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ROMA ENTREPRENEURS IN 1998¹

In 1971, the employment rate for Roma males of working age was 85 per cent. This ratio hardly differed from the non-Roma rate of 87 per cent. By the end of 1993, however, the Roma male employment rate had decreased to 29 per cent, while the non-Roma rate was 64 per cent. By 1998, many Roma who became jobless between 1989 and 1992 as a result of the drastic reduction in employment that accompanied Hungary's political transition, were no longer counted among the officially unemployed; they had lost their right to unemployment benefit and income assistance. But as István Kemény noted in 1997, despite the dramatic changes, it was not the case that all Roma had automatically been pushed to the margins of society. "Among the Roma there are people who have benefited from the political changes, as well as those who have lost out. Some Roma used to make a living from trading in goods, and they tried to do so even during the command economy of the communist era. Now the world has opened up for them, and they are making good use of the opportunities."² The primary purpose of this article is to explore the areas in which Roma were active in 1998, after their "disappearance" from the official labor statistics. Do their activities provide them with a stable livelihood in the long term? Has their progress been influenced by their Roma identity? Are there any special features to their identity? And what do they think about "Roma policy/politics"?

The survey could not be a representative one, because many entrepreneurs in Hungary (both Roma and non-Roma) operate in the grey zone between legality and illegality. In the light of changing tax and social insurance regulations and a lack of legal security

since the political changes of 1989–90, business people have been more or less forced to look for loopholes in the law. (In some cases, the muddy waters probably made it easier for entrepreneurs risking capital and family livelihoods to stay afloat in the market.) The sensitivity of the subject thus ruled out a “traditional sampling” of opinion. Instead, we tried to make contact with, and gain the trust of, various types of entrepreneurial and self-employed Roma through our acquaintances and by means of referral. Snowball sampling inevitably limited the extent of our inquiry: for instance, the survey was restricted to Roma living in the Budapest area. Nevertheless, we are confident that the survey managed to reveal new data, which had previously been hidden from researchers. At the same time, we caution against generalization. More detailed research will be necessary for a more realistic picture. We were merely able to take the first steps.

The collection of data was a dual process: first, conversations with entrepreneurs were recorded based on a prepared interview plan; second, during each interview, observation notes were compiled about the circumstances of the conversation and the living conditions of the entrepreneur. The interviews produced findings about respondents’ families, educational qualifications, employment histories and business activities. They also offered insights into the circumstances that led the entrepreneurs to become their own bosses. The fact-finding process also addressed general business conditions, operational difficulties, respondents’ plans for the future, their relationship with Roma culture, and any possible links between Roma identity and the business activities in question. Since almost all the interviews took place in the homes of Roma entrepreneurs (this was one of our express objectives), we were able to observe living conditions, facilities in the home, as well as the clothing and speech of family members. In addition, we also attempted to obtain information about the family’s living circumstances and business activities from other sources that were not

closely related to the family. Such information, which served to nuance the impressions formed in the interviews, was then recorded in the observation notes.

Types of Activities

In the case of Roma entrepreneurs, two interconnected factors had a decisive influence on the choice of entrepreneurial activities: educational qualifications and work undertaken in previous decades. In our sample, 70 per cent of respondents had merely 8 grades of education and just 30 per cent had taken part in vocational education or other further education courses. None of the entrepreneurs had a college or university degree. The educational qualifications of the entrepreneurs included in the sample was somewhat better than the national average for the Roma population, but it was far below the average for Hungary's general population. It is difficult for people with just 8 grades of education or basic vocational education to be competitive in the labor market. A poor education not only limits a person's opportunities but also restricts his/her horizons and relationship networks. There are also negative effects on oral skills and social acceptance.

Most of the entrepreneurs benefited from the fact that in the early 1990s business licenses could be obtained by people without special occupational qualifications. Today, most of the entrepreneurs would not be able to launch their businesses legally. Moreover, given their lack of general education, most of them are incapable of reviewing by themselves the management, taxation and other legal tasks faced by business people—all of which require special skills.

