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The Pakiv European Roma Fund Initiative—A Civic Approach to Combating Socio-Economic Exclusion among Roma (Gypsies) in Central and Eastern Europe

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Executive Summary

The Roma (Gypsies) number around seven to nine million in Europe, representing the largest minority in the region, with the most significant representation in Central and Eastern European (CEE) countries. In general, the Roma in the CEE region are the main poverty risk group in Europe, suffering from low educational attainment, high unemployment, lack of steady income, lower life expectancies, higher birth rates, and unequal access to services and opportunities owing to everyday discrimination from the majority populations. The large Romani groups now confronted with unemployment and social exclusion are part of a social stratum that has been integrated, in recent decades, into the mainstream economy and social structures as unskilled industrial and agricultural workers and service providers. Even when Roma are qualified for jobs, widespread discrimination leads to preference for non-Romani applicants. Also, many Roma either have not been eligible or have been treated unfairly in the distribution of land and other production assets in the privatization process. A limited number of Roma are educated and socially mobile, and have thus entered the middle-class. Although still extremely small, a growing number of Romani now work in professional occupations, the government, as successful businesspersons, and in the civil sector.

As Europe is expanding to include former Eastern Bloc countries, the need to improve the situation of the Romani minority in the region has gained significant attention on the part of governmental and nongovernmental institutions. With support from the EU and other international donors, governments in the region have launched national strategies to improve the situation of the Roma. Strategies are generally comprehensive—embracing discrimination, education, social, economic, and health components, along with the crosscutting theme of Romani participation and the creation of new governmental commissions and offices.

Most Romani groups not only suffer from a lack of sustainable income and opportunities, but also from insufficient self-organization, negotiating skills, and confidence to build consensus with key actors. From the side of public institutions, there is often a lack of trust in the ability of the Roma to organize, and many hold the belief that the Roma are unable and unwilling to change their conditions.

The Pakiv European Roma Fund is a civic organization, operating in four countries, that promotes the development of Roma civil society and intercultural understanding in the context of democratic, social, and economic rights. (Pakiv means trust, respect, and confidence in the Romani language.) In late 2000, Pakiv launched an initiative with the following objectives: (1) building the capacity of young Romani community facilitators who share their skills and knowledge with grassroots Romani groups, (2) supporting local income-generating and employment-related activities, (3) converting support from the program’s development fund into several local revolving funds of the participating Romani communities, and (4) creating national and international networks for discussions, learning, and advocacy for policy and public attitude change.
Pakiv is developing a network of young Romani leaders able to activate their communities, stimulate local development processes (and thereby greater individual and group self-reliance), and use local experiences to influence public policy. Stressing a value-driven vision of work and responsibility, Pakiv aims to sow the seeds of a new kind of civic organizing and institution building for social change in the CEE region. Pakiv invests in intensive leadership and community development training courses for a core group of young Roma at the international level. The training takes place in the CEE region and in at least one Western European country, thus providing the participants with a perspective on Western European standards of living, culture, and society. In an international training environment, participants undergo an intensive learning experience involving the following topics: intensive English language study, personal development, communication and presentation skills, team building, leadership, human rights, conflict management, needs assessment, programming, management and evaluation techniques, fundraising, computer literacy, advocacy and campaigning, and grassroots experiences with income-generating projects. In addition to the theoretical training, participants also follow a mentored process of community facilitation of small community actions aimed at strengthening local capacities and combating socioeconomic exclusion.

Facilitators also work together to train and mentor local Romani groups, predominantly youth. Training themes include communication skills; team building; strengths, weaknesses, opportunities, and threats (SWOT) analyses; human rights awareness raising; Romani history and identity; and strategy building. In this way, the skills and knowledge of former PAKIV trainees are being multiplied among local Roma in each of the countries.

As a regional organization, the Pakiv European Roma Fund also organizes international networking and communication, through the organization of training workshops, self-evaluation, and strategizing among its international network of facilitators.

The creation of microcredit lending mechanisms, such as community banks and associations in Romani neighborhoods, has been one way to facilitate both self-organization, management, and the introduction of a new source of income for local families. A development fund helps to stimulate start-up initiatives for income-generation and employment, which are promoted, planned, and realized by local Romani communities in favor of common group interests and needs. The types of activities supported so far include farming, vocational training and small business start-up, job orientation for marginalized youth, and town maintenance.

