

Poverty, Social Exclusion and Ethnicity in Serbia and Montenegro: The Case of the Roma

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Abstract

Recent poverty analysis in Serbia and Montenegro indicates that deep poverty and multiple deprivations appear to have an ethnic dimension and are highly concentrated among the Roma population. Using household survey data from 2003 which allow comparative quantitative analysis of poverty for Roma, including those residing in settlements, and the general population, this paper is the first attempt at studying in depth the extent and determinants of poverty and social exclusion of Roma in Serbia and Montenegro. Reviewing both income and non-income dimensions of poverty in both Republics, the paper finds that Roma poverty stands out significantly from other vulnerable groups such as internally displaced persons and refugees and confirms evidence from other countries in Central and South-East Europe on the multifaceted nature of Roma poverty. The paper also reveals the intergenerational dimension of Roma social exclusion: Substantial education access barriers and the resulting poor educational outcomes of Roma children today predict their continued social exclusion and poverty in the future. Building on an impact analysis of the social protection system on Roma poverty in Serbia, the paper proposes policy measures aimed at tackling poverty and social exclusion of Roma in the context of the implementation of Serbia's and Montenegro's Decade of Roma Inclusion 2005-2015 Action Plans.

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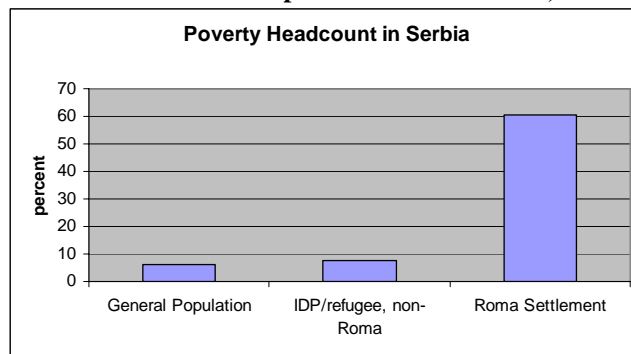
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I. Overview

1. **Living standards in Serbia and Montenegro overall appear to be on the rise, but deep pockets of poverty remain in both Republics.** While both Serbia and Montenegro had experienced rising poverty over the 1990s, ambitious economic and social reforms initiated by the first democratic Government of Serbia have resulted in rebounding GDP growth, and growing wages and employment suggest living standards have been rising over the last few years. However, despite an overall improvement, some groups suffered continued losses and pockets of deep poverty remain. In Montenegro, consumption growth is slower, and poverty reduction has stalled, with indications of recent increases in inequality and, like in Serbia, persistent pockets of deep poverty².

Figure 1.1: Roma settlement households in Serbia in 2003 are substantially more likely to be poor than non-Roma households – even those expected to be vulnerable, such as IDPs and refugees



Source: Own calculations based on Serbia SLS 2003 and Roma Booster Survey of Settlement Roma Households

2. **Deep poverty and multiple deprivations in Serbia and Montenegro are found to have a strong ethnic dimension and are highly concentrated among the Roma population, particularly those residing in settlements.** According to the 2002 Serbian census, Roma constituted 1.4 percent of the population (over 108,000 individuals), while estimates by NGOs and international organizations place the Roma population at between 4-6 percent of the population (300-460,000 individuals)³. Approximately 20,000 Roma, Ashkaelia and Egyptians (RAE) are estimated to live in Montenegro. Poverty rates among Roma are many times the poverty rates of the general population and other vulnerable groups. A staggering 60.5 percent of the Roma population residing in settlements are considered very poor⁴ in Serbia, compared to 6 percent among the general population. Roma also stand out from among other vulnerable groups such as predominantly ethnic Serb refugees from Croatia and Bosnia and Herzegovina and internally displaced people from Kosovo, whose poverty rates, while higher than the general population are significantly below that of the Roma. As the analysis in this report reveals, internally displaced RAE from Kosovo face particular deprivation and exclusion. In Montenegro 40 percent of RAE could be considered very poor in 2003 compared to 10 percent of the general population. Roma in Serbia are not only the poorest ethnic minority, but also represent a sizeable share of the extreme poor, with 9.8 percent of Roma households residing in settlements in Serbia considered extremely poor compared to a negligible 0.2 percent among the general population. In

² World Bank, *Serbia and Montenegro Poverty Update*, forthcoming

³ Observers estimate the true number of Roma individuals in Serbia to lie between 450,000 and 500,000, many of who did not identify themselves as Roma in the census (Antic, 2005).

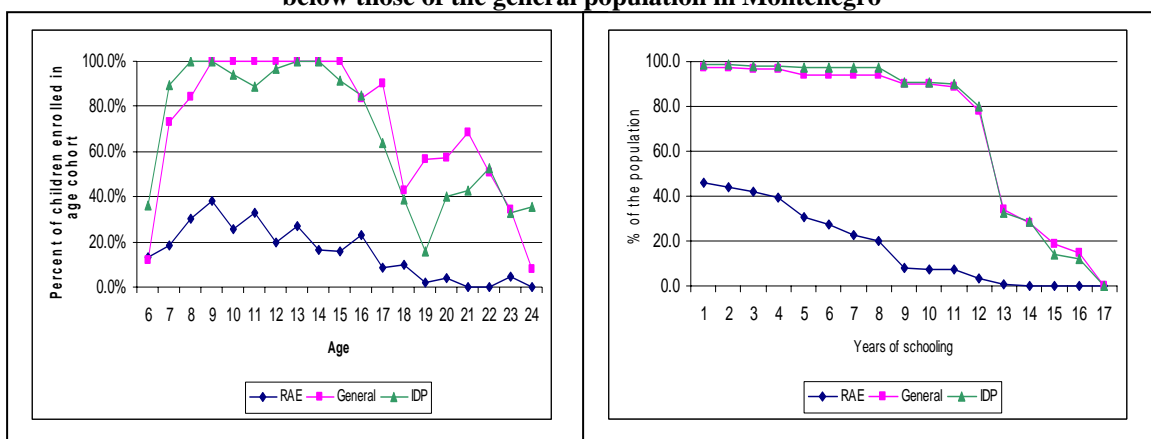
⁴ In this report, we introduce the notion of "very poor" and a new "very poor" poverty line, which is the absolute poverty line minus imputed housing/rent expenditure. See section II and Annex 1 for definitions.

Serbia, while only constituting 4-6 percent of the population, settlement Roma represent nearly a quarter of the very poor. This report's analysis also reveals that a sizeable share of Roma are considered extremely poor in non-income dimensions of poverty, compounding the findings on extreme income poverty.

3. **Roma poverty in Serbia and Montenegro is multifaceted and is evident in multiple non-income dimensions of deprivation.** Individual country analysis of Roma poverty in Central and South-Eastern Europe consistently shows that various causes of poverty reinforce each other in a vicious circle and require a multifaceted poverty alleviation approach⁵. Poverty analysis has in recent years taken a wider approach to deprivation, using the notion of social exclusion⁶. While its precise definition is still under academic debate⁷, the concept of social exclusion builds on the view that there are multiple dimensions of deprivation and participation. In addition to the income and monetary consumption dimension of poverty it identifies non-income dimension of poverty in the areas of education, employment, health, housing and others and relating to access barriers to and under-utilization of public services⁸. The concept also emphasizes interventions beyond social welfare benefit programs, through improving access to education, employment, health services and decent housing. The concept of social exclusion is helpful in revealing the multi-dimensional nature and extent of poverty of the Roma population. Indeed, in addition to income poverty among the Roma population in Serbia and Montenegro, there is strong evidence of social exclusion and non-income poverty – manifest in a number of areas:

- ***In Serbia and Montenegro alarmingly few Roma children and youth are in school, and Roma educational attainments and outcomes are poor.*** National school performance testing data reveals that Roma children fare worse in school performance compared to their non-Roma peers, such as in Serbian language which subsequently worsens labor market prospects. While income poverty discrepancies between RAE and refugees and IDPs in Montenegro are not as stark as in Serbia, RAE education poverty⁹ is 77 percent versus 11 percent for refugees.

Figure 1.2: School enrollment (left) and attainment (right) rates for RAE children are significantly below those of the general population in Montenegro



Source: Own calculations based on Montenegro 2003 ISSP

⁵ See Revenga et al. (2002) and Ringold et al (2005)

⁶ See also World Bank (2000), *World Development Report 2000/2001: Attacking Poverty*, and Atkinson, Cantillon, Marlier and Nolan (2002), *Social Indicators: The EU and Social Inclusion*.

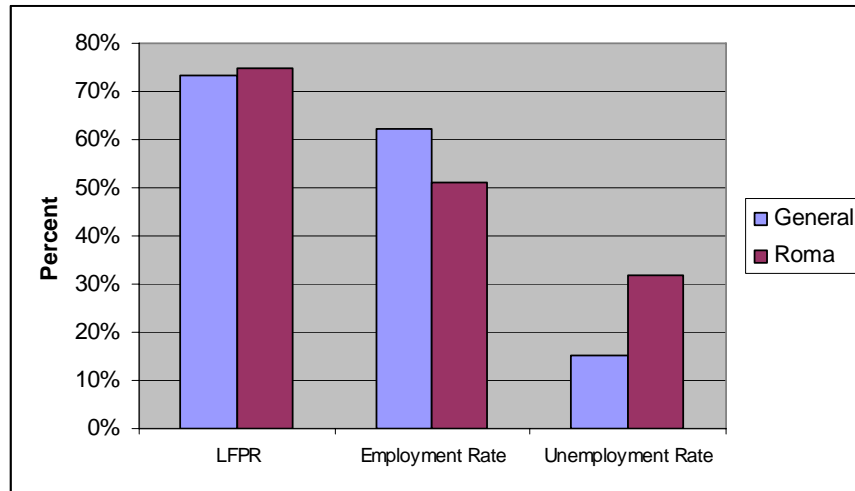
⁷ For a theoretical introduction to the concept see Saraceno (2001) and Hills, Le Grand and Piachaud (2002)

⁸ See Annex 3 for a summary of recent EU initiatives to tackle social exclusion and eradicate poverty in the EU member States.

⁹ For a definition of education poverty, see section III

- **More Roma are out of work than among the general population and even the non-Roma poor.** This is especially true for workers aged 35 and above, while the younger Roma have higher employment rates, often at the expense of receiving a school education. Higher risk of unemployment is evident across all educational levels – from individuals without or with unfinished elementary education to those with secondary or higher education. At the same time, Roma employment is mostly informal, part-time or short-term and low-skilled, with many individuals in work actually remaining poor.

Figure 1.3: Higher unemployment and lower employment rates for Roma residing in settlements in Serbia stand out



Source: Own calculation based on Serbia 2003 SLS and Roma Booster; LFPR is labor force participation rate

- **Roma in both Republics face problems of accessing public social services in education, health and social protection, with barriers to access driven by widespread non-registration as well as a lack of knowledge and language skills, discrimination and poverty.** Indeed, both income and non-income dimensions of poverty paint a picture of stark social exclusion of the Roma population in Serbia and Montenegro. Bad health outcomes and housing poverty for Roma are closely related, with many Roma living in precarious housing with inferior sanitary conditions in makeshift settlements. Poverty is especially pronounced among the displaced Roma from Kosovo and Southern Serbia, whose residential status is often unresolved and who often remain unregistered residents in settlements.

4. **Deep Roma poverty and social exclusion in Serbia and Montenegro have an intergenerational dimension, and, if not tackled, risk creating a continuous poverty trap.** Like in other countries, the Roma population is significantly younger than the general population, pointing strongly towards the need to focus on improving educational outcomes for Roma to break out of the poverty cycle. However, currently significant education access barriers and resulting poor educational outcomes of Roma children today predict their continued social exclusion and poverty in the future. The analysis in this paper shows that labor force participation rates in Serbia are higher for young Roma aged 15-24 than for non-Roma, indicating that many young Roma are looking for work or engaged in income generation rather than acquiring an education. The need to work today to raise household income and avoid poverty comes at the high cost of a foregone education and a resulting lower income tomorrow. Unless a sustained and

all-out effort is undertaken to raise school attendance and educational attainments among the young Roma population, Roma poverty and social exclusion is likely to persist.

5. **Chronic non-registration of the Roma in Serbia and Montenegro, particularly of those residing in settlements, constitutes the ultimate form of social exclusion and prevents Roma from accessing social services.** Common access barriers to services for Roma include lack of information about available services and benefits as well as language barriers and multiple forms of discrimination. However, most importantly, access barriers are driven by chronic under-registration among the Roma communities, in particular among Roma IDPs, and includes both citizenship and residential registration. A survey of Roma settlements in Belgrade in 2001 revealed that almost 40 percent of respondents did not have a valid ID card, and almost 55 percent were without a birth certificate and citizenship respectively¹⁰. Obtaining residential registration, birth certificates or national passports requires passing often complex and costly procedures, often too costly and complex for poor Roma households and especially those illiterate or in insufficient command of the Serbian language. Often lacking the complete set of documentation required to access certain public social services or benefits, such as social assistance, many Roma remain locked out of the reach of public poverty alleviation efforts. Moreover, many Roma settlements are located on non-designated land and are therefore illegal or without a formal residential address, without which residential registration becomes impossible.

