

# THE ROMA RESPONSE TO DEVELOPMENT STRATEGIES: A REPLICATE MODEL FOR COLLECTIVE ACTION AND INCLUSIVE DEVELOPMENT IN A HUNGARIAN VILLAGE

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The paper deals with seminal changes in the socio-economic life of the Roma community in the village of Cserdi in Hungary, brought about by a host of strategic programs of a dynamic Roma Mayor. It suggests several measures to develop a viable development model by consolidating his programs with a few modifications to suit the Roma, who constitute the majority population in the village, as well as their counterparts living elsewhere in Hungary and Central and Eastern Europe. It also illustrates how such a model has proven to be a successful strategy in developing and empowering marginalized groups in India, while arguing its efficacy for the Roma situation in Hungary.

**Keywords:** greenhouse cultivation, empowerment, self-help group, microcredit, microenterprise, National Roma Integration Strategy

**JEL-codes:** H75, I38

## 1. INTRODUCTION

Over one-fifth of the population in India live in sub-human poverty and remain marginalized. Such a marginalized community in Central and Eastern Europe (CEE) is the *Roma*, who are relatively poorer than other racial groups. In Hungary, they continue to be the largest minority with 40 per cent living below the poverty line and only 5 per cent of them being employed (The World Bank 2005; 2012). The *Roma* live in sub-standard houses, mostly at the edge of rural or urban settlements. Human Rights NGOs in Europe have stated time and again that they are discriminated in almost all areas of life, particularly education, employment,

housing, health care, and access to public places. Increasing marginalization due to poverty, together with persistent long-term unemployment, poses a threat to their economic stability and social well-being. They continue to be at the lowest rung of the society in terms of educational achievement as well as employment profile, which leads them to be marginalized and disempowered.

In India, Self-Help Groups (SHGs), Microcredit and Microenterprise together constitute a development model, which forms the central part of a strategy to address the excluded people from among the poorer sections of population in general and poor women in rural areas in particular. This collective strategy facilitates their development and empowerment. The question, which needs to be addressed now, is whether this model is transferable to the *Roma* in Hungary in the context of the study of a village, Cserdi. Before taking up the discussion on this question, it is relevant to review some relevant literature on the role of microfinance in employment and income-generation of marginalized people.

## 2. LITERATURE REVIEW

Muhammad Yunus (2004) shows how the microcredit of Grameen Bank in Bangladesh is effective in helping poor people to use their own efforts and creativity to meet their basic needs. This sort of extending loans to target groups is viable provided the group is willing to establish group enterprises. Khandker (1996) points out that the Grameen Bank's financial model is replicable in any context with suitable modifications based on innovation and experimentation. The replication must, however, be social-conscience-driven and transparent so that accountability is established in the institution. Subsidized funds or grants are necessary at an early stage to develop such an institution. However, the social cost is minimum given the social benefits that such an institution is able to generate. Perhaps a Grameen Bank-type operation is the most cost-effective way of reaching out to a self-selected entrepreneurial class of people among the poor who do not have access to formal financial institutions because of lack of collateral. Thus, providing financial services to the poor is one of the many approaches for poverty alleviation, but the group-based microfinance model of Grameen Bank is cost-effective because of its self-selection procedure.

Ivanova and Tursaliev (2006) point out that microfinance is not a successful model to stimulate economic growth and social empowerment of the *Roma*. As an alternative, they suggest that certain common principles of microfinance need to be developed and applied and that micro-lending need not be seen as a stand-alone tool and a starting point for poverty alleviation. Micro lending, in order to

be successful, should be combined with training and traditional business support, besides assistance for marketing and professional skill development.

Annamaria Orban (2010; 2016) explains the relationship between social capital and the self-help community models that belong to the third sector. The empirical evidence gained from her study in Hungary shows that some of these models are successfully maintained mostly in cities (by means of 'favour' or time banks), while the others (using microcredit or self-sustaining community models), are in operation effectively in rural areas. However, she suggests, in both cases, the sustainability of those models is possible by supporting the local community, especially their leaders with social capital and most importantly trust.

The pilot of *Kiútprogram* (2012), which means 'way out', was implemented in Hungary to improve the social and economic integration of the *Roma* and explore whether the practices of microcredit could be adapted for the same purpose. As an employment-generating programme, it provides employment to poor people and brings the men additional income, as well as promotes the inclusion of supported entrepreneurs into the labour market. It increases social mobility among the *Roma* by instilling self-confidence in them and at the same time decreases racial discrimination. A majority of their new enterprises are able to survive after the first year using the assistance of the program. Most of the clients are able to repay the loan. Its success stories are therefore useful to the *Roma* and can be replicated in other parts of CEE.

A survey by Bendig, Unterberg and Sarpong (2012) finds a steadily rising trend in number and volume of microfinance in the EU in 2012 and 2013 as compared to 2011. The highest shares of institutional types prevalent are non-bank financial institutions and NGOs or Foundations. The emphasis in the Mission Statement of the majority of European Micro Finance Institutions (MFI) centers around employment goals: Microenterprise/ Small to Medium Enterprise (SME) promotion and job creation.