With the investment of capacities and skills in the community group, there is an opportunity to form a reliable unit to manage a community-based revolving fund. The resources generated from the supported income-generation initiatives are accumulated in local funds and provide the basis for a sustainable resource for the benefit of the community. This direction of the program’s evolution becomes particularly important given the goal of phasing out external support.

These local revolving funds, created and managed by the Romani communities, respond primarily to the needs of the community. Being the guarantor of the funds, the community gives priority to projects of common benefit. The parallel function of the funds is to mobilize additional
internal resources of the community—for example, local social funds and saving programs—thereby making an effective and responsible use of the imported resource.

The program has is meeting its objectives. The social capital represented by Pakiv trainees has been considerably enhanced. Formal training, followed by learning together with communities, has made trainees more mature, self-confident, and professional over the course of two years. All consider learning-by-doing to be most useful in their training. The invaluable experience of “the community-work university” has helped trainees translate what they had been studying into real life.

With training, participants increased their ability to analyze what works and what doesn’t in community facilitation—to increase and maintain motivation, to cultivate trust in the community, to work effectively with traditional leaders and culture, to deal with existing internal discrimination, and to avoid pitfalls in community organizing.

In the first year of providing support to local community projects, Pakiv supported 15 communities, all of which were facilitated by Pakiv trainees. Projects were chosen in the first half of 2002 based on a community feasibility study and intensive work by each Pakiv trainee with community initiative groups and organizations, as well as site visits by Pakiv staff for on-the-spot assessment of the potential of proposed initiatives.

The projects are different in regard to scope, duration, and type of activity and number of participants. The duration varies from three to 12 months, with support ranging between $3,000 and $14,000. With two exceptions (related to education), the projects have an income-generating component (vocational training, revolving fund for start-up business, stock breeding, opportunities for self-employment, youth employment, and the like). What the projects have in common, however, are guiding principles related to creating a new type of relationship of self-reliance rather than dependency between the facilitator and the local group, and between the local group and the broader community.

Almost all supported projects served their role as a development tool by helping communities better understand their choices, be more positive in their thinking, and recognize their own abilities to change their lives for the better. All increased local capacities and began the process of community empowerment.

The effects of Pakiv training and community development experiences can also be seen in other activities in which former trainees are using their new skills. Trainees have started to fill human resource gaps in the Romani community. Since completing the training graduates have served as researchers, trainers, program coordinators, advisors, consultants, and representatives to donors and policymakers.

Key factors contributing to success include the use of social guarantees related to inner community peer pressure and accountability, along with careful balancing of individual and group interests, especially by ensuring the strategic participation of beneficiaries in making decisions. The sustainability of efforts to combat exclusion among the Roma requires that the Roma themselves become effective organizers, managers, negotiators, decision makers, fundraisers, and advocates. Small production facilities, identified on the basis of community
decisions, provide the necessary perspective for pursuing the private interests in a sustainable way. The group responsibility and inner community control serve as a social “guarantee” for carrying out the plans and also the eventual reinvestment into new activities for the benefit of the group.
Program Description

The Pakiv European Roma Fund (PAKIV) works to promote the development of Romani (Gypsy) civil society and intercultural understanding in Europe, in the framework of social, democratic and economic rights.¹ At the end of 2000, it emerged based on more than 7 years of discussions on developmental experiences aimed at combating poverty and social exclusion of Romani communities in Central and Eastern Europe (CEE), especially innovative initiatives for income generation and new employment opportunities. Currently PAKIV is operating in 4 countries: Bulgaria, Hungary, Romania and Slovakia.²

The program includes five related components:

Capacity building of young Romani community facilitators through a one-year international leadership and community development training course

In an international training environment, participants undergo an intensive learning experience involving the following topics: English language study, personal development, communication and presentation skills, team building, leadership, human rights, conflict management, needs assessments, programming, management and evaluation techniques, fund-raising, computer literacy, advocacy and campaigning, and grass-roots experiences with income-generating projects. In addition to the theoretical training, participants also follow a mentored process of community facilitation of small community actions aimed at strengthening local capacities and combating socio-economic exclusion. In this way, they gain practical experience in stimulating local development amongst marginalised groups.

Capacity building of the Romani community for self-organisation, community mobilisation and income generation

Through the work of the young Romani facilitators, PAKIV also builds up capacities amongst local Romani community groups to identify the immediate needs and outline solutions within which the community and individual interests are best met.³ Building local capacities within the Romani communities is most effective when combining methods and approaches for practical

¹ “Roma is the self-designated name for the ethnic group commonly known as “Gypsies”, where “Rom” (single case), “Roma” (plural), and Romani (adj.) are used.