The Roma entrepreneurs did not take their decisions in the light of detailed market surveys, risk analysis reports and business plans. Instead, most of them simply wished to continue their previous work activities as private entrepreneurs. The methods they used

were similar to those that led, after the political changes of 1989–90, to the appearance of a great number of self-employed persons and family businesses with little or no capital. The difference lies in the ratio of such businesses; among Roma, most businesses were launched in this manner. Twenty per cent of the entrepreneurs in the sample were operating in the construction industry, 25 per cent in the flower and greengrocery market, 20 per cent in the catering industry, and 45 per cent in the wholesale, retail and market sectors. Some families were active in several business fields: typically, the wife of a husband working in construction would be active in the retail sector.

Concerning the circumstances of and motives for their entering business, we managed to distinguish four types, based on the data collected: entrepreneurs out of necessity (necessity entrepreneurs); entrepreneurs preserving family traditions; self-made men recognizing and exploiting opportunities in the market (opportunity entrepreneurs); and entrepreneurs transforming political capital into economic benefit.

Self-Employment out of Necessity

I had a job; I was working in the construction industry, alongside the stonemasons. But in the early 1980s, there were fewer and fewer construction projects. So I tried looking elsewhere. I knew some people at the wholesale market, and I went out there to help them load, when there was no work at the construction site. It was there that I become acquainted with the market for flowers, but I never imagined I would become involved in it. In the mid-1980s, however, I realized my time in construction was short. I didn't wait for them to give me the sack, as others did. (Male florist)

At first I tried to find some regular work in construction, but by the mid-1990s little was being built, and when they saw my dark skin color, they told me in several places ‘it’s not your time now, darky’. But I didn’t give up; I’ve never been afraid of work, whatever they say about Roma not wanting to work. I went to work as a loader and general helper at various different markets. It was around this time that the Kőbánya and Józsefváros markets were getting off the ground; more and more Chinese started coming. They needed someone who knew the city, who could help them load when the lorries came in. I did that for a year and a half. They didn’t pay well, but at least we didn’t die of starvation. Then, when our child was old enough for my wife to be free to move around, we decided that we should think of something too. (Male Roma market trader)

The largest group of respondents, 45 per cent of those included in the survey, fell in this category. Necessity was the main reason for setting up a business, after their jobs disappeared or they were dismissed in the late 1980s. The families of such workers were suddenly left without any income. There was little choice but self-employment. Typically, the chosen business activity would be their original job now performed on an entrepreneurial basis (construction industry) or some other commercial activity that was “fashionable or in vogue” and which provided a reasonable livelihood to other people who were known to them.

In the latter group, we find street-vendors of paprika as well as greengrocers with “proper” market stalls or even shops, but most of them were (market) traders in fashion goods, clothes, or music tapes. Such activities generally did not require any special knowledge, occupational skills or capital investment. Generally speaking, such entrepreneurs were not particularly keen on their work, given the uncertain livelihood. When we asked them whether they would like to go back to being employees—with the security of livelihood

and less risk this implied, they all answered affirmatively. Uncertainty of livelihood and income was the main negative feature of their current activities; it was impossible to plan ahead. None of them had professional training; most had attempted to learn the skills of the “occupation” on the job. But they were still rather insecure despite years of practice. Most were sole traders, with family members sometimes assisting them. They were unable to employ staff. Although currently all businesses are required to employ an accountant, they did not have the resources to do so. They tried, therefore, to avoid the attention of the authorities by trusting in their own craftiness and luck.

You know, what we do is not permitted. But I'll tell you about it, if you don't tell anyone else. In the early hours of each morning, I go out to the wholesale market and buy the goods. It's not always paprika, but sometimes some other vegetable, depending on what's in season. Then with my wife and kids, I go to a subway passage, and we sell the goods out of cardboard boxes. We sell everything for a hundred Forints; that's the price that everyone's used to, and it's easy to shout out. The children watch out for the police or the streetwardens. And we run for it, if they do come. The problem is not that they take the name and address—I'm not a registered in Budapest anyway—but that they confiscate the goods. That means we lose all our money. It's impossible to earn a lot; we make just a few Forints on each paprika. That's just enough for us to be able to buy tomorrow's goods and to eat something, but nothing more. If they confiscate the goods, then we have to start off from the bottom again. (Male street-vendor of paprika)

Most Roma entrepreneurs became involved in business after 1990, having been encouraged to do so by the quick success of those who exploited the unstable political situation and easing of travel restrictions in the latter half of the 1980s.

