ESPON

TiPSE

The Territorial Dimension of Poverty and Social Exclusion in Europe

Applied Research 2013/1/24

Work Package 2.4

Case Study Report

Nógrád County, Hungary

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This report is one of the deliverables of the TiPSE project. This Applied Research Project is conducted within the framework of the ESPON 2013 Programme, partly financed by the European Regional Development Fund.

The partnership behind the ESPON Programme consists of the EU Commission and the Member States of the EU27, plus Iceland, Liechtenstein, Norway and Switzerland. Each partner is represented in the ESPON Monitoring Committee.

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The ESPON TiPSE Project:

The TiPSE project has been commissioned by the European Observation Network for Territorial Development and Cohesion (ESPON) programme. It is concerned with the issue of poverty, and processes of social exclusion in Europe. One of the key challenges for the EU, in its pursuit of social, economic and territorial cohesion, is to address regional or local concentrations of poverty and social exclusion. In terms of practical governance, this remains a national responsibility within the context of EU strategic guidance. In practice, regional or local administrations are often in 'the front line'; implementing national policies to ameliorate deprivation and exclusion. At a higher level, the EU defines its role as identifying best practices and promoting mutual learning.

Poverty and social exclusion are essentially relative concepts, arguably only meaningful within a specified geographical context. This underlines the essential roles to be played by observation, measurement, and careful data analysis, as preparations for intervention. The TIPSE project aims to support policy, both by enhancing the evidence base and by identifying existing good practice.

A central objective of the TiPSE project is to establish macro and micro-scale patterns of poverty and social exclusion across the ESPON space. This will be achieved by compiling a regional database, and associated maps, of poverty and social exclusion indicators. Such quantitative analysis of geographical patterns is considered a fundamental part of the evidence base for policy. In addition, in order to better understand the various social and institutional processes which are the context of these patterns, a set of ten case studies are to be carried out. These will be more qualitative in approach, in order to convey holistic portraits of different kinds of poverty and social exclusion as experienced in a wide variety of European territorial contexts. The principal goal for these investigations will be to bring forward clear illustrations of the social, economic, institutional and spatial processes which lead to poverty and social exclusion in particular geographic contexts.

The selection of case study areas has been carried out with careful regard to the wide variety of geographic, cultural and policy contexts which characterise Europe. The ten case studies are also intended to highlight a range of different 'drivers' of poverty and social exclusion, including labour market conditions, educational disadvantage, ethnicity, poor access to services and urban segregation processes.A second objective of the case studies will be to identify policy approaches which can effectivelytackle exclusion, and thus strengthen territorial cohesion.

The TiPSE research team comprises 6 partners from 5 EU Member States:

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LIST OF ABBREVIATIONS

EE-NMS	–	East European New Member States of the European Union
ESPON CU	–	ESPON Coordination Unit
EU27	–	The 27 member states of the European Union
FRA	–	European Union Agency for Fundamental Rights
GDP	–	Gross Domestic Product
GVA	–	Gross Value Added
NACE Rev. 2	–	European Classification of Economic Activities (2nd revision)
NUTS	–	Nomenclature of Territorial Units for Statistics
NGO	–	Non Governmental Organisation
NUTS	–	Nomenclature of Territorial Units for Statistics
OSI	–	Open Society Institute
UNDP	–	United Nation's Development Program
WB	–	World Bank

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Executive summary

The NUTS3 region selected for the Hungarian case study (Nógrád HU313) is part of the North Hungary NUTS2 region and lies along the Slovak-Hungarian border. According to the Edora classification system it is one of Hungary's predominantly rural areas. Due to its scarce road networks, the absence of highways and main railway lines it is classified as remote. Remoteness is also influenced by the features of the terrain: the area is hilly cut up by valleys with meadows, where most of the 122 villages (with an average population of 1100) and six towns are situated. The most important characteristics of the region are related to its limited natural and human endowments as well as low economic potentials: Nógrád's share in the country's GDP is less than 1%; the GDP per capita is also the smallest amongst the 19 counties of Hungary.

Nógrád still suffers from the slow recovery from the economic breakdown of the early 1990s. As a region dominated by traditional economic sectors like mining and manufacturing, it was heavily hit by the collapse of these industries. The jobs lost in these sectors have not been recovered and compensated; the scarce economic potentials kept activity rates low and unemployment, especially male unemployment high in the region, particularly in rural areas. However, as compared with the other subunits (counties) of the North Hungary NUTS2 region, Nógrád County is generally in a better position than the other two thanks to its proximity to the capital city, Budapest: a narrow strip of the western and southern border territory of the county belongs to the external commuting zone of Budapest. From the villages of this area a large segment of the active population, mainly male workers find employment either in the capital (being 60-80 km far) or in the growing towns of the conurbation. Much fewer women than men commute for work and this fact – in addition to age structure – contributes to the high female inactivity rate: the 67,6% figure is lower than the average of the NUTS2 region (69.2%) but higher than the country average (65.4%) and significantly higher than the average of the EE-NMS (59.2%) and that of the EU (51.7%). The gap between the activity/inactivity rates of the post socialist countries and that of the old member states suggests that this is one of the indicators demonstrating transition-related weaknesses of the EE-NMS' labour market. Lower female than male unemployment seems also more characteristic to EE-NMS especially in regions of structural crisis like Nógrád.

According to our empirical research findings, the actual system of primary and secondary education fall short for several reasons of its task of preventing current disadvantages from being translated into lifelong disadvantages. It has rather an amplifying effect on the already existing process of social exclusion starting during elementary education or even earlier, in the pre-school stage. Empirical researches demonstrated an advanced residential segregation (30-50% of the entire population is Roma) in certain villages, where the process of selective outmigration started already before the fall of Socialism. In these villages almost full segregation has been taking place in local schools. The same process inevitably affects vocational schools. Segregated schools have no hope to teach according to the civilised standards: the

social and cultural problems they necessarily face are too dramatic; teachers have to struggle for preventing their students from the consequences of severe poverty or being not properly supported by their families. Segregated vocational schools and their students are usually excluded from social networks, they are rarely supported by donations of local firms and they find practicing possibilities to their students with great difficulties. At this point, prejudices and discrimination also applies: interviews with principals revealed trained Roma girls do usually not find employment in shops as an assistant or hairdresser, non-Roma people refuse to buy any products from the training shop of the vocational schools. Teaching in a ghetto school is extremely challenging and can easily end up in apathy: in one of the ghetto schools teachers were not willing to provide mentorship for talented Roma children even for remuneration (they simply got tired of their misbehaving).

Most of the schools and municipalities make sure that pupils/students who come from extremely poor and multiple deprived families are fed and they have the minimum set of toolkits in their disposal (the so-called multiple disadvantaged children are entitled to have three free meals per day at school and they are also provided with toolkits, handbooks for free in every September.) However, when a municipality cannot afford to feed eligible school children, the drama of poverty and deprivation becomes more and more acute, deepens the gap between the poor and the middle class and threatens with social unrest locally.

Nevertheless, information provided mainly by interviews with principals clearly show the close correlation between the poverty of households and that of their extreme as well as long term exclusion from the labour market. This derives partly but not entirely from low level of schooling of the concerned Roma groups. The fact that people with low educational attainment have much less chance to find employment than their counterparts in Western Europe is a shortage typical to the post-socialist countries and this is what keeps long term unemployment high. Reproduction strategies, namely the high birth rate in segregated Roma communities (that ensures eligibility to child care benefit) can provide short-term path of escape from poverty but already in the medium run turns into the opposite and results in extreme poverty. The combination of these and other factors like cultural traits make Roma ethnicityan extremely high risk factor to poverty and social exclusion: 76% of heads of household members lived under the poverty threshold in 2012 (TÁRKI Household Monitor).

As a recent UNDP–Word Bank–European Commission research shows, the gap between Roma households of segregated neighbourhoods and that of non-Roma households in the proximity of such neighbourhoods is huge in Hungary regarding access to primary and secondary education and then access to employment. From among the dimensions of social exclusion, education and employment could be identified as causes of SE, whilst other proxies, like income poverty, poor housing facilities, the high proportion of social transfers in household income and the high rate of social spending in settlements' expenditures where impoverished Roma citizens live in large numbers can be regarded as proxies indicating consequences.

The results of the research and can be generalized to the wider region (North Hungary) as well as to other *disadvantaged and geographically segmented hilly or mountainous regions* of Hungary where small population and a decreasing number of

children might bring about the fast segregation of small schools. Although the re-nationalisation of schools will surely mitigate the competition among schools, because the state will not back it with investments, the free parental choice of schools continues to be legitimate the selective choice of schools and children. Certain experiences, like the mentoring programs could also be transferable to countries challenged by similar problems, mainly the Czech Republic, Slovakia, Romania and Bulgaria, and also the Balkan countries where ghettoization appears both in urban and in rural areas. What is more, pedagogical methods and mentoring programs used in segregated urban neighbourhoods of advanced countries could also be shared. Such broader challenges as dealing with cultural identity, the ways and places to integrate people without hurting their cultural integrity are also issues to be considered.

However, local examples can only be transferred to a limited extent, because they are necessarily embedded into the local circumstances and relationships. As we noted above, the researched three school ghettos evoked three different reactions from local decision-makers: one closed down in 2007, the other kept running, but nothing was done to improve its situation, whilst in the third case, local and school leaders (at least a strong fraction of them) were jointly working to get more finances from a new maintainer and to find a solution for the vocational schooling of Roma children (by establishing a local vocational school).

Regarding policy-making at the *national level,* some lessons could be learnt, such as the steadiness and speed of the process of segregation that cannot be stopped by wishful thinking. Again, in segmented hilly territories as the researched area, segregated schools can be closed only when the closeness of the receiving school allows it, and the size of the schools accommodating the children of ceased segregated school allows a proper integration of children. Otherwise, ghetto schools are trapped; they become segregated by non-segregated schools and the wider institutional environment, with neither of those institutions wanting to co-operate, they are left alone in extremely difficult circumstances.

Since 2009-2010, as an overlapping impact of the crisis and a right-wing turn in politics, the welfare state in Hungary is increasingly withdrawing from its earlier stance of a ‘premature welfare state’: GDP dropped by 9% in 2009 and the recovery is slow, jobs were lost, unemployment rate increased and has been stagnating on a relatively high level (10-12%). These processes impacted mainly the lower middle and working classes especially those who have become trapped by bank loans taken before the crisis (almost half a million citizen). The most vulnerable households have been affected mainly by the retrenchments of welfare arrangements: social and unemployment benefits have been cut significantly and rechanneling passive labour market measures to active ones, mainly to welfare work have brought disputable results. As a cumulative effect, poverty has been increasing and deepening significantly since 2008 and concerning the intersection between Europe 2020 poverty target indicators, Hungary was the third worst-positioned country in Europe in 2011.

1. The regional context

1.1. Description of the wider area

Nógrád is situated in the northern part of Hungary next to the Slovakian border of the country. The NUTS3 region is also a local government unit called “megye” (hereinafter county). Nógrád’s middle tier administrative role has long historical tradition rooting in the Hungarian Kingdom (and in its variant states). With its two neighbours, Heves and Borsod-Abaúj-Zemplén counties Nógrád is part of the Észak-Magyarország (HU 31, hereinafter Northern Hungary) NUTS2 region. The third inland neighbour of the county is Pest in the south-west which assures connection towards Budapest, the capital city of Hungary.

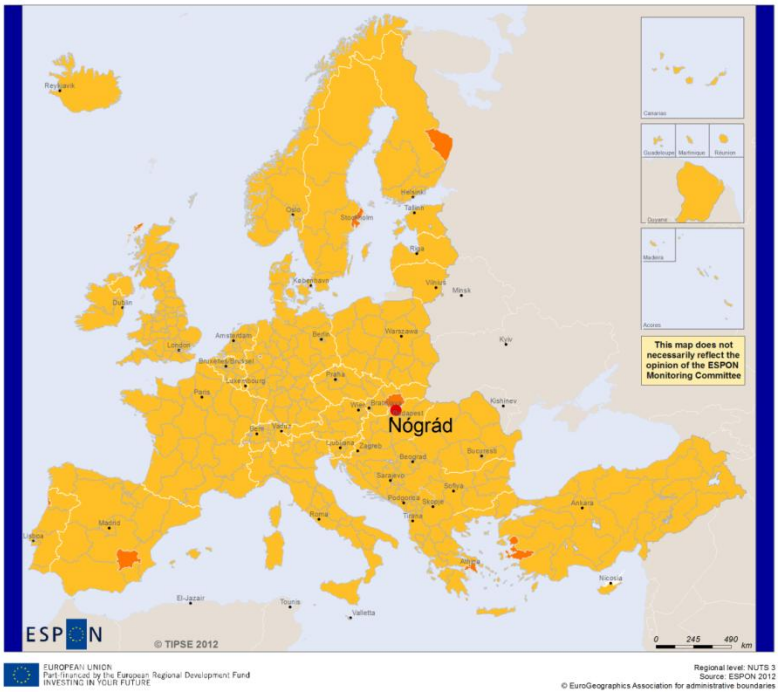

Figure 1: Nógrád in the context of the ESPON space

Nógrád had never been labelled as a prosperous region in Hungary, neither in the socialist era when industrial activity based on traditional branches (mining, metallurgy) was extensively developed. After the 1990 political shift and parallel with the socio-economic transition of the early nineties, Nógrád got into a deep structural crisis with the greatest economic decline among the counties of Hungary. The formerly determining economic branches have collapsed, causing high rise of unemployment and intensive outmigration of mobile social groups from the county. These effects have resulted in a quite unbalanced demographic structure and labour force situation which together with the hardly renewing economy determines the present social and economic position of Nógrád within Hungary and in the East European space.

Paradoxically, though Nógrád is not a coastal or an island region, symptoms of outer isolation is relevant in the case of thisNUTS3 unit as well, originating its location at the Hungarian-Slovakian border. The borderland position made Nógrád become a peripheral area within Hungary. Nowadays the borders can be traversed easily but the region had previously (still has) limited connection with the territories in its northern neighbourhood. At the same time Nógrád is also an inland periphery as despite its small distance from the core region of Hungary and the capital city, its accessibility is unfavourable (even in the case of accessing neighbouring counties).

Table 1: Different ESPON CU Typologies of Nógrád, 2009

Costal typology	Area not covered by classification
Island typology	Not an island region
Metropolitan typology	Not a metropolitan region
Mountain typology	Moderately mountainous, remote region
Industrial transition typology	Region with industrial branches losing importance
Urban-rural typology	Predominantly rural region, remote

Source: ESPON CU

Nógrád can be classified not just as a border region but through its physical makings as a mountainous one. On the one hand these mountains compose physical barriers towards the neighbouring areas – Börzsöny in the western part, Karancs-Medves in the north, Mátra in the south-east and Cserhát which is situated in the middle and southern part of the region. On the other hand the mountainous character of the county determines many factors of economic activity together with settlement structure and circulation possibilities (all influencing the socio-economic characteristics of the region).

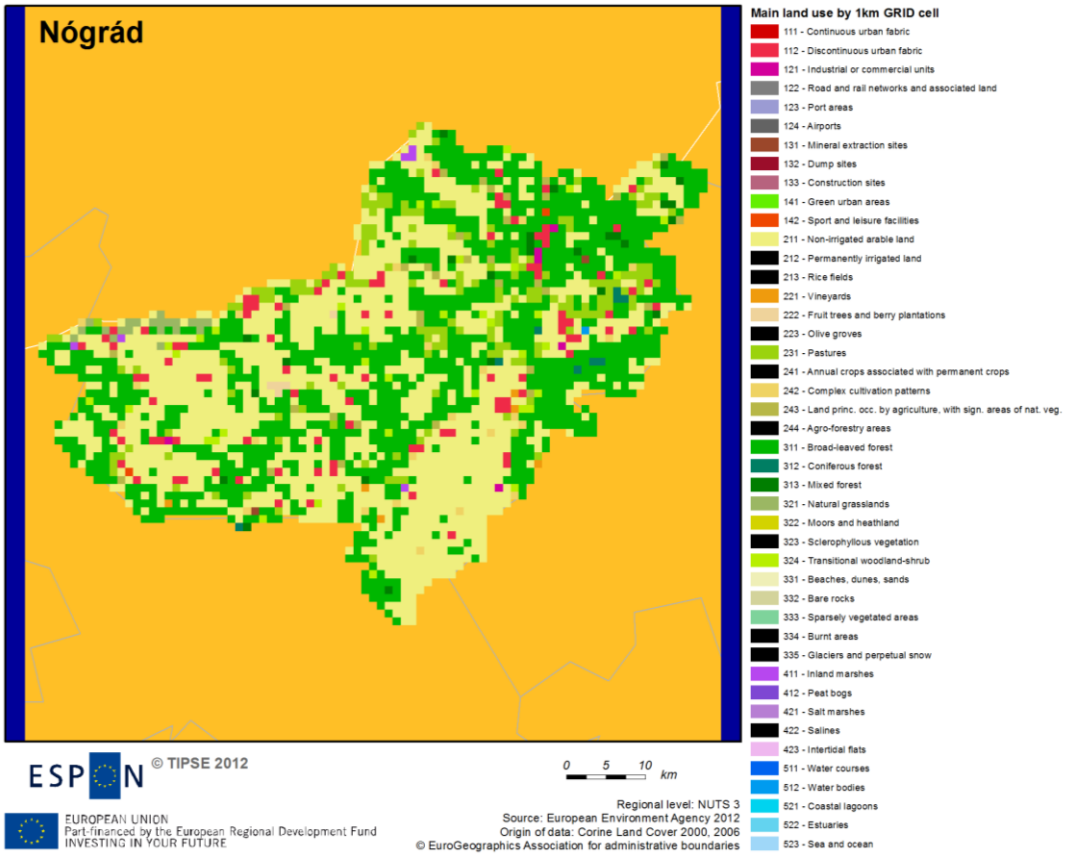

Figure 2: Corine Land Cover Typology of Nógrád, 2006

Mountains (like in Nógrád) can offer various natural resources for special economic activities e.g. mining, but they also limit the possible forms of others, like agriculture. As being a moderately mountainous area rising to 950 metres both in the west and in the east, significant area of Nógrád is covered with broad-leaved forests. Joining to the mountainous areas extensive pastures can be found. Territories favourable for agricultural cultivation are mainly situated in wider river valleys (e.g. Ipoly or Zagyva) and in basins, like Nógrád-basin. The main land-use type in these parts of the region is arable land both for stock-raising and cropping. These areas are also the locations of bigger settlements with urban fabric.

The population of Nógrád is just above 200 thousand which denotes that the region misses highly populated towns (it is not a metropolitan region in ESPON typology) and also can be considered as predominantly rural area – in relation among others to the mountainous character. The biggest towns are Salgótarján, the present county seat (37 thousand inhabitants) and Balassagyarmat (16 thousand inhabitants), the former one. One of the causes of the deep structural economic crisis of Nógrád is that its urban centres are small and weak therefore they are incapable ofgenerating growth and prosperity in the region. Salgótarján is a relatively young town (gained its township in the early 1920s), but under the socialist era it became a relatively populous settlement with 50 thousands inhabitants. The source of growth during the Socialist era was such extensively developed industrial branches (traditional in the area) like mining, metallurgy or glass production. With the occurrence of the

structural crisis of heavy industry Salgótarján and its environment become a lagging area and in the last 25 years the county seat has lost the 25% of its population.

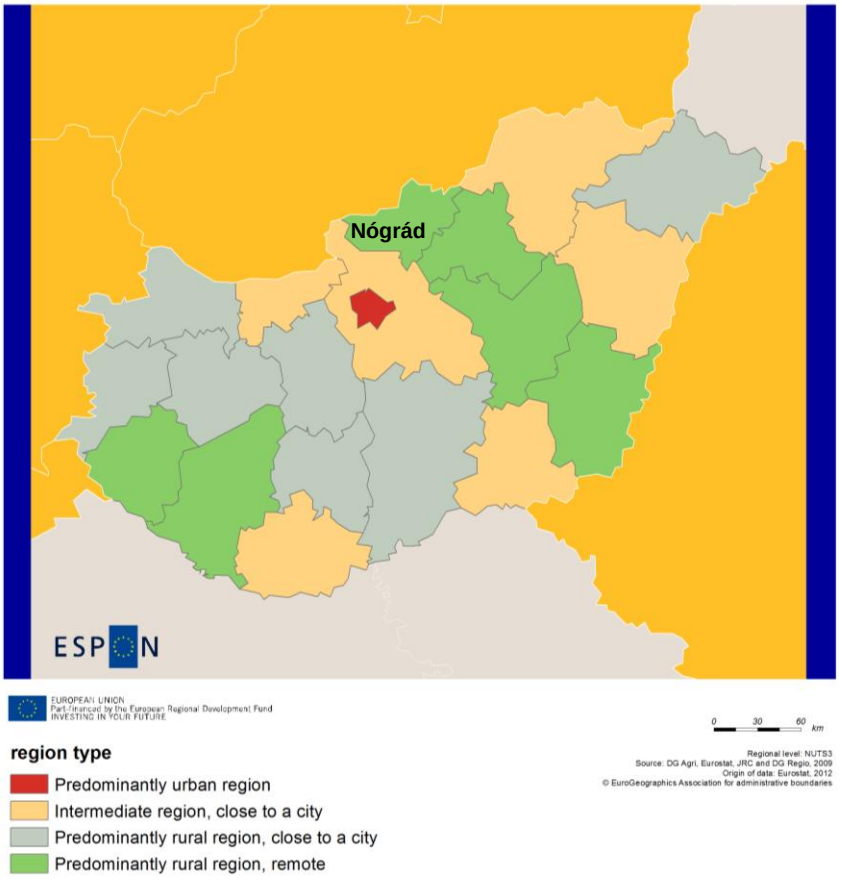

Figure 3: ESPON urban-rural typology in Hungary, 2009

The remoteness of Nógrád is influenced by the mountainous character of the region as well. Physical relief limits the access of given areas from any directions, thus the general paths of circulation and transportation in Nógrád follow larger flat terrains and some main routes located in river valleys between the mountains. Inter-county circulation connections are also unfavourable: the main routes follows the direction from south to north, transversal connections are more marginal. Beside local facilities, other factors also determine the deficiencies of accessibility of the region. Despite its relatively closeness to the most developed metropolitan area of Hungary, Nógrád has not profited much from its dynamism. Transit routes do not link adequately the area to the socio-economic core of the country, while direct connections are also insufficient. E.g. in the latest years some railway lines were closed, the traffic of many others were rarefied – nowadays there is no direct intercity train between Budapest and Salgótarján.

However, western and southern sub-regions of the county are moderately profiting from their relatively close proximity (30-60 km distance) to the metropolitan area offering job opportunities mainly in the quickly growing towns within the conurbation zone. The villages here are also destinations for urban migrants, though outmigration is much less intense here than within the primary commuting zones.

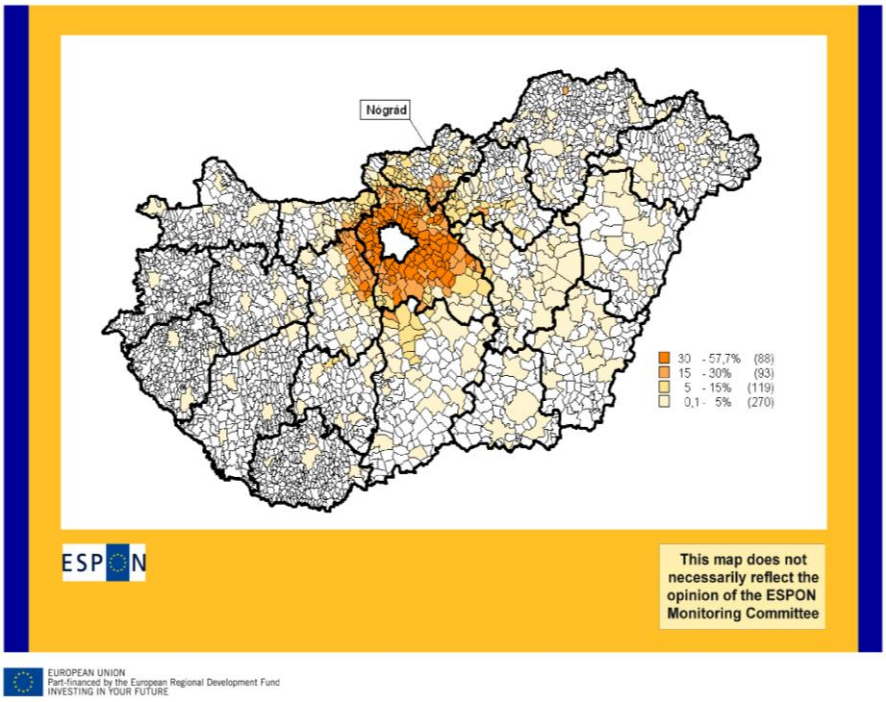

Figure 4: South-West Nógrád within the Budapest communing zone, 2001

Nógrád is the smallest county of Hungary: the number of inhabitants still diminishes intensively, due to the unfavourable socio-economic and demographic characteristics of the region. However the population density of Nógrád is not so low given that its 2,544 km^2 area is the second smallest in the country. Regarding the demographic characteristics, age structure has become more and more unbalanced in the last decades. The ratio of young age groups (aged <15) was equivalent with that of Hungary and EE-NMS in 2009, but the ratio of elderly people (aged >65) was the highest amongst the considered territorial units, domestic and European alike (a possible indirect effect of remarkable outmigration).

