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# Resisting “Dirty Business”: Report from the Field of Social Exclusion in the Czech Republic

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As the position of the Roma community is regularly being evaluated as more difficult than that of other minority communities in Europe, the Council of Europe and the European Union have been paying particular attention to Roma issues in recent years, especially since 1993, as part of the EU’s assessment of candidate countries’ capacity to become full members of the Union.

The European Court of Human Rights has also pointed out how “vicissitudes and perpetual uprooting” contribute to the Roma being a disadvantaged and vulnerable minority, therefore in need of special protection, but very little progress has been made. Due to poor education, lack of involvement in conventional forms of labor, and racial discrimination, the Roma are to a greater or lesser extent marginalized in many countries in which they live: economically, physically, culturally, and politically.

In the Czech Republic, where roughly 2% of the population is Roma, invisible walls fracture a homogenous Czech society: Roma have limited access to education and to the labor market and are forced to live in miserable conditions in marginalized areas of towns and villages.

Indeed, as the law in the Czech Republic does not define the particular criteria of what social housing entails, a considerable part of European funds intended for creating better housing conditions for the Roma have been used to subsidize the renovation of buildings and apartments which ended up sold to middle-class families. As a result, a large number of Roma are still living in deplorable conditions below the minimum standard of decent housing, which is a key factor contributing to the exclusion the Roma endure – long-term tenancy is indeed a prerequisite for employment and access to other social, economic and cultural rights.

In an interview for LeftEast, Vaclav Walach, a political scientist from the University of West Bohemia remarked that:

“According to the EU Fundamental Rights Agency, 65% of Czech Roma have experienced discrimination in housing access over the last five years. This is the second largest rate of all nine EU Member States where the survey was conducted. This is a key problem that is behind the emergence of a significant part of the so-called socially excluded localities, where predominantly poor Roma are concentrated. It is important to underscore that this concentration does not stem from some primordial desire for a common life among ‘themselves’. It is not the result of ethnic instincts, as it is sometimes presented. It is the result of external circumstances, structural conditions that the Roma can hardly resist.”

## ***Privatization, deregulation, concentration***

Before 1989-90, all housing in the Czech Republic de facto owned by the state was social in some sense. After 1990, rather than promoting social housing, the state largely decentralized, deregulated and privatized it, creating fertile ground for “a market of the poor”, and opening it to the predatory practices of the real estate entrepreneurs.

Across the country, programs for people facing financial difficulties are still now organized by the state and managed on a municipal level: some offer a form of social housing, but in most cases, individuals either live in underinvested

properties, are housed in asylum residences run by NGOs or municipalities, or pay state-subsidized overpriced rents either in *ubytovny* (short-term accommodation hostels) or in tenant houses[1].

The ongoing privatization of municipal dwellings mostly affects people of Roma origin, who are unlikely to rent long-term accommodation from private owners. This historical discrimination is in particular motivated by the stereotypes that prevail in Czech society where residential and social alienation has been increasingly articulated by the “slumification” of middle-class neighborhoods, affecting property prices and resulting in concentrated disadvantage.

Prior to 1989, *ubytovny* commonly served as cheap and short-term housing for seasonal workers but have since shifted sideways into a new model of precarious housing, moving away from their original function to become a profitable business that consumes the bulk of housing benefits where no price ceilings are set by law. *Ubytovny* today serve as long-term accommodation, in some cases for five years or more, while offering nothing but unsatisfactory living conditions. Regarded by some municipalities as a quicker and easier solution for people in financial difficulties, real-estate entrepreneurs see *ubytovny* as a wealth-generating opportunity. In general, tenancy leases are issued on shorter terms than the law prescribes, the quality of housing is not satisfactory, and shared sanitation facilities are the rule rather than an exception.

The Czech Labour Office and municipal departments of social welfare, responsible for allocating state social support, dispense two types of benefits: a financial contribution for long-term housing for low income households, and an allowance which is not conditioned by long-term housing contracts. It is the latter that is most relevant to the case of *ubytovny*.

In cases of income poverty, a household in need will also be allotted a housing allowance, covering the rent and a generous deposit for energy expenditures. But the amount of the allowance is determined by the regional average rental values, without any control of the housing conditions. It is precisely this mechanism of outsourcing in the social housing sector that unscrupulous landlords take advantage of, by charging extortionate rents and claiming additional energy consumption costs, relinquishing their humanity for an easy source of illicit profit.