² The PAKIV concept and approach is value oriented. The name Pakiv itself means trust, respect and confidence in Romani language. All PAKIV program components are designed as tools to nurture democratic values such as transparency, respect and responsibility for the communities, pluralism and respect for diversity and critical thinking.

³ Facilitators receive regular mentoring from staff and experts in view of improving their practical experience in community mobilising.
application of the newly acquired skills and knowledge. These include facilitation methods, training, mentoring, and learning by doing within pilot projects supported by PAKIV. Here, ongoing analysis of the process and the achievements and failures of the realised initiatives provide for effective learning. The methods develop skills for achieving consensus in the process of working out alternative solutions rather than ready-made patterns.

**Support of local income generation and employment-related activities serving as tools to mobilize communities, to provide concrete experience to trainees and to influence public policies and practices**

Following the facilitation of preparatory community-based actions to build local trust and a shared vision for development, the operation of a Development Fund helps to stimulate start-up initiatives for income-generation and employment, which are promoted, planned and realised by local Romani communities in favour of common group interests and needs. The types of activities supported so far include animal husbandry, farming, vocational training and small business start-up, job orientation for marginalised youth, and town maintenance, amongst others.

**Converting support from the program’s Development Fund into several local revolving funds of the participating Romani communities**

With the investment in capacities and skills of the community group, there is an opportunity to form a reliable unit to manage a community-based revolving fund. The resources generated from the supported income generation initiatives are accumulated in local funds and provide the basis for a sustainable resource for the benefit of the community. This direction of the program’s evolution becomes particularly important given the perspective of phasing out of the external support.

These community revolving funds are created and managed by the Romani communities, and respond primarily to the needs of the community. The parallel function of these funds is to mobilise additional internal resources of the community, such as creating internal social funds and saving programs, therefore making an effective and responsible use of the imported resource.

**Creating national and international networks for discussions, learning and advocacy for policy and public attitude change**

PAKIV also supports cross learning amongst the facilitators, where they visit ongoing income-generating and community organising activities in different participating locations. In this regard, facilitators have the possibility to learn from each other, provide mutual consultation, and build capacities for monitoring the developments in Romani communities in different regions of the countries. Facilitators co-operate in training and mentoring local Romani groups, predominantly youth, involved in supported project activities. Here, the skills and knowledge of former PAKIV trainees are being multiplied amongst local Roma in each of the countries.
**Implementation Process**

In terms of the correlates of poverty, there is a strong association between Roma poverty and the educational achievement and employment status of the household head and household size. However, it is worth noting that the probability of being poor, irrespective of educational and employment correlates is higher amongst Roma than non-Roma. It is noted that other structural factors also influence the welfare of Roma, including discrimination, culture, exclusion and location, especially when concerning marginalized, segregated settlements. In Slovakia, for example, it was found that poverty amongst Roma is linked to four main factors: “(i) regional economic conditions; (ii) the size and concentration of the Roma population; (iii) the share of Roma in a settlement; and (iv) the degree of geographic integration or segregation of the settlement in its proximity to a neighbouring village or town”.  

Combating poverty, especially the more complex poverty amongst Roma, is an ongoing challenge for CEE governments, either in the context of general strategies aimed at stimulating economic growth and employment opportunities amongst the impoverished or the comprehensive strategies aimed at improving the situation of Roma. Some of the types of policies and programs introduced over the last years include educational scholarships, social land programs for small scale agricultural production, vocational training and employer incentives for hiring long term unemployed, grants and loans for initiating income-generation projects, public works programs to provide temporary employment and access to social benefits, credit schemes for small and medium enterprises, and promoting investment in lesser developed regions, amongst others.

PAKIV’s program objectives are consistent with the overall country strategies, even complimenting them in some ways by means of its facilitation, capacity building and advocacy methods. In many cases, the opportunities provided by country poverty strategies are not accessed by Roma due to mitigating factors such as lack of information, discrimination, inadequate organization, apathy, and bad leadership, amongst others. The PAKIV objectives aimed at mobilizing Roma communities and generating agents of change from within the community help to prepare these communities to take advantage of existing opportunities. Through small-scale support of initiatives aimed at reducing socio-economic exclusion, local groups are able to gain the necessary experience and practical know-how to access other resources. Finally, with its close ties to grass-roots realities, ongoing analysis of local circumstances and advocacy networking, PAKIV aims to increase the efficiency of state policies by providing feedback on local barriers to implementing strategies and offering its civic experiences as case studies for possible further public policy development.