North Hungary, the larger NUTS2 region Nógrád is part of, is one of the least developed and declining regions in Hungary and Europe: in 2007 it was the 254th out of the 271 NUTS-2 regions of EU-27 ranked by GDP per capita figures (the value for the North Hungary region was 6,300 Euro per capita in 2007). By 2009, the position of the region dropped to the 257 (and 5,600 Euro per head). Historical backwardness, the consequences of the collapse of socialist heavy industry during the course of the shift from socialism to capitalism are equally playing roles in the falling economic achievements. The most disadvantageous NUTS3 unit within the North Hungary region is Borsod–Abaúj–Zemplén county despite the “capital” of the NUTS2 region, Miskolc, is seated there.

Economic activity rate in Nógrád was only 45.2% in 2009 while it was above 46% in North Hungary and 50.1% was the country average; however, all of these figures are low in European comparison. In case of employment the difference between the rates is similar: while in Nógrád its value is 5 percentage points less in Nógrád (39,2%) in 2009, than the country average. The level of unemployment was among the highest within Hungary. The structural causes of economic crisis are also

denoted indirectly in the area. The long-term unemployment rate was quite high in the whole North Hungary region (7%), significantly higher than the country (4.2%) and the EU27 average (3%). As the below table illustrates, it is the low activity rate (and inversely, the high inactivity rate) that are associated with the scarce economic capacities as compared with the EU27 countries.

Table 2: Demographic and labour market characteristics

	Nógrád (HU313)	North Hungary (HU31)	Hungary	EE-NMS*	EU27
Population (2010)[1], person	204,917	1,209,142	10,014,324	102.1 M	501.1 M
Population density (2010)[2], person/km²	79.9	89.5	107.5	96.2	116.6
% aged <15 (2009)[1]	14.9	15.9	14.9	14.9	15.6
% aged 65+ (2009)[1]	17.7	16.8	16.4	14.7	17.2
Economic Activity Rate (2009)[3], %	45.2	46.4	50.1	n/a	57.6
Employment Rate (2009)[4], %	38.0	39.3	45.1	n/a	50.5
Unemployment rate (2009)[5], %	15.9	15.2	10.0	n/a	8.9
Long-term Unemployment rate (2009)[6], %	n/a	7.0	4.2	n/a	3.0

Sources:
Eurostat Database, Regional Statistics (Reg) Table [demo_r_pjanaggr3]
Eurostat Database, Regional Statistics (Reg) Table [demo_r_d3dens]
Eurostat Database, Regional Statistics (Reg) Table [lfst_r_lfp3pop]
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Eurostat Database, Regional Statistics (Reg) Table [lfst_r_lfu3pers]
Eurostat Database, Regional Statistics (Reg) Table [lfst_r_lfu2ltu]
***** East European New Member States of the European Union (Estonia, Latvia, Lithuania, Poland, Czech republic, Slovakia, Hungary, Slovenia, Romania, Bulgaria)

The scarce potentials of Nógrád are appearing in its economic performance being the lowest among the NUTS3 regions in Hungary. In 2009 the total GDP volume of the county did not reach even the one percent of the Hungarian GDP. Considering the per capita GDP, Nógrád also gives the lowest economic performance with 4200 € per inhabitant, which is less than the half of the country average. In international context the position of Nógrád is similarly bad. The per capita GDP of the county does not reach the 18% that of the EU average, while it is just dropped out from the 50 NUTS3 regions within the EU, with the lowest per capita GDP – this list consists of Bulgarian, Romanian and Polish regions. Regarding its economic performance the position of Nógrád is also unfavourable in comparison with an average region from East-Central Europe, as its per capita GDP is only the half of the group average of East European new member states of the EU.

Table 3: GDP indicators, 2009

	Nógrád (HU313)	North Hungary (HU31)	Hungary	EE-NMS	EU27
Millions of euro	868	6,778	91,403	853,588	1,1751,419
Euro per inhabitant	4200	5,600	9,100	8,350	23,500
Euro per inhabitant in percentage of the EU average	17.9	23.8	38.7	35.5	100

Source: Eurostat Database, Regional Statistics (Reg) Table [nama_r_e3gdp]

The socio-economic crisis following transition in the 1990s, the structural problems and the decline of traditional industrial branches (heavy industry) resulted that the economic performance of Nógrád has lagged in the past twenty years. While some counties in Hungary managed to execute a successful economic shift (e.g. Győr-Moson-Sopron, Komárom-Esztergom) and others performed well due to their economic potentials, weight and functional diversity (Budapest and Pest), Nógrád has stayed behind. The disparities among the prosperous regions of Hungary and the lagging ones, e.g. Nógrád have increased in the last two decades. The financial-economic crisis of the past few years has amplified this process, as the lagging and more vulnerable regions with structural problems reacted worse to the new challenges.

The county's poor agricultural endowments and the yet significant industrial potentials, especially in manufacturing are indicated by the figures of the below table. The weak urban centres and scarce road/rail networks explain the lower than average figures of commerce. These deficiencies influence information-and communication industries, finance and insurances as well: Nógrád has the lowest rate of this sector, as little as 3.9% as compared with the country average (7.5%) and that of the EE-NMS (5.9%) or the European Union at large (8,6%). In addition to manufacturing, it is the historically rooted administrative capacities that show remarkable strengths amongst the economic sectors with 25.2% share.

Table 4: Economic activity by sector (%), 2009

NACE Rev. 2 Category		Nógrád (HU313)	North Hungary (HU31)	Hungary	EE-NMS	EU27
A	**Agriculture, forestry and fishing**	6.6	7.4	6.9	14.6	3.4
B-E	**Industry (excl. construction)**	30.1	28.6	23.0	22.7	24.0
C	**Manufacturing**	27.5	24.5	20.6	19.7	21.7
F	**Construction**	6.4	7.8	7.3	8.2	8.5
G-I	**Wholesale, retail, transport, accomm., food services**	22.1	22.2	24.3	22.8	27.1
J	**Information and communication**	0.6	0.6	2.3	2.0	2.3
K	**Financial and insurance**	1.0	1.1	2.3	1.9	1.9

L	**Real estate**	0.4	0.4	0.8	1.0	1.0
M-N	**Professional, scientific, admin. and support**	3.9	4.0	7.5	5.9	8.6
O-Q	**Public admin., defence, education, health and social work**	25.2	24.1	21.3	17.9	20.5
R-U	**Arts, entertainment, recreation**	3.9	3.8	4.3	3.1	2.6

Source: Eurostat Database, Regional Statistics (Reg) Table [nama_r_e3em95r2]

1.2. Description of the main dimensions of PSE

1.2.1. Multiple vulnerability: Hungary in EU comparison

In order to provide impressions on the relevance of poverty and/or social exclusion in Hungary, it is worthwhile to take a look at the Europe 2020 poverty and social exclusion indicators, and compare the rates of people belonging to the most vulnerable social groups – equally hit by income poverty, severe material deprivation and low work intensity of households – across member states. The figures below indicate that the rate of poor and deprived people who live in households with scarce job opportunities was higher in the new than in the old member states in 2011. From among the eleven post-socialist countries, Slovenia, the Czech Republic and Poland achieved better rates than the EU-27 average, while eight countries showed worse, with Hungary being the third worst-positioned country in Europe: having 4% of its population with multiple vulnerabilities.

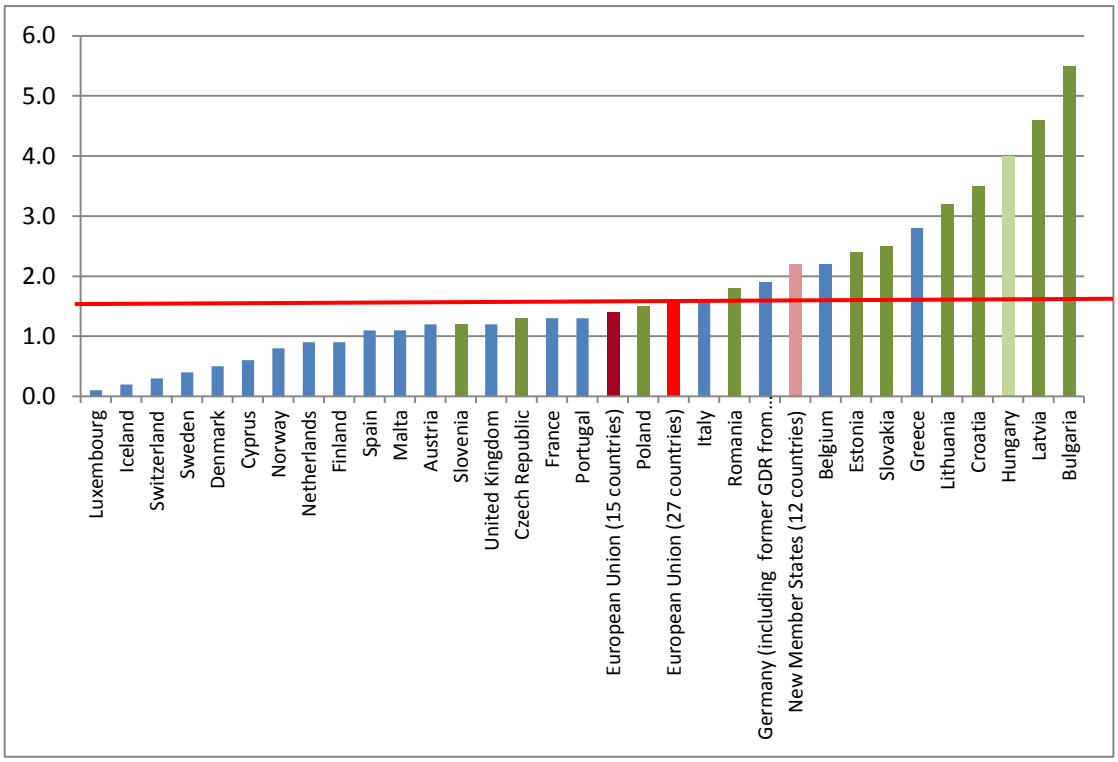

Figure 5: Population at risk of poverty, severely materially deprived and living in a household with low work intensity, 2011

Source: Eurostat database, Social participation statistics, Material deprivation and low work intensity statistics, Intersections of Europe 2020 Poverty Target Indicators by income quintile [ilc_pees03]

1.2.2. Trends in time: poverty indicators in Hungary 2000-2012

Considering the most important poverty indices by various "risk factors" over the last decade (see Table 6 in Annex 2), the regular assessment of TÁRKI[1] allows a deeper understanding of the processes.

- The overall age-related poverty is significant, but it shifted from the old generations to the younger ones: child poverty as well as youth poverty have continuously been growing since 2007;
- The gap between uneducated and highly educated heads of households hit by poverty widened dramatically between 2008 and 2012: 41% of the heads of households with low educational attainment slid below the poverty line (1.5 times more than in 2009), in contrast to those having university degrees (as little as 2% of whom were below the poverty line both in 2009 and in 2012). This sharp decline in the employability of uneducated labour might be explained as animpact of the crisis affecting Hungary from 2009 onwards, exacerbating the already scarce job opportunities for the low-skilled;
- Almost half (47%) of the heads of households with low work intensity were under the poverty line; this rate was 9 percentage points higher in 2012 than in 2009;
- The poverty gap index, which indicates the depth of poverty, also grew steadily and significantly from 18.3% in 2007 to 21.8% in 2009, then further on to 25.6 % in 2012;
- Due to the crisis, the volume of GDP dropped by 7% in 2009 in Hungary. This sudden decline worsened the absorption ability of the labour market, and also reduced the capability and the willingness of the government to balance deepening poverty with welfare provisions: data on relative income poverty before social transfers indicate that the rate of (relative) income poverty has been stable since 2007, but the volume of social transfers decreased significantly, negatively influencing the rate of people under the poverty line;
- Being Roma has been the highest risk factor since transition: 76% of the heads of households with Roma affiliation belonged to the group of poor, in contrast with 12% of the non-Roma in 2012 (at the same time, the proportion of Romany people among the poor was 33% both in 2009 and 2012, ten percentage points higher than in 2007);
- Finally, rural households were under the poverty line in a higher proportion (23%) than urban ones (17%).

[1] TÁRKI is a leading Hungarian (private) social science institute that investigates aspects of poverty and material deprivation on a regular basis within the so-called Household Monitor surveys, repeated every 2-4 years.

These trends do underpin the high relevance of poverty and social exclusion in Hungary, particularly where risk factors overlap. Rural poverty and its worst variation, when it comes intertwined with Roma segregation has been one of the most sensitive and most important social and political issues during the course of the last decades. From among the hottest issues, segregation in the field of basic public education was chosen as research theme. The Pásztó micro-region was selected as field site for empirical research, mainly for practical reasons, namely, earlier research experiences on the organisation of educational services and a case study on Erdőkürt and its school (Kovács, 2012).

1.3. The relevance of the selected theme (Roma segregation)

1.3.1. Briefly about the European context

Roma people were registered (and estimated) in significant numbers and rates in six member states of the European Union, out of which five belong to the new, post-socialist countries (Bulgaria, the Czech Republic, Hungary, Romania and the Slovak Republic). According to estimates of the European Roma Rights Centre, 3.8 million Roma live in these countries, and 600 thousand citizens in Spain representing the biggest cluster of Romany people in the old member states. The estimated number of Roma in Hungary was 550-600 thousand in 2002 according to the same source (see Table 7 in Annex 2)

Already the first pilot studies (1975-1980) aimed at combating poverty identified the Roma, among others, as people facing high risk of poverty (European Commission, 1981). Thus Roma people – or rather the NGOs working with them – were included in the subsequent Poverty 2 (1985-1989) and Poverty 3 (1989-1994) programmes of the European Community (Harvey, 2008). However, within the European Union, the gravity and scale of the deprivation of Roma people had not been spelled out until the report Situation of Roma in an Enlarged Union was published by the European Commission in 2004. (Harvey, 2008) This document shed light upon the fact that Roma, Gypsy, and Traveller communities became the largest ethnic minority within the EU as the result of enlargement.

Embedding the phenomenon into one of the leading social-science discourses, two prominent researchers, Ladányi and Szelényi (2002: 89) concluded on the basis of comparative research on the Roma in Bulgaria, Romania and Hungary a decade agot hat "*with post-communist transition, a Roma underclass might be in the making*," due mainly to de-industrialisation and economic restructuring destroying their jobs. They identified three dimensions of exclusion: residential, educational and job-related, and were thus clearly arguing that the phenomenon of "underclass" starts out from structural causes.

1.3.2. The Hungarian (rural) context

In Hungary, most of the Roma live in rural areas: 53% of those who declared Roma identity in 2011 (3.23% of the entire population) were living in villages, 31% in towns (9% in regional centres and 6% in Budapest). 15,790 citizens (7.5% of the

population)declared Roma identity in Nógrád County in 2011,with almost three-fourths living in villages, similarly to the North Hungary NUTS2 region Nógrád is part of. The growing numbers and rates of the Romany population in Hungary in the researched spatial units are illustrated by the graph below. The figures show that the rate of Romany people grew faster in the Pásztó micro-region than the country average. The speed was slower where the rate of Roma had already been relatively high in 1990 (for example, in the NUTS2 unit of North Hungary).

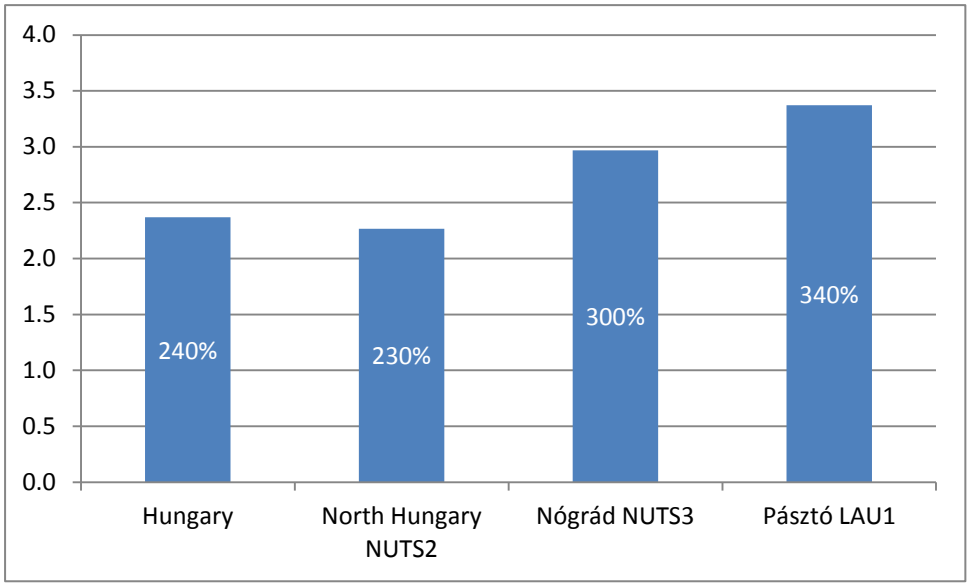

Figure 6: The pace of growing rate of self-declared Roma 2011/1990 (in %) calculated from census figures

Source: Census figures 1990, 2011

1.4. Roma segregated neighbours in comparison with non-Roma in the proximity; outcomes of a 2011 survey

The gap between the Romany people of segregated neighbourhoods and that of the majority society living in close proximity to segregated neighbourhoods (but outside of segregated residential units) can be well illustrated with the 2011 UNDP/WB/EC Regional survey and FRA Pilot survey (The Situation of Roma …, 2012). Though the dataset used here is representative to the segregated neighbourhoods and their vicinity mostly in rural areas of the researched countries, it is highly relevant from the point of view of our research.[2]

To start with the most sweeping finding of the survey: the rate of relative income poverty of Roma households is much higher, 71% than that of non-Roma households (33%). Excepting electricity and colour television, access to services and consumption goods are significantly lower in Roma households than in nearby non-Roma area (see Table 8 in Annex 2).

[2] Data of the UNDP/WB/EC Regionalsurvey 2011 and FRA Pilot survey 2011 are available at the UNDP website (see FRA 2011).

One of the most interesting data set is that of the *composition of household income* indicated by the figure below. Data show a much higher (over three times higher) rate of social transfers of Roma households than in the non-Roma households (42% and 16%, respectively). It is also worth mentioning that one fifth of surveyed Roma persons earned income from informal work in 2011. The similarly high divergence of the rate of pensions in Roma and non-Roma household incomes also reflects age differences between the two groups and the age structure of them: the surveyed 'proximity areas' are seemingly dominated by pensioners. The lower than expected rate of income gained from employment among non-Roma households (33%, 20 percentage point lower than the country average in the earlier referred TÁRKI survey, Szívós–Tóth 2013, p. 27) can probably be explained by this fact, though this rate is still much higher than the proportion of employment-related income of Roma households.

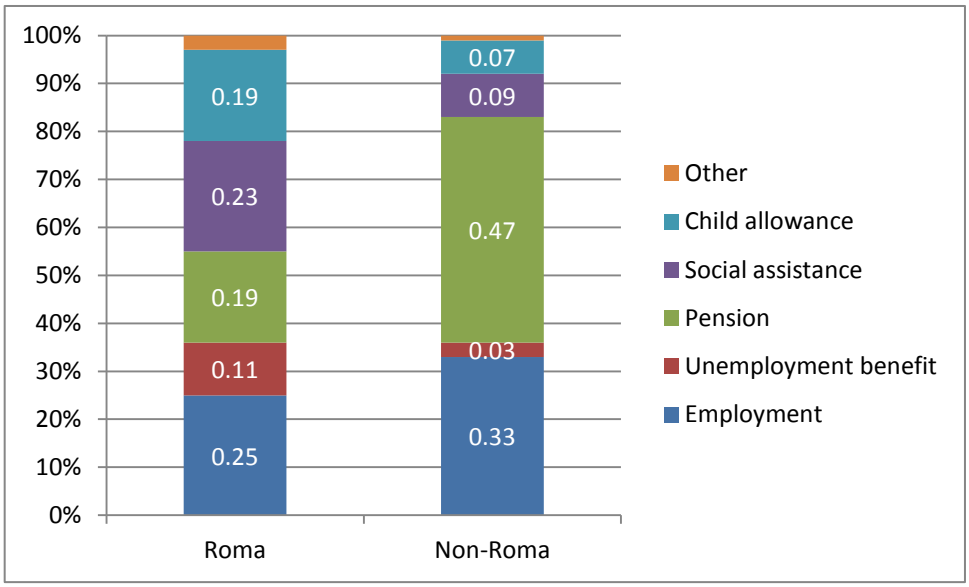

Figure 7: Household income by sources at Roma and non-Roma households

Source: UNDP/WB/EC Regionalsurvey 2011 and FRA Pilot survey 2011

As far as the employment rates of Roma people in segregated neighbourhoods and non-Roma living in their close proximity are considered, the most important findings are indicated by the figure below, summarised as follows:

- The gap between male and female employment rate is much wider among the Roma of segregated neighbourhoods than the among majority people (40% vs 82% gender gap, respectively[3]);
- The employment gap between Roma and non-Roma living in the proximity is much wider for women than the same for men (36% versus 74%, respectively[4]);

[3] The employment rate of Roma women per the employment rate of Roma men, the employment rate of non-Roma women per the employment rate of non-Roma men.

[4] The employment rate of Roma women per the employment rate of non-Roma women of the proximity, the employment rate of Roma men per the employment rate of non-Roma men of the proximity.

- The employment rate of non-Roma people living in the close proximity of segregated Roma neighbourhoods are three-fourths of the general population, showing that
    - segregated neighbourhoods tend to be located near villages, or within those districts of towns where the employability of the residents is relatively low and/or job opportunities are scarce;
    - Due to socially selective migration, it is most likely that young and skilled non-Roma will move out of the proximity areas of segregated neighbourhoods.

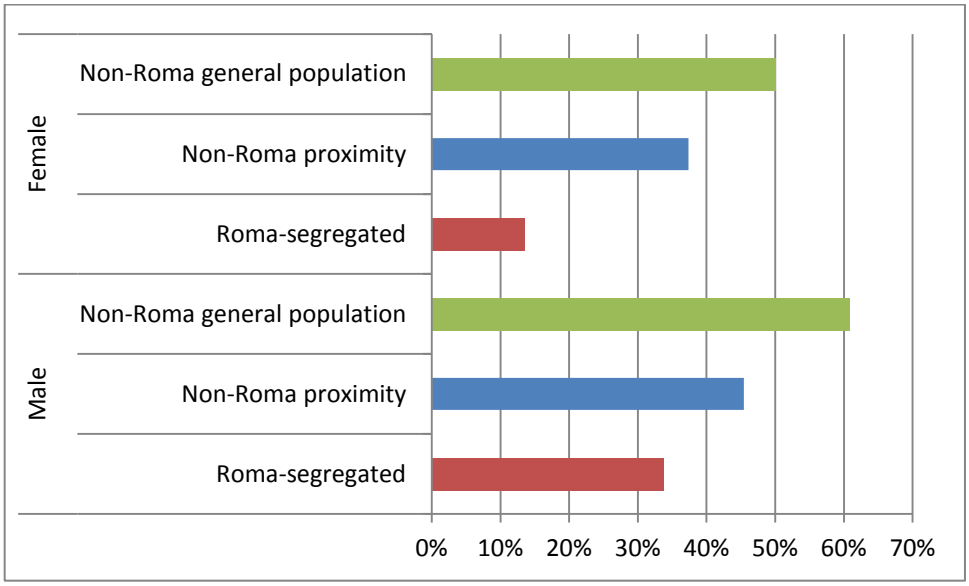

Figure 8: Employment rates of Romany people of segregated neighbourhoods and the majority of the proximity, aged 15-64, 2011

Sources:
UNDP/WB/EC Regionalsurvey 2011 and FRA Pilot survey 2011 & Fazekas, Benczúr & Telegdy, 2013, p. 335; with reference to CSO LFS

The same source informs us on the types of Roma employment by occupation and industry: the vast majority were still employed as unskilled workers (61%) against 18% of skilled and 8% semi-skilled employees (non-Roma occupation rates are 21%, 38%, and 9%, respectively). Most of the Roma were working in 'public utilities' (29%), 21% in construction, and 18% in agriculture and forestry (the respective non-Roma rates are 10%, 17% and 19%).

