; the other part will be sold on the bazaar. Most of them (about 90%) **want** to grow potatoes. Others want tomatoes, peppers or carrots. All the women have some land near their houses, about 300 m² per person and they know how to grow vegetables. Vidanco asked the women to make a list who want to be involved and everybody sign the list. Avundipe decided to propose the project to Spolu and to support the project with € 160. Avundipe donated seedlings to the active women to the value of 500 denar. Active women are those who come regularly to the meetings.

The coordinator of Spolu was enthusiastic about the initiative, but proposed some changes to improve the approach: 50% of the sum will be provided as credit, to prevent that the women use the money this year for vegetables and do not learn how to save money for new investments. In this way a 'women's fund', a **savings** fund, can be developed, which will be under their own control. Because Avundipe already promised the women to provide a grant, they decide that the women must 'save' half of the money (250 denar) after the harvest to put in a 'Women's Agro Fund'. In the new season Avundipe will start to work with credits. After the first year, if new women want to join, they first have to prove that they are active and serious. And they must come up with their own initiative, if good, they can also be entitled to participate in the fund.

Avundipe made a contract with each woman, including:

- how much money they have received
- criteria on how the money in the fund can be spend
- what will be their own contribution
- their financial obligations (saving for new investments, saving for the **women's** fund)
- the period **after** the harvest within which they have to pay back
- sanctions for not paying

Together, the women decided on the sanctions, like if one woman refuse to pay back, all together will have to pay for her. The women promised to keep administration of who received what and who paid what with their signatures. **Gordana** and **Valentina** will control the project. **Vidanco** will monitor it closely.

In order to train the women in understanding basic economic principles, the co-ordinator of Spolu together with the women made a 'business plan', as an example, to see how the initiative can be made sustainable. During a meeting, the women mention all the expenses involved for potatoes and **Vidanco** writes on a flipchart on the wall:

costs

- 8 kg of seeds		500 den
- hire of a small machine to plough 300 m ² land		150 den
- fertiliser: 1 bag of 30 kg		450 den
- labour: digging 2 x maximum	0 den	
- protection / pesticides (2 kinds)		300 den
- irrigation with an electric pump (water from river)		150 den (some women have pump)
- labour: harvesting by hand		0 den
- 10 bags for 30 kgs (packaging for market)		200 den (they have the bags)
- and also the tools (shovel, etc)		<u>0 den</u>
Total costs		1.750 den

Income

Expected harvest from 8 kg seeds is: 250 kgs of potatoes
 Price per kg potatoes on the bazaar (minimum) 12 denar

Total income 250 x 12 =	3.000 den	250 kg
minus investment for next season:	<u>1.750 den</u>	
	1.250 den	105 kg
minus contribution to fund:	<u>250 den</u>	<u>20 kg</u>
Profit	1.000 den or	85 kg

Conclusion regarding the vegetable gardening initiative of 17 women in Rancovce:

1st responsibility: sell enough for investment money to continue the project in the next season.

2nd responsibility: sell enough to put money in the fund for new initiatives

Then choose:

- a. sell the rest and have some financial profit
- b. keep the remaining kilo's as food for the family,

On these conditions, Spolu has approved the project proposal.

Results after one season

- The women with 'yellow' potatoes had better yields than women with 'red' potatoes.
- What have the women done with the harvest? Only one woman sold potatoes, nl. 10 kgs of her total harvest. Others brought it together to prepare salades for a party, the rest was for the family for home consumption. In the business plan this should be calculated as income against cost price. The harvest of a few of the women was eaten by animals. This means no income.

- Most of the women have produced new seedlings for the new season. This is income against the price of seedlings in the shop.
- How many women have now paid their 250 denars to the fund?
34 women are participating, in October 2003 19 women have paid 250 denar (= 4750 denar), 11 paid 50 denar, 4 were soon going to pay the remaining amount, and 5 to 6 women will have to leave the group, because they **cannot/do** not want to pay.
- At the explicit request of the women, Vidanco (community worker) will do the bookkeeping of the Agro Fund, because they do not yet trust each other enough. Steps are taken to create trust in the group.
- The women worked an average of 6-7 hours per per season. In a factory they can make 500 denars for a 12-hour working day. Opportunity costs of labour in this case are 250 denar for the whole seasons. This is not a factor to count.

Current situation

The women are very motivated now to expand their activities. They are very serious about their women's fund and have decided to put in extra instalments to create their own saving's fund. Avundipe added extra money to the fund to give credit for new activities. Some of the women have now received a small loan to start breeding goats or pigs or keep chickens to sell eggs. New criteria were included, like monthly repayments. A loan agreement was signed. The repayments are written on a poster on the window of the community centre and each women has a personal file in which their repayments are written. This is *transparency*. From 17 women **2** were chosen as representatives. This creates *leadership*. The women are responsible and motivated. They exchange experience and share the care for the animals. Vidanco is preparing the women to do their own administration.

From: Volker R Berghahn <vrb7@columbia.edu>
To: Nicolae Gheorghe
Date: Tuesday - April 13, 2004

Dear Dr. Nicolae Gheorghe,

I am writing to you in connection with a conference, to be held at Columbia University on November 8, 2004, and designed to discuss and raise awareness of the serious situation of the Roma communities in Europe and, more generally, of the discrimination suffered by minorities on the part of majority populations in Europe and North America.

Senator Hillary Rodham Clinton has agreed to be the keynote speaker. In addition there will be three panels focusing a) on the contemporary predicament of the Roma, b) patterns of prejudice, and c) practical policies to be adopted on a more vigorous effort to solve one of the major problems facing Europe today.

Given your expertise and prominence in this field, we would like to invite you to make a 20-25-minute presentation on the second of the above-mentioned panels. We would also like you to participate in the discussions with what we expect will be a large and interested audience. The day will end with a Roma musical concert at Carnegie Hall to which you are also cordially invited.

We will be responsible for your travel, meals, and hotel expenses in New York City from Sunday afternoon through Tuesday afternoon. I very much hope that you will be able to accept our invitation. Further details about arrangements will be sent once we have heard from you.


Sincerely,

V.R. Berghahn
Seth Low Professor of History
Director, Institute for the Study of Europe
MC 2520
Columbia University
New York, NY 10027
Tel.: 212 854-8604
Fax: 212 932-0602

Mail Message

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From: Volker R Berghahn <vrb7@columbia.edu>
To: Nicolae Gheorghe
Date: Tuesday - April 13, 2004 11:39 PM
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