

JONATHAN DAY, STELA NENOVA, GEORGETA MUNTEANU,  
KAZI HAQUE, MOHAMMAD SHAIFUL ISLAM

# The New Hungary Development Plan: Evaluation of Policy-Level Horizontal Goals and Supporting Mechanisms and the Roma Population of Hungary

## ABOUT THE PROJECT

This study was commissioned by the Hungarian Development Agency. It was conducted and recognized in partial fulfillment for the “Policy Labs” course within the Department of Public Policy at Central European University. Policy Labs are part of the MA curriculum. They give an opportunity for small teams to work for external clients producing and presenting policy relevant research that will be used for advocacy, assessment and development. Clients are civic organizations, donors, research centers and international organizations. The Policy Lab focusing on this project was mentored by Andrew Cartwright, Research Fellow at the Central European University’s Center for Policy Studies.

## ABOUT THE PAPER SERIES

Policy Research Reports are occasional studies that provide support or background information for wider research projects. They include reviews of scientific literature, state of the art reports, and country studies. They are works in progress and offer practical combinations of academic and policy writing.

Jonathan Day, Stela Nenova, Georgeta Munteanu, Kazi Haque, Mohammad Shaiful Islam were students in the Master of Arts program of the Department of Public Policy at Central European University during the 2009-2010 Academic Year.

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CENTER FOR POLICY STUDIES  
CENTRAL EUROPEAN UNIVERSITY

Nador utca 9  
H-1051 Budapest, Hungary  
cps@ceu.hu  
<http://cps.ceu.hu>

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## **Abbreviations**

CFPs - Calls for proposal

EAFRD - European Agricultural Fund for Rural Development

EFF - European Fisheries Fund

EOFP - Equal Opportunity Funding Policy

ERDF - European Regional Development Fund

ESF - European Social Fund

MC- Monitoring Committee

NHDP - New Hungary Development Plan

NDA - National Development Agency

OPs - Operational Programmes

OPPCC - Operational Programme Programming Coordination Committee

SROP - Social Renewal Operational Program

## **Executive Summary**

With the influx of European Union development resources, the National Development Agency of Hungary (NDA) has the responsibility to help allocate these funds in a way that best facilitates sustainable development within the country. In order to ensure that available funds are allocated to projects that will best fulfill this objective, the NDA developed the New Hungary Development Plan (NHDP), under which monies would be allocated, through tender processes, to approved projects within focused areas. These areas included health, settlement renewal, capacity building, employment, and education programs. Individual projects funded under these areas will fulfill not only the aims specific to the area, but also overarching horizontal objectives found within the NHDP and all subareas.

This evaluation was conducted to examine these tender calls in relation to both their individual aims and to their adherence to the greater aims of the horizontal objectives found within the NHDP. Specifically, this evaluation was conducted to investigate the operationalisation of these horizontal objectives as they specifically apply to the Roma population in Hungary, and to evaluate the ability of the supporting mechanisms, found throughout the individual tender calls, to reach these objectives. To do so, this report has focused specifically on the tender calls related to health, settlement renewal, capacity building, employment, and education, all of which are vitally important to both the development of Hungary as a whole and the Roma population specifically.

The NHDP and its evaluated tender calls contain many strong points and mechanisms which will work well to facilitate the development of the country while ensuring that the Roma population is involved and included in this development, rather than neglected and excluded from it. Despite this, however, there are several areas throughout the tender calls where, in our opinion,

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weaknesses persist. This evaluation proposes that in order to bring about real and sustained change for the Roma population in Hungary, while heightening the nation's development as a whole, constructive changes could include but not be limited to: the language and terminology used in selection process of tender calls; the precision of supporting mechanisms within the tender calls; the methods of project selection; and the conceptions and definitions of some components in the tender calls.

## I. Introduction

For the period of seven years between 2007 and 2013, Hungary has development resources worth over EUR 25.3 billion (2007 prices) at its disposal from various EU financial instruments mainly the EU structural funds that is the European Social Fund (ESF) and the European Regional Development Fund (ERDF). The country is complementing this amount with 15% national contribution that raises the total figure to over EUR 29 billion. In addition, another EUR 3.8 billion is available from the European Agricultural Fund for Rural Development (EAFRD) in terms of agricultural and rural development subsidies, and, EUR 34.3 million from the European Fisheries Fund (EFF)<sup>1</sup>.

The availability and utilisation of these EU financial instruments stipulate a particular set of institutional arrangements. Hungary has had to draw up its National Strategic Reference Framework for the period of 2007-2013 known as New Hungary Development Plan (NHDP). This is guided by the Community Strategic Guidelines that stipulates the main development goals and regional policy focuses of the EU as a whole<sup>2</sup>. The NHDP includes strategic development objectives, thematic and regional development priorities, institutional system and implementation processes concerning national development of Hungary during 2007-2013 through EU financial instruments.

The NHDP has two overall objectives: extending employment and creating the conditions for long term growth. Two other sets of objectives have to be horizontally pursued while fulfilling the main overall objectives. Generally labeled as “horizontal policies”, these are environmental, macro-economic and social sustainability in one hand and regional and social cohesion on the

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<sup>1</sup> NDA (2007) The New Hungary Development Plan: National Strategic Reference Framework of Hungary 2007-2013 Employment and Growth, p. 156-157, Budapest: National Development Agency.

<sup>2</sup> NDA (2007) New Hungary Development Plan: Simpler, faster, more transparent! Operation of the institutional and support system of the New Hungary Development Plan 2007-2013, p.2, Budapest: National Development Agency.

other. The scope of social cohesion incorporates gender equality, equal opportunities for disadvantaged groups and non-discrimination. Six priority areas of development have been identified to achieve the objectives of the NHDP: economic development, transport development, social renewal, environment and energy development, regional development and state reform. A total of 15 operational programmes (OPs) have been approved to realise these priorities<sup>3</sup>. The implementation measures of the OPs are incorporated in action plans that detail schedule, budget, objectives, target groups and list of tentative projects. The Hungarian government agency responsible for planning and implementing the NHDP is the National Development Agency (NDA)<sup>4</sup>.

NDA (henceforth also ‘the agency’) agreed that the Policy Lab team of the Department of Public Policy (DPP) of the Central European University (CEU) could conduct an external evaluation of certain aspects of the agency’s work, specifically “the operationalisation of policy-level horizontal goals (that apply to the Roma population within Hungary) and to examine the adequacy of the supporting mechanisms for reaching these objectives”<sup>5</sup>.

Roma is an umbrella term commonly used to refer to various ethnic groups who are generally known as Roma, Gypsies, Travellers, Manouches, Ashkali, Sinti etc<sup>6</sup>. “For more than a thousand years, the Roma have been an integral part of European civilisation. Today, with an estimated population of 10 to 12 million people, Roma are the biggest ethnic minority in Europe, present in all 27 EU member states. Most Roma are EU citizens. However, their situation is characterised by persistent discrimination and social exclusion”<sup>7</sup>. In Hungary, 190,000 people identified

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<sup>3</sup> The 15 operational programmes (OPs) are: Economic Development OP (EDOP), Transport OP (TOP), Social Renewal OP (SRPOP), Social Infrastructure OP (SIOP), Environment and Energy OP (EEOP), State Reform OP (SRPOP), Electronic Administration OP (EAOP), West Pannon OP (WEOP), South Great Plain OP (SGPOP), North Great Plain OP (NGPOP), Central Hungary OP (CHOP), North Hungary OP (NHOP), Central Transdanubia OP (CTOP), South Transdanubia OP (STOP) and Implementation OP (IOP).

<sup>4</sup> NDA (2007) Implementation Operational Programme (Technical Assistance), p. 41, Budapest: National Development Agency.

<sup>5</sup> Terms of Reference (TOR) between the NDA and the policy lab team of DPP, CEU dated June 1, 2010.

<sup>6</sup> EC (2010) “Promoting policies in favour of Roma population: The Second European Roma Summit looked at ways to foster the economic and social integration of the Roma in the EU”, *Social Agenda*, Issue No. 24, July 2010, p.16, Brussels: European Commission.

<sup>7</sup> EC (2010) “Editorial”, p.2, *ibid.*

themselves as Roma in the survey of nationalities within the national census of 2001. However, the generally accepted representative sociological surveys place the number of Roma population in the country somewhere between 520,000 and 650,000. The gulf of difference between official and unofficial estimates of Roma in Hungary can be regarded as a manifestation of their socio-economic discrimination and marginalisation since the underreporting might be caused by fear of social stigmatization as well as assimilative efforts<sup>8</sup>.

According to a recent study on minorities and discrimination in EU, the Roma faces the highest overall levels of discrimination among all the ethnic groups studied. On average, every second Roma person surveyed under the study was discriminated against at least once over previous 12 months. The rate of overall discrimination is highest 64% in Czech Republic closely followed by 62% in Hungary. When it comes to individual areas of discrimination against Roma in Hungary, 41% report discrimination in private services, 32% in looking for work or at work, 18% by both health care personnel and social service personnel, 17% by school personnel and 16% by housing agency/landlord. While the majority Roma persons in general informed that they do not report discrimination against them, the rate of not reporting is 82% in Hungary, the third highest among the seven countries covered by the study<sup>9</sup>.

Hungary recognises the problems of discrimination and exclusion faced by its Roma population. As a member state of EU, Hungary participates in the European Roma Summit<sup>10</sup> and the European Platform for Roma Inclusion<sup>11</sup> processes. It is also accepts the 10 Common Basic Principles for Roma Inclusion (henceforth also the inclusion principles) that is an outcome of the

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<sup>8</sup> GoH (2007) "Decade of Roma Inclusion Programme Strategic Plan", *Annex to Parliamentary Resolution No. 68/2007 (VI. 28)*, p.1, Budapest: Government of Hungary.

<sup>9</sup> FRA (2009) EU Minorities and Discrimination Survey (EU-MIDIS) 'Data in Focus' report 1: The Roma, p. 4-5, Vienna: European Union Agency for Fundamental Rights.

<sup>10</sup> European Roma Summit is high level meeting of EU institutions, governments of member states, candidate countries and potential candidates, international organisations and civil society to emphasise their joint responsibility and discuss concrete steps in overcoming the exclusion of Roma. The first European Roma Summit was held on September 2008 in Brussels and the second one held on April 2010 in Cordoba.

<sup>11</sup> European Platform for Roma Inclusion is a forum for the exchange of good practices and experiences between member states, the provision of analytical support and the stimulation of cooperation between all parties concerned by Roma issues. It was launched by the European Commission together with the Czech presidency of the European Council in 2009.

latter process<sup>12</sup>. Some of the approaches and initiatives of the country for Roma inclusion have been cited in EU documents as examples of progress achieved in this area. These include scholarship programme for Roma students, focus on desegregation particularly in schools, Equal Opportunity Funding Policy (EOFP), programme of targeted recruitment of Roma graduates in public service, establishment of local health houses, programme for eradication of shanty towns, establishment of the Council of Roma Integration and “complex programme” for 33 most disadvantaged micro-regions where one-third of the country’s Roma population live<sup>13</sup>.

Hungary is also a partner country in the Decade of Roma Inclusion 2005-2015 and held the decade presidency during 2007-2008. As part of unified national approach towards Roma inclusion with other decade partner countries, Hungary has adopted the Decade of Roma Inclusion Programme Strategic Plan in June 2007 through an unanimous parliamentary resolution 68/2007 (VI.28) to address the four decade priorities: education, employment, health and housing. The Decade Watch, the assessment mechanism of government action on implementing the Roma decade commitments undertaken by coalitions of Roma NGOs and activists, appreciated Hungary’s performance in decade implementation. It observed that for the period of 2005-2006, “Hungary is the most advanced on implementation progress across most of the priority areas”<sup>14</sup>.

While it is obvious that several important steps have been taken to realise Roma inclusion in Hungary, it is also true that many Roma are still at the margin not only in terms of fundamental rights but also in education, employment, health and housing.

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<sup>12</sup> The 10 Common Basic Principles for Roma Inclusion: Constructive, pragmatic and non-discriminatory policies, explicit but not exclusive targeting, inter-cultural approach, aiming for the mainstream, awareness of the gender dimension, transfer of evidence-based policies, use of community instruments, investment of regional and local authorities, involvement of civil society and active participation of the Roma. These principles were first discussed in the 1<sup>st</sup> meeting of European Platform for Roma Inclusion in April 2009 and were elaborated as part of unanimous conclusions on Roma inclusion of the Employment, Social Affairs, Health and Consumer Affairs (EPSCO) Council of EU in June 2009.

<sup>13</sup> EC (2010) Commission Staff Working Document “Roma in Europe: The Implementation of European Union Instruments and Policies for Roma Inclusion (Progress Report 2008-2010)”

<sup>14</sup> Decade Watch (2007) “Overview”, Decade Watch: Roma Activists Assess the Progress of the Decade of Roma Inclusion 2005-2006, p. 21, Budapest: Decade Watch.

## II. Methodology

From our main purpose of the current study, we are dealing with two key concepts: ‘horizontal goal’ and ‘supporting mechanism’. It is necessary to have their operational definitions for the purpose of this study worked out before we get into elaborate methodological discussion.

As indicated above, we draw the primary ideas about the meaning and scope of horizontal goals from NDA documents. The NHDP identifies two sets of horizontal policies that will be simultaneous sources of development priorities along the overall development objectives of employment and growth: ensuring the conditions for sustainability and strengthening cohesion. It discusses three types of sustainability, environmental, social and economic. It discusses two types of cohesion: regional and social<sup>15</sup>. So, content wise the general scope of horizontal policies is quite broad and each of its components are overlapping and mutually constitutive. But we adopt a partial and narrowed down understanding of horizontal goals for the purpose of current study.

As we are primarily interested in horizontal goals as they apply to the Roma population of Hungary, we concentrate on social cohesion meaning equal opportunities and non-discrimination with gender equality and rights of the disabled as cross-cutting aspects. While Roma is identified in NHDP as a segment of the population that suffer from multiple disadvantages, Roma inclusion is primarily a question of ensuring equal opportunities and non-discrimination. Regional cohesion can be an important additional consideration in scoping horizontal policies with regard to Roma in Hungary since about one-third live in the 33 most disadvantaged micro regions. But we would also argue that Roma inclusion is primarily a fundamental rights question before being a regional development question and henceforth regional cohesion is subordinate to social cohesion as the scope of horizontal policies applicable to Roma in Hungary.