**Changes in scale**

While the PAKIV initiative is not a direct example of how programs have been scaled up, there are some relevant program aspects related to plans for national institutional development and the

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4 Ibid, pgs. 30-32 and 51.
establishment of linkages with state policies and programs. In starting out as a regional initiative working with an international network of young Roma facilitators, PAKIV envisions the eventual decentralisation of operations, through the establishment of independent national partner organisations involving former trainees, amongst others. Such a development will allow for stronger national partnerships between the national bodies and governments in each of the countries. Secondly, PAKIV’s aim to advocate public policy changes is about ‘scaling up’ the impact of its civic work by creating links with state efforts to improve the situation of Roma. The methods, experiences and perspectives gained through local community development activities can provide for valuable, alternative insights to state policy development and the practical implementation and effects of country poverty reduction strategies.

**Institutions and other actors involved**

In the context of supported pilot initiatives to combat social exclusion, PAKIV’s approach involves the development of co-ordinated co-operation amongst public and private institutions, in identifying possible solutions. In most cases, impoverished local Romani groups do not only suffer from a lack of sustainable income and opportunities, but they also lack self-organisation, negotiating skills and confidence to build consensus with key actors. From the side of public institutions, there is often a lack of trust in the ability of the Roma to organise and many hold the belief that the Roma are unable and unwilling to change their conditions.

In many cases, the sustainability and impact of local efforts requires the eventual involvement and co-operation of local institutions, such as employment bureaux, local councils (city hall), health authorities, public schools and social services, especially in rural towns and villages where social capital is especially important. Empowerment and social change cannot take place in isolation. The involvement of local and regional institutions through contributions of social land, public building use, expertise, facilitation of contacts with other business actors, and the openness to institute policy changes plays a vital role in the success of anti-poverty efforts.

**Minor adjustments and fundamental changes to the original plan**

In the original program conception, the institutional development both in terms of PAKIV as an international organisation operating in the CEE region, and the eventual development of national level funds to serve as autonomous partner organisations to PAKIV was foreseen to take place in the first 2 years. During the implementation, it became clear that this process would take longer and the profile of national organisations should be altered for a number of reasons. Firstly, after the intensive year of formal training, it was clear that the participants needed to obtain more practice in actual community development facilitation; to experience the process of organising, planning, implementation and evaluation, along with the complexities of working with impoverished groups.

The personal development processes of intensive learning, living outside the community for more than 9 months, and coming into touch with Western standards of living had a deep effect on the participating individuals. The experience produced unexpected sense of insecurity upon
completion of the course, along with a sense of anxiety about how to carry on after such an intensive, life-changing experience; how to meet the expectations of the program and the communities in their own countries. At the same time, PAKIV was also developing from a program to an institution and in the process of confronting the initial vision of its founding members and the more complicated reality of implementation. In short, neither PAKIV as institution nor the trainees as individuals were ready to facilitate the setting up quality national institutions at the end of the first year.

Furthermore, PAKIV wanted to avoid the establishment of new institutions, without having assessed the added value of such an institution to the existing civil society.

**Impact Analysis**

In terms of facilitating capacity development of a network of young Roma, the program resulted in considerable growth of the PAKIV trainees. Formal training, followed by learning together with communities has made them much more mature, self-confident and professional over the course of about 2 years. All consider the learning-by-doing method as the most useful in their training. This invaluable experience of “the community work university” helped them translate what they had been studying into real life.

There is increased analytical ability of participants in defining effective and ineffective aspects of community facilitation. Some include: how to increase and maintain motivation, fragility of trust in the community and how to raise it, the difficulties and possible ways to approach traditional leaders and culture, how to approach existing internal discrimination, and what can help or hamper effective community organising.

The effects of the PAKIV training and community development experiences can also be seen in the other activities of the former trainees, where they are using their new skills. They have started to fill a gap of missing human resources from amongst the Romani community in various programs concerning Roma. Since completing the training graduates have been involved in a number of different programs and activities including researches, serving as trainers, program coordinators, advisors and consultants, along with serving as representatives in front of donors and policy-makers.

Secondly, PAKIV sought to facilitate local community organising and reduce socio-economic exclusion through the support of income-generation initiatives. In the first year of providing support to local community projects, PAKIV supported 15 communities, which were facilitated by the PAKIV trainees. They were developed in the first half of 2002 based on the community feasibility study and intensive work of each of the PAKIV trainees with community initiative groups and organisations, as well as site visits of the PAKIV staff for on-the-spot assessment of the proposed initiatives.