6. **Breaking the poverty trap and tackling social exclusion of the Roma population in Serbia and Montenegro – ways forward in the context of the Decade of Roma Inclusion, PRSP implementation and European Union accession:** With the European Union placing an increasingly strong emphasis on combating social exclusion, efforts at reducing poverty and fostering social inclusion of the Roma in Serbia and Montenegro are likely to receive substantial attention in the process of both Republics' accession to the European Union and, at the same time, can benefit from EU experience. Moreover, both Serbia and Montenegro have recently joined peer countries in Central and South-Eastern Europe in proclaiming the Decade of Roma Inclusion 2005-2015, which sets a framework to tackle Roma social exclusion and poverty in a sustained and comprehensive manner. Roma inclusion is also an issue singled out in Serbia's and Montenegro's Poverty Reduction Strategy Papers (PRSP). The analysis in this report finds that Roma poverty is multifaceted and comprises both income and non-income dimensions and has an intergenerational nature. In particular, education poverty is a key predictor of income poverty and the main driver of an inter-generational poverty-trap. The resulting policy and reform directions include the following areas:

- The Decade of Roma Inclusion 2005-2015 Action Plans¹¹ are very comprehensive documents with a multitude of policy measures in the areas of education, employment, health and housing, and the challenge is to *prioritize and operationalize identified interventions*.
- The key non-income dimensions of poverty analyzed in this report – education, employment, health and housing – are to a large extent in the realm of *responsibility of the municipalities*. Any sustained effort at improving Roma welfare in these areas needs to involve the municipalities – for (co-) funding and implementation.
- A pre-condition of improving Roma access to services is a solution to the *chronic and multiple non-registration*. Tackling the problem of lacking citizenship and residential

¹⁰ Oxfam and Argument (2001), *The Roma Livelihood in Belgrade Settlements*, Belgrade

¹¹ Government of Republic of Montenegro (2005), *Decade of Roma Inclusion 2005-2015 Action Plan*, Podgorica, Government of the Republic of Serbia (2005), *Decade of Roma Inclusion 2005-2015 Action Plan*, Belgrade

registration is challenging given complex associated legal dimensions, and the elaboration of solutions lies beyond the scope of this report. However, it is obvious that the authorities in Serbia and Montenegro need to intensify efforts in particular to ensure residential registration of Roma, including those residing in settlements and in particular Roma IDPs, to ensure access to municipal services even without legalizing such settlements. While a new and comprehensive registration effort is required in the long term, allowing Roma households to access, in addition to residential and citizenship registration documents, such varied types of documents such as birth certificates and marriage licenses, temporary solutions may have to be found in the short term. This could involve applying temporary “proxy-residential registration” through the municipal centers for social work or allocating temporary numbers to households instead of addresses. In addition, given literacy and language barriers for many Roma, free legal aid would need to be a core part of the registration strategy.

- The staggeringly low enrollment rates among Roma children call for an ***all-out effort to improve access to schooling*** for the Roma population, comprising measures both within and outside the education system. Only if Roma children go to school and raise overall attainment rates will the Roma population stand a chance of being lifted out of poverty over the next generation. Such an all-out effort is necessarily multi-sectoral and encompasses both financial and income measures as well as interventions aimed at overcoming multiple access barriers. They should be primarily directed at raising and fostering the number of children in preschool and regular elementary schooling and to ensure they complete it, but also need to be compounded by availability of vocational education as well as adult education.
- Within the education system, it appears that ***increasing access to pre-schooling*** for Roma children is a priority, in particular for IDP Roma children who often do not speak Serbian. In Serbia only 7 percent of Roma children attend pre-school (from age 3-7) in 2003, comparing to almost 34 percent for the general population. Experience from across the world demonstrates the multiple economic and social benefits of early childhood interventions (ECD) in terms of reduced dropout and repetition rates, improved school achievements, greater adult productivity and improved social and emotional behavior. Pre-schooling can help Roma children to catch up and make up for suboptimal learning conditions at home, so as to improve their chances once entering regular primary school. However, with even general population pre-school enrollment standing at only 34 percent, demonstrable change for both general population and Roma children will require a substantial Government effort. Expanding pre-schooling for Roma children can take the form of boosting Roma enrollment within existing public pre-school institutions, expanding the pre-school network so as to absorb additional pupils, and, in a second-best solution, can also involve NGO-run pre-schooling within Roma settlements.
- Many Roma children who are going to school are enrolled in “special” schools for children with special needs who often do not allow Roma children to uncover and to exploit their true potentials. Anecdotal evidence suggests that very often a referral to special schools is based on an assessment of insufficient Serbian language skills of Roma children. The challenge of ***achieving higher enrollment rates for Roma children in regular schools*** can therefore be addressed through expanded use of pre-schooling to help prepare Roma children adequately for primary school. This requires specific school teacher training to deal with social exclusion manifested in the classroom as well as the provision of extra teachers to help bridge the knowledge gap between Roma and non-Roma children, in particular in the Serbian language.

- Outside the education system, efforts at getting Roma children to school have to be compounded with *increasing social protection cash transfer coverage* to fill the income gap left by children and youth who study rather than generate household income. Serbia's 'MOP' social assistance benefit appears best placed to step in. However, while targeting of MOP social assistance is good, currently its adequacy and coverage of poor households is low mainly for reasons of under-funding and registration documentation requirements, and this affects Roma households disproportionately. Addressing poverty through the formal social safety net is most effectively and efficiently done through raising spending on the MOP, addressing the registration challenge as well as expanding outreach efforts of municipal Centers for Social Work (CSW) to identify and cover poor households, Roma and non-Roma. Efforts to expand outreach activities can build on the experience of Serbia's Social Innovation Fund (SIF), as well as the Ministry of Labor, Employment and Social Policy's pilot project to test new ways of social service delivery, and could be focused on regions of deep pockets of poverty.

7. **This report aims to analyze in-depth the determinants of deep and chronic Roma poverty and social exclusion in Serbia and Montenegro**, in particular of those residing in settlements, and report on the income and non-income dimensions of Roma poverty, in order to help identify policy recommendations aimed at reducing social exclusion and poverty among Roma and other excluded groups. To this end, the report follows a two track approach and compares the poverty profile for Roma with that of the general population in both Republics, as well as explores in depth the non-income dimensions of poverty and the correlation of indicators in the areas of education, employment and housing with poverty.

8. **Roma are a group of the population usually severely underrepresented in survey work, and accurate data on the situation and causes of poverty of Roma are extremely scarce. Recent Serbia and Montenegro household surveys with their large booster samples of Roma, and comparable questionnaires as used in the general population surveys, offer a unique opportunity to understand conditions of Roma and causes of poverty.** The report uses the following methodology and definitions: The Serbia analysis in this report is based on the 2003 Serbia Living Standards Survey (SLS) which is complemented by a booster for Roma residing in settlements and which allows comparing the Roma poverty profile with that of the general population. The Serbia dataset allows for some differentiation between "integrated" Roma which are covered in the general population dataset and that of "settlement" Roma covered in the Roma booster. The Roma booster survey captured 525 non-integrated Roma households living in settlements. However "settlement" is not precisely defined. The consumption aggregate in the Serbia dataset is redefined such that poverty rates can be consistently compared between Roma residing in "settlements" and the general population. The analysis for Montenegro uses a survey of Roma, Ashkaelia, Egyptians (RAE) and Refugees and IDPs¹². The survey includes four sub-samples (RAE, refugees, IDPs and a general population control group) and covers 264 RAE households, of which half are RAE IDPs and half domicile RAE. Quantitative analysis in this report is compounded by the review and presentation of existing qualitative information from other sources.

9. The report is structured as follows: Section II develops an income poverty profile for the Roma populations in Serbia and in Montenegro. Section III discusses social exclusion and non-

¹² Institute for Strategic Studies and Prognoses (2003), *Household Survey of Roma, Ashkaelia and Egyptians, Refugees and Internally Displaced People*

income dimensions of poverty of Roma, and Section IV reviews Roma access to and coverage by existing social safety net and coping mechanisms in Serbia.

Box 1. Poverty and social exclusion of the Roma, Ashkaelia and Egyptians in Serbia and Montenegro – areas for further research

- This report's key observation is that *chronic non-registration* is likely to act as a substantial access barrier to services in the areas of education, health, housing, employment and social protection. These registration barriers comprise both general citizenship registration, but, crucially, also municipal residential registration. Further review of relevant legislation and exploration of ways to overcome registration barriers is a matter of priority in addressing Roma poverty and social exclusion.
- The 2003 Roma SLS Booster Survey Poverty focused on *Roma households residing in settlements* – arguably the poorest of the poor in Serbia. However, it does not capture those Roma households not residing in settlements – the so-called “integrated” Roma. The 2003 general population survey, although not featuring formal questions on ethnicity, picked up a small number of non-settlement Roma, whose poverty risk appears to be lower than ‘settlement’ Roma. However, this information does not allow representative and disaggregated comparative analysis on what predicts their lower poverty risk. More qualitative analysis is needed to help the understanding of these differences.
- This report's analysis finds that income and non-income poverty is higher for *Roma internally displaced persons (IDP)* than for non-Roma IDPs. One key dimension of this differing poverty experience is that non-Roma IDPs are more able to integrate in the local labor markets and their children more likely to go to school and graduate. Both characteristics are predicted by a dramatic language barrier of many Roma IDP households – almost half of the surveyed Roma IDP households did not speak Serbian in 2003. However, this is only one likely explanatory variable, and more qualitative work can help to understand what lifts non-Roma IDPs out of poverty put locks Roma IDPs into poverty.
- The *Roma population in Serbia and Montenegro are very diverse*. This is not just true in terms of their residence in settlements or not or their status of displaced person, but also in terms of languages and cultural identity. In Montenegro (and Kosovo where many IDPs originate from) in particular, there are groups who refer to themselves as Roma, as Ashkaelia and as Egyptians. The household surveys on which the analysis in this paper is based do not adequately allow for disaggregation and inevitably leading to some degree of generalization. Qualitative analysis may help shed light on differences in the depth and patterns of social exclusion by sub groups.
- Household survey data allow little analysis of the true picture of the *Roma health status*. Such survey data presents self-reported illnesses and health service utilization. However, both are fraught with biases. Respondents may under-report illnesses and diseases, because of a lack of knowledge and sensitization, or mischaracterize the true extent of their problems of accessing services. If individuals are repeatedly denied access, they are likely to request such services less. Moreover, the household surveys analyzed for the purposes of this report do not contain information on where Roma sought care, the type of facility and their experience while seeking care. There is also no information on health status. Focused qualitative health surveys can help augment the understanding of the health challenges faced by Roma.
- The Government of Serbia passed major amendments to its social assistance legislation in 2004, introducing for example a unified Republican-level eligibility threshold. The analysis in this report uses household survey data from 2003 – one year preceding these legislative changes. The *social protection benefit incidence* analysis presented in chapter IV of this report, therefore, is limited to the characteristics in place in 2003, and more analysis is needed to fully understand how effectively Serbia's revised social protection system has reduced the poverty risk beyond 2003, particularly among the poorest groups in society.

II. Roma Poverty and Welfare in Serbia and Montenegro

10. Poverty has many dimensions including income poverty and non-income poverty, with non-income poverty affecting for example an individual's education, labor market and health status as well as a household's housing situation. Both income and non-income dimensions of poverty of the Roma population in Serbia and Montenegro are at the center of this report's analysis. This section assesses income poverty and households characteristics correlated with income poverty, while the next section reviews non-income dimensions.

1. WHO ARE THE ROMA IN SERBIA AND MONTENEGRO?

11. **Identifying Roma households and individuals and assessing the exact Roma population figures is difficult.** This is not just because of the Roma's mobility and recent inflow into Serbia and Montenegro of displaced Roma from Kosovo, chronic non-registration, but also because of failure to report being Roma in the census for reasons of fear of stigmatization. In addition, Roma in Serbia and Montenegro are internally diverse, with various sub-groups and languages. In Kosovo and Montenegro the population is particularly diverse, for example, with distinct Roma, Ashkaelia and Egyptian communities. Moreover, there is the important difference between 'integrated' Roma and those who live in non-permanent settlements and precarious housing¹³.

12. **The Roma population is a large and recently growing minority in both Serbia and Montenegro:** According to the 2002 Serbian census, Roma constituted 1.4 percent of the population (over 108,000 individuals), while estimates by NGOs and international organizations place the Roma population, including settlement Roma, at between 4-6 percent of the population (300-460,000 individuals). Approximately 20,000 Roma, Ahkaelia and Egyptians (RAE) are estimated to live in Montenegro, making up an estimated 3.3 percent of the population. Many RAE in Serbia and Montenegro were displaced from Kosovo in the wake of the armed conflict there. In Montenegro, while 37.7 percent of RAE survey respondents were originally from Montenegro, 58.7 percent were displaced from Kosovo and 3.6 percent were refugees from the other former Yugoslav Republics, most of who had fled because of armed conflict there as well¹⁴. According to UNHCR, an estimated 40,000 to 50,000 RAE were forced to leave Kosovo in 1999, with most of them fleeing to either Serbia or Montenegro¹⁵. In September 2004 UNHCR estimated that there were about 18,000 IDPs living in Montenegro, of which 26 percent were estimated to be RAE¹⁶. In Serbia, the displacement problem may be exacerbated by the recently initiated repatriation to Serbia of Kosovo Roma refugees from Western Europe, with up to 40,000 from Germany alone.

¹³ "Integrated" Roma were captured in the general population living standards survey (SLS) in Serbia, while settlement Roma were surveyed separately through the 2003 SLS Roma booster. While there is no question in the general population survey questionnaire related to ethnicity, some general population respondents identified themselves as Roma to the interviewers and were considered "integrated Roma" (21 households with 81 individuals). While this allows for a direct poverty headcount comparison, the sample of integrated Roma is too small to allow for a representative and disaggregated discussion of individual characteristics associated with poverty, such as education or employment.