Data on the highest achieved education (see

Table **9** in Annex 2) provide explanation for the below findings.

- It is alarming that among young people between 20-24 years of age 15% of male and 13% of female Roma young people drop out from primary school: they have got ISCED-1 level education only. This occurs only in case of girls within the group of non-Roma (8%);
- Roma primary school graduates tend to attend and finish lower secondary education, whilst non-Roma young people of the vicinity tend to opt for upper secondary schools;
- Post-secondary education seems not to be accessible by Roma secondary school graduates of segregated neighbourhoods at all, and the number of those in non-segregated vicinities who manage to complete higher education (4+ ISCED level) are more likely to be female (6%) than male (3%), but they are both very few in number (and rate).

This is in spite of an almost entirely balanced pre-schooling (68% of Roma, 69% of non-Roma enrolment rate) and compulsory education (an enrolment rate of 94% and 97%, respectively). The scissors open between Roma and non-Roma at the highly selective secondary education (see also Liskó, 2009) proving that relatively high participation rates at primary education without motivation and a capability to attend and finish good secondary education do not allow further education.

Finally one sentence about the answers of Roma and non-Roma people to the question whether they would like to live in an ethnically mixed environment: 84% of Roma would have preferred to live in mixed neighbourhoods, while every respondent in the non-Roma sample refused this.

1.5. Policy and institutional context for dealing with PSE

The locus of social policymaking as one of the core governmental institutions of providing welfare has been the Ministry dealing with social issues, in certain periods jointly with labour, youth, equal opportunity, and yet other issues. The first Act on Social Provisions was issued in 1993 (Act III of 1993, *On Social Provisions*). Child care has been managed by another piece of legislation, the so-called Act XXXI of 1997, *On Child Protection*. Implementation of those acts was secured via so-called de-centralised government offices (being in charge of family and child care), and local governments (providing and managing means-tested social benefits, family care services, the care of the elderly, etc.).

Since 2011, all affairs related to human resources have been drawn under the single Ministry of Human Resources, operating under various State Secretaries in charge of health, social policy, education and higher education, youth, equal opportunity, churches and national minorities and social inclusion; with the latter in charge of developing and implementing the National Roma Integration Strategy. This is the first time when social inclusion is appearing within the institution system. Labour issues have belonged to the Ministry of Economic Development since 2011.

Basic social services, health care and education were provided by municipalities, while middle-level services by county councils. Access to development resources

that came almost exclusively from co-financed EU funding was provided via the so-called Regional Development Agencies until 2012, seven in number. So-called Multipurpose Local Government Associations were co-ordinating the local provision of services and the development of educational and social services between 2005 and 2012 at LAU1 level, then, when the State took over educational and health provisioning, most of these associations dissolved.

Strategy building has been implemented along EU standards; the most important national strategies in relation to social protection and inclusion are as follows:

- A Committee to Combat Social Exclusion was established by Government Decree 2321 of 2003, which elaborated the National Action Plan on Social Inclusion for 2004-2006;
- A complex national strategy aimed at combatting child poverty was adopted in 2007, titled "Making Things Better for Our Children" 2007-2032, by Parliamentary Resolution No. 47/2007;
- A National Action Plan within the Decade of Roma Inclusion Programme Strategic Plan was adopted by the Parliamentary Resolution 68 of 2007 (VI/28) in the same year;
- The National Social Inclusion Strategy 2011-2020 and its Action Plan for 2012-2014 were accepted in 2011 by Government Decree 1430 of 2011 (XII/13);

    The latter strategy document is built upon six pillars: family policies, social policies, education policies, employment policies, regional development policies and health care.

Strategies and operational programs or action plans were developed in more rounds from the pre-accession period to the two EU budgetary periods (National Development Strategies and Operational Programs, Regional Development OP-s, County Development Plans, Micro-Regional Development Plans etc.).

Despite the above mentioned strategies, according to a leading Hungarian sociologist, poverty and social exclusion were not properly addressed by the political discourse of the transition years, and were interpreted as natural consequences of the increasing inequalities of the emerging "raw" capitalism (Szalai, 2002). This explains the low sense of solidarity across members of the society at large. Szalai strongly criticized the delegation of most social provisions to local governments, arguing that the vulnerability of the most deprived social groups, especially the Roma poor, was on the increase (Szalai, 2007). The role of local governments in providing social care was still maintained after the political shift in 2010; what is more, public work programmes, at least in the 94 disadvantaged LAU1 units, were added to the list of optional tasks of local administration.

For more detailed information on relevant policies see Chapter 3.2 of this case study.

2. Characteristics of social exclusion and poverty: patterns and processes

2.1. Description of the case study area, territorial characteristics, and the affected population group the case study is focusing upon

The case study area where most qualitative research was implemented is that of the Pásztó NUTS1 unit (district level, so called micro-region in the Hungarian terminology) of Nógrád county, more closely, its centre (the rural town of Pásztó of around ten thousand inhabitants) and five villages, four of them with locally available village schools. The micro-region is located along the southern border area of Nógrád County, 60-80 km far from the capital and 20-40 km far from Gödöllő (one of the suburban centres in the agglomeration zone of Budapest).

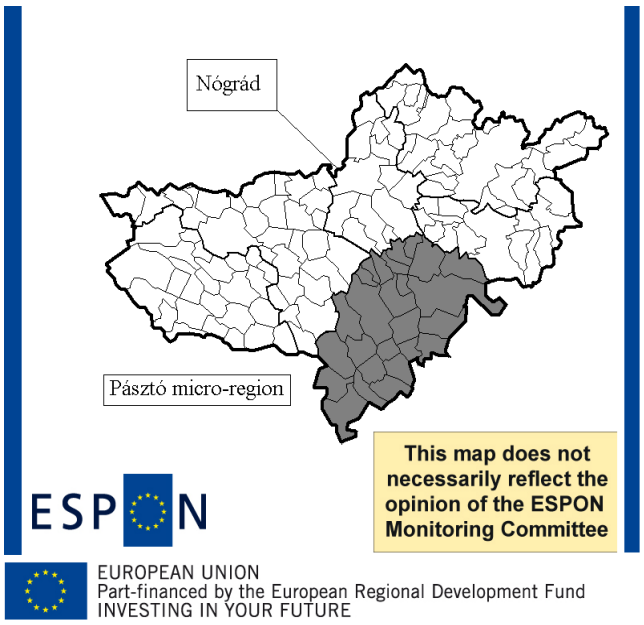

Figure 9: The closer case study area

The Pásztó micro-region does not belong to the poorest districts of the county, despite some of its numerous impoverished villages with high representation of Roma minority. Four of such villages though with different rates of Roma were selected for field research: Kálló, Erdőtarcsa, Szirák and Mátraszőlős and another village, Erdőkürt, where no Roma was available in the village or at its school.

The rate of Roma households was the highest in Szirák (40% in 2011 – census date) and in Kálló (33% in 2011 – census date), but the real rates were estimated higher by interviewees in both localities.

As far as primary education is concerned in the district: in addition to the two primary schools of Pásztó, brought under joint leadership in 2007, independent schools are found at the more sizable villages with one or two thousand inhabitants. According to

a research completed in 2010-2011, each of these was struggling for survival and tried to reach higher enrolment rates via “fishing” pupils from villages outside their catchment area (Nikitscher – Velkey, 2012). As parents’ free choice of school is guaranteed in Hungary, some of the concerned villages (Erdőkürt, Csécse & Szurdokpüspöki) could attract non-Roma children escaping from schools with high rate of Roma pupils thus speeding up the process of school segregation.

Aging and the subsequent decline of school-age children was triggered first by the so called “rural exodus” of the 1960s and 1970s and was aggravated during the first decade of transition, when another outflow from villages to cities could be observed.Young and skilled people were moving to towns and cities trying to find employment after the collapse of local industries. In both waves of outmigration from villages,non-Roma, skilled and young people participated in large numbers. Roma people could not afford to leave; on the contrary, many urban Roma tried better fortunes in rural areas during the 1990s, like in Mátraszőlős and Kálló. As an overall outcome of the selective migration, the growth of Romany population in villages accelerated.

Changing reproduction patterns also impacted the sharp rise of Romany children in the concerned localities. Interviews in Szirák and Mátraszőlős revealed that due to the extremely scarce availability of employment, many families shifted from reproduction pattern of 2-3 children per family to 3-6 children or even more, which brings regular, though small household income as welfare benefits in the short run, but causes many problems in the long run. One of these long run consequences is the lack of ability to school children. Early pregnancy is one of the symptoms of changing reproduction patterns being often experienced at vocational schools, mostly amongst the children of the poorest Roma households who are the most frequent agents of school dropout. The balance between Roma and non-Roma population therefore had become upset appearing first in preschool, then in the lower grades of the primary school and further on, to which the reaction of the non-Roma was flight. The three-year of maternity leave keeps mothers with three or more children away from labour market for a decade or decrease their employability. This keeps the activity rate and the income level of these villages low. Inevitably appearing monetary poverty in Roma households is rarely mitigated by ‘in-kind,’ non-monetary revenues like household production

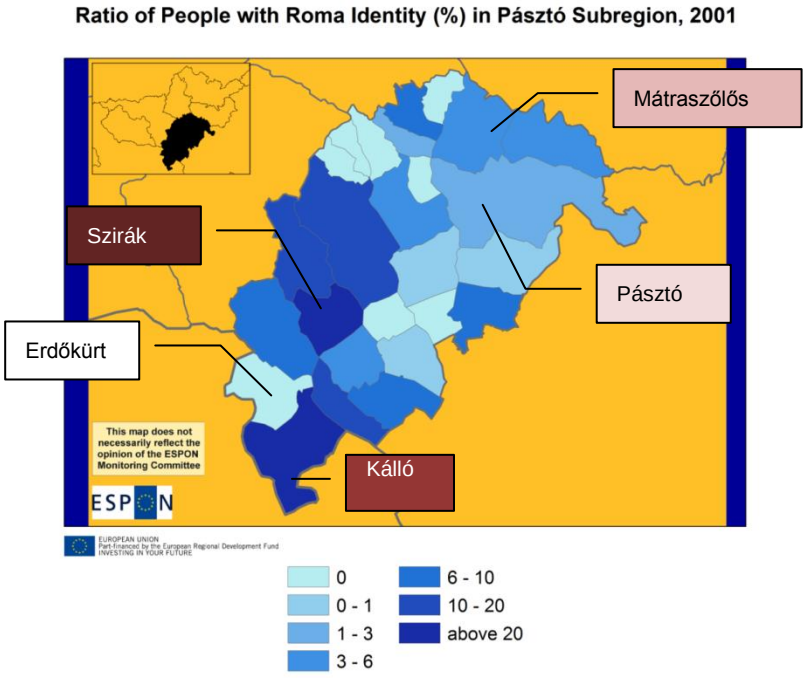

Figure 10: Ghettoisation in the villages of the Pásztó sub-unit

2.2. Description of the main dimensions of social exclusion and poverty

Indicators of Table 10 (see Annex 2) were selected to see whether or not they – being available at LAU2 level either from censuses or from reliable data sources – were appropriate tools for the identification of the regularities of PSE dimensions. Rows of the table are meant to illustrate a.) the 'effects of scale (settlement slope); b.) the impacts of territorial differentiation and c.) the scores of the settlements researched.

The 'principle of scale or 'settlement slope' means that scores from Budapest (the highest-positioned and most populous city), to villages (the lowest-positioned less populous one), display a steady deterioration. However, there isa few exceptions to this rule like 'per capita passenger cars' and 'frequency of identified criminal cases,' which reflects that

- villagers own more passenger cars than town/city people do (they need more for commuting among other things);
- villages still look like more peaceful resorts than towns and urban centres.

Territorial differences considering the varying rate of disadvantaged social groups do not show themselves as evidently as they do along the "settlement slope." The middle or better-than-average position of Nógrád County within the North Hungary NUTS2 region, and the similar position of the Pásztó micro-region amongst the LAU1 units of Nógrád county, are reflected in the following correlations:

- the scores of the NUTS2 region deviate negatively from the county average in the case of each indicator;
- the scores of income, education and housing indicators deviate negatively in Nógrád County and the Pásztó sub-region from the NUTS2 regional average;
- the number of passenger cars, the value of per capita social benefits and indicators of safety show a positive deviation from the regional average;
- employment/unemployment, household structure and 'per capita NGO' scores show values close to average, when compared to regional scores.

Identifying regularities is less easy at LAU2 level: Szirák does not always score worst, despite its high rate of Roma population and per capita social benefits indicated by poverty. Here, as well as in Kálló (both middle-sized villages of roughly 1.5 thousand inhabitants), middle class and lower middle class households are still to be found among villagers in relatively large numbers. These settlements had both been rural centres during the Socialist era and there are still significant symptoms of it: among others, the presence of those who used to possess jobs of relevant institutions and central units of employers. In terms of income poverty, Erdőtarcsa is at the bottom: even the lower middle class is missing there from the local community, which also explains the complete lack of NGO-s. *Activity, especially female activity rate, the rate of households with more than six household members as well as crime rates seem to show the most linear correlation with the proportion of the Roma*: where the latter one is high, the availability of households with 6+ members is also high, activity rates (employment and unemployment together) are low and per capita crime rates are high again.

Finally, another theme-related data source can be used for indicating the availability of low-income households within a given territorial unit, namely the number of disadvantaged pupils taught among school-based data. A significant increase of the rate of schools teaching mostly disadvantaged children between 2004 and 2010 is indicated by these data (from 9% to 20% on average and from 13% to 31% in villages) and a shift from their most typical location in the North Hungary region from urban-based to rural-based schools. On the basis of empirical investigation in the Pásztó LAU1 unit, it seems plausible to assume that that shift came from the growing residential segregation in villages, which inevitably has appeared at primary schools.

Table 5: The rate of schools having 70% or more disadvantaged pupils in the lower grades 2004-2010

Territorial units	2004		2010	
	All school seats	Village seats only	All school seats	Village seats only
Hungary	9%	13%	20%	31%
North Hungary (HU31)	18%	14%	42%	52%
Nógrád (HU313)	14%	14%	35%	40%
Pásztó LAU1	19%	18%	33%	40%

Source: own calculations from KIRSTAT data[5]

[5] KIRSTAT data are collected by the Ministry (state secretariat) of Education from schools every school year. It is accessible for academic research. Data were accessed in 2011 within a joint project with OFI

2.3. Mapping the main dimensions of social exclusion

2.3.1. Main patterns of exclusion over time: an index of Risk of Deprivation

As part of an on-going research[6], changes in the spatial distribution of "wealth" over the last two decades were investigated. In order to establish a system of classification, a composite index has been developed called "Risk of Deprivation Index." When creating that, the methodology of English Indices of Deprivation was adapted[7].

The following indicators were used:

- Income (per capita net income, TEIR data for 1992, 2001, 2011);
- Education (rate of ISCED 4+ graduates, census data for 1990, 2001, 2011);
- Employment (rate of tax payers, rate of jobless households, unemployment rate, census data for 1990, 2001, 2011);
- Housing (rate of apartments without utilities, census data for 1990, 2001, 2011);
- Age (so called youth index: TEIR data for -14/65+, 1990, 2001, 2011).

Table 11 (see Annex 2) comprises the averages of indicators by settlement classes created from the quintiles of the so-called "Risk of Deprivation Index" for 1990 and 2011. Indicators of the tables are grouped according to the domains and dimensions of social exclusion not only of those included in the creation of the Index itself. Only one dimension of SE is not included, that of political participation, because data were judged unreliable in an earlier analysis. Scores indicate *the gap between the most deprived and the wealthiest groups of settlements*

- has widened concerning income, the rate of jobless households, and the quality of housing, safety, age and household size (households with more than 6 persons);
- has narrowed down concerning employment opportunities, access to services, ethnic composition and household size (one-person households).

In the case of certain indicators, though the gap is narrowing, scores show a dramatic deterioration of the situation of the most deprived group of settlements, like in the case of the rate of self-declared Romany citizens (an increase from 9.5% in 1990 to 19.5% in 2011), or unemployment rate (6.9% in 1990 to 27.9% in 2011), and that of the proportion of jobless households (from 43% in 1990 to 54.5% in 2011).

(short name: „Kistérségi közoktatás") dealing with rural school network lead by Éva Balázs and Katalin Kovács.

[6] The referred research has been supported by the Hungarian Scientific Research Found OTKA, reference number is 115/100675

[7] The following steps were put in motion by Bálint Koós: variables after being normalised were transformed, if necessary, so that positive scores would indicate more unfavourable than average positions, and negative scores would indicate more favourable than average positions. Then scores in each dimension were subjected to equal weighting. (Remark: the scores had been averaged). When normalising, standard sample deviation and mathematical averages were applied so that to define z-scores (Remark: when calculating rural averages, the capital city, Budapest was not included). Then so-called Deprivation Indices were ranked and divided to deciles (then to quintiles). Quintiles are used here as classes of settlements (LAU2 units).

Since those indicators can be regarded as proxies of the first domain of social exclusion (earning a living), it seems plausible to assume that both the degree and the extent of social exclusion have increased since 1990. Age structure provides an example for complete restructuring: whilst in 1990 the most deprived settlements were populated mostly by aging villagers, the same group achieved the youngest age structure in 2011.

Three maps serve illustrations below

1. The territorial distribution of *municipalities graded according to the degree of risk of deprivation* (wealth or the lack of wealth) expressing also spaces of high-risk of PSE indices;
   - the accumulation of "wealthy" localities in the core area of Budapest, agglomerations, and the Northwest part of the Hungary;
   - the accumulation of "deprived" local societies in North-eastern and South-western peripheries, and along the Eastern and the Southern border areas;
   - the specific and consolidated status of the Southern Great Plain;
2. The rate of the Roma population at municipalities in 2011 shows a significant overlap with deprived communities;
3. The groups of municipalities by income level of their inhabitants (ranked in relation to the median score) indicate similar but not identical spatial arrangements. According to our impressions from field research, the Risk of Deprivation Index indicates the status of the researched settlements more accurately, than the single indicators one by one.

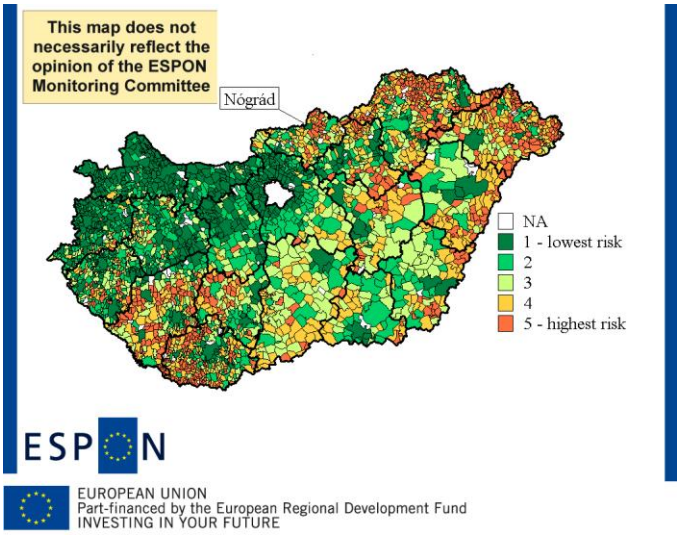

Figure 11: Spatial distribution of wealth and deprivation 2011

Source: Census and TEIR data

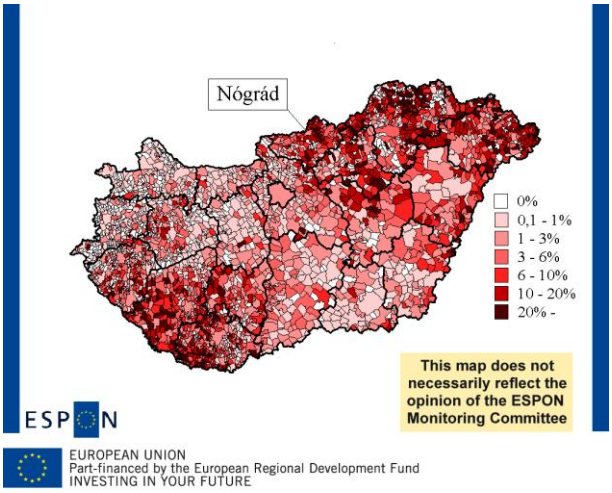

Figure 12: The rate of Roma at municipalities from zero to over 20%, 2011

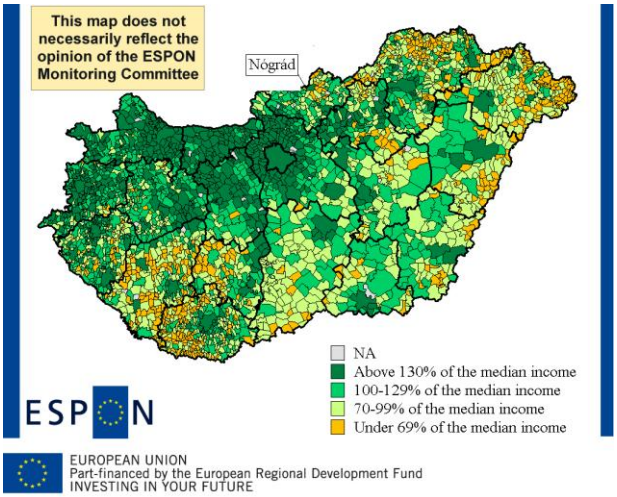

Figure 13: Distribution of municipalities by income level of their inhabitants, 2011*

* 130% of the median or more, between 100% and 129% of the median, between 70 and 99% of the median, below 70% of the median

Source: Census and TEIR data

2.4. Exploring residential and school segregation more in detail an account on empirical research

2.4.1. Methodology, research tools

Our dominant approach to the empirical investigation was qualitative: 30 interviews were conducted with 29 respondents (one of the school principals was interviewed twice). Our interviewees represented stakeholders within the investigated LAU1 area and beyond that: the four interviewed ministry officials were employed by the Ministry of Human Resources and were all involved in planning and implementing policies against poverty and social exclusion in rural areas. Three started to work on these issues a long time ago; they all belonged to the middle ranks of the Ministry staff. Principals of secondary schools at central towns of the broader region (Bátonyterenye, Salgótarján, Hatvan) accepting students from the researched area were also approached as well as one of the senior Roma politicians of the county in another town, Balassagyarmat. Interviewed local stakeholders were consisting of local leaders (mayors or assistant mayors), principals of schools, agents of educational services, chairpersons of Roma minority self-governments and parents.

Two categories of stakeholders need clarification for foreign readers.

- *Providing educational and social services through local government associations*: between 2007 and 2012, so-called 'multi-purpose local government associations,' covering the 174 LAU1 units, were responsible for organising educational and social services. They were also in charge of co-ordinating development programs and projects in these fields. These associations were usually headed by the mayor of the central town, which was the case in the Pásztó micro-region. Their working units could be

organised within the mayor's office of the central town or in a separate agency. They could provide services via their own staff and they could also outsource activities. In the local government association of the Pásztó micro-region, the coordination of educational services and development were delivered by the working unit of the association, whilst the delivery of social services was outsourced. The chairman (the mayor of Pásztó), the manager in charge of co-ordinating educational services and the staff of the agency for delivering social and educational services were interviewed in autumn 2012.

- *Roma minority / national self-governments*. All national minorities in Hungary may set up their own self governments in order to represent minority rights, cultural values and manage local community issues. The body of a minority national government (five representatives in settlements with more than 1,800 inhabitants, three representatives in smaller villages) is elected by the citizens of the local community (at least 100 citizens in settlements over 10,000 inhabitants and 50 citizens in settlements below 10,000 inhabitants). During the last elections in 2010, 1,248 Roma minority self-governing bodies were set up, by far the highest number of all minority self-governments (Germans took the second position with 424, Slovaks the third with 122 bodies)[8]. In sharp contrast to other national minorities, Roma citizens voted for Roma political parties. 75% of Roma votes supported LungoDrom in 2010, the coalition partner of the governing Party (FIDESZ) that came to power with two-thirds of votes. Members of this Party dominate the national Roma Self-Government as well.
- Generally speaking, national self-governments are weak, poorly supported bodies with limited influence on important local public affairs. However, their efficiency varies depending on the activities of their members, their networks within and outside of the local Roma community, their political affiliations and many other conditions.

