

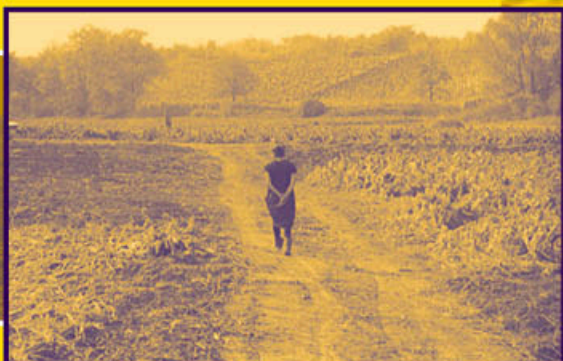
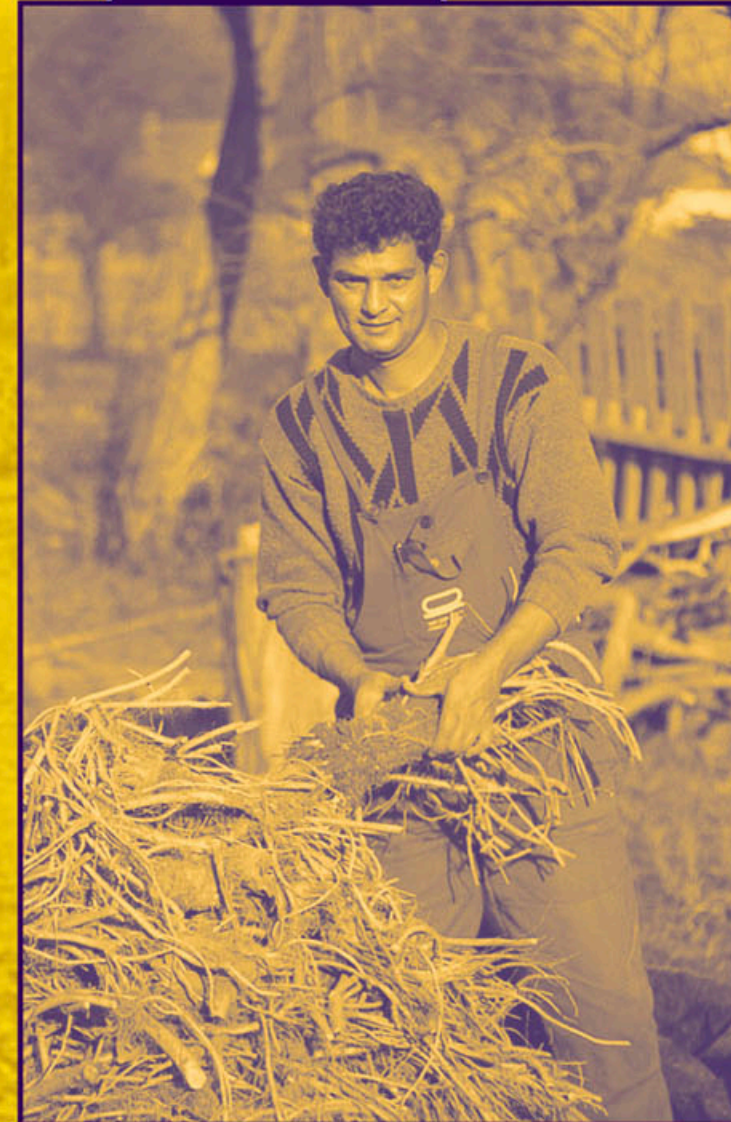
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**ACCESS TO EMPLOYMENT AND INCOME  
OPPORTUNITIES ■ APPROACHES AND  
METHODS AMONG ROMA AND OTHER  
DISADVANTAGED GROUPS**



**pakiv**   
EuropeanROMAFund

**MARCH 2006**

## CONTENTS

### EXECUTIVE SUMMARY 3

### INTRODUCTION 4

Background

### APPROACHES AND METHODS FOR PROMOTING EQUAL ACCESS TO EMPLOYMENT AND INCOME AMONG ROMA AND OTHER DISADVANTAGED GROUPS

#### Increasing Access to Labor Markets

##### Case Examples 5

- EQUAL Program - Improving the Labor Market situation of Roma in Hernád Valley, Hungary (Autonómia Foundation and the Development Association of Hernád Valley)
- Structural Funds - Active Labor Market Policy: Activation program for Job Seekers in Slovakia (Municipality of Spišská Nová Ves, Baro Drom NGO, Labor and Social Affairs Office)
- European Social Fund - Educational and Employment Mentoring and Measures in Barcs, Hungary (The Organization of Roma Representatives of Southern Somogy County - DCKSZ)
- Programs to increase access to employment among disadvantaged groups in Lom, Bulgaria (Roma-Lom Foundation)
- Broadening Horizons for Roma Youth and Young Adults In Belgrade, Serbia and Montenegro (Care SaM, DUR-Roma NGO and Bozidar Adzija University Education)

##### Analysis and Insights 12

- Active labor market policies and public works
- Professional qualifications and other capacity building methods for personal development
- Paid work experience, job mediation and placement – transformative and sustainable impact?
- Intermediary stages and perspective for stable jobs
- Labor market absorption capacity in disadvantaged regions

#### Enterprise Development

##### Case Examples 13

- Business Resource Center and Credit Program in Lom, Bulgaria (Roma – Lom Foundation)
- Local brick-making workshop in Dej, Romania – (Ramses Foundation for the Social Development of Roma, municipality of Dej and Romani initiative group of Dej)
- Micro-credit pilot program for Roma in Romania- (Economic Development Center)
- Micro-lending pilot scheme for rural Romani groups in Hungary, (Micro-Credit Public Company)

##### Analysis and Insights 18

- Group lending mechanisms for individual entrepreneurs
- Gradual development over time rather than one-time projects
- Start-up enterprises and sustainability – meeting the challenges of market competitiveness, social capital and management

#### Income-generating initiatives for groups and individuals

##### Case Examples 18

- Goat-breeding with revolving community donations in Nemsá – (Heifer Romania and the Resource Center for Roma Communities)
- Poverty, Ethnicity and Agricultural Development programs in Hungary (Autonómia Foundation)
- Community banking in Biala Slatina, Bulgaria (Pakiv European Roma Fund and Alternativa NGO- Biala Slatina)

##### Analysis and Insights 22

- Income-generation versus employment
- Pace of turnover and sustaining motivation
- Social and psychological impact
- Role of community leadership, experience and history of common action

#### POLICY RELEVANCE AND CONCLUDING REMARKS

##### Policy Relevance 23

- Structural disadvantages – quality education, transportation
- Project approach versus development processes
- Competitive tenders and reaching those in need
- Discrimination, social membership and inter-sectoral public policies
- Capacity building as cross-cutting

##### Concluding Remarks 24

#### NOTES 25

##### ANNEXES 26 – 31

##### Roma in the Economy: Classification of Approaches and Methods Addressing Unemployment, Poverty and Improving Living Conditions – Revisited

##### Excerpts from the Action Plan on Improving the Situation of Roma and Sinti within the OSCE Area

##### 12th OSCE Economic Forum Rapporteur's Report on the Roma Side Event

##### 13th OSCE Economic Forum Rapporteur's Report on the Roma Side Event

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## EXECUTIVE SUMMARY

### Introduction



Access to stable income and employment among Roma continues to represent a key challenge for governments, community-based organizations and Romani individuals themselves. In the context of the Action Plan on Improving the Situation of Roma and Sinti in the OSCE Area, the section on addressing Socio-economic issues points to the need to carry out specific measures aimed at combating isolation and poverty and ensuring the equal fulfillment of the social and economic rights of Roma and Sinti. With this report, the Pakiv European Roma Fund (PAKIV) seeks to strengthen its role in promoting a process of greater shared learning and critical reflection on the impact of policies and programs for the improvement of the economic situation among Roma and other disadvantaged groups. The report has been made possible with the financial support of the OSCE Office for Democratic Institutions and Human Rights, and represents a follow-up to collaborative efforts to further dialogue on entrepreneurship and employment among Roma, especially in the context of the Roma-related side events of the 12th and 13th OSCE Economic Forum.

The report includes a total of twelve programs and projects from Bulgaria, Hungary, Romania, Slovakia, and Serbia and Montenegro which serve to highlight various approaches and methods to increasing access to income and employment. The examples are divided into three main approaches, namely 1) Increasing access to labor markets, with programs involving vocational training and job mediation, temporary employment, methods to activate long-term unemployed and facilitation of informal and seasonal work opportunities. 2) Enterprise Development, with examples of a business resource center, micro-credits for small enterprise development, and setting up a brick-making workshop. 3) Community-based income-generating activities for Romani individuals and groups, involving goat-breeding with revolving community donations, a combination of loans and grants to support small-scale agricultural initiatives, and sheep breeding for establishing a community bank. Each section is concluded with some main insights and analytical points. Five of the local programs involve facilitation or participation of PAKIV network members in local operations, while others have been added to provide for a more inclusive outlook to various approaches and methods. The concluding section of the report underlines some key aspects of policy relevance.

### Access to Labor Markets

Programs to increase access to labor markets seem to be the predominant approach used to address unemployment, especially in the context of Structural Fund programs. Many active labor policies, including public work schemes, provide welcome income to beneficiaries, though they do not offer real perspectives. In some cases, they serve to re-enter long-term unemployed persons into the system and provide temporary work.

Vocational training is a key method employed, though a number of programs found that simple training is often not enough. Beneficiaries, especially long-term unemployed or those without much previous work experience, have a better chance of integrating into the formal labor market if programs include other capacity building elements. In such cases, formal vocational training is also linked to paid work within projects and mediation with other businesses to secure jobs. However, this is not always stable job creation or access to secure employment, since employment is often created within the projects, and expires once the project ends.

### Enterprise Development

Over the last ten years, there have been a considerable number of programs to support the setting up of new income-generating, social enterprises by Romani NGOs and related limited companies, though overall results in terms of sustainability are limited at best. Many of the initiatives had to be abandoned due to inability to gain sufficient clients, management problems, market fluctuations, insufficient turnover or weak social capital within communities or in relation to other social and commercial networks. Since many programs take place in underdeveloped or disadvantaged regions, local and regional markets are often saturated or simply absent. At the same time, in some cases, even when the 'business' and job creation aspect failed or was only partially realized, the investment into building capacities and experience was sustainable, since groups could continue to develop other ideas or initiatives in the communities' interest, thus contributing to an overall process of development.

Group lending mechanisms employing moral guarantees among its members serve as an alternative for individuals without access to traditional credit programs, which require a stable job (work contract) or initial capital. Beneficiaries must have an initial degree of experience in order to access such programs, though results so far are rather impressive, in terms of repayment rates and the ability of individuals to develop small-scale entrepreneurial activities. The group lending mechanism serves both to pre-select promising initiatives and individuals, and to provide a guarantee for credit accorded. Likewise, in working together successfully, the method contributes to developing trust and mutual support among its members, a key value promoted by PAKIV.

### Income-generating Initiatives for Groups and Individuals

Income-generating activities for individuals and groups can have a positive impact in terms of creating new sources of income. However, such initiatives usually do not provide stable jobs or sufficient income to meet family needs. Ideally such processes may be looked upon as a step along a development trajectory - a first step

among less experienced groups, but it seems that it is mostly about alleviating hunger, improving self-help strategies and ensuring some additional income. It is difficult for many groups to make the step up to formal business development without additional investments, and all groups are confronted with the challenge of finding secure markets for selling products.

It is important to underline the social and psychological impact such programs can have on excluded communities. In such cases, support of local initiatives may serve to break apathy, build social responsibility and trust within communities, along with a greater sense of self-worth among participating individuals

While there is no single ‘recipe for success’, in the sense of ensuring fulfillment of original objectives by local initiatives, some methods in working with local groups seem to be common among different programs. In the experience of PAKIV, amongst others, pre-project facilitation with local groups to build trust, confidence and management skills prepares the community for the start-up of more complex income and employment initiatives. Technical assistance to increase knowledge on the proposed activity is also important, while active, respected and skilful local leadership also helps ensure that the project is embedded in the community and well managed.

### Policy Relevance and Concluding Remarks

The way in which communities are approached is an important aspect, for which organizations and programs often differ. Among civic organizations, there are open calls for proposals, at times including relatively simple procedures, since staff invests time to meet and discuss with local groups on site. Others may have a more pro-active approach, entering communities to offer new opportunities, due to geographical targeting, personal or professional ties, or other determinants. In the context of governmental programs, the predominant method is to employ open, competitive tendering processes, including co-financing in some schemes. Open tendering processes for larger-scale programs makes it difficult for marginalized community groups without prior experience or resources to start-up new activities

In such situations, it is worth considering the introduction of ‘incubator programs’ to allow for less experienced groups to gain experience managing initiatives, administrative procedures, and the start-up of small scale initiatives, which can later be expanded in the context of more complex programs. In addition, governments may consider establishing consultancy facilities or networks, which can assist locals in preparatory phases of developing ideas and proposals, and perhaps employ a more pro-active approach to facilitate such initiatives in areas where little is happening.

It is relatively common knowledge that anti-Roma prejudice and discrimination are common place and serve as a barrier to employment opportunities. Interactions between Roma and non-Roma do not exist or are extremely reduced due to housing and school segregation and the disappearance of common working environments. In this situation, there are no everyday experiences that would refute or at least question existing prejudices against Roma, while the media often fails to acknowledge Roma as an integral part of the shared cultural and social experience. In addition to implementing anti-discrimination legislation and regulations, the gravity of the situation requires a more inter-sectoral approach,

aimed at strengthening social membership.

Governments should consider introducing more inter-sectoral public policies, rather than project-oriented, sectoral actions. In this way, Roma’s social membership is reinforced by increasing the space and frequency of social interactions between Roma and non-Roma in the media, politics, reconstruction of segregated dwellings and education, work place and public services, amongst others.

In summarizing the overall impact of programs and projects presented in this report, it is fair to say that there have been mixed results. On the one hand, there are a number of positive cases, where beneficiaries have obtained employment or new forms of income, along with new skills, experience and perspectives for social change. On the other hand, many programs provide for qualification and subsidized work experience for a limited period of time rather than a stable job, and community-based income-generating initiatives have proven difficult to sustain beyond the project period.

One of the key questions, which still remains unanswered, is ‘How to provide for substantive economic inclusion of those living in regions or entire countries that are disadvantaged economically?’ While the long term vision is to support the development of a highly qualified and flexible work force, there is a need for present-day policies to stimulate more stable work for the current, adult population. Indeed, there is a need to invest renewed energies into developing a clear vision for economic development of Roma and other disadvantaged groups, starting out perhaps with a deeper look at Roma and the political economy.

## INTRODUCTION

### BACKGROUND

While national governments continue to develop strategies and programs aimed at combating poverty and increasing income and employment opportunities of Roma, it must be recognized that there has been no substantial breakthrough in countering the massive unemployment and exclusion of Roma from formal labor markets. Furthermore, in addition to the adult population, which lost their jobs and ‘employability’ during the economic transformations, the disadvantages created by poverty and exclusion means that subsequent generations are at serious risk of remaining isolated and excluded from becoming active members of society, with steady incomes and prospects for professional development and personal security.