¹⁴ Data for Montenegro from Institute for Strategic Studies and Prognoses and United Nations Development Program (2003), *Household Survey of Roma, Ashkaelia and Egyptians, Refugees and Internally Displaced Persons*

¹⁵ UNHCR/UN OCHA (2004) *Analysis of the Situation of Internally Displaced Persons from Kosovo in Serbia and Montenegro: Law and Practice*. A Legal Analysis prepared by the IDP Interagency Working Group.

¹⁶ As presented in ICRC (2005)

Box 2. Registration, documentation and access to social services

Many Roma, Ashkaelia and Egyptians, in particular IDPs, often lack all or part of basic citizenship documents required to access social services. An Oxfam/Argument survey of Roma settlements in Belgrade in 2001 revealed that almost 40 percent of respondents did not have a valid ID card, and almost 55 percent were without a birth certificate and citizenship respectively. There is also anecdotal evidence that many RAE from Kosovo never held registration or identification documents even prior to their displacement. This creates a circular or intergenerational problem: In order to obtain basic citizenship documents, one needs to provide evidence that one was born in Serbia; however, such proof is impossible if the parents were not registered in the first place. The following table indicates the types of documents often missing and their purpose.

Type of Document	General Purpose
Birth Certificate	Registration for school Obtaining citizenship card Key to many other documents
ID Card (Lična Karta)	Proof of residency Access to services Proof of identity
Marriage License	Proof of Marriage Legal rights of married persons
Work Booklet	Proof of work history and qualifications Obtaining new employment Registering at Employment Bureau as unemployed Claiming pension

Moreover, there is no obvious procedure to obtain or update such documents: Analysis conducted by an inter-agency legal working group on IDP issues, convening a number of UN organizations and NGOs, shows that “presently, there is no legal mechanism in place for the chronically unregistered to become registered”. With missing registration representing the primary access barrier to social services, efforts to address poverty and social exclusion of the Roma need to begin with introducing a straightforward procedure to obtain missing documentation.

Sources: UNHCR/UN OCHA (2004) *Analysis of the Situation of Internally Displaced Persons from Kosovo in Serbia and Montenegro: Law and Practice*. A Legal Analysis prepared by the IDP Interagency Working Group; Oxfam and Argument (2001), *The Roma Livelihood in Belgrade Settlements*, Belgrade

13. **The exact magnitude of Roma living in both Serbia and Montenegro is unclear due to chronic non-registration** which excludes many Roma households from public services, in particular IDP Roma. Roma households and communities have for long been under-registered due to both mobility and social exclusion and related limited effort on part of the authorities to develop a full picture of Roma demographics and residence. Even when Roma households have secured citizenship status for some or all household members, their residence in an unregistered settlement without a formal address often exclude them from accessing services. In addition, many internally displaced Roma, Ashkaelia and Egyptians from Kosovo who moved further north in Serbia or into Montenegro have not registered as IDPs but often mingle with the local Roma community predominantly in the urban centers of Belgrade and Podgorica and in unofficial settlements. Roma IDPs also remain unregistered because of missing original documentation such as birth certificates and ID cards. This non-registration locks many Roma households out of the education system as well as social service and humanitarian assistance systems: One cannot register as an IDP without an ID card, and without an address one cannot register for an ID card. Living conditions for many displaced Roma in Serbia and Montenegro are extremely poor, with 72 percent of displaced Roma in Serbia living in poverty compared to 60 percent of the domicile (see Serbia Roma poverty profile presented below).

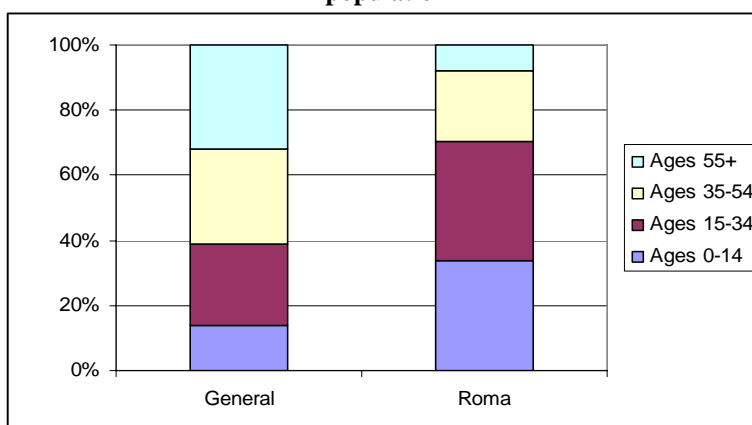
Table 2.1: Roma households residing in settlements in Serbia are significantly larger on average than general population households (persons, in percent)

Household Size	General Population	Roma
1	6.6	1.4
2	18.4	5.6
3	20.5	9.7
4	27.0	18.1
5	11.9	20.2
6	9.7	14.9
7	3.6	12.8
8+	2.6	17.4
Mean household size	3.8	5.5

Source: Own calculations based on Serbia 2003 SLS and Roma Booster

14. **The Roma population is substantially younger than the general population in Serbia and Montenegro:** Survey results suggest significant demographic differences between Roma and non-Roma populations in both Serbia and Montenegro. Roma have larger households than non-Roma, as indicated in Table 2.1. The Roma population in Serbia and Montenegro is also significantly younger than the general population. In both Republics, Roma households have significantly more children than general population households. This is consistent with evidence from other countries in Central and Eastern Europe on an intergenerational poverty trap and points strongly towards the need to focus on improving educational outcomes for Roma to break their poverty cycle. Figure 2.1 summarizes the comparative age distribution for Roma residing in settlements and general population in Serbia, and in particular the striking difference in the share of children below the age of 14 in the populations.

Figure 2.1: The Roma residing in settlements in Serbia are significantly younger than the general population



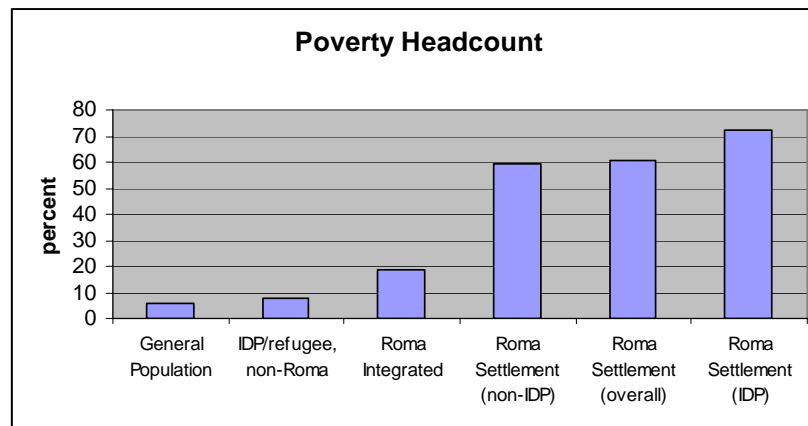
Source: Own calculations based on Serbia 2003 SLS and Roma booster

2. POVERTY PROFILE OF ROMA IN SERBIA

15. **Roma continue to stand out even among Serbia's and Montenegro's poor in terms of exclusion and deprivation.** Figure 2.2 shows how both 'integrated' Roma and those living in settlements stand out from the general population in terms of poverty in Serbia, while Figure 2.3 further below presents the comparative poverty picture for RAE in Montenegro. Most remarkably, Roma poverty for both sub-categories is dramatically higher than that among the non-Roma internally displaced people (IDPs) and refugees. Moreover, internally displaced

settlement Roma are substantially more likely to be poor than non-displaced settlement Roma. There appear to be substantial differences between Serbian Roma residing in precarious settlements and those who are more integrated. Unsurprisingly, ‘integrated Roma’ appear to be significantly less affected by poverty and social exclusion than ‘settlement’ Roma, as Figure 2.2 indicates. However, it is also notable that the risk of poverty among ‘integrated’ Roma is substantially higher than among the general population. This section attempts to develop the profile of comparative poverty and welfare for Roma living in settlements.

Figure 2.2: Roma poverty in Serbia in 2003 stands out



Source: Own calculations based on Serbia SLS 2003 and Roma Booster; for definition of ‘integrated’ Roma and derivation of poverty rate, see footnote 13

16. **The development of the poverty lines and poverty rates in this report follows the methodology used for the 2003 Serbia and Montenegro Poverty Assessment¹⁷.** The Roma booster survey in Serbia was based on the SLS survey and enables comparability between settlement Roma and general population. The analysis for Montenegro uses a household survey with comparable sub-samples for Roma Ashkaelia and Egyptians (RAE), refugees, internally displaced persons and the general population¹⁸. Experience shows that consumption is a better proxy for welfare than income. Therefore, we build the consumption aggregate using current consumption expenditures (minus investment expenditures) as well as the imputed values of in-kind food and non-food consumption based on local prices, however excluding the imputed values for housing/rent.

17. **The Serbia Roma poverty analysis differentiates between the “very poor” and the “extremely poor”, and shows significant differences between Roma and non-Roma.** Based on the consumption data, we develop two different poverty lines for Roma in Serbia¹⁹: The poverty line for the “very poor” and for the “extremely poor”. The “very poor” poverty line is based on the general poverty line, but excludes imputed housing rent. With settlement Roma households likely to be spending significantly less on housing compared to the general population, if anything, their comparative poverty would be overestimated if imputed housing expenditure was included in overall household consumption. The “very poor” poverty line is

¹⁷ World Bank (2003), *Serbia and Montenegro Poverty Assessment*

¹⁸ Note that the poverty rates for Roma and RAE between Serbia and Montenegro cannot be directly compared to each other, as they are based on differently defined samples.

¹⁹ This complements the previously identified poverty lines in the Poverty Assessment: (i) vulnerable poverty line (general poverty line + 50%, no assessment for Roma yet), (ii) general poverty line (assessment for Roma is impossible, as the Roma booster is without housing imputation), (iii) poverty line for the very poor, and (iv) extreme poverty line.

based on a monthly adult equivalent²⁰ consumption of Dinars 3,997 for 2003. Furthermore, we develop a measure of “extreme” poverty by establishing the local cost of a minimum consumption basket which meets key minimum nutritional requirements²¹. This extreme poverty line is based on a monthly adult equivalent consumption of Dinars 1,901. Based on this approach, we establish that 60.5 percent of the Roma population are considered very poor, as compared to 6.1 percent of the general population. Moreover, a significant 9.8 percent of the Roma are extremely poor, compared to negligible 0.2 percent of the general population. In addition to the simple headcount measure of poverty, which does not indicate whether all poor are equally poor, we estimate the poverty gap which reveals how far below the poverty line people are²². The poverty gap for the general population in Serbia is 1.2 percent, while it is 19.3 percent for Roma. Poverty severity, closely related to the poverty gap but giving a higher weight to those further away from the poverty line, is 0.4 percent for the general population and 8.4 percent for Roma. While these results suggest that the depth of poverty among the general population is not profound, the data clearly point towards the existence of high extreme and deep poverty among Roma. What drives these remarkable differences between poverty among Roma and general population households? The remainder of this section presents the detailed poverty profile of the Roma in Serbia.

18. **While the drivers of poverty are similar between the Roma residing in settlements and the general population in Serbia, their correlation appear to be much stronger for Roma than for non-Roma.** For example, educational attainment of the household head reduces the risk of poverty much more for non-Roma households. Roma poverty remains very high irrespective of educational attainments of the households head. Moreover, for both populations employment is a key driver in reducing the risk of poverty, but for Roma households the risk of poverty remains substantial even where the household head is employed. The analysis of Roma employment status in Chapter III shows that Roma employment is mostly informal, part-time or short-term, suggesting lower and infrequent wage income. Table 2.4 also presents the extreme poverty correlates which confirm the main drivers of poverty for Roma. Households residing in slum-type settlements are at a significantly higher risk of being extremely poor, as are large households. Poverty risk is also strongly centered in households in which only Romani language is spoken. Lack of knowledge of the local language reduces an individual’s opportunities in the labor market and undermines Roma children’s educational outcomes. However, it is important to note that, even where Serbian language is the primary language, the risk of poverty remains high. As for the characteristics of the household head, those households are at high risk of poverty whose head has no education, is unemployed, lives on social protection income or is considered unable to work. Lastly, Roma IDPs stand out from within the Roma population in terms of poverty and deprivation. The poverty rate for Roma IDPs stands at 72.1 percent, almost 20 percent higher than the already worryingly high poverty rate of 60 percent among the overall Roma population.

19. **Poverty among Roma households in Serbia appears to have a gender bias and to affect children in particular.** The household size correlates presented in Table 2.2 show that the larger the household, the higher the risk of poverty. This is an important insight, given that Serbia SLS data show that 45 percent of Roma households are larger than 6 persons (see Section III of this report). With household size most often driven by the number of children, this suggests that Roma children are at a particular risk of poverty. Moreover, while there appears to be no gender

²⁰ Adult equivalent is defined as per the OECD scale. See World Bank (2003) for details.

²¹ This follows an approach proposed by Ravallion (1992).

²² Poverty gap and severity is based on the “very poor” poverty lines respectively in both Republics.

bias for poverty among the general population, female-headed Roma household are significantly more at risk of poverty and extreme poverty than male-headed Roma households.