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5 Section from Milosheva and Krushe, August 2003.
The projects are different in regard to scope, duration, type of activity and number of participants. The duration of projects varies between 3-12 months, with support between $3000-14,000 USD. Except for two (more related with education), all the rest have an income generation component (vocational training, revolving fund for start-up business, cattle/pig breeding, creating opportunities for self-employment, youth employment, etc). Some of the projects were hosted by an existing locally based organisation, others – by informal groups that in the course of implementation either remained informal or registered as new organisations.

The diversity of projects corresponds to the diversity of the communities involved – as level of poverty/marginalisation, specificity of the traditional culture and type of Romani community, history of community involvement and self-organising and the attitudes of local institutions. It also relates to the skills of the PAKIV trainees especially in the stage of the initiation and the facilitation of the local group, as well as their connection and knowledge of the concrete community (some worked in their own place, others – as outsiders to the community). What is common is the intended approach and guiding principles related to creating a new type of relationship of self-reliance rather than dependency both between the facilitator and the local group, as well as the local group and the broader community.

Almost all supported projects served their role as development tool to activate local communities, to help members of the communities see that they can have choices, have more positive thinking and recognise their own abilities to change their lives for the better. They contributed to increasing local capacities and the start of community empowerment, practising the key aspects of the PAKIV approach. Challenges in a few communities that hampered the continuation of the activities provided a lot of learning for the facilitators especially in regard to work with extremely marginalised groups. Only two projects are of concern in terms of their community stimulation role, as they seem to be confined to family business development with the effect limited to the direct beneficiaries.

On the question of sustainability of the local initiatives it is difficult to provide a uniform answer. Again the situation is very diverse depending on the community and the local group. In most of the places the local groups and organisations are committed to continue work for their community. They already succeeded in attracting support, mainly in-kind, for their work (buildings provided for free, volunteer work from the community, computers donated etc.). Some have attempted to raise additional funds through project writing. Others are developing initiatives that would not require funds, just the volunteer action of community members. The organisations/groups, whose initiative involved a revolving fund approach, count on return of the loan, which has already started and will provide for continuation of the initiative and the participation of other members.

In terms of determining the effectiveness of advocacy and campaigning for public policy improvements - it is too early. Creating models takes more time than 10-12 months. Also it depends how models are defined. If we look for models of a good approach to facilitate community-based initiatives the emerging practices provide for interesting learning. It can be used in influencing the developmental policies of various agencies as well as other civil society
actors. The initiatives so far can provide very good cases for the potential and challenges of practising a community based approach, though more structured studying of practices is needed.

**Driving Factors**

**Institutional Innovation**

Over the last decade the understanding of civil society in CEE is somehow confined into more structural rather than functional aspects, and registered NGOs have been mushrooming in the region. Unfortunately, one may find organisations which respond more to the resource possibilities around them than the community interests. This is a key deficiency for both Roma and non-Roma organisations. The consequences of such developments include a “project culture” that has much more limited social impact; barriers to building real partnerships and linkages; and a turf attitude of competition and rivalry over access to resources.

Within the Romani civil sector there is an additional division between traditional/modern and old/young generations. At times this can result in destructive competition, based on personal interests. In some cases, the trust and support of the Romani constituency is lost due to a lack of legitimacy, transparency and accountability.

The above deficiencies are a challenge for PAKIV at all levels of its work, as it offers another philosophy, approach and developmental practice. Creating an alternative thinking and doing things in a different way can be a very lonely exercise. PAKIV trainees have shared a number of experiences when they faced the competitive/rivalry attitude. Tendencies like this can be noticed towards PAKIV on the international level too. Donor support is also a challenge, as there is an increasing competition for funds (often translated internationally into a fight of approaches) which are getting more and more limited in the region.

In practice, PAKIV has been fulfilling its mission and working to counter current civil society deficiencies in a number of ways. These include both formal training and learning by doing methods which were designed and implemented as processes creating a new type of culture, capacities and practices in stimulating change and learning through change at the individual and group level. **Responsiveness and responsibility to the community interests is a guiding principle** for all PAKIV trainees and citizen involvement, trust and accountability are not just token buzz words. Input of communities was searched at every step – the community needs assessment, the design of the initiatives, and their implementation. Community involvement and increasing ownership have served as main indicators for whether the PAKIV trainees are on the right track or not.