In addition to interviews, documents and data were collected and analysed at the levels of schools and villages/towns, thus quantitative methods were also applied. In addition to census data, the statistical yearbooks of education with extended collections of relevant tables were also used.

The selection of the researched primary schools was influenced by the main themes of our investigation: residential and school segregation in rural areas. Therefore primary, special and secondary schools of the central town of the micro-region (Pásztó), and primary schools of villages were selected for the sake of comparison where residential and school segregations could be observed in the highest rates (Erdőtarcsa-Kálló[9], Szirák), plus one small school of purely "white" children (Erdőkürt). Usually three interviews were conducted in each village: one with the principal of the local school, one with the mayor or assistant mayor, and the third one

[8]http://hu.wikipedia.org/wiki/Helyi_%C3%B6nkorm%C3%A1nyzati_v%C3%A1laszt%C3%A1sok#Kisebbs.C3.A9gi_.C3.B6nkorm.C3.A1nyzatok

[9]Erdőtarcsa and Kálló are two neighbouring villages with one village school of two branches: the side-school is in Erdőtarcsa with 7 pupils of 6-10 years of age taught in one ungraded class, whilst older pupils are taught at the central school of Kálló.

with the chairperson of the Roma minority self-government[10]. Village leaders were interrogated in the fifth village (Mátraszőlős) where the segregated school was closed down in 2007, when the catchment areas of Mátraszőlős and Pásztó were unified. Parents were interviewed in focus groups (in Kálló and Pásztó). In Pásztó, one of the project managers of the local government association, in charge of planning and co-ordinating educational services across the LAU1 area between 2008 and 2013, was also interviewed, together with the social workers employed by the same association. Pásztó is a small rural town of 9,790 inhabitants; the population of the investigated villages were ranging from 537 (Erdőkürt) to 1,714 (Mátraszőlős). Such scales of villages and towns are typical for rural areas of hilly regions covering approx. 60% of the surface of Hungary.

Interview schedules were developed along the thematic suggestions provided by ILS. However, the agenda was set wide, covering the most important trends and processes of the local economy and community, the livelihood of people, etc. Data collection sheets were also developed for collecting school-level information at the primary and secondary schools. Processed school-level data are available in Annexes 8-9.

Qualitative investigation was seriously hindered by the rearrangements in public education of an unprecedented scale executed in the year of 2012, when primary and secondary schools were re-nationalised. Old institutions were already non-operational or they were busy with handing documents over to the new institutions during the second half of 2012, and new institutions were not yet operational, full of starting staff members who had little or no knowledge in the field, and/or were filled with the fear of hurting political loyalty – requested from all public servants. This explains why we were refused by all the branches of the Central Educational Inspectorate (KLIK) and also by the National Roma Self Government.

2.4.2. Residential segregation and cultural heterogeneity of the Roma

According to statistical data, Roma presence in the region of Northern Hungary was more than twice (7.7%) the national average in 2011, with a slightly lower rate in Nógrád County (7.5). The average of the 26 settlements of the Pásztó sub-region had this value at nearly three times (8.9%) the national average. The average figure covers huge differences from zero like in Erdőkürt to 40% in Kálló, and 50% in Szirák

The term “Roma” is an umbrella term covering different ethnic sub-groups with different cultures and mother tongues. Most of the Roma population in the researched area belong to the so-called Hungarian Roma (formerly „musicians” or “Romungro,” who speak Hungarian). They call themselves Gypsy *(cigány)* rather than Roma, with the exception of Erdőtarcsa, where local Gypsies belong to the Beás Gypsy sub-group; Pásztó and Mátraszőlős, where both Hungarian Gypsy families and Vlach Roma live. The social situation and the level of integration of the Roma/Gypsies are different in each settlement: Beás Gypsies in Erdőtarcsa as well as in other parts of the country incline towards assimilation the most: neither they themselves, nor the village mayor drew division lines between the Roma and the

[10]2011 census data

majority population regarding attitudes in relation to work. Since a significant part of the adult population did not complete primary school, they were employed in low-paying jobs; then, as most active age Roma have been unable to find employment since the collapse of socialist industries. Therefore they have been sinking deeper and deeper into poverty: many families could not afford to heat their homes; "*illegal cutting of the wood in the surrounding forests happens regularly,*" the village mayor complained.

However, Roma (Gypsy) population is also stratified in social terms: a narrow well-to-do layer has developed – mostly Vlach Gypsies; the better-off families are mainly relying on trade and upon enterprises in the construction industry especially before the crisis.

The political representation of Roma citizens is provided everywhere by the Roma minority self-governments. With the single exception of the village of Mátraszőlős, where segregated neighbourhoods do not exist at all, part of the Roma households – usually those better off – live mixed with the majority population, while another part lives in segregated neighbourhoods. Earlier ghettoes were replaced with newly-built houses in the 1970s, when lots were assigned for that purpose – usually at the edge of settlements. Employment was compulsory – at least for males –, and regular (mostly low) income was secure, thus with further assistance (e.g. loans) available that time, Roma people were capable of building new homes. Since their new residential areas were usually found at the edge of villages, their turning into segregated settlements was inevitable.

Social disintegration of the Roma, however, is not always rooted in residential segregation. For example, social acceptance of Roma is quite low in Mátraszőlős, where segregated neighbourhoods are non-existent. In this village the majority of the Roma population has moved in recently; therefore, lacking local roots and networks with the non-Roma community generate exclusion based on suspicion and prejudices. More inclusion and higher levels of integration can be observed in Erdőtarcsa, the smallest investigated village and in the town of Pásztó, where residential separations do exist.

2.4.3. Respondents views on the interdependence of poverty and social exclusion

A distinction must be made here between poverty and social exclusion: while poverty is a category widely conceived, "social exclusion" is not, therefore interviewees usually interpreted the term word-by-word that is: 'people excluded from the society', 'people made outcast'.

When a group of respondents (mayors, social workers, teachers) were asked to draw correlation between poverty and social exclusion as well as between poverty and (Roma) ethnicity, they did not see the correlation that strong and emphasised individual misbehaviour and refusal of widely accepted communal and local norms as the most important sources of social exclusion (according to their literal understanding of the term, communities exclude those who do not appreciate common norms). The poor who misbehave do not deserve community's respect and

solidarity which are provided as long as norms are kept. Different attitudes of Roma and non-Roma towards social assistance were also mentioned as a source of biased picture (According to those mentioning this bias, Roma poverty is more visible than the poverty of the impoverishing lower middle class.)

Finally, consumption habits of some of the Roma families did not allow for a clear-cut judgement in relation with linkages between ethnicity and poverty: "*Roma do spend on luxurious goods like plasma TV and mobile phone while they neglect their homes and gardens and do not spend on the education of their children*" – as one of the interviewed school principals described the tension between Romany people and the rest of the local community. Others emphasised the cultural heterogeneity of the Roma: the narrow layer of rich come primarily from 'Vlach-Gypsy' background. They earn their living from metal trade business (Vlach gypsies live in Pásztó, from among the investigated localities). Paradoxically, this group of people were mentioned as the one insisting the most on maintaining their traditions (like abduction of young girls) that generate gender inequalities in schooling amongst their ranks (girls might be kept home for preventing them from abduction). Another group, Beás Gipsies was mentioned as poor, but more integrated; therefore, less commonly excluded from the labour market then the third group called "Romungro" or Hungarian Gypsies. In one of the visited villages, the latter group (Kálló) was characterised as people who lost their own traditions and failed to acquire 'new culture' via assimilation into the majority society.

2.4.4. Contrasting examples of school segregation

A closed ghetto school and its features

The school at Mátraszőlős was closed in 2007. Anti-Roma sentiments in local society were undoubtedly playing a role in the local government's decision, along with other factors. The fate of that school is a good example for the vulnerability of schools having a small number of students, especially in villages where – due to the free choice of schools – middle class parents often enrol their children elsewhere (usually in the closest rural town).

At first, only children of commuting parents were enrolled at either of the schools of the neighbouring town, then, simultaneously with the increasing number of Roma children at the local school, the process of selective student flight started to accelerate. When closure was decided, less than 100 children were being taught at the school, 70% of whom Roma. When the Mátraszőlős School was closed, the two catchment areas of Pásztó and Mátraszőlős were integrated. No precise information is available on the number of Roma students, what we know is the rate of children with multiple disadvantages.[11]According to the data collected on schools in 2012, the distribution of Mátraszőlős children between the two primary schools of Pásztó was not entirely equal, though the relevant regulation[12] was probably not infringed upon: it

[11] Estimates say that the majority of multiply disadvantaged children are of Roma origin.

[12] According to the so called "Equal Opportunity Act" (Act XXXI of 2008), the difference of rates of multiply disadvantaged children shall never surpass 25% among school classes and schools maintained by the same municipality or another body.

was 11.2% at the school located closer to the segregated neighbourhood, and 7.5% at the other school, where a so-called 'elite class' was also operating for the children with the best performance scores – usually coming from middle class background (see Table 12 in Annex 2) Nevertheless, it was gleaned from our interviews that the appearance of Roma children at the Pásztó schools already started the flight of middle-class children (the educational market of the vicinity, a small school of Csécse close-by began to draw these pupils away).

Kálló and its school: trapped by poverty and mutual mistrust

The situation was much worse at the joint school of Kálló and Erdőtarcsa (an ungraded school with seven children under ten years of age was run at the latter village), where the rate of multiply disadvantaged children was 80%; the school became practically fully segregated by 2012.

The Roma community at Kálló has been the least integrated among those surveyed: that is where unemployment and joblessness is the highest among the Roma, and that is where it appears hardest to change circumstances and to improve the deteriorated relationship between Roma and non-Roma.

> "They work, but only for a week or two – they can't put up with a continuous job. The basic reason for that can be found in their process of family socialization: they fail to learn to conduct routine activities within a strict framework, or conform to regulations, they are inclined to disapprove of hierarchy, while parent-child relationships are usually characterised by aggression and brutality within their families. Many Gypsy children with good abilities are lost this way, because motivation and persistence is lacking, as does family support, and schools by themselves are unable to counterbalance all that." (Principal of the local school)

The relationship between the Roma community and the leadership of the village has deteriorated: mutual mistrust prevails. In the Roma parents' understanding, the village leadership is discriminating the Roma when confining their access to public works. Preferences – according to Roma complaints – are systematically given to the non-Roma unemployed, throwing the Roma into deeper and deeper pockets of poverty. At the same time, according to local public discourse, the Roma simply do not want to work, and they spend more on such luxury goods as plasma televisions and mobile phones than they could afford, whilst neglecting their houses, gardens, and spending less than necessary on the schooling of their children, leaving the burdens to the state. Petty crimes (stealing from the gardens, burglaries) are also ascribed to the Roma. The deeply rooted distrust and negative sentiments seem very strong on both sides.

In 2012, when they were interviewed, most teachers of the Kálló School were frustrated of facing daily failure: they felt they were working in vain. They also got tired of school aggression appearing more and more frequently, therefore they did not apply for mentoring support in 2012. They seemingly have given up: they no longer try to keep non-Roma children at the village school, they are aware of the low quality of teaching and the deleterious atmosphere. Target schools of the so-called 'white flight' from Kálló are Erdőkürt, the neighbouring small village with a small 8-grade primary school of 55-60 children, which was desperately trying to increase

enrolment rate since the 1990s, or larger schools of the Budapest conurbation. These schools thus profit from ghettoization and the flight of non-Roma pupils whom they attract. Being aware of their advantages, they try to attract pupils from the neighbouring catchment districts by providing extra services. The selectivity of the 'school market' is reflected by the fact that not a single student with multiple disadvantages was studying at the Erdőkürt school in 2012/2013, still, over half the children received free meals, in contrast with Kálló, where not even one-fifth of the schoolchildren received free meals, though 80% qualified. The reason is simple: the municipality just did not have the resources to cover the cost of meals; the school budget had already been cut by about 30% in 2012.

Recently not only school children, but younger children, non-Roma and better-off Roma alike are enrolled at the preschools of the neighbouring villages, indicating that the process of ghettoization in Kálló has reached its terminal stage. The trap, however, is closed, with approximately 160 enrolled children at the school, it is too large to be closed; it must go on.

Examples of tolerance: Erdőtarcsa and Pásztó

In contrast to the situation in Kálló, neither the mayor of the village of Erdőtarcsa, nor the head of the Roma Minority Self-Government saw great differences between Roma and non-Roma attitudes towards work; neither did they cite hopelessly negative judgements of Roma and non-Roma against each other. Roma as an ethnic group is similarly accepted in the town of Pásztó, where, however, both parents and teachers differentiated between motivated and unmotivated pupils, claiming that the judgement of Roma should be based on their efforts and achievements. Solidarity was observed in instances towards those with motivations (the motivated children of diligent but poor Roma families were handled as the '*deserving poor,' distinguished from the non-motivated 'undeserving poor'*) e.g. non-Roma parents who were better off were collecting funds to cover school excursions for those Roma children whose parents could not afford to pay the participation fee.

An example of trying to break through: the model of co-operation in Szirák

The small primary school of Szirák with its one hundred children enrolled is fully segregated: only one single non-Roma student attends the village school. The rate of the Roma population in the village of Szirák is approximately 50%. The local municipality – in close co-operation with the principal and the local minority self-government leaders – passed school maintenance over to the National Minority Roma Self Government, seated in Budapest, in 2012.[13] At the wake of re-nationalisation, the partners were scared that the school would be closed. Yet both parties agreed that keeping the school was of a crucial importance: they simply did not see one hundred Roma children commuting to the neighbouring schools where they would have been looked at as undesirable. After having been refused by the Catholic Church, the Board of Directors of the school turned to the National Roma Minority Self Government, relying upon the help of the local Roma Minority Self Government, with the request to take the school over. They were also competing for

[13] The Roma Self Government in Budapest is in charge of maintaining three ghetto schools (30 municipalities applied and only three proposals were accepted.)

better financial conditions: churches and minority governments were entitled to almost twice as much state support as municipalities. Since the Szirák school was accepted by the new maintaining body (along with two other ghetto schools), three more teachers were hired, people who could write tenders and had a positive outlook on the future. Enthusiasm prevailed: the school was renovated with the help of the voluntary work of outside Roma and Szirák residents, Roma and non-Roma alike.

However, it is still not easy to teach in Szirák. The school leadership is trying to maintain regular contact with parents in order to keep the children in school, but poverty and domestic conflicts make their work and daily contact most difficult. Nevertheless, they try to work against the emerging crisis of aggression, lost children, drugs, alcohol and smoking – immediately, and if possible, working together with the parents. The head of the local minority self-government, who is also member of the Szirák governing body as Assistant Mayor, is helping out at the school as a volunteering assistant. New teaching methods (such as project-based learning, differentiated teaching, all-day education) were introduced years ago to motivate children. Extra costs are covered by the so support provided through the so called Integrated Pedagogical System (IPS); the school also provides books and equipment for every student.[14] Mentoring is also widely practiced. In order to keep children in the educational system as long as possible, a preparatory secondary (vocational) school division was launched jointly by the village and the school leaderships a few years ago. Recent changes allow for developing a full vocational training school with agricultural specifications, therefore as of September 2013, a proper three-year vocational education will start in Szirák.

We must admit that our capacities did not allow a deeper research of the case, thus the above-depicted situation may look a bit too rosy, particularly when compared to the case of Kálló. What must be added is that co-operation between the principal of the school who took position five years ago and the mayor has been strong from the very beginning: they have jointly worked on finding a financially viable maintainer and towards starting vocational training in Szirák, out of a sincere and shared conviction that it would do good for the children. And finally, they succeeded. However, passing the school to the National Roma Minority Government resulted in divisions between both the local government body and the Roma community: an open conflict broke out and the village council resigned. New local elections were held, enforcing the coalition of those in favour of the unique solution. The chance of failure, however, is still imminent.

2.4.5. Secondary education in the Pásztó LAU-1 unit

Research was conducted at those secondary schools where the youth from the Pásztó region attend. We made interviews at two general secondary schools *(gimnázium)*, one in Pásztó (Mikszáth Kálmán General and Postal Secondary School with Boarding; hereafter abbreviated as SS1), and one in a nearby town (Váci Mihály General Secondary School with Boarding, hereafter SS2);at two vocational training schools (one close to Pásztó and called Fáy András Vocational Training School and

[14] The additional funds coming from the IPS provide for that help, and also cover additionally summer camps for the children and additional salaries for teachers.

Boarding School Division at the town of Bátonyterenye, hereafter SS3), a vocational school accepting students from Erdőkürt, Erdőtarcsa and Kálló, and being located in Hatvan (Grassalkovich Antal Vocational Secondary School and Vocational Training School and Primary School for Adults, hereafter SS4); finally, open access data of the Borbély Lajos Vocational Secondary School and Vocational Training School, where students from Pásztó attend in great numbers (hereafter SS5) were also used.[15] The interviewed experts (school teachers, principals of school) shared the view that the reasons behind the low level of educational performance of Roma and/or (multiply) disadvantaged children and their low rate of participation in higher education derives mainly from family patterns and the lack of motivation, since the educational system itself ensures the possibility of catching up, and institutions do their best. Indeed, researches revealed that great majority of unmotivated children coming from unemployed, hence poor households (Darvas-Tausz, 2003), moreover that the unemployment status of parents decreases the probability of participation in secondary education and increases the chance of school dropout (Kertesi-Kézdi, 2007) as well as the development of attitude opposing school requirements (Köllő, 2008). Nevertheless, many scholars emphasise structural failures within the broader system, such as lower-than-necessary spending on education by municipalities, the lack of control over the spending of normative state funds of local governments; the prejudices of teachers and the widespread segregation at primary schools due to increasing residential segregation in certain rural regions. Our school level data gathered within the present research also proves the highly selective nature of secondary education: the rate of disadvantaged children is very high at both vocational training schools and vocational secondary schools, wand low at general secondary schools where further education would be more probable (see Table 13 and Figure 18 for the type of secondary schools).

Among secondary schools under consideration, the high-school of Pásztó (see SS1 in the Annex 2 tables/from Table 13) is able to select children by its entrance examination, especially its Hungarian-French bilingual division, which is very popular in the wider surrounding area as well. In sharp contrast with this, the other researched general secondary school in a nearby town (see SS2 in the Annex 2 tables) accepts everyone who wishes to attend. The investigated vocational secondary schools and vocational training schools (see SS3 and SS5 in the Annex 2 tables/from Table 13) also accept every pupil up to the maximum mandatory number.

The Arany János Talent Management Program for Disadvantaged Students was launched in 2000, aimed to provide opportunities for disadvantaged families to participate more fully in society and to increase the participation in secondary and higher education of students from disadvantaged rural places. Since 2003, regardless of the place of domicile of students, has accepted applicants from socially disadvantaged families. The host schools, each in partnership with a boarding facility, gained extra funding to organise a five-year special educational program with one preparatory year of curricular, extra-curricular and social activities, taking place either at the secondary school or within the dormitories. A sub-program, called Arany János Boarding School program, was launched in 2007. The novelty of the programme was

[15] The school principal of this latter institution had continuously refused to give interview.

that students do not have to choose their school at the beginning of the scholarship program, and after the preparatory year, they may either choose the involved partner school for further 4 years of study, or any other general secondary school, or even a vocational secondary school in the close vicinity of the boarding school– since it is compulsory for them to stay at the same boarding facility and take part in the special programmes there. During the first year, state financing goes to the institution where the preparatory education takes place, and during the following four years, support is received by the boarding facility where the students live permanently during their studies. Structured this way, the programme was able to reach more secondary schools and more disadvantaged students.

The Váci General Secondary School and Dormitory chose to become the host institute of Arany János Boarding School Program for Disadvantaged Students in 2007, and ever since that time, the number and rate of (multiply) disadvantaged children have increased dramatically. The school became a partner of a boarding facility in Salgótarján, the county seat of Nógrád and since then, it has been running the preparatory educational programme. In different proportions every year, students of the program choose to pursue their studies at the Váci General Secondary School. According to the results of competency tests – partly as a result of the special programme – the school still keeps the level of education considerably high, as compared to vocational secondary schools and vocational training schools with a similarly high rate of (multiple) disadvantaged students. The rate of students participating in further education, however, was much lower here (51%) than at Mikszáth General Secondary School (95%) in 2011, and while the majority of students from Mikszáth choose professionally or academically oriented colleges/universities, the majority of the students of Váci General Secondary School entered higher vocational training.

Since the main task of vocational training schools is to prepare students for trade, quick reaction to the demands of the labour market is crucial – yet, because of the structure of education, these schools are not always able to offer up-to-date courses or trades. Providing vocational education requires practical training, but running a vocational training centre is expensive for both the school itself and for its private entities. The private entity is given permission to train a yearly quota of students for specific trades, still financed by the state, this form of education is so underfunded, however, that vocational training schools can hardly find places for the practical education of their students. So vocational training schools (and partly the vocational secondary schools too) are only able to move very slowly in answer to the demands of the labour market. Moreover, changes of the local economy also influence the supply of education in a disadvantageous way. Ever since the system change, the clothing-production factories have been vanishing from the region uninterruptedly, and the correlated education has also disappeared from the secondary schools almost entirely by now. This process has brought girls into even more disadvantaged situations, since there aren't too many trades offered to them at the secondary schools within the entire region. If changing to another trade to be offered by the school is unviable, the only other possibility that remains is to increase the number of students participating in additional education. Vocational schools typically have further education courses at secondary levels or special preparatory classes (for

vocational training), because there is a scholarship programme for (multiply) disadvantaged children, as a new sub-programme of Arany János Talent Management Programme for Disadvantaged Children, however, that programme is financially disadvantageous for vocational training schools.[16]

Neither the rate of (multiply) disadvantaged students in the school by itself, nor in accordance with the competency tests results of the institution can satisfactorily explain how and why secondary education strengthens already existing disadvantages of students. While financial considerations of schools and certain scholarship programs may ensure easier entrance of disadvantaged students to better schools, several indicators underline that there are many other structural and legal factors which fortify disadvantages. If the school results of (multiply) disadvantaged children were not among the highest in elementary education, they have their impacts upon their educational performance also at the secondary level, which is detectable by the high rates of grade repeaters in this group. As our data show (See Table 1. in Annex-9.), the better the standard of education – based on competency tests, the better (the lower) the rate of students repeating grades.

In every surveyed secondary school it was typical – however, by different rates– that badly performing students have been continuously repeating grades until they reach the mandatory school age when they allowed to leave school and the education system. Thus grade repeating might be investigated together with the drop-out rates of the schools in order to understand the process that might lead to exclusion within secondary education. Since we have correct data only from one school, processes can be interpreted byour interviews. In Pásztó (SS1), early leaving / drop-out is more significant among pupils attending on preparatory, first and second grades, the rate is approximately 6-7%. Students leave school quite soon if they realise they have chosen the wrong type of school or not the most appropriate institution suitable for their knowledge and skills. Drop-out is less typical at senior class or at the one before senior.

Interviewees in other schools explained how it generally happens when pupils give up general secondary school or a vocational secondary school which would provide general certificates of graduation (*érettségi*) and choose lower-level institutions. This kind of movement (which can also be considered as a drop-out of a certain sort) is most typical if done within the institution itself, as long as the same school provides both divisions of a vocational secondary school and a vocational training school. Students of vocational training schools, however, can hardly choose lower-standard institutions. Drop-out for them means something completely different. Being stuck to a continuous pattern of grade repetition thus might be influenced by many other factors, for example, the availability and accessibility of other secondary schools, while similarly, dropping out would not necessarily have to mean leaving the educational system – as long as there are other possibilities.

[16] The programme started in 2010, named then Arany János Vocational Training School and Boarding Programme for Disadvantaged Students. It provides help for the participation and retention in vocational education of (multiply) disadvantaged children and combines the elements of the two sub-programmes previously launched. It is a four year long scholarship with one preparatory year, and also supports curricular, extra-curricular and social activities of students through the boarding facilities where they stay. Here it is also compulsory for students to stay at a boarding facility during the four years of the programme.

As interviewees stressed, many grade repeaters lack the motivation to studying, having already attended school earlier as average students, they intend to just get through the compulsory time until they are free from having to go to school, at the age of 18, the mandatory school age until the end of 2012. Therefore, in many cases teachers themselves consider vocational training schools to be "child depositories." According to these teachers, decreasing the mandatory school age from 18 to 16 is going to result only in an earlier leaving of under-motivated and under-achieving students. On the one hand, the same measure has been praised by some teachers, as these students never really had good experiences and feelings of success during their school careers, and so teachers also feel that their efforts are considered as pedagogical failures. On the other hand, teachers are aware of the unfavourable effects of this modification on students, their families, and in a broader sense, on the entire society, since these – almost illiterate – 16 year-old students will never be capable to learn a trade and they never will learn one. The undergoing reform of vocational education, besides, already enhances the propensity of the students taking part in vocational education for gaining only a very limited level of knowledge and skills. According to the recent system, general subjects are to be taught in 12 classes per week, with one out of five being PE (physical education).

