

# At Risk:



## Roma and the Displaced in Southeast Europe

### Summary



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The views expressed in this report are those of the authors and do not necessarily represent the views of UNDP.



# Foreword

This publication builds on and expands the groundbreaking work first published in *Avoiding the Dependency Trap*, the 2003 regional report by the United Nations Development Programme (UNDP) on Roma in Central Europe. That report offered a deeper, more complex view of Roma exclusion. Using quantitative data from cross-country surveys, it complemented the traditional human rights paradigm with a human development perspective. The report emphasized the importance of integrating the Roma just as the countries of Central Europe were preparing to enter the European Union (EU).

*At Risk* also appears at an auspicious moment in the EU integration process. Focusing on another group of EU aspirants – the countries of Southeast Europe – the report similarly addresses the situation of Roma using quantitative data from cross-country surveys. But it also focuses this lens on the displaced – refugees and internally displaced persons (IDPs), a significant vulnerable group in this post-conflict region.

There are many dimensions of vulnerability. Vulnerable groups face different types of threats, including poverty and exclusion, and have varying, but generally insufficient, resources to cope with these threats. Based on solid quantitative data and statistics, *At Risk* analyses the determinants of vulnerability as they affect Roma and the displaced. It puts forward a new, integrative approach built on the concept of vulnerability. It attempts to reconcile an approach focused solely on one at-risk group with broader development frameworks that go beyond a single group. This perspective is particularly crucial in the diverse and fragile Balkans.

Development and inclusion – as well as exclusion – take place at the local level, in constant interaction with other groups, with neighbours' passive or active participation. That is why the report addresses the socio-economic status of Roma and the displaced against the background of their 'better-off neighbours', the majority populations living side by side with Roma and the displaced.

Moreover, those majority populations are often vulnerable as well, sharing a similar socio-economic environment. Thus the purpose of providing information on the 'majorities living in close proximity' is not just to offer a control group for statistical calculations. Comparing the status of Roma and the displaced to that of other groups living side by side and sharing similar challenges is key to breaking the circle of exclusion. We must involve, understand and address majorities together with minorities.

The overall picture can outline the common challenges that should be addressed. This approach is particularly relevant for a region like the Balkans, which needs policy interventions that go beyond the group identity that is usually defined along ethnic and sometimes religious lines. The whole logic of the report's analysis – and the set of suggested policy approaches – is therefore built on the concept of *group-sensitive, area-based development*. Understanding the determinants of vulnerability, integrating suitable responses into national-level policy frameworks, and addressing them in an area-based development context is a sustainable way to dealing with the challenges these groups face.

As humanitarian assistance for the displaced is being phased out but appropriately crafted development programmes have yet to come on line, the report also advocates for the creation of a broader framework of international support to address the vulnerability of refugees and IDPs in the region. Like the 'Decade of Roma Inclusion' initiative launched in 2005, a 'Decade of the Displaced' could help mobilize governments to approach these issues in a systematic manner – although I hope that working together, governments, the international community and representatives of the displaced themselves can ensure that it would take less than 10 years to improve conditions for these most vulnerable communities. With their record of successes and failures in the Balkans, international organizations have a moral obligation to embark on a truly integrated approach to development.

I am confident that this report, like *Avoiding the Dependency Trap*, will have lasting impact on thinking about vulnerable groups in the region in general and on policies towards Roma and displaced people in particular. I am very proud of this great intellectual contribution towards social inclusion in our region by lead author Andrey Ivanov, who was also chief author of *Avoiding the Dependency Trap*; author Susanne Milcher; and Ben Slay, who ably assisted with a very strong substantive editing.



Kalman Mizsei

Assistant Administrator and Regional Director  
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# At Risk: Roma and the Displaced in Southeast Europe

## Summary

Eradicating poverty and overcoming social exclusion are global challenges, and are not solely issues for developing countries. Poverty pockets and excluded and/or marginalized groups exist in the new member states of the European Union (EU) as well. Irrespective of the level of overall national development, whole communities in these countries are deprived of opportunities for equal participation in development. Countries in Southeast Europe now preparing to join the EU face similar problems. The impacts of transition vary widely among different socio-economic groups in these countries, and some vulnerable communities are in danger of being left behind. Roma, internally displaced persons (IDPs), and refugees, as well as segments of majority communities, often face levels of exclusion and poverty equal to those found in developing countries.

### **Vulnerability as a human development challenge**

Addressing the needs of vulnerable communities is critically important for maintaining social cohesion in these societies. The social inclusion of Roma, IDPs and refugees is critical to Southeast European countries' prospects for discharging the responsibilities of the European Social Charter, as well as the requirements of EU accession. These include the design and implementation of the joint inclusion memoranda, and the national action plans for social inclusion. More broadly, addressing the challenges of social inclusion is central to these countries' prospects for implementing the EU's Lisbon Strategy to combine increased competitiveness with social inclusion. Addressing those challenges is also critically important for achieving the Millennium Development Goals (MDGs) in those countries.

Because pockets of severe poverty are present even in developed countries, adapting the MDG targets and indicators to national circumstances and monitoring progress towards their implementation is necessary even for developed countries. All the countries covered in this report have elaborated their national MDG reports and MDG monitoring frameworks. Complementing national MDG frameworks with disaggregated quantitative indicators and vulnerability analysis is a pragmatic answer to the poverty challenges in the region. It is also an underpinning idea of this report.

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The last decade has seen increasing attention paid to socio-economic vulnerability in the new EU member states and countries of Southeast Europe. UNDP in 2002 conducted extensive survey research on Roma vulnerability in Bulgaria, the Czech Republic, Hungary, Slovakia and Romania. The resulting regional human development report (*Avoiding the Dependency Trap*) analyzed the status of Roma from a human development perspective in these countries. The report's recommendations to monitor poverty and other MDG-related targets relevant for vulnerable groups and Roma in particular were broadly confirmed by the 'Decade of Roma Inclusion' initiative, which was begun in 2003 by the participating governments of eight countries in Central and Southeast Europe, the World Bank, the Open Society Institute (OSI), and other organizations including UNDP. The 'Decade' grew out of the conference 'Roma in an Expanding Europe: Challenges for the Future', hosted by the Government of Hungary in June 2003. In February 2005 the Decade was formally launched in Sofia where these countries' prime ministers pledged to close the gaps in welfare and living conditions between Roma and the non-Roma in their countries, and to break the vicious circle of poverty and social exclusion. At the practical level, the Decade can be seen as an endeavour for meeting the MDG targets for Europe's most vulnerable group – the Roma.

### **Approaches to vulnerability**

While 'vulnerability' is a commonly used concept, it can be subject to various interpretations. It is also in need of operationalization, particularly in terms of proper definitions of the target group. The major idea behind the concept is the many dimensions of vulnerability. Individuals and/or groups can be vulnerable in various ways; they can face different types of threats and have different resources to cope with the threats. Different vulnerability determinants can coincide and interact in certain environmental and group settings, making some more vulnerable than others.

*Poverty and the risk of falling into poverty are usually the first common criterion for determining vulnerability*

Poverty and the risk of falling into poverty are usually the first common criterion for determining vulnerability. The poor most often have low levels of education, and live in small, sub-standard apartments/houses in poor neighbourhoods, settlements and regions. In addition, the poor often have no savings, subsist on poor-quality diets, and can have difficulty affording even the most basic health care services. Because of their poverty they usually experience multiple disadvantages, which distance them not only from employment, income and education, but also from social and community networks. Extreme poverty means that not even basic food needs can be met. Extreme poverty in the Western Balkans may be more prevalent than national data suggest, since the official poverty statistics do not always capture the status of the poorest groups that live in segregated poor settlements.

Apart from poverty, people may find themselves in vulnerable positions due to a lack of educational opportunities, inadequate personal (physical) security, poor housing, or poor access to health care. Displaced status is another major determinant of vulnerability, often correlating with the other factors listed above. The same may apply to ethnicity or religious affiliation, physical, mental, or emotional disability, age or family status (e.g., single parents). Hence a list of vulnerability determinants can be assembled and applied to both individuals and groups. Seen from this perspective, the concept of vulnerability is closely related to that of 'human security' (a concept that was first introduced in the UNDP's *Human Development Report* of 1994) and 'social exclusion', a concept developed in industrial countries.