Bauer, Chytilová, and Morduch (2012) consider microcredit as a financial tool specifically designed to reduce poverty and fix credit imperfections in the market. However, they find that the microcredit contracts may do something more than reduce moral hazard and adverse selection by imposing new forms of discipline on borrowers. They also find that women with biased preferences are more likely than others to borrow through microcredit institutions. An additional contribution of microcredit to them may be to provide them with a useful structure, seeking self-discipline.

Access to microcredit enables the *Roma* to address the financial gap experienced by them. Hence, since 2011, the EU institutions have been promoting self-employment amongst them through microcredit. This is understood from

the 2011 European Commission's Communication on the EU Framework for National *Roma* Integration Strategies (EC 2011), and the 2013 Council Recommendations (Council of the EU 2013). A further plan to implement self-employment through microcredit in order to promote the *Roma* empowerment is the adoption of Employment and Social Innovation program (EU Program for EaSI, 2014–2020).

The Report on the implementation of the European Progress Microfinance Facility (EC 2012) presents the implementation of 'progress microfinance' after more than two years of operation. It includes detailed information on concluded contracts and describes complementarity and coordination of progress in microfinance with other programs, identifying possible future implications and trends.

Bruhn-Leon, Eriksson and Kraemer-Eis (2012) provide a general market overview with updated information for selected aspects of microfinance in Europe. They explain the rationale for public support in the microfinance area and focus on the chosen approach for the current 'progress microfinance' mandate. They also provide classifications of various intermediary business models and relate suitable financial product designs to their heterogeneous financing needs.

While addressing the conference of the *Kiútprogram* in Brussels on 4 September 2012, László Andor, European Commissioner for Employment, Social Affairs and Inclusion, mentioned that the EC considered Hungary as a positive example of proposing policy actions for *Roma* integration. He emphasized that microfinance could be a successful tool to create jobs, particularly amongst the *Roma*, who were facing difficulties in raising income from more traditional sources. Since Hungary had already acknowledged the importance of the microcredit program, it would lead to job creation for the *Roma*.

While presenting the financial inclusion of the *Roma*, a World Bank Report (2012) points out the special attention that the EU has given to explore the use of microcredit as a tool to promote self-employment amongst them. The EC Communication on an EU Framework for the National *Roma* Integration Strategies (EC 2011) highlights access to microcredit as a way to promote self-employment. In parallel with the *Kiútprogram*, the EC Directorate General, Regional Policy, requested the World Bank, in collaboration with UNDP, to assess the *Roma* financial inclusion in Eastern Europe and, more specifically, the potential of microcredit in promoting the *Roma* self-employment by using a new regional survey of *Roma* households.

Angelucci, Karlan and Zinman (2013) observe that the growing access to microcredit facility increases the borrowing capacity of beneficiaries and does not crowd-out other loans. The loans seem to be used for investing and expanding the previously existing business enterprises and for risk management. Evidently they

speak about the positive impact of the microcredit facility on the size of business, besides encouraging mutual trust and women's participation in decision-making. They add that there is little evidence of negative impact, for instance, in reduction in purchase of non-productive assets.

Karunanithi (2013), dealing with SHGs, Microcredit and Microenterprise as a triadic development model proved that it is worthwhile to promote women's empowerment and community development in India. At the same time, he explored the possibilities of applying this model to the *Roma* communities in Hungary to improve their socio-economic condition. He established that despite some difficulties due to socio-economic and cultural variables, the development and empowerment of the *Roma* was possible through this model.

Mishra's (2015) paper explains the socio-economic similarities between two marginalized communities: Scheduled Castes and nomadic tribes in India on the one hand and the *Roma* in CEE on the other hand, and explores the possibility of the transferability of the Indian model to address poverty, disempowerment and lack of integration of the *Roma* in CEE countries. It concludes that the development programs, as adopted in India, seem to be a possible alternative for economic and political empowerment of the *Roma* communities in those countries.

A study by Sayed Samer and others (2015) throws light on the role of microfinance in women's empowerment in urban as well as rural areas in the Malaysian context. The study discloses that microfinance has the ability to contribute significantly to the new economic policy and new economic model that guide the achievement of Malaysian 2020 vision to become a fully developed nation. Therefore, to the authors, microfinance opportunities are thrown open to women borrowers mainly to promote their economic development.

Nando and Trehan (2009) address the challenges faced by the *Roma* in contemporary Europe. They shed light on the *Roma's* experience of political participation in Eastern as well as Western Europe, thereby contributing to a deeper understanding of the political space that the *Roma* occupy in states within an enlarged EU.