Many of those who leave education at the end of the mandatory age have already become chronic absentees before finally dropping out. Our data indicates, however, that students who missed more than 250 classes come from families with (multiple) disadvantages to a far greater extent that their total rate among students. In other words, disadvantaged students are more likely to become chronic absentees than other students (Table 14).

However, the connection between chronic absenteeism and early dropping out is not always so straightforward; there might be other reasons behind missing classes than the simple lack of motivation for studying. Families in disadvantaged socio-economic positions might really need their child at home. They are supposed to look after younger siblings, or give a hand to parents who collect firewood. Apart from such cases, teachers consider chronic absenteeism as another way of spending the compulsory time "in school" for under-motivated children. Despite a fairly new measure that has changed the provision of the universal family support (social benefit) to a conditional cash transfer, linking the payment to compulsory school attendance, the increasing level of students' missing more than 250 classes is puzzling.[17] The new law has ordered that the disbursement of transfer shall be paused if the student has missed more than 50 classes, and teachers and other experts have agreed that it might help in urging parents to send their children to school, however, maybe it produces its effect only in longer term.

On the other hand, there is another method of being absent from school while still remaining eligible for social transfer: and that is home schooling. It is a very popular form of learning among (multiply) disadvantaged students at Váci General Secondary School and at Fáy Vocational Training School. Basically, as the teachers explained, there are two typical reasons behind homeschooling. One is a health condition. Apart

[17] Act LXVI of 2010, On Amendments of Completion of Compulsory Education Measures of Act LXXXIV of 1998, On Family Welfare and Act XXXI of 1997, On Child Protection and Guardianship.

from really sick children, many schoolgirls who become pregnant choose this way of learning – though they usually never return after giving birth, finishing their studies completely at the compulsory age of 16.At the vocational school in Hatvan (SS4 in the Annex 2 tables/from Table 13) we sought out, it was a fairly usual case that girls were pregnant or gave birth:

> ”Girls will be absent due to giving birth, we’ve got 20 young mothers now, many have no residence because their families will not take them in, there are children in care of the state also, put out to the street from one day to the next. We established an opportunity for them to wash themselves and their clothes at the institution created for addicts. You have to see that with this sort of composition, our primary goal must be socialization and the acquisition of basic competencies, since they will be unable to fill even the simplest part-time vocational positions without that.” (Principal, vocational school, Hatvan)

Moreover, many students and parents choose home-schooling because it is easier and more convenient, parents do not need to sign for the absence of a child, and there is no threat of losing welfare benefits. As our data indicates, again, the rate of disadvantaged students among home schooling students is disproportionately higher than their overall rate in a given school (see Table 14).

So just like continuous grade-repeating, chronic absenteeism, home schooling can also be regarded as a first step towards an early leaving of school. And as our data have shown, the rate of (multiply) disadvantaged students is considerably high across all these categories, definitely higher than their overall proportion in the given schools.

The special scholarship programmes ordered to assist school performance and retention of disadvantaged students may help improving the situation. Beside the sub-programmes of Arany János Talent Management Programme, there is the so-called *Provisions-Public Funds for Hungarian Roma Scholarship (Útravaló-MACIKA Ösztöndíj)* programme, which provides monetary assistance for enrolling students with multiple disadvantages for four years of secondary education, with half of beneficiaries having to be Roma. Roma origin must be admitted by applicants, who also need supporting declaration from local or regional or national Roma self-governments.

During their secondary education, a mentor helps the scholarship fellow’s work and improvement, while the same mentor will also receive monetary assistance for each student. These are now the centrally funded talent management programmes intending to help disadvantaged students, their numbers and their rates of participation are shown in the Table 15 (see Annex 2).

Apart from these, there might be local scholarship programs of local governments, NGOs or factories, nevertheless, such scholarships are rare in the Pásztó region. There is an NGO in Pásztó with the main goal of supporting the school performance of talented students, launching one scholarship per year for students with good achievements. The monetary allowance is quite generous, compared to state-funded programs. Sometimes such public bodies as the Police offer scholarships for Roma pupils (one per year), and factories might offer a kind of monthly monetary allowance for students participating in the vocational training school’s courses. However, the

target group of these latter types of scholarships is not particularly the disadvantaged students.

Nevertheless, the numbers and rates of participation in these programs are not very high considering the high level of disadvantaged students in the schools across the region. One reason of it must be considered as an inner one: parents – especially Roma parents – are reluctant to let their children stay in a boarding facility over a week. The other reason is rooted in outer circumstances. The teachers and programme managers interviewed have told us that both the Arany János Talent Management Programme and the Provisions-PFHR Scholarship Programme have recently been experiencing severe financial problems. Payments from state budgetary funding have been coming late for almost over a year, while the previous school year's allowances had not been yet paid for the schools and the dormitories. Though such lack of funds has caused financial difficulties for the participating institutions in times financially already difficult, the general opinion is that these programmes are still very important because of their social benefits, having been programmes exclusively supporting disadvantaged students.

All of these data stress that students with a weak performance at elementary schools have (almost only) one chance to enter and complete lower-standard schools where they can hardly stay in. And as our fieldwork experiences have proven, there are many ways and methods of how these already disadvantaged students can fall out of the holes of social net provided by public secondary education. Regardless of the number of special programmes targeting disadvantaged children, or of the pressure of welfare regulation, it seems, that teaching less for shorter period of time in a very badly financed educational system results even less chances of integration for disadvantaged children.

The overall consequences of the mentioned processes: the actual system of secondary education for several reasons falls short of its goal of preventing current disadvantages from translating into lifelong disadvantages. It has rather an amplifying effect on the already existing process of social exclusion starting during elementary education.

3. Analysis of the underlying processes and trends

3.1. The main factors shaping the dimensions and the processes of social exclusion

3.1.1. Post-socialist economic restructuring, shrinking job opportunities

When considering the specificities, roots and trends of poverty and social exclusion in Hungary, unprecedented challenges generated by the transformation from Socialism to a market economy have to be mentioned first. The economic downfall that followed the political turn was fast and fundamental: the GDP dropped to the 82% of its 1989 value by 1993, *more than one million jobs were lost between 1990 and 2001, 58% of them in rural areas, in villages and rural towns*.

Emerging capitalism did not mitigate the existing spatial inequalities; on the contrary, it increased them: areas of mining and heavy industry as well as agricultural regions with low employment capacities either had become losers of transformation, like the North Hungary NUTS2 unit and Southern Transdanubia, or continued as regions of economic depression (North Great Plains). However, geographical location, the proximity *vis à vis* growth centres and road networks proved to be the most influential preconditions of shifting towards recovery and growth. *A significant and rather constant geographical bias* has been prevailing since the mid-nineties in Hungary with the lagging northeast and southwest regions on the one hand, and the developing core or close-to core areas in the centre as well as the north-west regions, on the other hand. The South Great Plains region – with its specific settlement structure – positioned itself in-between the two major polarities. There are old and new features of uneven spatial development. Some of the new structuring forces could be highlighted as follows:

- the downfall of mining and heavy industry, the strongholds of the socialist economy resulted in sharp decline of the affected regional centres (Pécs in the south and Miskolc in the north) deteriorating their rural hinterlands, too
- the importance of the proximity of European core areas increased, therefore East-West divide sharpened and a North/South divide appeared,
- new borders, the fall of “border walls” ceased the artificial impediments of spreading growth in areas neighbouring advanced western territories and rapidly developing cores (for example the Wien, Bratislava, Győr triangle), whilst along eastern and southern borders the speed of development has been much lower further widening the gap between advantaged and disadvantaged areas.

In the meantime, new spatial constellations did not overwrite entirely the old patterns and causes of spatial differences like

- centrum-periphery relations,
- the size of settlements (population number),
- characteristics of the surface (hilly, plain) and the settlement structure determined (fragmented or not).

The scope of commuting around middle sized and small towns have been shrinking, therefore “inner peripheries” still prevail and the border areas, excepting the north-west border lines, are yet lacking triggers of development. Also, fragmented hilly regions and the unique scattered farmstead area of the Great Plain continued to decline since 1990s. Links to centres of the faraway hamlets, farms have weakened in most cases, social and physical deterioration progressed hand in hand, the creation of rural slums /ghettoes and strongly ageing, more and more sparsely populated villages and town-surroundings have been prevailing in the last decades in such spaces. Exceptions from the rule, nevertheless, do occur, touristic and farm enterprises appear sporadically as well as other (usually urban) carrier of rural innovation.

The above mentioned trends tended – naturally – to prefer *urban and suburban areas at the expense of rural ones, since location preferences of manufacturing and high tech industries traditionally targeted bigger cities and their environs*. It is well-known, that agriculture, the former ‘backbone’ of rural economy, is among the most dramatically hit industries in most post socialist countries. Three major features of agricultural restructuring must be mentioned here: the transformation and the breaking up of large-scale co-operatives and state farms, the disappearance of the service and the industrial branches of the former large-scale farming, and the loss of the symbiosis between small-scale auxiliary farms and large-scale farms; these were the most important determinants of the radically dwindling employment opportunities in villages and rural towns. The urban bias was further aggravated by the fact that foreign investors extended privileges to cities / towns and agglomeration zones of favourable geographical locations, where infrastructure as well as skilled and yet cheap labour were available.

Due to the spatial rearrangement of jobs, *commuting opportunities* also changed: the once outstanding importance of commuting to secure the livelihood of rural households declined significantly in disadvantaged regions, whilst it has become more intensive in the more developed areas both in rural-urban and urban/urban contexts.

The last aspect highlighted here relates to the skills and engagement of labourers. Researchers have pointed to the fact that *unskilled labourers are provided with much less job opportunities* in the post-socialist countries, particularly in Hungary, Slovakia and Poland, than in the more advanced countries (Köllő, 2009). Inexperienced and low-skilled labourers often lost competition with more educated agents like skilled workers, being restricted to the same job at – to give an example – assembling factories. This correlation can clearly be underpinned by the following figure illustrating the gap between old and new member states in terms of the employability of the low-skilled labour: in 70% of the NUTS3 regions of the post socialist New Member States the proportion of people employed in elementary occupations is extremely low (it is below 11%), whilst the same low rate characterises only 32% of the NUTS3 regions of the Old Member States.

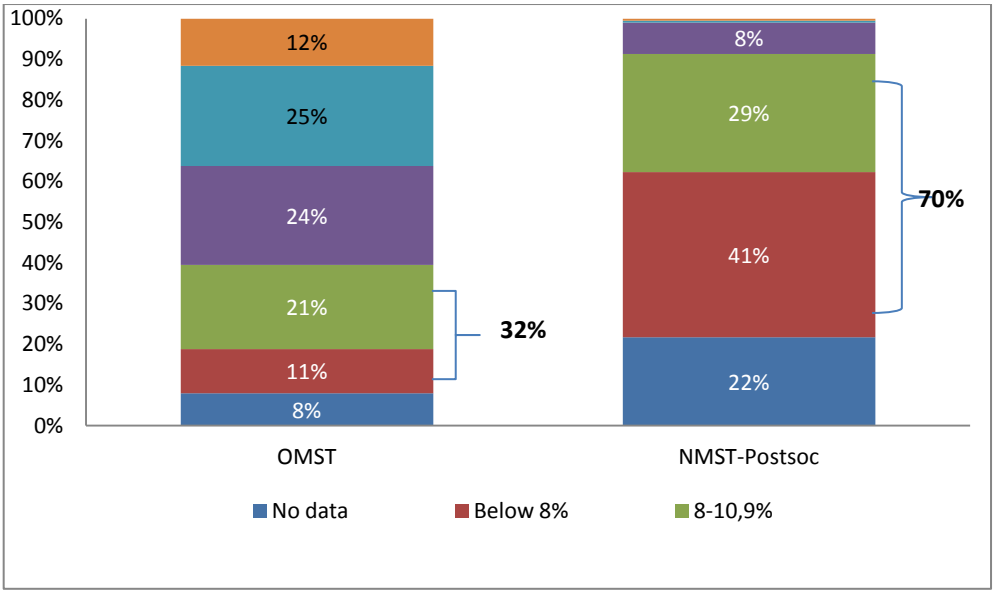

Figure 14: Labour force employed in so called elementary occupations across the NUTS3 regions of the old and Post-Socialist Member States

Source: Calculation from ESPON TIPSE data set 2013

In the context of scarce local and distant jobs, long-term unemployment and/or non-employment inevitable emerge. In the worst affected villages of the disadvantaged regions (Szirák and Kálló in our sample), the third generation has become exposed to exclusion from regular (proper) job opportunities. Members of such households have to ground their livelihoods on the combination of three pillars: social transfers, public work and seasonal (occasional) work (frequently in the informal economy). Public work is almost always restricted for the unskilled labour (usually part-time, restricted to 3-6 months), and often rotates amongst the long-term unemployed/none-employed. Therefore, one of the common experiences of people suffering of such circumstances is the absence of work-related activity during half (or more) of the year. The most important impacts are severe measures of income poverty, deprivation and an inevitably evolving welfare dependency. In addition to these consequences, the long-term absence of employment deteriorates people's abilities to work as well as their sense of daily routines: they become trapped by multiple forms of deprivation and the vicious circles of so-called 'deep poverty'.

Children, many of them Roma, raised in such households are necessarily subject to various forms of deprivation. They often suffer from forms of 'socialization deficit': they do not have the chance to learn work-related daily routines from their parents, they do not have access to toys, books or such amenities as running water or sanitation (flush toilets), they might even lack proper clothing and sufficient food. With rare exceptions, they are not motivated to achieving good results at school or to enter further education, therefore the probability of their being trapped in deep poverty is high.

3.1.2. Residential segregation

The varieties of segregated neighbourhoods are diverse in Hungary from colonies located outside or inside of the boundaries of a certain village or town to villages inhabited (almost) entirely by the Roma. In 2007, there were 125 villages (4% of the villages) on the list of 'village ghettoes' compiled by the Ministry of Social Affairs. These villages are typically small, peripheral, often dead-end settlements, but in some cases middle-size villages have ghettoized as well, particularly in areas where the process was spreading rapidly and exceeded sporadic appearance. Micro-regional accumulation of ghetto-villages was also reported from North Hungary (Virág, 2006).

The process started as early as the 1970's, and was speeded up by the desegregation policies of the time, meaning (in a rural context) the dismantling of Roma settlements in the woods and/or in the border area of villages, while providing cheap housing opportunities for Roma families in side-villages[18] following the rural exodus taking place in the previous decades. Due to the accelerating and selective outmigration, villages of inner and outer peripheries have increasingly become inhabited either by the elderly or by low-skilled population – often, but not exclusively, by the Roma. In the three, above-mentioned most disadvantaged NUTS-2 regions, some villages inhabited mostly or fully by Roma citizens emerged already prior to the fall of Socialism. Despite the growing number of ghetto-villages, this form of segregated neighbourhood represents some 10% of segregated locations. However, according to the last representative survey of Kemény and Janky in 2003, one quarter of the Roma lived in fully segregated environments (Kemény & Janky quoted by "Equal Access …").

3.1.3. Triggers of segregation in public education in rural areas

Given that statistical data broken down by ethnicity are unavailable in Hungary, analyses dealing with Roma issues are restricted to estimates based on proxy indicators. Paradoxically, self-reported ethnic affiliation registered at censuses can only be used as one of these proxy indicators. If we compare the number of citizens declaring Roma affiliation (205,720 citizens in 2001 and 315,594 citizens in 2011) to the estimates based on research (from 550,000 to 700,000 persons), we can see that the estimated figures exceed self-declared data 2.5 to 3 times. The reasons for this might be manifold, from double or shifting identities to an outright fear of stigmatisation.

This difference was not so high in the villages we researched; interviewees both in Szirák and Kálló estimated a balanced representation of Roma and non-Roma residents, while the self-declared rate of Roma in the 2001 census was 31.4% and 23.5%, in the 2011 census 39% and 34% respectively. Despite these relatively

[18] The amalgamation of small villages started already during the years of 1960. This was speeded up in 1971 when a systematic reform of local administration was brought about arranging villages and towns / cities to strict hierarchies. So called side villages were losers of this reform that were left without self-governing and administrative capacities. Lacking institutions of self-defence, these villages were often signalled as targets of resettling Roma citizens when sharks were destroyed.

moderate official rates, the primary schools of both villages were almost fully segregated in 2012, whilst the school of one of the least segregated villages, Mátraszőlős (where as few as 5.6% of citizens declared Roma ethnicity in 2001 and even less, 5,4% in 2011), was closed in 2007, following a rapid progress of ghettoization.

If we try to uncover the reasons behind the rapidity of the segregation processes in schools, three main causes have to be highlighted:

- the differences between birth-rate of Roma and non-Roma,
- the stemming huge differences in age-groups: whilst the proportion of children under 14 years of age is 39% among the Roma population, it is 20% among the non-Roma;[19]
- parents' free choice of school.

Relating to the issue of fertility, it is important to note that high rates are also heavily determined by other factors, such as the level of education of Roma women and their employment opportunities. The situation analysis of the National Social Integration Strategy has pointed out that as few as 5.9% of Roma women have at least vocational education, compared to 15.8% of Roma men. According to the same study, the rate of female employment has been dramatically low, 10%, half the meagre male employment rate. Although data introduced earlier (UNDP/WB/EC Regional Survey, 2011) show a somewhat better situation (12% of female respondents aged 15-64 have completed upper secondary school, and 13% of the same age-group of Roma women was employed – (The Situation if Roma …, 2012), figures clearly prove the interdependence between fertility, access to education and then to jobs.

As for the free choice of school, it is a weapon in the hands of the narrow non-Roma middle and lower middle classes in disadvantaged rural areas to safeguard access to the best possible education for their children – usually in the nearby town, but sometimes in another village (within our research area, such an example for white fly target was the small school of Erdőkürt, a village of half thousand people). When ghettoization accelerates, motivated Roma parents who can afford covering the costs of their children's commuting to better schools choose the same option. This stage was revealed in Kálló, while Roma parents of Szirák did not join the so-called "white flight."

The atmosphere of the two schools was sharply divergent during the course of our research: whilst apathy prevailed in Kálló among the ranks of parents and teachers alike, teachers in Szirák were enthusiastic about the new opportunities brought about by the new maintaining body. During the 2011/2012 school year, the national Roma Self Government took over the maintenance of the school from the local municipal government, along with two others, bringing in almost twice the financial support and much professional help. Other ghetto schools had similar fortunes as long as they managed to convince some church to take them over. These pathways legitimised escape from renationalisation as well.

[19] National Social Integration Strategy, Situation Analysis

In Kálló, the financial situation did not allow for providing free meals to all eligible children: as little as 15% of them – those enrolled in after school day care – were supplied with food, as opposed to 85.6% in Szirák. The shift of maintenance in Szirák was a result of persistent joint work between the leaders of the school and the community, supplemented by the political networks and the lobbying capacity of local Roma leaders mobilised in the final stages: between 2007 and 2011, leaders tried in vain to convince various agents – from associations of local governments down to the Catholic Church itself – to accept the maintenance of the small school of roughly 100 students. As part of a nationwide experiment, the 2010 political turn brought about a unique opportunity accessible for the very few – three ghetto schools altogether.

To illustrate the exceptional "fortune" of the Szirák school, a 2008 report (Havas, 2008) assessed the total number of ghetto schools as 180 across Hungary, in addition to the 3,000 segregated classes within the schools of segregating localities – which was ten times the rate it was in the 1980's, when the issue of school segregation had first been raised.

The above-described phenomenon reflects *segregation between schools, a pattern* prevailing in the context of small schools of small villages, where no parallel classes are available. In larger villages and towns where the number of children allows for parallel classes, segregation might occur between classes of the same school year – exactly what the research referred proves. Since such forms of segregating children were against the so-called "equal opportunity low" in force between 2007 and 2013, explanations had to be found to justify these practices, such as

- the need of disadvantaged children to be taught separately in small-scale classrooms with special curricula;
- the parallel need of providing high level quality education to the motivated children of the middle classes, and that of catching up programmes for children from disadvantaged social and cultural backgrounds; with the former group of children being taught in classes with special emphasis on certain subjects (*tagozat*);
- a territorial segmentation between the sub-units of a school and the reluctance or inability of Roma parents to enrol their children elsewhere than their own village.

Such segregating practices reflect the needs of the local middle classes as well as the dominant convictions of most teachers at the same category of schools, who usually argue that both groups of children can be taught more effectively when they are separated. We must add that in Pásztó, a small town of about 10,000 inhabitants, where we researched basic and secondary education, two elementary schools are available and both run parallel classes, with Roma children taught in an integrated manner (at least between 2007 and 2011). The climate within the local community allowing integrated teaching had been in favour of inclusion: "*this is a small settlement, people know each other and they are not negligent*." Relatively low numbers of Roma children participated in successful integration (from ten to twenty per cent of the children enrolled). Doubtful opinions have also been voiced relating to the quality of teaching (whether the high standard was kept following the integration

of Roma children), and alleged actions aimed at reducing the number of Roma children from the municipal leadership have also been mentioned in interviews, but all in all, an integrated way of teaching has been maintained so far.

Segregation in preschools also appears in the last phase of ghettoization, otherwise parents, who later opt for a "white school" usually still enrol their children in kindergartens which absorb both Roma and non-Roma children. "White flight" of small children was found both in Kálló and Szirák during our research.

Segregation at secondary school level forms yet another structure: there students are separated between various kinds of secondary schools, as elsewhere in Europe. Needless to say: vocational training schools serve the further education of children with disadvantaged backgrounds, while general secondary schools and sometimes vocational secondary schools[20] open the doors towards higher education for their most motivated students. Whilst the first category usually represents a dead end, the latter is meant to provide an intermediate phase of education. General secondary schools, ranging from competitive elite schools like the French bilingual secondary school in Pásztó, to ones where lower middle class and working class children with less ambitions and less achievements are also absorbed (like the general secondary school in Bátonyterenye).

3.2. Policies against segregation

3.2.1. The system of governance

Hungary is a relatively small country governed by a Unitary state and a two-tier local government system: some 3,200 municipalities (LAU2 units) and 19 counties (NUTS3 level) are led by elected bodies of local representatives. The *tasks and responsibilities of local governments have been recently fundamentally reshaped* after a right wing political turn in 2010, when a conservative party got the two thirds of votes: until December 2012, they were responsible for delivering public services like education and social services, while from the 1st of January, 2013, the State partly took these tasks over, partly decided to share them with local governments. Restricting ourselves to education, the division of tasks between the central state and local governments has been implemented in the following manner:

- **Preschools** have been kept under the maintenance of local governments;
- **Primary and secondary schools** have been taken over by the State from municipalities below 3,000 citizens fully, whilst the task of physical maintenance belongs to municipalities over 3,000 inhabitants. The salaries of teachers are covered by the State; one central government office is the single employer of all schoolteachers of the country

The highly centralised, hierarchical character of the new governance setup is as clear as the sole power of the central government in initiating and implementing policies promoting desegregation at schools. County (NUTS3 tier) and district (LAU1 tier, *járás*) branches of the central agency are functioning as implementing organs.

[20] Hungarian *szakközépiskola*

Regional councils and their agencies at the seven NUTS-2 regions were set up between the years of 2000 and 2004; after the accession to the European Union. They have been in charge of planning and implementing regional development programs covered by ERDF funding. As such, they have had a say on planning and implementing so-called human infrastructural programs within regional operational programs, they have been rather influential agencies in shaping the institutional settings of public education; for example – in line with government policies –, in the present programming period they were promoting the amalgamation of schools by supporting so-called integrated schools maintained by local government associations at the LAU-1 level. Otherwise, they were not authorised to shape the education of regions. Provisioning basic educational services in Hungary between 1990 and 2013 was somewhat paradoxical in the sense that policy making was highly centralised, whilst implementation was decentralised, fragmented (delegated to municipalities) and lacked almost any control. This explains – amongst others – the wide varieties of local responses to similar challenges.

As part of the rearrangement of the country's administration system, regional development tasks are allocated to counties once again, meaning that the regions are going to be dissolved as soon as the 2007-2013 term regional operational programs will have been finished. This means decentralised decision-making will lose its power, being restricted to narrow development programs of counties; while EU-funded operational programs will be planned and implemented by the centre.

