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ARTICLE

"Building hope: from a shack to 3E house"—Innovative housing approach in the provision of affordable housing for Roma in Slovakia

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Abstract The post-1989 objectives of the Slovak housing policy have resulted in the large-scale privatisation of state rental flats and the reduction in new rental housing. State-subsidised social rental housing programmes have been unable to meet the social demand for affordable rental dwellings. Socially marginalised groups, in particular Roma people, have been hit the most by the post-1989 changes and the lack of official social housing construction. Project Building Hope is an alternative integrated housing approach, offering Roma people better life conditions by integrating housing issues with other policies related to social empowerment. In order to implement the innovative project, a broad coalition between public and private sector actors is established, which is able to change the perception of Roma in the community and influence local policy-making processes.

Keywords Social housing · Housing initiative · Innovation · Slovakia · Roma

1 Introduction

This article focuses on the social housing project "Building hope—from a shack house to 3E (i.e. energetic, effective and economic) house" in the small Eastern Slovak municipality of Rankovce. Our main aim is to highlight how this innovative social housing project differs from official social housing initiatives in respect of policy integration, stakeholder participation, decision-making, citizen empowerment and housing solution.

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In order to do so, we need to understand the general reasons why innovative social housing projects are needed in Slovakia. Therefore, the post-1989 transformation process of the Slovak housing system is presented. The focus is on the radical change in the ownership structure, resulting in the sharply declining share of rental housing and shortage of social rental dwellings.

Then, our intention is to highlight that the current social housing policies fail to benefit socially marginalised, low-income segments of society. This is particularly true for the most disadvantaged minority in Slovakia, the Roma. The Project Building Hope is generally aimed at poor people, but it has a "pure" Roma character in the case of Rankovce, so a separate chapter is provided to describe the specific history and (housing) situation of Roma.

After getting familiarised with the Roma issue, we present the current situation of the Rankovce Roma settlement and the project itself in its policy context. We give a brief but comprehensive description of the various activities, characteristics and requirements of the project and, by way of conclusion, analyse the innovative nature of the project.

2 The Slovak housing system

The Slovak housing system bore the characteristics of the East European housing model, prevalent in socialist countries before 1989. There have been several versions of this model, but the common characteristics included the perception of housing as a social right, the subordinate role of market mechanisms, the dominant role of political considerations and bureaucratic coordination in housing allocation (Hegedüs et al. 2012).

The privately owned housing stock, with the exception of family houses, was nationalised in the former Czechoslovakia after 1948. Due to housing shortage and political motivations of the communist party, extensive housing construction followed, therefore the share of state rental flats in the total housing stock increased rapidly. In addition to remaining family homes, the share of state rental flats, rental flats owned by state companies and so-called co-operative rental flats have become the predominant housing forms. Tenants of these flats had neither ownership rights nor duties but had a claim to stay in their rented flats for an undetermined period of time, which was also transferrable to their descendants. The amount of rent and the contract details were strictly regulated by state authorities (Lux 2001).

After 1989, the transition period of the national economy from a centrally planned into a free market economy was marked by two significant changes in the field of housing (Szolgayová 2000; Červeňová 2005; Polák 2007): a significant reduction in housing construction and a radical change in the ownership structure of the public housing stock.

Following the shortage of adequate houses after the destruction of World War II, more than 1.3 million new dwellings were built due to a new state housing policy comprised of the financing of a state rental housing sector, generous provision of public investments into housing development, grants and long-term low interest rate loans for the co-operative sector and individual family houses (Szolgayová 2000).

The generous state subsidies and massive state construction programmes were halted due to budgetary constraints after 1989, and as a result, only 78,319 dwellings were completed in the 1990s in comparison with the 336,465 new dwellings built in the 1980s. Lately, the building of new houses took up: 164,558 new dwellings were built in the first decade of the twenty-first century (but 85 % of these new dwellings were due to private construction) (Hojsík 2013).

The ownership relations in the public rental and cooperative sector were fundamentally transformed in the 1990s: in 1991, 50 % of dwellings were private, 22 % cooperative housing, 21 % municipal housing and 6.5 % owned by the state or state-owned companies (Lux 2011); 20 years later more than 90 % of households in Slovakia lived in owner-occupied homes, 7.8 % were tenants with a market price rent, 1.4 % lived in free accommodation and 0.6 % lived in reduced rent housing (Hojsík 2013; ESS 2013). As a result, Slovakia is currently among the EU countries with the highest shares of population living in owner-occupied housing (90.2 % together with Croatia, while the highest is Romania with 96.6 %).