In the context of the Action Plan on Improving the Situation of Roma and Sinti in the OSCE Area, the section on addressing Socio-economic issues points to the need to carry out specific measures aimed at combating isolation and poverty and ensuring the equal fulfillment of the social and economic rights of Roma and Sinti. In particular, the facilitation of grass-roots level activities, based on the specific needs of locals, is mentioned as key aspect to promoting the integration of Roma and Sinti into social and economic life. The Pakiv European Roma Fund (PAKIV) is an international, non-governmental organization promoting the development of Romani civil society and intercultural understanding in Europe, in the framework of democratic, social and economic rights. In fulfilling

its mission, PAKIV has combined a number of activities including intensive capacity building of young Roma, facilitation of community mobilizing and self-organizing, and the support of community actions aimed at combating social exclusion, especially those which create new income and employment opportunities. The word ‘pakiv’ means trust, belief, in Romani language and was chosen as it reflects the need to approach local Romani groups with trust and respect, as opposed to everyday attitudes and negative stereotypes. Currently, PAKIV is working with a network of young Roma in Bulgaria, Hungary, Romania and Slovakia.

The current report serves as part of the follow-up to the collaboration of OCEEA, OSCE-ODIHR and PAKIV in the organization of the side event on ‘Promoting entrepreneurship and opportunities for economic development for Roma and Sinti’ of the 12th OSCE Economic Forum (2004), and presentations in the Side Event of the 13th OSCE Economic Forum (2005), “Increasing access of Roma to employment opportunities and to their inclusion in local economic development; elements of an OSCE cross-dimension approach”. In particular, the report contributes to the recommendation for greater communication on best practices and lessons learned in view of more effective governmental measures.

The report begins with a number of programs and projects from Bulgaria, Hungary, Romania, Slovakia and Serbia and Montenegro which serve to highlight various approaches and methods in the field. The case examples are broken down into three main approaches, namely 1) Increasing access to labor markets, 2) Enterprise development, and 3) Community-based income-generating activities for Romani individuals and groups. Each section is concluded with some main insights and analytical points. In the final section, the report attempts to draw out some of the key aspect for policy relevance. The report is in no way exhaustive, but rather seeks to underline some key examples and initiate a process of greater shared learning and critical reflection on the impact of policies and programs to improve the economic situation among Roma and other disadvantaged groups. As an annex to the report, a classification of approaches, methods and organisations addressing unemployment, poverty and improving living conditions, is ‘revisited’, according to an original categorization from 1998! Suggestions, comments and feedback on the report are welcome.

## APPROACHES AND METHODS FOR PROMOTING EQUAL ACCESS TO EMPLOYMENT AND INCOME AMONG ROMA AND OTHER DISADVANTAGED GROUPS

### INCREASING ACCESS TO LABOR MARKETS

#### CASE EXAMPLES

**EQUAL Program - Improving the Labor Market situation of Roma in Hernád Valley, Hungary (Autonómia Foundation and the Development Association of Hernád Valley<sup>2</sup>)**



#### Implementing organizations

The main project leader was the Autonómia Foundation, which has a strong history of providing grants and loans to income-generating initiatives among rural Romani organizations in Hungary. In order to implement the EQUAL program, a number of organizations which worked with Autonómia in the past set up the Development Association of Hernád Valley in 2002.<sup>3</sup> The total cost of the program was about 410.000 Euro.

Among the objectives of the Structural Funds<sup>4</sup>, the EQUAL Community Initiative Programme supports initiatives which foster the training, job access and employment of disadvantaged people – those who are excluded from the labor market or experience difficulties in accessing employment due to discrimination related to gender, ethnic origin, disability or age, low schooling, lack of qualifications, lack of job experience, etc.

In order to apply for support, organizations should form partnerships with other public and private stakeholders (associations, trade unions, public bodies, foundations, public benefit organizations, central government organizations, local authorities and organizations, local minority government, local authority partnerships, other public bodies).<sup>5</sup>

For both EQUAL programs and other programs launched in the framework of the Human Resource Development Operational Plan, it is important to note that the projects are selected on a competitive basis in the context of an open tendering process, in which the main objectives, target groups and, at times, range of activities are defined by the particular program.

#### Background on the region

Hernád Valley is located in Borsod-Abaúj-Zemplén County, a northeastern region of Hungary, and, in economic terms, one of the most underdeveloped regions of the country. The proportion of Roma far exceeds the national average (10.8 per cent), nearly 20–25 per cent of Hungary’s Romani population lives in this region.<sup>6</sup> The closer target region of the project, Encs, has a typical structure made up of small villages. 36 of the region’s 55 settlements have a population of fewer than 500. The micro-region has a mixed economy: it is characterized by arable land, though the majority of the population used to work in the industrial sector before the economic changes. A substantial part of agricultural

cooperatives were privatized, so jobs in the cooperatives were lost. The rate of unemployment in the micro-region of Encs is 33.8%, and, according to the data provided by the employment centre, 80% of the registered unemployed people are permanently unemployed. The population of the micro-region is one of the most undereducated: the local population completed an average of 7.8 school years, which is below the basic level of education. 10.3% of the registered unemployed have not completed 8 elementary classes, and 35.9% have elementary school only. According to estimates, there are some 20,000 people, who are completely excluded from the labor market; they have absolutely no contact with employment organizations and are not registered anywhere.

For most of the local Roma the only means of living are social benefits and allowances, as well as temporary or informal work in the grey economy. As the number of vacancies is negligible in the micro-region, (there are a total of about 1000 registered business organizations), they can only find jobs in more distant locations of the county and the country. The secondary labor market is only available for those who have completed at least the elementary school. The others belong to the aforementioned group of 20,000, for whom no labor market program, support or opportunity is accessible.

### Goal of the project

The primary goal of the project was to help the Romani population of the micro-region of Encs reintegrate into the labor market, create and develop the conditions necessary for permanent employment, as well as to prevent and eliminate ethnic discrimination.

### Main scope of activities

1. Organizing and implementing training and vocational courses, including possibilities for gaining work experience based on local educational and employment needs.
2. Organizational development among Romani community organizations, including their potential to enforce their economic interests,
3. Strengthening the labor market role of Romani organizations by setting up a framework for the flow of information among local labor market actors, including the establishment and operation of a Romani labor market consulting network and Roma Employment Roundtable.

### Methods employed

#### *Assessment of needs and opportunities*

The preparation of the program started with a local needs survey carried out by the local Romani partner organizations. By completing a questionnaire among the local population, the project team obtained a structured and thematic view of the local labor market, the most important community needs, the opportunities offered by the main employers, and the training and employment programs already available in the region. The organizations then planned their own project activities on the basis of the collected information and with the professional assistance and onsite visits provided by the Autonómia staff. As a result of the above, the surveys were already completed in the planning stage of the program, and the grant application summarized these needs and opportunities.

#### *Network of labor market referees/mediators.*

A key part of the program was to set up and operate a Romani employment consulting network. This element of the project provided training for local organizational leaders and activists who were further capacitated to give effective professional assistance in the organization and implementation of labor market programs. The training was held with ten participants, and included modules on ECDL computer operation, administration, communication and customer service, community development, the basics of law, social politics, social sciences, and the labor market.

Eight of the trainees were employed by Autonómia as labor market referees for one year. Their job was to establish an efficient liaison between the local employment offices, local employers and entrepreneurs and the Romani communities. On the one hand, they had to collect information on the available opportunities and report these to the unemployed people, and, on the other hand, they had to outline the training and employment needs within the Romani communities. The referees established an active relationship between the local employment centres and the Romani organizations and communities. Additionally, they provided regular information to local Romani organizations and employment centers on funding opportunities related to Structural Funds and other national programs.

#### *Access to 'Second Chance' education for adults to receive elementary school degrees*

Those people who lack elementary education can only appear on the primary labor market as temporary or illegal workers, since as unskilled workforce they have no opportunity to find official employment. Due to their lack of completed elementary school education, they cannot take part in the training or re-training programs organized by employment centers. The elementary schools in the region – referring to a lack of resources – do not hold any training courses for adults, so those who wish to obtain the certificate of elementary education can only resort to locations far from their home and only on an occasional basis. In this latter case, education is made practically impossible by the high costs of travel. Opening up opportunities to obtain the certificate of elementary education in the framework of a complex adult training and employment projects is of vital importance because it enables them to receive further qualification.

A relatively high number of people applied for the course, though the timing and budget of the program allowed for the completion of the 7th and 8th grades only. For many applicants there would have been a need for the completion of even more classes. Out of 34 persons who started the classes, eventually 24 people completed the courses successfully. It may be mentioned that the employment center now plans to launch a similar training program.

#### *Needs based vocational training with considerations to timing, length and location*

In planning the vocational training courses, the project took local needs and opportunities, as well as the expected short and long term economic development plans, into consideration. These include the building of cold-storage houses and the planned construction of the M3 highway towards Slovakia, which will provide

jobs for light and heavy machine operators, and human resource needs of forestry enterprises operating in the area. Women were the target group of other professional training courses for florists and shop assistants. Due to the timing of the program and concurrent organization of second chance education and vocational training, only 5 persons accessing the second chance educational program could participate in vocational training courses.

The vocational training courses were completed with few drop-outs owing to the fact that both the timing and the venues of the courses were planned with flexibility. The courses were always held in one of the small settlements, which meant that, in most cases, the trainees could reach the locations without extensive travels. In some cases, however, the radial arrangement of local transport required substantial logistic efforts from the part of the Romani organizations, which in the end drove some participants to the venues personally. The training institutions also scheduled the courses according to the needs of the trainees, while avoiding the organization of extremely lengthy courses since the duration of the program was a significant motivational factor for participants. The ideal course is a maximum of 6-8 months. In terms of timing, seasonal opportunities were also factored in, organizing the courses in winter and early spring months, so they would not coincide with the time of agricultural works.

The vocational training courses were carried out by the Andrásy Gyula Technical High School of Miskolc as well as the Educational Center of the Industrial Association of Borsod-Abaúj-Zemplén County. The accredited curricula of the courses were provided by the training institutions, which also took care of the preliminary medical and aptitude tests of the participants as well as the final exams. The practical scenes of the training courses were made available by the local governments and the members of the Development Association.

The following vocational training courses were provided in the framework of the program:

- Heavy machine operator – twenty men
- Lumbering profession – nineteen men
- Florist profession – fourteen women
- Motor-saw operator – fifteen men
- Light and heavy machine operator – twenty men
- Shop assistant – thirteen women and three men

Total: 104 (77 men and 27 women)

#### *Roma Labor Market Roundtable*

In order to involve the actors of primary labor market, the project also established the Roma Labor Market Roundtable – a forum where local entrepreneurs, employers and trainees just completing the courses could meet. The meetings were quite popular, attended by some 50–60 participants, where potential jobs and financing opportunities were discussed.

#### *Purchase of equipment*

The Development Association bought the following equipment to assist local Romani organizations in expanding their work:

- Ten computers with printers used by the referees and transferred to the Lungo Drom Member Organization of Méra at the end of the program,

- One second-hand LKT (forestry machine) for the Phralipe Member Organization of Korlát
- Seven motor-saws for the Phralipe Member Organization of Vizsoly

#### *Additional capacity building*

The program also provided possibilities for local organizational development. A training course on project management was organized for local members to learn the basics of project planning, management and how to use their internal resources. An enterprise development course was organized for local organizations engaged in community farming and business activities, along with other interested persons. Both the Romani organizations and the labor market referees monitored upcoming financing programs, and Autonómia provided feedback and mentoring on the elaboration of new proposals. As a result, three of the participating Romani organizations launched new programs responding to other needs within the communities during the course of the project.

### Results

At the planning stage of the project, the employment program element was built on three pillars: partners of the Development Association operating as business organizations; other external organizations of the primary labor market, and Romani organizations running community-based economic programs.

From the start, the business organizations involved in the Development Association could only provide a part of the jobs they had planned due to overestimations in their own development and growth. The main employers in the program are those Romani organizations and local businesses, which are members of the Development Association, especially those concerned with forestry works. The project ensured the financing of minimum wages for a period of 3-4 months, where Autonómia signed a contract with the employers in which they would provide full-time work contracts for the newly trained participants.

In this framework, 23 persons (former trainees) were employed by the Romani organizations and local businesses. Most of them worked in the framework of continuous employment, while three people were employed on the basis of a temporary work certificate in the context of the program. Depending on local capacities, some jobs were maintained continuously, while others discontinued with the end of the program.

The total number of jobs mediated and created is sixty, broken down into the following categories: Trainees employed in the primary labor market: 14; participants attending training courses with (limited) wage-subsidies: 15; wage-subsidized participants: 31.7

### **Structural Funds - Active Labor Market Policy: Activation Program for Job Seekers in Slovakia (Municipality of Spišská Nová Ves, Baro Drom NGO, Labor and Social Affairs Office)**

As in Hungary, the Human Resource Development – Operational Programme in Slovakia has several programs aimed at furthering a set of common objectives outlined within National Development Plans to implement Structural Funds. In terms of Roma and other

disadvantaged groups, one of the main objectives of concern is the development of active labor market policies.

### Implementing organizations

The Activation Program for Job Seekers is carried out by a partnership formed of Spišská Nová Ves municipality, the labor and social affairs office and a local Romani NGO – Baro Drom. It is part of a national program targeting all long-term unemployed, thus not particular to this town.<sup>8</sup>

### Background on the region

Spišská Nová Ves is located in the East Slovakian region of Spiš. The total population of the city is 38,690, out of which 1910 are of Romani origin. The region is disadvantaged in terms of economic development and social difficulties, though the national park, Slovensky Raj (Slovakian heaven), may serve as a potential resource for further development of tourism.

In Spišská Nová Ves, Roma are mainly situated in two different communities. The larger settlement, 'Vilčurňa', is more or less a small ghetto located about four kilometers from the town center. There are approximately 727 inhabitants living in a large housing unit (510) and separate houses (217). All community members are Christian. Heating is provided for by wood or coal burning, which is also used for cooking and heating water. The housing unit has electricity, with partial sewage and water hook up, and garbage is removed once a week. The land of the housing unit and all houses belongs to the Spišská Nová Ves local government. There is one kindergarten in the settlement, where some 35 children attend, while others attend schools in another settlement located 2-3 kilometers away, or in the 'special school' for mentally disabled, which is about four kilometers from the community. There is no bus station near the community and all services and authorities are about four kilometers away, in the center of town.

The unemployment rate in the community is about 95%, with no stable form of income and no one from the community has completed secondary education. However, among integrated Roma from the town, there are four strong businessmen, providing jobs to both Roma and non-Roma from Spišská Nová Ves. The municipality has hired four Roma from the community to serve as police officers, led by the local Vajda, and one Romani social worker from the town to mediate communication and assistance in various areas.

A local NGO was created in the community in the context of a UNDP program, called Your Spiš. The NGO constructed a sports playground in the community for youth, and currently cooperates with the municipality in Structural Fund employment programs and a new Social Inclusion Partnership created by the Social Development Fund.

### Goal of the project

To serve as a transitional stages between long term unemployment and regular jobs.

### Main scope of activities

To initiate activation programs targeting long term unemployed,

especially Roma, who will engage in work of a voluntary character for a period of one year.

### Methods employed

*Local partnership among municipality, labor bureau and local Romani NGO*

In the program, the local municipality, NGO Baro Drom and labor bureau signed a year-long agreement (April 2005 – April 2006) to carry out the activation program targeting 70 local Roma. The program is managed by a team of the NGO, formed of local Roma from the community and town. The program involves monthly payment by the labor bureau of about 20 euro/person, out of which the management salaries and costs for protective materials (gloves, jackets) and building materials (lime, sand, paint, brushes) are paid.

*Household survey for selecting participants*

Selection of the participants was carried out by the management team and the Romani social worker for the municipality. To identify eligible persons, the team made door-to-door visits to discuss with families and observe living conditions. Participants had to be long-term unemployed, in difficult social conditions, and with initiative to partake in the program.

*Instilling work habits for job seekers with low motivation*

The activation program targets job seekers with low incentives to work and who are in material need. The participants do not carry out public works, per se, but rather minor services for the municipality, considered voluntary work for public benefit. For the most part, participants are working in their own settlements on improving infrastructure, cleaning streets and parks, and reconstructing houses. The idea behind the program is that such activity will help instill a work ethic and habit among long-term unemployed Roma, while increasing motivation and responsibility for change.