3.2.2. Mainstream government policies

Powerful governmental inclusion policies – aimed at equal opportunity focusing on children of the poor, Roma children amongst them – appeared under the left-wing governments between 2002 and 2010. One of the major aims of such policies was to compensate for the disadvantages that start to accumulate in early childhood. Being aware of the fact that increasing child poverty had been heavily determined by the poverty of the parenting households, *a complex national strategy aimed at combating against child poverty was adopted in 2007 (hereinafter Child Protection Strategy)*. The major pillars of the strategy (which should be in force until 2032) are as follows: increasing access to employment, reducing income poverty via promoting access to entitlements, improving housing, fight against segregation, advance access to services and better health.

Continuing with relevant mainstream government policies, *mandatory pre-schooling* has to be mentioned first: from the age of five, each child should be enrolled in a kindergarten. This compulsory arrangement was supplemented by a means-tested support provided for those parents who enrolled their child at the age of three to four as of 2009. As unexpected momentums of the new Public Education Act (PEA) issued by the conservative government in 2011, from September 2012, the mandatory age of pre-schooling has been extended to the age of three, and from September 2014, at the first four grades of the primary school, the provision of full-day education will also be mandatory. If these measures come to force, impacts on the inclusion of the most deprived children should emerge soon. What critiques do

not see are the capacities at pre-schools to absorb all children between 3-6 and budgetary resources covering the costs of full-day education.

Left-wing governments were keen to increase *compulsory education* of young people in two steps, from 15 years of age to 16 as of 2006, then further to 18 as of 2008, with the goal of preventing the early leaving of schools by socially disadvantaged adolescents (drop-outs). This measure brought fundamental changes in vocational training and touched upon the issue of promoting the education of children from low-status families (many of them Roma), since they represented the typical clientele of vocational schools: two years of education on general subjects were followed by another two years of practical courses. The conservative turn reduced compulsory education back to the age of 16, and rearranged vocational training: as of 2012, vocational schools are oriented towards practical training and the duration of education dropped from four to three years. So-called Bridge Programs stipulated by PEA have been set in motion in the school year of 2012/2013 to bring dropped out children back to education (teaching of general subjects will take place in secondary schools, whilst practical courses will be provided by vocational training schools.)

Systematic arrangements aimed the fight against discrimination and desegregation was initiated by left wing governments from 2003 onwards. Some of the arrangements targeted Roma people and children openly, whilst others targeted the most deprived children in general regardless their ethnicity. The most important measures have been as follows:

- in 2002 Ministerial Commission of Integration of Roma and Socially Disadvantaged Children was set up by the Ministry of Education
- amendment of the Public Education act in 2002 in order to designate school district in a way that does not allow open segregation between schools in towns and cities
- setting up the Arany János college program to promote the secondary education of the disadvantaged students (one preparatory year before entering general or vocational secondary school, four years staying in a college free of charge, a small amount of scholarship)
- stipulating the Equal Treatment Act (ETA) in 2003
- setting up the National Network of Educational Integration in the same year
- means-tested in-kind support package was made available for the multiply disadvantaged children in 2006 (free meal, school books free of charge for the children)
- setting up mentoring schemes supporting children and their mentors in preparation to secondary schools in the same year
- so called “second chance” experimental programs were started in 2006 in order to promote the general secondary education of Roma early leavers
- integration per capita grant was established called Integrated Pedagogic System in 2007 promoting the integrated education of multiply disadvantaged children (schools apply, the available grant is commeasurable with the proportion of disadvantaged students and covers specific programs/projects, excursions, equipment, income support for the teachers, etc.)

- a so called Educational Round Table set up in 2007 with the participation of 22 delegates and the government's new action plan in 2008 stemming from the work of the Roundtable
- means-tested cash transfer promoting early pre-schooling of multiply disadvantaged children in 2009

The consecutive governments (three left wing governments from 2001 to 2010 and one right wing government since 2010) kept the bases of the above listed interventions with little modifications. The most important grant scheme, the so called 'integration support' is still operational, although the per capita grants were halved in 2011 as compared to the 2009 figures. At the same time, the scholarship program has been broadened, the co-operation between the government and particular churches has been strengthened (others were shut down) and the support policy have become less 'ethnic blind': for example at least half of the benefitted children in the mentoring programs must be Roma.

3.2.3. The impacts of EU social policies and finance

Accession to the European Union fundamentally influenced social policies as well as public education. Social policies were shaped already during the course of the pre-accession period, when the first national inclusion strategy was prepared in 2001-2002, followed by its operational deployment within the framework of National Action Plan in 2005 as well as by the first EU-financed National Development Plan. Within the so called Human Development Operational Program of 2004-2007, key training programmes for primary schoolteachers implementing such new visions from the point of view of inclusive education were financed as for example, co-operative teaching, project-based teaching and integrated teaching. The first "extra-curricular" study place (tanoda) projects were also supported by the First National Development Program targeting the children of the poor, in urban and rural contexts, particularly that of the Roma. Whilst teachers' training courses targeted the staff of ordinary primary schools, NGO-s and churches were made eligible when the tenders for the study place projects were invited. Both programs have been maintained until recently within the framework of the second national development plan. Digital tables and IT equipment also have been made available in both budgetary cycles financed by ERDF funded operational programs.

Parallel to the adoption of the above mentioned Child Protection Strategy, a so-called 'experimental complex program against child poverty' was started in the Szécsény micro-region (one of the LAU1 sub-units of Nógrád county). Early childhood development programs[21] are an essential part of the Hungarian Child Promotion Program: 43 so-called 'sure start houses' were opened throughout the country in 2008-2009, and 29 complex, LAU1 level child programs have started to operate in the most disadvantaged micro-regions since 2009, as part of the first *territorially targeted complex development program targeting concentrated and complex development of the 33 most disadvantaged LAU1 units of the country* (from among

[21] UK's Sure Start Program was adapted in Hungary. Experimental application stared on bilateral basis before the accession (information from one of the interviews).

174 such units). The weaknesses of such supports derive from the fact that they have been project-based so far and funded from ESF via the relevant operational program, therefore their long-term sustainability has not yet been secured. As a promising sign, the government decided to cover the operational costs of sure start houses from budgetary resources when the first 43 projects expired in 2012 from budgetary resources.

The continuity of domestic policy instruments put in force by left wing governments between 2002 and 2009 have been safeguarded by the so called Roma Integration Strategy passed by the Parliament in November 2011. This strategy is another important example of direct influence of EU inclusion policies and instruments on the Hungarian policy making and practice.

During the Hungarian Presidency in the first half of 2011, an EU framework on Roma inclusion strategies was born. National Roma strategies had been framed during the forthcoming year; the Hungarian Social Integration Strategy was amongst the first ones submitted in the beginning of 2012. The Framework Agreement brought about between the government of Hungary and the National Roma Self Government translates the policy goals laid in the Strategy to concrete measures and indicators to be achieved also resources secured.

3.2.4. Examples for territorially targeted, EU co-financed programmes

The most important territorially targeted program was launched in 2007 within the second National Development Plan. The targeted area was designated on a normative basis: the so-called Regional Development Concept of 2005 maximised the rate of potentially affected population (10%), the territorial units (micro-regions), the methodology of ranking and cutting points, for this category, at 10%. 33 micro-regions were classified below the line, therefore they (their territory) became targeted by *the Programme for the Most Disadvantaged Micro-Regions (MDM Programme)*.

National planning and operations were completed in 2007, followed by three months of on-the-spot programming. The funding of the micro-regional programs was centrally determined, each micro-region knew in advance the total amount of support they were programming for and also the themes they were supposed to cover. (These themes were also determined by the planners of the National Development Agency, but not strictly followed on the spot.) On-the-spot programming was assisted by external experts, which was also centrally funded. The process was supposed to govern by micro-regional associations; their members – the mayors of municipalities – were expected to make consensus decisions, with the inclusion of the most disadvantaged villages and social groups, among them the Roma. The micro-regional programs were expected to consist of ranked project proposals, to be approved by a jury at the National Development Agency. At least 25% of the funding was expected to cover “soft projects” supported by the ESF, and the jury was keen to push that expectation through. The micro-regional project packages were approved in 2009, and implementation started in the same year with four operational programmes, the ROPs, the Human Resource Development Programme, the Economic Development Operational Programme and the Social Infrastructure Development Programme. Access of the beneficiaries was secured by targeted

measures covered by earmarked funding within the operational programs. Inclusion purposes were mainly supported within the MDM Programme by the above-mentioned Child Protection Complex Projects, study-place projects, health care initiatives and teachers' further education as mandatory extensions of school infrastructural investments.

The Programme was terminated with ambiguous results and judgements with reason. Nevertheless, the MDM Programme was funded by multiple EU funds, and though funds were used side by side, it was still an achievement. Also, the impacts of the inflow of funding are already perceivable, especially in comparison with such micro-regions as the Pásztó unit, which was ineligible for MDM funding. Not only the projects impacted eligible areas, programme managements also appeared and were strengthened (working units of the eligible micro-regional associations could also apply for additional managing capacities).

Another location-based complex program called the *"Community Development for the Integration of People in Deep Poverty" (Deep Poverty Programme*) supported consortia of settlements (minimum five in numbers) lead by an experienced leading partner within the target area of the MDM Programme and the disadvantaged settlements of the micro-regions neighbouring them. The list of eligible settlements was centrally designated, but the consortia were set up locally. Projects were also developed on a grassroots basis with relative flexibility of concrete activities, the requirement was that such projects should enhance social work capacities and they should also include development aimed at the community. 23 consortia in rural areas have been funded within the Deep Poverty Programme. The project managements of the individual projects were assisted by a group of experts also in a consortium at national level. The consortia – both the one aimed at facilitating and harmonising grassroots projects and the grassroots projects themselves – were selected on the basis of tenders. Implementation is still going on, with mixed results.

3.2.5. Participation in supranational programmes

Hungary joined the most relevant supranational initiative with the membership of 12 countries that is the so called Roma Decade[22] in 2005 and accepted her action plan of four priority area (education, employment, health and housing) in the next year. One of the more powerful NGO-s in East Central Europe, the Open Society Foundation and its branch in Budapest called Open Society Institute (hereinafter OSI) has mainly been in charge of the implementation. Roma Education Fund, as part of the Decade Program was set up as early as 2005 donated by eight advanced countries. The Fund from the start of the Decade Program has supported a large number of studies as well as targeted education and scholarship programs in favour of Roma children and further education of young Roma.

[22] Participating countries: Albania, Bosnia and Hercegovina Bulgaria, Croatia, Czech Republic, Hungary, Macedonia, Montenegro, Romania, Serbia and Montenegro, Slovakia and Spain. The initial founding international partner organizations of the Decade of Roma Inclusion were the World Bank, OSI, UNDP, the Council of Europe, the European Development Bank, the Contact Point for Roma and Sinti Issues of the Office for Democratic Institutions and Human Rights, the Organisation for Security and Co-operation in Europe, the European Roma Information Office, the European Roma and Travellers Forum, the European Roma Rights Centre and the Roma Education Fund.

3.2.6. NGO participation, the role of churches

Some leading NGO-s have been intensively engaged in development and/or social defence programs in the last one or two decades targeting mostly or exclusively the Roma (Autonómia Foundation, Combating Poverty Network, Tutor Foundation, Chance for Children Foundation). Donations of powerful NGO-s are usually shared by various agents, private donors, churches, local governments, OSI and the State. In some cases, these NGO-s get involved in EU financed programs as beneficiaries / implementing agencies, like the Hungarian Maltese Charity Service in case of the complex child protection program in 2011. Influential NGO-s impacting their local environments have been engaged in exemplary programs, too, like the Bhim Rao Association in Szendrőlád, North Hungary (http://bhimrao.hu/en) and the Igazgyöngy Foundation[23] in Berettyóújfalu North Great Plain. The latter is a non-Roma organisation still operating an art school for children for the LAU-1 area. Beyond its original profile, the foundation has developed a range of employment programs, whilst Bhim Rao is a grassroots Roma association with projects like mushroom production, adult education and afternoon schooling of Roma children across the Decade countries.

The role churches play in maintaining schools of each grade is highly disputed in the public discourse. The process started to accelerate in 2005, when the government that time promoted maintaining associations and hampered the operation of small schools by cutting the generous extra funding they had been eligible during the previous decade. Up until the end of 2012, targeted foundations, even business ventures or churches could provide alternative routes of escape from closing down or giving up upper grades and associate though the former ones could rarely provide sustainable solutions. Therefore the rate of preschools in church maintenance rose from 2% in 2001 to 9% in 2011, the rate of church maintained schools from 4% to 10% respectively.[24] Researches revealed that such shift in maintenance often covers local deals, mainly in towns and cities, targeting the selection of children and provide the middle class with school without Roma children (Hamar, 2011, Vidra, 2011).

Recently, the so-called Roma pastoral care of churches has become more and more involved in poverty reduction of the Roma. In addition to the so-called 'historic churches', new churches and new initiatives have appeared like the Dr. Ámbédkar School run by the Dzsáj Bhim Buddhist community (founded by the director of the school) is one of the most well-known schools providing second chances for about 400 children and young adult Roma across Hungary in three villages[25]. Within the case study area, no preschool or school was run by any church or foundation, although two municipalities, Erdőkürt and Szirák tried to convince the Catholic Church to take over their school but they failed. After both having been refused, Szirák leaders initiated negotiations with the Roma National Minority Government and finally succeeded as it has been mentioned in earlier chapters of this case study.

[23] For more information, see page http://igazgyongy-alapitvany.hu/en/

[24] Statistical Yearbook of Education 2011/2012. Ministry of Education, Budapest, 2012

[25] For more information about this school, see page http://www.ambedkar.eu/teaching-the-roma-in-borsod-county-hungary

3.2.7. Local representations and interpretations

Empirical research provided evidence for the sensibility and often unpredictability of local processes: in three localities where decision makers were facing similar problems in relation to segregation, they entered different pathways. The ghetto school was closed in that village (Mátraszőlős), where the share of Romany people was the lowest (10%) and residential segregation did not occur at all. One of the possible interpretations of the closure is that the closeness of the central town (5 km distance), therefore relatively cheap commuting facilities as well as the inclusive community of the town itself influenced the decision of local leaders. There are, of course, other interpretations, like the strength and high intolerance of the still intact non-Roma majority that did not want to spend for the local school which was packed by Roma children only, since non-Roma white "flew" earlier.

Ghetto schools were kept in Kálló and Szirák, but for different reasons and manners. What is common in their faiths is marginalisation: none of them was accepted by any neighbouring or more distant schools or partnerships. Their students were unwanted in the vicinity therefore amalgamation was not an option for them. In Kálló, the school served as a central school of two villages, the number of children were simply too high to close (almost 200 headcount). Differences derive from the differing local communities and leaderships. In Kálló, the community was ridden by petty and more serious crimes (the leader of the Roma self-government had been arrested for being involved in usury deals a day before we wanted to interview her), teachers had been apathic, whilst in Szirák, school and community leaders jointly tried to find solution. Not everybody agreed with the pathway they finally chose (that is shifting maintenance to the National Roma Self Government), even the local government body was dissolved by the opponents, in November of 2012 those who were in favour of the decision were still hopeful and content with it.

The survival of these ghetto schools also proves that despite government efforts segregation of certain rural schools cannot be prevented simply because of the lack of any other alternatives. If neither the local middle class, nor the surroundings want to amalgamate with the school of a bunch of problematic Roma children, the reality and need for whatever local school win over values and principles forged by policy makers at the centre.

Local interpretations are in consent in blaming unemployment on the first place but some cultural traits had also been mentioned. The tradition of "abducting he girls" is still alive in some Roma communities, therefore parents might not allow their female children to go to school. Others emphasised that Roma children are considered "grown up" much earlier than their non-Roma counterparts, therefore they can't be disciplined by their parents. Such features can contribute, to some extent, to the high dropout rates from secondary education, too.

The dramatic picture unfolding from the interviews with primary and secondary school leaders underpins that no fast solution should be hoped for. Dropping out at vocational schools is extremely high, it is between 30-60%, girls are dropping out for early pregnancy, boys for drug problems; amongst others this is why most Roma parents are not willing to let their children to benefit from secondary school college

support. Parents want to keep an eye on them as much as possible. When the leaders wanted to convince the vocational school of the nearby town to open a small branch in Szirák, they argued with the strong resistance of Roma parents (and children) to continue any kind of education elsewhere than their home village.

3.3. Some characteristics of the Hungarian welfare regime

The above picture might generate the impression of a relatively generous welfare state also underpinned by figures according to which Hungary's spending on social protection was considerable at least in comparison with the other new member states in 2010 (second after Slovenia). Such impressions have some true grounds, although one should be aware that many of the listed interventions can be accessed on voluntary bases and/or via project based, short term programs. Territorial targeting also narrows the coverage of eligibility though makes the complex program more efficient.

However, the structure of social spending calls for modification particularly the budget of employment and child care policies. Despite the wide range of instruments targeting child wellbeing and family allowances, like a three year long maternity leave – in terms of the per cent of the GDP, Hungary spends the less for family and child allowances from among the New Member States. The same applies to unemployment benefits whilst she spent the most after Slovenia for social protection interventions, old age care and health. Low spending rates obviously influence the still sharply growing numbers of disadvantaged children of poor families.

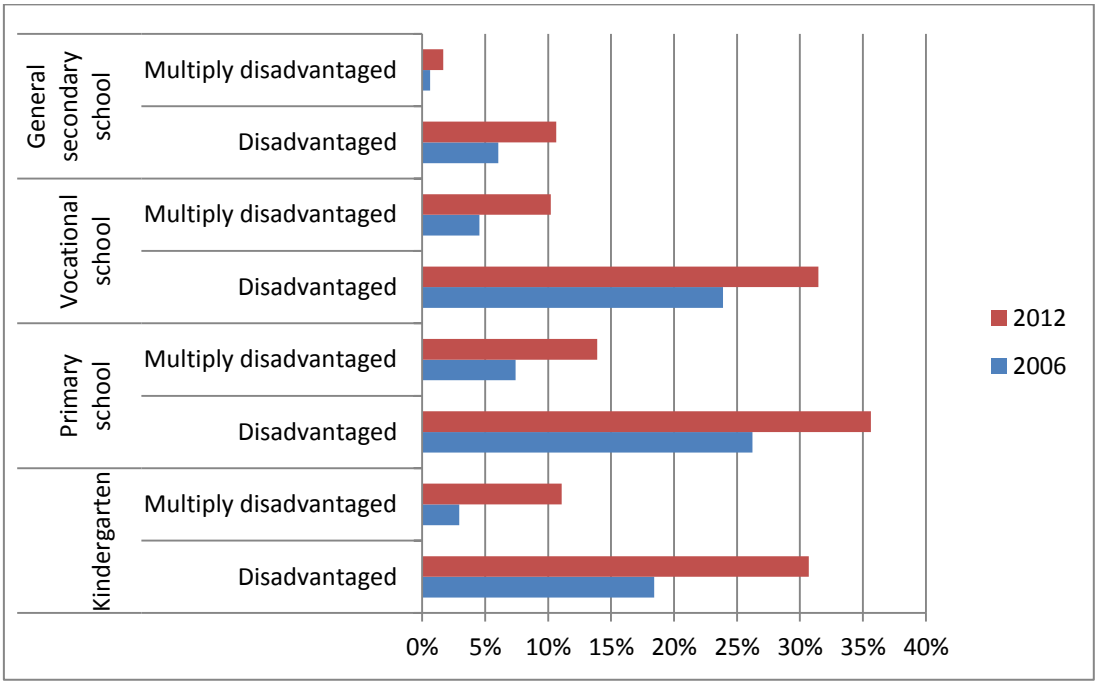

Figure 15: Rate of Disadvantaged children at schools 2006/2007 and 2011/2012 (% of the enrolled children)

Source: Statistical Yearbook of Education 2006/2007 and 2010/2012. Ministry of Education, Budapest, 2007 and 2012

Considering of the character of the welfare regime Fenger grouped Hungary to the Post Socialist European type along with Bulgaria, Croatia, Czech Republic, Poland and Slovakia with elements resembling to the Former USSR type and the conservative corporatist model (Fenger, 2007). Sengoku, on the other hand (Sengoku, 2004) made the point that post socialist welfare states, at least the central European ones, combine the elements of Esping Andersen's three welfare regimes. However, he also puts Hungary between Poland and the Czech Republic characterised with more emphasis on the traditional corporatist model. Ferge points to the influence of international donor agencies like the World Bank and the IMF that shaped welfare policies of the most indebted countries considerably with bringing the elements of the liberal model in: for example, the three pillar pension system adopted by Hungary as well as Poland was pressed by the World Bank (Ferge, 2001). However, Fenger as well as Sengoku explain the varieties of post socialist welfare state as reflections to specific responses given to challenges these countries had to face during the transformation.

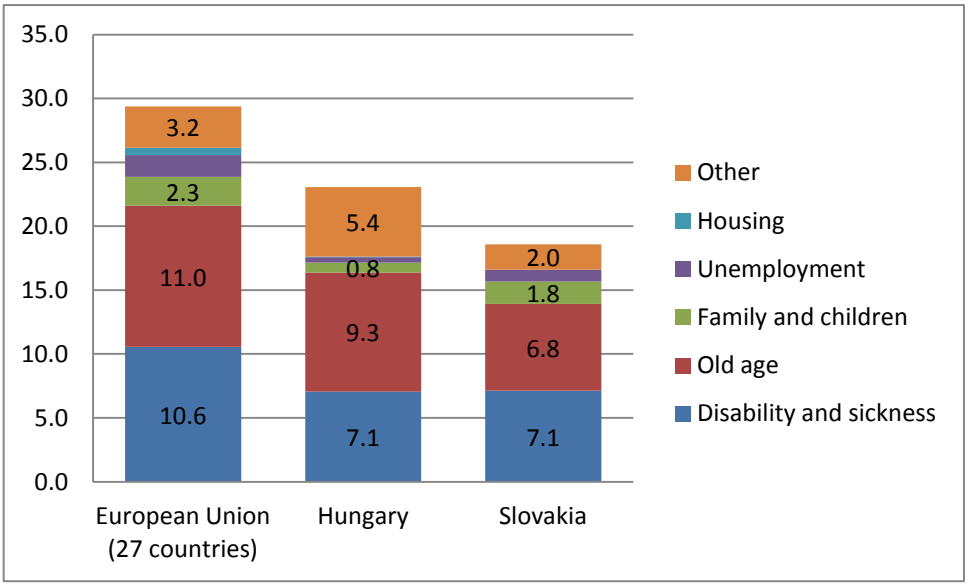

Figure 16: Expenditure on social protection 2010 (% of the GDP)

Source: EUROSTAT database [spr_exp_sum]

Lendvai (2009) also emphasises the fluidity of welfare regimes, the influence of the European Union before and after accession as well as the impact of the substantial economic and political changes taking place in this region. Following Lendvai (2009, 21) Hungarian and Polish welfare systems may be described as a "complete patchwork" with a "large state" and "jobless growth" (by 2006), whereas the Baltic States and Slovakia opted for a neoliberal model with "radical economic reforms resulting in minimal states, low welfare spending, low taxes, strongly deregulated labour markets and widespread liberalism… with minimal welfare commitments"; Czech Republic and Slovenia, finally, established a kind of "Scandinavian island" in post-communist Europe.[26]

[26] However, the fluidity of the regimes provoked new changes in Eastern Central Europe in 2011-2012, Slovakia made a turn towards the social democratic model since the left-wing government came into

We must add: the post socialist "welfare mix" varies within one single country as well, determined by the political profile of the government in office. The 2010 political shift in Hungary strengthened the traditional conservative-corporatist elements of the welfare arrangements: notwithstanding the enforced state power and the shift from partnership-based governance structures toward top-down hierarchical structures, one of the three pillars of the pension system for example was forcefully absorbed by the main pension fund controlled by the State right after the government's coming to power, also the 3-year maternity leave was restored immediately keeping female employment low.

Extended welfare works programs represent another example for the conservative shift and a stronger move from welfare to "workfare," also "disciplining" the poor. Public works in Hungary and elsewhere in Central and Eastern Europe are meant to absorb the poorest unskilled labour. The long-term unemployed of the disadvantaged micro-regions[27] are targeted by public works programs that inevitably trap most of their clients (Köllő & Scharle, 2012, Csoba & Nagy, 2012) partly because "proper jobs" do not occur in the peripheries for the unskilled masses, partly because the clients themselves tend to accept what they are offered. Considering the distribution of active employment operations of the Hungarian Labour Office by the specific intervention tools, villages are benefitting the most from public works, towns and county seats are benefitting the more market-oriented intervention tools as wage supports and trainings. Distribution of funding across rural and urban categories of settlements is conceivable given that the more effective intervention tools presuppose employers as providers of jobs.