There have been three main forms of ownership structure changes causing these radical structural changes: (1) restitution, (2) transformation of housing co-operatives and (3) privatisation (UNECE 1999).

The Act on Restitution was adopted in 1991 and returned the dwellings previously confiscated under the state socialist era to its pre-1945 owners (or their heirs). Overall, the restitution has had no significant effect on the housing tenure structure since it has only affected 0.25 % of the public housing stock (Kiss 2014; UNECE 1999) but had a long-lasting effect of creating a specific kind of tenants in need of social housing (tenants living in flats returned to the pre-1945 owners with difficulties to pay market-level rents).

The 1992 Act on Transformation of Co-operatives provided that the ownership of rental units could be transferred to the members of the co-operative, if they requested so. Co-operatives functioned on the idea of "collective investment" (Lux 2001), all residents were members of housing cooperatives and had to finance (either in cash or in kind) a substantial part of their otherwise state-subsidised flats. The ownership transfer in this case could be arranged for an additional payment in the amount of the outstanding investment loan made at the time of the construction (UNECE 1999; Hojsík 2013), which was—in most cases—a generous amount of money.

The change in the tenure structure was influenced by the rapid privatisation process in the most significant way. State-owned dwellings were transferred to the ownership of municipal self-governments by Act No. 138/1991 on the Property of Municipalities. Subsequently, Act No. 182/1993 on Ownership of Residential and Non-residential Premises allowed the transfer of the ownership of these flats to tenants in municipal housing stocks (Lux 2001).

The main ideological objective of the transformation process was to change housing from a "social right" guaranteed by a paternalistic state to a "personal responsibility" (FRA 2009). In the centrally planned economy before 1989, housing was not a market commodity but a right guaranteed by the state, in the political framework of eliminating every private property in an idealistic Communist society. In theory, housing was provided by the state based on the citizens' needs but in practice political merits, social and professional loyalties heavily influenced the (bureaucratic and corrupt) allocation of housing (Hojsík 2012).

The state's paternalistic role has resulted in the quasi-homeowner position of tenants, which made a quick privatisation process possible. The government's ideological stance for privatisation and deregulation was in line with the neoliberal World Bank policy advisors active in the transition period. Economic considerations were also present, i.e. the fact that the government did not possess the necessary financial means to maintain the state housing stock (Lux 2011).

Act No. 182/1993 put the above-mentioned theoretical economic ideas into practice by formalising the privatisation process. The tenants acquired the right to buy their rented flats at a price determined by law. This price was generally much below (approximately 5 %) of

the market price, based on the purchasing prices at the time of construction (UNECE 1999). The flats that had not been privatised could not be sold or transferred to other buyers; the tenants' right to purchase was pending, and these tenants enjoyed regulated rents below the market price and strong legal protection (Hojsík 2013).

An overwhelming majority of tenants took advantage of this opportunity. In most cases, only the dwellings occupied by socially and economically disadvantaged households, such as the Roma minority, remained under the ownership of municipalities.

3 The development of social housing policy in Slovakia

The transition to market economy has resulted in the dramatic decrease in state-supported construction, lack of reasonable supply-side subsidies and economic liberalisation of the housing market (Hojsík 2012), which developed into a serious socio-economic problem since no attention was given to equity or desegregation because politicians tried to use home ownership as a 'quasi-shock absorber' to other restrictive economic measures (Lux 2011).

Persons who could not use the chance to buy their own apartments in the early process of privatisation are the most disadvantaged group on the market. They are often poorer households, many of them members of some disadvantaged social groups, e.g. Roma or poor households having problems maintaining their dwellings without subsidies.

In many cases, the best alternative for these vulnerable people is to remain in their current dwellings since construction of affordable rental dwellings is very limited or non-existing in some regions (resulting in a housing shortage). Municipalities, regional governments and NGOs are entitled to apply for grants and loans from the state budget or the State Development Housing Fund (hereinafter: SDHF) in order to purchase social rental dwellings. Grants have a 30–75 % funding intensity, depending on size, standard and purchasing method, while loans can cover maximum 80 % of purchasing costs, up to EUR 60,000 for max. 30 years, with an annual interest rate of 1 % (OHCHR 2014).

The poorest segment of society, i.e. people whose income is under the amount of subsistence minimum, is also provided with social benefit: maximum EUR 55.8 per month per a single-person household or EUR 89.2 per month per a multi-person household. In addition to purchase of social rental dwellings, construction of social rental dwellings is undertaken by municipalities in two forms: the regular standard (max. 80 m^2) and lower standard (max. 60 m^2) apartments, with different equipment, level of monthly rent and state subsidies, eligible to households with an income less than 3 or 4 times of the subsistence minimum (Kiss 2014).

