



## Introduction

# Development Opportunities for the Roma in Central and Southeast Europe – Impediments and Challenges

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The articles in this issue address a crucial problem: the development challenges of vulnerable groups in general and the Roma in particular. The articles are based on two different research projects conducted by the UNDP Regional Centre in Bratislava. The first is a survey of the socioeconomic status of the Roma in five Central and East European countries (Bulgaria, Czech Republic, Hungary, Romania and Slovakia) conducted in 2001–2002 (the full datasets are available at <http://roma.undp.sk>). The second, the ‘Vulnerable Groups Survey’ from 2004 was a follow-up of the former, elaborating in-depth methodological aspects of vulnerability research (sampling, appropriate sets of indicators, fieldwork). This more recent survey targeted, in addition to the Roma, other marginalised populations like internally displaced people/refugees and other non-Roma living in close proximity to Roma. The survey has been carried out in Central as well as Southeast Europe (full datasets are available at <http://vulnerability.undp.sk>).

Three of the countries discussed in the articles became members of the European Union on 1 May 2004. Membership itself, however, does not preclude the incidence of severe poverty, high morbidity and low educational attendance among vulnerable groups. This is why vulnerability analysis is particularly relevant for the countries of this region in approaching the problems marginalised communities are facing in this (generally) prosperous part of Europe.

The existence of severe poverty and pockets of poverty with all their socioeconomic consequences is also the reason why monitoring the Millennium Development Goals (MDG), targets and indicators makes sense



for these countries. Since 1999, a series of global conferences have spelled out concerns regarding a deepening gap between the developed, developing and transition economies. As a result, a comprehensive agenda for human development, including selected goals, time-bound targets and quantitative indicators, was accepted by the members of the UN. Hence the Millennium Development Goals were born.

Achieving the Millennium Development Goals in the five countries is especially relevant for the Roma population. UNDP has consistently called for MDG disaggregation, so that the concerns of those most in need are reflected. *Avoiding the Dependency Trap*, (UNDP, 2002) the 2002 award-winning regional report on the status of Roma in five Central European countries, called for monitoring Roma MDGs as a necessary analytical tool for improving the situation of these groups. However, two prerequisites were necessary: governments' political commitment and relevant data.

In the countries under consideration in this series of articles, the Roma make up a significant part of the population (Table 1). One needs to differentiate between the size of the Roma population as measured by official censuses and the unofficial estimates. The first number is usually much smaller (column 1) as many Roma count themselves as members of the majority population in the country they live in. One should rather rely on the estimated proportions (column 3), which are based on surveys and local municipal records.

The conditions in which most Roma live are alarming: Long-term unemployment, very often connected with extreme poverty, lack of hygiene and basic health care, and a strong dependency on social assistance. While most citizens in these countries have had new opportunities in the transition period, the Roma have been affected negatively, as their low socioeconomic status has increased their vulnerability in an open-market economy. This unfavourable position, combined with a range of other factors, has led to a vicious circle of poverty and social exclusion.

**Table 1:** The Roma population in the countries under consideration

Roma population	2003 estimates in % (based on 2001 census) (World fact book)	Estimates of real proportions of overall population (%)	Estimates of real numbers (in thousands) (Vašečka <i>et al.</i> , 2003)
Bulgaria	4.6	≈ <b>10</b>	700–800
Czech Republic	0.3	≈ <b>3</b>	250–300
Hungary	4.0	≈ <b>6</b>	550–600
Romania	2.5	≈ <b>10</b>	1.800–2.800
Slovakia	1.6	≈ <b>9</b>	480–520



There are several reasons explaining the complex mix of this poverty trap. Roma are worse-off in terms of nearly all basic social indicators. Low levels of education limit job opportunities. Since many are unskilled, they have difficulties competing for jobs in the new competitive market economy.

Roma were often the first to be laid off from state-owned industries at the outset of restructuring. In turn, the loss of employment meant that they did not only lose wage income but also related benefits, including housing and access to some social services. Therefore, a significant numbers of families across the region are primarily reliant on state support for their survival. As a result, the Roma often fall into a vicious circle of marginalization – weak incentives to leave the social safety nets today reduce the likelihood of breaking this dependency cycle in the future. At the same time, Roma participation in the formal economy is more limited than that of other groups, so relatively large numbers of Roma do not pay the social security taxes needed to fund these benefits. This causes ‘asymmetrical’ Roma participation in social welfare systems: active regarding benefits, limited regarding contributions. This asymmetry further promotes exclusion and ethnic intolerance.