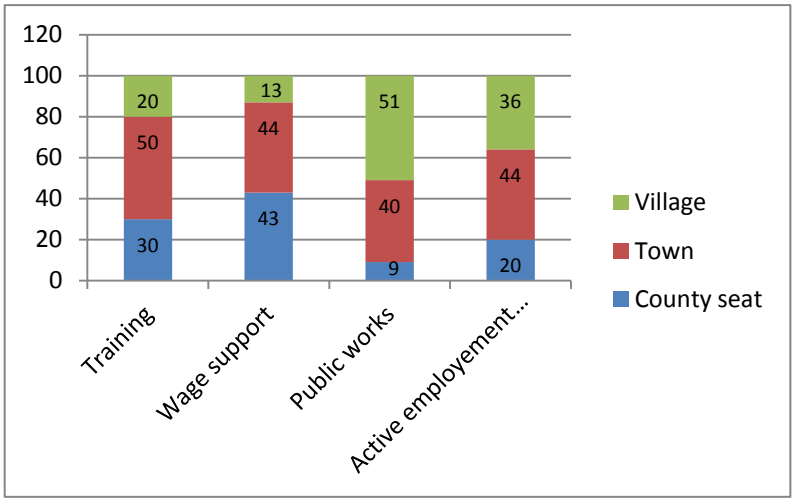

Figure 17: The distribution of active unemployment operations by types of municipalities, 2011

Source: Calculations from figures provided by Csoba & Nagy, 2012

power in 2010, whilst the new, right-wing government of Hungary absorbed more neo-liberal principles in its dominantly Bismarckian welfare regime.

[27] According to the classification of the 311/2007 (IX. 17) Government Decree 94 from among 174 LAU1 units belonged under this title.

Of course, Roma people are highly over-represented amongst ‘welfare workers,’ the probability of their participation was 1.8 times higher than those of the non-Roma Csoba & Nagy, 2012). Overwhelming Roma participation in public work was also identified by an anthropological research conducted by Schwarcz. In her study, she revealed a further burden on the most vulnerable, namely, distinctions made by social workers between deserving (non-Roma) and non-deserving (Roma) poor (Schwarcz, 2012). The debate has been rather heated in relation to the role public works play in welfare arrangements: those who are in favour claim that access to work and thus a bit more secure livelihood is essential as well as the maintained “employability”. Those who are against public works argue that jobs provided by these schemes are insecure, extremely poorly paid, frequently short term and develop undesired dependency between the poor and village/town leaders locally (Vidra, 2013, Közmunka, 2013). Finally, more balanced research conducted in small villages in 2010 revealed that local variability of leaders’ attitudes is ranging from co-operation between all players (employers, mayors, the long-term unemployed) for the sake of the beneficiaries in order to exploit state funds but avoid ’punitive’ practices. (Váradi M. M., 2010)

4. Validity of European-wide data from local perspective

4.1. The researchers' point of view

Being parts of the WP 2.6 team, we are rather confident that the NUTS3 level indicators produced and mapped so far are both reliable and relevant tools to illustrate (and then analyse) poverty and social exclusion across the EU. Only a few issues are raised below concerning the relevance of EU data from a local perspective.

- First of all, we must clear up the meaning of 'locality' and a 'local perspective.' In the Hungarian context and in that of the present research, the term 'local' equals to settlements (LAU2). This very same term, however, in cross-country context might also refer to larger or smaller territorial units – depending on the administrative system of the given country. The size and heterogeneity of local units
- also matter: the larger and more heterogeneous a unit is, the harder it is to assess complex issues of poverty and social exclusion with local (socially and culturally defined) explanations and correlations. Any one of the indicators is necessarily confined to show only one of the many aspects of the complexity of PSE.
- Without 'local knowledge' (here in a broader meaning of the term) data can easily be misinterpreted. For example, data on income – one of the most relevant sources of information on poverty – are frequently distorted by tax regulations (it is very hard to collect information evenly throughout the EU), or by people's willingness to declare income, and by various shady deals – also 'locally' specific, for example, tax evasion and forms of corruption (bribery). One example is the Southern Great Plain NUTS2 region in Hungary, which can truly be regarded as a reservoir of small-scale agricultural entrepreneurship. Here, particularly in certain districts, tax reliefs of farm income over a certain threshold indicate a lower than realistic income as compared to other parts of the country, where small-scale individual farming exempt from taxation is less important.
    - *Per capita income* is one of those indicators not included in TiPSE data set, but is available in other, rather reliable national data sources, such as the TEIR (territorial information system) of Hungary. Despite the above-mentioned limitations, in the Hungarian context, *income data, per capita social benefits and data reflecting the safety of the locality* (per capita criminal cases) seem to be appropriate indicators of poverty. Needless to say, the indicator of per capita social benefits reflects the significance of the rate of needy in a local community though it is also determined by the structures of expenditure of local (or national) authorities.
    - As it has already been noted, the complexity of these issues demands complex approaches. Composite indices produced from relevant indicators might also be used as tools reflecting the complexity of PSE (as chapter 2.3.1 demonstrates).
    - The territorial scale of data collection is also an important issue. We know from TiPSE that it is unrealistic to collect lower than NUTS3-level data for

cross-European comparisons. However, policymakers should be encouraged to go further and use data of smaller territorial units for the sake of targeting their policies better.

4.2. Experts' comments

Only four experts were asked to interpret two sets of maps, one of them being the collection of EU-wide maps drawn from Working Paper 2.5, the other set consisted of only two maps (the spatial distribution of a composite index and the target area of the so called "Deep Poverty Programme"). Interviewees liked the maps, found them useful for comparison because – according to them – they illustrated the most important division lines (Northern advanced countries, Mediterranean countries, Eastern European countries and crisis zones within the larger regions). All viewers liked the maps on Hungary, found them familiar. They declared that maps should be used as tools to help decision-makers to elaborate and verify policies, also to convince various kinds of audience.

However, only few valuable interpretations were recorded.

According to a leading sociology professor, EU-wide maps should not go below NUTS2 territorial units: that level is perfect for mapping and guiding European decision-makers. Others were in favour of NUTS3 level maps.

The principal of the Szirák School, a geographer by profession, raised the issue of cutting points and the selection of indicators. According to him, the huge nominal differences in per capita figures do not allow finding sensible cutting points to illustrate differences across the EU (he commented the map on per capita social transfers).

5 Transferability of results

Research results can be generalized to the wider region (North Hungary) as well as to other *disadvantaged and geographically segmented hilly or mountainous regions* of Hungary where small population and a decreasing number of children might bring about fast segregation of small schools. Although the re-nationalisation of schools will probably mitigate the competition of schools for enrolment, the free parental choice continues to legitimate separating practices.

Local examples, however, can only be transferred to a limited extent, because they are necessarily embedded into local circumstances and relationships. As we illustrated in the case study, the three researched school ghettos evoked three different reactions from local decision-makers: one closed down in 2007, the other one kept running, but nothing was done to improve its situation, whilst in the third case, local and school leaders (at least a strong fraction of them) were jointly working to get more finances from a new maintainer and to find a solution for vocational schooling of Roma children too (by establishing a local vocational school). We might find the active and co-operative Szirák case more attractive, but that example could not be transferred without i) a similarly committed and skilled, external expert like the inspector of the school, ii) enthusiastic local Roma leaders with dense political networks reaching ruling Roma leaders, iii) a similarly committed village leadership, notwithstanding the capacities of the new maintainer (how many schools can be maintained by the National Roma Minority Government?) We do not know yet either, if this 'model' is sustainable or not.

Regarding policy-making at the *national level,* some lessons could be learnt, such as the steadiness and speed of the process of segregation that cannot be stopped by wishful thinking. Again, in segmented hilly territories like the researched area, segregated schools can be closed when the closeness of the receiving school allows for it, and the size of the schools accommodating the children of the closed school goes for a proper integration of children. These circumstances were available in Pásztó for the Mátraszőlős children, but even in that case, the absorption of Roma children started a push from the elite school of the town to one of the suburban schools collecting the children of the better-off. Also, many problems occurred later on between the partners when the shared running of the joint institutions was at stake (how to split costs etc.) Otherwise, ghetto schools are trapped; they become segregated by non-segregated schools and the wider institutional environment, with neither of those institutions wanting to co-operate, they are usually left separated in extremely difficult circumstances. Preaching desired anti-segregation does not help; segregated neighbourhoods will inevitable produce the need for segregated schools. More tolerant and more supportive approaches are needed with an excellent staff and a wide range of social assistance.

Certain experiences, like mentoring programs could also be transferable to countries challenged by similar problems like the Czech Republic, Slovakia, Romania, Bulgaria, and also the Balkan countries where ghettoization appears both in urban and rural areas. What is more, pedagogical methods and mentoring programs used in segregated urban neighbourhoods of advanced countries could also be shared.

Such broader challenges like dealing with cultural identity and the ways and places to integrate people without hurting their cultural integrity are also issues to be considered.

The least vulnerable Roma group in the researched area, the Vlach Roma of Pásztó, have maintained their traditional culture and managed to make a living from niches like trading with staff. On the other hand, the most peaceful, assimilated Roma group of Erdőtarcsa is extremely poor, assimilation did not prevent them from poverty and exclusion. Do we have visions and tools for non-assimilating integration?

Education itself cannot solve the problem of school segregation which is triggered mainly by deep poverty. In the context of crisis, without widening employment opportunities, it is not possible to cease the cause of the problem, that is, the lack of jobs and the increasingly narrowing employability of unskilled masses. Even if the economy starts growing, that is going to remain a serious problem (shall growth without jobs continue?).

Prevention of welfare dependency is also a huge challenge.

- Social benefits have already been cut too much in Hungary, they should have been restored; but
- The state funds spent on welfare work programs might turn out wasted money not being able to affect joblessness and non-employability of masses in deep poverty and surely do not prevent / reduce social exclusion;
- Although the rates are low, the length of the maternity leave in Hungary (3 years) and child benefits together stimulates rising birth rates (Roma women in deep poverty start giving birth earlier) via generating regular, though low household income. The rise of the number of children increases the probability of deepening poverty in the longer run and also an intergenerational transmission of it. In the shorter and middle run, child poverty is simultaneously rising.

6 Conclusions for policy development and monitoring

6.1 Conclusions for policy development

Summarising the outcomes and specific circumstances revealed by the Hungarian case study to enrich the shared knowledge of the TiPSE team on policy development, the following aspects and findings seem important:

- Although evident, it still must be listed first that Hungary is one of the new member states representing a group of countries with similar but not exactly the same paths of dependency. Vulnerability (economic and social) as well as dependency (on external resources) are probably the most significant common denominators shared by these countries, though to a different extent. Both vulnerability and dependency have to do with weak potentials hindering sound and relatively even development across the region.
- Hungary has been losing out in the last decades and stands in the middle ranks between the better performing new member states like Slovenia, the Czech Republic, Poland, Slovakia and the lagging ones like Bulgaria, Romania, Latvia and Lithuania. Economic instability prevails, social and territorial inequalities are on the increase, the lower middle classes have been impoverished and the lowest social strata – particularly the Roma – are increasingly lagging behind in deepening pockets of poverty. Integrating the unskilled (black) poor has been problematic in advanced capitalism of neoliberal stance as well (see the writings of Wacquant); what we are witnessing in Hungary and other countries with large Roma minorities is something similar: the inability of emerging capitalism to absorb the poorest, especially if they are Roma: to use the term Ladányi and Szelényi used, an 'underclass' has been in the making. Roughly one-third of the poorest people in Hungary are Roma, whilst 76% of the Roma are poor. This means that according to estimates, 200-300 thousand Roma people live in deep poverty with little chance to break intergenerational transmission of it. The Roma middle class is small in numbers, with weak self-organising capacities, and often divided along ethnic and political fault lines, therefore it hardly can effectively activate itself for a better chance of their own people.
- With the accession of the new member states, some 3.8 million Roma became part of the Union. Living settled lives, most of these Roma are only distant relatives of so-called 'traveller Gypsies' with roughly half or more (at least in Hungary) living in rural areas where ghettoization can spread more rapidly than in larger cities. The smaller a village is, the more vulnerable it is to 'neighbourhood effects.' The process of ghettoization in fragmented rural areas, for example, in the mountainous Nógrád County, is fast, having such consequences as emerging school ghettos, possibly followed by village ghettos in the future.
- Given that the school system is highly selective in Hungary, the chance of children taught in school ghettos to qualify for a good secondary

education is minuscule. Nevertheless, only a small number of village ghetto schools can be closed since conditions for alternative solutions are not provided; this depends on the characteristics of the rural context where they operate (where relatively large distances, poor and expensive transport opportunities, and a generally scarce availability of schools prevail: in some locations there is only one school in every fifth village/town etc.).

- Beyond village schools, – precisely because of the selectivity of the school system – vocational schools are also getting increasingly segregated.
- The importance of pastoring schools maintained by churches is that they are locally available, stable institutions, whose primary aim is helping the poor – and not forcing integration at all costs. Families can co-operate with these better than with bussing children to faraway locations where they would be exposed to racial discrimination anyway. However, this aspect is highly disputed and divides the group of experts fundamentally.
- The situation is not so hopeless in towns and cities, where there are more opportunities to desegregate schools, spreading disadvantageous children across a number of receiving schools, such as happened in a number of towns between 2006 and 2008 in Hungary. In some cases, court decisions pressed town leaders to close ghetto schools (for example in the city of Miskolc), or the fear of court action (e.g. in the city of Nyíregyháza). Recently, since the amendment of the constitution in May[28], government policies against segregation have become blurred to some extent; segregation is accepted if the goal is to help the children catch up.[29] Though the amendment of the constitution launched by the Minister of Human Resources aimed at protecting segregated schools maintained by churches, it is likely that some segregated classes will re-open in state-run schools as well; this is why the measure was fiercely attacked by the opposition parties and Roma organisations, of course, in vain.

How could any policy combat such an enormous, deeply structural and complex set of problems?

If we evaluate the policy processes targeting poverty alleviation and the integration of children in poverty, a number of positive trends can be identified. The basic philosophies and policy tools in these subjects were brought about in the years before Hungary's accession to the European Union, with policy makers trying as much as possible to adapt to the values and targets of EU policies. It has been a positive, adaptive process resulting in a legal framework still in force, and policy measures still supported from budgetary resources.

[28] The 4th amendment of the constitution was approved by the 12/2013. (V. 24.) resolution of the Constitution Court.

[29] That is why the trial against a re-opened segregated school in Nyíregyháza was suspended this year. (The school was closed down in 2007 then re-opened; it has been run by the Orthodox Catholic Church since 2011. The case against the Church was launched by the Chance for Children Foundation).

As regards child protection and integration policies, the measures established in 2002-2005 have so far been maintained, nevertheless, the finances allocated to the most important targeted programme – the so called Integrated Pedagogical System – have been cut by one half – hopefully they will be restored as soon as budgetary constraints are lifted. Mentoring and college support programs are also working with difficulties, with shorter or longer breaks; they have not been suspended though. As a positive sign, the government decided to continue financing of the 43 Sure Start Houses from budgetary resources after project funding expired.

With Structural Funds after accession, some very important targets could be satisfied as well; for example, spreading new approaches towards methods of teaching. Funding was accessible via tenders in both budgetary phases (2004-2007 and 2007-2013); this period reshaped the thinking of those teachers who attended in such projects. The problem is, however, that not everyone attended. Being project-based is the weakest point of EU funding in general, and funding poverty alleviating / child protection in particular. In the second post-accession period, substantial funding supported the renewal of physical infrastructure of schools from ROP resources and equipment from ERDF programs, still, the most important achievement of this phase from the point of view of our theme was the start of Sure Start houses and Child Complex Programs as parts of the territorially targeted MDP Programme. Here again, impediments mostly derive from project financing. One aspect should be noted though. If the criterion of affordability does not allow targeting of all locations where a given problem occurs, only those where disadvantages multiply and accumulate, areas like the segregating villages we researched are going to be excluded from access to targeted funds which does not seem to be fair.

In spite of the positive experiences, it seems more and more evident by now, that though complex programmes (a sort of MDM Program and the Child Protection Program) can be continued in the next period, the scale of support will be extremely modest and the scope of territorial targeting will narrow down. Also, what CLLD promised as opportunities with multi-funding in rural areas will also be implemented with serious limitations: the vast majority of EU funds will be spent on the same way as so far meaning that CLLD in Hungary will hardly mean more than LEADER means in the present programming period.

The distribution of EU funds thus also underpins what can be seen from all kinds of measures, namely, that the welfare state in Hungary is withdrawing from its earlier stance of a ‘premature welfare state’ (that is spending more than can afford – Kornai, 2007), particularly recently, when the impacts of the crisis have been overlapping with a right wing political turn. As a consequence, social benefits have been cut, the duration of eligibility of the unemployed to unemployment benefits halved to 3 months, the number of household members eligible to social benefits was reduced to one person; one month of voluntary work has been conditional to qualify for social benefits for those who did not have access to welfare works etc. Briefly, we can witness a serious retrenchment of the so-called passive labour-market provisions, and rechanneling resources from passive to active labour market provisions, most importantly, welfare work: this is what the Hungarian conservative turn has recently brought about (roughly 10% of welfare workers can find employment in the labour market). In other words, in rural areas of the less developed parts of the country

where these welfare-work schemes are available for municipalities via tenders, artificial, short term and poorly paid, insecure job-opportunities are offered to the poor.

6.2. Conclusions for mapping and monitoring territorial trends and micro-spatial processes

Regarding mapping and monitoring territorial trends, there are two aspects we must be concerned with:

As a norm, *for national policy-making,* the territorial ranking of data collection should be stretched down to the lowest possible level;

- as a general rule, from NUTS2 and NUTS3 to LAU1 and LAU2 level;
- To identify segregated neighbourhoods, street-level data are needed. To target segregations was mandatory condition of funding so-called Integrated Urban Strategies; the Statistical Office was commissioned to provide maps on segregated neighbourhoods of settlements belonging to the targeted area. Census data were used by the NSO (see Figure 19 in Annex 2 for an example)
- In addition to census data, other reliable data sources must be used, too. In Hungary, for example, the Territorial Information System (TEIR) provides a wide range of LAU2 data collected by the National Statistical Office and various government offices. Probably, similar data sets are available in most member states;
- The inclusion of such data would be important because
    - they provide a basis for the establishment of spatially (territorially) sensitive sector-specific policies, which are of crucial importance;
    - monitoring needs data collected preferably annually that cannot be met by census data.
- Territorially sensitive sector-specific policies (social and educational policies in our case) should target all locations where the particular problem to be combated occurs, whilst territorially targeted programs, like the MDM Programme in Hungary should target the accumulation of various forms of disadvantages appearing in a territorially concentrated manner. To designate target areas, composite indicators developed from a carefully selected set of relevant indicators can be used (like the index for the risk of deprivation in this study) effectively. To identify places where any social policy could be directed, the composite index also seems to be appropriate but for policy reasons simpler and more conceivable proxies might be needed. From this point of view, the Hungarian experiences can also be informative. To designate segregations during the 2007 programming period, two indicators were matched, that of the rate of people with low educational attainment and the rate of non-employed (see Horváth et al., 2011) Similarly, when eligible settlements of the so called Deep Poverty Programme were listed, three indicators were used: rate of the unemployed, rate of social transfer

payments in general and for a specific child care scheme in particular out of which eligible settlements had to qualify in two.

- For the refinement of certain policies and/or policy measures, like educational or equal opportunity policies, even more datasets should be included, for example – in our case – educational statistics (for the number of socially disadvantaged children).

If the norm of data collection at LAU1 and LAU2 level *can be secured in the member states*, *Eurostat does not need to collect* data below NUTS-3 level.

- Of course, it is an advantage if uniform (or almost uniform) indicators / maps are available at lower territorial levels: this is what the joint effort of the World Bank and TiPSE is targeting with 'poverty mapping.' Hungarian experimental maps, however, show that no matter how informative they are – and certainly worthwhile to consider –, policy-making should not exclusively be based on them since they do not provide unquestionable outcomes either (see LAU1 level maps for comparison see Figure 20 and Figure 21 in Annex 2). Also, LAU1 level maps can only assist national or regional decision-making anyway.

7 Literature

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Annex 1: Additional tables

Table 6: Income poverty by aspects of age, ethnicity, education, work intensity and residence

Aspects	2000	2007	2009	2012
Rate of poverty*	12,9	12,6	14,0	17,0
Poverty gap index*	19,1	18,3	21,8	25,6
Rate of those who cannot make both ends meet	4,6	3,8	8,0	9,0
Rate of poverty before social transfers	33,0	50,1	51,9	51,2
Age				
0-17	17	17	21	26
18-24	16	15	19	23
65+	8	8	4	8
Educational attainment of the head of the household				
ISCED 1-2	24	24	28	41
ISCED 5-6	4	3	2	2
Ethnicity of the head of the household				
Non-Roma	10	10	10	12
Roma	68	50	70	76
Work intensity of the household				
0-0,2	No data	No data	36	47
0,85-1	No data	No data	1	3
Residence				
Budapest	3	5	2	6
Other city or town	13	11	13	17
Village	18	18	22	23

*Poverty threshold: 60% of the equivalent median income, by OECD-2 list

Source: Szívós & Tóth 2013, p. 51-53

Table 7: The number of Romany People in countries, where their rate is over 1% 2002 (estimations)

Country	Population total 2001 (thousand)	Estimated number of Roma persons 2002 (thousand)		Share of Roma people in the countries' pop. (%)		Share from the total no of European Roma (%)	
		Lower	higher	lower	higher	lower	higher
Albania	2 833	90	100	3,2	3,5	1,5	1,3
Bulgaria	8 149	700	800	8,6	9,8	11,5	10,5
Czech Republic	10 267	250	300	2,4	2,9	4,1	3,9
Greece	10 931	160	200	1,5	1,8	2,6	2,6
Hungary	10 200	550	600	5,4	5,9	9,0	7,9
"FYR of Macedonia"	2 031	220	260	10,8	12,8	3,6	3,4
Romania	22 430	1 800	2 500	8,0	11,1	29,6	32,8

Slovak Republic	5 379	480	520	8,9	9,7	7,9	6,8
Spain	40 477	700	800	1,7	2,0	11,5	10,5

Source:
http://assembly.coe.int/documents/workingdocs/doc02/EDOC9397.htm (last visited March 2012) and Eurostat database table [tps00001]

Table 8: Housing and access to consumption goods in Hungarian Roma segregations and their non-Roma vicinity

Dwelling ownership		
	Roma	**Non-Roma**
Own household or family	78%	85%
Municipality	12%	6%
Private ownership (not family)	9%	8%
Unknown ownership	1%	1%
Comfort and amenities		
Rooms per HH member	0,68	1,30
Square meters per household member	21,60	40,54
Share of the population having		
access to secure housing	79%	92%
access to improved water source	70%	92%
access to improved sanitation	67%	88%
Access to electricity	96%	99%
At least once a week waste collection	87%	94%
Source of energy		
Piped gas supply	11%	30%
Wood	81%	54%
Other	8%	16%
Having goods		
Color TV	97%	99%
Washing machine	90%	97%
Bed for each HH member including infants	87%	95%
Mobilephone or landline	73%	91%
Bicycle or motorbike	69%	83%
30 and more books	40%	77%
Computer	31%	55%
Internet connection	22%	47%
Car/van for private use	19%	41%
Segregation / desegregation views		
Preference of living in mixed areas*	84%	0%

Table 9: The highest completed education (%)

Groups of 20-24	Primary education - ISCED 1		Lower secondary education - ISCED 2		Upper secondary education - ISCED 3		Post-secondary education - ISCED 4+	
	Roma	Non-Roma	Roma	Non-Roma	Roma	Non-Roma	Roma	Non-Roma
All aged 20-24	14%	4%	64%	33%	22%	58%	0%	4%
male	15%	0%	64%	35%	22%	61%	0%	3%
female	13%	8%	65%	31%	22%	56%	0%	6%