The social housing programmes enabled municipalities to build approximately 350 flats per year; however, the need for social housing is much larger than this number. The shortage of social housing is estimated to reach 382,000–486,000 flats by 2025 (Kusá 2011).

In addition to general shortage of available social housing, the allocative effectiveness of the current system of social benefits is also distorted in two ways: the eligibility criteria of social housing are too wide—not only the poorest segments of society but also middle-income households can apply to social housing—and the final municipal allocation of social housing among eligible candidates is not transparent enough (Hojsík 2012).

On the other hand, the eligibility criteria to social benefits also act as a bottleneck to indebted low-income segments of the society and vulnerable groups, in particular Roma people who often are not entitled to these benefits due to lack of ownership or legal title to their dwellings

(Kiss 2014). These vertical distortions are enhanced by a horizontal distortion because—until recently—state subsidies have not been regionally prioritised so new housing used to be predominantly in smaller municipalities or marginalised regions, while economically more prosperous larger towns suffer from shortage in public housing (Hojsík 2012).

4 Overview on housing situation of Roma

Roma have a long history in Eastern Europe and in the present-day Slovakia. They migrated out of India before 1000 A.D., and the first official written mention of Roma in Slovakia originates from the fourteenth century (Németh 2014). Their distinct physical features and nomadic lifestyle soon lead to discrimination from the majority. Nevertheless, Roma presence was tolerated until the twentieth century since they worked in trades, e.g. wood working, sieve making, metal working, basket weaving, seasonal agricultural work and middleman trading, considered lowly by the general population. Contrary to certain other parts of Europe (e.g. Romania, Spain), there were no serious central assimilation attempts towards Roma in the Habsburg Empire.

The first Czechoslovakian state (1918–1938) introduced more repressive policies against Roma people and their assimilation continued during the years of the socialist state (1945–1989). During the latter years, the main aim was the integration and settlement of Roma people: nomadism was outlawed in 1958 and attempts were made to move Roma from their traditional, agricultural settlements in Eastern Slovakia to other, more industrialised, Western parts of Czechoslovakia. Roma received apartments among non-Roma people in industrial areas, near the big state factories where they were employed as unskilled workers (Zoon 2001).

Paradoxically, since the introduction of greater economic and personal freedom after 1989, the social and economic status of Roma rapidly decreased. As mentioned in chapter 2, tenants had the chance to buy their rented apartments from the municipalities at a relatively low price in the 1990s. The biggest barrier to obtain such a property right is obviously the lack of available financial means. With the closure or privatisation of the uneconomic state factories and the general decline in demand for their traditional occupations, Roma people were among the first to lose their jobs. Due to their low level of education, the shift of the Slovak economy towards a more knowledge-based society, the unravelling of social benefits system, the lack of coherent strategies of complex social integration at the state level and also obvious racial discrimination lead to long-term unemployment of the majority of Roma people (FRA 2009) and created a huge ethnic underclass (more than 7 % of total population) with regard to every social, economic and political factors (literacy, income, life span, infant mortality, diet, representation in government, access to health care and legal aid, education, employment) (Silverman 1995).

The economic hardships forced Roma to move out of their rented apartments (or they were evicted by the municipalities). Generally, they could only afford cheaper apartments in the outskirts of industrial towns or move back to traditional, segregated Roma settlements. The assimilation process of socialist years was completely reversed, and Roma people were again concentrated in segregated living environments: the number of Roma settlements sharply increased since 1989, from 278 in 1989 to 804 in 2013 (Atlas 2013). This process was further strengthened by "hidden racist" administrative steps of the municipalities when non-paying or other problematic tenants were evicted from their apartments that have become more attractive for investors due to the increasing real estate prices (Salner et al. 2013).

Taken into account all these direct and indirect instruments towards segregation, it is clear that the problem became greater in the last two and a half decade. However, it is still difficult to get a clear statistical overview on the severity of the housing issue of the Roma minority in Slovakia. For the purposes of this paper, we refer to the numbers of the Atlas of the Romani Communities (hereinafter: Atlas), made by the Slovak Ministry of Labour, Social Affairs and Family and the United Nations Development Programme. The Atlas indicates that there are 402,840 Roma people in Slovakia (7.45 % of the total population). This number is based on the principle of attributed ethnicity, i.e. who is perceived as Roma by the neighbouring majority people. Therefore, all the numbers in this chapter shall be regarded as qualified estimates (Matlovičová et al. 2012) that are still generally regarded as more precise in the scientific community than the official numbers of general censuses based on voluntary indication of nationality.[1]

Out of the total population, 46.5 % of Roma live in a mixed housing environment with non-Roma people. They are generally those better-off Roma people who could use their chances to buy their previously rented apartments in the wake of the starting transformation to market economy. Nevertheless, the other 53.5 % lives completely separated from non-Roma communities, in housing environments where the overwhelming majority of people are Roma.