**Pursuing interaction with other stakeholders** is also important. In many initiatives local authorities and institutions were attracted as partners. In addition, there is an increasing

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6 Section based on Milosheva and Krushe, August 2003.
understanding and emerging experience in the work with others – Roma and non-Roma, overcoming prejudice and internal discrimination in the interest of the communities. At the same time PAKIV facilitators have been challenging local apathy. In most cases, facilitated community initiatives stimulated positive thinking of people, their ability to plan, set goals, identify options and take the responsibility for needed action. In this respect, initiatives help the empowerment of people to think and act in a different way.

Building capacities for strategic thinking among the PAKIV trainees through ongoing mentoring and facilitated self-reflection provides the ground for greater impact of their actions as individuals helping the growth of community capacities and eventual national organisations. The program also focuses on youth and creating them as agents of social change. This relates both to selected trainees in the international leadership training, as well as in the framework of the supported initiatives, where again young people became the engine in most of the local initiatives.

PAKIV also promotes the empowerment of women participating in the program by challenging the traditional culture of internal discrimination and practising core democratic values of civil society. Finally, PAKIV works to employ deliberative methods of communication and consensus building rather than decision-making based on vertical power relations. In developing a core group of young Romani professionals with active links to grassroots realities and a value-driven vision of work and responsibility, PAKIV aims to sow the seeds of a new kind of civic organising and institution building for social change in the CEE region.

Learning and Experimentation

The Pakiv European Roma Fund considers ongoing evaluation, reflection and learning as a vital part of developing and refining its methodology. Indeed, tackling unemployment and social dependency amongst an impoverished ethnic minority is perhaps the most difficult aspect of development. In the so-called developing world, there is considerable experience with micro-credits, community revolving funds and a number of methods for working with disadvantaged groups (e.g. Grameen bank, SEWA, CARE, ACCION International). In testing and developing its own methodology in Romani communities of Central and Eastern Europe, PAKIV has also employed similar methods related to community controls and social guarantees, starting up community banking initiatives, and involving local NGOs as partners. Some aspects of the ongoing experiential learning on community banking, informal association, and use of social guarantees are presented below through the presentation of some specific cases.

Community Banking in Biala Slatina, Bulgaria

In combating socio-economic exclusion by promoting income-generation amongst Roma, PAKIV has been experimenting with the facilitation of community banking or revolving funds. The community banking model is one which essentially treats the whole community as one unit, and establishes semi-formal or formal institutions through which microfinance is dispensed. Such institutions are usually formed by extensive help from NGOs and other organisations, who also train the community.
a specific example of a program in the small town of Biala Slatina in Bulgaria, the steps and methods involved can be best understood.

**General Background**

Biala Slatina is a small town in North Bulgaria with a total population of about 13,923, of which the Roma account for about 3,000. Working as labourers in agricultural co-operatives and animal farms was the main source of occupation prior to the economic restructuring. Today, finding seasonal work as agricultural labourers and part-time work in a local cannery serve as the main source of temporary employment for many Romani families in the town. Here the minimum wage is about 50 USD per month. As with much of the Romani population, educational levels are generally low, the majority of families rely on social benefits as the most stable form of income. Very few Romani inhabitants have permanent work.

A local community-based organisation (CBO) formed of Romani youth from the town had been working on educational activities for about two-three years and decided to develop an income-generating component, based on the experience and discussions with community members about what can be done.

It was decided to start up a sheep-breeding program for individual families in the Romani neighbourhood. Fifteen families would receive five sheep and two months fodder, on condition that they pay back 80 percent of the total investment. The repayment would form the basis of a revolving fund, or bank for the community to continue supporting other income-generating activities. The total amount of the project support was 7,276 USD.

**Enhancing community participation through setting up a public council**

In starting up the project, a new structure – the public council - was set up in order to provide for greater community representation, participation and control in the decision-making processes concerning the project. The public council is formed of five elected members from the community and two representatives of the CBO. The elected members are nominated and then voted on by community members and should be well respected, influential, and financially independent. The council also served as a mechanism to increase trust between the CBO and the other community members, and serve as another incentive for beneficiaries to repay their loans (e.g. maintain trust and respect from important community members).

