

Jasmina Četković¹, Snežana Rutešić², Miloš Knežević³

HOUSING SITUATION OF SPECIAL TARGET GROUP AND WAYS OF ITS SOLUTIONS

Abstract

Housing problems especially effects on socially endangered, i.e. socially excluded groups, which represent special target groups in area of social housing. In order to adequately comprehend the problems in this area, in this document is analyzed housing situation of these groups and modalities of its solutions on the example of Montenegro.

Housing situation of special target groups

The housing situation of special target groups is considered in the context of practice of social housing in one state. The social housing includes providing conditions for citizens who cannot obtain that right according to market condition.

CEB (Council of Europe development Bank) on prominent place sets housing for the poorest population groups. The Bank puts special accent on providing of social housing and supporting infrastructures for refugees, displaced and other emigrants, as well as for sensitive groups such as person with disabilities, old people and for ethnic minorities. Since its establishment, Bank has realized for programs of social housing loans in amount of 9 billion euro, making it the leader in this area. Montenegro has arranged with CEB financial agreements in case of two main projects of housing constructions- „Flats of solidarity“ and „1000+ flat“. Both projects involves social dimension.

Two years ago UNDP has prepared study named „National report by human scale– 2009 year – Montenegro society for everyone“, created by team of national experts (ISSP), with advisory support of international experts. The report provided an in-depth qualitative and quantitative analyze of socially endangered groups in Montenegro (Table 1) by researching the dimension such as legal and strategic frame, poorness and social exclusion, approach to employment, education, health and service of social protection, housing accommodation, transport and social and political participation.

¹ PhD Jasmina Četković, Faculty of Economy, Podgorica, Jovana Tomaševića 37, Montenegro, email: jasmina@ac.me

² Assistant Professor Snežana Rutešić, Faculty of Civil Engineering, Podgorica, Cetinski put bb, Montenegro, email: snezandar@ac.me

³ PhD Miloš Knežević, Faculty of Civil Engineering, Podgorica, Cetinski put bb, Montenegro, email: milosknezevic@hotmail.com

Table 1: Rate of poverty and social exclusion among the most social endangered groups
in Montenegro⁴

Group	Rate of poverty (%)	Index of social exclusion (%) – exclusion of households
Beneficiaries of social and child protection	30	11,9
Long term unemployed	12,3	10
Pensioners with minimal income	15,7	8,9
Persons with disabilities	11,9	5
Roma population, Ashkali and Egyptians	36	14.1
Displaced persons	34	8,3

In following text are listed conclusions from this report that implies on dimension of housing accommodation, treated with special target groups, in order to get impression about housing situation of these population groups that are characterized by unfavorable economic and social status⁵:

- ***Beneficiaries of social and child protection*** – Most of beneficiaries of social system protection, which were included in researching, have their own accommodation, while 67% examinee have right of ownership of accommodation, while 18% do not have it. The larger number live in houses (37,8%) or two-room flats (20,4%), where the average area of usable living space is 58,71 m² per household. Beneficiaries of social care protection, also have right on subvention for electricity bills. Beneficiaries of social protection system evaluated quality of living below average - 4,24 (on scale from 1 to 10). Research has shown that the number of flats for social cases is insufficient, and examinees have complained on lack of transparency during the distribution of social flats for using.
- ***Long-term unemployed persons*** – This research showed that almost all households, whose members are long term unemployed, own their accommodation (99 %). However, 9,1% does not own legal right on property, what presents potential risk in the long run. In terms of quality of accommodation, research shows that satisfaction with accommodation is not on high level (5,2 on scale from 1 to 10).
- ***Pensioners with minimal income*** – According to the mentioned report, the most majority of pensioner's households (84%) had solved housing issue. A high percentage of ownership of accommodation provides certain economic security and helps to social involving of pensioners. However, 13% of pensioners do not have legal right on the property. Small

⁴ „National report by human scales – 2009 – Montenegro, society for everyone”, Office of United Nations for development program (UNDP) in Montenegro, 2009.

⁵ <http://www.undp.org.me/home/actualities/NHDR%20MNE.pdf>

shares of examinee live in rented flats (3%), but they are also most endangered because of low incomes they cannot afford to cover the rent cost. Most of examinee expressed their satisfaction with the quality of their housing, grading it with 6,2 (on scale from 1 to 10).