*Linking voluntary work to social benefits*

The construction of this national program, which is set to run through 2006, is that participants carry out voluntary work for public benefit, not formal public works. Therefore, they do not receive formal work contracts, but rather the small services provided are linked to monthly social benefit payments amounting to about 47 euro/person.

### Results

Currently, there are 67 long-term unemployed Romani participating in the activation program, and three Roma employed as program managers. According to the local NGO, the program has had a positive, visible impact on the level of responsibility among community members for their living environment, for example the cleaning of a small river near the community, removal of waste and refuse, and the reconstruction of houses. At the same time, the program has difficulties in serving the purpose as a transition to stable jobs, since only 5% could obtain formal employment from the NGO or municipality, and it doesn't include the development of skills for a competitive labor market.

## **European Social Fund – Educational and Employment Mentoring and Measures in Barcs, Hungary (The Organization of Roma Representatives of Southern Somogy County – DCKSZ)**

### Implementing organizations

In this project, the Organization of Roma Representatives of Southern Somogy county is the main organizer, working in partnership with the Scientific University of Pecs, Department of Natural Sciences - Adult Education and Human Resource Development Institute, the Hungarian Scientific Academy – Sociological Research Institute, and 'Studiare' Culture and Service Ltd. The total budget of the project is 813,780 Euro.

The Organization of Roma Representatives of Southern Somogy (D.C.K.Sz) was established in 1991 by eleven Romani representatives and mediators who were elected in the first free elections. The main aim of the organization is to assist and coordinate the daily work of the Romani organizations and representatives in the county, and to represent them at county and national levels. Other important tasks are to keep and promote the Romani traditions, while serving the further development of the society. Currently the DCKSz has 43 partner organizations and more than a thousand members.

### Background on the region

Barcs is situated in the south-west part in the country, next to the Hungarian –Croatian border. The total population is 12,600, of whom about 1,765 (13-15%) are of Romani origin, 10-11% German and about 3% other minorities. Barcs is a young town with more than a quarter of the population belonging to the 0-18 age-group. The town is surrounded by the river Dráva, while the geological conditions provide for both agricultural output and building materials industry. In 2001, the rate of unemployment among Roma was 21,9%, but with the recent closure of a major parquet factory, it is about 30%.

The project covers ten disadvantaged settlements of the Barcs micro-region, and involves 30-35 Roma and 15-20 non-Roma long-term unemployed. The settlements studied by the Health, Social and Family Affairs, the Economic and the Agricultural Ministries are disadvantaged, particularly with respect to employment, social security and economic activity.

### Goal of the project

To improve qualifications and employment opportunities among young, long-term unemployed Roma and non-Roma with multiple disadvantages.

### Main scope of activities

The 22-month program (November 2004 – August 2006) includes:

1. Identification of fifty long-term unemployed Roma and non-Roma from the micro-region of Barcs to participate in an 18-month program.
2. Employ qualification, mentoring and work mediation techniques
3. Make a positive impact on the surrounding environment and strengthen personal identity by stimulating learning, responsibility, and changes in attitudes and values among participants.

### Methods employed

*Criteria and selection of participants*

The criteria for participating in the program were to be registered long time unemployed (at least 6 months) and have a completed primary school education. Around 250 people expressed interest in the program and met these criteria. In the second phase of selection, applicants took a written test (elementary IQ and mathematics), which 187 people completed. Out of these applicants fifty persons were selected and contracted to partake in the program.

*Education and Vocational Training for beneficiaries and mentors*

The programs educational elements included three main activities. At the beginning of the program all of the beneficiaries received a 3-day training on how to find job and start-up a small enterprise, personal development and team building. The fifty participants were then divided into two groups of 25: one group formed of members receiving vocational training as bricklayers and carpenters and the other formed of unskilled laborers.

The program also employs five Romani mentors who work with the beneficiaries throughout the program. Mentors received a 5-day training in conflict prevention and resolution, personal development, case description, investigation and solving of problems.

*Employment assistance*

All participants receive a minimum-wage salary for the whole 18-month period, along with about 16 euro/month in food tickets. For the most part, they are studying, carrying out community maintenance work or formal contracted work in the area, especially from spring through autumn. At the end of the program, it is planned that 30% of the target group (fifteen persons) will have continued employment for at least another two months.

*Mentoring*

The program has five mentors selected by the project coordinator. All mentors are Roma from the participating localities and considered to be reliable, respected and well-known. Mentors should meet each of the beneficiaries at least two times per month, though in practice contact is almost daily. Mentoring involves social, legal and psychological assistance, along with reporting on the attendance, activities and problems/progress of the workers/ students each month. The mentoring is supervised by a professional psychologist who provides methodological help, reads the mentoring documents and analyzes problematic cases.

### Results

Though the project is still ongoing some short-term results can be reported. Firstly, since the project employs fifty long-term unemployed, the employment rate of the micro-region will be improved. Likewise, at least twenty to twenty-five beneficiaries will have new qualifications recognised by the state, and all have increased experience for finding work, and stable income for eighteen months. The infrastructure of the micro-region is expected to be further developed, through reconstruction and maintenance of the architectural heritage, the residential and commu-

nal buildings (as community centre, regional folklore museum, parish church, pensioners' home, and nursery).

The long-term, stable employment perspectives among beneficiaries are not foreseen, though the project seeks to provide at least 15 persons with an additional two months employment.

### Programs to increase access to employment among disadvantaged groups in Lom, Bulgaria (Roma-Lom Foundation)

The Roma-Lom Foundation (RLF) is a non-governmental, private foundation established in 1995 in the town of Lom, Northwest Bulgaria. Since its inception, the foundation has steadily developed its programs serving the citizens of Lom, a town which is host to four Romani settlements representing about 50% of the total population. Beneficiaries of the foundation's programs are both Roma and non-Roma. The main program areas include education, access to employment and income-generation and social services. In recent years, the foundation has also expanded its focus to facilitate greater effectiveness of civil society in the northwest regions of Bulgaria (Montana, Vidin and Vratsa).

RLF enjoys the support of the national and international donor community, while developing partnerships with relevant local institutions (Labor Bureau, Social Assistance Directorate, Employment Club) to combine resources in the implementation of various program activities.

#### Background of the region

The town of Lom is located in the Northwest region of Bulgaria. The general recession and structural problems in the region are particularly serious impediments to the implementation of programs for development. Over the last years, the region has confronted an acute demographic crisis. For example, in Lom there were 35,800 citizens in 1997, while the latest census of March 2001 showed that the population has decreased to 27,800. As a result of the decreasing population, the ethnic composition of the town has also changed: In 2001, the Roma represented more than 50% compared to 35% in 1992.

The lengthy crisis situation has also brought the local and regional economy to 'collapse' and foreign investments vary between 1–6%. Official statistics indicate that the unemployment level in Lom is 34%, one of the highest in the country. According to surveys done by local NGOs, which take into account hidden unemployment, the figure increases to 67%. Almost one-third of the local population is registered with the Social Care Office. The unemployment rate among Roma reaches 90-95% of the active population; often people remain unemployed for more than a year and become permanent clients of the Social Care Office; entire generations are without any work record, dependent on social benefits.

As heritage of the past, the Roma live in isolated neighborhoods predominantly located on the outskirts of the town. In Lom, the Roma live mainly in four neighbourhoods - Stadona, Mladenovo, Humata and Momin Brod, which represent different sub-groups within the Romani community, distinguishable in terms of dialects spoken, origin, economic situations and educational levels. The Momin Brod neighbourhood is a poverty pocket, where people live in dilapidated buildings with extreme poverty and high rates

of illiteracy. Some of the children go to Sofia where they live on the streets, begging and inhaling acetone glue.

The neighborhoods are characterized by structural poverty, low educational levels, and limited access to social and health care services. Most of the Romani neighborhoods are built illegally, and therefore also excluded from the municipal budget plans for infrastructure investments.

In Lom and the region, the survival of most of the families depends on social assistance. Quite often the access to social care and services is restricted owing to a number of reasons, such as low civic understanding about rights and existing regulations and the fact that, every year the deficit in the municipal budget and delays in state subsidies lasts for months, leaving the town without resources for social benefits. Such situations periodically intensify social tensions, leading to acute conflicts and open civil disobedience.

#### Goal

Increase access to income and alternative forms of employment for marginalized groups

#### Main scope of activities

1. Stimulate vocational training, on-the-job work experience and job placement for long-term unemployed.
2. Mediate greater access to the market for seasonal, hourly and home jobs.
3. Mediate Roma's participation in governmental employment programs.

#### Methods

##### Vocational training and on-the-job experience

###### Updating information and coordinating with the local labor bureau

At the beginning of each year RLF meets with the Labor Bureau Directorate to receive updated information on the employment rate, level of professional skills among registered unemployed and jobs available on the market. The two institutions also work out a plan coordinating their interaction in the implementation of national employment programs and those of the foundation.

###### Disseminating information within Romani communities

To improve information within the Romani community, RLF held periodic meetings in the four Romani neighborhoods to explain the government programs, in particular the 'Education, Qualification and Employment' program and others for temporary jobs. The programs are implemented jointly by the Labor Bureau, the Social Assistance Directorate and the Employment Club. A total of 217 people participated in the meetings.<sup>9</sup> In addition to onsite meetings, RLF published a brochure in 400 copies, which was disseminated in the Romani neighbourhoods and public places throughout the town.

###### Bringing employers and job-seekers together

RLF organized a meeting with 32 local employers<sup>10</sup> to inform them

of the current status of local unemployed (professional qualifications, age structure, duration of unemployment) and discuss the employers' requirements for eventual new employees (professional skills, discipline, educational qualification, preferred age, etc.). With restaurant businesses representing the most opportune labor market possibilities, RLF organized a meeting with 27 unemployed persons up to 30 years old<sup>11</sup> to inform them of employers' expectations in the case they are hired.

###### Contractual Agreements to divide roles and responsibilities

Through a contractual agreement between RLF and the Labor Bureau, a vocational training in bartending and waiting was organized for unemployed up to the age of thirty. RLF recommended the participants, motivated them to participate and provided materials and facilities when needed. The Labor Bureau provided specialists and instructors, and paid 40% of the minimum wage to the participants of the course. An agreement was also signed with the employers, who committed to provide them with on-the-job experience within their restaurants. A total of twenty four participants were included in the group<sup>12</sup>, and at the end of 2004, eight of them were employed.

##### Facilitating work experience and employment among youth

RLF also targets youth in terms of increasing access to work experience and employment by mediating contracts between local employers and unemployed youth. In ensuring participation of representatives from the local business community, the foundation held a series of meetings, in which there were a total of 41 participants.<sup>13</sup> RLF also contacted the labor bureau to get the updated information on unemployed persons up to the age of thirty. Next, interested employers met with twenty permanently unemployed youth to discuss the program's opportunities and details.

From June to December, twenty persons in the youth employment program were employed. The job breakdown includes two cooks, three waitresses and three dressmakers, among participating women, and twelve barmen and waiters. After the six-month project period ended, twelve of the participants (60%) were permanently employed. The program had a positive image on the foundation's work and, as a result, the government has launched a similar program – "From Social Care to Employment", which is funded by European Union and the Bulgarian Government, with the aim of decreasing the number of permanent unemployed and restoring work habits.

##### Mediating access to seasonal, temporary, hourly and home jobs

At the beginning of the 2004, RLF updated its database on seasonal and home jobs offered by companies and natural persons by organizing a series of meetings to discuss with local employers. The foundation then organized meetings in the four Romani neighborhoods to present the opportunities for such work, and draw up a list of interested, consisting of 127 persons.<sup>14</sup>

###### Signing agreements with local companies

As a result, during the months of July, August and September, RLF mediated temporary and seasonal work for 27 persons for a period of three months, primarily as agricultural workers. Another thirty

persons received one-month's work collecting herbs for a company that purchases locally for wider distribution and usage.<sup>15</sup> Finally, in December and January 2005, the foundation assisted another twelve persons in obtaining work as cleaners in front of private restaurants, coffee bars, shops and public places.<sup>16</sup> In all, partnerships between RLF and four private companies provided work to eighty people, all of them with Romani origin.<sup>17</sup>

In 2004, RLF also met with representatives of the contractor implementing the "Urbanization and Social Development of Regions with Significant Minority Populations" project due to start in 2005. The objective of the project is to improve the infrastructure of one Romani neighborhood in Lom. As a result of the meeting, an agreement was reached, in which RLF would recommend 115 people to work in the project for a period of 21 months.<sup>18</sup>

#### Mediating access to government programs for alternative employment

##### Raise awareness within Romani communities

To raise awareness about the opportunities provided in various government programs RLF and Labor Bureau representatives held a series of information sessions in the four Romani neighborhoods, and the foundation developed and distributed an information leaflet on the rights and responsibilities of unemployed persons in meeting the conditions to participate in the programs.<sup>19</sup>

##### Set up a joint committee to monitor implementation and provide for transparency

In monitoring program implementation and providing transparency in the selection of eligible participants, representatives of RLF and the labor bureau came together to form a separate committee. The committee participated in the selection 138 people for participation in the government employment programs.<sup>20</sup>

#### Results

To improve the implementation of employment programs, the foundation developed a joint action plan together with the Labor Bureau directorate. Through onsite visits and production of leaflets, over 600 locals were informed of various employment programs of the foundation and the labor bureau. Some forty local employers were updated on the situation of local unemployed, and labor market competitiveness was increased for 44 long-term unemployed, all of whom received guaranteed work for six months or on-the-job experience. Out of the 44, 20 received permanent jobs.

Through mediation activities among businesses and local unemployed persons, temporary work was provided for eighty persons and 138 participated in various governmental programs.

### Broadening Horizons for Roma Youth and Young Adults In Belgrade, Serbia and Montenegro (Care SaM, DUR-Roma NGO and Bozidar Adzija University Education)<sup>21</sup>

#### Implementing organizations

The project was carried out in 2003 by CARE Serbia and Macedonia,

the DUR –Roma NGO and the Public University 'Bozidar Adzija', Belgrade. CARE International has been working across the former Yugoslavia since 1993, beginning with relief programs during times of war and conflict. Currently, CARE operates a number of programs to increase economic opportunities among various groups throughout the Balkans.

### Goal of the project

To increase employment among Romani youth and young adults through vocational education and increased self-confidence.

### Main scope of activities

1. Organizing a series of workshops for professional orientation and job searching skills.
2. Vocational training courses.

### Methods employed

*Organizing a series of workshops for selected participants*

The project team selected fifty young Roma (out of 144 applicants, aged 16-30), who were divided into three smaller groups to attend a series of workshops over a two-month period. The workshops included CV writing, job interviews, special knowledge for professional orientation, including sessions aimed at developing self-confidence, communication skills, a sense of responsibility and overcoming prejudice and discrimination.

*Signing contracts for job orientation and eventual vocational courses*

Following the workshop series, participants signed contracts with the university, committing to partake in the program, which involved weekly visits to various governmental, business and non-profit organizations to become familiar with different work environments and expectations, and thus better prepared for the issues confronted in searching for a job.

Vocational training was provided in the following professions: auto mechanic, auto electrician, vehicle painter, house-painter, brick-layer, locksmith, plumber, cook, waiter, baker, hairdresser, barber and make-up artist and dressmaking. Some participants also attended PC literacy courses.

*Constant monitoring and group work*

The project also involved constant monitoring and group-work or peer-pressure, which contributed to maintaining good attendance among participants, as everyone completed the program.

### Results

Out of the 50 young Roma who partook in the project, around 70% found a job.