In the Balkans, groups that stand out as especially at risk of poverty and exclusion are Roma, the displaced, the unemployed, the less educated and women. Gender can further exacerbate vulnerability: Roma women, having fewer job opportunities and weaker access to income than Roma men, face more and different obstacles to escaping poverty due to constraints hampering their ability to influence their own lives. In some countries, households with many children and elderly households are also at particular risk of falling into poverty. In rural areas and in underdeveloped regions, poverty is more widespread.

The 1990s in Southeast Europe 'produced' additional vulnerability dimensions related to the collapse of former Yugoslavia. In many of these countries, independence was regarded as the final outcome of national struggles for self-determination and anti-communist emancipation. This process dramatically affected various minorities and particularly those without a nation-state to protect them (like Roma). Violent conflicts in the Western Balkans produced streams of refugees and IDPs, among them also Roma – a new phenomenon for post-World War II Europe.

This report defines 'vulnerability' as a high level of human insecurity, quantified, monitored and analyzed at individual and household levels through the lens of assets and, more broadly, capabilities. It addresses Roma and displaced persons' exposure to various vulnerability risks. It analyses the magnitude and determinants of those risks compared to similar risks faced by the majority control group. Roma and displaced persons are chosen not because they are Roma and displaced *per se*, but because they face particularly unpleasant combinations of vulnerability risks. Vulnerability is not about ethnicity or group affiliation: it is a matter of facing certain vulnerability risks. Most Roma are vulnerable, but not all vulnerable are Roma; most people in majority communities are not vulnerable, but not everyone who is economically and socially secure belongs to a majority community. This common sense logic gets lost when group determinism is applied; proper policy targeting is only possible on the basis of appropriate vulnerability analysis.

*The concept of vulnerability is closely related to that of 'human security'*

*In the Balkans, groups that stand out as especially at risk of poverty and exclusion are Roma, the displaced, the unemployed, the less educated and women*

*Vulnerability is not about ethnicity or group affiliation: it is a matter of facing certain vulnerability risks*

## Data collection methodology

The starting point of this report was the comprehensive data collection exercise performed by UNDP's Vulnerable Groups Survey, conducted in October 2004 in eight countries of Southeast Europe and the UN-administered Province of Kosovo (herein referred to as Kosovo). This survey focused on three populations: Roma, displaced persons (refugees and IDPs), and respondents living in majority communities located in close proximity to Roma and displaced (IDPs and refugees). The data collected from the Vulnerable Groups Survey are the basis of this analysis and report for Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Montenegro, Romania, Serbia and Kosovo in Southeast Europe.

The methodology used here allows us to merge the national samples into three big regional databases: for Roma, for displaced persons, and for residents of majority communities living close to these vulnerable groups. This study is based on the premise that the socio-economic conditions and the development challenges in the different Southeast European countries are sufficiently similar so as to make such an aggregation sensible. The large numbers of observations that result make possible the in-depth statistical analysis that is needed to investigate the determinants of vulnerability—something that is not possible (or at least prohibitively expensive) at the national level.

The report goes beyond providing a snapshot: it offers in-depth analysis of the determinants of vulnerability affecting Roma and the displaced in Southeast Europe. These determinants of vulnerability are analyzed in an 'area-based context', against the background of majority communities living in close proximity to Roma and the displaced. Since people live and interact at the local level, within their close communities, majority-in-proximity samples (rather than national averages) are used as control groups in the analysis. This approach does not attempt to guarantee that national majority communities are fully represented. Indeed, because their circumstances may not be completely dissimilar to those of the Roma and the displaced, the majority-in-proximity sampled may share some of their neighbours' vulnerability determinants, and thus may be more vulnerable than the national averages.

The structure of the report (and of this summary) reflects the area-based logic outlined above. Using quantitative data on various aspects of vulnerability generated by the survey, the analysis builds detailed vulnerability profiles of Roma and displaced persons and outlines the specific determinants of vulnerability for each of the groups. Because of differences in the challenges the two groups are facing, the report is divided into two major sections – one devoted to Roma, and one devoted to the displaced. Within each section, specific sectoral issues (poverty, education, employment, health and security threats, etc.) are addressed, reflecting the spe-

### Box 1: **Area-based development**

Area-based development can be defined as programming or policies in a defined geographical area that seeks to address certain special problems or needs, or the development potential, of a given area. The notion implies that (1) policies and programming at the national level may be inadequate or less effective than tailored solutions within a well-defined region or locality; and (2) the development challenges to be addressed have a multi-sectoral character, and as such require an integrated, consistent response. Local problems are often associated with tensions, fissures or conflicts in local communities, particularly along ethnic or religious lines. This can make policies and programming that focus on group identity and affiliation quite risky.

The area-based development concept has evolved from the integrated rural development approach popular in the developing world, and particularly in Africa, during the 1970s and 1980s. This approach emphasized comprehensive multi-sectoral responses to the development challenges of a defined geographic area, often with a strong agricultural emphasis. Typical focus areas were locally oriented agricultural research, extension services and irrigation, as well as marketing, health, education, water supply and sanitation, and roads. Because sectoral ministries were believed to be unable to provide services in a coordinated manner, fragmentary development patterns were the feared results. Underpinned by donor finance, integrated rural development was designed to correct this.

The area-based development paradigm typically replaces the rural development emphasis with crisis prevention or post-conflict recovery themes. It retains, however, the multi-sectorality and the geographic (as opposed to thematic) developmental focus. Also in common with integrated rural development is the use of sub-national management arrangements in the areas concerned. The support and active involvement of local communities are often seen as both a precondition for success and an important outcome of area-based projects.

cific characteristics of each group. The report's final chapter presents a set of recommendations – specifically relevant for Roma, for the displaced, and for any group facing increased vulnerability risk.

### **Poverty of Roma**

Poverty is the first (and most common) aspect of vulnerability. Forty-four per cent of Roma live in poverty. Of these, 15 per cent live in extreme poverty (below PPP \$2.15 per day expenditures). In contrast, just 11 per cent of the majority living in households in close proximity to Roma live in poverty (and only 2 per cent in extreme poverty). Roma poverty is also 'deeper' – poor Roma on average live on PPP \$1.60 a day less than the poverty line, while poor majority households fall short of escaping poverty by PPP \$1.20 a day.

*Forty-four per cent of Roma live in poverty. Of these, 15 per cent live in extreme poverty*

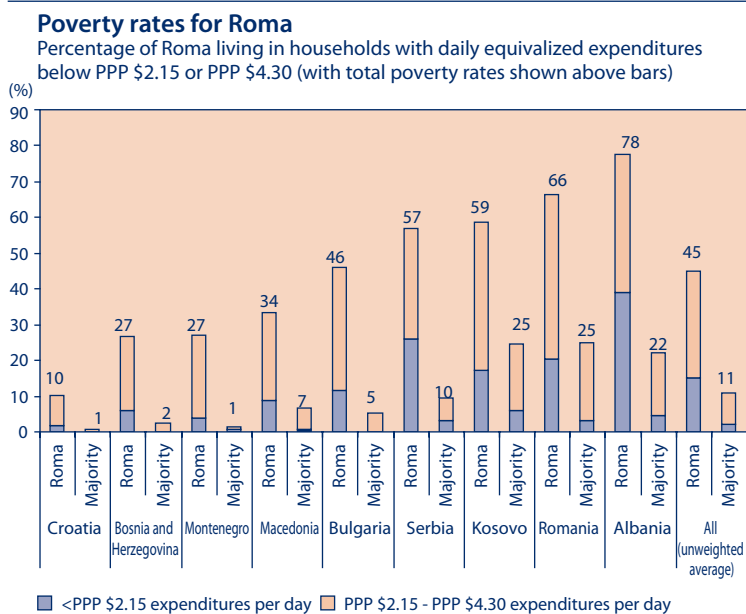
As a consequence of such poverty, Roma have lower average expenditures than majority respondents, and devote a higher proportion of total expenditures to food purchases and a lower proportion to education. Moreover, poor Roma are highly indebted; their average outstanding utility bills amount to more than 12 times their total monthly expenditures. Households accumulate unpaid bills for electricity,

water supply and housing. Even among those Roma considered non-poor in terms of expenditures, their total outstanding payments reach unmanageable levels (and the situation is much worse for the poor households). Writing off debts in such cases is the 'easy' solution, but given the fact that majority households also face debts, the outcome is increased ethnic tensions and further exclusion of Roma.