- **Persons with disabilities** – Most people with disabilities in Montenegro are passive beneficiaries of social help. By Census from 2003, there were not collected data about persons with disabilities in state, but by lump-sum estimation of World health organization (SZO), there are in Montenegro around 7 up to 10% of persons with disabilities. When it comes to children with disabilities, Ministry of labor and social welfare estimated that their number is between 6.000 - 7.000. In report is emphasized that generally speaking, statistical data, regarding this segment of population, are mostly unavailable (including data on housing), which presents, how it is emphasized in Report, a major obstacle in attempt to solve problem of social excluding of persons with disabilities.
- **Roma population, Ashkali and Egyptians (RAE)** – Housing conditions in which lives most of European Roma population, emphasized in Report, are below every standard (without basic infrastructure, settlement are often spatially). In addition, RAE population is without any legal right on the property. Housing conditions in Montenegrin RAE communities are burdened with same problems. In Report is stated that only 38% of households, which were involved in research, live in accommodation for which they have legal right of ownership. More than half of RAE lives in informal accommodation without appropriate documentation (51%), and remaining 8% rent accommodation. Research shows that RAE population in Montenegro is mostly unsatisfied with quality of accommodation and after education housing accommodation was rated with the second lowest score - 3,3 (on scale from 1 to 10). Furthermore, a quarter live in crowded inadequate barracks, one third do not have access to water supply infrastructure. Also, most of RAE cannot get loans from banks in order of improvement of housing conditions because of evidentially low incomes.

According to the *Database of RAE population* in Montenegro from 2009, there are 9.934 member of RAE population. From presented data in this base, we emphasize data, which clearly indicate on weight of total socio-economic status of this population:

- In total structure of RAE population older than 15 and more years, active population makes 47%, dependent population 40%, persons with income 6%, unknown 4% and others who are not employed at all 3%. Among RAE population older than 15 and more years, 70% of male members is active, while 71% female members of RAE population of same age is dependent population, and only 17% is active;
- From total number of RAE population in Montenegro 33% from their birth date live in same place, 4% moved within Montenegro, and 41% once lived abroad. Refugee origin has 43% of RAE population, while 41% of that number are child born in Montenegro, but their parents have refugee origin;
- Average household of RAE in Montenegro counts 5 members. The smallest number of members in household is in Bar with 3,2 members, while the largest is in Niksic 6,4 members in household;
- Total number of flats of this population, for which are collected data is 2.020 flats. Of these, 84% flats has electricity, 82% has water supply and water available in flat or

beside the flat. Public dump is available for 61% flats. Average area of flat space per person is 8,3 m².

- ***Displaced persons, internal displaced persons, refugees*** –The term “displaced persons, internal displaced persons, refugees” contains all categories of persons who live in Montenegro, because of consequences of armed conflicts in neighboring states. Most of these individuals came in Montenegro in period after 1990, one quarter in period from 1990 until 1995 (before signing of Dayton agreement), while the majority (56%) arrived during the conflict on Kosovo (1999 – 2000). In Report is emphasized that in 2005 Government in Montenegro have brought National strategy for solving issues regarding refugees and „internal displaced persons “in Montenegro. This strategy expired in March 2008, but evaluation of achieving and application of this Strategy is not done, emphasized in Report. Strategy has offer three potential permanent solutions: repatriation, local integration and moving to third countries.

The larger number of displaced persons does not have sufficient funds for purchasing of property in Montenegro, or for rent of adequate accommodation, so adequate house accommodation remains one of their most urgent needs.

According to research 49,1% of households from Croatia, and Bosnia, live in their own accommodation, 21,3% rent accommodation, while 12% live in accommodation on which they do not have legal right. It is expressed average satisfactory with quality of living - 5,6 (on scale from 1 until 10).

Furthermore, in the Report is stated that almost half (48%) of displaced non-RAE from Kosovo live in their own accommodation. Large number live in collective accommodation built with support of international agencies and local authorities. Only 7,7% live in rented accommodation. It is shown average satisfaction with accommodation (5,1 on scale 1 to 10) although it is generally known that housing conditions of displaced persons are not so good.

Most of the RAE displaced persons from Kosovo (61,2%) live in their own accommodation without legal ownership, 11,1% live in collective accommodation, while almost one fifth (19,4%) claim to own accommodation with legal right. Those who rent accommodation pay monthly rent in average amount of 40 €. Accommodation facilities are in most cases (60,8%) extremely low quality (often with no running water, electricity and only 1% has home phone). Research shows that average size of household is 6,6 members. Household lives in average residential area of 29 m². Research shows high degree of dissatisfaction with accommodation (1,6 on scale 1 to 10).