## ANALYSIS AND INSIGHTS

### Active labor market policies and public works

Programs to increase access to labor markets seem to be the predominant approach used to address unemployment, especially in

the context of Structural Fund programs. Active labor market policies, including public works schemes, can provide welcome income to beneficiaries, but they do not provide for real perspectives. In some cases, it serves to re-enter long-term unemployed persons into the system, though the short-term nature of the work means that it is not a stable job.

### Professional qualifications and other capacity building methods for personal development

A number of programs found that simple vocational training is often not enough. Beneficiaries, especially long-term unemployed or those without much previous work experience, have a better chance of integrating into the formal labor market if programs include other capacity building elements such as CV and interviewing, exposure to various work places, confidence-building, and business development, team building and community organizing if local groups attempt to create jobs as well.

### Paid work experience, job mediation and placement – transformative and sustainable impact?

In some programs, formal vocational training is linked to paid work within projects, and mediation with other businesses to secure jobs. However, this is not always job creation or access to secure employment, since employment is often created within the projects, and expires once the project ends. Furthermore, some employment policies provide subsidies to employers who hire long-term unemployed for a limited period. At the end of the period, the recently 'hired' persons are just replaced with new laborers, so as not to lose the subsidies.

### Intermediary stages and perspective for stable jobs

Some state policies and development programs are linked to active labor market policies and Structural Funds, which seek to activate long-term unemployed and to serve as an intermediary stage to eventual employment. However, if the program does not provide qualifications in terms of competitive skills, but just 'activates' people as street cleaners for example, such a transition rarely takes place. In this regard, the situation is also complicated by low levels of schooling and qualification among long-term unemployed, which requires the completion of adult education and further training to become competitive. At the same time, it must be recognised that such programs can have a positive impact on beneficiaries, in terms of breaking apathy and providing new income for a limited period of time.

### Labor market absorption capacity in disadvantaged regions

Perhaps the most difficult question with regards to increasing access to labor markets is related to the disadvantaged regions with significant Romani populations. In such cases, even if Roma obtain new qualifications and are not subject to discrimination, these regions have limited job opportunities. In short, one can increase skills for the labor market, but in reality the labor market has little to offer.

## ENTERPRISE DEVELOPMENT



### CASE EXAMPLES

#### Business Resource Center and Credit Program in Lom, Bulgaria (Roma – Lom Foundation)

See background in above section.

#### Goal

To establish conditions for SME development in Lom.

#### Main activities

1. Local economic strategy development.
2. Provision of services to active businesspeople.
3. Operating a small credit program.
4. Total cost for start-up 10,000 euro.

#### Methods

*Forming and developing competencies within a local working group for economic development in Lom*

In the context of its program activities in the past RLF facilitated the establishment of an economic working group formed of representatives from local institutions and businesses. In 2004, the working group reviewed the municipal strategy for economic development and proposed improvements in relation to placing greater accent on development of small family businesses. In analyzing its own work during the first half of the year, members of the working group decided to improve their own skills by attending training courses on lobbying and advocacy, and public campaigns. In discussing problems related to strategy development, the working group focused on administrative barriers to starting new businesses, and thus drafted a proposal for enhancing the operational efficiency of municipal offices controlling the process, which was introduced for review and discussion in the municipal council in 2005.

*Establishing a database on local businesses and preparing them for EU Accession*

As a starting point for providing services to local businesses in Lom, RLF maintains a database on the current situation of local

businesses and organized a series of joint meetings among local business people and the Ministry of Labor and Social Policy. The meetings served to communicate expected changes in the business environment when Bulgaria will join the European Union. In all, 42 representatives of the business sector participated<sup>22</sup>

*Increasing awareness of services and credit programs*

In 2004, RLF published two brochures (400 copies) to inform local citizens about the business-related services provided by the foundation, along with other information leaflets on existing credit programs of the government and banks, in view of facilitating greater access and awareness of existing possibilities. Throughout the year, 41 business people were assisted by the foundation with information on the market and links to other centers (Business Incubator in Vidin and the Chamber of Commerce and Industry).

*Needs based assessment and follow-up consultation and training for small businesses*

RLF also held a series of meeting with 31 small family businesses to assess their needs<sup>23</sup> As a result, the foundation organized two information technology courses for 25 businesspeople to provide them with Internet and computer literacy skills<sup>24</sup> RLF also provided Internet access and information on modern technologies to 53 businesspersons throughout the year<sup>25</sup>

Consultations for the development of business ideas were also provided to 29 persons,<sup>26</sup> out of whom seven received funding from various government programs and banks, while another five were included in the foundation's credit program.

*Operating a credit program in co-operation with a local bank*

The credit program was first launched in 2000, with the support of the "Pokrov Bogorodichen" Foundation, Sofia. The program involved the establishment of a micro credit fund of 20.000 DM. The main objective of the program is to pilot an alternative model of micro-credit, thus creating better access to income and private business development for enterprising poor families, currently deprived of access to loans. The credit program is carried out jointly with Bulbank AD in Lom, where the received funds have been paid in as a guarantee fund. The research and selection of the candidates was initially made by RLF staff together with experts of the bank, and Bulbank commits to service the loans.

Over the first three years of the program, the support covered a total of eleven companies and natural persons, and only one of the loans is outstanding. Five of the participating companies have received credits from the bank for the second time, the amounts of which are some four to five times larger than the initial credits granted by the program.

*Temporary working group to develop criteria and select participants of the program*

In continuing its credit program, the foundation set up a temporary working group of representatives from the municipal hall, Labor Bureau, Social Assistance Bureau and RLF to develop criteria for selecting new participants in the credit program and assisting with the implementation each year.

*Publicizing the program and providing needs based training*

To publicize the program, four meetings were held in the Romani neighborhoods, where some 152 participated in total.<sup>27</sup> The foundation identified twelve people willing and able to start their own businesses.<sup>28</sup> Upon assessing the needs of the group, the twelve candidates were provided with training on business plan development and later small company management. In developing their business plans, the candidates received expert advice from personnel of Bulbank-AD, RLF's partner in administering the credit program.

*Selection and provision of credit*

RLF staff and experts from the bank reviewed and evaluated the business proposals, and a decision was taken to extend credit to five of the twelve candidates. Types of activities include construction, blacksmith's services, a hairdresser and a mini-market, with a maximum of about 1500 euro.

In this cycle the participants in the program were absolutely correct and punctual in the repayment of the loans. As follow-up, three of the participants in the program have received proposals by the bank to receive new loans under milder conditions. This in itself will help the establishment of stable relationships between the companies and the bank and will increase the trust of the bank to work with Romani businessmen. The credit program received press coverage in the local press and television, and on the basis of the program, the Bulgarian Council of Ministers set up a similar program, the 'Loans of the Czar', which is serviced by three different banks.

**Results**

In the context of the program, the joint working group on economic development in Lom drafted a proposal for enhancing the municipal strategy, and administrative procedures related to SME development. Interested local businesspeople were acquainted with the changes resulting from Bulgaria's EU accession, provided information on the market and advice on business plan development.<sup>29</sup> Formal training and consultation were provided to a total of 29 businesspersons in 2004, out of whom, seven received funding from external credit programs and five from the credit program of the foundation. Other services included training on new information technologies for 25 businesses people and a total of 53 had regular access to Internet within the foundation.

In operating a credit program for small business development, the fund has supported a total of sixteen companies and natural persons, with only one loan outstanding.

**Local brick-making workshop in Dej, Romania – (Ramses Foundation for the Social Development of Roma, municipality of Dej and Romani initiative group of Dej)****Cooperating organizations**

The project, titled 'Jobs for Roma', was a joint project of the Ramses Foundation for the Social Development of Roma, the municipality of Dej and the local Romani initiative group of Dej. The project was funded by the Romania government PHARE program,

as part of the National Strategy to Improve the Situation of Roma. The total amount of the project was 52.050 Euro

**Background of the community**

Dej municipality is located in Northwest Romania. The total population of the city is about 38,437, where, according to the official census, Roma number around 258.

The Romani community in Dej has a low level of professional qualification;<sup>30</sup> 31% have uncompleted primary school, 48.5% have completed the 8th grade, 13.5% have vocational training, and 7.5% have high school. In terms of household goods and land ownership (cars, arable land, furniture, agricultural machines), only 1% of the Romani population has such assets.

Of the total work force, 94% is without qualifications, 6% have a work contract (stable income), 64% carry out occasional income-generating activities from time to time, and 30% do not work. Occasional income-generating activities include 1) 38% agricultural activities on land owned by others, 2) 4% brickyard work, 3) 8.5% work on farms owned by others, 4) 12% various seasonal work in other enterprises.

**Goal**

To contribute to the integration of Roma in the economic and social life of the municipality, by creating stable jobs.

**Main scope of activities**

1. Improve qualifications among Roma in Dej locality.
2. Setting up a workshop to produce bricks.
3. Create a non-profit, income-generating organization belonging to the Roma, to manage the production of cement for bricks and bricklaying, with can be sold in the region.
4. Profit obtained will be redirected toward the Romani population in Dej, for health and educational activities of the children.

**Methods***Local needs and resource assessment*

In preparing the project concept, the organizers carried out a local market research, which revealed that there is a demand for BCU and cement production, both locally and regionally. Likewise, in evaluating the Romani work force in Dej, it was found that many Roma worked in construction and developed appropriate abilities, even when they didn't have the necessary schooling.

*Promoting participation of local Romani community members in the project*

To stimulate the participation of Roma in the project, the initiative group and local government selected 30 persons to assist in setting up the brick-making workshop, out of which a part of them received minimum wage payment for two months.

*Selection of participants in the qualification course*

The Romani community was informed about the possibility to participate in the vocational course and encouraged to apply. The selection criteria for participating was a) to come from a poor Romani family in Dej, b) have the ability to work in construction, and 3) wish to complete the qualification course and obtain a job. A total of 20 persons were selected.

*Qualification course*

Ramses foundation provided the qualification course for 15 persons as cement-making operators and brick-layers. Ramses foundation provided its training hall and qualified teachers, along with one warm meal per day for the participants. The course lasted 3 months.

*Setting up the workshop*

The project also involved the purchasing of necessary equipment and the construction of the workshop (132 m<sup>2</sup>), on an 800 m<sup>2</sup> land provided free by the local government. Part of the work was carried out by the Romani initiative group and students in the qualification course, while the other parts were subcontracted to specialized firms.

*Transforming the initiative group into a registered organization*

Over a period of 8 months, Ramses worked with the initiative group in view of forming the initiative group into a nonprofit organization, with income-generating activities. Once created, all assets of the project would be transferred from the local municipality ownership, to the organization.

*Joint effort to obtain clients*

As part of the project, 1000 promotional materials and offers were produced and distributed by the local government and Ramses.

**Results**

Out of 21 who started the course, 20 finished successfully. The workshop employed nine persons with full work contracts, representing five families.

The project has now been completed and currently they are looking for support to purchase cement, so that production may continue. There is a risk that the activity and work contracts will be terminated unless they find such support.

**Micro-credit pilot program for Roma in Romania- (Economic Development Center)****Implementing organizations**

The Economic Development Centre (CDE) is part of the Soros Open Network in Romania and has about six years of experience in providing assistance to local communities through micro-credits and business development services. Currently CDE has eleven offices throughout the country, providing micro-credits in 27 counties. Among communities assisted, CDE identified villages with significant Romani minorities, which represent the target group of the Roma Microfinance Program.

**Goal of the program**

CDE seeks to improve livelihoods by facilitating access to micro-credits. In addition, the programs seek to:

- alleviate poverty within Romani communities via stimulation and support of entrepreneurial initiatives;
- provide focused information and support services;
- strengthen the culture for entrepreneurship;
- increase the success rate of businesses and the pace of business development;
- stimulate legal registration of businesses.

**Main scope of activities**

The program provides active assistance in improving the business environment and the entrepreneurial culture in selected villages through training seminars and access to financial services.

**Methods employed***Training seminars*

The program is focused on components designed to lead to a viable improvement of the social and living standards of the targeted Romani communities via economic activities. The training seminars follow the CDE training curriculum and include topics such as: start up; business planning; basic marketing; practical analysis of financial statements; basic management issues.

The training program employs a participatory approach and comprises practical, easy-to-read and -understand materials and case studies.

*Financial services*

CDE realized that there is a lack of financial products for promoting micro and small businesses. Therefore, one of the pilot interventions to stimulate local Romani communities involves a financial mechanism to backstop initiatives related to business start up or expansion.

While following the features of the present rural micro-credits scheme developed by CDE, the piloted schemes within Romani communities are adjusted to specifics of these communities, such as strong cultural and ethnic background, social hierarchy within communities, and the sizeable ratio of youth.

*Credit Methodology for group-based lending*

Credit methodology is based on village groups and solidarity of group members, with micro-credits extended to individuals based on their business needs and capacity to repay. The lending mechanism is based on accountability between the borrower and the lender, while group members are entrusted to manage their credits and fulfill their commitments. Over time, an atmosphere of mutual trust and respect emerges, which enables this scheme to meet its goals.

Loan amounts start with small, short payback periods, allowing the borrower to gradually build up his or her business. Within Romani groups, loans range from 200 to 1,000 USD for one year. Loan terms are adjusted to fit the economic activities of the borrowers.

The basic elements of the group-based lending include:



- Providing the information required for credit applications;
- Use of self-selected groups to channel loans to individuals; the group is established on the members' free will;
- Providing mutual moral guarantee of loans to individuals within the group;
- Peer pressure and incentive structures to enforce or motivate loan repayment in due time;
- Initial access to loans is restricted to small amounts; increase is gradual;
- Simplified process of loan delivery (little paperwork);
- Education on business plans, cash-flow projections, market analysis, product development/technology;
- Business training occurs periodically amongst clients.

## Results

As of December 2004, 20 micro-credit groups were formed with over 345 members. Out of these, 10 are ethnically mixed groups and 10 with Romani members only. A total of 215 micro-credits have been accorded for a variety of business activities, such as: orchards' maintenance, micro-farms, general and specific trade with agricultural products. The average amount of credit accorded is 600 USD. 21 % of the clients are women. All of the businesses financed are start-ups, out of which 84% are legally registered. 94% of the clients are formerly registered as unemployed, out of which 67% is ineligible for social benefits. To date, the repayment rate of the micro-credit pilot for Romani communities is 100%.<sup>31</sup>

## Micro-lending pilot scheme for rural Romani groups in Hungary (Micro-Credit Public Company)

### Implementing organization

Micro-Credit Public Company was set up by staff of the Autonomia Foundation, which could not operate such a program out of the foundation due to regulations on non-profit organizations in Hungary. The capital start-up was provided by the Open Society Institute, New York, which supports similar programs in other countries.

The company does not operate like a bank, with savings and deposits, but rather seeks to serve as a resource for extending loans which can provide for economic success of its clients. The company has very little profit, which is used for the benefit of society.

### Goal of the programs

To alleviate poverty by providing access to low-interest loans.

### Main activities – types of credit extended

#### 1) Non-profit loan

NGOs in Hungary carry out a lot of projects, often funded through tendering processes, though the disbursement of funds is often late or with operational gaps, especially those related to EU co-funding schemes. In practice, the projects should start immediately after the contract has been signed, though the arrival of funding may take months. Organizations without significant reserves struggle with permanent liquidation problems. The micro credit

deals with this problem through bridge loans. The maximum amount is 3 million HUF (about 12,000 euro) and the repayment rate is calculated on 13% of the borrowed amount and 1% interest. Decisions are taken relatively quickly, and the main risk is that the NGO doesn't receive their support from the respective donor. The conditions are that the loan itself cannot be used to pay the interest, and NGOs should not engage in any illegal activities. The loan period is one year, and the NGOs must pay back from other sources.