*The increases in household welfare associated with education or skilled employment are less noticeable in the case of Roma than majority households*

A number of factors have been shown to affect this poverty. Poverty rates are 60 per cent lower among Roma living in capital cities, due to the higher education and employment opportunities available there. The number of children in a household increases poverty, but Roma households appear to cope with their higher average number of children through the inclusion of children into the labour force. Both education and skilled employment help to reduce the incidence of poverty amongst both Roma and other survey respondents. However, the increases in household welfare associated with education or skilled employment are less noticeable in the case of Roma than majority households, suggesting the existence of barriers preventing Roma from obtaining incomes commensurate with their level of education. Efforts to redress the high incidence of Roma poverty should therefore focus on identifying and addressing the attitudes of majority communities (particularly employers) towards Roma.

FIGURE 1



Despite their high poverty levels, Roma are not homogeneous in this regard. Data reveal high levels of income inequality among Roma – higher than those of majority communities. While this might suggest the presence of intra-group exploitation, it also reflects the diversity of the ‘Roma universe’ and its internal distinctions.

## Education of Roma

Better access to quality education is widely seen as a precondition for increasing employment and therefore income potential of vulnerable groups, including Roma. In addition, the completion of a full course of primary schooling is one of the Millennium Development Goals.

Data shows that two out of three Roma (compared with one in seven in majority communities) do not complete primary school, and two out of five (compared to 1 in 20 in majority communities) do not attend primary school. Keeping Roma in school was shown to be a central problem: Roma children spend, on average, less than half the time of children from majority households in the educational system (4.5 compared with 10 years respectively). Less than one fifth of Roma of primary school age actually attend school. As a result, one in four of Roma surveyed are illiterate.

Roma women are shown to be particularly vulnerable. Three quarters of Roma women do not complete primary education (compared with one in five women from majority communities) and almost a third are illiterate (compared with 1 in 20 women from majority communities). Roma youth are also vulnerable, with less than a third of Roma 11-14 year-olds attaining even an elementary education. The lack of positive role models – in the form of a well-educated household head – has been shown to have a major impact on the level of education of Roma, and creates a self-reinforcing cycle of declining education.

Poverty and associated factors such as the health risks associated with poor-quality housing have been identified as possible causal factors for the lower educational status of Roma, highlighting the need for efforts to improve Roma welfare. However, other factors such as the segregation of Roma into Roma-only schools and attitudinal factors associated with the lower returns to education in terms of employment and incomes among Roma may also play a role. These findings underscore the importance of efforts to integrate Roma into school attended by children from majority communities, and to provide Roma with employment opportunities commensurate with their level of education.

To make matters worse, Roma educational vulnerability seems to be intensifying: younger Roma report lower educational achievements than older ones. The strong correlation between the education status of the household head and other members of Roma households high-

*Keeping Roma in school was shown to be a central problem: Roma children spend, on average, less than half the time of children from majority households in the educational system*

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lights the need for urgent action, to prevent a further downward spiral in Roma education status.

Poverty is central to this issue. Although nominally free, education is becoming increasingly expensive in the region, as growing numbers of education-related expenditures are being transferred to households. Being caught in poverty, many Roma households cannot find the funds to cover these costs, further reducing educational opportunities for Roma children.

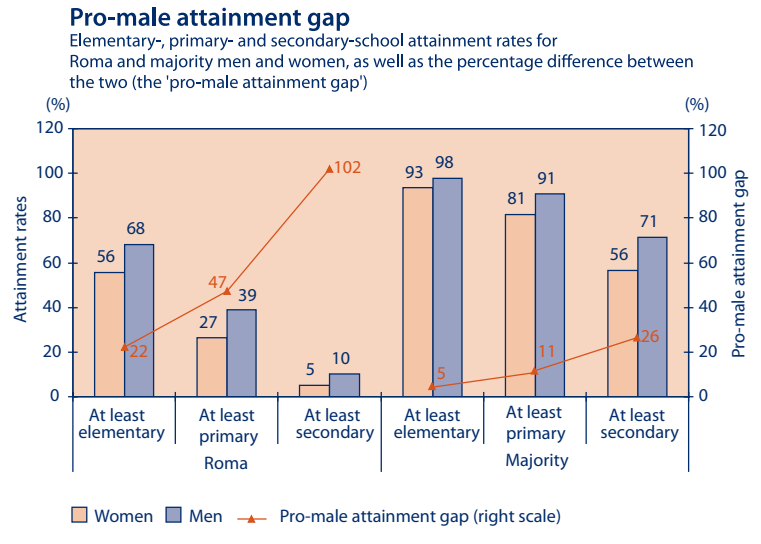
*Policies should aim at encouraging girls and young women to stay in school*

The analysis strongly suggests, therefore, the implementation of policies aimed at encouraging Roma children and their mothers, especially girls and young women and early childhood mothers, to stay in school. Stronger financial incentives to keep children in school, combined with disincentives for tolerating non-attendance, seem critically important in this respect. Practical measures in this regard can include better targeting of social benefits to Roma parents with school-aged children, linking parental receipt of social benefits to verified school attendance by their children, as well as better funding of public education in general, particularly at the elementary- and primary-school levels.

### Employment of Roma

Inadequate employment opportunities, reflecting both weak labour-market competitiveness and the effects of discrimination, are widely

FIGURE 2



## Box 2: National MDG targets, vulnerable groups and primary education for Roma

Enrolment in primary education is a major concern of MDG 2, and most of the national MDG reports for the Southeast European countries set targets in this regard.

In the MDG report, **Serbia** called for raising the net enrolment ratio in primary education to nearly 100 per cent by 2015. At the national level, the country does not have a long way to go, as this rate was 97.9 per cent in 2002. Roma households surveyed, however, would reach the national target only in 2165.\* Attaining the national target by 2015 would require that the growth in Roma enrolment ratios be almost 15 times higher than the national average.\*\*

The **Kosovo** MDG report calls for raising the net enrolment rate in primary education to 100 per cent by 2015, from a 2004 rate of 95.4 per cent. When applying linear progress from this level towards the 100 per cent target and the pace needed to achieve this target (annual increases of 0.42 percentage points), the Roma households surveyed would reach the national target only in 2092. If a 100 per cent primary education enrolment ratio is to be achieved by 2015 for the Roma, the growth in the Roma enrolment rate would need to be eight times higher than for the country as a whole.

\* The annual change needed at the national level is expressed as the difference between its current target values, divided by the difference between the target year (usually 2015) and the baseline year. The year in which the target value will be achieved was estimated by multiplying the current value from the survey by the annual change for each respective sample group. The same methodology is applied in all the boxes addressing the issue of national MDG targets and the vulnerable groups in this report.

\*\* The necessary pace of change represents the annual change needed for the sample group to achieve the national target in the target year, divided by the annual change needed for the country as a whole to achieve the national target by the target year. The same approach is applied to other targets in this report.

perceived as major causes of the poverty and exclusion experienced by Roma. Employment is a principal source of the income needed to escape poverty. This report goes beyond the cliché that unemployment and low-skilled employment are bad, and examines the links between employment and unemployment on the one hand and Roma vulnerability on the other. It investigates the determinants of labour-market outcomes for vulnerable groups, and makes suggestions about the better design and implementation of targeted policies in this area.

*Inadequate employment opportunities are widely perceived as major causes*

A number of general conclusions emerge from the survey data concerning Roma labour-market characteristics in Southeast Europe. Measured unemployment rates in the region are significantly higher for Roma than for majority communities—in some countries, twice as high. ‘Subjective’ unemployment rates among Roma, based on respondents’ perceptions of whether they were unemployed, are higher still. Since for many Roma the lack of a regular job is synonymous with unemployment, high subjective unemployment rates may indicate a combination of greater involvement in the informal sector and a greater willingness to accept the stigma of declaring oneself unemployed.