These communities have three common types: they can exist within the boundaries, in the outskirts and outside of the administrative (and sometimes infrastructural) borders of municipalities. 12.9 % of Roma live in segregated housing environments within municipalities, 23.8 % of Roma live in the outskirts of municipalities, while 17 % live in segregated communities outside of municipalities (with an average distance of 900 m from the municipalities), in Roma settlements (Atlas 2013).[2]

Overall, while 5.1 % of the general population lived in severe housing deprivation (interpreted as an overcrowded dwelling with at least one housing deprivation characteristics, e.g. leaking roof, no indoor toilet or inadequate lighting) in 2011 (ESS 2013), the 2011 Roma Pilot Survey conducted by the EU Fundamental Rights Agency estimated that the quality of Roma dwellings is much below the average, namely 41 % of all dwellings occupied by Roma have no piped water supply, 10 % have no electricity, 81 % have no sewerage, 59 % have no gas, 37 % have no water access and 20 % are not connected to a paved road (UNDP/FRA 2012).

Since this no-comfort dwellings tend to be also generally overcrowded (an average number of 2.5 Roma persons live in 1 room, in comparison with approximately 1.1 non-Roma persons) (UNDP/FRA 2012), it can be deduced that the majority of Slovak people living in severe housing deprivation may be of Roma origin. The prevalence of substandard housing quality among Roma people is also promoted by the state-subsidised social housing programme (see Chapter 2). Municipalities can apply for subsidies in this programme in order to build regular or lower standard dwellings. Lower standard means lower building requirements and, for the municipalities, less housing costs for a higher level of state financing, for which construction land shall be provided. Dwellings then have to stay in municipal ownership for at least 30 years and be used as social rental housing (Sládek 2014).

[1] 105,738 people identified themselves as Roma during the 2011 census (over the total population of 5.3 million).

[2] There are altogether 21,168 dwellings, out of which 10,411 are apartments, 4936 with substandard quality. There are also 8918 regular bricked and wooden houses with legal tenure, and another 5065 houses that are not registered in the land registry, and 4797 other structures that are mostly shanty houses built out of spare material or container houses (Sládek 2014).

It is quite common that municipalities launch two social housing programmes at the same time: lower standard housing construction for the Roma population on municipal lands provided in the outskirts and regular standard housing construction for the non-Roma population on municipal lands in more central areas. Overall, even these lower standard dwellings enhance the living conditions of Roma but maintain their segregated status and—without the integration into other social policies—their low quality of life.

The Slovak governments have only recently elaborated policy frameworks for the purposes of integrated Roma inclusion, which included the problem of social housing: The National Action Plan of the Decade of Roma inclusion was adopted in 2004 and revised in 2011 with a deadline for its measures until 2015. The main objective of the revised Action Plan with respect to social housing is the improvement of housing conditions and the integration of marginalised Roma communities through:

1. renovation of houses in dangerous conditions;
2. ways of legalising the illegal constructions and legally unresolved lands;
3. support for the construction of municipal rental dwellings;
4. elaboration of a legislative framework enabling social benefits to be handed to Roma living in "illegal" dwellings;
5. upgrade of all Roma dwellings to lower standard level of the state-subsidised social housing programme (National Action Plan 2011).

Further documents were developed on the basis of the National Action Plan signalising a change in attitude since larger emphasis was put on constructing houses with the involvement of Roma people themselves.

Even though the positive relationship between decent housing and various dimensions of family well-being is well known (Bratt 2002), the implementation of the reform programmes remains limited, which is not surprising if we take into account the politically motivated succession of similar strategies, the shortage of funding for implementation, the lack of coherent approach, measurable objectives and the missing integrated measures to provide non-discriminatory access to housing.

The obvious failures of the state-subsidised social housing programme and slow implementation of housing policies outlined in the official strategies aimed at Roma integration consequently resulted in Slovak and international NGOs to introduce alternative, complementary housing solutions.