The idea of supporting mechanisms is not spelt out in the NDA documents. It does appear in the NHDP, the social renewal OP (the OP that mainly addressed social cohesion projects) and the

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<sup>15</sup> NDA (2007) The New Hungary Development Plan: National Strategic Reference Framework of Hungary 2007-2013 Employment and Growth, p. 81 and 88, Budapest: National Development Agency.

main explanatory note about institutional and support systems of NHDP. What comes closest to outlining the supporting mechanism is the ‘support system’ referred to in the latter document. However, after an initial reference in the title page, there is no further mention of it although there is elaborate discussion of institutional system. Based on our discussion with the representative of NDA, our commissioning agency and the end user of the evaluation work, we conclude that ‘supporting mechanism’ is a formulation for the purpose of this work that is indicative of institutional procedures for projects related to horizontal goals. An elaborate discussion of the institutional procedures requisite of NDA projects are found in ‘Implementation and administrative efficiency’ section of NHDP where the sub-sections on ‘institutional system’ and ‘implementation processes’ are of particular interest to our work.

The utilisation of EU financial instruments stipulate a multilayered institutional structures and implementation mechanisms in compliance with Regulation No.1083/2006/EC of the Council of the EU and a set of laws of the country<sup>16</sup>. Each OP is implemented through a specific action plan that is a biannual programming-implementation document. It is the outcome of tripartite planning exercise between the Managing Authority (MA) of the concerned OP (in this case, the Human Resources Programmes MA that is responsible for SROP), the concerned Intermediate Body (IB) and the line ministry under the auspices of a joint working group, the Operational Programme Programming Coordination Committee (OPPCC). Further inputs into the action plan are given by the concerned Monitoring Committee (MC). While most of their tasks pertaining to achieving objectives, results of implementation and annual control reports are for review alone, they also may approve general project selection criteria and implementation reports submitted to

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<sup>16</sup> Institutional frameworks as well as responsibilities of certain stakeholders are laid down by Government Decree 255/2006. (XII. 8) on the fundamental rules and institutions in charge of implementation of support from the European Regional Development Fund, the European Social Fund and the Cohesion Fund in the 2007-2013 programming period. General procedures are regulated by MHPMO (Minister Heading the Prime Minister’s Office)-MF (Minister of Finance) Joint Decree 16/2006 (XII. 28) on general rules of implementation of support from the European Regional Development Fund, the European Social Fund and the Cohesion Fund in the 2007-2013 programming period.

the EC. Membership includes representations of all the stakeholders of the OP and includes representatives of Roma NGOs. The IBs have direct responsibility for receiving, assessing and sanctioning project proposals and then monitoring their appropriate implementation.

So our aim is to assess the *operationalisation* of horizontal policies by way of investigating the *adequacy* of supporting mechanisms. We draw upon the Inclusion Principles as benchmarks of the operationalisation and adopt the Roma Decade Priorities as analytical tools for measuring the adequacy. The Inclusion Principles are appropriate benchmarks since they are orchestrated towards establishing equal opportunities and non-discrimination (for the Roma) that is also at the core of horizontal policies. Simultaneously, the Roma Decade Priorities are most suitable in measuring adequacy of operationalisation because they constitute internationally recognised multilateral development framework for the Roma. Based on our operational definition of horizontal policies, we selected the social renewal OP as the case study since it most directly addresses Roma inclusion of all the OPs and there is a reflection of the decade priorities in its priority axes. The common thread linking SROP with the Inclusion Principles and the Decade Priorities is also articulated as follows: “(e)nforcement of horizontal principles means that in the process of planning, implementing, evaluating and following up the operational programme and its priority axes, measures, the principle of equal opportunities must be taken into consideration, and its actual enforcement must be ensured.”<sup>17</sup> Based on consultation with the NDA representative, the following calls for proposal (CFPs) under SROP were selected as broad samples of the decade priorities: pilot employment projects, capacity building of representative organizations, settlement renewal, competency based education and new approaches to healthy lifestyle. We analyse, to what extent, the scope of the concerned CFP addresses the associated decade priority and whether the underlying institutional procedures are ‘simple’, ‘fast’ and ‘transparent’ enough for effectively addressing those priorities. Subject to the availability of relevant information, we carry out this analysis at four separate but interconnected levels: planning phases, project selection criteria, specific monitoring systems and evaluation.

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<sup>17</sup> NDA (2007) *Social Renewal Operational Programme 2007-2013*, p. 66, Budapest: National Development Agency.

### III. National Development Plan Horizontal Policies and SROP

#### *3.1 Health*

In this section, we investigate the operationalisation of horizontal goals and the adequacy of supporting mechanisms in relation to improving the health of the Roma population of Hungary. Our discussion is divided into three parts. We first present a general overview of the health situation of Roma. Then we discuss how the health aspect of Roma inclusion is addressed in NHDP and SROP. Finally, we take up the assessment of operationalisation and adequacy with respect to health inclusion of Roma.

##### 3.1.1. Roma Health Scenario

As we are talking about Roma inclusion in the light of EU and multilateral standards, it would also be good to start with Roma health situation in the European scale and then get into specific situation of Hungary. It will facilitate us to be more objective while reflecting on the Hungarian case. Besides, it is also better to have that discussion in comparison to the non Roma population of the region.

A recent comparative study on health of Roma population in Europe summarises six key socio-demographic features of the community vis-a-vis the overall EU population that includes the non Roma population. First, the Roma has a male-female ratio that is close to EU average. For every 100 Roma men, there are 103.5 women. For the overall EU population, the ratio is 100:104.8. Second, the Roma population is generally much younger than overall EU population. The average age of the Roma population is 25.1 when the EU average is 40.2, a huge 15 years difference. The ratio of population who are in age group 15-29 is 26.7% percent among the Roma as opposed to 19.3% in the overall EU. Similarly, the child rate (ratio of population aged - 15) of the Roma population is 35.7% compared to 15.7% for overall EU. Third, Roma population do not live as long as the overall EU population. Roma population's longevity rate is

25.7% compared to 51% of the EU population in general. The old age rate is 4.5% for the Roma while it is 11.2% for the overall EU population. Fourth, there is higher dependency among the Roma, particularly in terms of minors. For every 100 potentially active people (age group 15-64), the ratio of dependants (-15 and +64 age groups) is 64 for Roma population as opposed to 24.9 for European population in general. Fifth, birth rate is gradually declining among the Roma. There are nearly 82.7 Roma children in -5 age group for every 100 children aged 5-9 while this ratio is 101 for overall Europe. Sixth, despite the gradual decline in birth rate, population replacement of the Roma is much higher than the European average. Population replacement rate of Roma is 231 that are more than double of the European average of 101<sup>18</sup>. According to other sources, Roma are disproportionately more vulnerable to such infectious diseases like tuberculosis. Even diseases avoidable by vaccine also have much higher incidence among the Roma. For example, during 2004-2006 there have been a number of measles outbreaks primarily in Roma communities<sup>19</sup>.

Turning to Hungary, as observed in a NGO evaluation of the Roma decade to date, “(t)he health of the Roma population in Hungary is worse than of the non-Roma population. In their case, the rate of those over 50 is lower and the rate of those below 30 is higher than the national average. The reason for this is that the life expectancy of Roma at birth is 10 years lower than the national average, while natality is above it”<sup>20</sup>. The same study also informs that 66.3% Roma aged above 19 suffer from some kind of illness while 16.1% of them suffer from more than one illness and 23% simultaneously suffer from three or more illness. It also shows that health vulnerabilities of Roma are particularly acute in segregated settlements (micro-regions) with their concentration. More than one third or 35% of the inhabitants of these Roma settlements report discrimination in availing medical services.

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<sup>18</sup> FSG (2009) Health and the Roma Community, analysis of the situation in Europe: Bulgaria, Czech Republic, Greece, Portugal, Romania, Slovakia, Spain, p. 18-21, Madrid: Fundacion Secretariado Gitano.

<sup>19</sup> ERRC (2006) Ambulance Not on the Way: The Disgrace of Healthcare for Roma in Europe, p.9, Budapest: European Roma Rights Centre.

<sup>20</sup> KLF (2010) Monitoring research concerning the implementation process of the objectives indicated by the Decade of Roma inclusion programme in Hungary in the period of 2005-2009, p. 14, Budapest: Kurt Lewin Foundation.

Another study draws upon a representative survey to inform that 25% Roma face discrimination in hospitals and similar health care facilities and 44.5% have such experience with general practitioners. Over 20% Roma in general and 40% of those living in the segregated settlements (micro regions) reported denial of ambulance on emergency calls. There are cases of segregated hospital room for Roma patients, the so-called “Gypsy room” that are in bad conditions. One study by an NGO recorded 44 cases of gypsy rooms in 2003. Their study in 2005 also found allegations of such rooms<sup>21</sup>.

### 3.1.2. NHDP, SROP and Health Inclusion of Roma

As part of social-economic situation analysis, NHDP identifies ill-health as a constraining factor of labour market participation. It also notes that declining health condition of Hungarian population is one of the social sacrifices made by the country in its transition towards market economy. It acknowledges that the health status of Roma population in Hungary is much worse than rest of the society similarly as their respective positions in terms of employment, education, living standard and housing<sup>22</sup>. In this respect, health forms one of the priority axes of the social renewal priority of NHDP and henceforth SROP. The NHDP proposes reducing inequalities in accessing healthcare facilities and improving the institutional system for health development. The SROP further elaborates on the constrained health scenario of Hungary due to demographic, epidemiological, economic, structural and financial difficulties. It also notes more disadvantaged health condition of Roma population due to regressive differences in health awareness and health care access. The health related objectives of SROP are: promoting a health conscious conduct of

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<sup>21</sup> ERRC (2006) *Ambulance Not on the Way: The Disgrace of Healthcare for Roma in Europe*, p. 39, 52, 57, Budapest: European Roma Rights Centre.

<sup>22</sup> NDA (2007) *The New Hungary Development Plan: National Strategic Reference Framework of Hungary 2007-2013 Employment and Growth*, p. 37, 50, 53, Budapest: National Development Agency.

life, spreading healthy forms of life, widening choice of healthy alternatives and supplying relevant information to households and workplaces<sup>23</sup>.

The NHDP stipulates that the Structural Funds investments will complement the implementation of decade priorities. But there is no such indication how that will happen with regard to specific sectoral priorities like health. The Decade of Roma Inclusion Programme Strategic Plan (henceforth the Strategic Plan) of Hungary presents a detailed list of tasks pertaining to health inclusion of Roma. Its overall objectives are improving the health conditions of Roma people, increasing their life expectancy at birth and improving their access to healthcare service system. The associated tasks are in six following areas: incentive system for better utilisation of healthcare capacities in areas of Roma concentration, increase participation in preventive health examinations, increase number of Roma among health professionals, attitudinal change programme in training of health care personnel, strengthening cooperation and connection between the Roma population and the healthcare service system, and, promotion of the elaboration of local health-improvement plans accommodating specific needs of the concerned Roma population. Although the SROP covers health yet it doesn't acknowledge any link to the aforementioned health related tasks of the Strategic Plan.

### 3.1.3. Operationalisation and Adequacy Assessment

The SROP 'Promoting New Approaches to Healthy Lifestyle in the Least Developed Micro Regions' (henceforth the Healthy Lifestyle programme) doesn't seem to be explicitly informed by the inclusion principles. Its commitment to non-discrimination appears to be largely implicit with passing references like acknowledging the increase in number of socially disadvantaged groups in the 33 micro-regions covered and aspiring to provide possible way out of segregation and poverty. There is no explicit targeting of the Roma although the concerned micro-regions have one-third of the country's total Roma population. While an inter-cultural approach is not

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<sup>23</sup> NDA (2007) *Social Renewal Operational Programme 2007-2013*, p. 30, 64, Budapest: National Development Agency.

that evident, a mainstreaming approach is also not obvious. Although gender equality is discussed as an essential component of social cohesion in NHDP, an explicit gender dimension is not that visible in the Healthy Lifestyle programme. There is some indication of evidence based policy in discussion of Hungary's health condition in the programme's background. But it is without attention to Roma, gender or even micro-regional dimensions. Moreover, there is no reference to the sources of information on which the discussion is based. Although the programme is a tool for utilising EU financial instruments, it does not use legal (Race Equality Directive, Framework Decision on Racism and Xenophobia) or coordination instruments (Open Methods of Coordination). However, the programme does involve regional and local authorities, civil society and active participation of Roma. This occurs through joint participation of association of micro-regions, regional development committees and civil society organisations in project selection along NDA.

If the NHDP acknowledges the Decade Priorities then there should be explicit link in the Healthy Lifestyle programme under SROP that is for materialisation of one priority of NHDP. But there is no such connection between this programme and the healthcare objectives and tasks of the country's strategic plan on Roma inclusion.<sup>24</sup> Moreover, the NHDP urges "compliance with horizontal principles" as follows: "equality between men and women and integration of the gender perspective will be promoted during the various stages of the implementation of the NSRF and all operational programmes. Respect for the principle of non-discrimination (prevention of any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation) will also be ensured during all phases of the implementation, in particular in relation to access to funding."<sup>25</sup>

With such minimum conformity with European and national standards of Roma inclusion, the programme's contribution to furthering these horizontal policies as applied to Roma population can be questioned. There is no information available to us that can inform how this individual

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<sup>24</sup> GoH (2007) "Decade of Roma Inclusion Programme Strategic Plan", *Annex to Parliamentary Resolution No. 68/2007 (VI. 28)*, p. 16, Budapest: Government of Hungary.