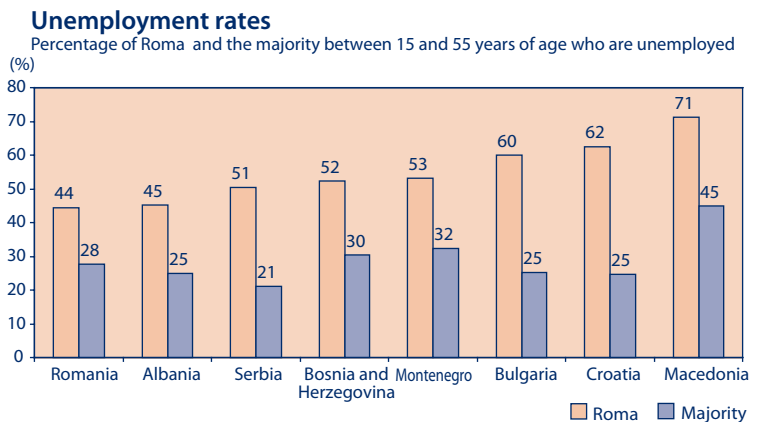
*Low-skilled work predominates and is associated with low incomes, poor job quality, and weak social protection*

Roma employment is concentrated in the trade, agricultural, construction and public utilities sectors; representation in white-collar professions, and in the police or security services, is generally quite weak. Low-skilled work predominates and is associated with low incomes, poor job quality, and weak social and employment protection. Differences in unemployment and the type of employment influence the sources and level of Roma income. Workers from majority communities derive a much higher share of their income from wages. But for Roma, unemployment and child benefits, as well as informal employment income, play a large role in household income.

Self-employment is less common among Roma than among workers from majority communities, with most Roma-owned businesses engaged in trade. Limited access to bank finance is a serious constraint; prospective borrowers are often hampered by their lack of credit history and collateral (which are major problems for the poor in general, not just Roma.) When Roma borrowers do get bank loans, the average loan size is about 25 per cent of what is obtained by borrowers from majority communities. Roma borrowers typically apply for credit for artisanship, trade and agriculture, as well as for personal expenditures and social obligations, including weddings.

Age is less of a factor in Roma unemployment, in that differences in unemployment rates between youth and adults at the prime of their careers are smaller than in majority communities. Unfortunately, this largely results from the poor labour market opportunities available to prime-aged Roma adults. Gender also matters: women have higher unemployment rates than men in majority as well as Roma communi-

FIGURE 3



ties. The employment rate targets set in the Lisbon Agreement (of 70 per cent overall and 60 per cent for women) are often met in majority communities in these countries, but not for Roma. Employment rates for Roma women in some countries are below 20 per cent.

Location is an important determinant of unemployment: differences in unemployment rates for Roma and majority communities are much lower in rural areas than in towns and cities. While this may result from weaker labour demand for all workers, it may also reflect the willingness of Roma to undertake low-paying jobs in agriculture, in which workers from other communities are reluctant to engage. Seasonality also matters, since Roma take agricultural jobs during the fall (harvest) and spring (planting) seasons. The greater prevalence of traditional gender roles (work at home) among Roma in the countryside keeps women out of the (formal) labour force, thereby reducing rural unemployment rates for Roma women. The collocation of Roma and majority households in mixed neighbourhoods also affects unemployment: Roma unemployment rates are higher in segregated than in mixed communities.

Weak educational backgrounds definitely contribute to Roma unemployment. However, the labour market advantages accruing to those with higher levels of education are much less pronounced for Roma respondents than for respondents from majority communities. Although weak educational backgrounds contribute to poor Roma labour market outcomes, they are not sufficient to explain the difference in employment opportunities between Roma and majority workers. Other factors, such as discrimination and/or the concentration of Roma in depressed areas with few employment possibilities, appear to be playing a major role in Roma labour market disadvantages. Simply increasing Roma educational status is not enough to improve employment prospects; such measures should be matched by national strategies on employment, anti-discrimination campaigns seeking to overcome existing social prejudices and dialogue with employers, to provide positive examples of Roma professional advancement.

## Health and security of Roma

Health and nutrition conditions, different threat perceptions and housing situation are important aspects of vulnerability analysis. Many Roma survey respondents stated that their health status had deteriorated over the past year. Some important gender differences exist in terms of incidence of chronic illnesses, with more women affected by chronic illnesses among both groups. In addition, Roma lack access to a family doctor (general practitioner) and often cannot afford to buy medicines that are prescribed. The lack of proper identity and health documents is a particularly pronounced barrier for Roma, too. Roma are much more likely than majority community respondents to go to bed hungry because they cannot afford food. Particularly Roma children are affected

*Differences in unemployment rates for Roma and majority communities are much lower in rural areas than in towns and cities*

*Roma unemployment rates are higher in segregated than in mixed communities*

*The lack of proper identity and health documents is a particularly pronounced barrier for Roma to get access to quality health care*

by these nutrition risks. Insufficient vaccination coverage—reflecting inadequate information or inappropriate medical identification—is also a major determinant of vulnerability, particularly for Roma children.

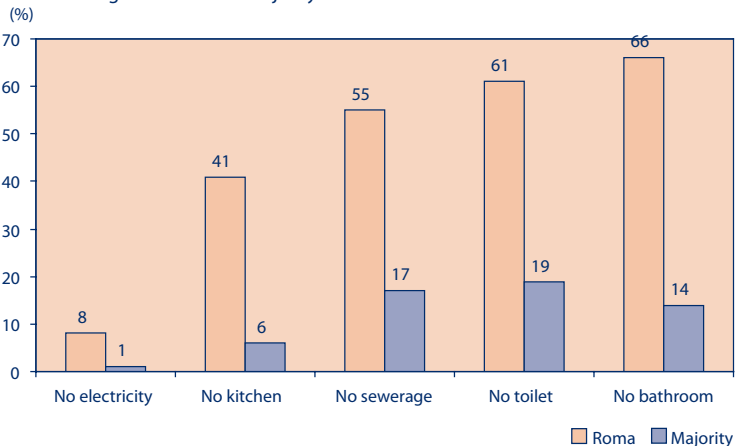
With regard to housing, a large percentage of Roma live in dilapidated houses or shacks with substandard sanitation infrastructure. Roma households are much less likely than majority households to have access to toilets or piped water inside the house or yard. Housing conditions are correlated with poverty and other deprivation indicators concerning household appliances and energy supply, and show that Roma households are worse off in these areas than majority households. Policies need to focus on changing legislation to clarify and strengthen property rights and land ownership. The provision of social housing as well as the improvement of infrastructure in Roma settlements and access to information about housing opportunities also deserve emphasis. They possess fewer basic household items, such as a bed for each household.

The most common threat reported by both Roma and majority respondents lies in the perceived ‘lack of sufficient incomes’. However, there are important differences with regard to other threats. While hunger, poor sanitation and inadequate housing are reported by large proportions of Roma respondents to be the greatest threats to their households, these do not appear to be major concerns for majority respondents, who are more concerned with issues such as crime and corruption. Roma households also perceive themselves to be vulnerable to strong threats of diseases caused by poor sanitation. When asked who would be the best placed to handle such threats to personal se-

FIGURE 4

### Basic household conditions

Percentage of Roma and majority households without basic amenities



curity as low incomes, hunger and inadequate housing, both groups responded that the extended family—rather than central or local government bodies—is best placed to manage these threats. With regard to poor sanitation and corruption, both groups believe that the police, NGOs or local government are best placed to tackle these threats.

## Poverty of the displaced

The survey data show poverty rates among the displaced to be higher than those of majority respondents, with one in five displaced persons living in poverty (compared with fewer than one in seven for majority respondents). The displaced in Serbia are particularly vulnerable, with two fifths of internally displaced persons living in poverty and more than one in six living in extreme poverty. Displaced households tend to fall into deeper poverty, with poor displaced households falling short of escaping poverty by \$1.60 a day compared with the \$1.20 required by the poor majority. This poverty affects the expenditure patterns of the displaced, forcing them to spend less on food and such consumer durables as refrigerators and ovens.

A number of factors are shown to affect this poverty. Poverty rates among the displaced are almost double in capital areas. This reflects the smaller number of opportunities in capitals for the displaced who usually end up in refugee centres while in rural areas they benefit more from state support and extended family networks. The education and skill level of employment of the household head has been shown to be the principal factor affecting welfare: displaced households with a well-educated household head in skilled employment can be expected to increase household expenditures by 174 per cent. However, it is also clear that controlling for the effects of location, education and employment, the displaced remain disadvantaged vis-à-vis majority households.