5 Rankovce case: Building Hope—from a shack to 3E house

5.1 Methodology

In order to obtain a thorough understanding of the local context and specificities of the social innovation in case, the authors conducted two field visits to Rankovce municipality in July 2014 and conducted semi-structured interviews with the representatives of the most important organisational stakeholders, such as the project supervisor from ETP Slovakia, a housing programme consultant from the Slovak Technical University, a field social worker employed by civic association "For Better Life" and the local evangelical priest, followed upon with unstructured interviews with four willing Roma families participating in the project.

The quantitative data on the situation of the municipality and the housing project stem from the semi-structured interviews and the authors had access to the annual reports of Rankovce municipality and ETP Slovakia during their visits.

Furthermore, for the better assessment of the project's chances for national upscaling and possible future direction, the authors participated as observers in the consultation meeting about innovations in social housing, organised by the Ministry of Finance on 22 October 2014 with the participation of representatives of state (e.g. Ministry of Finance, Ministry of Social Affairs, Ministry of Transport, Construction and Regional Development, Plenipotentiary for Roma Communities) and non-governmental organisations (e.g. ETP Slovakia, Open Society Foundation, Habitat for Humanity) and for-profit actors (e.g. representatives of relevant bank institutions) engaged in the topic.

5.2 The context of the project

Rankovce is a small village and municipality in Košice Region of Eastern Slovakia with a population of 753 people, 80 % of which is Roma.[3] The economic situation is similar to other Eastern Slovakian micro-regions, characterised by high unemployment rate and low educational level of the population, which influences the village's entire character. Due to lack of employment opportunities, the older generation and people with lower education or without interest in legal employment remain, resulting in the growing number of Roma people. This is also reflected on political level since six out of seven members in the municipal council are Roma. Rankovce also elected its first Roma mayor in 2010.

Roma settlement—consisting of approximately 120 dwellings (houses, shacks, cottages)—surrounds the main road in minimum walking distance to the centre of the village (municipal office, nursery school, shop, bus stop). Most of these buildings are illegally built without proper building permits on illegally occupied land (private or municipal property). The village possesses of a newly built sewerage; however, water supply is still missing so that the majority is forced to draw water from a common well.

The municipal council aims to involve the local Roma people in various community activities, in line with the objective addressed in the Programme for Economic and Social development of Rankovce village, namely "the ability to mobilise and enhance the human potential seems to be a determinant for the future development of Rankovce".

5.3 The description of the project

"Building Hope—from a shack to 3E (Ecological and Energy Efficient) house" (hereinafter: Building Hope) is one specific pilot project implemented by a regional non-profit organisation, namely ETP Slovakia, based on Košice co-operating for more than 12 years with Roma communities in Eastern Slovakia, operating community centres and providing comprehensive social services to the marginalised segments of society in five main areas: housing, education, employment, health and financial inclusion (Kiss 2014).

The project is a pilot self-build project implemented between 2013 and 2014 that can be seen as an alternative to state-subsidised construction of social rental dwellings. Six young families from Rankovce had the chance to build their own individual houses under the daily guidance of ETP Slovakia within the framework of the project.

Project Building Hope is aimed at people in the lowest income segment (Roma origin is not an explicit eligibility criteria). The clients are selected according to the following criteria (ETP 2011b), based on the professional opinion of the members of local NGOs and municipality workers, in particular their social worker:

[3] Estimation is made by the mayor of Rankovce, Mr. Stanislav Hada and Roma Atlas 2013.

- poor (in terms of relative property measures) but have some legal source of income;
- in case of unemployment, they must actively seek work;
- no record of antisocial behaviour;
- residence in the village for the last 5 years;
- children regularly attend school;
- no debt or record of previous eviction from their apartment;
- approvable, clean state of their current homes;
- responsible behaviour related to their health;
- participation in local community activities.

The involvement in activation programmes is an essential part of the programme. Project Building Hope does envisage empowerment of clients not only by upgrading them from passive bystanders to active participants in their home construction, but also by helping them acquire new skills and supporting their sense of responsibility (Kiss 2014).

Roma families purchase the land usually with funds accumulated via ETP's Savings Programme. The municipality provided the land for project participants for EUR 3/m^2. The property of own land is a very important step since homeowners will gain a sense of responsibility, become a taxpayer and, at the same time, become eligible to state social benefits in case their social situation does not improve after the project. The main objective of the Savings Programme is to provide the necessary funding to reach a predetermined goal of the client, which can focus on the client's personal development, housing investment or business activities (apart from the purpose of land purchase), while teaching basic financial knowledge skills to willing individuals and families, i.e. how to plan realistically achievable targets in the medium term. Every client can save an amount of approximately EUR 50 per month over a period of 12–24 months. Once the client reaches the predetermined savings amount in a newly established bank account, as an incentive, the client gets a bonus representing an equivalent amount (100 %) for one's savings from the donor organisation (ETP Slovakia 2011a).