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members in various financial activities of the community bank. These institutions may have savings components and other income-generating projects included in their structure. In many cases, community banks are also part of larger community development programmes, which use finance as an inducement for action. (Grameen Communications 1998, http://www.grameen-info.org/mcredit/cmodel.html)

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8 In addition to the income-generating element, the project also involved the organisation of local workshops on human rights issues, especially local cases of discrimination, and organised dialogue with various local authorities, in view of building partnerships to address problems confronting the Roma community.
The role of the public council was to develop the criteria for becoming a beneficiary in the project:

- select beneficiaries from amongst the applicants
- research the market and purchase the sheep that would be disbursed to the families
- take decisions over problems and for modifying plans and procedures (e.g. small budget adjustments, how to deal with defaulting beneficiaries, etc.)
- maintain good dialogue with beneficiaries
- participate in monthly meetings with the beneficiaries

As part of the project, training on small business management was organised for members of the public council and the local CBO staff. The functioning of the public council got off to a good start, fulfilling its role in connection to developing criteria, selecting beneficiaries and contracting with the families. However, in time the council became less active, with members not attending regular meetings.

Contracting the “loan” between beneficiary and the local NGO

Fifteen families were chosen amongst the applicants, and they received 5 sheep, food for about five months, insurance, and veterinary assistance in caring for and advising on the breeding process. The total amounted to about 396 USD per family and was to be repaid over a period of eighteen months, following a two-month grace period. Exact timing of monthly repayments was negotiated with each additional family, according to their own needs.

Initial results – animal breeding and loan repayment

Out of the fifteen families who received the loan in the form of five sheep, food and insurance, thirteen of the families have been paying back regularly, though at times having to postpone payments to a later date. The current rate of repayment to the community bank is about 75 percent, owing to late payments. The late payments are especially related to the availability of seasonal work (agricultural and farm labourers, public works), and the lack of regular income from sheep breeding. From this point of view, repayment has proven more difficult for the families, than originally expected. Nonetheless, the families are continuing to repay to the

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9 Criteria included: to be a reliable and responsible person who can be trusted; have experience with animal breeding, have the physical space and conditions for keeping five sheep; be personally involved in the sheep breeding, and not delegate to someone else; and be unable to buy five sheep with one’s own resources (access to resources). Priority was given to families with children, especially those whose children attend school, and who had at least some other form of income, at least temporarily or part-time.

10 In May, families would be required to pay back a greater amount since it was expected that they would be able to sell more sheep since the St. George Day celebration (May 8) is a popular celebration involving the cooking of at least one lamb per family.

11 In the other two cases, one family sold the sheep in order to have the resources to migrate to another location where work is more available, and the other
community bank, and have a new form of family income, through the ownership of the sheep. It is noted that the fact that other families are waiting to benefit from the support of new initiatives with the repaid loans serves as a “social pressure” to keep repaying.  

Alongside the project’s outcomes in terms of loan repayments, the setting up of the community bank has also stimulated community member in other ways. There is greater interest in the community to be active in improving their own situation, rather than just depending on social payments. There is hope and willingness in continuing the development and functioning of the community bank, and overall greater interest in working with the local CBO.  

Learning from experience - preliminary lessons, challenges, analyses

Community organising for income-generating purposes was a completely new experience. Through regular facilitated discussions, local groups continue to undergo a process of learning based on planning, decision-making, reflection and adaptation of the projects. The initial support from PAKIV serves as a starting point for creating a resource in the community, which can be modified and further developed over time. In addition to these local learning processes, the facilitators themselves followed a learning process through working visits to each other’s projects and regular international meetings to share experiences and analyse the methods and impact.

It should be mentioned that in other cases, the experimental income-generating activity proved less successful both in terms of creating new income and employment opportunities and in serving as a tool for sustained group development and mobilisation. Nonetheless, by stimulating reflection on the process, methods and influential factors, the experiences still provides for important learning.

In analysing some of the program’s experiences with income-generation amongst impoverished Roma in Central and Eastern Europe, there are a few lessons and further challenges that can be extracted.

Balancing individual and group responsibilities in developing social guarantees

Amongst the poor, the use of social guarantees related to inner community peer pressure and accountability play an important role in substituting for material guarantees of traditional bank loans. With the promise of new opportunities for other community members upon repayment, the beneficiaries become accountable to members of their own community rather than „outsiders”. In addition, the creation of additional community-based structures such as the public council also serves as a kind of guarantee, in terms of respecting the original agreement in front of local leaders and influential persons. It is worth considering the possibility of a more limited mandate of such a body, since it has proven difficult to maintain such a high level of constant involvement amongst council members.

