VOLUME 2 NUMBER 2 JULY 2009 ISSN 1753-5069

URBAN RESEARCH & PRACTICE

Routledge
Taylor & Francis Group

EUROPEAN URBAN RESEARCH

UWE BRISTOL University of the West of England

Urban Research & Practice

Urban Research & Practice, published in association with EURA (European Urban Research Association) will focus on urban policy. The journal will include papers that:

- provide a systematic description of :
  - urban issues
  - urban developments
  - urban policies or
  - urban policy-making and policy implementation
- seek to explain variations in urban policies or urban governance cross-sectorally or cross-nationally or that seek to explain such variations over time
- analyse and/or evaluate the effects of urban policies or process of urban governance
- analyse European-wide factors that impact on urban areas, urban policies and urban governance

As well as traditional academic papers, the journal will include a policy section, a project report section and book reviews. The policy section will focus on new policies launched at the European, national and regional levels that of relevance to a wider audience. The project report section will focus on innovative projects being carried out at local level (in cities or regions).

One of the key aims of the journal will be to seek to bridge the intellectual and geographical 'divides' that currently exist in the field of urban affairs - specifically the North/South divide and the East/West divide and also the divides between distinct academic disciplines.

Urban Research & Practice is a refereed journal. Articles submitted to ***Urban Research & Practice*** should be original contributions and should not be under consideration for any other publication at the same time. If another version of the article is under consideration by another publication, or has been, or will be published elsewhere, authors should clearly indicate this at the time of submission.

URBAN RESEARCH & PRACTICE
Volume 2 Number 2 July 2009

CONTENTS

SUBSCRIPTION INFORMATION

Urban Research & Practice is a peer-reviewed journal published in March, July and November by Taylor & Francis, 4 Park Square, Milton Park, Abingdon, Oxon, OX14 4RN, UK.

Annual subscription rates 2009
Volume 2, 3 issues, ISSN 1753-5069
Institutional Subscription Rate (print and online): €254 £163 $320
Institutional Subscription Rate (online-only): €241 £155 $304 (+ VAT where applicable)
Personal Rate (print only): €66 £42 $83

Subscriptions purchased at the personal rate are strictly for personal, non-commercial use only. The reselling of personal subscriptions is prohibited. Personal subscriptions must be purchased with a personal cheque or credit card. Proof of personal status may be requested.

Dollar rates apply to subscribers outside Europe. Euro rates apply to all subscribers in Europe except the UK and the Republic of Ireland where the pound sterling price applies. If you are unsure which rate applies to you please contact Customer Services in the UK. All subscriptions are payable in advance and all rates include postage. Journals are sent by air to the USA, Canada, Mexico, India, Japan and Australasia. Subscriptions are entered on an annual basis, i.e. January to December. Payment may be made by sterling cheque, dollar cheque, euro cheque, international money order, National Giro or credit cards (Amex, Visa and Mastercard).

All current institutional subscriptions include online access for any number of concurrent users across a local area network to the currently available backfile and articles posted online ahead of publication.

Ordering Information: Please contact your local Customer Service Department to take out a subscription to the Journal: **India:** Universal Subscription Agency Pvt. Ltd, 101–102 Community Centre, Malviya Nagar Extn, Post Bag No. 8, Saket, New Delhi 110017. **Japan:** Kinokuniya Company Ltd, Journal Department, PO Box 55, Chitose, Tokyo 156. **USA, Canada and Mexico:** Taylor & Francis, 325 Chestnut Street, 8th Floor, Philadelphia, PA 19106, USA. Tel: +1 800 354 1420 or +1 215 625 8900; fax: +1 215 625 8914, email: customerservice@taylorandfrancis.com. **UK and all other territories:** T&F Customer Services, Informa Plc., Sheepen Place, Colchester, Essex, CO3 3LP, UK. Tel: +44 (0)20 7017 5544; fax: +44 (0)20 7017 5198, email: tf.enquiries@tfinforma.com.

Back Issues: Taylor & Francis retains a three year back issue stock of journals. Older volumes are held by our official stockists to whom all orders and enquiries should be addressed: Periodicals Service Company, 11 Main Street, Germantown, NY 12526, USA. Tel: +1 518 537 4700; fax: +1 518 537 5899; email: psc@periodicals.com.

For more information on Taylor & Francis' journal publishing program, please visit our website: www.tandf.co.uk/journals.