As part of the Savings Programme, selected applicants must attend financial education courses focused on basic financial knowledge and skills. Education is interactive and enables clients to build realistic finance plans according to their specified objectives.[4]

Clients who have successfully participated in the Savings Programme, undertaken financial education courses and demonstrated a strong commitment to change their living conditions are provided with micro-loans up to the amount of EUR 6000 for the materials and other costs of the construction of 3E house, repayable over a period of 10 years. The interest rate is set at around 3 %, which corresponds to the average rate of inflation in Slovakia. The loans are provided in the framework of a specific programme for socially vulnerable families and individuals whose situation does not enable them to obtain conventional forms of financing due to their unavailability (mortgages), or very unfavourable conditions (non-bank loans). The loan is provided in the form of construction material, tools and via repayment of construction costs, including administration, i.e. no cash is provided (ETP 2012). Funding for the Savings and Micro-loan Programmes is provided by American Charity Organisations, Open Society Foundation and Habitat for Humanity International.

The basic construction costs of one house start at around EUR 6,000, which is secured through the Micro-loan Programme. The homes have a basic floor area of 25 m^2, which is

[4] The Savings Programme is also implemented as an individual project, which helped over 800 clients attend financial education programmes and over 400 clients successfully completed the savings programme itself between 2006 and 2012.

just a basic model including a bathroom with toilet, washbasin and bath, kitchen, living room and sleeping area on a raised floor. The construction materials are provided by Holcim Slovakia—the company also provides a field technical instructor to supervise the work of the clients, while the palettes (in particular, the grate used under the drywall and to cover floor) are ensured by the U.S. Steel Kosice company. The construction is based on the principle of incremental housing in the sense that the basic 25 m^2 solution can be extended to 50 m^2 by building external walls around the porch, or even to 75 m^2 by further building another room. This building concept was designed by the Slovak Technical University in Bratislava with the aim of providing better living conditions to clients than the state-subsidised rental dwellings, taking into account the differing needs of home-owners. Structurally, the emphasis is on the use of ecologic, preferably recycled materials that are both economically and energetically the most suitable (therefore the houses in the project are labelled 3E houses). The light construction system in these housing constructions ensures simplicity, enabling the clients to build their own homes, with the help of their family, in a design meeting their specific needs and preferences (ETP 2012).

Nevertheless, space itself has social effects on people's opportunities and on their self-esteem (Vitale and Membretti 2014); therefore, the 3E houses serve an important factor in combating the segregation that generally lower standard social housing for Roma reproduces. It is important for the self-respect of minority people that they legally own a self-built, modern-looking house with quality material in a land chosen with their involvement.

Apart from financing, ETP Slovakia is the main organisational stakeholder in the pilot project, which manages the overall construction process with the support of its (technical and legal) experts. The duties of ETP Slovakia begin with the administrative and legal support during the land purchase and continue during the whole project cycle through daily professional supervision in the construction, organisation of the related activation programmes in the local community centres, social work with the participating families and the follow-up of their project involvement (Figs. 1, 2).

It may seem paradoxical that a typically neoliberal housing policy reform (characterised by withdrawal of state and growth of market forces through privatisation, deregulation, less social housing construction, changes in subsidies), which has contributed to social marginalisation of persons, is countered by a programme with neoliberal, market-oriented features (role of individual responsibility, land titling, property rights, primacy of non-state actors in implementation and funding, community enablement combined with market enablement), but this may be construed in the sociopolitical context of Slovakia.

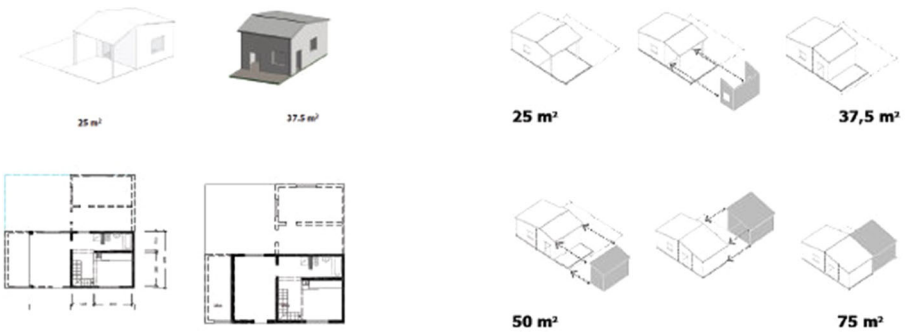

Fig. 1 Basic projection of the 3E houses with possible extensions. *Source*: ETP Slovakia (2014a)