Table 2.2: Main poverty correlates in Serbia (poverty rates, in percent)

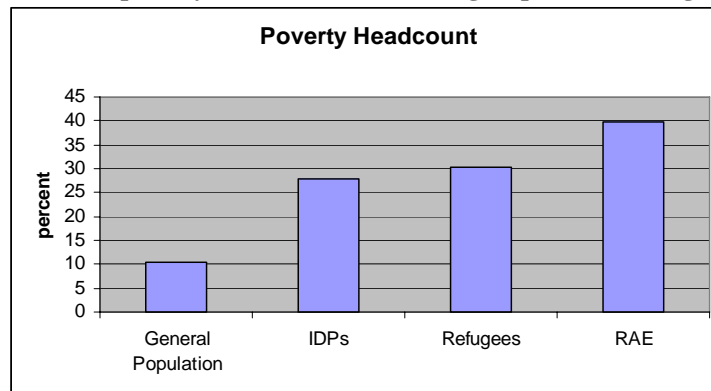
Characteristics of the Household Head	Very Poor		Extremely poor
	Roma	General population	Roma
Total	60.5	6.1	9.8
Type of Settlement			
Slums	75.1	-	21.7
Rural settlements in towns	52.1	-	8.1
Poor rural settlements	60.0	-	4.4
Suburban settlements	54.8	-	4.7
Household size			
1-2	42.8	6.7	2.6
3	43.2	4.0	3.9
4	50.8	3.5	9.9
5	60.1	6.9	10.2
6+	71.0	10.8	12.0
Gender			
Male	58.8	6.1	9.3
Female	73.5	6.1	14.0
Current residential status			
Serbian citizen	59.6	6.0	9.9
IDP or refugee	72.1	7.8	9.0
Education of the Household Head			
No Schooling	79.2	15.8	16.3
Elementary	66.0	9.5	9.7
Vocational (1-2 years)	48.6	0.5	8.0
Vocational (3-4 yrs) or gymnasium	33.0	2.6	0.0
Employment of the Household Head			
Employed	35.6	3.4	4.1
Works, unofficial	60.8	4.5	6.9
Others, working	67.9	8.4	0.0
Unemployed	64.4	8.9	15.3
Pensioners	54.5	7.3	1.9
social protection income	97.8	7.8	15.2
Housewife	87.2	6.4	12.4
Unable to work	85.4	33.6	18.1
Language spoken in Household			
Only Roma	74.7	-	19.2
Only Serbian	57.6	-	0.0
Combination Roma and Serbian	55.4	-	8.5
Other	73.0	-	0.0

Source: Own calculations based on Serbia 2003 SLS and Roma Booster; "Roma" relates to Roma households residing in settlements

20. **Multivariate analysis of Roma poverty in Serbia confirms these findings:** The previous paragraphs presented the univariate analysis of poverty, i.e. how poverty rates differ across households based on single differentiating characteristics such as employment status or educational attainment of the household head. However, often many such characteristics are correlated amongst each other. For example, households headed by an individual with low

educational attainments faces a higher risk of poverty. However, household heads who have low educational attainments may also face a higher probability of being unemployed. And, finally, unemployment status is correlated with a higher probability of being poor. This raises the question whether low educational attainment has a direct impact on poverty risk, or whether its impact channels through the employment status, or whether it is a mixture of both. Multivariate poverty analysis will help answer these questions. For this purpose we run a regression of log adult equivalent consumption on a set of household characteristics on the Serbia dataset. The regression results are presented in detail in Annex 3. Most explanatory variables have their expected signs, albeit with varying significance. Household size and geography (rural) are negatively related to household welfare, with the household size correlation with household poverty being strongly significant. Indicators of unemployment or less than full formal employment are negatively associated with household welfare, with unemployment status, inability to work and receipt of social protection income figuring most strongly and being highly significant. As expected, education is positively related with household welfare, with increasing returns to education status. The type of settlement is positively related with household welfare if the reference is being resident in a slum. The status of being a Roma minority household in the community is more strongly related with household poverty than a majority status. Lastly, any ability of household members to speak languages in addition to Romani is positively related with household welfare and strongly significant.

Figure 2.3: RAE poverty stands out from other groups in Montenegro in 2003



Source: Own calculations based on ISSP 2003

3. POVERTY PROFILE OF ROMA, ASHKAELIA AND EGYPTIANS IN MONTENEGRO

21. Although Roma poverty in Montenegro is high, the analysis indicates less striking diversions in poverty rates between RAE and other vulnerable groups such as refugees and displaced persons. To construct the RAE poverty profile for Montenegro, we replicate the approach presented above: Using the 2003 ISSP dataset for Montenegro which includes the general population, RAE, refugees and internally displaced persons (IDPs), we adjust the previously used poverty line of Euro 116.2 per person per month to Euro 84 by excluding imputed housing rent (using the same approach as for the Serbia dataset). The reason is that the inclusion of imputed rent is expected to overestimate poverty for RAE. This report introduces rates for the “very poor”, compared to the previously identified poverty rates for RAE (previously 52.3 percent) as well as refugees (previously 38.8 percent) and IDPs (previously 38.6 percent). Figure 2.3 and Table 2.3 present the new “very poor” poverty rates for all categories. The poverty rate for RAE is almost 40 percent, ten percentage points above that of refugees, though roughly equal for internally displaced and domicile RAE (39.2 and 40.5 percent respectively). While RAE

poverty in Montenegro does not stand out as much as in Serbia, it is significantly more profound than for the other vulnerable categories and the general population. The poverty gap for RAE is 18.3 percent compared to 10.2 and 7.5 percent for non-RAE refugees and IDPs respectively and 1.9 percent for the general population. Moreover, poverty severity for RAE is 11.5 percent, compared to 4.8 percent for refugees, 2.7 percent for IDPs and 0.7 percent for the general population.

22. **The drivers of poverty in Montenegro are similar across RAE, refugees and IDPs and the general population, while varying in relevance.** Table 2.3 summarizes the main poverty correlates for RAE, Refugees, IDPs and general population in Montenegro. Household size for example is clearly correlated with poverty in all sub samples, and the rates for RAE do not stand out from IDPs and refugee populations. Location of residence is a key correlate of poverty, with residence in the economically more active south of Montenegro being related with lower poverty rates for all captured groups, except RAE whose poverty rates remain well above country average regardless²³. Educational attainments, or the lack thereof, are a key driver of poverty for all groups, but for IDPs and refugees even more so than for RAE. Household size is positively related with the risk of poverty for all groups, although poverty rates by household size are found to be lower for RAE than for IDPs and refugees. The analysis of the correlation of employment characteristics of the household head produces a striking result which shows that employment is significantly less likely to reduce poverty for RAE than for any other group, suggesting that many employed RAE are actually “working poor”, possibly driven by more precarious informal employment.

Table 2.3: Main poverty correlates in Montenegro (Poverty Rate, in percent)

Characteristics of the Household Head	RAE	Refugees	IDPs	General	Montenegro
Total	39.9	30.3	28.0	10.3	12.0
Location					
South	69.7	19.0	10.4	3.7	6.6
Center	28.3	51.7	35.7	10.7	12.6
North	52.3	25.7	37.4	13.8	15.0
Household Size					
1-2	8.4	22.2	10.8	0.0	0.7
3	14.4	20.4	17.1	8.4	9.0
4-5	24.6	29.7	20.6	7.4	8.3
6+	46.7	43.6	59.0	32.0	35.3
Gender of the Household Head					
Male	41.2	27.6	29.7	11.2	12.9
Female	27.4	42.6	20.1	4.3	6.3
Education of the Household Head					
Primary or lower	41.5	64.2	49.6	26.7	30.1
Secondary	30.8	19.6	31.1	11.5	12.5
Higher	N/A	18.4	10.6	N/A	0.6
Employment Status of the Household Head					
Working	33.5	18.7	18.4	4.4	5.6
Job search/unemployed	66.6	61.8	52.5	47.1	50.3
Working age inactive	23.3	59.4	23.0	N/A	4.2
Retired	39.3	23.1	31.8	14.1	14.8

Source: Own calculation based on ISSP 2003

²³ The discrepancy of poverty rates in Southern Montenegro between RAE and other groups has been explained by point to the fact that there are no official collective centers for the displaced in the southern regions, and many RAE families there live in particularly precarious unofficial collective centers which have been covered in the survey.

23. **There are significant differences in the Serbia and Montenegro survey results in terms of comparative poverty rates and profiles between Roma and other vulnerable groups in the population.** In Serbia, poverty of Roma residing in settlements stands out significantly from overall poverty and poverty among IDPs and refugees. In Montenegro, these differences are less pronounced. One possible explanation is that, while the Serbia SLS Roma booster survey explicitly covered settlement Roma which are known to be facing deep poverty and deprivation, and not “integrated” Roma households, the Montenegro survey has not made that explicit distinction and may have covered in particular the latter, less poor group. In order to shed more light onto the issue of comparative poverty and social exclusion in particular, it is useful to also analyze non-income dimensions of poverty which we do in the next section.

III. Non-Income Dimensions of Roma Poverty and Social Exclusion

24. Having developed and presented the income poverty profiles for Roma in both Serbia and Montenegro based on household consumption data, the analysis in this section shifts the focus to an examination of non-income dimensions of poverty. Income and non-income dimensions of poverty often reinforce each other, and jointly fuel deprivation. In the European Union poverty has been defined as "...a dynamic process, best described as descending levels: some disadvantages lead to some exclusion, which in turn leads to more disadvantages and more social exclusion and ends up with persistent multiple (deprivation) disadvantages. Individuals, households and spatial units can be excluded from access to resources like employment, health, education, social or political life"²⁴. Multidimensional poverty definitions help to understand cases such as households that, while not income poor, may suffer from poverty in other dimensions or households suffering from multiple deprivations, such as many Roma households in Serbia and Montenegro. Non-income dimensions of poverty also help to identify aspects of social exclusion, i.e. through barriers to access to education, employment and others.

Box 3: Overview of Multidimensional Non-Income Poverty Indicators

- **Education poverty:** Individual is education poor if he or she is above 15 years old, is not in school and has only uncompleted primary education or no education at all
- **Housing and citizenship rights poverty:** Households with uncertain citizenship status and /or illegal and temporary occupants, households without documents confirming their ownership of housing
- **Health poverty:** Individuals of working age (aged 15-64) who in the month preceding SLS were suffering from a major physical ailments precluding their normal independent functioning
- **Housing conditions poverty:** Households not connected to tapped water and using latrines, households living in a building unsuitable as dwelling or living in partly destroyed home and living in overcrowded dwellings with more than 3 persons per room.
- **Employment poverty:** Lacking social inclusion, defined for working age individuals (aged 15-64) as being not employed continuously for over 2 years, but able and willing to work.

Source: World Bank (2003) Serbia and Montenegro Poverty Assessment

25. **Roma poverty in Serbia is multidimensional and evident in poor outcomes in education and employment, housing and health.** If viewing poverty as multi-dimensional and not merely related to household income or consumption, one needs to define how to measure these dimensions. Box 3 summarizes the definitions used for the 2003 Serbia and Montenegro Poverty Assessment, which we also use here. Compounding the evidence on income poverty, the data reveal significant multidimensional deprivation among the Roma in both Republics and how poverty spreads over all aspects of human capabilities. As Table 3.1 indicates, in Serbia close to 81 percent of the Roma population can be considered non-income poor in at least one dimension and 43.8 percent in two dimensions. Moreover, extreme non-income poverty²⁵ affects a significant 13.4 percent of Roma households, which confirms that extreme poverty is widespread among the Roma population in Serbia. Specifically, a staggering 61.3 percent of the Roma

²⁴ Eurostat Task Force (1998): *Recommendations on social exclusion and poverty statistics*, Document CPS 98/31/2, Eurostat, Luxembourg

²⁵ Extreme non-income poverty is defined as comprising three or more dimensions of non-income deprivation (see Table 3.2).

households residing in settlements in Serbia are considered education poor, suggesting significant deficiencies in terms of school enrollment and educational attainments among Roma. Moreover, the housing conditions for 64 percent of Roma households are below the housing poverty standard. The table also presents comparative rates for the general population households in Serbia which remain significantly below levels evident for Roma households, although also high with respect to education and housing poverty.

Table 3.1: In addition to income poverty, Roma residing in settlements in Serbia face high levels of non-income deprivation

in percent	Roma	General Population
Material poverty (consumption)		
Very poor	60.5	6.1
Extreme Poor	9.8	0.0
Non-income deprivation		
education poor	61.3	17.9
employment poor	13.6	3.9
Health poor	9.0	4.6
Housing condition poor	64.1	14.7
Housing and citizen right poor	22.3	5.9
<i>non-income deprivation (at least one)</i>	<i>80.8</i>	<i>34.0</i>
<i>non-income poor (at least 2)</i>	<i>43.8</i>	<i>7.3</i>
<i>non-income extreme poor (3 or more)</i>	<i>13.4</i>	<i>0.8</i>
Combination of non-income and income dimensions		
Material very poor or poor in at least one non-income dimension	88.0	36.1
Material very poor and at least one non-income dimension poor	53.3	3.9
<i>non income poor and income very poor</i>	<i>29.5</i>	<i>1.4</i>
<i>non-income extreme poor or income extreme poor</i>	<i>20.7</i>	<i>1.0</i>
<i>non-income extreme poor and income extreme poor</i>	<i>2.5</i>	<i>0.0</i>

Source: Staff estimates based on definitions reported in Table 3.1 and Serbia 2003 SLS and Roma booster; “Roma” relates to Roma households residing in settlements.

26. **While RAE income poverty in Montenegro does not stand out as much as in Serbia, non-income poverty indicators show evidence of pervasive social exclusion of the RAE population – in particular in education.** As Table 3.2 indicates, 77 percent of the RAE are education poor, compared to 11 percent among refugees. This result points to severe RAE-specific access barriers to the education system, for which this report provides further evidence below, and which point towards a major reform challenge and direction. Moreover, RAE households are significantly more likely to be housing poor than both refugee and IDP households, suggesting that displacement is less of a predictor for housing poverty than ethnicity. Differences in employment poverty rates are less pronounced, although still a sizeable 19 percent of Roma are employment poor. Health poverty rates are comparatively low for all groups, however these are based on reported rather than actual health status and may suffer from under-reporting.