#### 2) Small-enterprise loan

The small-enterprise loan is more traditional. The loan is extended to those small enterprises which are practically unable to access the "normal" bank system. They are unable to meet all requirements and are not an attractive target group for mainstream banks. The loans target small enterprises of Roma, from about 1,200 to 12,000 euro. Here the risk is higher than in the civic sphere, so loan procedures are staged: at first the enterprise takes a smaller loan amount, pays back, and then can apply for a larger sum. The repayment is based on 19 % of the loan amount and 1% interest. At the moment, the resources of the program cannot match the amount of requests.

#### 3) Group loan

This is a more extraordinary loan mechanism for individuals who are unable to access normal banks, since they don't meet requirements, such as stable, fixed income, property, or other personal guarantees. Group members must trust and take responsibility for each other, which serves as the guarantee. If one member from the group does not make his or her payment, then no one from the group can access further loans. In such cases, new members must be accepted by all the existing group members, since if someone is unable to pay back his or her own installment, then the others have to do it instead. If the loan cycle is completed by all members, then they can come up with new ideas and apply again.<sup>32</sup>

## Methods of the group lending mechanism

### Selection of localities and settlements

In order for a particular locality to be selected, the interested group should collect the following information:

- Demographic data about the settlement
- Economic situation (labor-market situation, main economic functions, family and domestic parameters such as main expenditures, reasons of possible debts, etc.
- Key persons wishing to initiate a group (public life and economic actors; possible group members (especially the secretary and council)
- Existence of usury.

The information also serves the setting of other parameters, such as the appropriateness of the proposed enterprises and the deadline for setting up the group. For example, in the case of agricultural activities, it is necessary for the credit to arrive before the start of the season.

### Prerequisites for groups

Group members should not be 'black-listed' for outstanding loan

payments. They should be formally accepted by other group members and have an idea which does not exceed the maximum amount of support. There are no educational requirements, but they should be able to present the idea, the expected cash flow (perhaps with some assistance), and do simple budgeting.

### Group membership

A start-up group is set up with three to six persons, who can serve as the engine of the group, arranging for the first meeting with the credit administrator and identifying possible new members. New members are accepted by anonymous vote of at least two-thirds of the members. Candidates who are not accepted can request membership again after six months.

### Group start-up

The setting up of a group usually starts with about 3-5 persons. Here it is decided whether to set up an initiative or not, based on aspects such as the potential number of members, trust among members and the enterprise ideas. The group should choose a name for itself. Group meetings should take place at least once a month, the location of which should be appropriate. In many cases this is a school room (after hours), a community house, or the mayor's office.

### Group meetings and functioning

The meetings with the credit administrator usually involve discussions on members, loan repayments, progress, requests for new members, and presentation of new ideas. The new members make a brief introduction, and then leave the room while discussions and debates take place among the members. Secret ballot voting takes place and the administrator counts the votes.

Then loan payments and possible negotiation over late or missing payments take place on the basis of reports submitted by the group and the financial data. The group then agrees upon what will be done if one member cannot pay.

In case there are new credit requests, these are discussed and should be approved first by the group or an elected council in the case of large groups. The credit administrator then makes an appointment with the accepted loan recipients for a training session on how to prepare all the documentation for the credit application, which lasts about one hour. The members of the group take responsibility for each credit request, and need to have a group contract as guarantee, signed by all members.

After the meeting, the credit administrator drafts the minutes, which should be signed by the secretary of the group. The secretary is also the main contact person with the credit administrator about issues and outstanding loan payments.

### Loan Transfer

One of the most important rules in the approval of loans is that application has to be supported by all members, since they all must guarantee that the loan will be repaid. If someone's credit idea is not approved, it can be reworked and presented at subsequent meetings. The results of the election are documented in the

official minutes, which are notarized by the secretary. The Micro-credit company must also approve the plan as well, both through the credit administrator and the selection committee.

The credit contract is then posted to the applicant within one week of approval. The contract should be signed by the applicant, the company and other group members who provide the guarantee. After this process the credit is transferred to the client's bank account within five days. The credit is transferred to the client's bank account in one disbursement. From the approved credit, the company takes 2% for administration.

### Utilization of the credit

The client can only use the loan to fulfill the planned aims of the activity. Only items indicated in the application can be purchased, though the amounts can be change upon approval from credit administrator. The client should present invoices, vouchers, tickets, or contractual purchasing agreements for the money spent and the credit administrator audits purchased goods and stocks of the enterprise on-site.

In the case that someone did not utilize the credit in the agreed upon way, but pays back the loan and interest, the company will not prosecute or stop the credit contract, though the client, his relatives and enterprise cannot access future loans.

### Loan repayment

The size of the loan payment is based on the duration of the credit and grace period according to the estimated cash-flow of the activity. It is calculated together by the company and the client, based on the following formula: (Credit amount – previous loan payment / number of months) + (Credit amount – previous loan payment / number of months) \* 1,19. An excel table involving cash flow projections, the grace period and loan payments is used to calculate the amounts. The client received training on this and uses it to calculate the options for repayment.

The minimum duration of credit is three months, with a maximum of one year. Clients can request a maximum grace period of eleven months, though monthly interest still has to be paid. Loan payments should be made by the fifth of each month. If payment hasn't been received, then the credit administrator informs the group via the secretary. The client will pay interest on the outstanding loan, which is the same amount as the credit interest. The situation of those who cannot pay is discussed at the next meeting, where the group must decide how to handle the case, including agreements on sharing outstanding loan payments, timing and amounts.

## Results

The total outstanding capital for all three loan programs is about 600,000 euro, including around 120 clients. The micro-credit pilot scheme for Roma has been running for about one year. Currently there are six groups from different parts of the country, where all but one has been functioning as planned. Some have already completed the first cycle and accessed new loans, while expanding their groups with new members. For the most part, groups are formed of Romani individuals, though not exclusively. The majority of initiatives have become formally registered enterprises,

carrying out a wide range of activities, such as opening a small store, trade, producing melons and other agricultural goods, and collecting feathers.

## ANALYSIS AND INSIGHTS

### Group lending mechanisms for individual entrepreneurs

Though included in the section for enterprise development, some examples are borderline income-generation (though perhaps entrepreneurial), since they are not legally registered enterprises. Group lending mechanisms employing moral guarantees among its members serves as an alternative for individuals without access to traditional credit programs which require a stable job (work contract) or initial capital. Still, beneficiaries must have an initial degree of experience in order to access such programs. In working with successful groups, organizers found it important to establish good working relations with community leaders and to build trust. Since each member is dependent, in a sense, on another, the group mechanism also contributes to developing trust and mutual support among its members. At the same time, if one doesn't have a 'group', then the program is not accessible, and there may be persons who are excluded for reasons other than the ability to implement a good initiative.

### Gradual development over time rather than one-time projects

A positive element to ongoing civic lending mechanisms is the ability to work with local community groups over a longer period of time, starting out with small support with relatively simple application procedures and providing the possibility to gradually build up larger credits for entrepreneurial activities. In the new European Union member states, the predominant open tendering process for larger-scale programs makes it extremely difficult for small community groups and individuals, without prior experience or resources, to start-up new activities by successfully completing the more complicated application procedures and criteria for funding.

At the same time, it must be recognized that civic initiatives, at times more flexible, easily accessible and able to invest over time, don't have the resources to address communities and issues on the scale needed. They can provide good examples and insights to possible programs, but cannot provide the structural response on the national level.

### Start-up enterprises and sustainability – meeting the challenges of market competitiveness, social capital and management

Over the last ten years, there have been a considerable number of programs to support the setting up of income-generating, social enterprises by Romani NGOs and related limited companies. Activities such as production workshops (pallet-making, brick-making, sewing, carpentry), collective animal breeding and agricultural production have all been supported, though overall results in terms of sustainability are limited at best.<sup>33</sup> For a variety of reasons, many of the initiatives had to be abandoned due to inability to gain sufficient clients, management problems, market fluctuations, insufficient turnover or weak social capital within communities or in rela-

tion to other social and commercial networks. At the same time, in some cases, even when the 'business' and job creation aspect failed or was only partially realized, the investment into building capacities and experience was sustainable, since groups could continue to develop other ideas or initiatives in the communities' interest, thus contributing to an overall process of development.

## INCOME-GENERATING INITIATIVES FOR GROUPS AND INDIVIDUALS



## CASE EXAMPLES

### Goat-breeding with revolving community donations in Nemsă – (Heifer Romania and the Resource Center for Roma Communities)

#### Implementing organizations

Heifer is an international, non-profit organization working throughout the world with the mission to work with communities to end poverty and hunger and to care for the earth. While the methods vary over continents and time, the traditional approach has been to introduce heifers (young cows) or other livestock into communities, accompanied by an awareness building and training process for participating families. Families are 'indebted' for the cost of the livestock, until they 'repay' by giving another needy family the same amount they received.

The Resource Center for Roma Communities (RCRC) is a non-profit organization founded in 1999 by the Soros Foundation for an Open Society in Romania, with the mission to improve the living conditions of Roma in Romania. RCRC has managed a series of programs to develop capacities among young Roma and initiative groups in Romani and ethnically mixed communities, in view of promoting more effective human rights and development interventions. In addition, the organization has played a key role in assisting the administration and monitoring of governmental programs connected to the National Strategy to Improve the Situation of Roma.

In this program, Heifer and RCRC combined approaches, experiences and resources to pilot a goat breeding program in two Romani communities of Central Romania.

## Background

The village Nemsă is situated in Sibiu County (Transylvania), 15 kilometers away from the larger town Medias, in a hilly region. Post-communist economic depression is at home in this area, located far from large cities and thus from the opportunities they offer. The village consists of 75% Roma, 20% Romanian and 5% Hungarian and German. In early 1900s the Roma 'colonized' Nemsă, an almost deserted village previously inhabited by Germans. Now they are settled and own small properties, while practicing agriculture, which makes them eligible for a Heifer project. The hilly village pasture in Nemsă is ideal for goats and 40% of the farmers have experience in goat breeding. The goats can generate both food for daily consumption and small, cash income from the trade of milk and dairy products, meat, livestock and hides. The average farm size is 0.8 hectares. Animals are fed on community pastures. Heifer International provided funds to plant 9,000 tree seedlings on the slopes around the village in order to stop soil erosion.

As there is a great demand for dairy products in family consumption, about 60% of the products will be used in the home, the rest being planned for marketing in the nearby town of Medias, 15 kilometers from the village.

## Goal

The main goal is to help the Romani community in Nemsă overcome poverty, prejudices and discrimination.

## Main Activities

1. Community preparation.
2. Selection of recipient families.
3. Training in animal husbandry and community building.
4. Providing goats, which are 'repaid' by providing new female kid goats to other families.

## Methods Employed

### Facilitation and capacity-building prior to the introduction of Heifer

Prior to the introduction of Heifer, an initiative group from Nemsă was part of the community development facilitation program of RCRC, which involved training and facilitation among Romani-led initiative groups in the region, with the aim of building capacities among locals, so that they could access various development opportunities related to the governmental strategy to improve the situation of Roma, amongst others.

### Defining the current situation, envisioning the future and planning the project

In the Heifer model for working with community groups, the process begins with community members defining their current situation, in terms of the resources available such as rainfall, agricultural potential of the land, current agricultural production, health problems in the area, skills and age profile of the community. The focus is on the positive unexploited potential that exists. After defining the situation, community members are encouraged to envision the future that they would like to see in about 3-5 years time. Their vision of the future needs to be realistic, since they are

going to set about achieving it. Once the vision has been discussed and set, community members are then assisted in planning the project by developing strategies in order to move from their present situation to the desired future. These strategies normally include the use of animals to produce food, and to generate income for the participating families. Pertinent information obtained from defining the situation (such as rainfall, agricultural potential of the land, supply of fodder etc) is used to determine the type of animals that should be kept. Strategies and objectives are determined and used to develop a relevant, prioritized, training plan. The project is then established as planned.

### Providing goats to selected families

In Nemsă, Heifer provided fifteen families with three goats each in the first year. In the second year the same families would receive another three goats, and at the same time fifteen new families will receive their first lot of three goats. In the third year, the latter will be provided with the last three goats. Ten bucks in the first year and five in the second will be provided to improve the breed.

The original recipients were chosen by a committee taking into account the eligibility criteria. The criteria for selecting the beneficiaries are:

- Number of children,
- income per person (poor families),
- skills in animal breeding,
- shelter and fodder available,
- acknowledgment of Heifer cornerstones,
- unemployment,
- participation in group activities and training.

Priority in distributing the livestock was given to poor families with many children, to families who have good sheltering conditions and fodder for livestock, to the unemployed and to the ones with tradition in animal breeding.

### Capacity building for animal breeding and community organizing

All recipients had to attend trainings and to improve their animals' shelters (space, luminosity and ventilation are especially considered). Heifer Romania members and consultants organized trainings in the following: Heifer cornerstones, livestock health, livestock shelters, environmental improvement, hygiene to ensure quality and cleanliness of farm products, new practices in sustainable agriculture like the reduction of pesticides, crop rotation and composting. In addition, specialists from the Resource Centre for Roma Communities and Heifer Romania staff organized training in leadership, community building, proposal writing, and project management, in view of building capacities within the community for starting new initiatives.

### Passing on the 'gift'

In the Heifer tradition, the 'gift' - a female kid goat of 15 kg or more - is passed on for each goat received. Recipients are new families selected by the committee based on the initial selection criteria. The male offspring will be used for reproduction, slaughtered for home consumption or sold. Working together, sharing resources and participating in meetings, training sessions and exchange visits are expected to contribute to the growth of the group and to strengthen the community.

## Results

The first fifteen direct beneficiaries of the project already made the first passing on of female kid goats for a new series of beneficiaries and the people have come to see the process as a normal one. Furthermore, the original project idea has been expanded when the local municipality from Nemsá gained support from UNDP to collect the milk from the people, so that community members could make cheese.

In comparison with the first year, the number of families fulfilling the criteria to manage goats is steadily increasing, as more people see the benefits of the program, and believe it can work. According to RCRC monitors, the most important result is that people started to think and make plans for the future, and to be trustful in their own forces. Discussions have also begun on setting up an independent association.

## Poverty, Ethnicity and Agricultural development programs in Hungary (Autonómia Foundation)

### Implementing organization

Autonómia is an independent, private foundation contributing to the development of civil society in Hungary through the support of independent local initiatives. Since its establishment in 1990, the foundation has delivered more than 1200 grants in support of concrete projects in about 600 settlements. Autonómia has been the only private foundation in Hungary to fund over 500 subsistence and development projects of Roma, primarily in agriculture and farming.

From the early 1990's to the early 2000s, Autonómia, like others, enjoyed the support of private US and European foundations, from which it could develop its independent, grant-making programs, especially the Poverty and Ethnicity Program supporting grassroots Romani income-generating initiatives. As Hungary prepared to join the European Union in 2004, so the funding climate in Central Europe also changed, with increasing reliance on governmental and EU funds, especially Structural Funds. As a result, the regular, easily accessible and non-political grant-making and loan programs of the foundation are for the most part a thing of the past, though the foundation continues to search for new possibilities to re-start such programs, while operating various Structural Fund projects in cooperation with former local grantees. As one of the early pioneers in operating long-term grant and loan programs for income-generating activities among Roma, the report includes a summary of the main methods employed.

### Background of program operations

Support is targeted geographically to areas of high unemployment and poverty, where there are large concentrations of Roma, largely in the Northeast and Southwest of Hungary. This effectively means to rural areas and villages. About 80% of Autonómia's support was to rural areas.

Most of the applications were for rural agricultural projects, challenging popular perceptions that Roma do not want to cultivate land. The projects supported were run by people who have the motivation to take action for themselves and their com-

munities. The types of supported initiatives included a) survival projects – growing food for participating families and the local community or b) development projects - income generating activities, which create employment and have longer term prospects.