Urban Research & Practice
Vol. 2, No. 2, July 2009, 206–217

Routledge
Taylor & Francis Group

POLICY ARTICLE

How to tackle extreme deprivation and socio-spatial segregation? Policy efforts and their results in Hungary

Éva Gerőházi, Eszter Somogyi and Iván Tosics*

Városkutatás Kft (Metropolitan Research Institute), Budapest, Hungary

Twenty years after the collapse of socialism it is justified to make a stock about the results of the new political and economic system. This paper deals only with a small—but important—aspect: the situation of the most deprived social groups and most segregated areas. How did the magnitude of these groups and areas change? Did their absolute and relative position improve or just the opposite? What effect had the market processes, the national and local level public policies and are there any changes due to the EU accession? The paper starts with a short overview about the last two decades. A short theoretical chapter deals with the interpretation of deprivation and segregation, showing the specialities of the post-socialist countries. This is followed by a short overview of western policies and debates. The main focus is on the analysis of Hungarian policy efforts and their real results. Finally, the impact of the Structural Funds is analysed with some suggestions for changes that potentially could lead to more effective policies.

1. The twenty years since the collapse of socialism

The transition from socialism to capitalism resulted in the free market system being established in East-Central European countries, along with a fervent belief in the power of the market to resolve society's problems. Despite this, the situation facing the most deprived social groups could be addressed only through public intervention in the market. However, as a result of privatization of the housing stock and empowerment of the local level (giving considerable autonomy to a fragmented local government system[1]), the public sector became very weak. Under such circumstances, the problems of the poor were never the focus of politics, as the challenges raised by deprivation and spatial segregation are large and difficult; to tackle them would need immediate, large-scale and coordinated public action, while the political rewards are uncertain and only long-term. As a consequence, in the transition period social problems and their spatial expression, segregation, has increased in the post-socialist countries.

In the last decade or so, Hungary was one of those countries where the government made some policy attempts to address the problems of the poorest segments of society. As the responsibility for urban renewal was transferred to the local level some time ago, central government initiated horizontal policies, first and foremost in the educational field, aiming to achieve equal opportunities, mainly for the Roma population. Also an area-based experiment was initiated that sought to address the issue of the concentration of the

*Corresponding author. Email: tosics@mri.hu

ISSN 1753-5069 print/ISSN 1753-5077 online

DOI: 10.1080/17535060902992025
http://www.informaworld.com

Roma population in certain run-down areas; this programme aimed to eliminate some rural ghettoes, and relocate Roma families into more integrated neighbourhoods.

Following the accession of Hungary to the EU in 2004, it was one of the countries at the forefront of the fight for a 'housing element' in the Structural Funds. Subsequently, in 2007, Hungary introduced a compulsory 'desegregation criteria' for access to EU funds for rehabilitation. All municipalities who want to get funds for any kind of rehabilitation – as well as for market-based programmes, which are dominant – have to attach to their proposal an 'anti-segregation plan' concerning the whole city. A pool of independent experts has been created and trained, and each plan has to be approved by an anti-segregation expert.

Hungary is relatively active among the new member states in setting up policies against extreme deprivation and its spatial consequence – ghettoes. It is well known, however, that the introduction of new policies is not enough; intentions have to be materialized (put into practice), and the input (political goodwill) has to be confronted with the output (the real results achieved). In this regard, the Hungarian efforts have so far led to poor results: although several political declarations were made, few real actions have been realized to date.

2. Deprivation, spatial segregation and the East-Central European specialities

Due to income- or ethnicity-based disadvantages, certain social groups may be discriminated against in the educational system, housing and labour markets, or in the use of public services. This discrimination might also take sectoral and spatial forms. In a sectoral sense, the issue of 'equal opportunity' emerges: any person should have equal access to both public and private services. Some disadvantaged groups – such as those with disabilities, the poor, unemployed people, homeless people or ethnic minorities – might be partially or fully excluded from these services. When disadvantaged social groups live in close territorial proximity to one another, existing social differences also take on a spatial form.[2] Spatial segregation reinforces already existing inequalities with regard to income, access to infrastructure and public and private services, initiating a process that accelerates the growth of inequalities. With higher-status households moving out, the proportion of disadvantaged groups in an area automatically increases, thus further strengthening spatial segregation.

Social disadvantages take different forms in segregated areas compared with integrated ones. Spatial segregation creates further inequalities, added to those created by a disadvantaged status.

In segregated neighbourhoods, the housing stock is usually badly maintained and overcrowded. Apartments are often situated in areas with health risks – in close proximity to waste dumps or landfills, mines (both actively used and not), or industrial areas. Often these areas are far from the main parts of settlements, and transport services are limited.

Spatial segregation leads in most cases to institutional segregation, too: firstly, with regard to the education system. In segregated classes and schools, children receive a lower-quality education than available elsewhere in the locality: school buildings in the segregated areas are usually in worse condition, visual aids and other equipment are scarce, and the percentage of classes held by teachers with proper qualifications is lower. Furthermore, students attending the segregated schools may not receive adequate forms of socialization that would allow them to adjust to the expectations of the rest of the society.