### 3. THE EU FRAMEWORK FOR NATIONAL ROMA INTEGRATION STRATEGIES (NRIS)

The NRIS provides opportunity for joining forces at all levels (EU, national, regional) and with all stakeholders, including the *Roma*, to address one of the most serious social challenges in Europe, i.e. putting an end to the *Roma* exclusion. It is complementary to the existing EU legislation and policies in the areas of non-

discrimination, fundamental rights, free movement of persons, and child rights. The framework spells out the EU goals for the *Roma* integration, which are to be achieved at local, regional and national levels. These goals will be achieved provided there is a deep commitment on the part of Member States and local, regional and national authorities coupled with the involvement of the *Roma* civil society organizations. The Commission invites the European Parliament, the Council, the Committee of the Regions and the European Social and Economic Committee to endorse the EU Framework for the NRIS. For over a decade, the EU institutions have been regularly calling on the member states and candidate countries to improve the social and economic integration of the *Roma* communities. Now is the time to change good intentions into more concrete actions.

#### 4. METHODOLOGY

The core theme of this paper deals with the efforts of a *Roma* Mayor to generate collective action of the *Roma* to promote inclusive development in a Hungarian village. It attempts to explore how self-help initiatives and collectivity promote *Roma* participation in their community development activities. It also aims to explain some success stories of their collectivity besides finding out the possibilities of making this development strategy more effective by incorporating some of the elements of the Indian model.

In order to realize these objectives, a quick survey was conducted in May-June 2015 in Cserdi, a small *Roma* settlement near the city of Pecs in Hungary. While staying with the *Roma* of the village for 3 days, the required data were collected from the Mayor and a group of 15 *Roma* men and women with the help of an interview-guide, besides conducting five case studies and a focus group discussion with selected *Roma* men and women. Moreover, the observation method was used to collect some pertinent information while undertaking a walk-through survey in various places of their work within and outside their settlement. However, this paper is mainly a descriptive one, largely supported by qualitative data.

#### 5. CONCEPTUAL FRAMEWORK

The conceptual framework of this paper is based on four elements in the processes of empowerment as analyzed by Karunanithi (2011: 30). The *Roma* under study can also pass through these elements, which are as follows:

– *Awareness*: The collective participation of the *Roma* in their community development programs makes them understand their position subjectively in rela-

tion to the position of their non-Roma counterparts in the mainstream society and thus strive for equality and empowerment.

– *Participation*: The collective and active participation of the *Roma* in community development activities is not only a process of self-employment, but also an effective method to enable them achieve economic development that would lead to social development.

– *Access*: Through participation the *Roma* gain access to resources, for instance, starting business enterprises like their non-*Roma* counterparts which generate progress and development. While gaining access to resources, their empowerment is initiated.

– *Control*: The *Roma's* collective participation in development activities enables them to exercise control over resources and ability to take decision about their life and their children's future as well. This would eventually make them fully empowered.

## 6. COLLECTIVITY OF THE ROMA AS SOCIAL CAPITAL

Social capital is 'accumulated labour' of members of a group (social actors) engaged in development activities. Through social capital, they play their role in enhancing their livelihood by decreasing the poverty level, controlling resources, developing local community and conserving environment. Therefore, any collective work is, in one way or another, a social capital promoting the empowerment of those taking part in collective work. Putnam's (2000; 2002) concept of 'social capital' seems to be relevant to this. For Putnam, social capital is a 'collective' that refers to relationship among individuals, close social relationship-networks, strong civil organisations and the norms of reciprocity, solidarity and credibility that emanate from these organizations. He defines 'social capital' as 'social life-networks, norms and trust that enable participants to act together more effectively to pursue shared objectives'. Putnam observes it as a source having the capacity to solve the problem of different social groups. In his conceptual analysis, Karunanithi (2011: 35) observes, 'cooperation' and 'collective well-being' are other qualities attributed to social capital. However, the features of social capital as pointed out by Putnam are well reflected in the collective work of the *Roma* in Cserdi. For instance, the social relationship and solidarity among them, the norms governing their reciprocal relationship, mutual trust and collective action to pursue common objectives and strategies to solve problems are the important features of their collectivity.

## 7. THE VILLAGE OF CSERDI

Cserdi is a small *Roma* settlement that lies between Bukkosd and Szentlorinc in Baranya County. It is 25 kilometers west of Pecs, the fifth largest city of Hungary with a population of 180,000, and is located on the slopes of the Mecsek mountains in the south-west of the country. The village has a total habitation of about 430, comprising two-thirds of *Roma* and one-third of non-*Roma* population. The *Roma* form one of the gypsy groups predominantly found in CEE countries and are designated *Roma* for reference by European organizations, such as the EU. Laszlo Bogdan, a young *Roma* man in his early forties, has been the Mayor of the village since 2006, serving in public life for over 24 years.<sup>1</sup> Since the time of assuming office (currently holding his 3<sup>rd</sup> term), he has brought about seminal changes in his village. Since the beginning of his political career, he has been working with his people with a deep sense of commitment and dedication to promote a holistic development in his village.