Another aspect is land ownership. The Roma have never been land-owners and when land restitution began, they had no property to reclaim and no legal grounds for retaining their homes. As a result, migration from rural to urban areas intensified and led to the expansion of ghettos. Further, some Roma are returning to a semi-nomadic lifestyle by commuting to surrounding villages in search of full-time employment, trade or seasonal work. This lifestyle retards development, as basic needs like regular school attendance is difficult to achieve.

Their situation was exacerbated largely by the aggressive socialist assimilative policies of the previous socialist regimes that separated and fragmented families, eroded the integrity of the Roma group, laid the foundations for special schools for mentally disabled where Roma children were sent regardless of their real abilities, homogenised a class of low-skilled labourers and did not promote the benefits of education for Roma.

The articles in this compendium have one general message: the Roma’s difficulties in securing employment are not simply the result of discrimination. They also stem from the Roma’s low employability and inadequate skills, which are often due to insufficient educational opportunities. Therefore, providing broad access to education and improving the educational level (particularly of Roma youth) is the key to increasing employment and reducing poverty.

In this compendium the first article by O’Higgins and Ivanov (2006) provides an overview of employment opportunities. The second article by Ivanov and Tursaliev (2006) deals with micro-lending as an important tool for



combating extreme poverty if applied in the right way. The third article by Milcher (2006) uses multivariate analysis to determine the impact of different household characteristics on poverty.

Difficulties in collecting data on the Roma arise for two reasons. First, in many countries data protection legislation prohibits the collection of most data by ethnicity. Second, household surveys and censuses often significantly underestimate the Roma population. In censuses, Roma opt not to self-identify often for fear of discrimination. National representative survey samples are usually based on census data. The Roma, who are not necessarily registered, are therefore likely to be undersampled.

Data on household incomes and expenditures disaggregated by ethnicity is scarce. For many reasons, statistical institutes do not monitor household budgets by ethnicity. In the Roma context, this reflects both political sensitivity and resistance from Roma organisations. The latter have (not wholly unreasonable) concerns that ethnically disaggregated data could be used for discriminatory purposes (in access to jobs or active labour market policies for the unemployed).

Here both researchers and policymakers face a vicious circle. Data is necessary but not available. When available, it is not reliable. Different estimations of Roma can be equally acceptable and justified using different sets of arguments. As a result, the opportunity for data misinterpretation is disturbingly broad. Depending on whether higher or lower estimates 'work' better in a particular political context, different actors can argue for or against a political issue usually unrelated to the goal of improving the socioeconomic status of Roma.

Filling these data holes, (at least in part, was one of the objectives of the regional UNDP/ILO large-scale survey on Roma conducted in 2002 involving face-to-face interviews with 5,034 Roma respondents in Bulgaria, the Czech Republic, Hungary, Romania, and the Slovak Republic. The survey looks at the situation of the Roma from a 'human development' perspective. With the ultimate goal of expanding people's choices, human development looks at areas of health, education and living standards. In terms of living standards, Roma respondents were asked to assess their household incomes, main income sources, total expenditures, and expenditures by main product and service groups. The results do not just show that Roma are among the poorest of the poor in Central and Eastern Europe. What is more important, they outline 'how much' worse the situation is for the Roma and what are some of the features of their condition. For example, what are their income sources or the causes of unemployment? Obtaining quantitative figures is a necessary precondition both for understanding the underlying causes and addressing them adequately.



The second survey, conducted in 2004, was an integrated household survey with separate components containing both household and individual modules. The data for the survey was collected through face-to-face interviews in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Macedonia, Serbia and Montenegro (with separate samples for Serbia, Montenegro and Kosovo), Romania and Slovakia. In total 11,429 households were surveyed (5,619 Roma, 4,608 representing majority populations living in close proximity to Roma, and 1,202 representing internally displaced people and refugees). 46,789 household members' individual profiles were recorded (26,755 Roma, 15,736 from the majority populations living in close proximity to Roma and 4,298 internally displaced people and refugees). In all countries the survey used identical questionnaires and followed identical sampling and methodological guidelines. In order to overcome the possible distrust of pollsters, Roma interviewers were used for fieldwork where possible.

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