As a consequence, segregated areas reproduce disadvantaged groups in growing numbers. Disadvantaged groups living together in the same neighbourhood are likely to create

a subculture with its own set of norms, which in turn will make it increasingly difficult for these disadvantaged groups to integrate back into the mainstream society.

Apart from these general characteristics, the problems of extreme deprivation and spatial segregation show remarkable differences across Europe. While in Western Europe the problems of deprivation and segregation are intertwined with the problem of migration (deprived social groups and segregated areas are usually populated by migrant families that are hard to integrate), in East-Central Europe territorial segregation mostly concerns the Roma population. While the share of foreign migrants is low in most of the East-Central European countries, the share of the Roma population in countries like Hungary, Slovakia, Romania, and Bulgaria may reach 6–10% of the total population, a significantly higher proportion than in Western European countries.

Furthermore, there are large differences in the segregation patterns. In Western Europe, segregated areas are mostly situated in large cities, often expanding over huge areas that are in many cases well equipped with infrastructure and amenities. Contrary to this, in East-Central Europe the problem of segregation is prevalent not only in large, but also in middle-sized and smaller, cities; and also in villages.[3] Another important difference is that in the case of post-socialist countries, basic amenities and infrastructure are often lacking in the most segregated areas.

Consequently, in East-Central Europe desegregation is not only a dimension of urban policy and urban development, but also a critical parameter in rural development and the development of disadvantaged regions. Furthermore, the problem has a strong ethnic character.

As noted above, in the countries of East-Central Europe segregation applies not only to certain neighbourhoods in larger settlements, but also to whole settlements and even to micro-regions. In Hungary, for example, there are areas (especially in the north-eastern and south-western border regions), where entire settlements are populated solely by Roma people. These settlements are characterized by extremely high levels of unemployment and precarious housing conditions (unhealthy and poor-quality housing stock). In these areas, the primary problems are the lack of job opportunities and the scarcity of public transport, which make integration into society and the labour market almost impossible.

Although precise comparative studies are lacking, there is a common belief that the level of segregation is growing in East-Central Europe. The number of people living in segregated areas is growing, caused by the higher fertility rate of the people residing in these areas and by the steady influx of people who are 'pushed out' (either under pressure or through choice) from villages and cities. Furthermore, the gap is growing between the disadvantaged areas (settlements and neighbourhoods) and the prosperous areas. Parallel to the increase in segregation and racial discrimination, political conflicts are also intensifying. In recent years, increasing tensions have led to riots motivated by hunger (Slovakia), growing racial sentiments against the Roma population (Hungary), and right-wing militant groups showing off their strength by parading in settlements populated by the Roma (Hungary and the Czech Republic). The media is already talking about a 'ticking racial bomb' in these countries.

3. Changing policies towards deprived and segregated areas in Western Europe

The fight against spatial segregation has a long history in Western countries. At the risk of over-simplification, the following periods can be distinguished.

In the 1980s, increasing finance was invested in the physical renewal of segregated areas. The results of such interventions were, however, very limited: the renovated neighbourhoods soon started to deteriorate again, or, if this did not happen and the area improved, the original poor residents had to leave, being unable to pay increased prices/rents.

By the 1990s, it became clear that area-based interventions had to be integrated to achieve lasting success. The new approach, aimed at coordinating physical with economic and social interventions, led to integrated area-based urban renewal. In this sense, integration means coordination between functions (housing, employment, social welfare, etc.) and also between sectors (public, private, voluntary).

In the last decade or so, the idea of 'social mix' has been raised. The original version of this idea aimed to create a better mix of housing categories in poor neighbourhoods, with the hope that a supply of new good quality housing would attract new affluent households, leading to a 'better' social mix of local residents. Evaluation of such policies (such as the Dutch Big City Policy), however, showed problems: '. . . the idea of attracting the better-off to settle in disadvantaged neighbourhoods appeared not to work' (Musterd and Ostendorf 2008, p. 83). In a later version of this policy, the aim has been modified:

> [S]ocial mix can at least offer the opportunity for successful households to stay in the neighbourhood. This means that they will not have to run up the downward escalator and leave the neighbourhood. (Vranken *et al.* 2003, p. 61)

An example of the social mix strategy can be seen in the case of the Dutch urban renewal programmes, in which a proportion of cheap dwellings are demolished and replaced by more comfortable dwellings offered to successful local households – that is, not only for families from outside the neighbourhood. The success of area-based projects, however, depends also on the ability 'to provide decent jobs within the neighbourhood (or within distance that is easy to bridge)' (Vranken *et al.* 2003, p. 62).