### ***The Case of “Kuncovka”***



In Brno, the second largest city in the Czech Republic, Ubytovna Markéty Kuncové (known as “Kuncovka”) is an epitome of the issue at stake. “Home” to thirty-five mostly Roma families, the building is in a condition of severe degradation, potentially putting the tenants, especially children, at risk of negative health effects: cracked walls, leaking, high humidity, lack of ventilation, etc.

Kuncovka’s “boss”, Robert Hrdina, a white-collar fraudster previously sentenced to a year and a half of prison, is currently on a four-year parole and owes 27 million crowns of compensation to the state (more than one million euros). Banned by a court order from acting as a legal person, he established a real-estate company listing family members as the building’s owners and an acquaintance as nominee straw man – a homeless person Hrdina is now housing in his tenant house in exchange for legal responsibility, but effectively allowing Hrdina to rule the place (while cashing in over 12 000 euros per month, and displaying his two brand new SUV Mercedes across town).

Jan Milota, a social worker with the IQ Roma Service in Brno, explained that “when he got out of prison, Hrdina made some changes in the ownership structure, and founded a family trust. That complicates the situation even further since nobody is the owner of the building. It paralyzes any actions the municipality could take on this issue. Hrdina is very clever – although not enough to escape prison – but his lawyers thought through this maneuver very well. The trust has not effectively committed any crime”.



During his sentence, it was Hrdina’s wife who was (unofficially) in charge of managing their estates, and there were no major complaints from the tenants as Zdena, the only *white* tenant of Kuncovka asserted:

“Although there was no heating and the flat was in a bad condition, I found myself in financial difficulties and had to take the place. My only source of income was state benefits, and most of it was spent on my rent. Hrdina was still in prison back then and his wife was the facility manager. She subtracted my energy expenditure from the rent, which was quite fair, and she provided me with an electric heater after the two first couple of months. She was quite nice and cared about our needs”.

But after Hrdina’s release, tenants testified that he vowed to get revenge for having been maltreated by the Roma during his time in prison.

Aspects of Hrdina’s hatred towards the Roma are manifested in the various incidents of direct violence and passive aggressive behavior: verbal abuse and threats, racist jokes, intimidating the tenants with his Rottweiler, removing doors from tenants’ apartments...



Several residents complained Hrdina would unlawfully turn off the heating or running water at will if the tenants failed to pay the “bills” issued out of his personal computer, applying double the price of the official Czech water and energy providers. As the circumstances grew rougher, Zdena and Milada, two Kuncovka tenants, turned for help to IQ Roma Service, a local NGO focused on Roma issues.

Zdena recounted the pivotal moment in her decision to contact IQ Roma Service:

“Some tenants would occasionally work as building attendants of Kuncovka and I was on duty that day. When Hrdina came over and addressed me very informally, I protested against his disrespectful ways. That same day, my electricity was cut for an entire week. That is when I decided to contact IQ Roma Service and to ask for their support”.

Following her statement, Julek, an activist of Roma ethnicity and collaborator of the IQ Roma NGO, infiltrated Kuncovka as a tenant-insider to further investigate the case, try and forge solidarity among the tenants and to collect more testimonies. These have been forwarded to the police and reported as a criminal offence on several counts; the case is currently under investigation and handled by mostly volunteering lawyers mediated by the Czech informal solidarity network “We Want to Live” (Chceme Bydlet).

“I am a member of an association dealing with issues of homelessness, and of the Czech section of Amnesty International”, explained Julek recounting his involvement with the Kuncovka case; “During one of the meetings of Amnesty International in Prague, I was acquainted with the difficulties Kuncovka tenants were facing – the landlord switching the electricity off and behaving aggressively towards them, etc by the members of the initiative for social housing, “We Want to Live” ... Later on, they contacted me again asking for my help with this particular case.



One week later, on March 11, I came to Brno and was asked to move into Kuncovka to collect more information on the wrongdoings of the landlord. I started conducting interviews with the tenants, took pictures of the defects and deterioration in the building, the leaking, the cockroaches, etc... Basically, I was mapping the circumstances in which the tenants found themselves like an inside agent (laughs).

The tenants were all informed as to my subversive role, and everyone was supportive at first. The first conflict occurred on March 27 when

Hrdina threatened to switch the electricity off for the entire building because of a debt of 15 000 Czech crowns he

claimed some families owed him. And he did – not realizing that even his own computers would be left without electric power (laughs).