Table 3.2: RAE non-income deprivation stands out from refugees and IDPs in Montenegro in 2003

in percent	RAE	Refugees	IDPs	General	Montenegro
Education poor	77.1	11.0	6.4	10.2	11.3
Health poor	12.9	3.9	2.7	4.2	4.3
Housing poor	87.6	58.2	52.1	9.8	14.1
Employment poor	19.0	12.3	14.0	5.6	6.2

Source: Own calculations based on Montenegro 2003 ISSP survey and definitions presented in Table 3.1, with the following exceptions: health poverty is defined as in Serbia, except time period for reporting any ailment is 1 year rather than 1 month; housing poverty is defined as in Serbia, except overcrowding is defined here as living space/person < 10 m² rather than 3 persons/room;

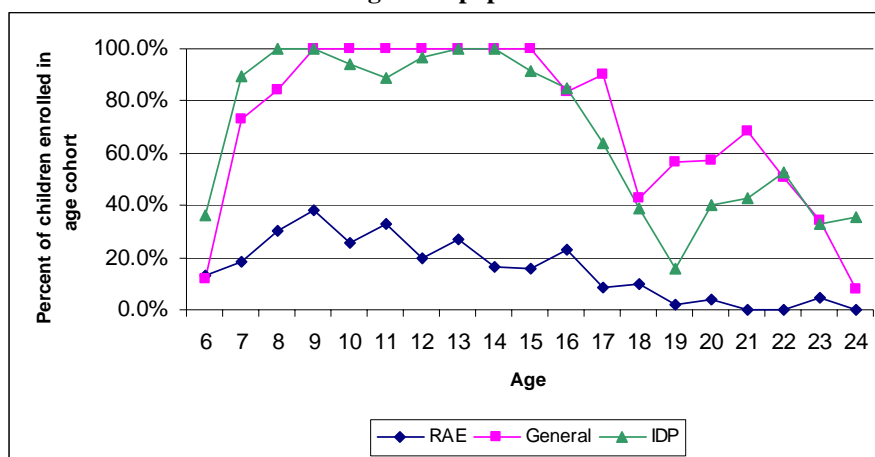
employment poverty is defined as in Serbia, except unemployed for more than 1 year are included as employment poor, rather than unemployed for over 2 years.

1. EDUCATION

27. The previous sections have documented the close correlation between educational outcomes, or the lack thereof, and poverty. At the same time, the relative youth of the Roma population compared to the general population is evident. This suggests that, like in other countries with significant Roma minorities, education is the key channel for Roma to break out of the poverty cycle. This section looks in more depth at education poverty, in particular at access to the education system and educational outcomes and attainments.

28. **There are serious constraints to access to education for Roma evident in low enrollment rates for Roma children:** Overall educational enrolment among Roma is low in both Republics, consistently from pre-school to higher education, while segregated schooling persists. Most alarmingly, many Roma children do not go to school: The Serbia SLS reveals that a staggering 35 percent of Roma children (ages 7-20) are not enrolled at all, compared to a rate of 2 percent for the general population. In 2003, the Roma net enrollment rate for primary schooling was 72.2 percent against 98.5 percent for the general population. Large differences prevail also for secondary education, with secondary school net enrollment rate for Roma being 16.7 percent, compared to 64.2 percent for non-Roma. Serbian administrative data from the Ministry of Education confirms high Roma student drop-out rates between first and eighth grade of elementary school²⁶. Substantial barriers to school access are also found in Montenegro, where school enrollment among Roma, Ashkaelia and Egyptians is significantly lower than for the general population, as indicated in Figure 3.1.

Figure 3.1 Significantly fewer RAE children are enrolled in school in Montenegro compared to IDPs and general population



Source: Montenegro Household Survey of Roma, Ashkaelia and Egyptians, Refugees and Internally Displaced Persons, 2003

29. **Poverty and low household income for Roma undermine access to education:** While schooling is free of charge in both Serbia and Montenegro, going to school is associated with not insignificant costs for school equipment such as textbooks and notebooks, but also clothes. It is also costly in terms of foregone revenue that children may generate through work, begging or other activities. Data from Serbia shows that pre-school institutions and primary schools are often

²⁶ Mihajlovic (2004), Needs Assessment Study for the Roma Education Fund, Serbia

not in the vicinity of Roma settlements, and families therefore incur significant transport costs for children going to school²⁷. Survey results from both Republics show that the main reason cited among Roma for not sending children to school is a lack of financial means. In Serbia, the average yearly expenditure for sending children to school is less than half that of the general population, suggesting that Roma children in school are less well equipped than their non-Rom peers. Children who do not go to school are usually engaged in some kind of economic activity. In Montenegro, survey results show that almost 43 percent of RAE children who do not go to school help elders, while 11.5 percent beg and 7.4 percent collect secondary material and trash. Only 38.3 percent are playing. Low access can also be explained by low expectation and apathy of Roma parents which are themselves characteristics of social exclusion: In Montenegro, 64.6 percent of RAE survey respondents stated that education of children is important, while an astonishing share of 35.4 percent believe it is not important and immaterial to changing their lives. Only 55.5 percent of household heads judged that children are interested in going to school. However, one has to interpret such statements with extreme caution, as the survey does not capture the motivation and context for individual's responses. Further qualitative work can uncover these.

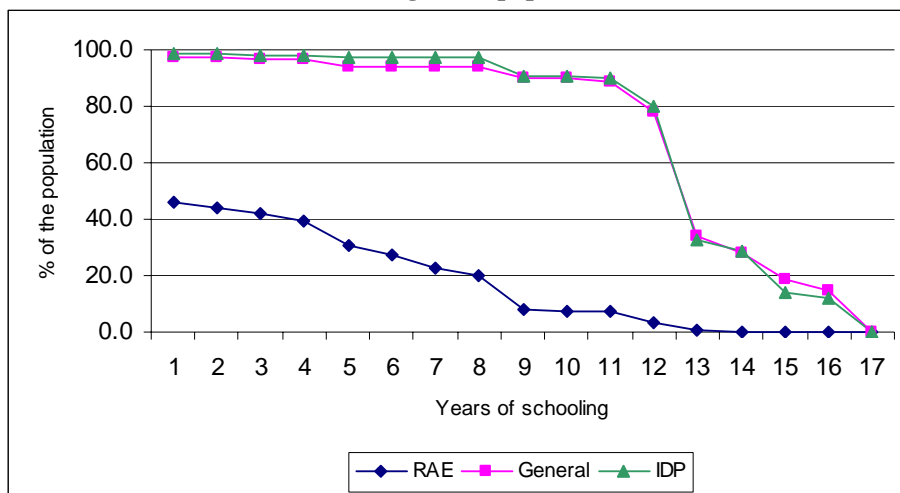
30. **Access barriers to education for Roma children begin with pre-schools, and low pre-school enrollment is likely to undermine subsequent primary education enrollment rates among Roma children:** In Serbia only 7 percent of Roma children residing in settlements attend pre-school (from age 3-7), comparing to almost 34 percent for the general population. This is unfortunate for a number of reasons: International evidence suggests that children who attended early childhood development (ECD) or pre-school programs on average tend to fare better in primary school than those who have not. In particular, pre-schooling can promote a child's learning ability and motivation especially when the environment at home does not allow so, for example because parents themselves are not educated. Pre-schooling has an impact on socializing children, which can be important especially for children from socially excluded groups. Apart from unspecified preferences to keep children at home and not to send to pre-school, Roma respondents stated most often that sending children to pre-school would be too expensive. While pre-school attendance has so far been fee-based²⁸, the level of attendance fee is dependent on household income, and social welfare beneficiaries have access to free pre-schooling. Possibly because they receive income support, only 41 percent of Roma survey respondents stated that they were paying for pre-schooling as opposed to 89 percent among the general population, while the mean expenses for pre-schooling among Roma was half that of the general population.

31. **Pervasive non-registration of Roma households works against school enrollment of Roma children.** While primary school attendance is compulsory from the age of 7, non-registration of many Roma households prevents enforcement for Roma children. Because many Roma families have no residence records and Roma children no birth certificates, municipal authorities often have no full knowledge of how many Roma children reside in the municipality, and where they reside, and lack means and motivation to enforce school attendance. Moreover, often because of the unregistered status of Roma settlements, many Roma children face adverse geographical boundaries in accessing pre-schools and primary schools – living further away from schools than they would if household residence was registered. Many Roma live in unregistered settlements outside towns or at the fringes of urban centers (see section on Roma and housing below).

²⁷ Jaksic and Basic (2002) *Roma Settlements, Living Conditions and Possibilities for Roma Integration in Serbia, Results of Social Research*, Centre for Research of Ethnicities, Belgrade

²⁸ Recent reforms of the education system in Serbia have introduced one year of free pre-schooling

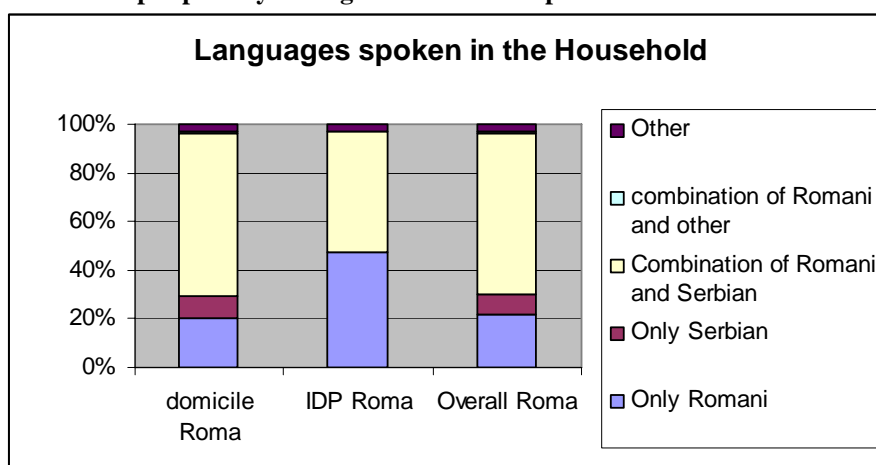
Figure 3.2 The RAE 18-45 year age cohort in Montenegro achieves substantially lower educational attainments than general population or IDPs



Source: Montenegro Household Survey of Roma, Ashkaelia and Egyptians, Refugees and Internally Displaced Persons, 2003

32. **Low enrollment in education is compounded by poor educational attainments and outcomes for Roma in both Serbia and Montenegro in comparison to both general population and non-Roma IDPs.** While there is no attainment data from the Serbia SLS and Roma booster, enrollment data suggests that most enrolled children are in primary education, with very few continuing on to vocational and/or secondary education. In Montenegro²⁹, as predicted by the low enrollment data, an alarming 63.1 percent of the RAE population have no education, 21.3 percent incomplete primary schooling, and 9.2 percent have completed primary schooling. Figure 3.2 shows the drastic differences in educational attainments between RAE and general population in Montenegro. This data suggests a high dropout of RAE children following initial entry into primary education.

Figure 3.3: Nearly half of Roma IDP households in Serbia speak only Romani – a likely key predictor of deeper poverty among Roma IDPs compared to non-Roma IDPs



Source: Own calculations based on Serbia 2003 SLS and Roma Booster: "Roma" relates to Roma households residing in settlements

²⁹ Data for Montenegro from Institute for Strategic Studies and Prognoses (2003), *Household Survey of Roma, Ashkaelia and Egyptians, Refugees and Internally Displaced People*

33. **Roma children fare worse in school performance compared to their non-Roma peers:** Data from the pilot stage of the national testing of school performance of 3rd grade pupils in Serbia in 2003/2004 show significant differences in student performance in Serbian language, mathematics as well as overall performance. This is driven by the fact that many Roma children are in special schools or that Roma children fail to receive the same quality of education in regular schools because of irregular attendance or insufficient support. Lower language performance may also be caused by less than full proficiency in the Serbian language and the fact that Serbian is not being spoken at home. Figure 3.3 indicates that in almost half of the surveyed Roma IDP households individuals did not speak any other language than Romani, while a staggering 20 percent of domicile Serbian Roma households do not master Serbian language. Inability to speak Serbian language severely limits labor market opportunities. Not surprisingly, the poverty analysis presented in the previous sections clearly indicates that those households, in which Romani is the only spoken language, are particularly poor. Moreover, language barriers are a likely key explanation for the substantially worse poverty incidence among Roma IDPs compared to non-Roma IDPs. Table 3.3 summarizes the national testing data.

Table 3.3: Data on school grades of Roma and non-Roma pupils in Serbian Language and Mathematics and data on overall performance at the end of 3rd grade of primary school, in percent

Grade	Serbian Language		Mathematics		Overall Performance	
	Non-Roma	Roma	Non-Roma	Roma	Non-Roma	Roma
1	0.9	9.0	3.0	18.4	1.5	7.1
2	9.0	36.1	13.4	48.9	1.4	12.1
3	19.5	32.6	21.7	14.9	12.2	42.9
4	29.5	11.1	29.0	9.9	29.2	24.3
5	41.1	11.1	32.9	7.8	55.8	13.6
<i>Average grade</i>	4.01	2.79	3.75	2.40	4.36	3.25

Source: Mihajlovic (2004), Needs Assessment Study for the Roma Education Fund, Serbia. Note: Higher grade represents higher accomplishment.