The report also emphasizes the importance of the unresolved legal status of displaced persons, and of its links to poverty and exclusion. It suggests that, while Roma need priority attention in terms of poverty reduction efforts, it is not just Roma who need such attention. Refugees and internally displaced persons are also vulnerable groups who face greater-than-average risks of poverty and social exclusion.

## Education and employment of the displaced

The survey data show that education is not the problem for the displaced that it is for Roma, as differences in education levels between displaced and majority respondents are generally insignificant. However, despite reporting education levels similar to those of majority households, the displaced do not have the same employment opportunities. As might be expected, unemployment falls in both communities at higher levels of education, although the labour market advantages for displaced per-

*Poverty rates among the displaced are almost double in capital areas*

*Displaced women are much less likely to continue their education after secondary school*

sons with higher education are smaller than for majority workers. In addition, improvements in education for the displaced do not lead to commensurate increases in wages. Important gender differences do appear in terms of tertiary education, with displaced women much less likely to continue their education after secondary school.

While unemployment rates are consistently higher for displaced than majority workers, subjective unemployment rates are lower for the displaced in some West Balkan countries. This may reflect a greater reluctance to accept the stigma that can come with declaring oneself to be unemployed. Youth unemployment is slightly higher among displaced than majority households, though rates are very high in both communities. Unemployment rates for women are higher than for men across the region, and the gap between the rates are higher for displaced than for majority communities. And whereas employment rates for displaced men exceed the Lisbon employment rate targets (70 per cent overall), those for majority and especially displaced women fall short.

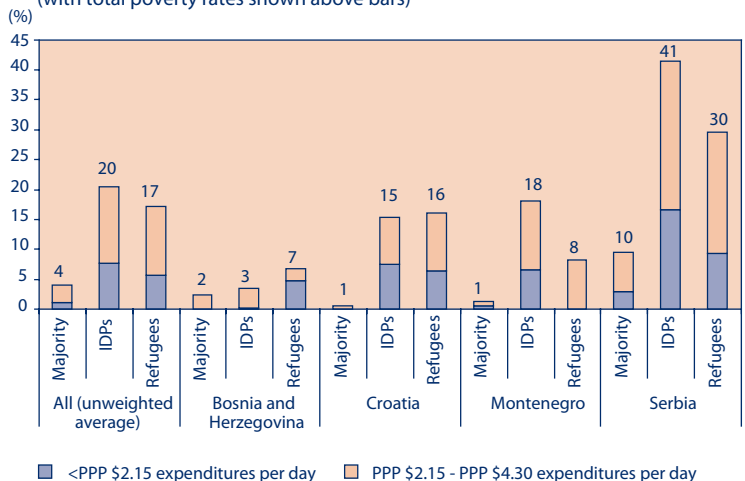
The displaced are mainly employed in low-skilled manual jobs, and they are more likely to work in the informal sector to a greater extent than are members of majority communities. Income levels for the displaced are lower than for majority households but, unlike Roma, the displaced derive almost all of their income from labour (rather than social benefits or

*The displaced are mainly employed in low-skilled manual jobs, and they are more likely to work in the informal sector*

FIGURE 5

**Poverty rates for the displaced**

Percentage of refugees and IDPs living in households with daily equalized expenditures below PPP \$2.15 or PPP \$4.30 (with total poverty rates shown above bars)



### Box 3: National MDG targets, vulnerable groups and displaced youth unemployment

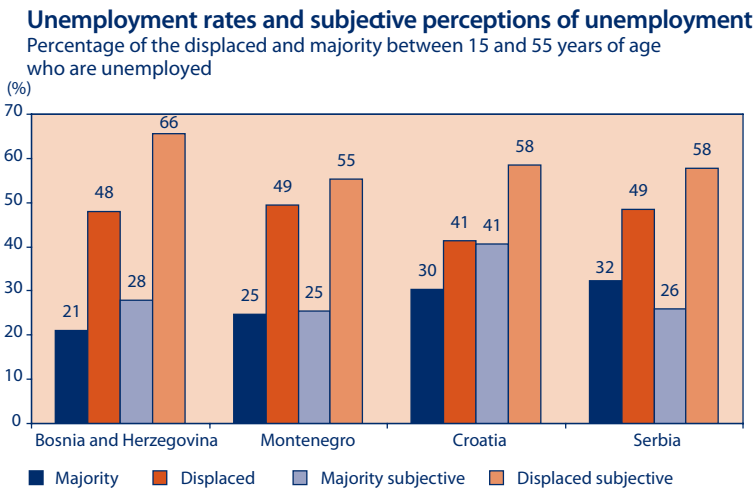
In **Bosnia and Herzegovina**, the National MDG report calls for reductions in the unemployment rate among youth (15-24 year olds) to 12 per cent by 2015. Assuming progress towards this target is calculated from the 34.8 per cent rate estimated in 2001, the youth unemployment rate in Bosnia and Herzegovina would have to decline by 1.63 percentage points annually. At this rate, the displaced would reach this 12 per cent target only in 2036. Achieving the target by 2015 would require annual reductions in the unemployment rate for displaced youths three times larger than the national figure.

other forms of income generation). Unstable employment is associated with low incomes that are substantively lower among displaced than majority households. Moreover, inter-group discrepancies in wages do not seem to be fully offset by either benefits or by coping strategies such as subsistence farming. Displaced workers are overrepresented in sectors dominated by manual, low-skill labour, and are underrepresented in public sector employment. This is largely consistent with their 'provisional' and 'unresolved' status. The displaced face also limited opportunities for self-employment and access to credit. Like Roma, the displaced tend to rely on family and other informal credit sources.

More majority households try to start a business than do displaced, but the differences are not great. As with Roma and the poor in general, the displaced find it hard to get bank credit, although there was little difference in the average value of loans between displaced and majority households. Displaced households are more likely to borrow

*Displaced workers are overrepresented in sectors dominated by manual, low-skill labour, and are underrepresented in public-sector employment. The displaced face also limited opportunities for self-employment and access to credit*

FIGURE 6



from friends, relatives and NGOs and are less likely to be members of credit cooperatives or credit unions than majority households. Collateral is a major constraint and, whereas nearly all majority households live in housing that belongs to them or their family members, fewer than half of displaced households do. The displaced are also less likely to own land. A large share of displaced households borrows for home improvements and this may help explain banks' reluctance to lend.

### Health and security of the displaced

Data show that the displaced face a very insecure housing situation: most live in accommodations for refugees with substandard sanitation infrastructure. These conditions, and the fact that they often have left much behind in the places from which they fled, mean that the displaced possess fewer basic household items, such as furniture or books. Access to information and communication technologies is often inadequate as well.

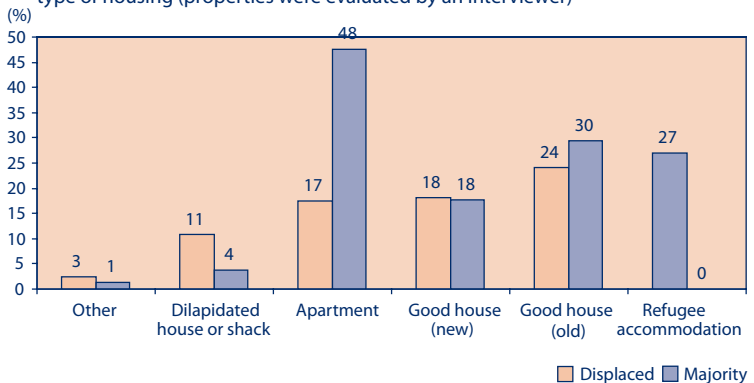
*Physical isolation, low incomes, inadequate identity documents are barriers to access to health services for displaced households*

The displaced rate their health status worse compared to one year earlier. Some important gender differences exist in terms of incidence of chronic illnesses: more women are affected by chronic illnesses among both displaced and majority households. The displaced are more likely to suffer from neuroses and disorders related to the psychological trauma of displacement. Large physical distances to health facilities, low incomes, and lack of proper identity documents, are major barriers to access to health services for displaced households. Insufficient vaccination coverage (most often due to inadequate identity documents) is a major determinant of vulnerability, particularly for displaced children. Like Roma, displaced households are much more likely than

FIGURE 7

#### Housing quality

Share of the displaced and majority living in each type of housing (properties were evaluated by an interviewer)



#### Box 4: **Displaced children in Serbia – struggling for survival, far from development**

Nominally, education in all Southeast European countries is free and available to all. In reality, however, different groups face different problems in executing their right to education.