<sup>25</sup> NDA (2007) *The New Hungary Development Plan: National Strategic Reference Framework of Hungary 2007-2013 Employment and Growth*, p. 181, Budapest: National Development Agency.

programme is conceived but we can draw some information from discussions about institutional system and implementation processes in the NHDP. The shortfall in the planning stage lies mainly with apparent inability to apply the recognized standards in the design of the programmes. There are intentions to act on the part of Hungarian government and functional partnerships with other stakeholders such as the regional and local authorities, civil society and Roma organizations. But in the program design for health under SROP, addressing Roma health concerns falls under the tool of promoting healthy lifestyle and the complex programme for micro-regions. So, health inclusion of Roma is treated under broad spectrums of social and regional cohesions rather than as a specifically targeted comprehensive programme for improving Roma health. It is interesting to note that when the NHDP was being formulated as the current NSRF in 2006, the Roma Decade already started, with Hungary as a founding member and the former's introduction in 2007 coincided with the introduction of the strategic plan the same year. However, there is no strong reflection of either the Decade priorities or the strategic plan in NHDP in general and SROP or its health related part. This gap continued with the action plan formulation and was reflected in CFPs. It is not understandable why the line ministry involved couldn't insert Roma Decade health priorities at all and the strategic plan health tasks sufficiently. Perhaps, all the more surprising, the MC that included representative of Roma organization didn't notice this gap.

While the weak linkage of the programme's aims and objectives with Roma inclusion standards constrained it in effective operationalisation of horizontal goals, consequently the supporting mechanisms were also largely inadequate. It is quite evident from the assessment of the programme's elaboration of background, objectives and target groups as well as content evaluation processes. One serious and recurrent limitation is the absence of operational definitions. While the programme deals with 'healthy lifestyle' there is neither any definition of it nor any indication of its components, which renders the detailed objectives vague and less useful. For example, some discuss transfer of best practices, development of health oriented attitude and prevention. But it is not clear what best practices are being referred to and between whom such transfer will take place, what is the meaning of health oriented attitude and what are

its types, and, finally, what kind of prevention, what will be the preventive measures and who will be agents for them.

Such an approach continues with the discussion of target groups which is characterized by a lack of standardized classification. Residents of the least developed micro-regions are identified as a broad target group first and they are classified into nursery schools, educational institutions, parents, teachers; employers and employees; residents with different diseases and health problems; men in the age cohort of 35-55. Institutions and individuals are lumped together in single category of target. A category like 'employer and employee' is so broad that it can capture almost everybody except children and unemployed. The category, 'residents with different diseases and health problems', is both vague and broad. Singling out men of 35-55 age group without showing sufficient justification and without any such targeting of women, children or young men is indicative of unexplained prioritization.

Let us now turn to the evaluation processes. First, 'Evaluation of the bidder's environment' requires a development needs plan with complex and reasonable description, and, a detailed and justified project description linking it to other development plans of the LHH micro-region. The terms like 'complex', 'reasonable', 'detailed' and 'justified' are subject to discretion during project selection and potentially may cause uneven evaluations.

Second, 'Evaluation of the bidder's infrastructure' stipulates relevant experience, previous activities in the health sector, reasonable division of work and feasible action plan. All these obviously make lot of sense. But there should be some explicit measures of reasonableness and feasibility in this case. The nature of requisite experience will vary according to the type of proposed project and there should be some concession in this regard for Roma organizations to foster their participation which can be otherwise technically hindered.

Third, two requirements of the 'Evaluation of the aims of the project' can be problematic: 'planned actions are in accordance with the actual demands' and 'the target group is ok'. Again, attention can be drawn to measures and specifications. How the actual demands will be measured and how planned actions will vary accordingly?

### 3.1.4. Recommendations – Health

One of the first steps in operationalising horizontal goals in relation to Roma health should be aligning the health programmes of NHDP in general and SROP in particular with recognised European and national standards of Roma inclusion, most importantly the 10 Common Basic Principles for Roma Inclusion and the Decade of Roma Inclusion Programme Strategic Plan.

The suggested alignment should cover all the project cycle including planning, selection, monitoring and evaluation stages. The Inclusion Principles as applied to health concerns of Roma and the strategic plan's tasks and measures in the field of health should be incorporated as basic guidelines in addressing Roma health priorities in the new or following Action Plan and the consequent Calls for Proposal (CFPs) accordingly.

In order to ensure this basic guidelines incorporation and its compliance in action plan formulation and CFP preparation, it should be introduced as a regulation or a sub-regulation under laws of NHDP mainly Government Decree 255/2006 (XII. 8) and Joint Decree 16/2006 (XII. 28) as appropriate.

To facilitate planning exercise according to the basic guidelines, there should be some institutional modification. A full-fledged dedicated unit endowed with sufficient resources, capacities and powers should be established within NDA that will be responsible for streamlining horizontal goals as applicable to Roma population in all the areas: employment, education, housing and health. The unit should have specific staff for each of the area and a pool of experts for each area attached to it for seeking specialist advice. Such a unit should be within the Coordination MA since it oversees horizontal goals. While the unit should have its full time staff, the experts can be people with specific expertise who are already employed in public or private sectors or academia who will be voluntarily available for expert opinion.

The pool of experts for health may constitute doctors who have expertise in diseases that are generally predominant among Roma, public health experts with expertise in Roma health, other health professionals, representatives of government health agencies, representatives of micro-regions' and other concerned local governments' health departments, Roma associations, NGOs and civil society actors who work on Roma health inclusion, and, researchers.

There should be standard operational definitions for concepts and terminologies used for the purposes of horizontal goals in NHDP. They should not be different from their commonly recognised definitions in academic disciplines and policy vocabulary. They should also be in line with the standard definitions used in other countries, at international and European levels. So, there should be harmonisation of definitions across priority areas, operational plans, action plans and CFPs. Each CFP should incorporate a list of concepts and terminologies capitalised for its purposes with operational definitions.

The requirement of standardised definition is all the more important for the health field because difference in definition can mean difference in scope and level of healthcare. So, the health related standard definitions should simultaneously meet requirements of medical science, public health and human rights (mainly fundamental rights and health rights in this case). The pool of experts for health or different experts of health sector can be consulted to finalise the operational definitions.

Target group selection and classification have to be revised in a way that is specific enough and properly represents healthcare needs of Roma population. It should be based on levels of health related differences among the Roma in regard of: incidence of diseases, accessibility of health care, geographical concentration, income levels, gender, disability and age group. Drawing up on these differences, there can be a three-scale classification of the levels of vulnerability: most vulnerable, somewhat vulnerable and less vulnerable. Different levels of responses should be designed for different levels of vulnerabilities.

Evaluation criteria should be specific, sufficiently defined and open in order to enhance fast, simple and transparent project selection. There should be clear and common explanations of specifications like for example, 'complex', 'reasonable', 'detailed' and 'justified'. The explanation should incorporate description of characteristic components of such specifications. The evaluation criteria used in the Decade Watch report titled *Decade Watch: Roma Activists Assess the Progress of the Decade of Roma Inclusion 2005-2006* offer an effective approach in this regard. It assesses country achievements in each decade priority by a 5 point scoring system and each point is translated into precise scope and constituent components.

There should be common and explicit measures of project demand and project feasibility that may also be figured out following the Decade Watch evaluation approach.

There should be some concessions in experience requirement for Roma associations to foster their participation since they may have lack thereof particularly in a critical area like health services and advocacy. But in order to ensure fairness in project selection in the long run, that concessions should be subject to some conditions in relation to organisational capacity building

The CFP should incorporate some list of potential actions. The programme focuses on information dissemination pertaining to attitudinal and behavioural changes related to health among a group of people (in this case Roma) who are predominantly uneducated, lack health awareness and are distanced from healthcare system by structural factors. The more effective actions in this case would be communication campaigns (mainly audio-visual) and health fieldworkers (i.e. health mediators).

### ***3.2. Settlement Renewal***

This chapter investigates how the horizontal goals and the relevant national supporting mechanisms are operationalized in relation to housing problems of the Roma population in Hungary. The discussion is divided into five parts beginning with a general overview of the housing problems of Roma. The second part locates settlement renewal in the stated objectives of NHDP and the strategies analysed in SROP. The third part assesses how the horizontal policies are operationalized in the framework of national supporting mechanism particularly in terms of settlement renewal program. The fourth examines how the Call for Proposals for Settlement Renewal program (henceforth referred to CFP) is consistent with the three horizontal policies and the stated objectives of the NHDP. The chapter ends with the brief discussion of suggested recommendations.

### 3.2.1. Housing Problems of Roma People in Hungary

Roma confront distinctive problems in the area of housing and settlement. A range of recent sources<sup>26</sup> confirm the continuing deterioration in the living standards of Roma in Hungary and in other EU countries. The majority of Roma in Hungary as well as in other parts of Europe find themselves in isolated micro-regions with associated social, economic, environmental and infrastructural disadvantages.

On the one hand, housing problems encompass legal security of tenure; availability of services, housing materials and infrastructures; affordability; habitability; accessibility; location facilitating access to employment, health, education, child care and numerous social facilities; and cultural compatibility.<sup>27</sup> In effect, inadequate, insecure and often segregated housing create problems for Roma, for example, segregated housing limits access of Roma people to education, employment and health care. Schooling becomes interrupted; information on job opportunities tends to be unavailable. There is some evidence that a job applicant with an address in a dense Roma area is rejected outright. In similar vein, poor quality housing is linked to poor health and frequent incidences of diseases, whereas segregated and the remote position of residences makes the access to medical facilities more difficult.<sup>28</sup>

Moreover, Roma living in informal settlements or rented accommodation often lack security of tenure. They can frequently face expulsion without prior consultation or compensation for expropriation even if they are regular rent payers.<sup>29</sup> Suffering for housing is further intensified due to severe shortage of suitable lands, financial resources and, in some instances, the existence

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26 Yale dataset from Revenga, A., D. Ringold, and W. M. Tracy. 2002. *Poverty and Ethnicity: A Cross-Country Study of Roma Poverty in Central Europe*. Washington, DC: World Bank. cited in Ringold, D., Orenstein M. A., and Wilkens E. 2005. *Roma in an Expanding Europe: Breaking the Poverty Cycle*. Washington, DC: World Bank. P.37 and European Union Agency for Fundamental Rights (FRA). 2009. *Housing conditions of Roma and Travellers in the European Union Comparative report*, available at <http://fra.europa.eu>

27 In General Comment No. 4 on the right to adequate housing, the UN Committee on Economic, Social and Cultural Rights (CESCR), highlighted those as elements of "adequate housing", available at [http://www.unhcr.ch/tbs/doc.nsf/099b725fe8755ec8025670c004fc803/469f4d91a9378221c12563ed0053547e?OpenDocument#%20Contained%20\(06/08/2010\)](http://www.unhcr.ch/tbs/doc.nsf/099b725fe8755ec8025670c004fc803/469f4d91a9378221c12563ed0053547e?OpenDocument#%20Contained%20(06/08/2010))

28 European Union Agency for Fundamental Rights (FRA). 2009. *Housing conditions of Roma and Travellers in the European Union Comparative report*, available at <http://fra.europa.eu>, p.5

29 European Union Agency for Fundamental Rights (FRA). 2009. *Housing conditions of Roma and Travellers in the European Union Comparative report*, available at <http://fra.europa.eu>, p.6

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of restraining governmental regulations to use available sites. The situation forces Roma in Hungary to live on unofficial or illegal sites. Housing is usually built on lands which are not owned by the settlers and not in conformity to the prescribed building regulations. Even abandoned buildings turn into accommodation of last resort.<sup>30</sup> In terms of quality, Roma neighbourhoods are, in most cases, extremely overcrowded and impoverished. According to the household survey data<sup>31</sup>, Roma houses are smaller than others, but are occupied with larger households, and, hence become more crowded. According to the Yale dataset,<sup>32</sup> Roma households are nearly twice the size of non-Roma households in Bulgaria, Hungary and Romania.

The same Yale survey data reveals that housing characteristics of Roma households are poorer than those of non-Roma households in terms of the quality of housing and access to basic utilities in Bulgaria, Hungary and Romania.

Table 1.1: Housing Characteristics by Ethnicity, 2000 (Percent of households)

Household	Electricity	Central of gas hitting	Cold running water	Hot running water	Sewage	Tele-phone	Bathroom/shower	Indoor toilet	Wet walls	Leaky roof	Earthen floor used for sleeping
Non-Roma	99.0	78.6	92.0	83.2	58.3	76.0	88.8	86.4	16.6	9.6	5.8
Roma	98.1	35.3	65.3	45.1	33.4	41.4	50.2	49.9	40.1	33.0	13.2

**Source: Yale dataset; Revenga et al. 2002<sup>33</sup>. P.37**

30 Delépine, Samuel. May 2006. "Housing of Roma in Central and Eastern Europe: Facts and Proposals" [http://www.coe.int/t/dg3/romatravellers/archive/documentation/housing/HousingofRomaMay2006\\_en.asp](http://www.coe.int/t/dg3/romatravellers/archive/documentation/housing/HousingofRomaMay2006_en.asp)

31 UNDP. 2003. "Household Survey of Roma, Ashkaelia and Egyptians, Refugees and IDPs in Montenegro". P.15. [http://www.undp.org.me/files/reports/si/Household%20Survey%20ISSP\\_UNDP\\_eng.pdf](http://www.undp.org.me/files/reports/si/Household%20Survey%20ISSP_UNDP_eng.pdf)

32 Revenga, A., D. Ringold, and W. M. Tracy. 2002. Poverty and Ethnicity: A Cross-Country Study of Roma Poverty in Central Europe. Washington, DC: World Bank. cited in Ringold, D., Orenstein M. A., and Wilkens E. 2005. Roma in an Expanding Europe: Breaking the Poverty Cycle. Washington, DC: World Bank. P.37 and European Union Agency for Fundamental Rights (FRA). 2009. Housing conditions of Roma and Travellers in the European Union Comparative report, available at <http://fra.europa.eu>

33 Revenga, A., D. Ringold, and W. M. Tracy. 2002. Poverty and Ethnicity: A Cross-Country Study of Roma Poverty in Central Europe. Washington, DC: World Bank. cited in Ringold, D., Orenstein M. A., and Wilkens E. 2005. Roma in an Expanding Europe: Breaking the Poverty Cycle. Washington, DC: World Bank. P.37 and European Union Agency for Fundamental Rights (FRA). 2009. Housing conditions of Roma and Travellers in the European Union Comparative report, available at <http://fra.europa.eu>, p.37

### 3.2.2. NHDP objectives and settlement renewal

Policies on settlement renewal/housing under the auspices of the SROP stand on the two core NHDP objectives, namely, expansion of employment and sustained economic growth. NHDP acknowledges that ‘poor housing’ is one of the causes of exclusion of large part of Hungarian citizens from economic activities connected to broadband usage.<sup>34</sup> For harmonized output, settlement renewal, like other interventions, must conform to the horizontal policies embracing equal opportunity, sustainability, and regional and social cohesion criteria.