My parents helped me to buy a little shop, where I initially sold clothes, toys and perfumes. Later on, my girlfriend took over; she then became my wife. Since it was quite difficult to obtain goods here in Hungary and I had seen the abundance of goods on my many trips abroad, I decided that I too should import goods. The main direction initially was Poland; you could import perfumes and leather items very cheaply from there. Then there was the “sweater run” to East Germany. I still don’t know why the Germans needed so many sweaters, but they bought in great quantities, and you could buy up everything else they had really cheaply. The East German Mark cost less than five Forints. Later on, I imported toys from Czechoslovakia. Some weeks, I would make three journeys there. When it became easier to travel to Austria, I imported a lot of stuff from there. But I even went to Turkey a few times for jeans. (Trader in fashion goods)

This was the poorest group of respondents, but there were wide variations in the extent to which they were poor. Two of the traders were living in virtual misery; trading for them amounted to a daily struggle for survival. One of them was a paprika street-vendor; having fled rural unemployment, he was living in a squat in Budapest’s Eighth District. A man whose main activity was trading in clothes was living in similar conditions. He had managed to acquire an apartment of 30 square meters, but had no money for a car, so he transported the goods by bus or by tram. The standard of living of most of these entrepreneurs was about average for the urban working class: they had their own flats (on average 40–60 square meters), which were not particularly well furnished but had a bathroom and toilet. They usually had a color television as well as a used car that was between 8 and 10 years old. They had enough money for food and were able to send their children to school, but they lived no better than did people in normal jobs, and they were

unable to save income or accumulate capital. They lived stressful and tiring lives, and they were traumatized by the many uncertainties, including erratic revenues and the dubious legal status of their business activities.

Just one of the necessity entrepreneurs was living in conditions significantly above the average, but he had acquired his six-room house while he was still a middle manager rather than as an entrepreneur. Maintenance of the building was proving to be a burden. The costs he faced were threatening the profitability of his business, because he was spending the modest revenue on his house. But given the lack of a potential buyer and his emotional ties to his home (including memories of his previous better life), he could not sell the house; perhaps he did not even want to.

The Roma necessity entrepreneurs placed themselves—probably rightly—among the losers of Hungary's political and economic changes. The country's economic restructuring had left them with few choices, and they had resigned themselves to surviving at the current standard of living with few prospects. They and their children faced an uncertain future, with increasingly restrictive regulations that rendered it more and more difficult to continue business activities. Their businesses, which had sometimes been able to exploit the loopholes created by the inadvertent carelessness of the authorities during the economic transition period, were unable to cope under the stricter conditions of the market economy. The problem was not just that state regulations and controls were damaging their businesses or that the grey and black economy was gradually becoming a part of the official economy, but that in a prosperous economy there was simply less demand for their services. Their lack of educational qualifications prevents them from finding work even under conditions of economic growth. And they are unable to switch to other forms of business because they lack the capital.

Keepers of the Family Tradition

Thirty per cent of respondents may be placed in this group of entrepreneurs—who tend to be active in well-defined areas of business. A typical business activity was the flower trade; the entrepreneurs tended to have learnt it as children working alongside their parents. Typically, they were women, who had received the industrial license and shop from their mothers.

...My mother managed to get an industrial license just after the war, and I carried on her trade. This was quite a big thing from the 1960s onwards, because they weren't too keen on private entrepreneurs. I began working alongside my mother with my little sister—who later set up on her own. After her death, it was almost a matter of course that I should receive her license and the shop. (Female florist)

In the course of our inquiries, we noticed that the husbands of these women were often musicians and that the women were working in order to supplement family income. Prior to the political changes, most income had come from the work of the male head of the family. However, privatization had soon spread to Hungary's restaurants and bars, resulting in the dismissal of the larger gypsy orchestras. In 1998, such men were typically working alongside their wives, generally as buyers. One can only imagine the embarrassment and shame caused in these patriarchal Roma families—which had once been the "aristocracy" of the Roma community—by the sudden decline in the status of the head of the family. The *pater familias*, whose authority had once been beyond question, had lost his leading position within the family and had become financially dependent upon his wife.

Another typical activity of the group was running a business in the catering industry. In this field too, we found roots in the industry going back several generations: waiters, cooks, and restaurant

managers. Most of the respondents in this group had learnt the trades at school rather than on the job. They had then gone to work for state enterprises. When catering industry units were privatized, as managers and workers, they had secured rental or ownership rights.