Children of displaced families are particularly vulnerable to educational risks. In some cases, collective centres are far from schools, making it difficult for children to attend. A Norwegian Refugee Council report on internally displaced persons found that 20 per cent of displaced children in Serbia do not attend school. Those who attend often do so in classes with over 50 children per classroom.

Language can also be a barrier, particularly for Albanian- or Roma-speaking children. Chronic illnesses, lack of proper clothing, and intolerance from local children can add further difficulties. Most of the displaced Roma children from Kosovo have either never been to school or dropped out before completing the fourth year. Even when children show an interest in school, cultural attitudes to education compound the practical and psychological barriers to school attendance.

Some of the children are in orphanages, others are in foster care, others live with close or distant relatives. Twelve per cent of children in Serbian orphanages are displaced. Life for these children has been described as “only survival, no development.” Nutritional risks are also present: to date, school meals have not been part of education programmes. While such risks are present for the entire population, they can be particularly difficult for displaced children. Border communities and other strategically located municipalities can be hit by large influxes of displaced persons, putting the educational system and other public services under severe stress. For example, in certain areas of Vojvodina and Kraljevo, 42 per cent of the people are refugees and IDPs.

UNICEF plays a leading role in providing education for these children, organizing ‘catch up’ classes for approximately 30,000 displaced children of primary school age (some 1,000 of whom are Roma) in collective and community centres and in Serbian primary schools. Most of the assistance for children has gone to education for younger children. UNICEF reports that more than 8,000 children in Serbia have lost a parent or been orphaned during the decade of wars. Their lack of prospects makes youth understandably angry and prone to destructive behaviour. If they are left without positive role models and opportunities to constructively craft their future, displaced children are at risk of growing into angry young people who perpetuate cycles of violence and retaliation.

Box based on “Refugee and Internally Displaced Women and Children in Serbia and Montenegro”. September 2001. Women’s Commission for Refugee Women and Children. New York: WCRWC.

majority households to go to bed hungry because they cannot afford food. Displaced children are particularly susceptible to nutrition risks.

The most common threat reported by both displaced and majority households (as in the case of Roma) is ‘lack of sufficient incomes’. However, while large proportions of displaced households view hunger, poor sanitation, and inadequate housing as the greatest threats to their households, majority respondents are more concerned with such issues as crime and corruption. When asked who would be the best placed to handle these threats, both groups responded that the family should handle problems of low incomes, hunger and inadequate housing. Poor sanitation and corruption, by contrast, were seen by both groups as requiring the intervention of the police, NGOs or local government.

## Policy recommendations

Policies intended to decrease vulnerability during the last 15 years in Southeast Europe have too often suffered from the absence of two critical components: a comprehensive human-centred conceptual framework, and clear measurable objectives. Policies have too often focused on treating symptoms than causes, and have been developed on a case-by-case basis (sometimes in response to humanitarian disasters) without a clear conceptual underpinning. Individual policy interventions often tend to be group-oriented, contributing to fragmentation of local communities. In the countries of the Western Balkans, where millions of people experienced the horrors of ethnic cleansing, policy approaches that emphasize ethnicity are unlikely to be sustainable.

### *Non-discrimination and equality before the law*

*Non-discrimination should be a foundation of inclusive policy frameworks*

Non-discrimination should be a basis of inclusive policy frameworks. At present, however, these frameworks are not fully developed, and capacity gaps in state institutions (particularly the courts) and civil society limit their implementation. Also, not all aspects of anti-discrimination policies are universally accepted. The concepts of ‘positive discrimination’ (or ‘affirmative action’) and ‘indirect discrimination’ (where discrimination is held to occur even if the intent to discriminate is absent), remain quite controversial.

### *Recognition of joint interest*

*Roma and the displaced should receive state support first and foremost not because of their ethnic or legal status, but because they are victims of social exclusion*

This recognition must form the basis of any dialogue, in order to gain the support of the broadest set of constituencies and avoid the perception that solutions are being imposed from above or in response to the demands of one group or another. Majorities and minorities alike could start by recognizing that diversity can be an asset for any society. If possible, measures that would further fragment societies along ethnic lines should be avoided. Instead, vulnerability—along the dimensions set forth in this report—should be targeted, rather than ethnicity. Roma and the displaced should receive state support first and foremost not because of their ethnic or legal status, but because they are victims of social exclusion, and because EU integration requires that anti-discrimination laws and social policy address their plight. Since vulnerability in many Southeast European countries is shared across ethnic groups, majority and minority communities have a common interest in addressing it.

### *Welfare-to-work programmes and labour market reform*

The importance of increasing employment for Roma and displaced workers in Southeast Europe raises questions about the effectiveness of active labour market policies and programmes for vulnerable groups. In

addition to reducing poverty, active labour market policies can support the adoption of more pro-active labour market postures by vulnerable workers and help alter mindsets that can come with long-term unemployment and social marginalization. Moreover, when employment subsidies are smaller than the unemployment benefits that would otherwise be paid, active labour market policies can also be cost-effective short-term social policy instruments. ‘Welfare to work’ measures—under which unemployed workers engage in public-funded employment in lieu of receiving cash payments, sometimes in partnership with private employers—are close to the spirit of active labour market policies.

### *Involving the private sector*

When facing challenges of high unemployment and poverty rates, governments often succumb to the temptation of increasing public spending for social assistance and public works programmes. These may be justifiable as short-term emergency measures. In the longer run, however, it is the market and the private sector (not governments) that must create jobs for Roma, displaced and other vulnerable workers. Governments’ role is primarily in helping vulnerable workers to improve their employability, rather than in providing direct employment opportunities. Public works can be useful in this respect – but rather as an opportunity to improve skills, and less so as direct employment provision.

This also means that private employers must be at the heart of any long-term sustainable strategy to reduce unemployment for Roma and displaced workers. Growing numbers of companies increasingly understand that consigning millions of Roma and displaced households to the socio-economic margins is bad for business. Involving the private sector also means the appropriate application of business criteria to social programmes and projects targeting vulnerability. Competition between social service providers and local-level implementing partners should be promoted, whenever possible. Measurable quantitative deliverables should be defined and applied when determining development priorities and policies, on the basis of cost/benefit analysis.

### *Self-employment and access to microfinance*

Self-employment can play a critical role in moving vulnerable workers from dependency to active income generation. As with labour market deregulation, reforms to improve business environments must wrestle with a number of trade-offs. Improvements in the business environment may have mixed consequences for Roma and displaced workers, particularly if job creation rates lag behind overall economic growth, or if the benefits of employment growth are concentrated at the top of the labour market. In order to ensure that benefits from measures to improve the business climate do reach vulnerable households, measures to improve access to

*Private employers must be at the heart of any long-term sustainable strategy to reduce unemployment for Roma and displaced workers*

*Measures to improve access to credit and capital necessary for small business start-ups are important (especially microlending)*

credit and capital necessary for small business start-ups are important. Microlending can be particularly important in this regard.

### *Evidence-based policies*

*Data that are disaggregated by relevant vulnerability criteria must be collected*

While data collection should be a priority and responsibility of national statistical agencies and governments, they face in this matter some problems. Some are constitutional in nature – many countries' data protection legislation limits the official collection of data by ethnicity, thereby complicating the task of measuring vulnerability in ethnic terms. On the other hand, in the absence of adequate vulnerability data, priorities are difficult to determine—particularly when choices need to be made at the local level. Cost/benefit analysis of different policy options, progress monitoring, impact assessment—all this is impossible. Data that are disaggregated by relevant vulnerability criteria must be collected, in order to make possible in-depth monitoring of the standard MDG frameworks and social inclusion indicators, particularly within the framework of the joint inclusion memoranda these countries are now negotiating with the European Commission. Only then will vulnerability analysis facilitate the policy needs for targeted area-based interventions.

### *Policies specifically targeting Roma*

The general principles outlined above should be translated into group-sensitive policies, programming, and projects, which in turn should often be conducted within an area-based development framework. The report outlines a set of Roma-specific elements that should complement the general framework of policies targeted at decreasing vulnerability.