NHDP identifies that segregated Roma settlements in the disadvantaged regions of eastern, north-eastern and south-eastern Hungary contribute to their vulnerability in other parts of lives<sup>35</sup>. SROP reinforces the view that segregated living conditions are both connected to and contributes to a lack of access to the labour market, better education and health service for Roma.<sup>36</sup> ‘Poor housing’ requires multi-faceted actions. The NHDP proposes an integrated approach covering not only their housing conditions but also the issues of their employment, education and health. This policy on becomes paramount while selecting different priority axis under different OP including the SROP. Among the four priority areas of Roma Decades, housing does not appear as a separate ‘priority axis’ in the SROP. As part of ‘complex and multi-sectoral’ interventions, it rather incorporates it in every axis.

Such implicit placement of settlement renewal in SROP can create problems of measurement. While other priority areas have their own specific measuring indicators<sup>37</sup> settlement renewal lacks detailed terms of measurement. The SROP offers little guidance how to assess the influence of settlement renewal development project as an independent variable on employment and growth as a dependent variable.

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<sup>34</sup> NHDP, 11

<sup>35</sup> SROP 21

<sup>36</sup> SROP, 65-6

<sup>37</sup> SROP, Chapter 3

### 3.2.3. Horizontal Objectives

#### Promoting Equal Opportunity:

According to the SROP, equal opportunities is a requirement in the planning, implementing and evaluation phases of all the priority axes under each OP. Aiming to eliminate unequal opportunities and subsequent causes, it entails more than the provision of equal treatment and non-discrimination<sup>38</sup>. The operationalization of this principle requires all physical and communicational accessibility for Roma. The underlying assumption is that the solution to segregated housing is to extend Roma's access to the public service system (i.e. health care, education, social welfare, labour market services), and to eliminate segregation in educational attainment and discrimination in the labour market.<sup>39</sup> Hence, SROP locates settlement renewal in a harmonised form of complex policy interventions.

However, under the umbrella of the equal opportunity principle, a policy of 'explicit but not exclusive targeting of the Roma' encompasses all priority axes of SROP. It means that EU's regional fund will be channelled specifically for Roma. However, the application of the equal opportunity principle in SROP raises the question of how manifestation of equal opportunities will be measured. Where this principle warrants implementation in such a way that existing differences in the housing facilities between Roma and non-Roma, should be decreased, SROP inconsistently emphasizes that the combined intervention through development projects 'should not increase the existing differences'<sup>40</sup> without specifying what it means by 'existing differences'. However, the Roma Decade in Hungary while setting its strategic plan explicitly states its long run objective as to eliminate the gap that has been working between the living standards of Roma and non-Roma people.<sup>41</sup>

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38 SROP, 66

39 SROP, 68-9

40 SROP, 51

41 68/2007 (VI.28.) parliamentary resolution on the Decade of Roma Inclusion Programme Strategic Plan, p2

The same anomaly is also transformed into the indicators what SROP chooses for the equality principle. As is stated before (2.1), the overall outcome of the NHDP is higher employment rate and growth. The following indicators of equality principle also adhere to this overall outcome:<sup>42</sup>

- Difference between working age (15-64 year) men's and women's employment rate
- Employment rate of working age (15-64 year) population with disabilities
- Employment rate of working age (15-64 year) Roma people

If the equality principle means “more than providing equal treatment and non-discrimination”<sup>43</sup>, settlement renewal indicators should be set as measures of social difference between Roma and non-Roma. For example, in this case, the second indicator could be more comprehensive by adding *‘the difference in employment rate of working age (15-64) population between advantaged and disadvantaged regions’*. Instead, as third indicator indicates, the achievement is now measured in terms of how many Roma benefit from development projects. Where the Roma population is involved, the current indicators fail to provide an actual method of measuring how equal opportunity principle will be materialized.

Another anomaly concerns data collection and its availability for accurate projection and measurement. The anomaly lies between the stated necessities of ‘regular targeted data collection’<sup>44</sup> and the persistent misunderstandings about the ethnic data protection laws. The misunderstanding prevails, according to the European Commission itself (2000/43/EC), and it afflicts ‘relations between data protection and the production of statistics on discrimination’<sup>45</sup>. NHDP fails to bring its strategy appropriately to stop certain negative impacts of data protection law. How many numbers of Roma are living in segregated and unhealthy housing? How many of them benefit from the development projects in terms of education, health and employment accessibilities? How many segregated areas are desegregated? What is the infant mortality trend or primary education completion rate in the last five years among Roma infants and children?

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42 SROP, 67

43 SROP, 66

44 SROP, 69

45 OSI, Roma Initiatives. June 2010. No Data—No Progress Data Collection in Countries Participating in the Decade of Roma Inclusion 2005–2015. p.15

These are questions which are not answerable accurately partly due to a lack of strong strategic approach by the NHDP towards the issue of ethnic data collection. Without appropriate and accurate data, it is very difficult to claim appropriate manifestation of equal opportunity principle.

According to the SROP, the horizontal principle of sustainability means that in every stage of development projects (i.e. planning, implementing and evaluating), the projects should conform to environmental, social and economic sustainability criteria.

“Development projects can be considered sustainable that pay attention to natural and human resources—including natural assets, territories, landscapes, biological diversity, human health, social cohesion, demographic features—and to the preservation and sustainable utilisation of the built environment and cultural heritage.”<sup>46</sup>

Environmental sustainability includes combating negative impacts of climate change. Social sustainability means protecting the human dignity of citizens through ‘enforcing social security, democratic norms and fundamental rights, improving human safety, reducing individual and social risks’. Economic sustainability means the use of resources through assessing longer term needs and preserving and improving available stock of resources for future needs.

The SROP considers that sustainability could be ensured by garnering the competency of citizens. Learning is the most conducive and effective way for this, and hence, it prioritizes both formal and non-formal education and training for all citizens. Essentially, SROP fixes its indicators as:<sup>47</sup>

- Number of schools in the Network of Eco-schools and
- Ratio of students learning in ISCED 3A programmes whose parents have NOT attained an ISCED 3A(B)<sup>48</sup> qualification

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<sup>46</sup> SROP, 70

<sup>47</sup> SROP, 71

<sup>48</sup> ISCED 3A/3B: Completion of secondary school studies in Hungary

However, as is discussed in 3.1, these indicators do not count the educational distance between Roma and non-Roma children whose parents are without these qualifications. This inappropriate dealing with Roma and other disadvantaged children in measurement may export social, economic and environmental problems in relation to their poor settlement in other regions and may lead to the decay of sustainability.

The horizontal objectives have the objective of promoting greater regional cohesion in development projects under all priority axes of the SROP. Regional cohesion can help eliminate differences of employment and growth between micro-regions. On the other hand, regional approach determines the objectives of development projects, the selection of target groups and following up the results of projects. Inevitably, SROP sets its indicator as *ratio of per capita income in the least developed regions and national per capita income*.<sup>49</sup>

Regional cohesion necessitates taking into account differences between micro-regions in terms of the scope of employment and contribution to the economic growth. A regional approach requires consideration of specific territorial characteristics and an appropriate categorization of different regions. This categorization should include consideration of the actual situation of Roma Decade priorities. However, in relation to housing, any modest category of Roma housing on the basis of different regions and quality is absent in the situation analysis of SROP and in the operationalization of priority axes. The reasons for this may include its disappearance as a separate axis in the SROP and the (mis)use of data protection law. The implementation of regional cohesion in settlement renewal projects may be misguided if it lacks accurate category of Roma housing and tools to measure the gaps in housing standard of different regions and quality.

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49 SROP 71

### 3.2.4. Call for proposals: Guidelines for Tender procedure related to Settlement Renewal

Call for Proposals (CFP) for settlement renewal aims to eliminate segregation of Roma while technicalities of its tender procedure are guided by the horizontal policies. One prominent feature of the CFP is the involvement of local stakeholders in the settlement renewal program. Both in ideal and technical sense, local government has more strength to articulate actual needs of its inhabitants and to incorporate aspirations of different stakeholders in program design phase than the central government does. The CFP places the municipalities of 81 targeted settlements in a leadership role and a range of different local actors in their associative role in every phase of the program.<sup>50</sup>

As the actors respond to the tender with strong local knowledge of their regions, this arrangement can solidify the presence of regional approach in settlement renewal program. It may further seem that the CFP loosely fixes the evaluation criteria to select proposals with the intention to encourage bidders to submit diversified proposals, which may vary from regions to regions and grasp more regional characteristics. Hence, a regional approach, being capable to bring greater reflection of local environmental, economic and social issues into the program, conforms to the sustainability and regional cohesion criteria.

However, the possible trade-off of the loosely defined selecting indicators is higher in case of the policy for decentralized administration of settlement renewal program. Since, to an extent, the guidelines put less specific criteria for judgment in selecting proposals, it gives to the selecting authority a considerable space for subjective maneuver, which may hinder the way of rational selection. Being intertwined with each other, these two things, both the decentralized program administration and absence of adequate specificity in measurement of proposals, may bring problems both in the selection and implementation stage of the program.

Firstly, while drafting the proposal, the bidder may lack guidance in the absence of specificity in measuring indicators for proposal selection. The dilemma may only allow the bidders to be less

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50 Call for Proposals: GUIDELINES FOR THE TENDER PROCEDURE RELATED TO SETTLEMENT RENEWAL. section: Aims and Background

specific about their goals and the indicators. Otherwise, being more specific from the bidders' side requires putting more things in the draft of the proposal than perhaps what it requires. In this case, the bidders may be rejected through the screening of more or less subjective evaluation of the proposals.

Secondly, a lack of detailed specificity in the proposal does not demonstrate the settlement of the bidders' commitment to the program. The implementation stage may fail to produce the sought output for the end user (in our case, they are Roma living in segregated housing) of the program. It happens as the signposts of the achievement are less elaborated in the proposal and as the commitment of the bidders can not thoroughly be screened in selection stage.

The CFP sensitively outlines qualifications of the bidder<sup>51</sup> so as to fulfill the need of technical capacity of each bidder and the representation of Roma minority in the program. Undoubtedly, in every phase of the program, municipalities require continuous feedback from and participation of Roma people/their representatives and, especially in implementation phase, this needs rigorous technical capacity. CFP obliges partnership for municipalities both with Roma organization/minority governments and non-profit organizations having substantial experience in the relevant field of housing/education/employment/healthcare.

Additionally, both the NHDP and the SROP recognize the importance of giving value to specialized knowledge on Roma for more precise and harmonized actions especially in absence of reliable data pool. The NHDP promises for “[e]stablishment and operation of an expert network supporting the preparation and implementation of the projects of local authorities and civil beneficiaries.”<sup>52</sup> The SROP<sup>53</sup> also states that “National advisory network will provide help with project preparation for potential beneficiaries in all micro-regions. Special support by Roma experts is also provided for Roma beneficiaries.” But CFP does not endorse any such requirement of feedback from or countersign of Roma experts of National Advisory pool. As an

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51 Call for Proposals: GUIDELINES FOR THE TENDER PROCEDURE RELATED TO SETTLEMENT RENEWAL. section: Eligible bidders

52 NHDP, 155

53 SROP, 198

obligation of eligibility criteria, the CFP only requires that a proposal should be countersigned from Eduatio Plc. only on the Equal Opportunity Action Plan related to general education<sup>54</sup>.

Absence of such feedback in pre-selection stage provides, on the one hand, the key gatekeeping role only to the selecting authority. They may practice their approval or rejection with broad and poorly defined indicators of eligibility. A prospective proposal that is inconsistent or full of technical and thematic errors may be rejected in the selection process, but could be corrected or modified, if there is scope of receiving feedback from national Roma expert pool in pre-selection stage. On the other hand, considering that an ethnic data pool on Roma is absent in Hungary, experts may be in the best alternative position to guide the bidders toward consistent and feasible proposal preparation.

The most visible shortcoming in the CFP is its generalist criteria<sup>55</sup> for evaluating submitted proposal. For instance, what does it mean by the criteria of ‘project area’ where the bidders are restricted to 81 pre-identified ghettos? Does it mean a proportionate number of targeted beneficiaries out of total number in a ghetto? Or does it mean that the targeted inhabitants should not be covered under any other projects with similar aims and objectives? Another example is that CFP requires “reasonable, effective” and “coherent” proposed actions without any further explanation on how it sees these qualifying words.

The CFP’s inclination to open-ended and generalist criteria also prevails in the question of sustainability of the project with the CFP proposing that ‘the results achieved can be sustained after the end of the planned project’. What are the supporting arguments’ from the bidders’ side concerning sustainability? About evaluating project proposals, in addition to under-specified criteria, the absence of any rich national ethnic data pool threatens objectivity and accuracy in evaluation. The CFP requires a general survey in the project area supporting the content of the bid. Bidders are supposed to present information about the number of targeted beneficiaries. How does the authority justify and contest the data generated and supplied by the bidders favoring their proposals? How will the authority co-ordinate among different project proposals

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54 Call for Proposals: GUIDELINES FOR THE TENDER PROCEDURE RELATED TO SETTLEMENT RENEWAL. section: Criteria for eligibility

55 Call for Proposals: GUIDELINES FOR THE TENDER PROCEDURE RELATED TO SETTLEMENT RENEWAL. section: Selection Criteria

under different OPs/SROP to ensure that every disadvantaged Roma individual may receive a considerable share of disbursed project benefit? Not only are these questions concerning efficient monitoring, they are also vital questions about approval and evaluating the right project in a coordinated way.