## 8. DEVELOPMENT INITIATIVES

Mayor Bogdan started mobilizing the village folk to cultivate potatoes initially and organized transportation of the potatoes to the neighbouring Pecs market, even donating them to the needy *Roma* in other settlements. The astute marketing of potatoes and the villagers' charity made Cserdi popular not only in its neighbourhood but in bigger cities of Hungary as well, including the capital city, Budapest. Substantial revenues coming from potato cultivation was possible because of deft planning and brilliant marketing tactics of the Mayor. Subsequently he went on to grow some rich varieties of cash crop such as paprika, tomato, garlic, green pepper and onion over 15 hectares of fertile agricultural land by making use of more than 80 percent of the labour force of the village. Besides, he gained the support

<sup>1</sup> In a personal and long interview with on 25 April 2015, and the second one on 3 June 2015, Laszlo Bogdan shared his views on many vital issues. These views are presented across the paper. He reiterated his childhood hardships he underwent along with his widowed mother in an isolated and poverty-stricken environment of Cserdi. He was born into a poor *Roma* family in Pecs where he had his elementary education. He lost his father in his early childhood and saw his mother toiling with menial jobs to support him. This made a great impact on him to get rid of grinding poverty and do something worthwhile in life. He understood that nothing is better and more powerful than education for one's self-development and empowerment. However, he could not pursue further studies after completing school, mainly due to financial constraint. Therefore he started working in different multinational firms for several years until he ended up in a company as a Floor Manager. After serving there for some time, he entered public life and became the Mayor of Cserdi.

and cooperation of the villagers to develop 3500 square meters of greenhouse to grow these vegetables. Consequently the efforts made by him for the welfare of his village were taken note of by the Hungarian media. Indeed, it is rare to see a *Roma* man projected by the mainstream media in such a positive way.<sup>2</sup>

A home-grown expert in greenhouse cultivation, the Mayor has plans to extend the greenhouse catchment to five more hectares before 2020 to increase agricultural production, besides generating a string of value-added manufacturing activities. He is confident that this would guarantee employment, self-sufficiency and saving for investment for the entire village. Motivated and encouraged by the Mayor's dedication and passion for work, the *Roma* people of Cserdi are able to produce an average of 65 tons of vegetables annually for sale and charitable purpose as well. Lately horticulture has been introduced in the village so that flower export could fetch more money, which in turn could be utilized for building infrastructure for the village.

Cserdi receives generous grants from the EU through direct and indirect funding. In 2014, for example, it secured 90 million Hungarian forints for infrastructure development and claimed that it was the largest beneficiary of the EU grant.<sup>3</sup> The Mayor argued that a sizeable portion of the capital gain from the productive engagement of the villagers has been ploughed back into investments in seeds, manure, import of new techniques, and purchase of farm and transport equipment. This has given a big boost to productivity and income of the village.

The Mayor, however, is not hopeful about the efficacy of government programs to generate employment for the *Roma* through the labour market. The Updated Civil Society Monitoring Report on the implementation of the National Roma Integration Strategies (2012; 2013) confirms this view, by stating:

The main feature of the employment situation of the Roma compared to the majority population is their higher participation in informal employment. Roma workers face much higher job uncertainty and vulnerability at a lower income level than non-Roma workers because no legal protection is available for workers in informal or occasional employment. Chances for the Roma in the labour market are becoming more and more limited by direct and indirect discrimination in Hungary.

<sup>2</sup> Mayor Bogdan was featured on several Hungarian TV channels and foreign media, besides addressing students in universities and gatherings of intellectuals within and outside Hungary. His main message to media and the audience is about his own personal experiences in Cserdi and how these experiences have enabled him to guide the *Roma* forward for social transformation.

<sup>3</sup> The Mayor referred to this in one of his interviews adding that he stopped approaching big Foundations to get project grants for his village, rather preferred to work on project proposals with the help of his team and submit them directly for EU funds.

Every unemployed *Roma* adult of Cserdi receives 47,000 HUF per month from the centrally operated Public Works program (PWP). This is an additional income for the *Roma* households, which helps them save money besides meeting monthly expenditure on food and other essential commodities. The Mayor has taken a special interest to encourage the saving habit among the *Roma*. He spends time to teach them different methods of saving during periodical community meetings. Since he knows well about the monthly income of every householder in the village, he randomly checks their savings with liberty.

However, he is skeptical about the utility of the PWP because there is, according to him, a lapse on the part of the government in implementing innovative strategies to operate the PWP. Thus, the skills of *Roma* remain unutilized by giving them stereotypical manual work. He wants the government to implement innovative strategies which help skills development as soon as possible. Had the government done it, the funds sanctioned under the NRIS would have given way to sustainable development of the *Roma* community.

## 9. WORK EDUCATION

An average day in Cserdi begins with a classroom session organized in a community hall where all able-bodied *Roma* and non-*Roma* men and women of the village take part in discussions related to various issues of the local community, besides planning and policy-making. Subsequently the Mayor leads them to the fields and puts them in charge of agriculture and related activities, according to their skills. Sometimes they are even reprimanded for their mistakes because this, he says, is a 'self-corrective exercise'. He points out that this sort of training would enable them to earn an additional income from agriculture besides being beneficiaries of the PWP. This program is an important feature of the 'social wage' policy of the EU member countries, and an essential element of the welfare model. However, it is losing its verve due to deteriorating economic conditions in these countries in terms of continuing recession, which has led to decrease of productivity and increase in unemployment, and eventually resulted in economic migration.