Very recent examples of social mix policies show new challenges emerging. This strategy can easily become too 'fashionable', applied without careful analysis of local circumstances and/or failing to consider important aspects. In many cases, large-scale demolition programmes are launched in lower-status neighbourhoods with reference to social mix policies, but with little or no regard to the external effects or other social consequences. In the case of Paris, for example, large-scale demolition in the banlieus (large prefabricated housing estates in the outer parts of the city) have been heavily criticized by social analysts, referring to the fact that in the same areas there is a significant shortage of social housing. A similar critique has been developed of the four largest Dutch cities, which effect urban regeneration through the demolition of some of the worst housing stock that provided low-cost public housing, making way for the creation of high-value new owner-occupied housing to encourage the return of middle- and higher-income residents. Critical analysts argue that by seeking to attract higher-income residents, the real aim of these cities is to increase their tax base, which at the same time leads to unacceptable social consequences (displacement of the poor).

In addition to changing policies and the debates over what to do in segregated areas, there have recently been major debates about the area-based approach itself. The question is: To what extent can and should the problems of deprived social groups be addressed by interventions that focus exclusively on the most segregated areas?

From the end of the 1990s, an increasing number of analyses of area-based integrated urban regeneration projects have concluded with criticism. These critics point out that any improvements are restricted, in a spatial sense, leading at the same time to huge external effects, as a result of pushing out the most 'problematic' residents from improved neighbourhoods. In many cases, not even the most deprived areas are selected for integrated regeneration. These limited and targeted interventions can be viewed as the easiest, and cheapest, way to placate society's liberal conscience: it is easy to say that the public has

done its best by spending some money in the worst areas, and if things do not improve in the chosen areas it is the fault of the people who live there.

Research has shown that even successful area-based initiatives can have some perverse effects: real results may be achieved in one small area (by concentrating available resources on that area), but the rest of the city might suffer from the attendant lack of attention and money. Achieving 'easy' results in small neighbourhoods is often aimed at meeting political goals (especially in election periods) rather than bringing about lasting improvement in the larger urban area.

There are also additional arguments regarding the potential of area-based policies from a wider societal perspective. Such 'approaches simply displace problems between different neighbourhoods and do not add to the overall economic and social well-being of the city as a whole – they are the equivalent of rearranging the desk chairs of the Titanic'. This is even truer when 'the causes of the problems and the potential solutions . . . lie outside the excluded areas' (Vranken *et al.* 2003, p. 62). Another example of this argument can be stated as follows: 'Social cohesion is put forward as the "problem" of poor neighbourhoods, forgetting that it concerns the whole of the society' (Kesteloot and Cassiers 2008, p. 57).

> The possibilities for changing the spatial conditions of inequality are [. . .] few and difficult. [. . .] There is a danger to focus on the neighbourhood scale and forget about other geographical scales, leaving solutions at a higher level, such as making the poor richer or giving equal rights to immigrants, aside. This means that the interest in spatial policies as a solution to the problem of disadvantaged urban neighbourhoods is likely to offer only partial solutions, and may be even counter-productive to the extent that they distract from the more fundamental processes leading to serious disadvantage at the household level. (Kesteloot and Cassiers 2008, p. 59)

In addition to questioning the efficiency of area-based interventions, some authors raise doubts about their rationale. Musterd and Ostendorf (2008, p. 87) point out that the usual argument for area-based interventions is based on the belief that 'neighbourhoods in decline are highly segregated neighbourhoods, that segregation is increasing, and that this segregation is producing its own negative effects'. The authors show that research does not underpin these assumptions: in Dutch cities, segregation levels are moderate and are not increasing. Higher-income groups are more segregated than those with lower incomes. Even in the poorest neighbourhoods, the share of middle-income families exceeds the share of the poor households; thus, 'the poor are not cut off from society, even in the poorest neighbourhoods' (Musterd and Ostendorf 2008, p. 87).

Although the Dutch situation has its own specificities (such as the long history of area-based efforts to combat social exclusion problems), it is not unique when compared with other European countries. It seems to be a common European practice for political discourses to be separated from empirical research and facts. Research in many countries has proved that poverty is not confined to poor neighbourhoods; it is not a surprise, for example, that in Sweden 'only five per cent of the poor were reached via area-based policies' (Andersson and Musterd 2005, p. 387). As Musterd and Ostendorf put it (2008, p. 90), 'area-based interventions may result in missing the social targets to a great extent'.

There were a number of EU-financed research projects (such as 'Between integration and exclusion: a comparative study in local dynamics of precarity and resistance to exclusion in urban context' (BETWIXT) and 'The spatial dimensions of urban social exclusion and integration: a European comparison' (URBEX)) which also reached the conclusion

that neighbourhood-level interventions are not enough to fight poverty (Cameron and Gilroy 2008, p. 23).