My grandmother had a coffee shop in C. Then I came along. First of all, my husband, he also worked in the catering, as a manager. Then I trained as a manager, a waiter, and then as restaurant manager. I've been in the trade for 30 years (...) I have a son and a daughter; they work in the catering industry too. My son has worked in the bigger places; he worked in the Hotel Intercontinental for 10 years, and then went to work in West Germany (...) My daughter kept working in Hungary, as did my son-in-law. (...) Árpád has two sons. One of them is a waiter, while the other is an apprentice cook at the Hotel Penta. My daughter's son is a waiter here in A., at the Kossuth restaurant. (Woman working in the catering industry and clothes trade)

Members of this group have occupational qualifications, having attended vocational schools or training courses. They consciously prepared for their career. But escaping from an overprotective state sector and setting up in business proved more difficult than they had anticipated.

Well, yes, I've been in catering for 30 years now. We used to like it a lot, because it was very different from now. People used to respect waiters. If someone was a waiter, he was a respected member of the community. (...) Not like it is now—he takes it out, but nobody speaks to him. Whenever I went to arrange something in C., there were always so many acquaintances that all doors were opened for us. (Man that used to work in catering but who now runs a grocery store)

Two Roma entrepreneurs who had learnt the antiques trade from their father were also continuing the family traditions. Their business licenses had expired by 1998, but they were very rich and somewhat afraid of the people around them. For these reasons, they were working in secrecy and without the proper permits.

We used to have a little shop, with a proper license and permit, but we had to give it up. There were several reasons for this. However much you earn, the taxes and other costs spoil it completely. The other thing is that it's obvious to everyone if you have an antiques shop. We weren't rich enough to be able to prevent the constant break-ins, and we couldn't pay the money for "protection" or employ our own people to protect the family. So it seemed better to sell up; now our minds are at rest. Officially, I am a house caretaker, while my brothers are unemployed. (Antique dealer).

The entrepreneurs in this group were relatively well qualified: they knew their profession and had studied it too. They were content with the entrepreneurial lifestyle, especially with the freedom, independence and business success that accompanies it. Still, most of them were dissatisfied with the unfavorable social conditions surrounding their businesses.

Almost all of the flower traders have gone bankrupt or are heading in that direction. It seems that flowers have become a luxury good, and most people do not even have enough money for their daily groceries, let alone flowers. (The most recent observations point to a reversal of this unfavorable development.) The entrepreneurs were quite aware that their occupation produces fluctuations in revenue: most profits were made on important name-days or during major festivals or social events. And such profits were enough to supplement revenue on "thinner" days. Today, however, revenues are so low that it is impossible to pay the higher rents or bear the other financial burdens.

Entrepreneurs in the catering sector did not have sufficient capital for the investments that were required in order to maintain competitiveness. Meanwhile, credit was subject to impossible terms or was obtainable through connections that they lacked. Flourishing competitors with capital soon pushed them out of the market. Under such conditions, they were forced to use up their investments or sell their assets.

Nevertheless, these enterprises were not yet destitute at the time of the survey. They had managed to accumulate assets during the decades before the political changes under the beneficial protection of state economic management. The smallest apartments we visited covered at least 60 square meters and were in good condition and well equipped. There was even a widow who lived with her family in a three-storey house with 20 rooms over a total area of 580 square meters. Surrounded by her many valuable antiques and paintings, we felt like we were in a museum.

In general, however, the financial situation of the entrepreneurs was deteriorating from year to year. Almost all of them had debts, and the florists were closing their shops one after another. Entrepreneurs in the catering industry were trying to survive by changing their profile and by opening various types of establishments—but they were less and less successful. Almost all entrepreneurs in the group had employed a number of staff when they set up their businesses, but by 1998 staff numbers had dwindled. They had business licenses, because this was only because they could not have run a restaurant or a florist shop without them. But they considered taxes and other public dues to be excessively high, and most of them had accumulated debts with the tax authority and social security. Debt collection had been initiated against several of them. They would probably slide further down the social ladder. If they were fortunate, they might end up at about the average level.