## 10. CRITIC OF INTERMEDIARIES AND ROMA SELF-GOVERNMENT BODIES

The Mayor is, as such, indifferent to the PWP on two main counts. Firstly the program, which began during 2007–2008 in Hungary, is seen to be a relic of the Communist past adding no skills to the wage earners who, in due course, get into the black labour market, and secondly, the program leads to corruption and pilferage

of funds in the absence of any social audit. He openly confesses that he has no faith in the welfare programs, as they do not serve the real purpose for which they are meant. In a similar way, according to him, the *Roma* Self-Government bodies are worthless. He argues that these bodies have not contributed anything substantial to the integration and development of the *Roma* communities. He says:

I am engaged directly in all community development activities along with the *Roma* and the non-*Roma* as well. This cuts down the intermediary costs besides increasing my involvement in all development activities. Indeed this encourages my people to take part in such activities for their betterment. With their collective work, I have developed farms, diversified crops, brought in new agro-technology, and put my people to farm work to get a better share from the collective production. I do not seek help from the intermediaries or NGOs or *Roma* Self-Government institutions for projects and funding, instead I personally try to procure funds for our projects directly from the Government of Hungary or from other funding agencies including the EU. For this, I trained some of my office staff to prepare project proposals. However, to prepare proposals for major projects, I do engage selected local NGOs on needs basis.

He holds a strong view that the *Roma* Self-Government bodies have become selfish and hence should be abolished. They have proved to be ineffective in promoting the integration and development of the *Roma* communities. He adds:

The *Roma* Self-Government bodies are infected by corruption and nepotism because they have turned to be puppets of the government. From my own experience, I can say confidently that they do not engage themselves to deal with the *Roma* issues, but use the *Roma* name to siphon away money for their self-pursuit. There was a huge embezzlement scandal, involving the head of the National *Roma* Council who was previously heading the apex *Roma* Self-Government agency in Budapest and had supposedly siphoned away millions of Euros from the EU funds which were meant for *Roma* development.

The Mayor is acerbic in his criticism against the intermediaries, be they social activists or the NGOs working for the *Roma*, because they are taking away a large part of financial support from the EU. Had they utilized the fund genuinely, the target group would have experienced development. He points out that there are 1200 *Roma* NGOs currently operating in Hungary alone who, with 6000 staff and 40,000 indirect beneficiaries, taking away a large portion of the EU funds in the name of *Roma* development.

Besides, the Mayor laments that even the *Roma* Mayors are not serious about diagnosing the root cause in getting the *Roma* united to achieve development and empowerment. He wants them to dedicate themselves to pursue the goals by instilling self-confidence in the *Roma* to come out of the trap of their stereotypical notions and achieve overall well-being. He therefore feels that instead of pointing fingers at each other or outsiders, all the *Roma* Mayors should set examples in guiding their people to attain the desired goals.

## 11. THE ROMA IN SOCIAL TRANSFORMATION

A decade ago the *Roma* in the village were disintegrated and left unguided, and subjected to acute poverty due to serious unemployment problems, mainly caused by the closure of the coal mines in Pecs. As a result of this, they took to criminal activities for their livelihood and led a socially deviant life. This in turn made the non-*Roma* people of the village behave indifferently with the *Roma*, resulting in segregation of the latter. This trend continued until the entry of Bogdan as the Mayor and thereafter things started changing dramatically. Now the same habitat presents a picture of an agro-intensive, eco-friendly, smart village. The village and its Mayor have become popular not only for the phenomenal socio-economic development of the local community but for their gesture of charity which negates the clichéd pejorative image of the *Roma*. While referring to his people, the Mayor claims that they have now been earning an honest living and self-respect through self-employment in the form of collective work.

A focus group discussion with a group of 30 men and women from different age groups confirmed the fact that everyone desires to be a part of the collectivity to raise productivity levels and bring more benefits to the local community. This has been a real-life experience of cooperative farming which, much to the surprise of naysayers, has been a remarkable success. As per the available data in the Mayor's office,<sup>4</sup> the previous figure of 90 per cent unemployment in the village has been reduced to 15 per cent at present. The number of crimes, which was hovering above 600 instances a year, has now come down to 8 or 9, all of them petty crimes. He rejoices in recalling an important event when he led a group of youngsters to a penitentiary close to Pecs and pointedly told them to refrain from criminal activities in order to avoid the affliction of jail life. This made a strong impact on them to the extent that it led to a drastic drop in the crime rate. While discussing with him informally, he made the following observation with respect to their reactions during their jail visit.

I saw the youngsters in a state of fear while witnessing the activities of prisoners and the prison cells in which they were locked up. They expressed their feeling of what they understood about the prisoners, especially their difficult jail life. Some of them asked the prisoners about the crimes they committed and the period of imprisonment for those crimes. Some of them candidly stated that, after seeing the ordeals of prisoners, they determined not to commit crimes during their life time. I therefore believe that they understood the difference between right behavior and criminal behavior and this made them conform to right behavior. Consequently, in early 2015, I led another group of Roma youth again to the same prison for the same purpose. I hope this will make Cserdi a crime free village in the days to come.