In aim to improve standard for persons in social needs, besides strategic goals and rights prescribed by law, in Montenegro are implemented activities, which are related to solution of their housing needs. Some of the concrete activities, which are realized in Montenegro, in order to solve housing problems of special groups, are:

- ✓ Ministry of labor and social welfare, in partnership with municipalities, gives contribution in solving housing problems of persons in social needs, through co-financing construction of housing units for users of financial support of family. Anyway, number of so-called group of non-secured families in Montenegro is significant. Number of users of

financial support of family in 2009 varied between from 12.827 families (January 2009) to 13.130 families (December 2009)⁶. These data suggest conclusion that number of materially non-secured families in Montenegro grows. Regarding this, around 90 apartments is started and/or built in several municipalities in Montenegro.

- ✓ According to data from Institute for refugee care of the Montenegro Government, in Montenegro currently reside 10.760 internally displaced persons from Kosovo and 5.221 displaced persons from Republic of Croatia and Bosnia and Herzegovina. In 10 municipalities in Montenegro has been built so far 19 settlements with 433 housing units for permanent accommodation of these persons. Projects are implemented in cooperation with UNHCR, NGO HELP and local authorities, which have provided parcel and infrastructural connections (Berane, Gusinje, Nikšić, Pljevlja, Podgorica, Kolašin, Andrijevica, Tivat, Herceg Novi).

Besides that, there exist 507 housing units for temporary accommodation of these persons, which in total are 940 housing units.

Within the project IPA 2011 "Comprehensive support to displaced and internally displaced persons in Montenegro" help packages are assigned in form of construction material for construction of new and adaptation of existing facilities. One of the main conditions for assignment of construction material for construction of new facility is ownership of parcel and construction permission.

Institute initiated activities with municipality Herceg Novi, in cooperation with NGO HELP, in order to provide constructing parcels for construction of facilities, for the accommodation of displaced persons, which reside in this municipality.

In the context of resolving this issue, which is set as one of the seven priorities for starting negotiations for accession to the European Union, Ministry of labor and social welfare has formed a working group, which includes representatives of relevant institutions in Montenegro, and which prepared Draft of Action plan for dealing with problems of internal displaced persons who resides in camps in Konik. This document was subject of public debate, in which representatives of NGO sector, diplomatic core and other interested parts had opportunity to give suggestions and comments on existing text of Action plan. Above-mentioned Working group was responsible for preparation of draft of project IPA 2012, which will be related to these camps. The European Commission has engaged experts, who prepared *Study for permanent solution to the issues of refugees and displaced persons in Montenegro* and in camps in Konik, which will be used for making of comprehensive strategy for solution of these issues.

Housing subventions and incentives for solving housing situation of special target groups

Housing subventions and other incentives are regular mechanisms for achieving social housing practice. Practice of social housing shows different types of subventions of social housing:

⁶ Report on work and situation in administrative areas under jurisdiction of Ministry of labor and social welfare for 2009

- Subventions of housing expenses (rent);
- Subventions of necessary works on maintenance of common areas in residential buildings;
- Subventions of legalization and improvement of quality of informal settlements;
- Subventions of interest rates on loans, which are approved for solving housing issues in field of social housing.

Model of subventions of obliged maintenance services in housing units is already implemented in Montenegro, through activity of Agency for housing Ltd Podgorica.

Model of subventions of interest rates on loans approved for solving housing issues in field of social housing is implemented through project „1000 + flats“, for household without its own housing. For suggested model of financing, Government of Montenegro has provided 50% of funds required for realization of project, in order to enable subvention of interest rate for commercial mortgage loans, i.e. low interest rate of 4,9%. Project is worth 50 million euro, of which 25 million euro are provided by the state, through arrangement with European Council Bank for Development (EBD), 22,5 million euro are provided by domestic commercial banks and 2,5 million euro are provided by citizens with their own participation. By public announcement for citizen participation in this project, it is anticipated of total number of realized loan arrangements, 50% is intended to be for households that members are employed in public administration, while 50% is intended to other family household. Within these groups, following family households have priority: 10% of total number of signed loan arrangement is intended for households that members are persons with disabilities and 10% of total number of signed loan arrangement is intended for young married couples.

Construction of social housing in Montenegro, their reconstruction and renewal are included in the circle of basic tax rate of 17%, which is not case in many states members of European Union or candidates for accession into it. Annex of III Directive 2006/112 classifies social housing into category where it is possible to apply reduced tax rate. Realization of social housing project „1000 plus“ in Montenegro did not implied application of reduced tax policy, but only state subvention in the form of reduced interest rate for project user. Examples of application of reduced tax policy in area of social housing have been used or still are at force in countries that went through process of transition, as Montenegro, and those countries are: Czech Republic, Serbia, Slovenia, Macedonia and Croatia. For example, Law on Value Added Tax in Czech Republic is reduced on 10% (basic rate is 20%), and it is applied in social housing and includes projection, construction and equipment of social housing facilities. Same law defines that facilities for which is applied reduced tax rate are: flats for social housing with total area up to 120m², family houses for social housing with total area up to 350m² and residential buildings intended only for social housing. Basic rate for VAT OF 20% is applied in construction of commercial facilities and facilities that do not satisfy requirements conditions of social housing.