Source: UNDP/WB/EC Regional survey 2011

Table 10: LAU-2 level PSE indicators in the Hungarian rural context by domains

LAU-2 level SE indicators, I-II domains

Territorial units	I. Earning a living							II. Acces to services		
	Income		Employment/unemployment rate by gender					Education		Housing
	Net monthly income /tax payer, 2001 (000)	The number of passenger cars / 100 persons, 2009	Rate of jobless households 2001	Male employ-ment rate	Male unemploy-ment rate	Female employ-ment rate	Female unemploy-ment rate	Tertiary educated males	Tertiary educated females	The rate of apartments without any comfort 2001
	HUF	item	%	% of males 15-64, 2009		% of females 15-64, 2009		% of 25+ 2001		%
Hungary	82	246	41,0	58,8	7,5	47,5	4,5	17,4	15,4	10,9
Budapest	117	338	38,0	66,1	4,8	55,1	3,4	35,1	26,9	2,7
Regional centres	86	274	36,9	61,3	6,1	50,9	4,2	25,7	21,9	3,9
Towns	74	234	40,2	57,9	8,0	46,7	4,8	13,2	12,4	11,0
Villages	64	289	46,8	53,8	9,5	41,0	5,2	6,4	6,8	21,5
North Hungary	73	187	47,7	50,2	11,9	41,2	6,3	12,6	11,4	17,1
Nógrád county	68	202	46,1	53,9	10,3	44,3	5,5	10,2	9,3	18,7
Pásztó subregion	64	203	47,0	53,6	10,9	43,1	5,1	7,4	7,1	23,6
Pásztó (town)	66	243	41,3	57,9	8,5	46,6	4,4	13,4	12,9	14,0
Szirák	60	177	58,2	39,9	10,9	28,2	6,7	3,1	4,0	31,9
Kálló	71	199	52,2	45,5	19,8	37,2	6,4	6,3	5,6	25,1
Erdőtarcsa	53	162	54,1	50,0	18,3	36,2	11,2	2,5	2,8	27,3
Mátraszőlős	55	195	50,9	44,7	15,2	42,5	6,9	4,7	3,9	23,9
Erdőkürt	70	221	49,2	56,4	10,8	41,6	5,6	6,0	6,2	20,9

Sources: Census 2001, TEIR 2009-2010 data

LAU-2 level SE indicators, III-IV domains

Territorial units	III. Social environment							IV. Political particip-ation
	Ethnic compo-sition	Poverty	Safety	Reprod attitudes	Stability, attract-ibility	Household structure		
	Rate of Roma citizens %, 2001	Locally accessed social benefits per 100 persons, HUF, 2009	Registered criminal cases per 100 inhabitants, item, 2009	Balance of migration 2001-2010	Natural reproduc-tion rate 2001-2010 %	Rate of 1-member households %, 2001	Rate of 6+ member households %, 2001	NGO-s per 1000 persons 2010* (Item)
Hungary	2,0	1 102	3,9	- 3,6	- 0,0	26,3	2,9	8
Budapest	0,8	383	6,4	- 4,1	- 3,2	34,6	1,4	12
Regional centres	1,0	669	5,5	- 2,4	- 1,8	27,3	1,8	10
Towns	2,1	896	3,6	- 3,2	1,1	23,0	3,1	7
Villages	3,3	1 158	2,3	- 4,5	1,7	23,3	4,4	1
North Hungary	5,3	1 958	3,2	- 4,2	- 3,1	24,7	3,6	8
Nógrád county	4,5	1 853	2,8	- 5,5	- 2,2	25,7	3,1	8
Pásztó sub-unit	5,9	1 309	2,2	- 5,1	- 1,3	24,8	3,7	6
Pásztó (town)	2,1	1 393	2,4	- 4,5	- 2,5	25,1	2,8	8
Szirák	31,4	3 526	4,1	- 12,6	4,7	24,4	7,7	5
Kálló	23,5	2 043	2,8	- 6,5	- 6,2	16,8	9,5	2
Erdőtarcsa	14,2	2 391	2,0	3,4	- 0,3	24,9	2,6	-
Mátraszőlős	5,6	1 516	1,4	- 4,9	- 1,6	22,8	3,4	4
Erdőkürt	-	698	1,5	- 0,2	- 3,7	30,1	5,9	13

Sources: Census 2001, TEIR 2009-2010 data

*The number of population was drawn from the 2011 census

Table 11: Indicators of social exclusion by settlement classes (quintiles of the adapted deprivation index) 1990 and 2011

Domains	I. Earning a living							
Dimensions	Income		Employment		Employment		Employment	
Classes	Average monthly income per resident (HUF)*		Rate of tax payers in % of residents* aged 15-64 (%)		Rate of jobless households (%)*		Rate of unemployed in % of active earners (%)*	
	1990	2011	1990	2011	1990	2011	1990	2011
Wealthiest	7 709	62 031	68,5	67,7	28,6	34,5	2,2	10,2
Wealthier	5 655	48 358	62,3	66,1	32,3	39,3	2,6	13,1
Average	4 832	40 491	57,9	63,7	35,2	42,8	2,9	15,4
Poorer	4 085	33 530	52,8	59,8	37,6	47,3	3,9	19,2
Poorest	3 212	24 499	44,6	52,7	43,0	54,5	6,9	27,3
Total	6 398	50 710	64,1	65,2	31,6	39,1	2,7	13,1
Poorest per wealthiest	**42%**	**39%**	**65%**	**78%**	**150%**	**158%**	**309%**	**268%**

*Budapest data are not included

Domains	II. Access to services						III. Social environment	
Dimensions	Education		Housing		Services		Safety	
Classes	Rate of ISCED 4+ graduates in the % of residents 25+ (%)*		Rate of apartments without any comfort (amenities) (%)*		Average availability of services per municipality (nr. of items out of 8 items)		The number of criminal cases per 100 residents	
	1990	2011	1990	2011	1990	2011	1990	2011
Wealthiest	58,2	86,1	11,7	2,3	4,6	4,9	1,0	0,9
Wealthier	41,3	75,8	27,0	6,5	4,1	4,2	1,2	1,3
Average	35,8	67,7	35,5	10,7	3,6	3,9	1,2	1,3
Poorer	31,4	61,3	44,0	15,9	3,2	3,6	1,2	1,6
Poorest	25,5	50,3	54,9	23,5	2,3	2,6	1,8	2,4
Total	48,6	76,8	22,8	6,9	3,5	3,8	1,1	1,1
Poorest per wealthiest	**44%**	**58%**	**468%**	**1023%**	**50%**	**54%**	**184%**	**281%**

*Budapest data are not included

Domains	III. Social environment							
Dimensions	Age		Ethnic composition		Household structure			
Classes	Youth Proportion Index (-15/65+*100)*		Rate of Romany People (%)		Rate of 1-person households		Rate of 6+ person households	
	1990	2011	1990	2011	1990	2011	1990	2011
Wealthiest	131,3	64,1	0,4%	1,1%	22,2%	30,2%	2,1%	1,7%
Wealthier	108,5	59,4	1,2%	2,9%	21,1%	29,6%	3,1%	2,2%
Average	99,6	62,3	2,0%	5,1%	22,0%	29,0%	3,3%	2,8%
Poorer	98,4	69,3	3,4%	7,9%	22,6%	30,0%	3,8%	3,4%
Poorest	95,5	100,8	9,5%	19,9%	23,6%	28,9%	4,7%	6,0%
Total	116,6	65,4	1,4%	3,2%	24,3%	32,1%	2,4%	2,1%
Poorest per wealthiest	**73%**	**157%**	**2115%**	**1882%**	**107%**	**96%**	**223%**	**341%**

*Budapest data are not included

Table 12: The representation of socially and multiply disadvantaged children in the researched schools

Primary Schools	The number of students			Socially disadvantaged students		Out of which multiple disadvantaged students		Repeaters		Students under home schooling schemes		Students eligible for free meal	
				number	rate (%)	number	rate (%)	number	rate (%)	number	rate (%)	number	rate (%)
	2010/2011	2011/2012	2012/2013										
Pásztó-1	426	422	410	176	42,9	46	11,2	2	0,5	6	1,5	134	32,7
Pásztó-2	455	452	441	142	32,2	33	7,5	4	0,9	8	1,8	110	24,9
Pásztó total	881	874	851	318	37,4	79	9,3	6	0,7	14	1,6	244	28,7
Kálló-1	163	173	158	144	91,1	127	80,4	No data	No data	No data	No data	24	15,2
Kálló-2 (Erdőtarcsa)	7	7	8	7	87,5	6	75,0	No data	No data	No data	No data	7	87,5
Kálló total	170	179	166	151	91,0	133	80,1	19	10,6	1	0,6	31	18,7
Erdőkürt	53	51	44	0	0	0	0	0	0	0	0	20	45,5
Szirák	103	94	97	94	96,9	85	87,6	2	2,1	0	0	83	85,6

Source: on the spot collection of data

Table 13: Selected data of secondary schools 1

Name of the school	Number of students		Result of competency test, 2011 (score) (school / national average)		Rate of Disadvanta-ged Students (DS)		Rate of Multiply Disadvantaged Students (MDS)		Rate of students repeating grade		Rate of DS repeating grade in the total number of students repeating grade		Rate of MDS repeating grade in the total number of students repeating grade (%)	
	2010-2011	2011-2012	Mathe-matics	Reading Compre-hension	2010-2011 (%)	2011-2012 (%)	2010 - 2011 (%)	2011 - 2012 (%)	2010-2011 (%)	2011-2012 (%)	2010-2011 (%)	2011-2012 (%)	2010-2011 (%)	2011-2012 (%)
SS1	491	490	1722/1635	1754/1617	10,7	11,6	-	-	nd	4	nd	-	-	-
SS2	227	186	1594/1635	1570/1617	42	45	19	24	9,2	14	33,3	33,3	23,8	47,6
SS3	434	400	1471/1635	1308/1617	29,5	45	15,5	14	29,9	20,3	29,2	34,6	15,4	33,3
SS4	287	283	No data	No data	34,1	21,6	4,9	12	9,0	9,9	38,5	82,1	30,8	32,1
SS5	823	746	1463/1635	1396/1617	35	49	8,8	14	nd	38	nd	21*	nd	10*

Table 14: Selected data of secondary schools 2

Name of the school	Rate of students missed more than 250 lessons (%)		Rate of DS in total number of students missed more than 250 lessons		Rate of DS missed more than 250 lessons in the total nr. of DS (%)		Rate of MDS in total number of students missed more than 250 lessons (%)		Rate of MDS missed more than 250 lessons in the total nr. of MDS (%)		Rate of home-schooling students (%)		Rate of home-schooling DS in the total nr. of home-schooling students (%)		Rate of home-schooling DS in the total nr. of DS (%)		Rate of home-schooling MDS in the total nr. of home-schooling		Rate of home-schooling MDS in the total nr. of MDS (%)	
	2010-2011	2011-	2010-	2011-	2010-	2011-	2010-2011	2011-2012	2010-	2011-	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012
SS1	0,4	0	-	-	-	-	-	-	-	-	0,8	1,6	50	-	2,6	-	-	-	-	-
SS2	13	8,6	55	37,5	17	3,2	24	44	16	3,8	2,6	7	66	7,6	4,2	2,6	50	46,1	1,1	13,6
SS3	1,1	25,5	40	41	40	23	60	9	60	16	5	8	43,4	37,5	43	6,6	56,5	25	57	14
SS4	12,2	17,3	28,5	46,9	10,2	57,1	22,8	18,3	57,1	26,5	Nd.	Nd.	Nd.	Nd.	Nd.	Nd.	Nd.	Nd.	Nd.	
SS5	16,7	23	60	49	28,6	24	22	19	42,5	31	6,4	6,7	5,6	32	5,6	4,3	1,8	8	2	8

Source: Tájékoztató Nógrád MegyeÖnkormányzataközoktatásiesélyegyenlőségitervének 2011/2012. tanéviértékeléséről (kézirat) / Handout of evaluation of Equal Opportunities Plan for Public Education in Nógrád County in the 2011/2012 school year (manuscript)

Table 15: Participation in talent management programmes

Name of the school	Number of disadvantaged students		AJBSP (nr. of students)		AJVTSDP (nr. of students)		Provisions-PFHR (nr. of students)	
	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012
SS1	56	57	-	-	-	2	2	2
SS2	95	83	56	54	-	-	12	6
SS3	128	181	4	3	4	4	12	7
SS4	No data	No data	-	-	-	-	-	-
SS5	290	365	6	5	43	42	14	7

Source: Tájékoztató Nógrád MegyeÖnkormányzataközoktatásiesélyegyenlőségitervének 2011/2012. tanéviértékeléséről (kézirat) / Handout of evaluation of Equal Opportunities Plan for Public Education in Nógrád County in the 2011/2012 school year (manuscript)

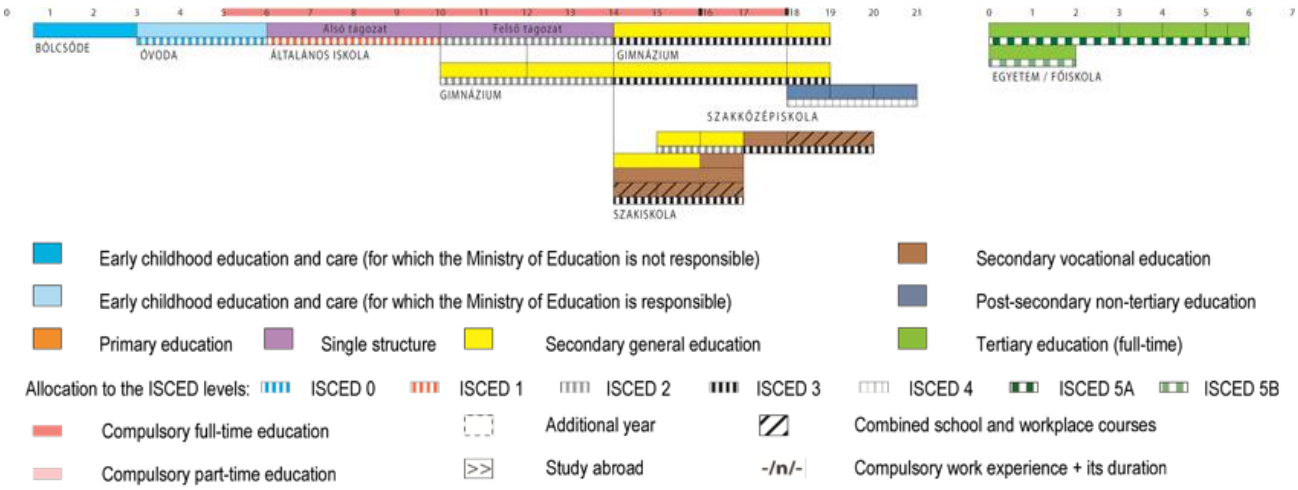

Figure 18: Structure of the national education system 2012/13 Hungary

Source: EC, 2013

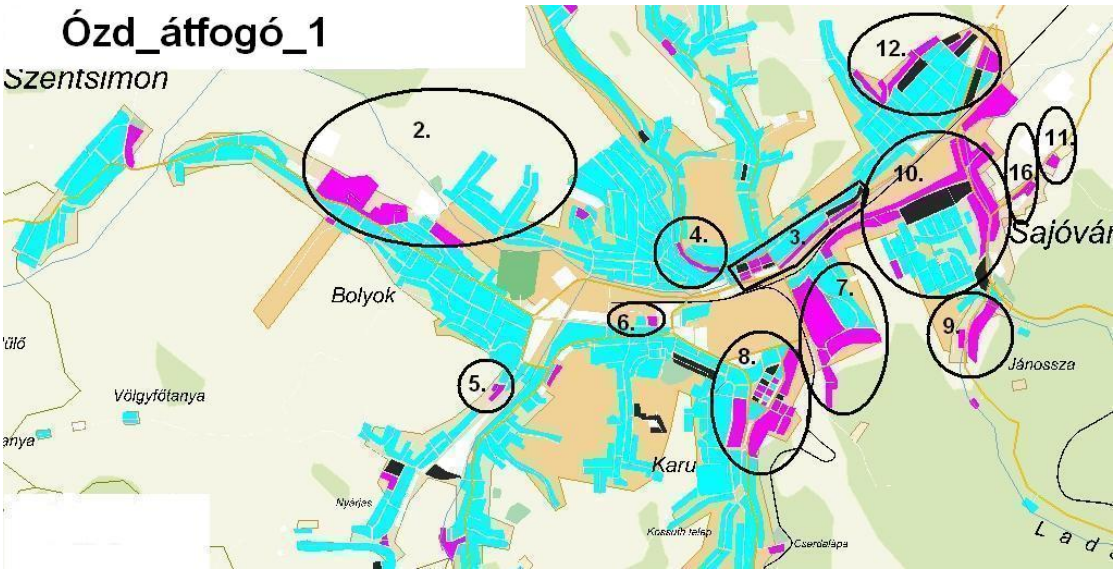

Figure 19: Example of mapping segregated neighbourhoods based on street level indicator

Source: Horváth et al. 2011

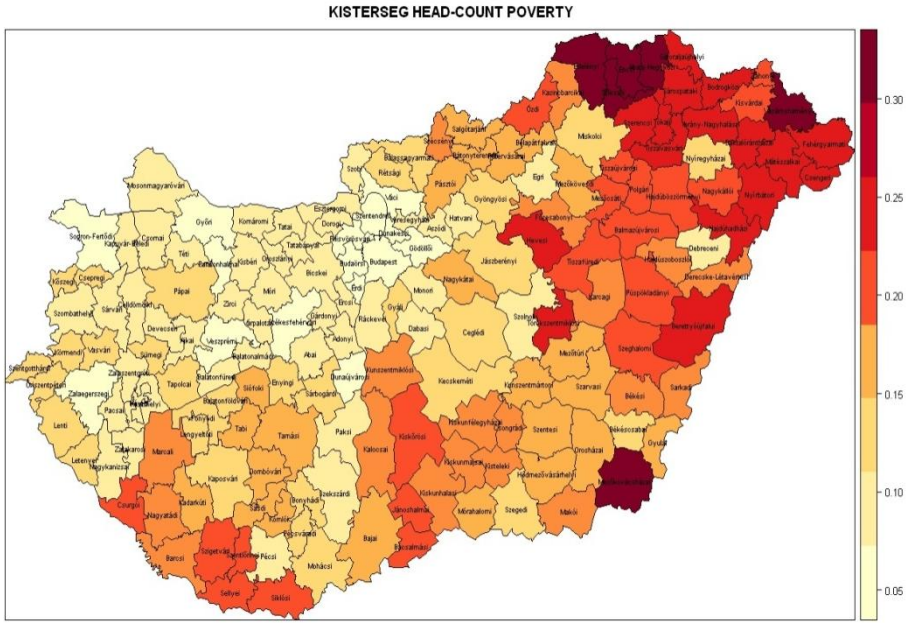

Figure 20: Experimental small area poverty mapping: the adaptation of the World Bank model

Source: Dobszayné – Ménesi, 2013

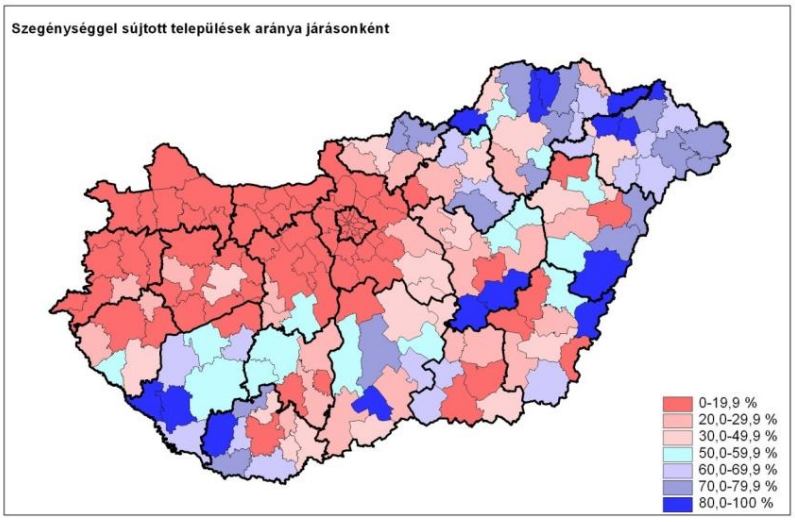

Figure 21: The rate of poor settlements[30] at districts, 2010 (járás, administrative LAU1)

Source: Kovács & Nagy, 2013

[30] The composite index was created by scaling then ranking the settlements into deciles (quintiles). Indicators scaled represented various dimensions of disadvantages (age, housing, education, activity, income, unemployment, social assistance). Data source: TEIR (Territorial Information System)

Annex 2: List of interviewed experts

	Institution	Role in dealing with poverty and/or social exclusion	Geographical/poltical level	Date	Has declared willingness to work with TIPSE?
1.	Multi-purpose Association of Pásztó Micro-region	Senior staff member being in charge of public human services	LAU-1 unit	7 Nov 2012	No
2.	Child Protection Service of Pásztó Micro-region	Professionals whose clientele comes mainly from among deprived families	LAU-1 unit	7 Nov 2012	No
3.	Pásztó Primary School	One Roma and three non-Roma parents representatives discussed Roma exclusion	LAU-1 unit	7 Nov 2012	No
4.	Pásztó Local Government	Mayor and Vice-mayor, chief decision makers of the town	LAU-2 unit	8 Nov 2012	No
5.	Welfare Department of Mayor's Office of Pásztó	Senior staff member	LAU-2 unit	8 Nov 2012	No
6.	Primary School Pásztó-1	Principal of the school	LAU-2 unit	8 Nov 2012	No
7.	Special school, Pásztó (Mostly Roma children with learning difficulties are taught here)	Head of a segregated institution	LAU-1 unit	8 Nov 2012	No
8.	Mikszáth Kálmán General Secondary School, Pásztó	Principal of the school with experiences on social composition of children and drop-out	LAU-2 unit	9 Nov 2012	No
9.	District Nurse Service	Head of the service, visiting families with children	LAU-1 unit	9 Nov 2012	No
10.	Mátraszőlős Local Government	Mayor. Decision maker of a village where a ghetto school was closed recently	LAU-2 unit	7 Nov 2012	No
11.	Kálló Primary School	Principal of a ghetto school with first hand experiences of linkages between ethnicity, poverty and SE	LAU-2 unit	7 Nov 2012	No
12.	Kálló Local Government	Mayor of a segregating village with first hand experiences on residential segregation, long term unemployment and local employment policies	LAU-2 unit	7 Nov 2012	No
13.	Kálló Primary School	Roma parents with experiences on school segregation, local social policies, discrimination and anti-Roma sentiments	LAU-2 unit	7 Nov 2012	No
14.	Erdőtarcsa Local	Mayor of a segregating	LAU-2 unit	8 Nov 2012	No

	Government	village			
15.	Roma Minority Self-government of Erdőtarcsa	Roma representative of a segregating village	LAU-2 unit	8 Nov 2012	No
16.	Erdőkürt Primary School	Principal of a non-Roma primary school where non-Roma parents of the segregating villages enrol their children	LAU-2 unit	8 Nov 2012	No
17.	Erdőkürt Local Government	Mayor of a village where Roma are “kept away”	LAU-2 unit	8 Nov 2012	No
18.	Local Government of Szirák	Local administrator (vice-clerk) of a segregating village with experiences on long term unemployment and local social and employment policies	LAU-2 unit	27 Nov 2012	No
19.-20.	Primary School of Szirák (two interviews)	Principal of a ghetto school with first hand experiences of linkages between ethnicity, poverty and SE. The school is maintained by the Nation Level Roma Minority Government	LAU-2 unit	15 and 27 Nov 2012	Yes
21.	Roma Minority Self-government of Szirák and the vise mayor of the town (also a Roma person)	Roma representatives being in charge of local Roma policies, agenda setting and employment issues	LAU-2 unit	15 Nov 2012	No
22.	Roma Minority Self-government of Nógrád County	Roma representative at NUTS3 level linking local and national Roma leaders; involved in re-organising maintenance of the school	NUTS3	27 Nov 2012	No
23.	Váci Mihály General Secondary School with a special department for socially deprived children	Head of a secondary school with rich experiences in relation with gifted children of poor families	NUTS3-level catchment area	15 Nov 2012	No
24.	Fáy András Vocational Training School and Boarding Facility	Head of a vocational school with rich experiences in relation with children of poor Roma background with high drop-out rate	NUTS3-level catchment area	15 Nov 2012	No
25.	Grassalkovich Antal Vocational Secondary School, Vocational Training School and Primary School for Adults (Hatvan)	Head of a vocational school with rich experiences in relation with children of poor Roma background with high drop-out rate	NUTS3-level catchment area	22 Nov 2012	No
26.	Institute of Sociology, HAS	Leading scholar, expert of themes related to extreme (deep) poverty, social exclusion and Roma issues	national	16 November 2012	No
27.	Ministry of Human Resources	Head of department, responsible for planning and implementing Social Inclusion Strategy	national	8 May 2013	No
28.	Ministry of Human	Employee responsible for	national	9 May	No

	Resources	Roma education issues		2013	
29.	Ministry of Human Resources	Employee responsible for territorial targeting	national	10 May 2013	No
30.	Ministry of Human Resources	Employee responsible for early childhood programs	national	11 May 2013	No
	Nógrád County Government Office Department of Education	Refused	NUTS3	November 2012	
	National Roma Self Government	Refused	national	November 2012, May 2013	
	Pedagogical Inspectorate Nógrád County	Refused	NUTS3	November 2012	