



## Economic Development Perspectives of Roma – Looking Critically at Reality and the Social Impact of Development Measures

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It is now widely accepted that the Romani community is confronted with high rates of formal unemployment due mostly to insufficient skills, lack of opportunities and discrimination. The Central and East European region is host to millions of middle-aged and young Romani adults with at best an eighth grade education and some vocational training, and many are already responsible for households with an average of 4-5 persons. They live in economically depressed areas and they are often confronted with discrimination. While the National Action Plans formulated in the framework of the Decade of Roma Inclusion include measures aimed at increasing access to employment among Roma, it is questionable whether the policy-makers, let alone Romani activists, truly believe that they can be effective. The combination of systemic transformations in the region and historical marginalisation of Roma is a unique situation in Europe, and I think it is fair to ask: *'Do we really know how to provide for greater economic inclusion of Romani men and women?'*

In the new EU Member States and the accession countries, we now have seen some fifteen years of programmes, discussions and plans on how to improve the situation of Roma. Currently, we have the UN Millennium Development Goals, the governmental Strategies concerning Roma, the OSCE Action Plan on Improving the Situation of Roma and Sinti and now the Decade Action Plans for Roma Inclusion. The EU's National Action Plans for Social Inclusion in 2000 already set the target of facilitating the eradication of poverty by 2010, when the expanded Europe will include the Central and East European countries where the majority of Roma live.

While all of these are achievements in building recognition of the problems, the reality is that the majority of Roma at the local level say their situation is getting worse.

For there to be substantive change over the next ten years, the organisations, institutions and individuals active in Romani and Romani-related issues therefore face the challenge of having to greatly improve the effectiveness of their efforts. Identifying how to do this requires us to spend more time on analysing and reflecting on our work, together with others, to gain a better understanding of the real impact programmes have on the average Romani household.

### Critical learning on strategies, programs and actions

In many ways, we are conditioned to report on or stress our achievements, outcomes and outputs, since our funding or reputations often depend on it. However, this way, we are not establishing a realistic representation of the impact of our interventions and the broader environment in which they take place. In the process of designing new programmes and mechanisms in the context of the *Decade*, we should spend more time on learning from experiences. For this, however, governments, donors and NGOs should be encouraged more to include critical reflections on the limits of our work, and the mistakes that have been made, not just the positive outcomes.

At the same time, we need to start educating ourselves and our colleagues on how to undertake critical analyses of our work efficiently and systematically, integrating more reflection processes alongside our actions. Most of our energy seems to go into implementing activities, and not enough into identifying key questions to increase understanding and reflect critically on the social impact of our actions. Important efforts are being made to improve monitoring of the implementation of Strategies and Action Plans, but there is also a need to build a culture of *praxis*

- of acting and then critically reflecting upon it, within institutions, organisations and communities at local, national and international levels.

### **Looking beneath the 'surface' of assessment indicators concerning employment**

In terms of the National Action Plans and efforts to increase employment among Roma, we may begin to reflect more thoroughly on the effectiveness of measures by further specifying assessment indicators, through the development of more precise questions.

*Vocational training:* Most governmental Strategies and *Decade* Action Plans include some element concerning vocational training. However, the assessment should not only look at how many persons were trained, but also at how many persons were actually able to obtain and retain jobs after the training. Roma often live in economically depressed areas, where job opportunities are limited. Therefore, vocational training alone is not enough, unless there are links to realistic opportunities for long-term employment.

*Employment registration:* Through various ministerial programmes and labour bureau mechanisms, governments hope to increase the number of Roma 'going back to work', through greater integration in the job market or through the creation of special programmes to employ the long-term unemployed. However, it is important to consider the extent to which it is permanent employment that is established for the beneficiaries. In some programmes, we have noticed that persons obtain work contracts for 6 months, thus returning them to the employment registrars, but in fact, after six months they are laid off again or their work contract ends. While this may help the immediate situation of families, it does not yield sustained results that provide for real family security and development perspectives.

*Starting new businesses and agricultural initiatives:* Among the approaches for stimulating income, we also find programmes for supporting the start-up of new businesses and agricultural initiatives by Roma. For the most part, indicators rely on the number of new businesses and farms created. To increase our understanding of the social impact however, indicators should also include the success rate and sustainability over time. This would also provide for a better understanding of why some businesses succeed and others fail.

*Gender disaggregated data:* Until now, there is an insufficient level of insight into the differences between Romani men and women in terms of accessing development opportunities, including those related to employment. Taking this into consideration, the targets and related indicators within the Action Plans should be disaggregated in terms of gender, specifying how many Romani men and women participate in the programmes rather than including only a gender-blind consideration of the number of 'Roma'.

### **Social impact at the household level**

In order to gain a better understanding of the social impact of programmes and measures of the Decade Action Plans, there is also a need to assess the impact within Romani households. As it is, the current indicators envisioned do not tell us how the quality of life within families changes.