The types of projects varied enormously: from pig breeding to growing raspberries, making adobe and concrete columns, pallet-making workshops and basket weaving.

### Methods

*Providing grants and loan to local Romani and ethnically mixed organizations*

Autonómia provided funding in the form of a combination of grant and interest-free loan, together with support on developing the project and ensuring it is viable. Survival projects tend to receive a grant covering 75% of the total project, and a loan of 25%, as they cannot be guaranteed to generate enough income to continue activities in the future, and they are very dependent on the weather. Development projects tend to receive a mix of grant and loan (up to 50%), with mutually agreed repayment terms for the loan based on the projected income of the project. Support is awarded on the basis of a contract, the terms of which are discussed and decided by the local organization and foundation staff.

*Regular monitoring*

The success of funded projects was backed by the foundation's use of monitors who assessed initial project ideas and community preparedness, along with regular monitoring once a project was supported. Monitors talked through the details with projects leaders and helped to ensure that projects are not just dreams, but have a firm basis in reality and that the people involved have the relevant skills.

*Own contribution*

Secondly the applicant organizations should make an up front contribution themselves, which helps to ensure their full commitment and sense of responsibility. Furthermore, it was common practice to inform publicly the people in the village, to avoid potential misunderstandings and to encourage co-operation and joint action.

*Skill building*

Overtime, Autonómia also recognized the need for additional capacity and skills building among some of its local partners. In this regard, additional program activities to build skills such as project management, team building, business development and fundraising were also provided to a number of organizational leaders.

*Project support ceiling*

In supporting local income-generating initiatives, the amount of support for one project was limited, depending on the program and type of activity. For smaller scale family gardening, support was usually up to about 2,000 USD; while more advanced projects could be supported with a maximum of 10,000 USD.

*Subsequent loan possibility*

Most programs included the possibility for local organizations to

benefit from a subsequent loan once the initial loan had been repaid and all other contract obligations fulfilled. This method has been recognized as an effective tool creating repayment incentives among groups with no formal collateral.

*Integrated program steps – the Roma Agricultural Development Program:*

In 1998, the foundation formalized this process by creating a framework for local organizations to engage in a longer-term process, involving gradual development of local initiatives.

The aim was to provide an opportunity for Romani participants to start and develop their business activity and to deepen their professional knowledge. The foundation invited proposals for the first level for Kitchen garden and Small Animal Breeding initiatives. Kitchen garden projects involved one-year support for tools, fertilizers and farming techniques, which had not been used before, thus increasing local capacities among participating families for successful gardening.

The second level (Roma Farming Program) was available for applicants who have already completed a basic project of the foundation or a similar grant-giving organization successfully and would like to continue their activity on a higher level. At the second level, organizations engaged in a two-year program, with the aim to farm as independent producers. Profit from the first year of activities should be reinvested in further developing the initiative in the second year.

### Results

In looking back at supported initiatives, for the most part, local organizations succeeded to implement their projects, and repay the loan element of the contract, with more than 80% success rate. However, over time, few initiatives were truly sustainable in the economic sense, due to difficulties in finding markets, over-saturation of markets, decreasing value of produce for sale, or other aspects making it difficult to continue. At the same time, the projects served local communities and leaders in other ways, such as increasing political capacities, management skills, and self-confidence from the experience of being managers and owners of processes, rather than laborers on other people's farms and enterprises. There are a number of cases where local organizations 'reappear' within a year or two, by accessing other opportunities and programs.<sup>34</sup>

## Community banking in Biala Slatina, Bulgaria (Pakiv European Roma Fund and Alternativa NGO- Biala Slatina)

### Implementing organizations

The Pakiv European Roma Fund is an international organization launched in 2001, with support from the World Bank. Since 2001, PAKIV has been active in organizing international capacity building and leadership programs for young Roma and supporting grassroots Romani and ethnically mixed communities to carry out local development actions, especially in the areas of income-generation and capacity building for social responsibility and change. In combating socio-economic exclusion amongst Roma, PERF has been experimenting with the facilitation of community

banking or revolving funds.<sup>35</sup>

'Alternativa' is a local community-based organization (CBO) in Biala Slatina, formed of Romani youth from the town. The organization 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.<sup>36</sup> The total amount of the project support was 7,276 USD.

### Background of the locality

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 laborers in agricultural co-operatives and animal farms was the main source of occupation prior to the economic restructuring. Today, finding seasonal work as agricultural laborers 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.

### Main activities

1. Start up a sheep-breeding program for individual families in the Romani neighborhood.
2. Fifteen families would receive five sheep and two months fodder, on condition that they pay back 80% of the total investment.
3. The repayment would form the basis of a revolving fund, or bank for the community to continue supporting other income-generating activities.
4. Human rights awareness building through dialogue with local authorities.

### Methods

*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 was 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, thus should be considered 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 project,
- 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 modifying plans and pro-

cedures (e.g. small budget adjustments, how to deal with defaulting beneficiaries, etc.).

- maintain good dialogue with beneficiaries,
- participate in monthly meetings with the beneficiaries.

#### *Establishing Selection Criteria*

In selecting the families to participate in the program, the following criteria was used:

- 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.

#### *Training on small business*

As part of the project, training on small business management was organized 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 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 five sheep, food for about two 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.<sup>37</sup>

#### *Improving dialogue with authorities and respect for human rights*

Prior to the project, the local CBO had yet to engage in some direct activities to increase awareness on human rights issues, especially anti-Roma discrimination. Introducing the topic served as a basis to establish better dialogue among institutions and local Roma, through the organization of two local seminars titled 'roundtable dialogue on human rights'.

#### **Results**

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.<sup>38</sup> Over the first year, the rate of repayment to the community bank was about 75%, owing to late payments. The late payments are related to the availability of seasonal work (agricultural and farm laborers, 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, though the fact, that other families were waiting to benefit from the support of new initiatives with the repaid loans served as a „social pressure“ to keep repaying.<sup>39</sup> Today, most of the families continue to breed sheep, though repayment in subsequent years was stopped due to leadership changes in the local CBO.

## **ANALYSIS AND INSIGHTS**

### **Income-generation versus employment**

Income-generating activities for individuals and groups can have a positive impact in terms of creating new sources of income. However, such initiatives usually do not provide stable jobs or sufficient income to meet family needs. Ideally such processes may be looked upon as a step along a development trajectory - a first step among less experienced groups, but it seems that it is mostly about alleviating hunger, improving self-help strategies and ensuring some additional income. It is difficult for many groups to make the step up to formal business development without additional investments, and all groups are confronted with the challenge of finding secure markets for selling products.

### **Pace of turnover and sustaining motivation**

Among extremely marginalized groups, agricultural and some animal breeding activities can pose a practical difficulty of loan repayment and resisting temptations for immediate gains amongst extremely poor, since 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 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.

### **Social and psychological impact**

It is important to underline the social and psychological impact such programs can have on excluded communities, where people have sunken into a general state of hopelessness and where community organization and representation is weak. In such cases, support of local initiatives have served to break apathy, build social responsibility and trust within communities, along with a greater sense of self-worth among participating individuals. For example, rather than working as informal laborers on others land, they become animal or garden owners, with decisions to make and the benefits of income. Such projects can increase interactions among community members and with local institutions, providing something 'new' in isolated communities where life is somewhat restricted to the happenings within the settlement.

### **Role of community leadership, experience and history of common action**

While there is no single 'recipe for success', in the sense that local initiatives will be able to fulfill original objectives, some methods in delivery and work with local groups seem to be common among different programs. In the experience of PAKIV, amongst others, pre-project facilitation with local groups to build trust, communi-

cation, planning and management skills helped to ensure that the community was ready for the start-up of development initiatives. At the same time, the fact that some type of activity had already been organized meant that groups had practical experience in organizing community actions. Technical assistance to increase knowledge on the proposed activity is also important, while active, respected and skilful local leadership also helps ensure that the project is embedded in the community and well managed.

## **POLICY RELEVANCE AND CONCLUDING REMARKS**



### **POLICY RELEVANCE**

#### **Structural Disadvantages – quality education, transportation**

The regional disadvantages within countries continues to pose a number of problems to labor market access and integration. On the one hand, the low level of education and qualifications poses serious challenges, especially among the adult population already responsible for households and less willing to sacrifice needed income from temporary and seasonal work in order to attend second chance and qualification courses. At the same time, disadvantaged regions also tend to have lower quality education due to fewer human and material resources, which in turn affects competitiveness on the national and international labor market.

In some cases, especially Hungary for example, locals are also confronted with barriers related to public transportation, since train and bus services are inefficient in smaller settlements, and it is difficult, if not impossible, to travel a distance of 20-30 km. In the case that they can get to work on time, the price of monthly passes proves to be too much. A monthly adult pass for a distance of 40 km is around 140 Euro, which is 60% of the minimum wage and 45-50% of the wage for semi-skilled work. Furthermore, unemployed persons who may only be reached by mail are also at a disadvantage since postal service is also slow. A letter from the employment center announcing a job may take a week to arrive, and by the time he or she can make it to the center, the job has already been taken.<sup>40</sup>

Finally, disadvantaged regions often have little to offer in terms of labor market possibilities. The economic restructuring has left regions with higher levels of unemployment than the national

average, and few opportunities, especially for unskilled and semi-skilled workers. Likewise, a town or village only needs so many mechanics, hair dressers, florists, machine operators, cooks or shop-keepers. While there may be jobs for a few graduates, the market can simply not absorb all those completing the courses. Perhaps the only option would be to move to a larger city, though higher housing and living costs makes this difficult.

Therefore, in attempting to access to employment and income among Roma living in disadvantaged regions, policy makers should take into consideration such barriers since they ultimately decrease the chances for programs to fulfill their long term goals. Furthermore, increased access to second chance educational opportunities, taking into consideration seasonal work habits and travel needs, will be important to opening up vocational qualification among those without completed primary and secondary education.

#### **Project approach versus development processes**

While programs can have a positive impact in the sense of providing income, improving skills, motivation and self-confidence when framed in the context of one-time projects, it also contributes to the maintenance of dependency and relative instability, since projects often last no more than 1 – 2 years. Substantive 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. Therefore, approaches should support the idea that sustainable change requires a longer-term process rather than a short-term project.

It is also important to note the difference between job 'creation' or 'placement' within projects for a limited period of time, since the work contracts may be terminated at the end of the project. While the experience may indeed help participants re-enter the labor market subsequently, it should not be taken for granted.

With the limits of 'project funding' being increasingly discussed, the idea of some normative distribution of funds has also been proposed. However, some experts have pointed out that there is an inherent danger that participants may lose innovation, and supported initiatives may become rigid and less in line with market needs and factors over time, risking dependency on the new system.<sup>41</sup>

In any case, the issue requires more thought and discussion, weighing out various possibilities, perhaps considering greater linkages among programs over time, where successful funded 'projects' have better chances to be renewed in following years.

#### **Competitive tenders and reaching those in need**

The way in which communities are approached is another important aspect, for which organizations and programs often differ. Among civic organizations, there are open calls for proposals, at times including relatively simple procedures, since staff invests time to meet and discuss with local groups on-site. Others may have a more pro-active approach, entering communities to offer new opportunities, due to geographical targeting, personal or professional ties, or other determinants. In the context of governmental programs, the predominant method is to employ open, competitive tendering processes, including co-financing in some schemes. In the new European Union member states, the predominant

open tendering process for larger-scale programs makes it extremely difficult for small community groups and individuals without prior experience or resources to start-up new activities by successfully completing the more complicated application procedures and criteria for funding for relatively large sums of money. As a prerequisite they may not even have access to a computer. In such situations, it is worth considering the introduction of ‘incubator programs’ to allow for less experienced groups to gain experience managing initiatives, administrative procedures, and the start-up of small scale initiatives, which can later be expanded in the context of more complex Structural Fund programs. In addition, it has been recommended that governments consider establishing consultancy facilities or networks, which can assist locals in preparatory phases of developing ideas and proposals, and perhaps employ a more pro-active approach to facilitate such initiatives in areas where little is happening.

### Discrimination, social membership and inter-sectoral public policies

Though the report has not addressed anti-Roma discrimination so much in detail, it is relatively common knowledge that prejudice and discrimination are common place and serve as a barrier to employment opportunities. In terms of labor market access and enterprise development, Roma confront discrimination in obtaining jobs or even informal work (due to influx of cheap ‘white’ laborers from neighboring countries) and competing successfully on the market with products. Likewise, the predominant welfare employment tool of public works programs tends to conserve social differences instead of reducing them. The short-term nature of the work does not command respect among majority community members (or institutions), and rather than secure labor market integration, they tend to strengthen dependence on benefits.

The current state of unacknowledged social membership is wider than prejudice and discrimination, as it is the basis for individual and institutional reactions, which are undisputed. Interactions between Roma and non-Roma do not exist or are extremely reduced due to housing and school segregation and the disappearance of common working environments. Therefore there are no everyday experiences that would refute or at least question existing prejudices against Roma, while the media often fails to acknowledge Roma as an integral part of the shared cultural and social experience.

In addition to the importance of implementing anti-discrimination legislation and regulations, the gravity of the situation requires a more inter-sectoral approach, aimed at strengthening social membership, unlike the predominant project-oriented approach. In this way, Roma’s social membership would be reinforced by increasing the space and frequency of social interactions between Roma and non-Roma in the media, politics, reconstruction of segregated dwellings and education, work place and public services, amongst others.<sup>42</sup>

### Capacity building as cross-cutting

PAKIV promotes capacity building as a key method to mobilising and working with disadvantaged groups. Indeed one common method throughout a number of different approaches is that of capacity building activities for Romani individuals and organizations implementing the initiatives. While capacity building can

involve a number of different techniques, there seem to be some common factors which need to be considered. Within excluded and impoverished communities, it is likely that members are in a state of apathy, without hope or belief that their situation can improve and that they can take an active role in making such change happen. Due to rejection and low self-esteem, some often lack confidence that they may succeed and have difficulties ‘marketing’ or ‘selling’ their qualities when applying for a job. At the same time, much of their prior work experience may have been as laborers without significant management responsibilities, and the degree to which community groups are organized for joint action also differs (eg. Some with already existing actions, others where there is no formal organizational experience).

Therefore, program elements to invest in the strengthening of human resource capacities, as individuals and within groups, can help increase the chances that local initiatives will be successful, especially in terms of empowering locals to manage such processes and continue developing over time. Furthermore, even if the income or economic element is not sustainable, investments in people usually are. Organizations have employed a number of different techniques, including pre-action facilitation within communities to build trust, teams, communication, participation and skills. This has involved formal training elements along with mentored or monitored processes of identifying, managing and evaluating a small community action. Usually such actions should be visible in the community, while serving to build trust, social responsibility, motivation, and when possible cooperative arrangements with local institutions. Skills-building also includes related themes such as needs assessment, project planning and management, proposal writing, CV preparation and interviewing, business development and computer literacy.

### CONCLUDING REMARKS

In summarizing the overall impact of programs and projects presented in this report, it is fair to say that there have been mixed results. On the one hand, there are a number of positive cases, where beneficiaries have obtained employment or new forms of income, along with new skills, experience and perspectives for social change. On the other hand, many programs provide for qualification and subsidized work experience for a limited period of time rather than stable jobs. Likewise, community-based income-generating initiatives have proven difficult to sustain beyond the project period, and relatively few can mature to formal businesses. Still, there are some real ‘success’ cases, often involving a transformation of activities over time, led by ambitious community leaders and entrepreneurs, and while less successful initiatives may be disappointing, it may still be better than if nothing had happened at all.