The Self-Made Men

Twenty per cent of respondents were placed in this group: they were the ones who recognized the opportunities at the time of the political changes in 1989–90. Entrepreneurs in this group should have been the most numerous by 1998, because this is hardly the “normal” manner of becoming an entrepreneur. However, owing to the historical circumstances and the disadvantages suffered by Roma, few of them had had such opportunities.

The group recognizing and exploiting the free market opportunities was not so homogenous as the previous two groups were. Still, entrepreneurs in the group did share some important features, such as their desire to avoid factory work, to earn lots of money, and to live well, as well as a belief that they had seen enough poverty in childhood. They had no wish to continue the desperate grind of their parents. Nevertheless, they interpreted and exploited the opportunities in different ways. For instance, some of them were involved in organized crime or were active alongside it, trading in vehicles and apartments.

I come from Ózd; my grandfather was an adobe-maker and my grandmother stayed at home to look after the kids. They couldn't even speak Hungarian, because ours is a Vlach Roma family. My father, who was a die-hard communist, spent his whole working life in the metal works, but was thrown out of work without warning after the political changes. He had wanted me to work there too, and when I left school he took me with him to work there. Even then I didn't like the work—you slaved night and day for a few pennies. When they closed our part of the plant, I knew I'd have to do something that would not leave me at the mercy of the changes. I came up to Budapest. Of course, I came to the Eighth District, because I knew some people there from back home. At first, I wanted to do something serious, but with just a shirt on your back and no

money, you can't do anything. I wanted to become a market trader, but I would have needed a car and lots of goods. Then I wanted to be a greengrocer, but the old dynasties are in control in Budapest, and you have no chance of kicking the ball alongside them. So for quite a long time, I made a living out of a whole series of casual jobs. I managed to collect together enough money to buy a council flat for myself, and I started to furnish it. But then a friend came to visit me and advised me not to spend my money on furnishing the flat. He told me not to spend my money on kitchen cupboards and beds, but to renovate the flat a bit and then to sell it to someone else. And he was right. There's always been a demand for flats, especially if they're not run down, but look reasonable and are not too expensive. I started to do the work on my own, removing the plaster from the walls, putting up tiles and painting where I had to. I had bought the flat, in a rather run-down condition, from the local council for 200,000 Forints. After the renovation, I managed to sell it to a Roma family from the countryside for 1 million Forints. Then I realized that I wouldn't have to do without in the future. I bought the next flat, and, having renovated it, I sold it for several times the price. Later on, once I'd made some profits, I bought several flats and hired some unemployed craftsmen to work for me. Of course, I did so without paying their taxes, but that was good for everyone: there were several flats being renovated at the same time, and I no longer had to work. (Man trading in real estate and motor-cars)

Another person we spoke to was a florist—operating without a permit—who had risen, in a systematic manner, from unskilled factory worker to entrepreneur. Although he had advanced a long way in terms of livelihood, he still could not be considered a classical entrepreneur.

Selling goods is not the main activity of my business. There are many peasants, who I've known for years, who produce a lot of agricultural products under plastic foil. They bring the goods up to the market hall in Budapest, and the wholesalers buy the produce from them at very low prices. I pay them more, but I can still sell the produce at a small profit to traders with shops. Or, by arrangement, I go down to the rural areas with my little van and get the produce there. The main point is that I always have good produce, and the shopkeepers know this. But I say again, it's a very little business, you can't earn much doing it. A few Forints of profit on a flower. (Flower trader)

One of the respondents was an entrepreneur in the catering industry, who differed from the bar and restaurant owners mentioned above in that he had become involved in the trade by his own devices and without any family connections. His financial position, however, was about the same as theirs. We now turn to a big entrepreneur:

After military service, I too came back to work as a stonemason. Then came the political changes. I had the choice of becoming unemployed or starting my own business. Thank God, I gave it a try as an entrepreneur.

He had started out as a stonemason, but by 1998 he was known and respected throughout the country as a construction entrepreneur: he built housing estates, higher education institutions, and luxury villas as a sub-contractor. He had 200 permanent employees and an enormous stock of machines; his car alone was worth about 5 million Forints. His wife ran her own bar and a large grocery store. He was a typical *nouveau riche*, who had risen a long way. Although he tried to cover it up as best he could, he was aware of his own limits, especially his lack of cultivation. He believed that, at best, his children would receive some real social recognition. His

theories on life were rather social-Darwinistic and typical of a first-generation self-made businessman: you can only achieve something if you do it yourself; if you wait for outside help, you'll die of starvation. At the same time, he was quite critical of other Roma entrepreneurs:

I know a great many Roma entrepreneurs. (...) They have a rather bad characteristic: sometimes they don't even know what business is. (...) How to present themselves for a job, what to wear, how to enter a place even. How to go to a competitive bidding. As I see it, many of them don't even seem like entrepreneurs (...) apart from the fact that they've got a car under their bums. (...) And I didn't go in order to wear rings on my fingers. No, I went there in order to buy some machines, to buy this machine or that machine.