### *Reducing dependency*

*The failure to leave social safety nets today can reduce the likelihood of breaking this dependency cycle in the future*

Roma are particularly vulnerable to dependency traps. With limited development opportunities and few successful role models from their own communities, Roma easily reduce their professional aspirations to the point where survival on social welfare is an acceptable option. Reliance on welfare payments can exacerbate problems of vulnerability by weakening incentives to improve labour market competitiveness. The failure to leave social safety nets today can reduce the likelihood of breaking this dependency cycle in the future. But because Roma participation in the formal economy is often limited, relatively large numbers of Roma do not pay the social security taxes needed to fund these benefits.

In order to reduce this 'culture of dependency', social welfare systems should seek to avoid weakening work incentives by reflecting the principle of 'positive net benefits for positive net efforts'. Social assistance should therefore be conditional on attempts by beneficiaries to leave the safety network, and improve labour market competitiveness, in a reason-

able period of time. Likewise, social welfare should not be perceived as an unconditional entitlement that is paid irrespective of income earned in the informal sector. Engaging private employers and welfare-to-work schemes can make it easier to 'escape the dependency trap'.

### *Long-term focus on education*

The survey data discussed in this report show that broader education and employment opportunities can reduce poverty, and vice versa. Building on this link must be at the core of breaking the vicious cycles of poverty and exclusion. Ambitious initiatives in education, in terms of desegregation, more resources, and reform of educational curricula, administration, and finance are needed for this. The survey data also suggest that, while adequate education and skills are key to improved access to employment, they are not sufficient to bridge the employment and income gaps Roma are facing. Improving employment opportunities for Roma requires combining initiatives to improve their educational status (like the Roma Education Fund) with anti-discrimination measures targeting majority communities, employers, and other groups. Companies in particular need to become more involved, both to help create the positive role models needed to reduce workplace stereotypes and discrimination, and to raise expectations in Roma communities themselves. Finally, role models are part of escaping from poverty and vulnerability. Children often lack positive examples of how and why education pays off. There is a strong correlation between the educational level of household heads, the status of their households, and the educational achievements of household members.

### *Redefinition of existing structures for inclusion*

The redefinition (not substitution) of national and sub-national structures for inclusion, employment promotion and social support is key to sustainable development that decreases dependency. This emerges as a key lesson from the sluggish implementation of the Decade of Roma Inclusion. When the Decade was formally launched at the beginning of 2005, national action plans (NAPs) had already been adopted in each participating country, so that implementation could begin thereafter. Unfortunately, those plans were not translated into operational programmes and projects that could reach the community level. The expected outcomes of the Decade (articulated in its objectives and the NAPs) were not linked to all outputs, activities and the necessary inputs. The absence of explicit activities and inputs made costing impossible. Without financial information, Decade-related initiatives cannot be included in budget planning. Last but not least, the Decade's general targets were not accompanied by the specific indicators needed to monitor the progress (or its absence) of the Decade implementation. All this re-

*Improving employment opportunities for Roma requires combining initiatives to improve their educational status with anti-discrimination measures targeting majority communities*

*The redefinition of national and sub-national structures for inclusion, employment promotion and social support is key to sustainable development that decreases dependency*

lates to capacities – capacity to translate general political commitments into pragmatic action, capacity to identify needs and allocate resources, capacities to monitor progress and modify the initial design of projects when necessary. But it also relates to the focus of international actors involved in the Decade, which is still insufficiently results-oriented.

*Aligning the Decade of Roma Inclusion  
with the area-based development paradigm*

*Area-based  
programming  
can promote the  
integration of  
Roma and other  
communities at the  
local level*

The Decade of Roma Inclusion has created an inter-governmental framework, within which specific actions and commitments can be designed and implemented. In many countries, however, the Decade's substantive content is not yet fully defined. Area-based development can be of assistance here, in a number of respects. Many of the development challenges facing Roma are seen most clearly at the local level. This reflects both the concentration of Roma communities in certain geographic areas, and the fact that responsibility for delivery of the most necessary services – particularly education, employment facilitation and health care – is at least partly decentralized. As such, their quality dramatically varies depending on locality, its ethnic structure, local poverty rates and the like. School desegregation means not just passing relevant regulations in the national capital—it also means implementing them in schools in concrete locations. Similarly, increasing employment opportunities requires dialogue between local labour offices and local businesses, local-level facilitation of new start-ups, local microfinance activities, and the like. Moreover, area-based programming can promote the integration of Roma and other communities at the local level. Narrow group- (rather than area-) defined interventions may further isolate Roma from the social mainstream.

*Genuine representation of Roma and reliable  
partnerships at the local level*

'Nothing for Roma without Roma' has already become a standard requirement. Unless genuine representation of Roma communities is achieved, this powerful message may be little more than tokenism that camouflages exclusionary approaches to policy formulation. Representatives of Roma communities and government agencies are indeed engaged in dialogue. But this dialogue too often takes the form of parallel monologues in which expression does not necessarily lead to communication or the finding of a common language or joint interest.

Area-based development projects must be implemented locally. Reliable partners – organizations that can deliver – are needed for that purpose. Donors and international organizations can play a key role in identifying and supporting such partners. In many respects, the cred-

ibility of donors engaged in such projects is also at stake. While the capacities of Roma NGOs need to be strengthened, traditional ‘capacity development’ projects are not always sufficient. Learning by doing should be encouraged, for example via involving Roma in internship programmes and employing Roma in various levels of international organizations.

*The relationship between Roma and majority communities: understanding each side’s point of view*

Issues of majority community perceptions of Roma are becoming increasingly important. Funding for policies to address vulnerability may be small compared to the scale of the problems, but media attention on such support may inflate its significance in popular perceptions. This is particularly the case when projects are not robustly effective or whose impact is disputable. Such dual perceptions of vulnerability issues have become common in the last 15 years: majority and vulnerable communities increasingly view otherwise incontestable facts and events in diametrically opposed ways. Majority communities and Roma too often find themselves in a situation analogous to a husband and wife seeking a divorce: they bombard each other with accusations and grievances. The search for common interest – hard to achieve when policies and projects are designed along ‘ethnic’ lines – seems to have vanished. Whereas the behaviour of Roma communities (and their intermediaries from the ‘development business’) seems at times to reflect the belief that majorities should have a ‘guilt complex’ vis-à-vis the Roma, majority communities perceive Roma poverty and social exclusion as a voluntary choice, which can be described as ‘the absence of responsibilities and having to pay taxes’. Both sides see the other as being wrong; notions of tolerance, common responsibility, and common interest are conspicuously absent.

*Respect for gender issues and distinct cultures*

As the survey data discussed in this report show, women are often more vulnerable than men, in both Roma and displaced communities. To some extent, this heightened vulnerability reflects traditional gender roles that are often related to cultural factors. Culture, however, evolves. It is therefore important to realize which components of ‘traditional culture’ are compatible with contemporary social standards – particularly regarding women – and which are not. For example, common-law marriages in Roma communities should be legalized, with all attendant rights and responsibilities for both partners. And Roma women who question or refuse to honour traditions of early marriage and childbearing deserve tolerance, if not support, from their communities, as well as from social service providers. This suggests that

*Learning by doing should be encouraged, for example via involving Roma in internship programmes and international organizations*

*Majority communities perceive Roma poverty and social exclusion as a voluntary choice*

measures to increase gender equality within Roma households—measures emanating from within Roma communities themselves—may be particularly worthy of support.

### *Policies specifically targeting displaced persons*

Displaced communities in Southeast Europe also face some specific challenges that require appropriate policy and programming responses. The section below outlines some major proposals that could contribute to improving the status of these populations. The list is shorter than in the case of Roma, but the magnitude of the challenges these populations face in many respects is comparable.

The regional context is crucial here. The challenges displaced populations face in Southeast Europe may be insignificant from a global perspective. However, given the level of socioeconomic development of these countries, their aspirations for EU membership, and the resources available compared to those for other regions of the world, the issue of displaced populations acquires significant dimensions.

### *Guiding Principles on Internal Displacement*

Improving the status of the displaced would entail applying the Guiding Principles on Internal Displacement. Adopted by the UN Economic and Social Council in 1998, the principles are based upon, reflect and are consistent with international human rights law. The document provides a consistent framework for identifying needs for planning, implementing and monitoring protection activities. Hence implementing the 30 principles in the adequate national contexts is a first step towards improving the status of the displaced in the region.