12 Until now, the community bank has provided two family loans between 100 – 300 USD, with the repaid funds.
In each case, close attention should be given to the methods, procedures and roles of such bodies and arrangements, and the strategic participation of the target beneficiaries. For example, in the case of the sheep-breeders, some of the participants received infertile sheep. The sheep were selected and purchased by expert members of the public council, and therefore the beneficiaries do not want to be held responsible to repay them. Though it is likely that the same thing would have happened if the beneficiaries had purchased the sheep, they could not blame someone else for the misfortune.

**Pace of turnover and sustaining motivation**

The above two cases also show the practical difficulty of loan repayment and resisting temptations for immediate gains amongst extremely poor, when the turnover of the respective income-generating activities is slow. In communities where most families are concerned with everyday subsistence, the high level of success in terms of keeping and breeding the animals is impressive. Still, since they do not produce a regular income, it is more difficult to maintain the necessary motivation to put off seeking immediate satisfaction of daily needs in order to reap the long-term benefits of sustainability.

**Enabling environment**

Certainly, the potential for development and change are affected by other factors, which can enable or hinder local efforts. The current situation of Roma is, in part, a result of massive economic restructuring. Furthermore, the fact that the majority are now found concentrated in economically depressed regions of the participating countries makes things even more difficult. At the same time, experience shows that the open support of authorities, both in terms of resources, programs and through fostering a positive climate of willingness to engage the issues has an enabling effect on the process.

**Lessons Learned and Future Prospects**

Though still a relatively young initiative, there are already some lessons to be learned from PAKIV’s program experience.

**Formal training is not enough**

In its approach, the Pakiv European Roma Fund stresses the need to strengthen the capacities of the Roma in the development processes at various levels. The sustainability of efforts to combat exclusion amongst the Roma requires that the Roma themselves are able to be effective organisers, managers, negotiators, decision-makers, fundraisers and advocates. In working with young Roma from the region, PAKIV invests in the creation of a network of change agents amongst the Romani population. In addition to organising formal training courses, PAKIV employs the method of learning-by-doing or a kind of on-the-job training. This method has proven to be a vital component of learning, providing participants with the life experience of
success and failure, and the possibility to build the confidence and skills to apply and later analyse their work.

**Capacity-building for self-organisation combining individual and group interests amongst the poor**

The development of local potential for community development, self-organisation (CBO) and self-help gives a tool kit for solving the problems at the group level, while stimulating personal realisation. Such a community interest perspective is the overarching framework in which private interest may fit in a sustainable way benefiting both the community and the individual. Small production facilities identified on the basis of community decisions provide the necessary perspective for pursuing the private interests in a sustainable way. The group responsibility and inner community control serves as a social “guarantee” for realising the plans and also the eventual re-investment into new activities in favour of the group.

**Better analysis of lessons from civil society**

Civil society initiatives have some advantages over larger scale state programs, in that there is greater flexibility to explore new approaches and methods. However, much of what happens in the context of civic programs remains unanalysed, limited to a project report form, shelved amongst the organisations’ and donors’ files. A lot of time is invested into running programs, obtaining funds and reporting, and far too little into analysing and reflecting on what really works and what doesn’t, and how to increase the impact of civic initiatives by identifying ways to adapt the experiences and approaches to structural, systemic levels. In recognising this as one of the current weaknesses of civil society organisations, PAKIV seeks to promote and develop this practice and culture amongst civic organisations and activists working with Roma.

**Development as process not project**

In the case of income-generating initiatives supported by PAKIV, it is understood that the activity will not solve all the problems of an impoverished community, but should serve as a tool to stimulate an ongoing process of development. Too often, NGOs (and sometimes governments) in the CEE region are required to raise money in the context of concrete projects, often no longer than a year. In many ways, the results after 12-18 months can certainly give an indication of how things are going, but the outcomes are rather superficial. Real change, in the multifaceted elements of poverty takes real commitment and time, including the possibility to grow in pace with the development of local capacities. For even if there was an unlimited supply of resources, it is still necessary to ensure that the beneficiaries and other local partners are prepared to take a leading role in breaking the cycle of poverty. Therefore, development should be seen as a long-term process of change (and challenges), not just a short-term project.
Future prospects and actions to ensure sustainability

In terms of maintaining the momentum and ensuring sustainability of the initiative, it is important to continue developing its approach and methods for building capacities within the Roma communities, in view of creating effective social change agents and facilitating processes of local development, especially new forms of income and employment. The PAKIV programs can serve as an intermediary phase, in which disadvantaged Romani communities become prepared for accessing other mainstream opportunities, such as credit and loan programs.
References


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