<sup>4</sup> The authors could gain access to data in the Mayor's office, calculated based on Baranya County's economic indices.

Most of the *Roma* in the village live in small well-furnished houses with bath and toilet facilities. Some have built new houses while others have renovated their old houses with the support of Mayor and through collective efforts of the entire community. At present, the village has a community centre, a playground for children, a couple of parks, a computer centre and a library with 4000 books, housed in a renovated Municipality building of the village. These developments have become the centre of attraction for visitors, especially students and media, who have been frequenting the village in recent times. This has prompted the Mayor to work out a plan to construct a guest house for visitors by 2017.

The Mayor has brought about important social changes in the village. During his first term in office, one of his first initiatives was to close down the sole local pub, mainly to refrain people from smoking and drinking, thereby encouraging them to save a part of their income. It is interesting to see the expenditure statements of people displayed in his office, which ostensibly guide them to plan their monthly expenditure without deficit. In order to develop cordiality between the *Roma* and the non-*Roma* people, the Mayor has built a wooden bridge to connect their habitats and made a wall sculpture depicting how the *Roma* of the village were carted away to the gas chambers of *Birkenau* during those fateful days of 1945. Both are indeed poignant memories: the former remains a symbol of friendship and the latter presents terror and brutality. Evidently, both racial groups live together in a cordial relationship and are invariably in praise of the Mayor's achievements.

The Mayor, in his interviews to the media, has spoken out clearly that the *Roma* should not be discriminated on the grounds of race, identity or ethnicity, but judged on the basis of their intelligence and skills. He strongly considers social segregation as a curse afflicting the *Roma* and squarely blames the unruly activities of the *Roma* Self-Government bodies for this sorry state of affairs. He often condemns the mainstream society's negative attitude of bracketing the *Roma* as 'deviants' saying that "criminality could surge with idle hands and idle brains", i.e. the *Roma* are stereotyped as idle people, who tend to indulge in criminal activities. Instead he says, "if they are given work, none of them will become criminals". In order to emphasize on equality and employability, the potato sacks sent as donation by the village carry the labels saying, "I am a human being, not a gypsy", and "we grow it for you, not to steal anything from you".

The Mayor proposes to achieve a high retention rate among the school-going children of his village studying in a nearby *Bukoszd* village, as *Cserdi* does not have a primary school yet. Thus, his priority is to establish a kindergarten and also to start workshops for children on 'good behavior'. He was invited to conduct a workshop for the *Roma* Mayors and also to address a group of people of an elite society in Vienna on *Roma* empowerment and social responsibility in

2015. The uniqueness of his strategy is to focus on economic empowerment of the *Roma* without altering the core elements of their culture. In this process of economic empowerment, he wants the *Roma* to undergo a social transformation by completely optimizing their social as well as cultural capital.

Moreover, the Mayor has taken a unique initiative to incentivize the children of the village who study well. He has started giving the meritorious students laptops and bicycles. This has gone a long way, as it increases the retention rate and decreases the drop out rate among the *Roma* children even at the high school level. In fact, the Mayor has plans to open an intermediate school in the village so that the village children and their counterparts from neighbouring villages could enroll themselves. Since he is convinced about the value of education, he has taken serious efforts to instill this value among his *Roma* brethren.

However, he is critical about the Hungarian education system, which is, as he says, promoting discrimination and social inequalities between the *Roma* and non-*Roma* children. This is reflected in the Updated Civil Society Monitoring Report (2012; 2013), which states that based on the educational measure taken by the Hungarian Government, it is mandatory for all children above 3 to enroll in kindergarten as from September 2014. Though this is a positive approach to disadvantaged children, including *Romani* children, the fact is that the distribution of kindergarten places and the condition of their infrastructure facilities is quite uneven; many *Roma*-populated villages or parts of cities are still without sufficient kindergarten places. Hungary's submission to the UN Universal Periodic Review (2015) also mentions that the school segregation of the *Roma* children is increasing in Hungary.

## 12. VILLAGE AS A 'START UP'

In early 2015, the Mayor presented his proposal to the villagers to establish a business called *Lasipe*, meaning 'a drop of goodness'. The proposal was to prepare several *Roma* brand food items in an unconventional way, for instance, *Roma-burger* filled with grilled meat and lecsó (a local dish), and *gypsy hamburger* stuffed with lecsó, paprika and tomato pickle, and market them with the *Lasipe* brand in important festivals like the Sziget. Besides, packed semi-processed potatoes, garlic and sausage could also be marketed. A processing unit established in mid-2015 already started producing these food items. The Mayor also has an ambitious plan to operate the Municipality vehicle to transport all village products with the same brand to nearby markets besides procuring a minivan to facilitate the mobility of the people.

Thus collectivity based on mutual participation and cooperation of the people of Cserdi has proved to be a powerful strategy to accomplish their objective of achieving development and empowerment. Besides, the Mayor has a plan to build an open-air *Roma* museum (*Skanzen*) to attract visitors and disseminate the know-how and benefits of greenhouse cultivation, while expanding greenhouses to other *Roma* settlements.<sup>5</sup> Several hotels have started procuring bio-organic products from Cserdi, a feat that goes solely to the credit of Mayor. It is evident from a close observation that Cserdi has emerged as a model village for development and social transformation along with commercial spin-offs from the schemes on hand.