All of the entrepreneurs in this group were very well off; indeed their standard of living was clearly rising. Many of them were young, hard-working people, who were not afraid of difficulties. They knew their professional limits; where necessary, they hired advisors. They are not likely to slip down the social ladder in the future. By ensuring a good education for their children, their families should become a part of the propertied middle class.

Entrepreneurs who Exploit their Political Capital

So I went in. I'd never spoken in front of a large group of people before. And I had some inhibitions. And, my goodness, then what happened—because they must have known already—the county chairman of the People's Front stood up, and so did the colleague who planned it. And the chairman said that he was proposing Comrade K.T., a member of the Workers' Guard and a party member with political qualifications, for the post of chairman of the county Roma council. Well, now, nobody

would have guessed it, and there was a Roma teacher there too, there was a Roma lawyer, Roma businessmen, Roma with secondary education. And they chose me...

We also met a businessman who was able to draw economic benefits from contacts made during the era of the party state. Based on our observations, he is not a typical example of Roma who have become entrepreneurs. The simple factory worker received a political post because he was considered to be politically reliable. During the years leading up to Hungary's political changes, he managed to exploit the political mood—which changed almost weekly—and the opportunities arising. By 1989, he found himself among the top leaders of the Patriotic People's Front. In the 1990s, he was unable to continue his political career, although he would have like to do so. Nevertheless, he was able to benefit from his previous contacts. Having overcome his annoyance at being sidelined politically, he returned to his original occupation in the construction industry. But this time, he was an entrepreneur rather than an employee. Over time he became a successful businessman. In 1998, his company was responsible for the construction and renovation of complete housing estates. He maintained a proper office, and his business provided work and a livelihood to family members and many other staff, including engineers and lawyers. It is worth examining the political contacts that helped him to launch his business:

You see, 99 per cent of the Roma entrepreneurs whose interests I was in charge of safeguarding, were operating in the construction industry. The construction engineer that I had taken on at the association provided them with technical advice. We compiled budgets for them, free of charge. We prepared surveys, legal surveys. So we drew up deals and signed contracts in lieu of them. At the time, we were in charge of the technical supervision of Roma entrepreneurs,

and we maintained technical relations for the duration of the contract. I could sell the Roma. A professional builder, a pensioner, who was a qualified architect and structural engineer, and my mates from college met at the clients. He wasn't a Roma, but a technical man. My mates were sitting there, as chief engineers or in some other post. They received me differently. It wasn't my job to talk about the occupation. My task was to undertake the work for X amount of money and to provide Y number of people. (Male construction entrepreneur)

We were unable to find out how this man, who was a skilled worker and had originally come to Budapest from a provincial area, succeeded in providing sufficient capital for such large investments. We only heard him hint at some murky political contacts. Nevertheless, it is quite certain that he was the richest person in our sample. He had arranged private tutorship for his children, but his son had failed to get a place at university, so he had sent him to a private institution. Meanwhile he was supporting his daughter's school financially. He was consciously planning their futures, in the light of the need for experts to secure the family business and its assets. In the popular view, the family's current standard of living was simply unattainable for Roma, so the people around them no longer regarded them as Roma.

In all likelihood, the number of Roma benefiting economically from contacts made under the former political system is actually smaller than the number of Roma who have set up businesses as political actors in Roma public life in post-communist Hungary. Further research is necessary to clarify whether the main groups of Roma politicians are capable of using their political influence and contacts to achieve better economic positions.

Factors Determining Success or Failure

On the Margins of Legality

It is not just in the case of Roma entrepreneurs that success in business is determined by whether or not somebody adheres to the law or exploits loopholes in the law: Virtually all respondents in our sample began their business activities in possession of the necessary permits. But when they realized the full extent of the costs they faced, most of them stood back in horror. The bolder ones handed back their trade permits and tried to make a go of it outside the law. Of course, by doing so, they risked limiting their opportunities.