### *Moving from humanitarian assistance and crisis prevention to development*

This report shows that the unresolved status and ‘provisional nature’ of opportunities for the displaced are major determinants of their vulnerability. Sustainable solutions to these challenges require clarity about the intentions of the displaced,— whether they wish to return to their homes or integrate into new communities. Their legal status should be determined accordingly.

Displaced households usually lack temporary employment opportunities or access to basic services. Seen from this perspective, ‘improvements’ within existing ‘provisional’ settings should not be seen as sustainable development options. Real improvement can only come from displaced persons being fully reintegrated into society or enjoying sustainable conditions upon their return to their places of origin. In

*Real improvement  
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places of origin*

either (or both) cases, the focus of the policy response to vulnerability needs to shift from humanitarian assistance to development.

### *Towards a regional 'Decade of the Displaced'*

As humanitarian assistance for displaced populations is phased out but appropriately crafted policies and programmes to address socio-economic vulnerabilities have yet to come on line, a vacuum in policies vis-à-vis the displaced may emerge. This underscores the continuing need for advocacy to ensure that the displaced do not become a 'forgotten population'. Humanitarian aid should therefore be replaced by comprehensive, sustainable integration programmes, or by targeted development aid that is well grounded in the vulnerabilities faced by displaced households. While national government and NGOs must play a key role in this next phase, the magnitude of the task – particularly in Bosnia and Herzegovina, Serbia, and Kosovo – may well be beyond the capabilities of national actors. Effectively addressing the vulnerability of the displaced in the Western Balkans may therefore require a broader framework of international support.

Efforts to address Roma vulnerability have since 2005 benefited from the Decade of Roma Inclusion. By contrast, efforts to assist the displaced lack an overarching regional political commitment that could mobilize the governments to approach these issues in a systematic manner. A 'Decade of the Displaced' initiative, modelled (where appropriate) on the structures and lessons of the Decade of Roma Inclusion, could provide such a framework. Such an inter-governmental framework could provide a forum at which agreements on major priorities could be brokered, push governments to undertake explicit commitments, and ensure coordinated international support for their implementation. As with the Roma Decade, a 'Decade of the Displaced' could facilitate the creation of an overall mutually acceptable framework, into which the national policies would fit.

Such an initiative should target all persons displaced by the conflicts in the Western Balkans. It would match regional visibility and international commitment with focused national action plans needed to better respond to the vulnerability challenges facing displaced communities – challenges that are generally common across the region, but also bear national characteristics that need to be taken into account. A regional strategy to set the principles for addressing the needs of displaced communities could be elaborated, with the active participation of governments, the international community, and representatives of the displaced themselves. Following the pattern of the Decade of Roma Inclusion, the regional principles could be translated into national action plans that could be rooted in the regional development priorities of the participating countries. This strategy should complement the Migration, Asylum, Refugees Regional Initiative of the Stability Pact for Southeast Europe. Also following the example of the De-

*Humanitarian aid should be followed by comprehensive, sustainable integration programmes*

*A 'Decade of the Displaced' could facilitate the creation of an overall mutually acceptable framework, into which the national policies would fit*

cade of Roma Inclusion, countries with national strategies for responding to issues of displacement could update and modernize these strategies, with a view towards transforming policy frameworks and social attitudes vis-à-vis the displaced, away from treating them as a burden for local communities, and towards making best use of their 'human capital'.

Of course, such an initiative would face a number of difficulties. Characteristics of displaced communities and the challenges they face differ sharply from country to country. Multiple political challenges are also apparent, as the development challenges faced by the displaced may be closely linked to country-specific ethnic tensions or to Kosovo's unresolved status. Numerous technical issues would also need to be addressed (*Which institutions should compensate the victims of displacement? What role should be played by the local authorities, particularly for internally displaced persons? For which properties should the displaced be compensated? How should the value of these properties be assessed?*). But as serious as these difficulties may be, they are also why an overarching inter-governmental initiative may be the best, most sustainable way to provide international support for national (and bilateral when possible) efforts.

That many international actors (including, but not limited to, the UN family) deal with issues of displacement is another argument in favour of such an initiative. In practice, however, many of these organizations pursue their own 'sectoral' priorities and resist coordination, making effective collaboration on the ground distressingly difficult. This is unfortunate, since responses to issues of displacement should be based on a clear and consistent business model within a protection framework based on applicable bodies of law – particularly if displaced communities are to make the transition from assistance and dependency to sustainable development. Emergency relief requires a different set of approaches and operational modalities than sustainable local integration efforts. A 'Decade of the Displaced' could provide the forum at which these transition modalities can be negotiated, agreed and coordinated. These include first and foremost a better division of roles and responsibilities between the different agencies involved in displaced persons' issues.

### *Political participation of displaced communities and adequate representation*

Although of different nature from the Roma, the problem of adequate representation of the displaced is not less acute. Displaced persons often face difficulties voting in elections. The survey data show that displaced persons are underrepresented and not sufficiently included in local policy-making affecting their interests and status. The displaced often find themselves in the role of 'project beneficiaries' with limited opportunities to influence the design and implementation of the policies that are meant to assist them.

The issue of adequate representation of the displaced may become particularly relevant if a regional initiative (along the lines outlined above) were to be launched. Adequate representation would also help the displaced articulate their interests at the local (community) level, and would reduce the chances of the problems of the displaced being misused in arguments between governments in the region. Stronger local representation would help implement rights-based approaches to development also in the case of displaced communities. With representative bodies in place that are capable of articulating and promoting displaced communities' interests, interaction and cooperation with local-level institutions and populations in host societies would be facilitated. This would reduce rejection (and sometimes stigmatization) of refugees and IDPs and would facilitate their sustainable integration, particularly of young people.

### *Facilitating integration into new communities*

International conventions protect displaced persons from forced return to their place of origin and from compulsory integration into their host country. In cases when integration in the host societies is the choice, it should be facilitated by the active engagement of, and support for, local host communities. Integration of the displaced should not be seen as an additional burden on these local communities. Area-based projects that support such communities in their integration of the displaced can be a particularly effective, sustainable response to the vulnerability challenges associated with displacement. Such projects could begin by assessing the institutional capacity of municipalities to cope with significant inflows of displaced persons (whether for return, integration or both), in order to identify gaps for external support. Where possible, inter-municipal collaboration within and across national boundaries to facilitate the integration or return of the displaced should likewise be promoted. Donors should be encouraged to provide priority support for such projects. The guiding principle should be approaching the displaced as an asset (rather than as a burden) for local economies – but an asset that requires appropriate investments in order to generate significant returns.

UNDP's experience with returnee projects points to the importance of working with central and municipal governments to build capacity for managing displacement issues. The 'Sustainable Transfer to Return-related Authorities' project implemented by UNDP in Bosnia and Herzegovina is a good example of this: it involves local authorities in all aspects of the return and reintegration of the displaced. These include the articulation of return needs, the design of relevant interventions and their funding, implementation and evaluation. National and local partners have been involved in project design and implementation. These partnerships have helped strengthen stakeholder ownership in the project, which bodes well for its success.

*Adequate representation would help implement rights-based approaches to development in the case of displaced communities*

*Area-based projects that support communities in their integration of the displaced can be a particularly effective, sustainable response to the vulnerability challenges associated with displacement*

*Donor-funded property compensation funds for displaced persons could be established and managed within the framework of the 'Decade of the Displaced'*

*Property compensation and real estate swaps*

Many displaced households have experienced not just physical displacement (from their homes and communities), but also social displacement, being pushed from the security of middle-class status into socio-economic vulnerability. Once the conflict is over and when international frameworks for addressing displaced persons' problems are put in place, the restitution of property rights should be put on the table. Apart from the direct benefits for the affected populations, restitution of property rights may bring additional momentum to the returns process, encouraging other people and whole communities to follow. The process, however, should be nationally owned and nationally directed. Whenever possible, property and real estate swaps should be encouraged – but in ways that transparently recognize displaced households' legitimate ownership rights, rather than making them both victims and beneficiaries of non-transparent property confiscations. Compensation for lost and destroyed property should be available and negotiable within internationally agreed frameworks. Donor-funded property compensation funds for displaced persons could be established and managed within the framework of the 'Decade of the Displaced'.



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