Monitoring indicators<sup>56</sup> set the minimum number of beneficiary of a proposed project alongside fixing minimum percentages (75%) of adults, students and children for their involvement with the program. However, the CFP shows some critical deficiencies in monitoring outcomes.

Firstly, housing is one of the four key priority promises in Roma Decades and both the NHDP and the SROP include it in their complex and multi-dimensional strategies against segregated living conditions. The CFP also undertakes to ameliorate living conditions in its aims and background section. However, the monitoring indicators of the CFP do not accord with those promises and strategies. There are no indicators in the CFP how to monitor the number of ghettos that will be refurbished to improve the housing standards and to ease access to public services and job market (education, health and employment).

Secondly, there is no indicator available which might fix just how far the gap (between Roma of the segregated area and non-Roma of the adjacent area in the same micro-regions) in some critical areas should be decreased through the completion of the program. This might be good indicator to judge the improvement scale of regional cohesion principle. Moreover, monitoring indicators section exclude how many numbers of girls and women participate and are benefited from the program.

### **3.2.5. Recommendations – Settlement Renewal**

This section analyses the position of settlement renewal program under the SROP through analysis of the NHDP, SROP, Roma Decades and the CFP. The recommendations in this part lie mostly in the justification given above to unpack certain shortcomings. Hence, this part, in the

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56 Call for Proposals: GUIDELINES FOR THE TENDER PROCEDURE RELATED TO SETTLEMENT RENEWAL. section: Monitoring indicators

following, puts the recommendations in bullet points with only the supplementing supporting arguments avoiding repeat of the same.

The unavailability of accurate data requires an exploration of how it might be addressed. The international and national prohibitions on collecting and processing of ethnic statistics are derived from the data protection laws and laws on statistics. These laws are mainly extension of two directives: Convention ETS 108 and Directive 95. One recent research study argues that the law only bars the improper use of personal data and that the collection of such data for the use of positive governmental action is not impermissible. European Commission itself (2000/43/EC) does not find any conflicting relations between data protection laws and the production of ethnic statistics to redress their inequality. In addition, to generate a comfortable national atmosphere favoring for data production and its use, the Hungarian government may form a special Parliamentary Committee to suggest the government about this. Alternatively, the government may send the issue to the Supreme Court seeking appropriate legal explanation which may guide the government whether to produce data within existing legal framework or to go for necessary correction in existing laws.

Both the NHDP and the SROP should put forward the difference of the parameters of living standard between Roma and non-Roma people as the important measuring indicators in addition to the existing set. The gap should be considered as an independent variable which may influence employment and growth as dependent variables. According to our earlier discussion in this section, this is needed for the manifestation of the trio of EU horizontal principles.

The SROP should place housing issue as one of its main priorities. However, the SROP faces an important technical difficulty to count it as a separate axis as, in most part, the housing problem is very exclusive to disadvantaged *ethnic* groups while problems identified in other priority axis of SROP refer to all disadvantaged people and regions. This assumption is reflected in the difference between the Roma Decade priorities and the SROP priority axes, while only the later excludes housing as a separate axis. But the status of housing problems as a distinguished axis is required not only to put an equally emphasized focus on housing but also to make the measuring indicators effectively countable.

An appropriate categorization of Roma housing is an urgent need. Roma housing differs in terms of quality within a micro-region or in different micro-regions. One such categorization is offered in a document from the Council of Europe<sup>57</sup>. This category includes: ‘rundown peripheral housing areas’, ‘collective ghetto-type housing’ and ‘miscellaneous types of dwellings in town and city centres’. Each of this category demands varying attention to solve housing problems and to ameliorate other part of their living conditions influenced by housing standards. Regional cohesion principle, requires this in order to fulfil the conditions of the principle. Moreover, different housing standards make difference in the suffering of Roma residents. On the basis of equality principle, any exclusive attention to a particular type cannot be allowed while excluding other types of housing. Additionally, treatment to only particular type (for example, CFP considers only 81 ghettos to bid for project funding excluding other types of settlements) also threatens sustainability principle. The reason is that this lead to the fear of decaying sustainability by exporting the problems of the Roma from one housing standard to other places. Another important thing is being more specific about measuring indicators for proposals in the CFP. Additionally, it is important that the revising of CFP is the need to arrange a pre-screening of the proposals by the national Roma expert pool before the submission of the bid.

### *3.3. Capacity Building*

This section investigates how the horizontal objectives and related aims are operationalized within the context of the Capacity Building of Representative Organizations tender call within the SROP. This section gives a background of the tender call with regard to the overarching Development Plan, discusses relevant horizontal objectives, and then analyzes and assesses the tender call. Finally, recommendations are offered to strengthen the tender call in order to better achieve both the broader horizontal objectives and those aims molded more closely around the this specific tender call.

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57 Delépine, Samuel. May 2006. “Housing of Roma in Central and Eastern Europe: Facts and Proposals” [http://www.coe.int/t/dg3/romatravellers/archive/documentation/housing/HousingofRomaMay2006\\_en.asp](http://www.coe.int/t/dg3/romatravellers/archive/documentation/housing/HousingofRomaMay2006_en.asp)

### 3.3.1. Capacity Building and the NHDP

Under the NHDP, one of the core aims of the Social Renewal priority is the development of capacity building of social partners.<sup>58</sup> To achieve this aim, the NDA has produced a call for proposals to stimulate the capacity building of representative organizations. Under the SROP, capacity building is specifically recognized for its importance in improving the protection of disadvantaged people, a category inclusive of many Roma citizens, with specific attention given to the capacity building of representative organizations that deal with the protection of interests and rights.<sup>59</sup>

The SROP lists as its primary objective “the expansion of employment and the promotion of permanent growth,” which is to be achieved through the realization of supporting objectives, or priority axes, including the strengthening of social inclusion and participation, under which the development of human, community, and organizational capacity is specified.<sup>60</sup> In order to help achieve this objective, 300,000,000 HUF have been allocated under the SROP to fund projects in the field of capacity building of representative organizations. In addition, capacity building is called for in other priority axes, including in the fields of education and employment, thereby making this aim central to the success of SROP as a whole, thereby increasing the possible sum of funds to projects. While capacity building in these two aforementioned fields are discussed in the relevant sections within this document, the aim of capacity building of representative organizations is given specific focus within SROP.

The need for capacity building of representative organizations is paramount in large part because of Hungary’s history. With the economic and political change that occurred as Hungary moved away from the influence of the Soviet Union, many representative organizations lost the power and influence they had enjoyed during the preceding decades. The developmental cost of this

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<sup>58</sup> The Government of the Republic of Hungary (2007) “New Hungary Development Plan” p. 109

<sup>59</sup> p. 154

<sup>60</sup> The Government of the Republic of Hungary (2007) “Social Renewal Operational Programme 2007-2013” p. 2

decline was exacerbated by the concurrent decline in the support and upkeep of existing infrastructure, both physical and administrative, all of which caused a marked depreciation in the quality of services, especially so in the underdeveloped regions in which many Roma communities lie. Additional factors, such as continued economic and political change, a high unemployment rate, and the absence of a well-informed society in post-communist Hungary all contributed to the vulnerability of job seekers and the low support capacities of those representative organizations that did exist.<sup>61</sup>

### 3.3.2. Horizontal Objectives

The most important horizontal objectives relative to this tender call are those of sustainability and regional cohesion. With regard to sustainability, all projects under this tender call and others are expected to fulfill criteria related to environmental, economic, and social sustainability. With Hungary's membership in the EU, all projects should conform to existing EU environmental guidelines. Economic sustainability involves the adherence to guidelines that maintain the existing level and trajectory of economic development, while at the same time planning and considering future needs and development. Social sustainability is fulfilled through the continued adherence to social and humanitarian laws, the improvement of public safety, and the reduction of risks to people and society as a whole.

The SROP cites regional cohesion as an objective of paramount importance. Hungary suffers from a large disparity in the level of development between the central and western regions and those in the rural northern and eastern areas, with appreciable underdevelopment still plaguing many of the regions. In general, it is the aim of projects under the SROP, and the capacity building tender call specifically, to encourage the development of these less developed regions so as to bring them closer to the central regions in terms of capacity and development. Because it necessary not to achieve this balance by discouraging development in regions already deemed the most developed, tender calls should not discourage projects aimed at primarily developing

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<sup>61</sup> The Government of the Republic of Hungary (2007) "Social Renewal Operational Programme 2007-2013" p. 1

these regions. That said, there should be language included within the tender proposals that overtly encourages, if not favors, projects that focus on the underdeveloped regions.

#### 3.3.4. Current NDA Strategies and Assessment of the Tender Call

In assessing the value and merit of current NDA strategies with regard to capacity building of representative organizations, it is necessary to consider how this satisfies the aforementioned horizontal policies within the NHDP, namely that of cohesion. This horizontal policy directly focuses on the elimination of inequalities both in a regional and social respect. This is achieved in several ways: by reducing the development disparities between the Central Hungary Region (considered the most developed) and other areas of the country, particularly in the poorer, more sparsely populated hinterland regions that include many of the most disadvantaged populations; maintaining the level of development in the most developed regions and strengthening ties with other regions of Europe as a whole, thus contributing to cohesion between Hungary and neighboring states; and the improved cooperation and harmonization between regions, both within Hungary and its neighboring regions.<sup>62</sup> The central component of this horizontal policy is the establishment of equal opportunities and non-discrimination, the two main parts of which are gender equality and the establishment of equal opportunities for disadvantaged people (and thus the fight against discrimination).<sup>63</sup>

This provides the foundation upon which to construct an assessment of the NDA's Tender Call for the Capacity Building of Representative Organizations. The objectives of this tender call are to: improve the expertise of representative bodies operating in the field of employment; increase the effectiveness of their work by improving the institutional background; treat them as well prepared, equal partners during discussions and debates; and to make the economy more predictable.<sup>64</sup> It is clear from these objectives that projects under this tender are meant to

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<sup>62</sup> National Development Agency of Hungary (2007) "The New Hungary Development Plan" p. 69

<sup>63</sup> pp. 70-73

<sup>64</sup> National Development Agency of Hungary (2007) "Guidelines for the Tender Procedure Related to Capacity Building of Representative Organizations"

improve conditions for employment, and seek primarily to improve existing infrastructure or institutional support mechanisms rather than construct new ones.

One of the findings the ex-ante horizontal evaluation of operational programs (OPs) under the NHDP, produced by Tarki Social Research Institute in 2007, is that projects that promote and facilitate employment provide the best foundation for long-term economic growth.<sup>65</sup> Moreover, projects aimed at investing primarily in human capital, including those that seek to promote the adaptability and capacity building of the workforce, should in many cases be treated with greater importance than those focused on the development of infrastructure. Thus capacity building projects, dealing both with education and employment concerns, are centrally important to the development of short and long-term development, particularly in currently underdeveloped regions. In this way, the aim of this tender call is targeted toward to the improvement of a vital area of development, and by improving the capacity of existing organizations and working toward the establishment of equality between the relevant actors, this operation program does well to improve the existing infrastructure and capital, rather than investing in the generation of new works.

The aforementioned point regarding equality is affirmed by its inclusion as one of the main objectives of the tender call. Within its inclusion, the tender is strengthened in that it specifically calls for equality, and thus cohesion, between the actors. The final objective detailed calls for the creation of a more predictable economy. In doing so, it calls for the realization of an economy that is both more coordinated and more evenly developed, which fulfills one of the key aims of the program's horizontal cohesion objective. In these ways, this tender proposal is very strong in its pursuit to realize the objectives called for in NHDP initiatives. Given this, it then becomes necessary to carefully consider criteria that will best facilitate the selection of projects that, upon commencement or completion, realize these objectives.

There are a few specific criteria in this tender that appear to valuable in ensuring the selection of projects which uphold the two most well defined objectives of the tender: equality, and

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<sup>65</sup> TARKI Social Research Institute (2007) "Ex-ante horizontal evaluation of the operational programs under the New Hungary Development Plan"

enhancing the predictability of the economy. Considering the latter, one criteria calls for projects to be carried out in those “sectors of the country most affected by the crises.” Because Hungary does not wish to realize a greater balance in its economic production by way of bringing developed sectors down, new projects must clearly be aimed at improving underdeveloped sectors. This, in turn, creates for a stronger and more predictable economy. Likewise, strong criteria exist to help meet the objective of equality between the representative organizations and other actors. The criteria calling for cooperation both within and between sectors support an equal and more open environment, while at the same time harmonizing the cohesion between sectors and regions.

While the last two objectives of this tender are both clear in language and in their direction of support for broader NHDP objectives and social cohesion, the first two are muddled by ambiguity and the support of far more subjective selection criteria. The first objective calls for improving the “expertise” of the representative bodies, while the second describes the need for an increase in the “effectiveness” of their work through the improvement of the institutional background. Expertise is difficult to measure both in determining the fitness of original proposals (giving a starting baseline) and in the measurement of its improvement. If success of the projects is tantamount to an increase in expertise of the relevant representative organization, the objective is questionable to begin with. If this is not the case, measuring its increase in another, consistent way is difficult. The same problem exists for measuring increases in the effectiveness of the work produced by these agencies, as satisfaction with the results on a local or nation level can easily lead to the assumption of such an increase, or at the very least a weaker consideration for the importance of this objective.

Moreover, the criteria related to these two objectives are themselves slightly ambiguous. For example, judging whether or not an “effect on infrastructure is proved” could be easy, but the quality of this change has the potential to be subjective in nature. To avoid this potential subjectivity, a clear and transparent definition and understanding of what “infrastructure” entails is necessary. Otherwise, as stated, ambiguity and imprecision is readily invited. In addition, determine its overall worth, and thus what numerical grade to give it, is inherently subjective.