Though the report draws on different approaches, the predominant approach to increase employment among Roma in CEE states is through active labor market policies, often involving temporary jobs, work linked to social benefits, public works and vocational training. The short-term cycle of such experiences contributes to the maintenance of instable income and inability to have long term plans or perspectives. Low levels of education and qualification among the adult population serves as a lasting barrier to employment for which ‘second chance’ programs are needed, but there is still the unanswered question of how to

provide for substantive economic inclusion of those living in regions or entire countries that are disadvantaged economically. While the long term vision is to support the development of a highly qualified and flexible work force, there is a need for present-day policies to stimulate more stable work for the current, adult population.

One possibility is to facilitate greater social responsibility and incentives among major companies and enterprises in Europe, which increasingly favor production in countries with a cheaper labor force. Thoughts about a kind of ecological and cultural tourism including Roma in rural areas are also circulating, though it is doubtful that such initiatives would be sufficient for entire regions. In any case, there is a need to invest renewed energies into developing a *clear vision for economic development of Roma and other disadvantaged groups*, starting out perhaps with a deeper look at Roma and the political economy.

### NOTES

- 1 András Bíró, Nicolae Gheorghe, Herbert Heuss, Jennifer Tanaka, ‘Toward a Pakiv European Roma Fund – Income-generating programs for Roma in Central and Eastern Europe’. May 1998.
- 2 The case is presented in the Autonomía Foundation, Annual Report 2004. [www.Autonomia.hu](http://www.Autonomia.hu).
- 3 Autonomía foundation, Phralipe Independent Roma Organization of Korlát, Lungo Drom National Roma Advocacy and Civil Association, Member Organization in Méra, Phralipe Independent Roma Organization of Vizsoly, András Gyula Technical High School, Miskolc, Road Constructions Trading and Services of Borsod – Limited Partnership, Boldogkőújfalu, SEED Small Enterprise Development Foundation, Budapest, Fű-Ta-Ka Ltd. Encs.
- 4 Within the European Union, Structural Funds are the main form of co-financing assistance granted to resolve structural economic and social problems. The Human Resources Development Operational Programme (HRD OP), which uses the highest share of Structural Funds support. The HRD OP is based primarily on assistance from the *European Social Fund* (ESF). The objective of the ESF is to support the implementation of the European Employment Strategy in order to prevent and reduce unemployment, to develop human resources, to promote integration into the labour market, to ensure equal opportunities for men and women, to enhance sustainable development and to strengthen economic and social cohesion.
- 5 The total amount of funding available for EQUAL Community Initiative Programme in Hungary for the period of 2004-2006 is 40,389,513 Euros, of which 30,292,135 Euros is from the Structural Funds coupled with 10,097,378 Euros, a national contribution from the Hungarian Central Budget.
- 6 The statistical figures are based on the publications of KSH (Central Statistics Office – reports on years 2000 and 2001); Kertesi Gábor – Kézdi Gábor: *The Roma population in Hungary* (Bp., socio-typo, 1998), the publications of the Employment Centre of BAZ County, as well as information provided by local Roma organizations.
- 7 Wage-subsidies in detail (employer, number of employees,

job): Autonomía Foundation, 8, Labour Market Referee; Phralipe - Korlát, 8, Forestry worker; Lungo Drom – Szalaszend, 5, Fireplace builder; Borsodút Bt, 5, Forestry worker; Phralipe – Vizsoly, 5, Forestry worker. Total 31

- 8 It is estimated that Roma constitute about 70% of all participants in the national program.
- 9 114 women
- 10 7 Roma
- 11 17 women
- 12 10 of Romani origin
- 13 21 women
- 14 56 women.
- 15 11 women
- 16 1 woman, 11 men
- 17 53 women and 27 men.
- 18 At least 27 women
- 19 233 were present in the information sessions, out of which 117 were women. 200 leaflets were distributed.
- 20 73 of Roma origin
- 21 The case study is taken from the ‘Draft Report of the Council of Europe Project: Roma Access to Employment, Serbia and Montenegro, October 2004, by Nenad Vladislavjev and Judith Kiers.
- 22 17 women
- 23 6 women
- 24 4 women, 9 of Romani origin
- 25 9 women, 21 of Romani origin
- 26 3 women
- 27 31 women
- 28 2 women, 10 men.
- 29 42 informed of changes in relation to EU accession, 41 provided with market information, and 29 received advice on business plan development.
- 30 Statistics from research carried out by Ramses foundation and the local Agency for Work Force Placement, 2003, involving 721 local Roma (68% men, 32% women).
- 31 Personal example: Mr. Mircea is a 65-year-old Romani living in Arges County, a former mining area. Due to the mine closure and limited opportunities in the region, unemployment is high, and the predominant source of income among community members is agricultural labor, pensions and in some cases child-schooling support. Without a fixed income one cannot obtain a bank loan, so many young adults have to depend on their parents’ pensions to finance their start-up activities. Mr. Mircea is known in the community as an honorable, honest and hardworking man, but his pension is only of 67 USD/month. While surviving on this alone is difficult enough, starting and sustaining a small farming activity is almost impossible. Around three years ago, the Economic Development Center (CDE) introduced the micro-credit program to Aninoasa community. In the beginning, due to a lack of trust among community members, people were reluctant to partake, since individual lending takes place within a group with mutual moral guarantees. The first group formed in Aninoasa was ethnically mixed with both Romani and non-Romani persons, but in time the Romani group decided that they want their own group, so now there are two functioning groups. Mr. Mihai’s first loan was 400 USD with which he bought seeds for a potato crop, fertilizer and paid for mechanized work.

Since he respected the contract and repaid the loan, he was eligible for another loan which he took in September 2005.

- 32** Amaro Drom – Roma Lap, Budapest. 2005.
- 33** Based on discussions concerning various initiatives supported by the Autonomía Foundation (Hungary), Romani CRISS (Romania) and Pakiv European Roma Fund.
- 34** Brief example: The Rom Som Foundation of Tomor was one of the supported applicants of the first level of the Roma Agricultural Development Program. The Rom Som foundation proposed a subsistence project based on goat keeping and cheese production with the involvement of five families. From November 2000 to October 2001 they renovated the goat-folds, bought 25 dairy goats and one he-goat, attended a course on animal breeding and livestock healthcare, started to process the milk of the goats and sell the products. Their project proved to be successful on the first level; they could invest the required contribution into the second year's program. They bought more animals, and purchased and renovated a building, which is to be the center of milk collection and cheese making.
- 35** 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 organizations, 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>)
- 36** Education activities of the organization have been part of the Creative Effective Grassroots Alternatives network of supported organizations.
- 37** 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 least one lamb per family.
- 38** 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
- 39** At the end of 2003, the community bank had provided two family loans between 100 – 300 USD with the repaid funds.
- 40** TARKI Social Research Institute Center and Autonomía Foundation, Barriers to employment of the Roma population in Hungary – desk research for UNDP-RBEC, 1995. pg. 12
- 41** Ibid. Pg. 36
- 42** Ibid. Pg. 22-25.

## ROMA IN THE ECONOMY: CLASSIFICATION OF APPROACHES AND METHODS ADDRESSING UNEMPLOYMENT, POVERTY AND IMPROVING LIVING CONDITIONS - REVISITED

In this annex, we revisit a classification of approaches and methods first presented in a report, 'Toward a Pakiv European Roma Fund – Income-generating programs for Roma in Central and Eastern Europe', commissioned by the Council of Europe and the Freudenberg Foundation in 1998. The original categories were: 1) poverty alleviation via income generation, 2) food for subsistence, agriculture and land for survival, 3) employment opportunities, training for employment, 4) work and income, including job creation, 5) community development where income-generating activities form part of other community projects, 6) training future Roma entrepreneurs, 7) self-organization of Roma entrepreneurs and self-employers, 8) self organization of Roma traveling commercial dealers, 9) Roma associations running their own (construction) businesses.

In the revised classification, four major categories were created, which seem to reflect better the overall approaches, where sub-categories further define methods. These include: 1) access to labor markets, active labor market policies, 2) job creation and enterprise development, 3) income-generation for Romani individuals and groups, 4) self-organization and association of Romani entrepreneurs. Compared to the first classification, categories such as poverty alleviation via income-generation and food for subsistence are joined together under income-generation for Romani individuals and groups, since the bulk of such programs support various agricultural, farming or livestock initiatives for supplementary, informal income and consumption. The section on community development, where income-generating activities form part of other community projects was removed, since it seems too vague in light of more complex programs addressing Roma, and the common practice of local organizations engaging in a variety of community development initiatives, at least over time.

It is worth noting, that some income-generation and job creation programs involve loans or a combination of loan and grant, which is either returned to the original lender/donor or serve as resources for community banking and the revolving support of new initiatives. In some cases, it is difficult to differentiate between community-based income-generation and enterprise or business development, but the main condition in this classification is whether the activity is formally registered (as business or social enterprise), thus providing formal jobs as well, or whether it only provides informal income to individuals, families or groups. A number of different programs combine additional capacity building elements, such as mentoring, learning exchanges, work experience, project management, team-building, amongst others.

Under various categories, the report includes a list of some organizations employing such methods, usually in partnership with or supporting local Romani initiative groups or NGOs.

Examples are drawn from both past and present programs (rather than projects), and the list is in no way exhaustive. Indeed comments, additions and suggestions on how to improve and complete the list are welcome.

### ACCESS TO LABOR MARKETS, ACTIVE LABOR MARKET POLICIES

#### Vocational training and employment mediation

Autonomía Foundation (Hungary), Fundación Secretariado General Gitano, Impreuna Agency (Romania), Pakiv European Roma Fund (Bulgaria), Ramses Foundation for the Social Development of Roma (Romania), Roma-Lom Foundation (Bulgaria), a number of local partnerships with projects funded by Structural Funds addressing disadvantaged groups.

#### Linking 'voluntary work' to social benefits to activate long-term, unemployed job-seekers

Romanian municipalities, Slovak structural fund program.

#### Local Public Works

Local municipalities and labor bureaus.

### ENTERPRISE DEVELOPMENT

#### Training future Romani entrepreneurs

Autonomía Foundation (Hungary), Foundation for Regional Development (Slovakia), PHARE supported program on entrepreneurship and local and regional development, Prince of Wales Business Leaders Forum (Czech Republic), Roma-Lom Foundation (Bulgaria), Romanian Centre for Small and Medium Size Enterprises and Romani CRISS (Romania).

#### Start-up of non-profit Romani organizations and associations developing their own productive enterprises for income-generation and job creation

Autonomía Foundation (Hungary), Impreuna Agency (Romania), National Employment Fund (Hungary), Pakiv European Roma Fund (Romania), Ramses Foundation (Romania), Romani CRISS (Romania) in partnership with AIDRom, Projectbureau for the Promotion of Roma Initiatives, Diakonisches Werk der EKD, Germany.

#### Micro-credit for Romani entrepreneurs and small enterprise development

Center for Economic Development (Romania), Micro-credit Public Company (Hungary), Roma-Lom Foundation (Bulgaria).

#### Development partnerships among local municipalities and Romani initiative groups and NGOs for starting up income-generating activities

Romanian government - Phare Programme to implement the National Strategy to Improve the Situation of Roma.

### INCOME-GENERATION FOR ROMANI GROUPS AND INDIVIDUALS

#### Self-help production of livestock, food for survival/better living

Amaro-Drom (Albania), Autonomía Foundation (Hungary), Creating Effective Grassroots Alternatives (Bulgaria), Heifer International (Slovakia, Romania), Impreuna Agency (Romania), Pakiv European Roma Fund (Bulgaria, Romania), Public Foundation for Roma in Hungary, Spolu International (The Netherlands) with national and local partners in Albania, Bulgaria, Macedonia, Romania and Slovakia, Trickle- Up (Slovakia).

#### Mediating temporary, seasonal and informal work

Roma – Lom Foundation (Bulgaria), local Romani leaders and NGOs may also be expected to take this role in an informal manner.

### SELF ORGANIZATION AND ASSOCIATION OF ROMANI ENTREPRENEURS

#### Association of Romani entrepreneurs and self employers

Association of Patrons, Bucharest and Ploiesti - Romania.

#### Romani Traveling Commercial Dealers in the form of a co-operatives

APPONA - Association for the Promotion of the Population of Nomadic Origin in Alsace (Credit and handicraft cooperative especially for women and young Roma).

## EXCERPTS FROM THE ACTION PLAN ON IMPROVING THE SITUATION OF ROMA AND SINTI WITHIN THE OSCE AREA

### OSCE PERMANENT COUNCIL, 479TH PLENARY MEETING

PC Journal No. 479, Agenda item 4, PC.DEC/566, 27 November 2003

#### IV. Addressing socio-economic issues

Action is required to ensure that Roma and Sinti people enjoy social and economic rights on a par with others. Measures at the grass-roots level, particularly those originating from Roma groups themselves, are particularly needed in order to promote the integration of Roma and Sinti people into social and economic life and to combat their isolation and poverty. The OSCE and its participating States should continue to facilitate such integration.

## Unemployment and economic problems

### Recommended action by participating States:

48. Promote increased representation of qualified Roma and Sinti people in public employment.
49. Develop training programmes to prepare under-represented groups such as Roma and Sinti for employment in local public administration and other areas, and develop policies to encourage employment of the graduates of these programmes as civil servants.
50. Reassess the impact of subsidized employment programmes, paying particular attention to their educational components, to ensure that these will aim to increase the competitiveness of Roma and Sinti people on the labour market.
51. Develop policies and programmes, including vocational training, to improve the marketable skills and employability of Roma and Sinti people, particularly young people and women.
52. Adopt social policies that strengthen incentives to seek employment, as a sustainable way to avoid dependency on social benefits.

### Recommended action by OSCE institutions and structures:

53. At the request of participating States, the OCEEA, together with relevant international organizations, will contribute to developing approaches designed to overcome obstacles and discrimination that prevent Roma and Sinti people from fulfilling their potential in the economic sphere.
54. At the request of participating States, the ODIHR-CPRSI and the OCEEA will support development of the employability and entrepreneurial skills of Roma and Sinti people through the establishment of training and retraining programmes in participating States. Successful practices, particularly relating to the development of entrepreneurial skills and small and medium-sized enterprises (SMEs) (e.g., the Youth Entrepreneurship Seminars programme) could be adapted to the needs of Roma and Sinti people. The OCEEA could also facilitate economic and social insertion by acting as a catalyst for support by partner organizations and financial institutions of micro-credit programmes, in the form of small loans for the establishment of small-scale businesses.
55. The OCEEA, working in close contact and in co-operation with other international organizations, so as to avoid overlapping, can assist governments in assessing the impact of economic policies and processes on Roma and Sinti communities (by developing policy performance/assessment indicators).
56. The ODIHR-CPRSI and the OCEEA will draw upon the research developed by UNDP and other agencies to assess the needs of Roma and Sinti people with a view to fostering policies that take into account the extent and nature of their specific needs in each participating State.
57. In co-ordination with relevant international organizations (in particular UNDP and the World Bank), the ODIHR-CPRSI and the OCEEA will examine ways to stimulate better access by Roma and Sinti people to regular training programmes. Workshops or round-table discussions tailored to the needs of Roma and Sinti people can be organized, with a view to informing and educating community members regarding the economic and social rights of individuals and entrepreneurs.

## 12TH OSCE ECONOMIC FORUM RAPPORTEUR'S REPORT ON THE SIDE EVENT:

### “Promoting entrepreneurship and opportunities for economic development for Roma and Sinti” June 2, 2004

On 2 June 2004 a side event focused on promoting entrepreneurship and opportunities for economic development for Roma and Sinti was organized on the margins of the Twelfth meeting of the OSCE Economic Forum. The purpose of the meeting was to explore ways and means of developing related activities, and enhance the co-operation between OCEEA, the ODIHR-CPRSI, as well as other international organizations, governments and Roma NGOs, also with a view to implementing the relevant provisions of the Action Plan on Improving the Situation of Roma and Sinti within the OSCE Area, adopted the Maastricht Ministerial Council (MC.DEC/3/03).