34. **Special schooling remains a key feature of Roma education:** Roma children in both Serbia and Montenegro often go to special schools for children with special needs. These schools, aimed at children with special needs, follow simpler curricula than regular schools. The reasons for being assigned to special schools are rarely transparent and correct, while one key likely reason may be a less than proficient command of the Serbian language among some Roma children. In Montenegro, anecdotal evidence suggests that almost 80 percent of children enrolled in special schools are Roma children. According to anecdotal evidence in Serbia, Roma constitute between 50-80 percent of the total number of children in special schools or in special classes in regular schools, with Belgrade reaching 80-85 percent³⁰. While Roma children may feel safe given their majority status in many special schools, they become further stigmatized and fail to develop based on the exploitation of their full potential in such schools.

35. **While education appears to fail to break the poverty cycle for Roma today, access barriers and poor education outcomes threaten to lock Roma children into continued exclusion and poverty in the future.** The survey data reveals that Roma face a high likelihood of poverty even with education: In Serbia, while almost 68 percent of settlement Roma living in households with the household head having no education are very poor, 63 percent are poor even though the households head has elementary schooling. 47 percent of those households headed by a graduate of vocational education (1-2 years) and 37 percent of those with vocational schooling of 3-4 years or gymnasium are poor. In Montenegro, RAE households face an even higher poverty risk if the household head completed primary education (41.5 percent) than those where she/she has unfinished elementary education (30.8 percent). However, most importantly, evidence

³⁰ Mihajlovic (2004), Needs Assessment Study for the Roma Education Fund, Serbia

reveals the intergenerational dimension of Roma social exclusion: significant education access barriers and the resulting poor educational outcomes of Roma children today predict their continued social exclusion in the future.

36. **Policy Recommendations - Education:**

- The analysis shows that education poverty is a key predictor of income poverty and the main driver of an inter-generational poverty-trap. The staggeringly low enrollment rates among Roma children call for an ***all-out effort to improve access to schooling for the Roma population***, comprising measures both within and outside the education system. Only if Roma children go to school and raise overall attainment rates will the Roma population stand a chance of being lifted out of poverty over the next generation. Such an all-out effort is necessarily multi-sectoral and encompasses both financial and income measures as well as those aimed at overcoming multiple access barriers. They should be primarily directed at raising the number of children who complete regular elementary schooling, but need to be compounded by availability of vocational education.
- Within the education system, it appears that ***increasing access to pre-schooling*** for Roma children is a priority. Pre-schooling can help Roma children to catch up and make up for suboptimal learning conditions at home, so as to improve their chances once entering primary school. However, with even general population pre-school enrollment standing at only 34 percent, demonstrable change for both general population and Roma children will require a substantial Government effort. Expanding pre-schooling for Roma children can take the form of boosting Roma enrollment within existing public pre-school institution as well as arranging pre-schooling within Roma settlements, possibly run by Non-Governmental Organizations.
- Many Roma children who are going to school are enrolled in “special” schools for children with special needs who often do not allow Roma children to uncover and exploit their true potentials. Rather, the challenge is to ***achieve higher enrollment rates for Roma children in regular schools***. This requires specific school teacher training to deal with social exclusion manifested in the classroom as well as the provision of extra teachers to help bridge the knowledge gap between Roma and non-Roma children, in particular in the Serbian language.
- A precondition to measures to boost enrollment is a ***renewed attempt to register non-registered Roma*** and other households residing in settlements. Enforcement of compulsory primary schooling necessarily requires knowledge of the number, age and place of residence of Roma children.
- ***Teacher training*** to deal with social exclusion manifested in the classroom as well as the ***provision of extra teachers*** and/or ***Roma teaching assistants*** to help bridge the knowledge gap between Roma and non-Roma children, in particular in the Serbian language, can help reduce barriers and lift Roma children out of special schools.
- ***Availability of transport*** for Roma children in rural areas to help them commute to regular schools in neighboring villages. Likewise, ***free textbooks on loan from the schools*** will ensure that Roma children have access to study material (See Box 4).
- For adults, efforts aimed at raising ***adult literacy and vocational skills as well as teaching Serbian language skills***. This is essential to both boost adult’s employability, but also to enable parents to provide a more enabling learning environment for their children at home.

- **Increased availability of social protection benefits** for the Roma population can lower the necessity for children to earn income rather than going to school, and benefits such as the MOP or child allowance could be conditional upon child school attendance (see Section IV).

Box 4: Improving educational outcomes for RAE children in Montenegro – turning ideas into practice

The Government of the Republic of Montenegro has embarked upon a comprehensive reform of its school system. This reform started in 2004 in 25 schools and will be extended each year to cover more and more schools until all schools have been included. This reform program includes a revised curriculum for all grades, training for teachers on the new curriculum, new pedagogical approaches and the use of information technology, new textbooks and other learning materials, and renovation of school buildings. The World Bank is supporting this reform process through the Montenegro Education Reform Project.

Among the schools joining the reform program each year there will be at least two schools with significant minority populations, including Roma. This will ensure that these students have access to the revised curriculum and their teachers’ skills are upgraded as quickly as possible. It will also give policy makers information about how the reform process is implemented in different types of schools so that it can be adjusted to ensure real improvements happen in all schools.

In order to ensure that all students have access to the textbooks that they need, the Government will provide all students in the reform schools from disadvantaged backgrounds with free textbooks. This requires the Ministries of Education and Science and of Labor and Social Welfare to work closely together. Every parent whose child is attending or will attend a “reform” school is given a form to request free textbook provision. The Centers for Social Work (CSW) confirm which families are registered as socially deprived, by stamping the application form and returning it to the school. The school librarian then notifies the Ministry of Education and Science of the number of free books it needs. Parents sign a contract with the school to return the books at the end of the year in decent condition, so that the books can be re-used the following year by other children. This process is managed by the school librarian. Parents will be required to pay for books which are lost or returned in an unusable condition. The 2005-06 school year will be the first year of operation of this scheme, which will be carefully monitored to ensure it does actually reach the parents who need it.

2. EMPLOYMENT AND LABOR MARKET OUTCOMES

37. **Education status and outcomes are closely linked to employment and labor market outcomes.** Lower educational attainment is worsening an individual’s future chances in the labor market, while the need to contribute towards household income keeps many children out of school. Serbia’s and Montenegro’s delayed transition from the socialist system to a market economy has resulted in widespread unemployment. While chronic high unemployment in Serbia and Montenegro affects all sections of society, the labor market status for Roma is significantly worse than for the general population. In Serbia significantly more Roma are out of work than non-Roma, with particularly pronounced discrepancy for women. When Roma are employed, they often are in the informal sector, with negative welfare consequences and without social insurance coverage³¹. Table 3.4 summarizes labor market outcomes for Roma in working age (defined here as between 15 and 55 for women and 60 for men) in Serbia. While there appears to be little difference in labor force participation, Roma fare significantly worse in terms of employment and unemployment results.

Table 3.4: Serbian Roma face worse labor market outcomes than the general population

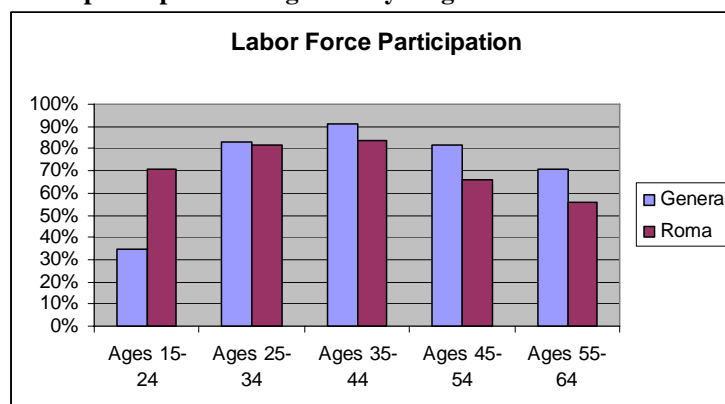
in percent	General Population	Roma
Labor Force Participation Rate	73.4	74.9
Employment Rate	62.2	51.0

³¹ This lower social insurance coverage is also evident from the social protection coverage analysis in Chapter IV.

Source: Own calculations based on Serbia 2003 SLS and Roma Booster; "Roma" relates to Roma households residing in settlements

38. **There are significant differences in labor force participation, employment and unemployment outcomes between settlement Roma and general population households in Serbia.** Although the labor force participation rates for general population and settlement Roma in Serbia appear similar, data presented in Table 3.5 and Figure 3.4 reveal that in fact there are significant differences, if viewed by age bracket. While significantly fewer Roma in older age cohorts participate in the labor market and are in employment, labor force participation and employment rates among young Roma aged 15-24 are higher than for the general population. This is driven by comparatively low school enrolment for Roma children and youth, who are often engaged in various income-generating activity rather than attending class (see section on education). The discrepancy in employment rates between Roma and general population is to some extent driven by differences in female employment rates: While the Roma male employment rate is only slightly below that of the general population (66.8 compared to 69.9 percent), the female Roma employment rate of 34.5 percent is significantly lower than that the rate of 54 percent for non-Roma.

Figure 3.4: Labor force participation is higher for young Roma in Serbia than for young non-Roma



Source: Own calculations based on Serbia 2003 SLS and Roma Booster; "Roma" relates to Roma households residing in settlements

39. **Despite this variation in participation and employment, Roma face consistently higher unemployment rates** across all age cohorts and all educational outcomes, although the discrepancy is lower for individuals with continuing education. As Table 3.5 shows, in particular Roma men who reach a Gymnasium-level of higher degree, fare significantly better than their less educated peers in comparison to non-Roma. However, discrepancies for women are significant and are not mitigated by education. Non-poor Roma face a higher unemployment rate than poor household heads in the general population (25.8 compared to 23.7 percent). Montenegro data confirms the unsatisfactory labor market and employment experience for Roma in Serbia: In Montenegro, only about 11 percent of Roma survey respondents indicated that they had been employed in the week preceding the survey.

Table 3.5: In Serbia in 2003 labor force participation and employment rates among young Roma aged 15-24 were higher than for the general population

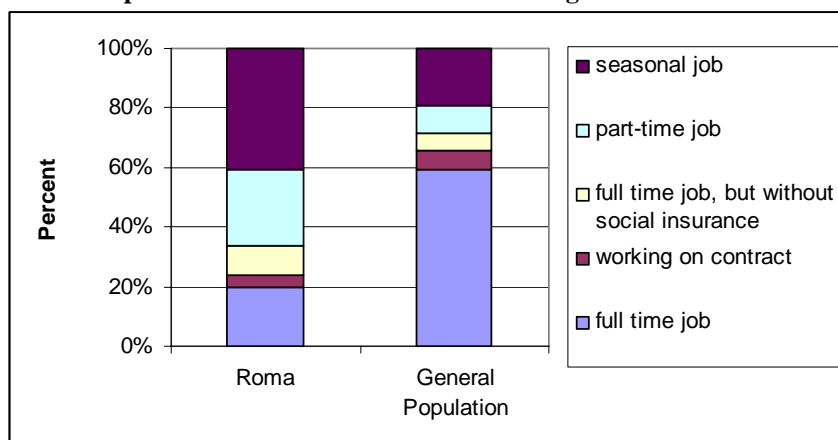
	Labor Force Participation		Employment		Unemployment	
	General	Roma	General	Roma	General	Roma
Ages 15-24	34.6	70.6	19.9	36.7	42.6	47.9
Ages 25-34	83.2	81.5	65.8	59.3	21.0	27.2
Ages 35-44	91.3	83.4	81.7	62.4	10.5	25.1

Ages 45-54	81.8	65.7	75.6	51.2	7.6	22.1
Ages 55-64	70.7	55.7	64.1	46.2	9.4	17.2

Source: Own calculations based on Serbia 2003 SLS and Roma Booster; "Roma" relates to Roma households residing in settlements

40. **Roma employment is mostly informal, part-time or short-term and low-skilled; and those who work, receive low salaries and often remain poor:** In fact, some of the types of employment the Roma are engaged in can be a source of vulnerability, for example through greater health risks. In Montenegro, more than 50 percent of survey respondents who worked stated they did physical work or were earning their income from collecting trash to sell it afterwards, while 18 percent are engaged in communal services, 5.4 percent in trade and repair, 3 percent in administration, 3 percent in production, 1.8 percent in agriculture and 1.8 percent in handicraft. Most survey respondents in Montenegro who reported to be employed are performing their job from time to time (47.3 percent), and 39.5 percent fulltime. Figure 3.5 presents comparative employment patterns for Roma and general population individuals in Serbia, and shows that, while 60 percent of general population household heads have a full-time job, this is true only for 20 percent of the Roma. At the same time, part-time and seasonal work is much more widespread among employed Roma than general population household heads. Not surprisingly, data from Serbia also indicates that many 'employed' are in fact working poor: Employment fails to fully protect from poverty, with 35 percent of Roma households with employed household head remaining in poverty. At the same time, Roma households can rely less on subsistence farming, an important informal safety net especially in the rural areas, than general population households: In Serbia only 2.5 percent of Roma households living in rural areas report holding land plots greater than 1,000 m², compared to 65.5 percent of general population households.

Figure 3.5: Roma employment is often seasonal or part-time rather than full-time with social insurance protection – evidence for Roma residing in settlements in Serbia



Source: Own calculation based on Serbia 2003 SLS and Roma booster; "Roma" relates to Roma households residing in settlements

41. **Educational attainment does not appear to have a major impact on improving the employment status of Roma in Serbia.** As Table 3.6 shows, Roma unemployment rates remain high across all levels of educational attainment such as primary, vocational and secondary education, and only a gymnasium degree or higher decreases the unemployment rate substantially. This suggests that Roma employment is affected by other aspects of social exclusion, preventing Roma from reaping the labor market benefits from education.