When I contested it, he called me a *nigger and a dirty gypsy*, who he said he hated. We have all of that on tape. I called the police, but when they showed up, they shook hands with the landlord, moved to this office for a while, and before leaving they told us they couldn't do anything because it is a matter of civil law.”

In parallel, IQ Roma Service is assisting the tenants in forming a tenant union, with the aim of acquiring the *ubytovna* from the landlord, provided they would benefit from European funding programs.

“Hrdina has to be individually prosecuted and will do everything to avoid going back to prison. But criminal charges against him give us strong leverage in pressuring him to sell the building to the municipality”, explained Jan Milota. Activists' gatherings are also regularly organized on the site to pressure the landlord to acquiesce to the purchase and to cease the ill treatment to which he is subjecting the tenants.



“The core of the problem”, clarified Jan, “is that the people get tenancy on a monthly basis which is incompatible with the provisions of our civic law. The court would be assessing whether monthly tenancies in *ubytovny*, traditionally short-term accommodation centers, are legal, and if not, the default setting so to speak for the tenancy would then be based on unlimited tenancy agreements. This strategic litigation, for the first time in the Czech Republic, could declare short-term tenancies unlawful, which would make this case a legal precedent to all other issues of short-term tenancies”.

In the Czech republic, where the most socio-economically vulnerable people often find themselves in a labyrinth of social control between the state, the scams of the private business, and the collective stigma they face in the country, Kuncovka would constitute both a symbolic milestone and a legal precedent: the first case of *ubytovna* tenants standing up to their *slumlord's* pressure tactics, challenging the very little space left for them to articulate and report the difficulties they are facing, and to demand dignity; and possibly the first legal condemnation of the practice of short-term tenancy, thus contributing to ending the cycle of housing insecurity.

### ***Future of the social housing in the Czech Republic***

The debate in the Czech Republic often reduces the issue of social housing to the social problems encountered by the Roma population, but it should be opened to new categories of population such as the elderly, young people and persons with disabilities who, in a context of economic crisis, are finding it increasingly difficult to obtain decent housing.

“Without a political solution that offers affordable housing for low-income and ethnically discriminated groups, all the problems associated with below-standard living will continue to emerge, ranging from inadequate hygiene to business with poverty”, Vaclav Walach commented.

This unsatisfactory regime affecting some 180,000 people in the Czech Republic is bound to change, in particular through the activity of the inter-ministerial group coordinated by the Ministry of Labour and Social Affairs responsible for designing social housing regulations. The group aims to formulate a new concept of social housing and submit it to the government “at a later date”. This document should provide a definition of social housing and required standards as well as the criteria for concerned beneficiaries.

The long-anticipated, much-discussed social housing bill, recently repelled by the Czech Chamber of Deputies, is now hostage of the political crisis in the Czech Republic, leaving the issue for the next government to resolve. But even if the business of poverty exploitation were to be eradicated, there is still no effective law on social housing in place, and no institution to force the housing projects to work.

“Failure to adopt a law on social housing is a loss for all stakeholders involved in its creation. No doubt about it“, noted Ladislav Toušek, social anthropologist at the University of West Bohemia. “On the other hand, its last proposed form was full of substantial concessions and it is a question as to whether its adoption would actually improve the situation of disadvantaged groups in the housing sector. I’m afraid not. The most controversial point in this regard was the fact that the participation of municipalities that bear full responsibility for today’s situation was only voluntary and not compulsory“, claimed Ladislav.

Pending the adoption of a new law on social housing – and as social housing beneficiaries bring neither economic nor political profit, municipalities will keep delegating their responsibilities to the “business of poverty“, thus sustaining a system of exploitation and oppression of which Kuncovka is only one example out of many. For the time being, discrimination and rising inequality are what lays down the law of polarization of wealth and poverty in Czech society.

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[1] In practice, the managing of *ubytovny* and tenant houses is identical (the landlords make use of similar exploitative schemes), but Czech civic law warrants more rights to household with tenancies. Generally speaking, *ubytovna* refers to any place used for temporary accommodation (i.e. hostels for travellers). This temporariness is regulated by different legal requirements such as building specifications. *Ubytovna* can also refer to a place used for temporary accommodation of workers (a definition relating to “class”) or poor families (a definition relating to “race”, with a strong connotation to Roma people etc.). The word *ubytovna* therefore refers to cheap and temporary accommodation, although some are used for long-term accommodation without fulfilling the necessary conditions, as it is the case of Kuncovka.

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