The side event was chaired by Ambassador Liviu Aurelian Bota, Permanent Representative of Romania to the OSCE. The Chairman noted that so far within the OSCE Roma and Sinti issues had been mainly approached from the human dimension perspective. He also highlighted the importance of economic and social aspects and pointed out that the topic of the side event was related to the general theme of the Economic Forum. Ambassador Bota recalled a number of principles of the Action Plan, that should guide any implementation activity: to respond to the real needs and priorities of Roma and Sinti communities; to be comprehensive; to integrate human rights goals with social policies; and to maximize Roma ownership and involvement.

Mr. Nicolae Gheorghe, OSCE-ODIHR Contact Point on Roma and Sinti Issues, referred at his turn to the provisions of the Action Plan as well as to the background document distributed in the preparation of the side event (EF.GAL/3/04) and highlighted the relevance of this first discussion of Roma and Sinti issues within the economic dimension and the potential for further co-operation between his office, the OCEEA and other partners in supporting the development of the employability and entrepreneurial skills of Roma and Sinti, training and retraining, economic and social insertion, SME development, etc.

To launch the discussion, two presentations were delivered by two representatives of Pakiv - European Roma Fund: Ms. Bari Judit (Hungary) and Ms. Erika Adamova (Slovakia). They focused on the role of human capacity development and income generation in Roma communities for promoting economic opportunities and also for alleviating tensions and preventing social crisis. Pakiv experience demonstrated that the most successful and effective activities are community based projects. Therefore Pakiv focused on capacity-building at community level, training of community facilitators and community mobilization for income generation activities. Several examples such as the establishment of community centres to promote the social mobilization of Roma communities and the creation of revolving funds, managed and used by the Roma community to support income generating activities were presented.

During the lively discussion that followed the introductory

presentations, numerous participants representing governments and NGOs from countries such as the Czech Republic, Hungary, Romania, Slovakia, Slovenia, etc, as well as the OSCE (ODIHR, OSCE Mission to Bosnia and Herzegovina, OCEEA), IOM and other organizations referred to various experiences and activities and focused on the potential follow-up.

### The following conclusions and recommendations could be drawn:

1. Addressing the needs of many Roma and Sinti communities should be considered an issue of emergency, as often Roma communities are confronted with extreme poverty, high unemployment of up to 80-90 %, affecting also very much the youth, as well as social and economic marginalization.
2. Various projects and activities should be more integrated into a cross-dimensional process. Various national and international networks for discussions should provide feed back to this “learning by doing” process, identify best practices and avoid repeating the mistakes.
3. Participating States should first and foremost demonstrate political will to tackle these issues, and adopt and implement relevant policies. Countries should also resort to the assistance of organizations such as the World Bank, the Council of Europe, the European Commission, the Open Society Institute, IOM, ILO and others, which have been mentioned as potential partners.
4. The OSCE can at its turn provide and mobilize advice and assistance and can also develop activities to support the Roma and Sinti communities directly.
5. Reporting on the actual situation of Roma communities and assessment of the needs should be improved.
6. Social policy reforms should carefully assess the impact on Roma communities and take into account their needs. These policies should combat the dependency trends. Furthermore, employment policies should be harmonized with social policies.
7. Roma and Sinti are often confronted with discrimination on the labour market. This negative phenomenon must be addressed by the participating States through adequate policies and regulations, including affirmative action. The adaptation and replication of projects such as the Fair Employment Program developed by the OSCE Mission to Bosnia and Herzegovina could be considered and supported by the OSCE.
8. Community based activities were considered extremely valuable and should be further developed and promoted. They have also the role of enhancing the capacity of the respective communities to influence public policies and procedures.
9. In order to better serve the needs of Roma communities at local level, capacity-building programmes at municipal and local level should be developed and implemented.
10. More activities should target the youth and consider the potential of youth for mobilizing the community.

11. Providing training for employment is essential for social inclusion. Participating States should continue and further enhance their efforts in this regard. OSCE can provide support and in particular the Youth Entrepreneurship Seminar (YES) programme can be adapted and implemented to target the needs of Roma communities. Other OSCE activities in the area of vocational training or promoting economic empowerment for marginalized, underserved local communities could be replicated.
12. Issues such as business ethics and business for social responsibility were considered important and could be promoted.
13. To complement training activities and support income generation at community level the need for social start-up capital should be considered. A fund to support the development of Roma communities could be created with the support of the OSCE. Further discussions on this issue could be envisaged.
14. Due to the extreme poverty, trafficking in human beings can affect Roma and Sinti communities. Necessary measures to combat this phenomenon should be taken at national and local levels, including in the framework of the OCEEA anti trafficking programme, in particular its sub-programme III – economic empowerment.
15. Participants agreed that the side event was a useful exercise and that discussion on these issues should continue. As an immediate follow-up debates and roundtables at national and local level could be organized and should focus on concrete issues.
16. Within the OSCE framework issues related to social inclusion and economic discrimination could be addressed by the Human Dimension Implementation Meeting in Warsaw.
17. Roma and Sinti related issues could also be included on the agenda of the next year's OSCE Economic Forum.

## 13TH OSCE ECONOMIC FORUM RAPPORTEUR'S REPORT ON THE SIDE EVENT:

### “Increasing access of Roma to employment and inclusion in sustainable economic development; elements of an OSCE cross-dimensional approach” 24 May 2005

The Moderator, Mr. Mitja Žagar, Director, Institute for Ethnic Studies, Ljubljana, introduced the topic of the side event, and referred to the OSCE Action Plan on Improving the Situation of Roma and Sinti within the OSCE Area and the need for a cross-dimensional approach to its implementation. He said that the side event and its emphasis on economic aspects of the Roma and Sinti situation should be seen as a contribution to the ongoing process, which would continue with the Roma and Sinti Joint International Conference in Warsaw, on 20 and 21 October 2005. He also said that the Roma and Sinti were probably the most marginalized minority group in Europe, and called for more effective co-operation between governments, international organizations and NGOs to improve the economic, political and social conditions for Roma and Sinti.

Mr. Nicolae Gheorghe, Contact Point for Roma and Sinti Issues, OSCE/ODIHR, stressed the importance of interlinking all the different Roma and Sinti initiatives, including by strengthening the co-operation and co-ordination between the OSCE and the Council of Europe, with the aim of generating real action at the local level. He also asked the participating States and the OSCE institutions to work towards implementation of the OSCE Action Plan on Roma and Sinti. Furthermore, he emphasized the importance of facilitating political participation by the Roma and Sinti at all levels of society.

Mr. Michael Guet, Head of the Roma and Travellers Division, Migration and Roma Department, DG III — Social Cohesion, Council of Europe, presented the conclusions of the project “Access to employment of Roma from South East Europe”. Under the project, surveys had been carried out on the economic situation of Roma in Croatia, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia and Serbia and Montenegro. Mr. Guet stressed the importance of allowing the Roma to take a lead role in addressing the questions both of employment and of education and finding viable solutions which reflected needs and realities at the grass-roots level. He also pointed out that improved interaction and more open discussion between authorities and Roma communities were needed to address different employment possibilities, including the “grey economy” in which many Roma were engaged and its possible regulation.

Mr. Nenad Vladislavjević, Roma consultant for the Council of Europe then presented the survey results from the four countries, and recommended specific future steps:

- Roma should take the lead at the local level in identifying employment opportunities;
- Access to local education programmes should be improved;
- The development of small businesses should be supported;
- Legislation should be changed to allow for special needs related to the Roma in respect of education and employment.

Mr. Nicolae Valeriu Ciolan, European Roma Information Office (ERIO), Brussels,

discussed the Lisbon Strategy (43/2000 EC) and its application to the Roma. The Strategy placed strong emphasis on combating poverty and social exclusion, and one way to tackle those issues was through employment and employability. However, little had been done to address the issue of unemployment and labour market reintegration of unemployed Roma under the auspices of the Lisbon Strategy. He also mentioned the economic indicators of the Lisbon Strategy and said that if they were available in full for the Roma population, it would clearly show the plight of that population group in areas such as education, employment, housing and health. A Commission Staff Working Paper of 27 January 2005 estimated that the Roma unemployment rate was between 70 and 90 per cent in countries with significant Roma populations and that the female unemployment rate was over 80 per cent. He concluded by saying that there was no EU policy on Roma. Partnerships and co-operation between Roma representatives, national governments and organizations concerned were essential in order to effectively co-ordinate different efforts and develop needs-based locally connected initiatives.

Ms. Jennifer Tanaka, Deputy Director, Pakiv European Roma Fund, reflected on the recommendation by the OSCE Twelfth

Economic Forum that a fund for the economic development of local Roma communities should be established. She said that the experience to date of funds for economic development had shown that the activities had had a marginal impact, as in most cases the support had been/was piecemeal and barely touched the surface of the numerous Roma communities within the region. Instead of improving, the situation at the community level was worsening as the surrounding society moved ahead. She therefore called for increased co-operation between the different programmes and initiatives (OSCE Action Plan, EU National Action Plans for Social Inclusion, UN Millennium Development Goals, Decade Action Plans for Roma Inclusion, and government strategies related to Roma) and institutionalization of a practise of critical reflection of the impact and sustainability of various efforts. Only by having a good common understanding of what was being done, and what worked and what did not, could more sustainable approaches be developed. She concluded by recommending that an eventual OSCE — facilitated fund for economic development should not support a limited number of community projects, but should invest in capacity-building for local Roma associations and local authorities to help them identify and implement responses that formed an integral part of local administrative arrangements.

Mr. Florin Nasture, Pakiv European Roma Fund, discussed national action plans on employment in the Decade of Roma Inclusion. Addressing the issues of employment and education among the Roma was a key factor in the effort to tackle poverty and the low standard of living among the Roma population. In the context of the European integration efforts of the governments of Central and Eastern European countries, he presented the Romanian Strategy for Improving the Roma Situation as a case study. Local county offices for Roma had been established, but there was still a lack of real co-operation with other local bodies. Therefore, to ensure the effectiveness of those plans, commitment to their implementation had to be ensured at the highest local-authority level, since many of the issues related to improved access to education and employment required a change in institutional practices as well as the creation of permanent mechanisms which would allow Roma-related issues to be integrated into overall development plans.

Mr. Dave Strupek, a lawyer from the Czech Republic, discussed labour market discrimination and gave examples of recent court cases on discrimination against Roma in access to employment in the Czech Republic. For Roma to take action against labour market discrimination they would need access to affordable legal aid.

Mr. Michal Vašečka, Programme Director and Analyst, Institute for Public Affairs, Slovakia, said that there had not been any Roma in Slovakian political structures since the country's independence, and therefore they were not participating in policy-making relevant to them. He discussed different options for rectifying the situation, from forming a Roma political party to adding Roma candidates to the lists of the majority parties and introducing affirmative action to lower the threshold for Roma to allow them access to the political processes. As progress in those areas was slow, he recommended that there should be a focus on strengthening Roma participation at the local and regional levels, since there had been some positive developments in that respect, exemplified as by an increasing number of villages/towns with Roma mayors and

town councillors. He concluded by saying that policies and reforms should focus both on mainstreaming and at the same time on targeting the particular needs of the Roma population.

The interventions by participants underscored the need for improved co-ordination of the different programmes and initiatives. An intervention was made regarding the health standards in camps accommodating Kosovo refugees, and the need to seriously review the conditions there. However, improving living conditions in refugee camps and expanding them should not be seen as the best solutions. The speaker pointed to the critical need for programmes aimed at creating and improving conditions for the possible return of refugees to their homes. The participants were also informed about action that Greece was taking in co-operation with Roma communities to address employment, education and housing issues.

For example, school classes specifically addressing the needs of Roma children had been formed; access had been provided to public land for Roma settlements; and a new institutional framework had been set up for financing Roma businesses.

Recommendations:

1. There is a need for improved dialogue and co-operation among all the relevant actors to facilitate joint planning and programmes in order to better take advantage of synergies when developing common policies and strategies. These actors are: Roma and Sinti communities; States and their relevant national action plans; International organizations; Sinti and Travellers at the local level, with a focus on ways of combating discrimination; Public institutions, especially institutions related to education and training; Civil society, especially NGOs and the business community.
2. There is a need to improve the situation of Roma and Sinti. National action plans should address the issues of:
  - Education and training: enhancement of all activities that can help to bring about the inclusion of Roma and Sinti in all spheres of life;
  - Employment and economic initiative (creation of Roma businesses), especially at the local and grass-roots levels;
  - Health and housing, in particular the need to legalize the existing informal/illegal Roma settlements;
  - Information and communication, especially intra-governmental communication, are needed to achieve coherence in Roma-related policies when a country is a party to various Roma-related international initiatives;
  - Adoption of legislation to combat discrimination, and facilitation of access to courts (to fight discrimination in the labour market) and other public institutions and services;
  - The member States of the European Union should include an explicit focus on Roma when elaborating their national action plans for social inclusion (2007-2013) in the framework of the Lisbon Strategy, and implementation of such national plans should better interlink the resources of the European institutions with those of regions and local communities.
3. The central goal should be the inclusion and integration of the Roma and Sinti in all spheres of life — economic, political,

cultural and social — including facilitation of their participation in mainstream political parties. The OSCE/ODIHR should provide expert input on how mainstream parties can increase the number of Roma as members and as candidates on their electoral lists. The OSCE/HCNM and the ODIHR may continue to elaborate and update their guidelines for enhanced participation of national minorities in the electoral process and provide advice on how Roma, Sinti and other similar groups can increase their electoral participation and how electoral success taking in consideration the multiple sources of vulnerability of such groups, such as territorial dispersion, entrenched social exclusion, the persistence of strong and pervasive negative stereotypes and racially motivated hatred (including among the leaders of political parties and legislators). Host societies should also improve the inclusion of (im)migrant Roma, while countries of origin should assure non-discriminatory access to legal migration.

4. The participating States need to upgrade the relevant institutional mechanisms and to ensure adequate finance of the existing national programmes and policies, on both annual and multi-year bases. States should keep their commitments, among others, by strengthening their monitoring methodologies and mechanisms and providing accurate information on how to assess and measure the actual impact of their policies on the improvement of the situation of the Roma and Sinti, including efforts to implement the OSCE Action Plan on Roma and Sinti Issues. The ODIHR and OCEEA should enhance their activities aimed at strengthening the organizational capacity of Roma and Sinti associations so that they can become effective partners in implementing Roma-related policies. Under this point, it is recommended that:
  5. The inclusion and participation of Roma in programmes should be brought about through the development of partnerships truly reflecting the interests of the target population. In this context, it is recommended that OSCE institutions should consider the possibility of a fund for sustainable development of local Roma communities.
  6. Concerned States and international organizations should address the issue of Roma and Sinti refugees and internally displaced persons in crisis and post-crisis situations. In this context, the OSCE may use its institutions and field presences to contribute to finding fair and durable solutions to the current humanitarian crisis of the Roma IDPs who have been living in the refugee camps of northern Mitrovica since the summer of 1999. It will be necessary to involve the families concerned in the negotiations regarding their return and the reconstruction of their destroyed houses and neighbourhood in Southern Mitrovica.
  7. The Roma are one of the ethnic groups currently constructing the elements of a national identity. This process should be observed and all sensitive issues discussed; the Roma themselves may consider articulating this identity as a civic and European identity.
  8. Programmes and activities for integrating the Roma should target not only the Roma, but the whole population, so as to facilitate inclusion and prevent discrimination, thereby laying firm and sound foundations for a successful and equal integration of Roma and Sinti.