Table 3.6 Roma face inferior labor market outcomes in Serbia, regardless of educational attainments

Unemployment rates, in percent	General	Roma
No schooling/unfinished elementary	19.0	35.8
Elementary education	15.5	30.5
Vocational education	9.5	32.1
Secondary education	16.5	33.6
Gymnasium or higher	11.0	20.6

Source: Own calculations based on Serbia 2003 SLS and Roma Booster; “Roma” relates to Roma households residing in settlements

42. Policy Recommendations – Employment:

- **Primary efforts to raise the employability of the Roma builds on improving educational outcomes**, both through raising enrollment rates in regular elementary schooling and through increased availability of life-long learning and programs aimed at adults such as vocational education and training. In an environment where personal networks and adaptability are key determinants of finding employment, often informal, language skills are particularly important. The failure to speak Serbian language, affecting roughly 20 percent of Roma household heads and almost half of the Roma IDPs, is likely to act as an almost insurmountable barrier to employment – even informal.
- This effort also relies on **Roma multipliers** – boosting Roma employment in the education and health professions through targeted scholarship programs for example can help promote Roma inclusion and provide support in raising employability.
- **Employment generation and active labor market programs** operated through public and private employment services can conduct specific outreach to the Roma population and focus their attention on facilitating labor market entry and employment generation of socially excluded groups such as Roma. Apart from adequate funding of such efforts, this requires training of employment services staff to alert them to the specific needs and constraints faced by the Roma population. In addressing low employment of the Roma, it is essential to analyze currently used coping mechanisms and offer active labor programs based on these³².

3. HOUSING

43. **Poverty analysis presented above in this report has found that housing status for Roma is closely related with household welfare.** This section aims to develop the analysis of housing determinants of poverty further, by looking at individual housing characteristics for Roma and non-Roma households.

44. **While Roma settlements are dispersed across the country, Roma households in Serbia are predominantly found in Belgrade and other urban centers.** A recent survey of Roma settlements in Serbia³³ reveals that there are almost 600 Roma settlements with more than 15 families or 100 individuals. The density of the Roma settlements is highest in Belgrade, in Vojvodina and in districts of Central Serbia, while Southern Serbia has relatively few Roma

³² For example, in a recent survey of Roma settlements the majority of respondents stated that learning a handicraft would be a preferred way to earn more income (Oxfam and Argument (2001), “The Roma Livelihood in Belgrade Settlements”)

³³ Jaksic and Basic (2002) *Roma Settlements, Living Conditions and Possibilities for Roma Integration in Serbia, Results of Social Research*, Centre for Research of Ethnicities, Belgrade

settlements. Half of the Roma settlements are in urban areas, while the rest is in suburban or rural areas. The greatest single concentration of Roma settlements is in Belgrade itself, with about 100 large settlements.

45. **In Serbia, Roma households show significant discrepancies in housing indicators when compared to the general population**, with only 63 percent of the households having access to water supply compared to 92 percent for general population, and sewerage 33 vs. 63 percent (see Table 3.7). There are wide discrepancies in bathroom and toilet characteristics between Roma and non-Roma dwellings. Survey results also confirm that Roma housing is often sub-standard, leading respondents to complain about conditions: Almost 83 percent of Roma survey respondents had complaints about their accommodation, compared to 47 percent among non-Roma. The reasons for such complaints comprised lack of space, humidity, leaking roofs, rotten floor or walls and insufficiency of daylight.

Table 3.7: Roma living in settlements in Serbia face significantly worse housing characteristics than the general population

Percentage of households that have -	Roma	General Population
Separate kitchen	32.9	79.5
Bathroom (shower, tub) within dwelling	31.5	87.9
Toilet within the dwelling	29.8	82.0
Balcony or loggia	19.5	65.2
Garden plot used for agricultural purposes	10.3	38.4
Agricultural Plot of Land (greater than 10 acres)	1.7	36.6
Electricity	88.5	99.9
Water Supply	63.2	91.5
Sewerage	33.2	63.4
Gas	1.0	8.3
Central heating	0.3	21.8
Telephone	17.6	78.2
Cable or Satellite TV	1.9	23.4

Source: Own calculations, based on Serbia 2003 SLS and Roma Booster; "Roma" relates to Roma households residing in settlements

46. **In Montenegro, RAE households display similar poor characteristics.** Survey results show that 47.6 percent of RAE households live in barracks or non-solid housing, 30.5 percent in houses, while 7.8 percent reside in one-bedroom apartments. RAE households often live in cramped conditions: A staggering 61 percent of RAE households live in premises with less than 30 square meters, with the mean number of household members being 5.72 (as compared to 3.7 for general population households). More than 80.8 percent of RAE households live in accommodations that provide less than 10 square meters per individual, while this applies only to 8.2 percent for the general population.

47. **Roma settlements are found in urban, semi-urban and rural environments.** Analysis in Serbia reveals that 52.7 percent of Roma settlements are in cities, with 21.7 percent being quarters of cities and 31 percent suburban settlements³⁴. 44.8 percent of Roma settlements are in rural environments, while 21.7 percent are in villages and 23.1 percent as sections in villages with mixed ethnic composition. Most of these settlements are illegal or unplanned, are not registered in the local cadastre records and therefore do not have an address at which households can be registered. According to the analysis, 28 percent of Roma settlements in Serbia were built according to municipal plans, 34.6 percent were built illegally, and 35.4 percent spread illegally

³⁴ Jaksic and Basic (2002)

from an originally planned core settlement. Illegal housing often translates into slum-type settlements which as has been shown is highly correlated to poverty.

48. **Roma residing in rural areas tend to be poorer than in urban centers.** Despite the prevalence of slum-type settlements in urban centers, associated with a high risk of poverty, Roma poverty is significantly lower in Belgrade than in the other less urban areas, in particular in the northern Vojvodina region, as Table 3.8 reveals. Roma residents in Vojvodina are significantly more likely to be very poor than those in Belgrade, while the difference is even more prominent for the extremely poor.

Table 3.8: Roma poverty in Serbia varies substantially with region and settlement type

in percent	Very Poor	Extremely poor
Type of Settlement		
Slums	75.1	21.7
Settlements outside towns	52.1	8.1
Poor rural settlements	60.0	4.4
Suburban settlements	54.8	4.7
Area of Residence		
Urban	57.5	9.1
Other	65.2	11.0
Region		
Belgrade	51.1	5.1
Central Serbia	60.0	6.9
Vojvodina	67.7	18.9

Source: Own calculations based on Serbia 2003 SLS and Roma Booster; "Roma" relates to Roma households residing in settlements

49. **Policy Recommendations - Housing:**

- Housing status and the quality of dwelling are highly correlated with poverty, and many Roma live in precarious housing, often without residential registration. Tackling housing poverty means **registering the residential status of settlement Roma or identifying land for legal Roma settlements or allocating alternative accommodation** and is a precondition to reducing housing, as well as health, poverty. With many Roma settlements located on non-designated land and not registered in the cadastre records, there is no obvious and simple way to change the legal status of many unregistered Roma settlements, and the analysis of the registration and cadastre issue goes beyond the scope of this report. Ultimately, the only way out may be to transfer Roma households from precarious illegal settlements to designated alternative housing.
- Addressing the housing problem, such as through making available alternative accommodation and ensuring communal services and access to sewerage, water and electricity supplies, is predominantly a **responsibility of municipal authorities**. The central authorities in Serbia and Montenegro, therefore, need to involve the municipal authorities in their effort to operationalize and implement their Decade of Roma Inclusion Action Plans.
- Some Roma IDPs in Serbia and Montenegro have been residing in collective centers. With **IDP collective centers progressively being closed**, there is a risk that Roma IDPs end up in often more precarious settlements. In order to prevent this, the authorities would need to focus on ensuring that the availability of alternative housing is commensurate with collective center places being lost.

4. HEALTH

50. While there is a severe lack of adequate data and analysis on the health status of the Roma population in both Serbia and Montenegro, reports show that Roma hygiene and health standards are low in both Republics. Poor health status is mainly driven by precarious housing and living conditions, poor understanding of health and hygiene issues among Roma and multiple obstacles to access to the health care system. Qualitative and anecdotal evidence³⁵ suggests that Roma face a significantly larger risk of contagious diseases than the general population. Unofficial settlements both in urban centers and rural areas are usually not covered by communal services, resulting in severe health risks due to unsafe water supply, open sewage and improper waste disposal. Evidence shows that many Roma suffer from poverty-driven diseases such as malnutrition, lung and intestinal diseases, skeletal diseases and alcoholism. There has also been a reported rise in Roma children suffering from tuberculosis³⁶.

51. **Roma in working age show a significantly greater likelihood of chronic diseases which undermines their ability to generate income in the labor market.** The household survey data on health have to be treated with caution: The data reflect self-reported health status only, and should not be mistaken for actual health status. With only a minority of Roma visiting the doctor for regular medical check-ups, such self-reporting may underestimate the true incidence of health problems and, therefore, provides only an indicative picture. Table 3.9 summarizes age-specific rates of reported illnesses. In the Serbia household survey, 17.4 percent of Roma aged 25-44 reported chronic illnesses, compared to a mere 6.8 percent among the general population. More alarmingly, half of the Roma aged 40-55 report chronic illnesses (compared to 25.9 percent of the general population). The prevalence of chronic illnesses among the working age population is expected to have a significant impact on Roma household's poverty: Chronic illnesses hinder or prevent work ability and labor force participation and deprives Roma households of an important income-generating source. The higher average rate of reported chronic illnesses among the general population is driven by the older generation: Almost 20 percent of the general population is older than 65 years of age, compared to 3 percent of the Roma.

Table 3.9: Incidence of reported chronic illnesses is higher for Roma than the general population in Serbia, in percent

Age	General Population	Roma
0-25	3.0	5.9
25-40	6.8	17.4
40-55	25.9	47.6
55-70	53.9	61.8
70+	68.0	63.8
Average	27.2	19.9

Source: Own calculation based on Serbia 2003 SLS and Roma Booster; "Roma" relates to Roma households residing in settlements

52. **Health system utilization among Roma is low compared to the non-Roma population even for basic health needs.** While significantly more Roma report chronic illnesses, except for those above 70 years of age, significantly fewer of them receive health care, as Table 3.10 reveals. Moreover, while more Roma suffered from an acute illness than non-Roma survey respondents, fewer Roma utilized health services. Roma also spend only a third of what non-

³⁵ *Health Status, Health Needs and Utilisation of Health Services of Roma Population in 2001*, Report on the analysis for Roma children and adult population in Belgrade and Kragujevac, OXFAM GB, Office in Belgrade

³⁶ UN OCHA (2002) *Assessing the Needs of the Roma Community in FRY (ex. Kosovo)*

Roma spend on public medical services. This survey evidence is compounded by reports from human rights groups on cases where Roma have been denied access to health services. A survey of settlement Roma³⁷ shows that Roma children often fail to receive immunization: 9 percent of children in surveyed households were never vaccinated while the vaccination status was unknown for 27 percent, and only few children received comprehensive vaccination. Moreover, while 68 percent of Roma women visit a gynecologist for child birth, 80 percent do not go for regular check-ups. In the case of sickness or injury, Roma most often visit primary care physicians (62 percent), while 14 percent treat themselves, and in the majority of cases some serious health conditions were not treated when diagnosed. 80 percent of respondents stated they visit a dentist only for tooth extraction.

Table 3.10: Fewer Roma utilize health services than the general population in Serbia and pay lower amounts on out-of-pocket co-payments for health care

In percent	General Population	Roma
Report chronic illness and request regular therapy	78.6	52.3
0-25	79.3	45.9
25-40	60.9	39.2
40-55	74.0	53.2
55-70	80.7	67.3
70+	81.8	58.9
Suffered from acute illness/injury in previous month	16.5	20.5
Of which visited public health facility	22.1	17.0
Mean out of pocket expenditure at public health facility (in Dinars)	633	216

Source: Own calculations based on Serbia 2003 SLS and Roma Booster; "Roma" relates to Roma households residing in settlements

53. **The Roma population faces multiple barriers to access to health services, such as lack of information and knowledge, language barriers, financial barriers, unregistered residential status and discrimination.** Under-utilization of the health system is explicit in two forms, under-reporting of illnesses and failure to see a doctor or failure to receive health services when requested. Even where there is a significantly higher illness and disease incidence, individuals may fail to go and report it for reasons of exclusion and access barriers. The evidence on the dimensions of exclusion presented in this report suggest that many Roma are locked out of many forms of public services provided at the municipal level, and access to health services is constrained by the systemic barriers such as non-registration, lack of information or language skills. With respect to financial barriers, it is noteworthy that Roma make substantially lower out-of-pocket payments for health services on average than non-Roma, as evident from Table 3.10. This compounds the evidence on lower health service utilization – the poor face an even higher access barrier to health services in an environment of widespread out-of-pocket payments³⁸. However, there are reports from Serbia indicating access barriers in cases where individuals went to report illnesses and where health centers refused to treat them, and human rights organizations in Serbia and Montenegro have been reporting regular and multiple cases of discrimination³⁹.

54. **Policy Recommendations - Health:**

³⁷ Oxfam, ops. cit.

³⁸ There is evidence of substantial out-of-pocket payments for health care in Serbia. Overall health care expenditures are estimated at about 10 percent of GDP, of which 7 percent are public and 3 percent private (World Bank, *Serbia Public Expenditure Review*, forthcoming). Private expenditure comprises both formal co-payments and informal out-of-pocket payments. Household survey data suggests that patients pay substantially more out of pocket for accessing services than the small official co-payment, and those who are using private services are paying substantial amounts out of pocket (World Bank, 2003).