Another is simply stated as “Infrastructure integration,” which leaves a remarkably wide scope within which to measure the impact on sustainability, cohesion, or any of the other relevant considerations discussed within the primary development plan documents. By using criteria which are more targeted, and measure proposals based on objectives which are clearer in purpose, will help not only in the measurement of success of these projects, but in their ability to achieve the underlying objectives of the programme as a whole.

One final potential shortcomings of the capacity building tender call – and others that follow its form – is its reliance on a numerical scoring grade to determine the fitness and adoptability of a tender offer. While such a system is at least somewhat objective, the inclusion of some criteria is suspect. For instance, one part is titled “Evaluation of the project plan,” which is subdivided into three parts, including coherence, connection between the aims and the means, and detailed description of the project period/action/means, with each given a grade scale of from zero to three, three, and two points, respectively (for a total eight). As a bid need only accrue a total of sixty points out of one hundred, it is theoretically possible for a tender offer to receive no points in this sections (meaning, say, that the bid could potentially make no connection between the aims and means) and still muster the required points for considerations. It is alarming that these criteria are not mandatory – that is, their inclusion in the grading system, rather than being prerequisites, could be potentially harmful to the success of the overall program.

### 3.3.5. Recommendations – Capacity Building

The language and clarity of the first two objectives of this tender call should be tightened to allow for greater ease in measuring its achievement by individual projects, and, in turn, the criteria used to determine the fitness of proposals with regard to these objectives should also be clarified. In addition, criteria could be added which would bias the selection process to at least consider projects aimed still more towards the achievement of equal opportunity and anti-discrimination, and of gender equality. Providing a criterion that provides a numerical advantage (albeit small) to projects that seek to improve the capacity of representative organizations that

deal specifically with women or Roma would be one way to undertake this. Doing so would also help bring outer, underdeveloped regions more into the fold of the Hungarian economy, thus strengthening the overall output of the economy nationwide, while at the same time bringing the socioeconomic standards of underdeveloped regions more inline with the central regions of the country. Going forward, such an improvement of the environment in these outer regions may translate into more equality of opportunity for the workforce in these regions and an abatement of discriminatory practices throughout the economy and nationwide.

Considering that one of the horizontal objectives is regional cohesion, with the inherent goal of developing those less developed regions to bring them more in-line with the developed central regions, this tender call needs to do a better job of inviting and encouraging projects that aim to develop these rural regions. Many Roma communities are found outside of the capital region, and thus would benefit most from a selection process that favors projects directed toward these geographic areas. One suggestion is to include more direct language regarding this aim within the scored selection criteria, thereby lending more weight to projects which aim more for rural development than urban development, which, over the long-run, will help to bring currently under-developed regions more closely aligned to the central regions with regard to capacity and development.

To assist in future evaluations of the success or failure of NDA initiatives and programs under the NHDP, is to organize a ‘best practice’ analysis using previously completed projects. As initial projects (implemented from 2007 to present) are completed and evaluated, examining and understanding certain elements of those projects that were determined to be successes can help in identifying qualities that should be found in future projects, so that these new projects will incorporate certain policies or directions that have in the past proved successful. By culling successful projects, and by separating them from those deemed less successful, it will become more clear what common elements were found in the successful ones (and, perhaps, absent from those less successful ones), so that these ideas may then be considered and incorporated in future tender calls, thus ensuring that future projects may well include them as well.

### *3.4. Education*

This section investigates the operationalisation of the horizontal goal of social cohesion and the adequacy of the supporting mechanisms in use regarding competency based education and equal access to education of the Roma population in Hungary. The first part presents a general overview of the education situation of Roma in Hungary. The second part discusses relevant policies and implementing strategies of the NDA in relation to Roma education. The third part focuses on the operationalisation of policy objectives and the adequacy of the implementing mechanisms put in place to achieve these objectives.

#### **3.4.1. Roma Education in Hungary**

Although there are different mechanisms to protect minority groups in Hungary, the largest minority group in Hungary, the Roma, is still often a subject of discrimination in many areas. According to the OSI Monitoring Report from 2007 “Equal Access to Quality Education for Roma”, Roma pupils generally perform worse compared to non-Roma pupils at school despite efforts to reduce inequalities in the education sphere. Various studies that have been conducted on the access to education for Roma children have not been very reliable and helpful since they were conducted on the basis of inconsistent methodologies and criteria.<sup>66</sup>

Since 1993, the Government stopped to collect data based on ethnicity because of a national law on protecting citizens’ rights, and this has been a major obstacle to having a better estimation on the exact number of Roma people and more precise data on their socio-economic status and needs related to education. The OSI Report “Monitoring Education for Roma: a Statistical Baseline for Central, Eastern and South Eastern Europe” (2006) shows that Roma children start school later than non-Roma children in Hungary and have a higher dropout rate compared to the

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<sup>66</sup> OSI (2007). “Equal Access to Quality Education for Roma,” 16.

national Hungarian average.<sup>67</sup> The percentage of Roma children among school-aged children has been increasing in the past 15 years and according to estimates, it will continue to rise in the future as well. At the same time, the segregation of Roma children has been on the rise in the past 15 years.<sup>68</sup> This estimate is alarming to a potential huge demographic problem in Hungary with a growing number of uneducated or lowly-skilled workers who will be discriminated against and would not be able to fully participate in the economic and social life of Hungary.

According to the Roma Decade Action Plan, Roma children are much more underrepresented in kindergartens (42%) as opposed to 88%, the national average of children of three to five years of age.<sup>69</sup> Roma children have been overrepresented in schools for children with disabilities, partially because of inappropriate assessment procedures.<sup>70</sup> In the category of primary education, the drop-out rates and the rate of qualifications for the need of individual studies is way above the national average in Hungary.<sup>71</sup> The report notes further that in 2003, 82.5% of Roma people between 20 and 24 years of age completed primary school.<sup>72</sup> According to the national average, 54.5% of 18-year olds had received certificate of secondary education while among the Roma youth between 20 and 24 years of age this rate was only 5%.<sup>73</sup>

A major problem education for Roma children is the lack of pre-schools in small villages and underdeveloped micro-regions due to either the lack of adequate infrastructure (like schools and school facilities) or to lack of transportation to bring Roma children that live in segregated or distanced areas to schools in other areas. This results in overcrowding in certain areas where

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<sup>67</sup> OSI (2006). “Monitoring Education for Roma: a Statistical Baseline for Central, Eastern and South Eastern Europe.” OSI Education Support Program.

<sup>68</sup> OSI (2007). “Equal Access to Quality Education for Roma,” 16.

<sup>69</sup> [http://www.romadecade.org/files/downloads/Decade%20Documents/Hungarian%20NAP\\_en.pdf](http://www.romadecade.org/files/downloads/Decade%20Documents/Hungarian%20NAP_en.pdf)

<sup>70</sup> OSI (2007). “Equal Access to Quality Education for Roma,” 16.

<sup>71</sup> Roma Decade Action Plan,

[http://www.romadecade.org/files/downloads/Decade%20Documents/Hungarian%20NAP\\_en.pdf](http://www.romadecade.org/files/downloads/Decade%20Documents/Hungarian%20NAP_en.pdf)

<sup>72</sup> Ibid.

<sup>73</sup> Ibid.

there are pre-schools.<sup>74</sup> Evidence shows that not many non-Roma parents would send their children to schools where there is a high concentration of Roma children.<sup>75</sup>

A study by Kertesi and Kézdi (2005) looked at the relationship between the long-term unemployment of parents and the gap in education observed among many Roma children.<sup>76</sup> Kertesi and Kézdi (2005) concluded that „long-term poverty of parents substantially increases the likelihood of their children dropping out of school after the 8th grade,” and that children from families of low-skilled parents have lower chances for receiving good education<sup>77</sup> According to the research conducted, the dropout rate of Roma children after primary school is much higher than among other groups.<sup>78</sup>

Segregation is a major obstacle for Roma children, creating excessive inequalities in the access to quality education. Almost a third of Roma children are in classes with Roma majority, and a fifth of them are in classes with reduced academic requirements (in schools for children with disabilities) whose functioning is often impeded by the lack of adequate human and financial resources for ensuring proper quality education.<sup>79</sup> Data shows that the number of children “with special educational needs”(previously called children with disabilities) is increasing despite demographic estimates of a decreasing number of children between 5 and 14 years of age. This is often due to the mislabelling of Roma children as children with disabilities and their percentage in primary schools for children with special needs is disproportionately high, almost 90%.<sup>80</sup>

The problem with lack of quality education among Roma children is a major reason for the insufficiency in basic skills needed for participation in the labour market and for lifelong

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<sup>74</sup> OSI (2007).“Equal Access to Quality Education for Roma.”

<sup>75</sup> OSI (2007).“Equal Access to Quality Education for Roma.”

<sup>76</sup> Segregation in the Primary School System in Hungary: Causes and Consequences, Kertesi and Kezdi, *Közgazdasági Szemle*, Vol. 52, No. 4 and 5., 2005.

<sup>77</sup> Segregation in the Primary School System in Hungary: Causes and Consequences, Kertesi and Kezdi, *Közgazdasági Szemle*, Vol. 52, No. 4 and 5., 2005, p.28.

<sup>78</sup> Segregation in the Primary School System in Hungary: Causes and Consequences, Kertesi and Kezdi, *Közgazdasági Szemle*, Vol. 52, No. 4 and 5., 2005.

<sup>79</sup> “Country report on ESF measures enhancing the labour market and social inclusion of migrants and minorities.” May 2010. Center for Strategy and Evaluation Services.

<sup>80</sup> Equal Opportunity Funding Policy and desegregation: a model from Hungary, Ministry of Social Affairs and Labour, Budapest, 2007:3.

learning. As public education continues to be a divisive factor instead of an equalizing one, the differences coming from various socio-economic and family backgrounds continue to persist, leading to more reproduction of segregation and poverty instead of a reduction and social cohesion.

### 3.4.2. NHDP Objectives and Roma Education

According to the NHDP objectives and more specifically with the help of Priority 3 axis of the NHDP, the Social Renewal objective, ensuring equal access to quality education could become reality through the development of problem-solving skills, language skills, harmonization of the training and needs of society and the economy, the development of entrepreneurial skills.<sup>81</sup> Therefore it is important to support appropriate educational programs, develop better measurement and evaluation systems, and support professional training for teachers throughout the country and more targeted actions and programs with a focus on students coming from disadvantaged families.<sup>82</sup> The NHDP further underlines the importance of the simultaneous and combined application of central regulations and measures that can be applied at the local level and depending on the respective needs.<sup>83</sup> This refers specifically to the need to improve education opportunities for students suffering from multiple disadvantages, including Roma students, through the development of better development programs in the public education system and improving the infrastructure and conditions for implementing these programs and ensuring non-segregation and non-discrimination in the education sphere.<sup>84</sup>

“The aim is to always ensure the most complete attention paid to local needs and requirements in developing the programmes and projects needed for the implementation of operations supporting the improvement of the learning chances of disadvantaged social groups and the creation of the

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<sup>81</sup> NHDP: 110-111.

<sup>82</sup> NHDP: 110-111.

<sup>83</sup> NHDP: 124.

<sup>84</sup> NHDP: 124.

conditions for the accessibility of quality education.”<sup>85</sup> In the frame of the work of the NDA, these objectives would translate into action if the calls for tenders which will attract a variety of organizations are designed based on the experience of experts in the field, so that they target the right problems and that they tenders can result in the selection of more appropriate projects that meet better local needs and requirements.

As the NHDP notes, the implementation of the Priority 3 strategy concerning education happens within the framework of the SROP which is financed by the European Social Fund (ESF) and the ERDF in the Social Infrastructure OP with the interventions of the SROP and SIOP building upon each other and complementing each other. Coherence and consistency between the two is an important prerequisite for achieving a better outcome in the process of planning and implementation. The Managing Authorities have the task to enforce the realization of these requirements through elaborating implementation provisions and measures along with the regional OPs.

### 3.4.3. Horizontal Policies

#### Promoting equal opportunities

One of the horizontal objectives of the NHDP which is clearly reflected in the SROP as well is the goal of promoting equal opportunities. This principle goes beyond the provision of equal treatment and non-discrimination as it also consists of specifically targeted development projects that strive to eliminate the causes of unequal opportunities. To be realized in reality, this objective should be reflected and enforced equally in the processes of planning, implementing, evaluation, and follow-up of the OP and its priority axes, taking into account the idea of equal opportunities and enforcing it in practice according to Article 16 of Regulation 1083/2006/EC provisions. These provisions refer to gender mainstreaming and non-discrimination based on gender, race or ethnic origin, religion, conviction, disability, age, sexual orientation, access for persons with disabilities with the overall objective to enhance social, economic and regional cohesion (SROP 67).

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<sup>85</sup> NHDP: 124.

The indicators that are identified as guiding ones in this category are the following:

- Difference between working age (15-64 year) men's and women's employment rate
- Employment rate of working age (15-64 year) population with disabilities
- Employment rate of working age (15-64 year) Roma people

In comparative terms over the years, the numbers would indicate whether there is any relative strong change and what the trends are. However, these are very broad and vague and any increase or decrease in the percentage of employment rates might not necessarily indicate causality between a success of given programs and an improvement or deterioration of the real situation. More precise indicators should be taken into consideration further apart from the already outlined ones in this category, such as indicators giving more precise information on the economic situation at the given moment, the overall macroeconomic trends, the overall number of unemployed men/women, of people with disabilities or Roma people.

The gender equality aspect of this objective would mean taking into account how public policies and measures will affect gender equality and life of both men and women. SROP notes that action should be taken in order to reduce inequalities between men and women in all different fields of social life (employment, training, economic life, access to good and services etc). There is no adequate data collected about the real situation of Roma due to legal provisions and this has been a real obstacle for the creation of more appropriate measurements for providing a more realistic overview on the current situation of Roma people and on the progress made through the NHDP and the SROP.

The SROP calls for further efforts to ensure access to social services (health, education, labour market services etc.) for the Roma people and to remove segregation which is still strongly present in the education system through the usage of more targeted programs and combined policies and policy interventions to meet the needs of populations in disadvantaged situations to a fuller extent.