Conclusion

Based on finished analysis of housing situation of specific target groups in Montenegro, we can conclude following:

- In the considered groups, highest percentage of poverty is in RAE population, displaced persons and users of social welfare and child protection, while about 50% lower is in pensioners with minimum income, long-term unemployed persons and persons with disabilities. In accordance with that, different groups have ownership of the accommodation⁷ from 38% for RAE population up to 99% for long-term unemployed persons, and data for persons with disabilities are unavailable;
- Flats available for social cases are insufficient, with certain lack of transparency present in allocation of these flats for using;
- Accommodation of persons from category displaced persons, internally displaced persons, so far has been solved with certain help from foreign and domestic donors and with engagement of local authorities in a way to provide land and infrastructural connections;
- From different models of social subvention in area of social housing, the state realized several projects which included subvention of interest rates on loans for solving housing issues, while local authority participated in financing of flat construction, intended for socially endangered groups through free use of parcels and exemption of fee for public utility equipment. Models for subvention of housing expenses (rent) did not use enough, and in some municipality benefits are planned in case that housing facilities are built for solving housing issues of the owner;
- Indirectly, this group contains and subvention for electricity, as well as subvention for necessary works on maintenance of housing units, which exists in certain municipalities;
- Having in mind growth of number of socially endangered persons and obligations which expect Montenegro in process of accession to European Union, with emphasis on the obligation related to social inclusion, it is necessary to increase diversity and volume of measures which Montenegro has to undertake, especially in area of increasing availability of housing for these groups. Current priority is, in accordance with Report of achieved progress for starting negotiations for accession to EU, solving adequate housing accommodation for displaced persons who are currently situated in non-adequate collective centers.

LITERATURA

[1] Akcioni plan politike stanovanja u Crnoj Gori, za period 2005-2008, Ministarstvo za ekonomski razvoj, 2005.

[2] Analiza realizacije Akcionog plana politike stanovanja u Crnoj Gori za 2009. godinu, Ministarstvo uređenja prostora i zaštite životne sredine.

⁷ Based on the tested sample in research done by UNDP "National report by human scale – 2009 – Montenegro, society for everyone"

[3] Bežovan, G. " Stanovanje i stambeni sustavi u zapadnim zemljama ", Revija za socijalnu politiku, Svezak 6, Br. 2, 1999.

<http://www.rsp.hr/ojs2/index.php/rsp/article/view/297/301>.

[4] Cirman, "Strategija rabe stanovanj mora biti usklajena s strategijo gospodarskega razvoja: stanovanjska raba", www.ds-rs.si/dejavnost/posveti/RabaStanovanj/Cirman.doc.

[5] Homelessness Strategy 2003-2008, Sheffield, 2003.

www.homelesspages.org.uk/node/21755

[6] Housing, building and urban affairs in Denmark, Ministry of Housing and Urban Affairs, 1999.
http://people.plan.aau.dk/~est/Valuation/BBR/housing_building_and_urban_affairs_in_denmark.pdf.

[7] Nacionalni stanovanjski program (NPSta), Uradni list RS, št. 43/2000Projekat kredita za domačinstva koja nemaju riješeno stambeno pitanje- Izvještaj sa prezentacijom projekta, Prijava za kredit CEB, FIP 16901, 09.mart 2010.

[8] Projekat kredita za domačinstva koja nemaju riješeno stambeno pitanje- Izvještaj sa prezentacijom projekta (nacr), IIBW –Institut für Immobilien, Bauen und Wohnen GmbH, 2010.

[9] Response to the Housing Green Paper “Homes for the future: more affordable, more sustainable”, Sheffield City Council, 2007.

[10] Стратегија за домување на Република Македонија (2007-2012), Министерство за транспорт и врски, 2007, http://www.mtc.gov.mk/new_site/mk/storija.asp?id=612

[11] Sheffield housing survey, <http://www.sheffield.gov.uk/in-your-area/housing-services/housing-regeneration-survey/survey>

[12] Topić, B. Pravo na adekvatno stanovanje -Stambeno zbrinjavanje socijalno ugroženih u BH. kontekstu, 2008, <http://www.pulsdemokratije.net/index.php?a=print&l=bs&id=1223>.

[13] Vestergaard, H, "Danish housing system, policy trends and research", 2002, www.sbi.dk/download/pdf/center_for.../danish_housing_dublin.pdf.