On the other hand, the supporters of area-based interventions argue (Vranken *et al.* 2003, p. 61) that although general anti-poverty programmes are essential, direct interventions into the most deprived neighbourhoods are of fundamental importance. Such interventions are needed to correct market failures (i.e. that capital avoids problematic neighbourhoods) and to empower the residents, improving their access to mainstream job opportunities and other institutions of society.

Having had considerably less experience with area-based interventions so far, similar debates in East-Central European countries are less sharp and less theoretical. Discussions emerge mostly in cases when the idea is raised of partial or total demolition of segregated neighbourhoods and the relocation of disadvantaged families to an integrated residential environment. The 'critical voices' in such cases come from social workers, pointing out the possible drawbacks of desegregation measures:

- There are strong informal links between families in segregated neighbourhoods. These links help them to survive in cases of financial difficulties, and to get information and work. On the other hand, these links may tie them to illegal activities and to usury. In any case, breaking and/or sustaining these links by relocation must be a topic of serious consideration.
- It is not enough to carry out housing desegregation by relocating families. People in the new environment may get into the same disadvantaged social conditions (e.g. labour, educational position) unless relocation is followed by serious social work to resolve special social problems.
- In case of moving to an integrated residential environment, there may be substantial prejudices and aversions, both on the part of those who move and from the residents already living there. The behaviour of families formerly living in segregated settlements may be substantially different from that of their new neighbours. Special adjustment programmes must be carried out in parallel with relocation, to avoid conflicts.
- Cautious planning should be made by calculating the appropriate number and composition of families to be relocated into the same neighbourhood, to avoid the creation of new ghettoes in other places.

4. National-level efforts to mitigate spatial segregation in Hungary

In East-Central Europe, in legislative terms the topic of discrimination is regarded primarily as a horizontal question: that of equal opportunities. Regulation of equal opportunities involves people with any physical, mental or social disability, but in some senses it may also affect women and the elderly. Special types of discrimination – such as spatial and educational segregation – mainly affect the Roma population.

Hungary has about 570–650,000 Roma inhabitants within its 10-million population.[4] In 1971, 65% of this population lived in highly segregated neighbourhoods (Pörös 2009, p. 10). Starting in the 1960s, the socialist regime introduced a strong policy to destroy segregated Roma estates. As a consequence, by 1993 this share decreased to 14%. Despite this change, the Roma population is clearly in the worst position among all subgroups of society. Only one-fifth of them have stable incomes, while two-thirds belong to the lowest income decile. Their employment situation is dramatic: according to recent research among active-age Roma people living in a household with a child or children, only about

22% (female) and 35% (male) had any kind of regular job in 2007. For the same age group of non-Roma population, the rates were 70% and 80%, respectively. The activity rate is even worse: only 17% and 25% if we consider the Roma population having a primary school degree. The extremely low activity rate of the Roma population in Hungary is connected not only to discrimination and a low level of education, but also to the fact that proportionally more Roma live in disadvantaged regions in Hungary than in prosperous regions (Kertesi and Kézdi 2009).

Because of their precarious situation, anti-discrimination and anti-segregation policies always pay special attention to the Roma. In the following section, we give a short summary of the policy efforts to tackle school segregation and residential spatial segregation – two phenomena that are connected.

4.1 Anti-discrimination efforts aimed at educational segregation

According to estimates, in around 178 schools (in 3000 classes) in Hungary the Roma students are in the majority (data from Havas and Liskó 2005). The first substantial anti-discrimination efforts in Hungary were introduced to the educational system by the 2005 modification of the Law on Public Education. The new paragraph claims that where the rate of seriously disadvantaged children[5] in a school is over 25% more than in any other schools in the same settlement, then the school districts must be redefined in order to achieve a better mixture of children from different backgrounds. However, the possibility that parents may freely choose a school for their children reduces the effect of the administrative prescription of compulsory 'smoothing' of the school districts, as parents simply take their children out of schools that are indirectly or directly becoming segregated.

Furthermore, this policy would not work in school districts in the totally segregated settlements, where only the underprivileged Roma population lives. In such cases the school mix idea should be applied on a higher level, distributing children among schools operating in the same micro-region. Unfortunately, no such obligation currently exists.

As mentioned earlier, in Hungary parents have the right to choose which school their children will attend. On the other hand, each school is obliged to take children from its school district. This obligation was modified in 2007 by a new paragraph relating to children applying from outside the school district: first, seriously disadvantaged children have to be taken, while the remaining places have to be filled by lottery. This is an attempt to make it more difficult for elite groups to monopolize the best schools for their kids. The effect of the regulations can be seen in practice. Parents who want to get their kids into 'better' schools are able to circumvent the regulation by obtaining an address that corresponds to the district of such schools. The regulation at least ensures that disadvantaged children cannot be pushed out from a better school if they live nearby (in its school district).