Most of the entrepreneurs, however, remained more or less within the boundaries of the law, while attempting to find useful loopholes in the law. Those with workers typically did not bother to register them. We met one big entrepreneur who had just 30–50 officially registered staff (reported to be on the minimum wage) out of 200 permanent staff. But delayed payment of public dues was another widespread method.

Capital and the Lack of It

There was a special grant which unemployed Roma could apply for. It amounted to 50,000 Forints. But you can't start up a business, especially one in the construction industry, with such a small sum. (...) A Roma bank is needed, where Roma would be given the opportunity to employ local jobless people. (Small businessman in the construction industry)

Entrepreneurs in the catering and construction industries in particular need to make large investments. For the caterers, this means modern facilities and qualified staff, while businessmen in the construction sector need appropriate machinery, administrative

back-up, and reliable managers. In 1998, however, loans were granted (to Roma too) only against considerable security and at commercial interest rates.

With or without Company Employees

Many entrepreneurs have faced this dilemma, but in fact only entrepreneurs in the construction and catering industries were able to employ “outside workers,” that is, non-family members. Of course, they really had no choice. The retailers were able to fulfill the tasks of the business by means of family assistance; moreover, few of them had sufficient revenue to employ additional staff.

Profitability and Business Assets

Respondents in the survey had very different levels of income. The necessity entrepreneurs, who formed the largest group, did not earn much more than the amount needed for daily subsistence. Their net monthly income in 1998 was between 30,000 and 100,000 *Forints*, and they often needed to sustain a family of four or five on this income. They had no chance of accumulating savings; a decline in their living standards, which were currently at a reasonable level, was a constant threat. The specter of unemployment haunts them.

We did not live badly in the 1980s. But we didn't keep any money in reserves. Whereas a factory worker had to wait years for a voucher to spend a holiday by the Balaton, we went as a family several times a year. And we didn't dine in the canteen. We didn't wait ten years for a Trabant to be assigned to us; you could buy one in no time, it was just a question of money. We didn't put any money in reserve, but we lived well. But that's all the past. Now you always have to be thinking about the coming week. (Market trader)

Entrepreneurs preserving family traditions were in a slightly better situation. They had already accumulated above-average assets, which, however, were difficult to capitalize in light of falling profits under the new circumstances. Moreover, the amount of capital was constantly diminishing. As far as such entrepreneurs were concerned, the status symbol of the home preserved their former glory. Revenues among competitive entrepreneurs in the catering industry were occasionally as high as 2–3 million *Forints* per month, but in 1998 we found few such examples. Instead, assets were slowly being eaten away in most cases. Among the florists, this process had essentially been concluded.

Few of the entrepreneurs were able to accumulate wealth, alongside the stagnation of day-to-day subsistence. Those entrepreneurs who had “feathered their nests” in the aftermath of the political changes of 1989–90 were planning their careers in an conscious manner, benefiting from circumstances and contacts thanks to their rational decisions. We are unable to estimate their monthly incomes. But, in contrast with other groups, it was apparent that they were spending large amounts on their children’s education, in addition to their spending on consumption and status-symbol capital investments. The structure of their businesses was basically dynastic. In their aspirations, they were not just motivated by a desire to provide the best prospects for their children. The education of their children was also considered a vital factor for the future of the business.

Roma and a Big Entrepreneur

The respondents were agreed that their Roma identity had never prevented them from being active in business.

In the old days at my place of work, only those who didn’t want to work were called “lazy Roma.” The others were not discriminated against. I don’t think it’s right that people spend so

much time on this issue. If you ask me, Roma who are involved in politics see some business in it. Those Roma, as well as those who are complaining all the time that they are oppressed and need help, don't deserve anything. I too was thrown out of work from one day to the next, but I didn't start whining. Instead I pulled myself up. If I hadn't done so, then the whole family would be homeless and I would have died of starvation by now. People don't need to politicize or to whine; they need to work and to use their brains a bit. (Romungro greengrocer)

In their view, since they are working and doing their utmost for their own prosperity, they are not even regarded as Roma. None of them denied their ancestry, although they didn't consider it to be particularly important and protested against any type of discrimination. Concerning their own prosperity, the important thing for them was to become middle class (forced assimilation). Most respondents—who are convinced of their own success—have deluded themselves into thinking that hostility towards Roma is generated by a few people in the Roma population, whom they too find unattractive on account of their lifestyle, poverty and crime or their constantly begging for assistance. They believe that if they succeed in persuading the rest of society that “they are not like that,” they will not be subjected to the same hostility. Overall, they show no solidarity with Roma who live in a different way or who are worse off than they are.