### 13. THE INDIAN MODEL: A COMPLEMENT TO THE CSERDI MODEL

The Cserdi model exhibits some of the important features of the Indian model to develop and empower marginalized communities. It is therefore relevant here to draw a comparison and contrast between these models, to look for some useful aspects of the Indian model transferable to the Cserdi model, so that it could be applied to *Roma* communities elsewhere in Hungary and CEE countries as well. This is an important attempt in a way that advocates of *Roma* rights such as Járóka Lívía,<sup>6</sup> former Member of the European Parliament (MEP), has stated that the forms of self-help and collectivity adapted in India to support the marginalized groups could be transferable to the *Roma* communities in Hungary. In addition to this, the European Union advocates different forms of microcredit for the *Roma* through the framework of NRIS. However, the Cserdi model needs necessary modifications according to the existing local conditions of the *Roma* elsewhere in CEE by incorporating some essential components of the Indian model.

Hungary, with a *Roma* population of nearly 800,000, and hundreds of NGOs and *Roma* activist bodies, could have developed a high level of social consciousness amongst the *Roma* and mobilized them to accomplish economic empowerment. However, this has not happened as expected. It is, therefore, an imperative need at present that the *Roma* could organize themselves into small SHGs, each comprising 15–20 members along with a mentor. In addition to agriculture being their primary occupation, these groups could also be assigned to do some specialized tasks such as protecting the environment, running local transportation, organizing social get-togethers and cultural events, supervising primary health

<sup>5</sup> Revealed by the Mayor during an informal conversation with the authors.

<sup>6</sup> Interview on 27 July 2015.

service and children's education, and maintaining community centres, playgrounds, parks, church activities, all under the guidance of the Mayor.

Moreover, the Mayor could negotiate with banks and other funding organizations to get microcredit facilities to start collective business enterprises, e.g. production of *Roma* food products as mentioned above. This could be meticulously planned considering the local demands and marketing strategies. He could also motivate the *Roma* to avail themselves of microcredit facilities in order to start business enterprises collectively, and plan for other enterprises depending on the diverse inherited skills of the people. Thus, besides agriculture and its related activities, the *Roma* need to develop their traditional as well as non-traditional skills along with marketing skills to plan for suitable collective business enterprises. Irrespective of the level of profit of the collective enterprises, every member should get an equal share as the SHG members get in India.<sup>7</sup>

It is observed that women SHG members in India are benefited largely by collective enterprises as compared to their men counterparts because the former are engaged in different entrepreneurial activities throughout the day to increase their income level, while the latter are exclusively committed to their primary occupations all along. Keeping the difference apart, the Indian model could be emulated in the context of the CEE where *Roma* men and women members of collective enterprises have to work jointly to earn more money than what they earn from their individual occupations or enterprises.

Most of the SHGs in India are systematically guided and supported by the NGOs in terms of taking initiatives to get bank loans, start small business enterprises, participate in entrepreneurial activities collectively, and market their products. Moreover, the NGOs could organize training programs for the *Roma* to acquire necessary skills for the proposed business enterprises. Overall, the NGOs could regulate the activities of the SHGs and solve their problems to a good extent. By contrast, the Mayor in Cserdi is the only one guiding, helping, supporting, and regulating the activities of the *Roma* as he does not like the intervention of intermediaries. However, it should be his imperative task to identify a suitable local NGO or any voluntary civil service organization to get its continued support and guidance in procuring financial help from funding agencies to develop and empower his people. This has to be a careful and well thought-out exercise.

An advisory body, constituted of local professionals such as an engineer, a doctor, a lawyer, a social worker as well as an experienced senior citizen, both from the *Roma* as well as non-*Roma*, is essential to advise and guide the Mayor.

<sup>7</sup> The *Roma* used to go with characteristic individuality rather than an approach of collectivity with respect to work. However, at present, they are trained to participate in collective work and get their share equally as the SHG members get in India.

This could be mandated to assist the Mayor in formulating all community development programs. The body could meet at regular intervals to address the *Roma* in order to sustain their participation in all productive activities.

More importantly, the Mayor needs to focus very much on women's participation in community development activities taking into consideration the Indian development model for women empowerment.<sup>8</sup> The question which needs to be addressed now is whether women's development, empowerment, and 'collectivism' are transferable from the SHGs in India to the *Roma* in Hungary. Karunanithi (2013) has made a partial attempt to answer this question when he argued that the Indian model could be tried for the Hungarian *Roma*. It is, therefore, a crucial need of the Mayor to organize women SHGs with the support of an NGO and enable them to get access to microcredit facilities in order to start collective business enterprises. Indeed, the *Roma* women in certain parts of Hungary are engaged in various types of work, including agriculture and related activities. For instance, some women in a *Roma* settlement collect rare plants to prepare herbal medicine. If they were organized into groups and supported with bank loans to formalize their collecting work and were given help in marketing their products, they would generate more profit. Such initiatives would empower women economically and socially.