Currently, no school receives any financial support from the Regional Operational Programme (part of the European Regional Development Fund (ERDF) EU-financed fund) for any investment unless the city prepares a 'Plan on Equal Opportunities in Public Education'. This document is a strategic plan for the whole city that examines the potential problems of the educational system from an equal opportunities point of view (e.g. the concentration of seriously disadvantaged students, the rate of students that fail, the number of specially trained teachers in different schools).

An important development towards more integrated education is the activity of the Chance for Children Foundation, which has initiated several legal proceedings against local governments that maintain segregated schools.

The enforcement of the anti-discrimination regulations has generated numerous conflicts, as there has been a strong reluctance to eliminate segregated education – both on the part of local governments, who are responsible for the elementary education, and on the part of society more generally. Nevertheless, some cities have successfully restructured their elementary school system and thus abolished segregated schools. With adequate communication strategies, they could also make integrated education acceptable to their residents without creating significant political conflicts.

4.2 Anti-discrimination efforts regarding residential segregation

The scale of the residential segregation problem in Hungary can be illustrated by sporadic information available from different surveys. According to Pörös (2008) there are about 600 highly segregated neighbourhoods in Hungary, while the Hungarian National Public Health and Medical Official Service identified about 770 segregated neighbourhoods all around the country where mostly Roma households live. There are about 500 settlements in the country mentioned where Roma exclusively live (the figures are partly overlapping).

There are programmes at the national level that are aimed at preventing or reducing residential spatial segregation. These programmes, however, are not very elaborate and lack adequate financial resources; they could best be described as experimental programmes.

The programme for the 'social and housing integration of those living in segregated neighbourhoods' has operated since 2005, under the auspices of the Ministry of Social Affairs and Labour together with the National Employment Foundation. This was the first attempt in the post-socialist period to disperse exclusively Roma settlements. Initially the programme subsidized interventions in small settlements, below 2000 inhabitants, while in 2007 the programme was been extended to all settlements below 15,000 people. However, because of the limited amount of central funds dedicated to this purpose, only smaller-scale programmes could be implemented. Altogether, around €11 million was spent on the programme between 2005 and 2008, which equates to an average of €355,000 per settlement. So far 31 settlements have taken part in the programme, mostly below 2000 inhabitants (only five settlements have a population of 2–4000 people, and one has 12,000 inhabitants). At the beginning, only local governments could apply for grants; but from 2007, NGOs could also apply.

Interventions include the mitigation of the effects of segregation, moving inhabitants into integrated areas of the settlements, renewing the housing stock (in connection with the previous objective), and enhancing social integration with the help of vocational and employment programmes and the support of NGOs. Demolitions were carried out mainly in those segregated neighbourhoods that were detached from the main part of the settlement. In such cases, the families were moved to the inner parts of the same settlements. If the settlement itself was segregated or the number of families in the segregated area was too high in relation to available resources, rehabilitation of housing and improvement of amenities and infrastructure was carried out. Of course, in each individual case a mix of measures was used, and even in those areas that were not subject to demolition the decrease of concentration of the low-status families was a priority. It was also an important goal that the concerned families actively participated in the programme, so some of those who participated in the employment and training programmes also worked in the renewal or construction of housing and infrastructure.[6]

This integration programme is very important insofar as it promotes and tries to make politically acceptable an integrated approach to the problem of segregation. However, the programme has significant limits that question the sustainability of the results in the long

run. One of these limits relates to the location of the included settlements: in the small villages and in the most disadvantaged regions, the possibilities of labour-market integration is seriously constrained by the lack of employment opportunities. Addressing this would require interventions not only within the settlement itself, but also at the regional level. The other serious barrier is that in fully or almost fully segregated villages, there is practically no possibility of real integration; only the housing and environmental conditions can be improved. In such cases the integrated solution would necessitate moving people from the problematic settlement to non-segregated settlements. This would again require regional cooperation, which has no political reality in the fragmented local government system with its weak county and regional levels. Furthermore, the prevention of further segregation of the relevant neighbourhoods and settlements would require the 'normal' settlements to have social policies that retain their disadvantaged families.

Experiences have shown that social work and community development are very important elements of the programme, and these activities have to be maintained over the longer term to ensure real, long-lasting integration of disadvantaged families. However, the programmes last for only one year, following which no financial resources are usually available for the 'soft' activities – at least, not in the framework of the programme. The settlements generally have no resources of their own to finance these extra social services, or have to apply for grants (funded by the European Union). This means that after the programme is finished, there are no real opportunities to provide follow-up activities to support disadvantaged families.