Another horizontal objective that has been promoted in the NHDP and that is addressed in the SROP is the social integration of the Roma people through equal opportunities principles

ensuring equal treatment and nondiscrimination through the help of harmonized target programs aiming at improving the conditions for the Roma population. The SROP further calls for a stronger implementation of the principle of equal opportunities through the State's activities through improving social integration, positive discrimination, social tolerance and simultaneous preservation of the cultural identity of different social groups.<sup>86</sup>

As the development programs that will be implemented through the SROP will have to go together in harmony with the Roma Integration Decade Program's objectives (2005-2015) Hungary has determined several priorities in its National Action Plan in addition to the already set up horizontal objectives' areas – enforcement of equal rights, increasing social opportunities for Roma women, adequate monitoring – that complement the SROProgram's objectives. The SROP notes that further efforts are needed to extend Roma access to public services, such as healthcare, education, social welfare), eliminate segregation in education and labour markets.

The priority axes of the SROP, to provide quality education and access for all, encourages and complements the RIDP tasks of “ensuring access to education of equal standards to Roma children in public schools,” and to promote public education among disadvantaged children.<sup>87</sup>

The SROP underscores the importance of collecting adequate data at regular time intervals in order to detect changes in the socio-economic conditions of sensitive groups in order to ensure efficient measures for the success of given programs affecting the target groups and the success of the policies for equal opportunities.<sup>88</sup> Further measures to ensure that equal opportunities principles are ensured should appear in the evaluation of the OP and its operation.

#### Sustainability

The second horizontal objective, sustainability of the environment and the social background development, means in practice that “in the process of planning, implementing, following up and

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<sup>86</sup> SROP, p.68.

<sup>87</sup> SROP 69

<sup>88</sup> SROP 70.

evaluating the operational program the principle of sustainability must be taken into account.”<sup>89</sup> Projects should take into account the existence of natural and human resources— including natural assets, territories, landscapes, biological diversity, human health, social cohesion, demographic features—and to the preservation and sustainable utilization of the built environment and cultural heritage. Sustainability can further be achieved through the creation of trainings, development programs that encourage learning and develop key competencies among citizens through education.

#### Promotion of regional cohesion

In line with the NHDP’s horizontal policy, the objective of regional cohesion and the horizontal principle of regionalism (“regional approach in determining the objectives and target groups and following up the results of development projects; integrated development projects implemented through harmonizing various kinds of instruments with regional focus”) are important in the context of the SROP as well.

The ratio of per capita income in the least developed regions and national per capita income, would serve as an indicator of measuring the success of achievements. The regional cohesion objective is expected to be implemented through 1) improving access to services for people in disadvantaged micro-regions, 2) improving the quality of labour, reducing labour market disadvantages, 3) developing labour quality and knowledge.<sup>90</sup>

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<sup>89</sup> SROP 71

<sup>90</sup> SROP 72

#### 3.4.4. Call for proposals: Guidelines for the Tender procedure related to competency based education and equal access in innovative institutions – Social Renewal Operational Programme

- Aims of calls

As the guidelines of the tender also stress, there is a large need to stimulate skills development and to prepare young graduates better for future job opportunities through strengthening the education system and focusing on important aspects of national education such as the integration of children with different background into the education system more successfully. The enhancement of skills can ensure that young people are successful in the job market and have the necessary skills. The tender focuses primarily on promoting competence based education and providing sufficient skills required in the job market, on modernizing teaching methods, providing adequate improvements in the competences of students, and improving the accessibility to education on the basis of the “equal opportunities” principle. Even though the Roma population is underrepresented in the area of access to education, literacy and development, the tender’s objectives of ensuring accessibility to all goes in line with the idea of ensuring proper education on the principle of non-discrimination for all Hungarian citizens regardless of ethnic origins. The aim of the tender to strengthen the connection of methodological improvements with the development of the infrastructure at the regional level would also help the improvement of education quality and of accessibility to more people. In terms of aims of the call for proposals, this call addresses important objectives of the SROP and goes in line with the basic principles of equal opportunities, equality and non-discrimination.

The objectives of the CP, which include the increase of competency based education methods in publicly owned education institutions, the introduction of projects based on unified curriculum, school equipments and programs, the elimination of segregation, the promotion of coeducation and integration, and the propagation of digital literacy, go in line with the SROP 3.3 on providing quality education and ensuring access for all.

The goal of this priority axis of the SROP is to contribute to improved education levels and increase the efficiency of the public education system as well as to ensure equal access to quality education for all people. The program targets the use of public education reform to improve the transfer of usable knowledge to everyone and improve people's skills and capabilities (SROP 130).

In addition, the SROP targets further in its agenda actions towards the improvement of student preparation in public education institutions for all age groups in line with the interests, capabilities and demands of target groups. This goes in line with the horizontal objectives of the NHDP that are also reflected in the SROP of equal opportunities and non-discrimination.

- Who can participate?

Eligible bidders in the calls include a wide range of public education institutions that can be represented through local governments or their associations, churches, organizations, or publicly financed education institutions in different fields with a more specialized focus (like nursery schools, secondary grammar schools, technical and vocational schools and as well as dormitories or education institutions for children with disabilities) with the aim to foster pedagogical innovation simultaneously in different fields without separation of types of activities. The CFP, although not explicitly targeting Roma children, has a very wide range of potential beneficiaries and in this sense it has the power to address Roma education problems if enough bidders actually receive money for activities from the CFP. As statistics have shown, Roma children are overrepresented in institutions for children with disabilities in Hungary. It can be expected that if the distribution of money from the CFP reaches to some of these institutions, progress can be expected in terms of education opportunities for Roma.

As already mentioned, the horizontal goal of social cohesion means equal opportunities and non-discrimination with gender equality and rights for the disabled people. The extensive range of potential beneficiaries from this call indicates that the CFP has tried to implement in its target audience's definition the principle of social cohesion to the extent that it does not discriminate against public educational institutions and can provide space for development of projects

targeting the disabled people. However, it does not mention anywhere the concepts of gender equality and non-discrimination. Thus, the eventual success of the CFP in terms of the social cohesion objective will depend on the type and number of projects selected for funding, which means there is a potential for indirect discrimination based on the final selection of bids for funding.

- Eligible activities

The tender call supports activities that are in line with the goals of the SROP to support the development of methods and tools for improving the skills' set and knowledge of the population. Understandably, non supported activities such as new assets, real estate, rent etc should be out of the scope for project funding as they are indicated in the CFP. The maintenance obligation is a really important aspect since it would ensure sustainability of the projects and their legacy throughout time even after the initial project phase has been finished. The CFP requires that 5 years after the end of the project, its achievements and products are still in use (such as education plans, curriculum etc.). Although this is an important prerequisite for ensuring and strengthening the sustainability and cohesion goals of the NHDP and the SROP, the questions as to how to ensure its enforcement and how to measure its quality and use need further elaboration and clarification in the CFP in order to ensure that beneficiaries actually have the capacity to implement it. Thus, this aspect needs to be given further attention in the CFP in the future. Besides, when there is further lack of resources within certain communities that want to implement a given project, the maintenance obligation might not be economically possible to safeguard and implement in practice for more time than the initial financial resources would allow, which could be considerably less than 5 years. This can be a big obstacle to the actual implementation of the safeguard requirement especially concerning projects for Roma organizations that might not have the adequate resources to ensure the maintenance obligation in practice for such a long time. Therefore, there should be some mechanism to cushion this problem, possibly through the set up of a temporary different requirement for certain

organizations, such as Roma ones, that might not have the immediate financial opportunity to follow the predefined maintenance requirement of 5 years.

- Selection criteria and decision-making procedures

The available funds for the tender in Central Hungary through the SROP are HUF 1.431.794.145, co-financed by the European Social Fund and the Republic of Hungary, which are intended to serve the purpose of promoting competence based education and providing sufficient skills for participation in the job market, the modernization of teaching methods, adequate improvements in the competences of students, and improvement of accessibility to education and the “equal opportunities” principles.

The criteria for selecting among the received proposals to participate in the call are objective, in line with the requirements of the SROP and consist of formal indicators that would require a yes/no response in order to distinguish the successful bidders from the non-successful ones. These formal requirements do not seem to present an obstacle to bidders when they submit their documents and should not raise any point of discrimination against a project if it fulfils the given reception criteria.

The criteria for eligibility are also predominantly formal requirements which should not present difficulties to any type of bidder if he/she follows them. A potential problem could arise in the case of the requirement for the budget of the project, stipulating that it should contain initial contribution (retention). The problem as regards to the Roma population specifically could be an indirect form of discrimination due to economic backwardness. As many Roma organizations/representatives might not have the initial resources to start a project or invest in the initial stages of it, then because of economic restraints they might not be able to participate in the tender procedures or to be able to prepare properly all the required documents for participation in the tender. One reason can be the fact that the preparation of the project documents might require the help of an expert, and thus initial payment before the actual project payment might not be affordable for some organizations. This would indirectly prevent them from participating in the

bid in the first place or might put them at a disadvantage compared to others in the process of application due to the quality of the presented project proposal for the tender.<sup>91</sup>

Another technical aspect of the selection criteria that might act as a deterrence mechanism instead could be the requirement for a detailed budget plan with a balance of assets and liabilities. Some organizations might not have the available financial means and knowledge and skills capacity to actually prepare a detailed budget plan that is required. The defects liability offsets partially such danger to the extent that if there are mistakes in the presented documents, they could be sent back and corrected and then included in the bidding procedure. However, with regard to the specific initial preparation, this might not be the case and they might be prevented from participating in the bid due to technical reasons.

- Indicators (outcome) vs. Roma decade indicators

The suggested monitoring indicators as given are too broad and general since there are no given numbers or minimum thresholds for achieving certain satisfactory levels for the projects. While it is important to monitor and indicate the number of children taught in programs, the number of teachers involved, etc., any comparison that will be made will be meaningful only in the context of other predicted minimum levels of participants involved or based on a estimate of the necessary number of persons involved in the given project so as to make a meaningful impact. The CFP does not provide such numbers and therefore this is not an effective monitoring mechanism to indicate whether the funded projects by the CFP made a significant positive difference or not.

While it can be assumed that if the number of disabled children involved in the program and taught at the place of delivery of services might indicate certain positive or negative trends depending on whether it is increasing or decreasing, it will not be clear what the reasons behind these changes would be due to: whether the success of the individual programs or as a result of a

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<sup>91</sup> Personal Interview with Adam Kullman. July 2010;

general improvement in the socio-economic conditions in a given area or due to an overall smaller number of children with disabilities etc.

The numbers of qualified vs. non-qualified teachers that teach study groups in given places would also be important indicators as to the quality of education provided. However, these would not be enough for measuring the success of given project plans in the process of their implementation since they do not necessarily mean that the min needed number of qualified teachers has been provided as there is no given benchmark or threshold. The concepts of “qualified” and “non-qualified” are not clearly defined in the CFP either.

As the Roma decade indicators hint, there might be further important characteristics that would need to be measured somehow or at least accounted for during the process of project implementation. The Decade has proposed as overall education indicators a set of numerical measures on the number of children attending segregated schools, number of children not attending kindergartens or falsely diagnosed as disabled, number of pupils that dropped out of school or formal education, or who attend higher education which are mostly focused on identifying directly a positive relationship between the amount of funds given and an increase in general education level of Roma children. Another set of indicators focuses more on the formal environment for providing education in terms of institutions’ availability and their involvement in special school programs as well as the number of pupils using these services and also the availability of scholarships for Roma students’ education and trainings adequate to the national curriculum. The legal framework is also very important in terms of numbers of discrimination cases against Roma people in education and the various legal remedies and proceedings. These indicators are broader in scope and again difficult to measure precisely although they try to give credit to different aspects of education and the overall environment in which the education of Roma children develops. However due to imprecise data gathering and the fact that education is so intertwined with other aspects of socio-economic and cultural development, it is difficult to measure the precise impact of given funding programs on the Roma population and the quality of education they receive.

An even greater problem in measuring of impact of programs through given indicators is the fact that due to the lack of precise information on Roma, it may be difficult on the first place to estimate how many Roma people benefitted from given programs and to measure exact outcomes since people might be unwilling to self-identify as Roma. The indicators as such are not so relevant for Roma, it seems, since they are not capable of measuring the exact impact of structural funds through programs on the Roma population directly. The overall impact might not always be visible in the short run because of other underlying conditions. Therefore it is important to have a consistent set of indicators that would measure the same categories over time in order to account for trends in the development of Roma access to education etc. through programs sponsored by the EU structural funds. Indicators as given seem to be quite limited in their capability to show real outputs from programs since they are so influenced by a number of other issues, and the indicators themselves are too broad and general. Their credit would mostly lie in the possibility to show some negative or positive trends over a certain period of time if designed adequately.

#### **3.4.5. Recommendations**

- While more can be done to promote skills development and lifelong learning among people through the projects that will be selected through the calls for proposals, one way to ensure a bigger impact on more important problems is to select proposals based on the recommendations and experience of experts in various fields relating to education. While this is addressed partially through the existing decision-making process, it can be strengthened further through taking into consideration the opinion and expertise of relevant actors in the field that have a more clear idea of the appropriate means to address problems with the education for Roma children.
- The NDA has already a procedure established to accept comments from social partners and NGOs not only during the preparation of the OPs, but also during the elaboration of the calls for proposals where potential stakeholders can send their opinions on the issues

at stake. This is a very good procedure overall, but it can end up being biased and representing only certain sides if not all potential stakeholders are contacted or know about the deliberation of future operational programs and tender calls. The NDA should ensure that it can collect and consider opinions from as representatives of the various regions of the country and experts in various fields in order to have a more objective and better representative picture of the situation, especially in regards to Roma education. This should be a vital part of the process of setting the NDA programs and call procedures, since due to the lack of adequate statistical data on the Roma population in Hungary, the only way to have a better overview is through a wide pool of opinions from different regions.

