

Hungary



Hungary has a population of 10 million and a per-capita income of about US\$10,000 in 2005. The country has successfully attracted substantial inflows of foreign investment, built up a robust export sector, and achieved solid economic growth. Joining the European Union (EU) in 2004, Hungary concentrated on completing reforms in the preparation phase for EU membership. The gap with the rest of the EU has narrowed, but great social problems and a large gap between the rich and the poor emerged. Hungary still struggles to improve its housing stock for low-income families.

After the fall of communism in the late 1980s, housing privatization began in Hungary, causing long-term problems for families in need. First, the public rental sector shrank dramatically, resulting in waiting lists for over 10 years. The

small percentage of units that remained in public ownership generally consisted of one room and lacked basic amenities. Privately owned rental units are also in bad condition.

Moreover, houses that were privatized were sold by the government at artificially low prices. The majority of the housing stock had been built from low-quality, pre-fabricated materials. While many new owners could buy their houses, they could not afford to maintain and repair them. Rising utility costs did not help.

Hungary is often referred to as a success story among the states of the former Eastern European Bloc. However, the fast and successful political and economic transition of the 1990s has not addressed serious social problems and has led to the emergence of further challenges. The official unemployment rate is about 7.5 percent. But a study found that in 2001 and 2002 only 56 percent of the active adult population had regular employment, suggesting that the actual rate of unemployment is much higher. According to a report by the Hungarian Central Statistical Office from 2006, 27 percent of the population live under the poverty line. The same report found strong correlations between the number of children in the family and poverty.

Inadequate housing is an important aspect of poverty in Hungary. According to the Hungarian Central Statistical Office, about 1 million homes, or about one in every four households, in Hungary are overcrowded. About 500,000 people live in homes without a flush toilet, and close to 1 million live in houses without piped water. Like most poverty issues, substandard housing affects proportionally more children than adults and is part of a cycle of poverty in which poor standards of living lead to poor performance at school, unfavorable positions on the labor market and increasing levels of poverty.

COUNTRY FACTS

Population: 9,930,915 (July 2008 est.)

Capital: Budapest

Area: 35,919 sq miles

Ethnic groups: Hungarian 92.3%, Roma 1.9%, other 5.8% (2001 census)

Languages: Hungarian 93.6%, other or unspecified 6.4% (2001 census)

Religions: Roman Catholic 51.9%, Calvinist 15.9%, Lutheran 3%, Greek Catholic 2.6%, other Christian 1%, other or unspecified 11.1%, unaffiliated 14.5% (2001 census)

HABITAT FACTS

Families Served to Date*

267

* new houses, rehabilitations, repairs, technical, financial and other services

International Volunteers Hosted to Date

1,839

Habitat for Humanity in Hungary

Habitat for Humanity Hungary was founded in 1996, when former U.S. President Jimmy Carter and more than 500 volunteers built 10 homes within one week in Vác. Since then, Habitat for Humanity has helped 198 families to have a decent place to live. Currently Habitat for Humanity Hungary has homes in Vác, Csepel, Dunavarsány, Göd and Csurgó, with ongoing building projects in Szarvas and Hajdúböszörmény. A new site will be opened in the spring 2009. Besides a successful new-construction program that has enabled more than 198 families so far to move into their own simple, decent and affordable homes, Habitat for Humanity Hungary is also involved in a repairs and renovations program for families who cannot afford to maintain their existing homes.

A great part of the need for Habitat for Humanity Hungary's individual repair projects stems from the high inflation of the 1990s. Home maintenance costs grew in that decade from 10 percent of the average Hungarian family's income to about 50 percent, rendering many low-income families unable to look after their homes. Typical problems Habitat for Humanity Hungary addresses in this program include upgrading doors and windows, fixing roofs, changing sections of walls, and adding bathrooms. Often these projects improve energy efficiency, leading to reduced environmental impact and lower energy bills for the homeowners.

Habitat for Humanity Hungary's new-construction program is unique in its financing component. Families participating in the new-construction program are eligible for two forms of state housing support:

- 1) A state housing grant that covers as much as one-third of the home's value.
- 2) Home mortgages provided by banks that are subsidized to make them more affordable and that protect loan payments from growing unwieldy from the effects of inflation.



Such external financing allows Habitat for Humanity Hungary to use funds it spent on new-house construction to be returned to it as soon as the families obtain their mortgages, meaning the organization can immediately use the funds again to build more houses.

Habitat for Humanity Hungary also seeks active partnerships with municipalities. Its work brings great benefits to the local community and this motivates local partners to support our work. Municipal authorities and institutions support Habitat for Humanity Hungary in various ways, including donations of land, assistance with family selection and obtaining building permits. Other forms of support include the provision of free office space and office help. The contributions make it easier and cheaper for Habitat for Humanity Hungary to grow its program and to engage more of local communities in its work.

Global Village

Habitat for Humanity Hungary's Global Village hosting program has received the award for best hosting program in Europe and Central Asia for two consecutive years. In 2006, its hosting program in Csurgó was recognized, and, in 2007, the program in Szarvas was honored. Habitat for Humanity Hungary hosts more than 30 volunteer teams from the U.S., Great Britain, Ireland, Germany, Northern Ireland, Canada, Switzerland, Czech Republic, Italy and other countries every year. HFH Hungary also has a strong local corporate and international school involvement.

HABITAT HIGHLIGHTS

- Habitat for Humanity Hungary's Global Village hosting program has received the award for best hosting program in the Europe and Central Asia region in two consecutive years (2006 and 2007).
- Habitat for Humanity Hajduboszormeny, the newest affiliate in Hungary, received a prestigious internal Habitat for Humanity award last year for the combination of its partnership with the local municipality and its external financial solution.

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