Fig. 2 Real view on the newly built houses in Rankovce (April 2014). *Source*: ETP Slovakia (2014b)

Slovak neoliberal reform policies after 1989 are intertwined with the notion of "authoritarian populism" (Hall 1985) in the sense that the political–economic elite used marginalised Roma minority as a political tool for gaining the support of lower- and middle-income workers for their social policy interventions (Makovicky 2013). Through the repeated argument that only welfare-dependent, non-working Roma argue and protest against the neoliberal fiscal and social policy reform, which is in the best interest of the economy, a public debate on the consequences was hindered and a significant part of society unwittingly internalised the neoliberal concepts and still regards positive discrimination interventions towards Roma with suspicion.

This is in line with Vitale and Claps (2010) that hostility against Roma is not spontaneous but the result of a political and moral construction, which is structured in the constitution of a state-nation (see the reasoning that Roma are the ones to undermine the new Slovak nation state's economic success, depending on neoliberal social policy interventions).

"Authoritarian populism" shall be weakened "from within" the neoliberal policy framework by successfully integrating Roma in the neoliberal policy discourse as positive actors, which may lead to strengthened local minority–majority interest alliances through enhanced trust and a more activist state participation.

5.4 Assessment of the project

We regard Project Building Hope a social innovation based on the analytical concept of term underlining three distinctive characteristics of a social innovation project, namely that it generates (1) provision of resources and services in response to social needs unfulfilled by state or market actors, (2) transformation of governance mechanisms causing social exclusion and (3) development of trust and empowerment within marginalised populations as a result of the change in the governance system (Klein 2013).

We analyse the mechanisms and impact of present social innovation project by assessing the degree of institutionalisation of its practices and the value orientation of the actors, which is the "fuel" of any social innovation (Vicari Haddock and Tornaghi 2013).

The capacity for successfully implementing socially innovative practices in a project such as Building Hope is likely to be time and place specific (Pradel et al. 2013).

Based on the theoretical framework provided by Moulaert et al. (2005), we conclude that—as in the majority of cases—social innovation was a reaction against the growing social exclusion (of Roma people), which could not be previously launched and upscaled due to negligence of the state (ineffectiveness of the welfare state) and antagonist interests of local and regional stakeholders, but the development of the first official state strategies acknowledging social housing needs of marginalised population together with the ongoing general trend of decentralisation of social service provision provided new opportunities to build policy-making coalitions at a regional and local level. The extent of action space left by the state for non-market economy-oriented social innovation was thus enhanced.

Nonetheless, the form of social innovation is not only driven by history and social context but also depends on the specificity of a local territory, as underlined in the holistic definition of social innovation at a local level (Moulaert and Nussbaumer 2005).

In our case, the local empowerment movement for social inclusion could counter mechanisms of social exclusion by successful mobilisation of the resources of local, regional and national stakeholders. Resource mobilisation may depend on two organisational elements: the "sense of place" (embeddedness of a socially innovative project in its local surroundings) and "networking capacity" (connections to other public, private and societal actors) (Pradel et al. 2013).

Regarding sense of place, Rankovce is one of the 10 places where an ETP-run community centre with the aim of supporting marginalised Roma communities is situated, strengthened by the presence of NGOs, non-profit organisations and churches, all acting as intermediaries between the interests of the local marginalised community and the project developers. The context specificity of the local political sphere such as an elected minority mayor or municipal council members also engaged in non-profit activities resulted in a generally more positive attitude towards minority-oriented social innovations among non-Roma people and the non-emergence of problems prevalent in other local communities (e.g. municipal negative political stance against provision of land for social housing purposes or withdrawal of co-financing, see similar problems in the project discussed in Vitale and Membretti (2014)).

As the authors' field visit revealed, the local minority sample group is overwhelmingly positive towards the project, which is mainly attributed to their early involvement in project implementation (e.g. decision-making on location of the houses, the amount, objective and schedule of loans or support in bureaucracy) through the local state–civil society stakeholder mix, which signals the value orientation of the project initiators towards social inclusion, empowerment of Roma people, more democratic decision-making and implementation processes and equal opportunities.

These values are visible in the project's objective to strive for financial inclusion, self-development and community involvement. Clients are engaged themselves with the design and implementation of their own private property and gain higher self-esteem, individual responsibility and financial prudence in the process, thus preventing indebtedness, neglect of houses or antisocial behaviour.