*Example of a 5-member household with one working member<sup>2</sup>*

To illustrate the everyday pressures of survival on families with one, minimum-waged, working member, we may take the example of a family I know from a small town in East Hungary. Lujza and Zsolt were married at the ages of sixteen and nineteen, and both have an eighth grade education. They have three children, aged fifteen, fourteen and seven. All the children are currently attending school.

The husband is unemployed and spends his days looking for work opportunities and drinking, due to frustration and unhappiness with his situation. Lujza has a full-time job in an electrical factory in a nearby town, which is about 33 km away, so she travels about one hour to and from work. For this minimum-waged job, she receives about 220 Euro a month, which together with the standard child allowance of about 80 Euro for three children, amounts to 300 Euro a month. Since Zsolt

has not been employed for at least six months in the last year, he receives no unemployment benefits. In addition to going to work, Lujza does all the cooking and cleaning with some help from her daughter.

The 300 Euro a month has to cover monthly payments for a previous bank loan of 1000 Euro (with 25% interest), amounting to 60 Euro, and a minimum of 80 Euro a month in utility bills. This leaves 160 Euro or 5.30 Euro per day to feed a family of five, buy clothes, respond to medical needs, and pay for household maintenance. For reference, one chicken costs about four Euro, one loaf of bread about 40 cents, fees for school outings range from 16 to 25 Euro per child, and one pack of multivitamins for 30 days is about 4.70 Euro.

Practically speaking, we can not here speak of sustainable livelihoods and perspectives for development. There is constant stress and frustration in trying to make ends meet, being unable to provide for nutritious meals, with more expensive food items such as meats, fruits, vegetables and vitamin supplements, let alone allow the children to participate in school fieldtrips or cultural outings with their classmates. Indeed, the example shows why some Romani individuals opt for informal, temporary work, which pays more by the week, rather than a minimum-wage job - even though the long-term perspective of permanent employment would be more secure with the latter.

*Note: In the time since I visited this community and submitted this article, Lujza has been laid off from her job after one and a half years, because the factory faced a decrease in orders and was forced to downsize. She will receive 80% of her wages for six months.*

### **Preventing an approach to fund ‘projects’ only**

Until now, different types of public and private funds have been made available for supporting economic and employment-related projects, especially in Romania and Hungary, while in Bulgaria, the National Strategy concerning Roma foresees the creation of a fund to support entrepreneurial activities. In general however, it can be argued that these activities have had only a marginal impact in terms of sustainable solutions, often due to human resource and market-related difficulties. The fundamental problem here is that this kind of piecemeal support of fifty, a hundred or a thousand community projects only scratches the surface when it comes to affecting the numerous Romani communities within the region.

While there is clearly a need for new funding mechanisms to address unemployment and insufficient income among Roma, it is important to think in terms of *institutional change, rather than localised, functional change*. It is doubtful that funds supporting a limited number of community projects will lead to significant social change for the majority of Roma. With this in mind, we may propose three interrelated directions to guide potential funds in the context of National Action Plans and Strategies:

i) *Invest in the process of establishing new institutional practices at the systemic level, with more effective (not just token) Romani participation.* For this, we need to invest in capacity-building processes. There must be a real dialogue and substantive partnerships between local Roma and local authorities. Only through such interaction can effective development measures that form an integral part of local administrative arrangements, responsibilities and budgets be identified and implemented by the respective local authorities. Romani-related issues should not be treated as ‘special’ projects or actions, but as a regular priority on the list of development concerns within local and regional governments.

ii) *Support a limited number of pilot initiatives, which can serve as models for learning and informing policies.* Such initiatives should have clear perspectives for scaling-up.

iii) In addition to investing in various actions, *resources should be allocated for critical reflection, assessment and shared learning over time* – beyond the project timeframe, at different levels, concerning the effectiveness of various measures in leading to substantive improvements of the socio-economic situation of the Romani individuals and families involved.

## **Integrating Romani-related employment issues into macro-economic policies**

Finally, we are still confronted with the question of how to provide for substantive economic inclusion of Romani men and women who live in regions or entire countries that are disadvantaged economically, for example the former Yugoslavia or much of Romania and Bulgaria. The current momentum surrounding the *Decade of Roma Inclusion* and the involvement of high-level signatories in it should be used to push the issues concerning Roma and other disadvantaged groups onto the agenda of the major political, financial and trade organisations, in the context of European development and global trends. There is a need for greater social responsibility and incentives among major companies and enterprises, which increasingly favour production in cheaper countries, such as China and India, especially as wages and costs increase within Central and South East Europe. We need a serious economic analysis of the opportunities for developing disadvantaged regions and countries, along with the political backing for global policies creating more equitable opportunities for sustainable development among the disadvantaged and excluded in Central and Eastern Europe.

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<sup>1</sup> This article contains excerpts from the author's presentation at the OSCE 13th Economic Forum, Side Event "Increasing access of Roma to employment opportunities and to their inclusion in local economic development; Elements of an OSCE cross-dimension approach", Prague, May 24, 2005.

<sup>2</sup> This section is based on a gender analysis prepared by the author in the context of the Pakiv European Roma Fund program 'Engendering Grassroots Work with Roma Communities', supported by the OSI Network Women's Program.