The most recent policy effort to address the problems of discrimination and segregation, introduced in Hungary for the EU budgetary period of 2007–2013, is the Integrated Urban Development Strategy (IUDS). According to the national regulations in the rehabilitation calls for proposals, only those cities can apply for subsidies to carry out any kind of area-based urban renewal programme that have created a IUDS for the whole settlement. This strategy must include an 'Anti-segregation Plan'. In such plans, segregated areas of cities have to be identified and their problems/conditions documented. Furthermore, the guidelines of a programme have to be set out in such a way that local government demonstrates that it is willing (and able) to carry out a medium-term strategy to mitigate the effects of segregation.

In 2008 157 Hungarian cities prepared and approved, on the political level, a IUDS and, if relevant, Anti-segregation Plan. Experts participating in this work were aware of city leadership's strong reluctance to create such Anti-segregation Plans, because by doing this a 'hidden phenomenon' became a topic of political conversation and debate. There was only one way to overcome this reluctance: no city could get funding for urban rehabilitation (even for renovating the city centres) where its IUDS with the Anti-segregation Plan was not supervised and countersigned by an officially appointed expert on segregation.

In spite of the many IUDSs that were prepared, it can be predicted that the real effects of the anti-segregation programme will be limited. First, the growing number of discriminatory and racist actions show that local politicians and society itself are not mentally prepared for addressing the problems of segregation with tools that lead to integration. An equally important problem is the lack of available funding; this is particularly necessary for dealing with the questions of housing integration and the mobilization of residents. In Central European countries, the percentage of social housing is very low, so the resources available to facilitate mobility are limited. Not surprisingly, demolition of segregated neighbourhoods took place only in those cases where the land was valuable, and a developer paid the costs for relocation of the residents. Finally, as there was no monitoring system set up to follow up the realization of the Anti-segregation Plan, there is no real

pressure on local governments to carry out the required interventions in the segregated areas.

5. The potential role of the EU to tackle the problems of segregated neighbourhoods

The overview has shown that the national efforts to handle the problems of the most segregated areas with public interventions into the educational system and the housing market have had very limited results – even in Hungary, where policies and programmes were relatively well elaborated.

After 2004, there was a belief that EU accession would create new opportunities for the public sector, as the integration of the under-privileged, low-status population, a significant proportion of whom were living in segregated settlements, is closely connected to the aims of the Structural Funds. With the help of integration, the lamentably low activity rate could be raised and segregation problems might be mitigated; thus the main aim of the Structural Funds – conversion of disadvantaged regions to bring them closer to the European Union average – could be realized.

At the time of accession to the EU, it was clear that due to the very strict ban on housing expenditure, the Structural Funds regulations did not address the special problems of the new member states. Therefore these countries made a coordinated attempt to modify the regulation, which proved to be successful (see the story in Tosics 2008). As a result, in the new member states the potentials of area-based interventions (such as the successful Community initiative, instrument within EU Cohesion Policy (URBAN) programme) were extended by the new possibility to subsidize housing measures, as well. Under the current ERDF regulations, in the case of integrated actions in disadvantaged urban areas some type of housing interventions are eligible for EU co-financing in the new member states (an energy oriented option has been made available for all EU members since 2009).

Although it was a serious breakthrough to make housing interventions eligible for Structural Funds programmes, it is obvious that this approach and these measures have had only limited success when trying to deal with the problems of highly segregated neighbourhoods or settlements inhabited mostly by Roma people. Some limitations of the EU programmes are:

- The segregated settlements are often situated in a non-urban environment. The small number of their inhabitants and the small size of their territory make it impossible to carry out an area-based programme to create a socially mixed area.
- The proper area of integration in many cases exceeds the settlement, city or even micro-regional level, as in some Hungarian regions whole micro-regions became segregated, lacking infrastructure and working places. (This fact is beyond the classical approach of rehabilitation, and creates the need for more mobile housing and labour markets, where labour moves to places where more job opportunities can be found.)
- The majority of segregated neighbourhoods are relatively small, and are in such a bad shape both physically and socially, that demolition is more appropriate than rehabilitation. For this purpose additional housing is needed, not in the segregated neighbourhood but in other areas, thereby supporting the mobility of the residents into integrated neighbourhoods. The purchase or construction of new social rental housing, however, is prohibited in the ERDF regulations. In a broader sense, any interventions are prohibited that would take place outside the action area.

- Even in the case of rehabilitation, segregated neighbourhoods consist mainly of privately owned, single family houses, which should be renovated as part of the rehabilitation process (or at least some contribution to their renovation must be provided). However, under the ERDF regulation, which determines eligibility, renovation of privately owned single-family housing is excluded.

The limits and restrictions of the current area-based rehabilitation subsidies and that of the funds available from horizontal resources such as the European Social Fund (ESF) necessitate a revision of the Structural Fund regulations. Such a modification should help ensure that the area-based rehabilitation approach could be expanded to meet the needs of certain demolition programmes, and that desegregation measures are equipped with the necessary supporting actions in order to promote social sustainability.