Owing to the business, I have become acquainted with many different people, and my impression is that some Roma are very slovenly. They tell their children not to study at school, because they think their children will be able to live as they do. But they're wrong. Nowadays, even cleaners have high school diplomas; otherwise, they won't be taken on. These people don't see that they're doomed. The state won't help people who can't or won't help themselves. This is the mentality that the

Roma have to get rid of first. And then it will be possible to change the way prejudiced society thinks about them. The worst thing is that people identify all the other hard-working and educated Roma with this group. (Romungro fashion retailer)

Their antipathy towards poorer Roma is exceeded only by their antipathy towards Roma politicians. They don't even consider it necessary to politicize on an ethnic basis, for in their opinion this simply serves to increase the distance between Roma and the rest of society. But if there's no alternative, then they dream about new community leaders who would really fight for Roma interests, equal opportunities, and an economic upturn that would serve to create jobs. In their view, Roma politics and Roma politicians have just one legitimate purpose: to bring to conclusion the "Roma question."

Antagonism between Romungro and Vlach Roma

Those Roma that have achieved the average subsistence level of Hungarian society have developed a strong protective reflex against poverty. They identify poverty with their past, their old culture and their language. In most cases, these cultural elements have been lost, but Vlach Roma, who have tended to preserve their traditions, do still foster them.

Most respondents were Hungarian-speaking Roma (Romungro) and just a few were Vlach Roma. The antagonism between the two groups, which goes back centuries, still exists even today but it has taken on a different form. Romungro have become a part of modern society. They regard themselves as people who respect social norms and who have been accepted by society at large. They tend to associate Roma culture, language and lifestyle with backwardness, poverty and idleness.

Society thinks that all Roma are like that: shirkers, vagabonds and criminals. Yet such people are just a minority within the minority. As someone who has worked his whole life, educated his children, established a middle-class way of life, I've had enough of being lumped together with them. People think gypsy music is when Vlach Roma start rattling a can and a spoon. I've never even spoken to such people. When my father was alive, a man could be proud to be a Roma—that is, if he was a real Roma and a musician. My father didn't even acknowledge the greeting of one of these "adhesive Roma," but in fact none of them would have dared say a word to him. He played music for dukes, and my mother told me that he would even tear his white shirt apart when it wasn't ironed properly. For decades, my neighbor was a legal counsel, he had even been a deputy minister, and this man helped me bring my suitcases in from the car; he often sat here in the kitchen and whenever my wife offered him some stuffed cabbage, he would kiss her hand. Our children grew up together. After all this, does someone seriously want to tell me that I should learn Romani? What do I have in common with these people? (Entrepreneur of Romungro descent)

Vlach Roma in contrast regard themselves as the only "real" Roma. In their judgment, the Romungro are people full of self-hate, opportunists who are ashamed of their Roma ancestry and willing to do anything to please the authorities.

Nevertheless, it is worth noting, given its unprecedented nature, a comment made by one of the most successful Romungro entrepreneurs, expressing his admiration for the mentality of Vlach Roma (above all the *romani butyi*). He wants to learn more about their values.

I had contact with them, because I, for one, have always considered Vlach Roma to be smarter than Hungarian Roma. While Hungarian Roma were working with their hands making adobe, the Vlach Roma were trading. They had that little bit of wiliness in them; they used their brains and were bolder than Hungarian Roma. They collected feathers, and they collected iron and rags. They were still working, not in the same manner as the Hungarian Roma, but with more brains and a little intelligence. (Construction entrepreneur of Romungro ancestry)

Notes

1. The research was carried out under the supervision of István Kemény in the Minority Research Workshop of the Hungarian Academy of Sciences.
2. István Kemény, “A magyarországi roma népességről” [On the Roma Population in Hungary], *Magyar Tudomány*, 1997/6, p. 655.