Regarding the local networking capacity, there is a wide network of organisations at different governance levels, complementing each other at the implementation of the project, simultaneously pursuing their own ends and contributing to the reversal of social exclusion at the local level. The main non-profit organisation in the project ETP aims to broaden and generalise its social inclusion programmes, maintaining a close relationship

with its donor organisation supporting the project, and the local and national media whose information campaigns help inform the general public and gain trust by openness.

As a sign of the reorganised state–civil society–market relationship in the given time and space context, profit-oriented companies, e.g. VÚB Bank, U.S. Steel or Holcim also participated in the local market in order to provide necessary (material) resources. These companies gain a better visibility as socially responsible companies and, in the long-term, enjoy the advantages of an improving local labour market.

As for the political level, local municipality gains both in social and economic aspects by selling its land and acquiring new taxpayers, while reducing the number of illegal shacks and the need for social housing construction. The municipality also has a bigger say in the details (location, timing, participants) of the social housing construction, which can result in a more harmonious coexistence of majority and minority people and a stronger institutionalisation of the innovative practices.

Therefore, if the impact of a socially creative strategy on policy-making processes is measured by the interlinked changes it caused in the definition of a policy problem, in policy-making processes, as well as in policies and their results, the practice of the case study has already affected all three dimensions, and therefore is as an example for a "bottom-linked social innovation" (Pradel et al. 2013).

The policy problem of social housing for marginalised people was newly conceptualised by introducing changes in the informal norms (by highlighting the unsustainable and ineffective characteristics of segregated state-subsidised social housing programmes) and formal practices (by leading by example with a pilot project involving Roma people as equal citizens) concerning social housing. Local governance was also shaped by introducing a more democratic, transparent (in terms of client selection) and accountable alternative to official social housing programmes. Local municipalities do not necessarily have to follow the regulations of the central government regarding its social housing programme financed from the SDHF but have a choice to implement the alternative social housing programme with the help of local and regional NGOs, private, public and societal actors.

Nevertheless, the highest degree of institutionalisation of new policies is achieved by the incorporation of social innovation initiatives within the institutional framework of (urban) governance (Foucault 1979). An important step towards the upscaling of the project to national level was made in the consultation process launched between the state and civil society actors in October 2014 with the aim of officially introducing innovations in social housing into the national legislation. In line with a modified state role, characterised as a quasi-catalyst through which social innovation may become acceptable to society, the planning of nation-wide support was proposed for the legalisation of building land, the self-help construction of family homes or the co-financing of loans, which may highly contribute to the increased generalisation and sustainability of the case study project.

6 Conclusion

The importance between the relationship of housing and the social structure is well known in the literature (Kemény 1992). Poor housing conditions are interrelated with other forms of social exclusion; therefore, social housing programmes should concentrate not only on housing conditions, but also on empowering the socially deprived people living there. In

the meantime, the social housing programmes should also benefit the direct local community and potentially lead to new local alliances between private and public actors that may influence the decision-making processes at a higher (regional or national) level.

Project Building Hope is therefore noteworthy because it is such an integrated social housing project that has been able to include many socially innovative features, including:

1. Innovativeness in addressing the need for social housing of marginalised communities in conjunction with the related (financial, educational, labour market) problems;
2. Innovativeness in establishing a partnership of stakeholders between non-profit organisations, enterprises, local and regional governments and representatives of the media;
3. Innovativeness in the involvement of end-users of the project: the Roma population have a voice in the entire process from planning through the construction of buildings to evaluation of project results, resulting in a more inclusive governance;
4. Innovativeness of financing models (Savings and Micro-loan Programmes), which makes the project independent from state funds;
5. Innovativeness of the houses themselves—incremental housing and cheaper, more energy efficient and easily accessible materials;
6. Innovativeness in influencing the local, regional and national legislation through interest coalitions established in the framework of the project;
7. Innovativeness in the relationships with the media and the general public.

Based on the above list, projects like Building Hope contain lessons how the official state social housing programmes hit by funding shortage, ineffective allocation with "hidden" racist motives can be streamlined or complemented with other policy fields. In order for this to happen, the current "narrow" objectives of social housing should be reassessed at state level, and the fundamental value of social housing projects in promoting social inclusion should be realised. For instance, social housing may be a catalyst to gaining the competences for entering the labour market—the initiative would serve as a lever for a multidisciplinary national strategy if the state (as discussed in the consultation) recognised the first low-cost house construction as work, thus making the person eligible for activating benefits in material need.

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