The extreme discrimination and spatial segregation of the Roma is one of the most difficult challenges facing the new member states, and it cannot be handled without stronger commitment from the EU. It would be a mistake, however, to assume that solving these problems is the EU's responsibility. This lies with national governments, who must devote more attention and financial resources to addressing this challenge. National governments need to put in place better coordination of sectoral policies, and to introduce integrated regional-level anti-segregation measures in the employment, education and housing sectors. Concerted actions by all levels of the public administration are needed (towards which the modification of the Structural Funds regulation would be an important step) to convince the majority society of the post-socialist countries about the importance of fighting unacceptable discrimination and exclusion.

Notes

1. Enyedi and Pálné Kovács 2008, p. 154 give the following evaluation of the 1990 changes in the Hungarian local government system: '[T]he local government system came under a very liberal regulation, providing local authorities with important organizational autonomy and broad powers'. However, due to the fragmentation of the system and the lack of a strong administrative middle tier, 'the structure of the local government model has not proved to be suitable and sustainable for the decentralization of state power'.
2. The term 'segregation', although it can also mean the separation of high-status households, is used here strictly in the sense of the spatial separation of low-status households, as it is the segregation of the low-income, disadvantaged groups that presents the most direct social problem
3. According to estimates, there are some 600–770 segregated neighbourhoods in cities and villages in Hungary, and around 300 such settlements in Slovakia. An estimated 60% of the Hungarian segregated neighbourhoods are situated in the countryside (Pörös 2008).
4. There are no exact data on the number of Roma population. The National Census in 2001 showed about 200,000 people who declared themselves to be of Roma ethnicity. However, according to sociological surveys their number is significantly higher: a 2003 survey showed 570,000 Roma – a significant increase compared to 1993 levels, when a 455,000 Roma population was estimated
5. 'Seriously disadvantaged child' is an official category that relates to children whose parents have low income and an education no higher than primary school.
6. During the four years of the programme, a total of 332 families were moved to houses in the integrated area; 650 houses were renewed and the amenities improved (although the renewal did not mean a full renovation in all cases, but repair of the most urgent problems). Furthermore, 501 people took part in training and 338 persons participated in employment programmes.

References

Andersson, R. and Musterd, S., 2005. Area-based policies: a critical appraisal. *Tijdschrift voor Economische en Sociale Geografie*, 96 (4), 377–389.

Cameron, S. and Gilroy, R., 2008. Housing, neighbourhood and health. Existential Field 3 in Social Polis. Social Platform on Cities and Social Cohesion. Discussion papers – working documents for the launch workshop, 27–28 May, Brussels.

Enydei, G. and Pálné Kovács, I., 2008. Regional changes in the urban system and governance responses in Hungary. *Urban Research and Practice*, 1 (2), 149–163.

Havas, G. and Liskó, I., 2005. Szegregáció a roma tanulók általános iskolai oktatásában [Segregation in the elementary school education of Roma students]. Fels? oktatási Kutatóintézet. Budapest, manuscript.

Kertesi, G. and Kézdi, G., 2009. Néhány adat a magyarországi roma népességről [Some data on the Roma population living in Hungary]. *HVG*, 18 February, 87.

Kesteloot, Ch. and Cassiers, T., 2008. Urban and regional inequalities. Existential Field 8 in Social Polis. Social Platform on cities and Social Cohesion. Discussion papers – working documents for the launching workshop, 27–28 May, Brussels.

Musterd, S. and Ostendorf, W., 2008. Integrated urban renewal in the Netherlands: a critical appraisal. *Urban Research and Practice*, 1 (1), 78–92.

Pörös, B., 2008. A térbeli és társadalmi elkülönülés által leginkább veszélyeztetett lakóterületek az Európai Unió régi és új tagállamaiban [Residential areas endangered by spatial and social segregation in the former and new member states of the EU]. 'Settlementért' Meszesi Szociális Alapítvány, Pécs. Regiograf Füzetak. Background study for a COR report addressing community cohesion.

Pörös, B., 2009. Leépülő lakóterületek a dél-dunántúli régió városaiban [Deteriorating residential areas in the cities of south Transdanubia region]. 'Settlementért' Meszesi Szociális Alapítvány, Pécs. Regiograf Füzetek, manuscript.

Tosics, I., 2008. Negotiating with the Commission: the debates on the 'housing element' of the Structural Funds. *Urban Research and Practice* 1 (1), 93–100.

Vranken, J., De Decker, P. and Van Nieuwenhuyze, I., 2003. *Social inclusion, urban governance and sustainability.: towards a conceptual framework for the UGIS Research Project*. UGIS Collection 1. Antwerp-Apeldoom: Oases-Garant.