Moreover, the Mayor needs to organize training programs to assist group members in acquiring required skills for employment in enterprises, as well as picking up marketing skills. With the support of the public he could also organize annual trade fairs in urban areas to market the products produced by his people. In addition to this, the *Roma* of Cserdi village need to be exposed to successful group enterprises established in neighbouring townships in order to make them understand their functioning and gain confidence. This is indeed an important exercise for the reason that the members normally tend to start enterprises individually depending on their preference and convenience, but they need to be encouraged to launch group enterprises to earn more profit by collective work and to make them empowered in the course of time.

#### 14. CONCLUSION

The village of Cserdi has experienced local development due to a unique combination of charismatic leadership and innovative governance in which the local community has formed an integral part. The Mayor has repeatedly conveyed the

<sup>8</sup> The Mayor revealed during an informal conversation with the authors that he would explore the possibilities of adapting the Indian model for the empowerment of Roma women in the course of time.

message that education is fundamental and an important tool for development and unless people have access to it, they would remain ignorant and consequently become an easy target of social inequality. Over centuries, the illiterate *Roma* in CEE have been the target of racial discrimination and deprived of their rights. On the contrary, the lessons of self-correction, self-confidence, self-help, and self-esteem evidenced in the *Roma* community of Cserdi have borne fruit in terms of bringing about social transformation.

The irony is that the local self-government created by the State to empower the *Roma* communities is continuously exploited by a group of *Roma*, who have now become elites among themselves. Since the *Roma* are being endangered by an exploitative self-governance system, they continue to remain marginalized communities. There is therefore no remedy for them unless they organize themselves in social community structures and economic collectivities to change their material condition. Able and enterprising leaders like Laszlo Bogdan should come forward to guide, train and lead the *Roma* communities elsewhere in CEE to gain self-esteem and achieve socio-economic empowerment. In addition to the EU funding and the support of regional bodies and NGOs, what the *Roma* require primarily and immediately is self-consciousness about their potential in order to accomplish their economic development and eventually social empowerment. They should prepare themselves for collective participation in economic activities to enhance their earnings. For this, they have to intensify agriculture and allied activities, and operate small business enterprises with the support of microfinance to bring about desired changes in their life.

Cserdi, a progressive agricultural eco-village, is an example of holistic development of the *Roma*. Moreover, the Mayor's usage of innovative methods in this village is a testimony to understand the increase of agricultural productivity with limited cultivable land and less human resource. The greenhouse cultivation and production of bio-organic agricultural produce have not only generated collective productivity of the village but also given the village and its Mayor a high profile. Presently the village, which is undergoing a social transformation, is much acknowledged nationally. The Mayor's example of 'leading from the front', as clearly evidenced from his actions, is an indicator of able and effective leadership leading to healthy social changes. This has attracted some international companies to send their executives to the village to undergo field management training.

The social economy, an economic dimension of social capital, is in the form of collective farming in Cserdi bringing the *Roma* regular income. It is therefore suggested that the *Roma* women could find a reasonable avenue of self-employment through microcredit. The 'social cooperative' program in Hungary has given opportunity for self-employment. This program was launched in most disadvantaged counties of Hungary, but it died down for a host of reasons, primarily

owing to lack of leadership, governance, coordination between the population and the local administrative structure and long term planning for community development. The *Roma*, who were chiefly agricultural communities in the past, are not interested in growing crops at present to meet their food needs but are totally dependent on government support. Although a few major foundations like *Autonomia* and *Polgar* have committed to grassroots engagement with their ‘Investment into the Future’ and ‘Way out Program’ respectively,<sup>9</sup> they have not been able to sustain the momentum of inclusive development either. On the other hand, Cserdi has set an example of sustainable and holistic development for all *Roma* villages. Its social transformation is mainly because of the efforts of the Mayor, who proved to be a pragmatic leader. His workable strategy of pooling together the entire resource base of the village and promoting collectivity for its overall development has been viable as well as vital to bring about this transformation.

Unlike Cserdi, the *Roma*-dominated township of Ozd,<sup>10</sup> situated in Borsod-Abaúj-Zemplén county in Northern Hungary, presents a totally contrasting picture. The *Roma* in this township suffer from endemic poverty, lack of basic amenities, segregation, and right-wing dominated politics, whereas Cserdi presents a remarkable development due to the Mayor’s ability and the *Roma*’s conformity to collectivity. However, the Cserdi model needs to incorporate certain essential elements of the Indian model to deliver desired results for the *Roma* elsewhere in the CEE countries and turn their miserable existence into purposeful and dignified living in the years to come.

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<sup>9</sup> For details, refer to Autonomia Foundation ([www.autonomia.hu](http://www.autonomia.hu)) and Polgar Foundation ([www.kiutprogram.hu/index.php/hu/](http://www.kiutprogram.hu/index.php/hu/)).

<sup>10</sup> Data collected in Ozd through personal interviews.

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