- The OSI has been helping Roma organizations to prepare proposals and to participate in the calls for proposals with more successfully written proposals. This is a sign that the current procedures and requirements for potential participants in these calls are still not accessible enough to the various social groups. The danger of self-selection bias due to the fact that the preparation of the specifically required documents for the calls might require the help of experts and might be unaffordable to some Roma organizations, might prevent many potential participants from launching successful proposals due to reasons of such nature. The NDA can make sure that the required documents are easily accessible under different forms (digital, print) and in various places at the same time, as well as providing some assistance for the potentially interested candidates who would want to submit proposals but might not be well-prepared to do so.
- In order to ensure some better measurement for the impact of various projects and the overall effect of the ESF on social renewal and education, it is important to have a consistent evaluation process for the programs that were already sponsored and implemented as a result of the selected calls for proposals. Surveys with participants before and after the activities implemented by the relevant organizations can be used a guide to evaluating the influence an activity has had upon a given group. Such qualitative surveys requiring written opinions on the activities they participated in through the

projects can be carried out by the organizations that implement a given project in order to measure the value added to the active participants in the projects. These can serve as indirect indicators as to how participants viewed the activities, to what extent their needs were met etc. Upon further more detailed evaluations of the NDA on a wider variety of projects already finished, more conclusions can be made as to the relative impact of the funds used on the population.

- The CFP needs to have more specific indicators that try to identify as close as possible a positive relationship between the funds invested in a given project and the development of skills and the educational value for the Roma population there. Having more precise data on the number of children attending or not attending schools, the types of schools etc in a given region before and after a project has been implemented might show positive or negative trends about development. This should go together with relevant indicators on economic development in a given region so as to isolate as much as possible the overall socio-economic effects from ones relating to the more specific impact of programs carried on.
- In either case, there should be a close connection between the SROP and the SIOP since educational progress made would depend on the ensuring physical infrastructure and accessibility to educational institutions for various social groups regardless of background and economic situation.

### *3.5. Innovative Employment for Roma*

This section investigates how the horizontal objectives and the supporting mechanisms are operationalized under the framework of the Innovative, Pilot Employment tender call within the Social Renewal Operational Programme. This section consists of a short description of the employment situation in Hungary, analysis of the appropriateness of the tender call with regard to the horizontal objectives under the Development Plan, followed by the assessment of the

tender call. In the end, section concludes with a set of recommendations designed to help NDA in achieving the horizontal objectives.

### 3.5.1. Employment Situation of Roma Community

The Hungarian labor market is characterized by a low employment rate, particularly in the case of the under skilled, the disadvantaged groups, women and the elderly<sup>92</sup>. The rate of employment is especially low among disadvantaged groups, such as the Roma minority, people with disabilities and low skilled workers. Moreover, the local and micro-regional regions indicate strong discrepancies in wealth and employment.

Following the economic shifts, from agriculture to services sector, the regional inequalities were increased, and the geographical mobility of the workforce sector declined. Consequently, the market demands new jobs and new skills that, in turn, affected the type of skills needed. That is why by helping workers to adapt to new jobs and create new type of jobs at both levels, local and regional, is essential.

Among the social groups which are suffering from severe poverty, the situation of Roma is the most obvious<sup>93</sup>. Even though there is a lack of data regarding the official number of the Roma population, still the visibility of their situation proves to the reality. The unemployment rate among Roma is notably larger than the majority. The factors that causes such a massive disadvantage to an equal access for Roma people to employment are: the low schooling level, lack of qualifications, the lack of ability to adapt to continuous change, homelessness, poor health condition, living in areas or settlements lagging behind, discrimination on the basis of

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<sup>92</sup> TARKI, Social Policy Review: Hungary, The World Bank project on Social Inclusion in the EU8, Budapest, June 2006, p.4

<http://siteresources.worldbank.org/INTECONEVAL/Resources/HungarySocialPolicyReview.pdf>

<sup>93</sup> EUREQUAL, Social Inequality and why it matters for the economic and democratic development of Europe and its citizens: Post-communist Central and Eastern Europe in comparative perspective, Deliverable 2 Desk research Hungary, p.13

<http://eurequal.politics.ox.ac.uk/papers/eurequal%20desk%20research%20hungary.pdf>

gender, ethnicity, disabilities or age, the attitudes of employers, which lead to significant disadvantages in the labour market and may hinder employment<sup>94</sup>.

### 3.5.2. NHDP objectives and innovative pilot employment project

With the financial support of the European Social Fund, the NHDP aims to support sustainable economic growth by increasing the employment rate and labor force participation as well by reducing the regional differences in employment, and improving the labor market conditions for the disadvantaged people. Additionally, by investing in education and training system it will help people adapt to the new skills of workforce demand.

These objectives were put into operation through the social renewal operational programme. Within this OP, NDA has produced a call for proposal aiming to fight against negative discrimination in the field of employment opportunities regarding innovative pilot projects within the EQUAL Community Initiative. This initiative has started operation in 2004, co-financed in the National Development Plan 2004-2006 by the European Social Fund and the rest by the central budget between 2004 and 2006.

EQUAL is a continuation of ADAPT and EMPLOYMENT programmes, launched by the EU and implemented in the member states during 1994-1999. As Hungary became member of EU in 2004, the EQUAL Community Initiative was implemented within the country between 2000 and 2006. This program strictly applies to actions in the labor market. The objective of the EQUAL program is to work out innovative approaches and methods that advance the elimination of labor market problems regarding discrimination and inequalities<sup>95</sup>. This initiative complies with the European Employment Strategy and the Community Strategies of fight against social exclusion<sup>96</sup>.

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<sup>94</sup> Ibid.

<sup>95</sup> The Government of the Republic of Hungary (2007) "New Hungary Development Plan", p. 48

<sup>96</sup> European ePractice Journal, eInclusion Fact sheet-Hungary-Strategy, <http://www.epractice.eu/en/document/78762>

### 3.5.3. Horizontal Objectives

#### Promoting Equal Opportunities

The fight against discrimination and inequality in the workforce is an overarching aim of the NHDP. Therefore, this tender call, through this innovation, will seek to fulfill this objective. Specifically, the projects within this tender call will implement “new practices, techniques... approaches [and] methods” in order to improve the employment situation, especially for disadvantaged and disenfranchised groups.<sup>97</sup> As it is understood that many of those people within these groups belong to the active age cohort and are unemployed, projects under this tender call should focus on three areas in order to achieve the aforementioned aim. The first of which is the facilitation of employment for the unemployed belonging to the active age cohort (and specifically those who receive state subsidies or receive community work jobs, which furthers the possibility they belong to disenfranchised or discriminated groups).

In consideration of the overarching aim of gender equality within the workforce, a second area in which projects focus, will be that of facilitating the return of women to the workforce, specifically after maternity leave and using the implementation of aforementioned innovative models.

Thirdly, in accordance with the horizontal objective of sustainability, projects will attempt to create models that are both sustainable within the social economy and beneficial to the development of the national economy as a whole.

These three areas are specified for important reasons. The active age cohort, which is the focus of the first area, continues to represent the most troubling and backward group in Hungary, considering that they are sufficient in number and, in many cases, lacking in capabilities, know-

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<sup>97</sup> National Development Agency. “Guidelines for the tender procedure related to innovative, pilot employment projects” p. 1

how, or opportunities. Others, however, are a part of this cohort but lack employment because of incapacitation, and they are specifically singled out for attention within this tender call. Indeed, one of the ways innovation can be best implemented is by facilitating the employment of people who were previously unemployed because the economy was not innovative enough to include them. Innovation is clearly necessary to suit the needs of people who are previously excluded by the existing educational, housing, and social opportunities within the country.

While Hungary has one of the longest maternity leaves within the OECD countries<sup>98</sup>, it is falling behind in its ability to accommodate women back into the workforce after this absence, and to provide them with the necessary initial support upon their return.

Therefore, in order to realize a greater level of gender equality (a broad aim of the NHDP and, more specifically, the SROP), this is a necessary part of the population to target with new projects of innovations. Therefore, projects under this tender call may seek to provide innovative methods of implementing opportunities that will facilitate the return of these women, such as nursery service, specialized training, and the improvement of the surrounding employment environment, making employers more tolerant and flexible with in when it comes to accepting and facilitating their return.

### Sustainability

Lastly, it is necessary that implemented projects presently create, or create for the future, a more stable economic environment. This can be achieved through the creation of new places to work, which provide lasting sources of income that is privately generated, and the promotion of an entrepreneurial attitude, which incentives people to become a part of the economy through the generation of small and medium private businesses. This will take the burden of employment off the government (as such exists in areas like community work), and create avenues for income and capital growth while growing the economy. Incorporating these principles will benefit the

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<sup>98</sup> National Development Agency of Hungary, “Guidelines for the tender procedure related to innovative, pilot employment projects”, p.2

development of a sustainable economy, which offers the best long term economic outlook for the country.

#### 3.5.4. Call for proposals: Guidelines for the Tender procedure related to Innovative, Pilot Employment Projects

- Assessment and Recommendations

One point of concern with this tender call, which is found in others within this evaluation, is the inclusion of questionable criteria to evaluate the quality of proposals in relation to the stated objectives. An example of this are those criterion listed under the “Aim of the project section,” which measure how well the project fulfills the aims of the overarching objectives of the tender call, and how well it coincides with the strategy of SROP as a whole. That projects seek to fulfill such objectives should be a given for accepted projects, but by incorporating this set of criteria into the scored evaluation suggests, at least in theory, that a project could receive no points in this respect but still garner enough to pass the minimum threshold for continued consideration.

Moreover, one of the criteria is the “relevance of the project in terms of employment.” Every project considered should be centrally relevant to employment, thus perhaps rendering a grading system (which is inherently subjective given the language used) unnecessary. By including it, projects receiving a low score could still outperform other projects that receive a full score in this regard, because of scores in other areas. Despite this, the two criteria following this are valuable in determining the extent to which a project can aid in the enhancement of employment, which should be the aim of all the criteria, rather than simply how relevant to employment it is. Indeed, measuring the relevance of the innovative methods of projects to employment, as well as the coherence with both local strategies and other projects, ensures that selected projects will be best able to cohere with the environment in which they are enacted.

One of the potential benefits of a numerical scoring system is to instill transparency into the selection process while at the same time removing some degree of subjectivity. This tender call, however, seems to invite subjectivity through the format of its selection criteria, in that many criteria are graded using non-standard or subjective language. For instance, some criteria can achieve points if the project's fulfillment of the criteria is "sufficient," "at some" point sufficient, "at some extent sufficient," "mostly" in achievement of the aim, etc. Although the point allocation for these categorizations is given definitively, the language itself provides ambiguity and subjectivity with regard to the project's fulfillment of the criteria. What, for instance, is used to determine the difference between a "sufficient" preliminary survey (full points), and an "at some extent" preliminary survey"? Sufficiency, it seems, is could easily be very much debatable. Under "Innovation," projects that offer completely new innovation are given full points, but then there are two middle grades: "mostly" and "at some extent". These are both unclear in terms of definition, and determining that a project is to some extent in achievement rather than mostly in achievement is suspicious in its objectivity. To improve the integrity of the tender call, and the value of accepted projects within it, such language must be clarified.

## **IV. Conclusion and Recommendations**

This evaluation has demonstrated that the National Development Agency has made significant progress in their aim to incorporate and uphold the overarching horizontal objectives throughout the individual tender calls and programs therein. The tender calls all demonstrate efforts to uphold these objectives, while at the same time targeting projects that will benefit more focused development goals. It is evident throughout the tender calls that a real commitment exists to allocate funds into projects that will truly benefit the country and develop those areas and regions most in need of development, and the specific aims within the individual tender calls creates a foundation that invites projects that will have lasting impacts on the country. It is also noteworthy that the NDA is attempting to target and develop not only geographic areas of the country that suffer from underdevelopment, but also specific groups of people, namely Hungarian Roma, who have experienced and continue to live in conditions and of disenfranchisement and inequality.

There are, however, a number of common areas where improvements may be made. One problem common throughout both the NHDP and the tender calls themselves was a lack in the conception and use of standardized terminology. Within the NHDP, terminology must conform to existing standardized definitions, in line with broader, international standards, not only to uphold the integrity of the report, but also to make it compatible and understandable to outside bodies and organizations (most specifically, the European Union). It is necessary to be careful not use language that can be ambiguous in its definition or usage, and which can lead to confusion or misinterpretation both within and outside of the National Development Agency. In the tender calls themselves, unclear language is found throughout the selection criteria. Words and phrases used within the graded criteria, such as “reasonable”, “justified”, “to some extent” are not objective criteria upon which to judge and score the viability of projects that will require the investment of millions of euros. In its extreme, such language can even veil favoritism within the selection process, not to mention that it makes it more difficult for applicants to

submit a viable and valuable proposal, while at the same time creating an environment that discourages full transparency to the process.

The benefit the NDA is doing to the Hungarian populations as a whole by working to target the development of specific, disenfranchised peoples (in this case, Roma) worthy of praise, though efforts in this regard could be improved upon. By targeting development in the outer, micro regions of the country, the NDA has no doubt created a platform upon which it can, over time, develop and enhance the situation of Hungarian Roma. That being said, the tender calls in particular could benefit from language and that most directly considers the Roma population. As stated within the body of this evaluation, certain areas, such as housing, requires the conception of differing situations and standards between Roma and non-Roma people. Even in the micro-regions, the living situation of many Roma is appreciably worse than non-Roma within the same geographic area, and this impacts their access in other ways, especially with regard to their access to employment and education opportunities. For these reasons, it would be beneficial for the NDA to not simply separate the countries and its population between rural, underdeveloped micro regions and the more developed central areas, but to take it a step further and consider the disparities that exist within these micro regions, thus allowing for a more targeted and effective plan to combat these disparities.

Lastly, there is an overarching need for more accurate data collection, although the authors of this report understand the legal and social hurdles that must be navigated to achieve this. While it will never be possible to accurately measure the size and conditions of the Hungarian Roma population, this evaluation suggests that any future development plans will be at once improved simply by a more thorough, accurate accrument of data. When gathering and measuring statistics along ethical lines, there is a degree of discomfort and uncertainty that is inherent in the process. Yet any future attempts to improve upon the collection and analysis methods of data on the Roma population will greatly augment the possibilities for success in future development plans.

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