³⁹ Antic (2005), *Roma and Right to Health Care in Serbia*, Minority Rights Center, Belgrade

- Given the lack of suitable data on the health status of the Roma population, there is a ***need for more survey work and focused health assessments*** disaggregated by individual settlements to help the authorities in developing interventions, in particular at the municipal level.
- As noted the primary access barrier often is constituted by missing residential or citizenship registration of Roma as well as the fact that precarious Roma settlements are illegal and not recognized by municipalities. In the long-run there may be little alternative to ***transferring Roma households from illegal settlements to designated legal housing*** with improved sewerage and water supply systems to help mitigate health risks.
- Boosting a family medicine approach with primary health centers located close to and catering to Roma settlements can help tackle chronic health problems. This involves a ***preventive health care*** strategy of scaled-up immunization, preventive child health care and raising awareness among the Roma population most at risk. Overcoming access barriers relies crucially also on training staff in health care centers close to Roma settlements and on providing language and translation services, ideally through Roma staff.
- Serbians spend substantial resources on ***out-of-pocket payments for health care services***, whether they are insured or not. The widespread practice of out-of-pocket payments has a disproportionately negative effect on the very poor and is likely to prevent them from accessing health services in many instances. Attempts at tackling out-of-pocket payments and ensuring transparent and free of charge access for the uninsured poor and vulnerable groups contributes to promoting Roma access to health care.

IV. Roma Social Safety Net Coverage in Serbia

55. The previous sections have presented the extent, dimensions and nature of poverty and social exclusion of Roma in Serbia and Montenegro. Both Republics have systems of social protection aimed at providing the poor with a minimum social safety net. How are these programs performing in alleviating Roma poverty? Do they play a role in reducing poverty among the Roma population or are Roma largely excluded from these programs? This section reviews the effectiveness of Serbia's social protection programs in dealing with Roma poverty.

1. SERBIA'S SOCIAL PROTECTION SYSTEM

56. **The overall coverage of Serbia's social protection system across the general population is high**, with around 64 percent of the population receiving at least one kind of benefit in 2003. Serbia's social protection system differentiates between social insurance (old-age, disability and survivor's pensions as well as unemployment insurance benefits) and social welfare and child protection (SWCP) programs (material support to families (MOP), child allowance, caregiver allowance, military veterans and disability benefits, one-time municipal social assistance, as well as various family and child care services). Wide coverage among the general population is primarily driven by social insurance programs, and in particular old-age pensions, as Table 4.1 indicates. Coverage of the social protection system was above 90 percent for Serbia's poor in 2003, again mainly driven by social insurance programs. However, they also cover a sizeable share of non-poor, as is expected and indeed intended for social insurance programs.

Table 4.1: Social insurance is the main social protection tool in Serbia, rather than social welfare or child protection, even for the poor. Coverage of Serbia's Social Protection Programs in 2003

in percent	Entire population	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
<i>Social Insurance</i>	51.3	39.7	83	88.9	62	47.8	36.3	21.7
Old age pension	33.2	24.6	56.6	61.2	41.7	29.5	21.9	11.6
Disability Pension	11.4	8.1	20.2	21.5	13.2	8.7	7	6.4
Family Pension	10.5	9.3	13.7	15.4	11	13.3	8.2	4.3
Foreign Pension	1	0.1	3.3	3.8	0.8	0	0.1	0.2
Unemployment Benefit	1.9	1.4	3.2	2.8	3.3	2	1.3	0.2
Severance Pay	2.1	1.3	4.3	5.3	2.1	1.3	1.9	0
<i>Social Welfare and Child Protection</i>	20.4	19.3	23.3	20.6	31.2	23.1	16.7	10.5
Caregiver's Allowance	2.8	1.5	6.3	6.9	2.3	2.7	1.4	0.5
Veterans and Disability Allowance	0.5	0.4	0.8	1	0.6	0.3	0	0.4
War Victims Allowance	0.2	0.1	0.3	0.2	0.2	0.4	0	0
MOP	1	0.5	2.6	3	1.1	0.9	0	0.2
Humanitarian Aid	1.5	1.5	1.5	1.6	3.2	1.3	1.2	0.1
One time Municipal Assistance	0.1	0.1	0.2	0	0.3	0.3	0	0
Child Allowance	14.3	14.3	14.2	10.8	23.9	16.8	11.1	8.6
New Birth Allowance	0.8	0.5	1.3	1	1.3	0.7	0.8	0
Mother's Monthly Allowance	0.7	0.8	0.4	0.3	1.4	0.3	1.2	0.2
Alimony	0.9	0.9	0.9	1	0.8	0.7	1.4	0.5
<i>Social Protection</i>	64.6	54.1	93.2	96	81.6	65.9	49.3	30.5

Source: Own calculations based on Serbia 2003 SLS. Poor/non-poor defined based on pre-transfer income, assuming a counterfactual consumption of 100 percent marginal propensity to consume out of transfer income (See Annex 1 for details).

57. **Serbia's social protection expenditure is high by regional standards, driven mainly by social insurance spending.** This is driven in particular by significant general revenue financing of pensions (covering the pension system's deficit of 5.5 percent of GDP in 2003) and expenditure on unemployment and severance benefits. Spending on social welfare and child protection, at around 1.7 percent of GDP in 2003 is in the mid-range in South-East European countries. Table 4.2 presents recent expenditure data on social welfare and child protection. Spending on social welfare and child protection programs has mildly grown in recent years as a share of GDP, with child protection mildly decreasing, but social welfare spending increasing. However, social welfare spending has been low in comparison to child protection spending, as evident in the direct comparison between the two most important public SWCP programs, child allowance and the material support for families (MOP).

Table 4.2: Social Welfare and Child Protection Spending in Serbia 2000-2003, as percentage of GDP

	2000	2001	2002	2003
Total social welfare and child protection	0.97	1.65	1.69	1.70
Child Protection	0.73	1.38	1.31	1.26
Wage compensation during maternity	0.20	0.23	0.33	0.37
Child allowance	0.37	0.89	0.70	0.51
Parental allowance	-	-	0.10	0.22
Educational program before first grade	0.09	0.09	0.07	0.00
Others	0.05	0.10	0.07	0.09
Social Welfare	0.23	0.27	0.38	0.44
MOP	0.02	0.09	0.09	0.10
Caregiver's allowance	0.03	0.03	0.04	0.05
Social Institutions	0.10	0.06	0.08	0.06
Others	0.09	0.09	0.16	0.16

Source: Ministry of Labor, Employment and Social Policy, Republic of Serbia

2. COVERAGE OF THE ROMA

58. **Social protection coverage is high overall for Roma households residing in settlements, although a lower share of poor households is covered compared to the general population and a significant share of the poor remains without any benefit at all.** In 2003, only 11.7 percent of Roma households received social insurance benefits, and only 5.6 percent old age pension. This is not a surprising result: Labor Market analysis presented earlier shows that few Roma individuals are formally employed, which locks the majority out of formal employment-based social insurance benefits such as old-age and disability pension as well as unemployment benefit. Moreover, low old age pension coverage can also be explained by the comparative youth of the Roma population, with only 3.1 percent of Roma in Serbia being older than the age of 65. However, almost 74 percent of all individuals, and close to 80 percent of the poor, received social welfare and child protection in some form. Social welfare and child protection benefits, primarily aimed at poverty alleviation and means-tested appear to reach a sizable share of Serbia's poor Roma, but also a non-negligible share of non-poor Roma. However, while the poverty and social exclusion evidence presented in the preceding sections may have predicted significantly lower coverage rates for the Roma population, this analysis shows that almost 16 percent of poor Roma do not receive any benefit at all.

Table 4.3: Social welfare and child protection programs play a much greater role in social protection for Roma: coverage of Roma households of Serbia's social protection programs in 2003

in percent	Entire population	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
<i>Social Insurance</i>	11.7	5.2	14	13.8	15.6	12.1	12.4	4.7
Old age pension	5.6	2.9	6.6	4.9	8.3	4.5	7.3	3.3
Disability Pension	4.5	1.6	5.6	9.8	3.8	5.9	2.4	0.7
Family Pension	1.9	1.1	2.2	0.2	3.5	1.7	2.7	1.5
Unemployment Benefit	1.2	0	1.6	4.6	1.2	0	0	0
Severance Pay	0.7	0	1	3.7	0	0	0	0
<i>Social Welfare and Child Protection</i>	73.8	61.7	78.1	86.1	83.7	72.2	64.1	62.9
Caregiver's Allowance	2.8	1.5	3.2	1.9	0	9	2.3	0.7
Veterans and Disability Allowance	0.5	0.6	0.5	1.7	0	0	0	0.7
MOP	32.4	15.7	38.3	48.6	53.3	33.4	12.9	13.5
Humanitarian Aid	21.2	13.1	24.1	39.1	32.5	12	7.5	14.7
One time Municipal Assistance	1.7	0	2.3	5.5	0.5	1.9	0.6	0
Child Allowance	57.3	48.2	60.5	70.1	58.6	52.5	53.6	51.3
New Birth Allowance	1.8	1.1	2.1	0.7	4.4	0	2.6	1.5
Mother's Monthly Allowance	1.9	0	2.6	3.6	3.2	0	2.7	0
Alimony	0.6	1.5	0.2	0	0	0	2.8	0
<i>Social Protection</i>	79.2	63.6	84.7	93.7	88.3	76.2	72.6	64.8

Source: Own calculations, based on Serbia 2003 SLS. Poor/non-poor defined based on pre-transfer income, assuming a counterfactual consumption of 100 percent marginal propensity to consume out of transfer income.

59. **The most important social benefits covering the Roma population in 2003 were the child allowance, the material support for poor families (MOP) and humanitarian aid**, in this order (see Table 4.3). The *child allowance* program is financed and managed by the Serbian Ministry of Labor, Employment and Social Policy (MLESP) and run by the municipalities. Recent reforms have introduced a new Law on Financial Support for Families adopted in 2002 with the aim to improve targeting of benefits. The right to child allowance is limited to the first four children, and the eligibility is controlled through means-testing including asset tests. The law also introduced a uniform eligibility threshold across the Republic. The *Family Material Support (Materijalno obezbeđenje porodice, MOP)* is the key social assistance benefit in Serbia. Financed and operated by MLESP through municipal Centers for Social Work (CSW), it is aimed at individuals and households with an income below the minimum social security threshold, filling the gap between the income and the threshold which is defined as a percentage of the average wage in the municipality, adjusted for household size. Recent reforms have introduced a unified Republican eligibility threshold for MOP also, and the eligibility is dependent on a means and asset test⁴⁰. *Humanitarian aid*, mainly provided to internally displaced persons and refugees, played an important role in sustaining the livelihood of poor households in 2003. Initially conceived by agencies such as the World Food Program (WFP) and the International Committee of the Red Cross (ICRC) as a substitute for public social assistance during the crisis period of the late 1990s, in kind assistance such as food aid as well as one time cash assistance was provided based on similar targeting parameters as social assistance. While both agencies have phased out their food aid programs in 2004 in anticipation of a gradual take-up of their beneficiaries by the social welfare and child protection system, the transition from food aid to publicly financed cash benefits has not been smooth⁴¹.

⁴⁰ A unified Republican-wide eligibility threshold for MOP was introduced in amendments to the social welfare legislation in 2004. The analysis of the MOP benefit incidence in this report is based on 2003 data, i.e. without the unified threshold.

⁴¹ ICRC (2005) mentions the multiplicity of documentation required for MOP as a major barrier to access for IDPs and Roma.

60. **Child allowance is the SWCP benefit with the highest coverage both for settlement Roma and the general population, while MOP coverage is significantly more limited.** Child allowance reaches a sizeable share of poor Roma, but also a non-negligible share of the non-poor: As Table 4.3 shows, about 60 percent of poor Roma receive child allowance and almost 50 percent of non-poor. Moreover, 70 percent of Roma in the poorest quintile receive child allowance. High coverage rates for both poor and non-poor Roma are mainly driven by the significant budget allocation for child allowances. Child allowance coverage is also highly related with whether a household member resides in an urban center; coverage being significantly lower in rural areas. MOP coverage rates are lower than for child allowance consistently for poor and non-poor and all income quintiles. However, unlike for child allowance, coverage for the MOP is higher in rural than in urban areas.

61. **The data suggests that MOP has a significantly superior targeting performance among settlement Roma than child allowance.** Almost 90 percent of MOP recipients are poor, and equally almost 90 percent of MOP spending on Roma goes to the poor. This mirrors an equally superior targeting performance among the general population⁴². The data presented in Table 4.3 also show that, interestingly, more people in the second-poorest quintile receive MOP than in the poorest quintile – a likely phenomenon of access barriers which we attempt to explain below. With the introduction of means-testing of child allowance under the new Law on Financial Support for Families adopted in 2002, the targeting performance of child allowance has marginally improved⁴³.

Table 4.4: Comparative transfer incidence analysis reveals the superior targeting impact of the MOP

in percent	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
<i>Roma</i>							
MOP	12.5	87.5	39.1	30.0	15.8	8.8	6.3
Humanitarian Aid	14.0	86.0	48.3	19.8	13.5	8.2	10.2
Child Allowance	24.9	75.1	26.9	19.9	14.2	19.8	19.2
<i>General Population</i>							
MOP	33.6	66.4	53.6	23.1	16.9	0.0	6.4
Humanitarian Aid	57.4	42.6	29.3	41.5	16.8	11.2	1.3
Child Allowance	72.1	27.9	16.1	32.6	23.4	15.3	12.2

Source: Own calculation based on Serbia SLS 2003 and Roma booster.

Transfer incidence represents the percentage of total transfer amounts received by each subgroup

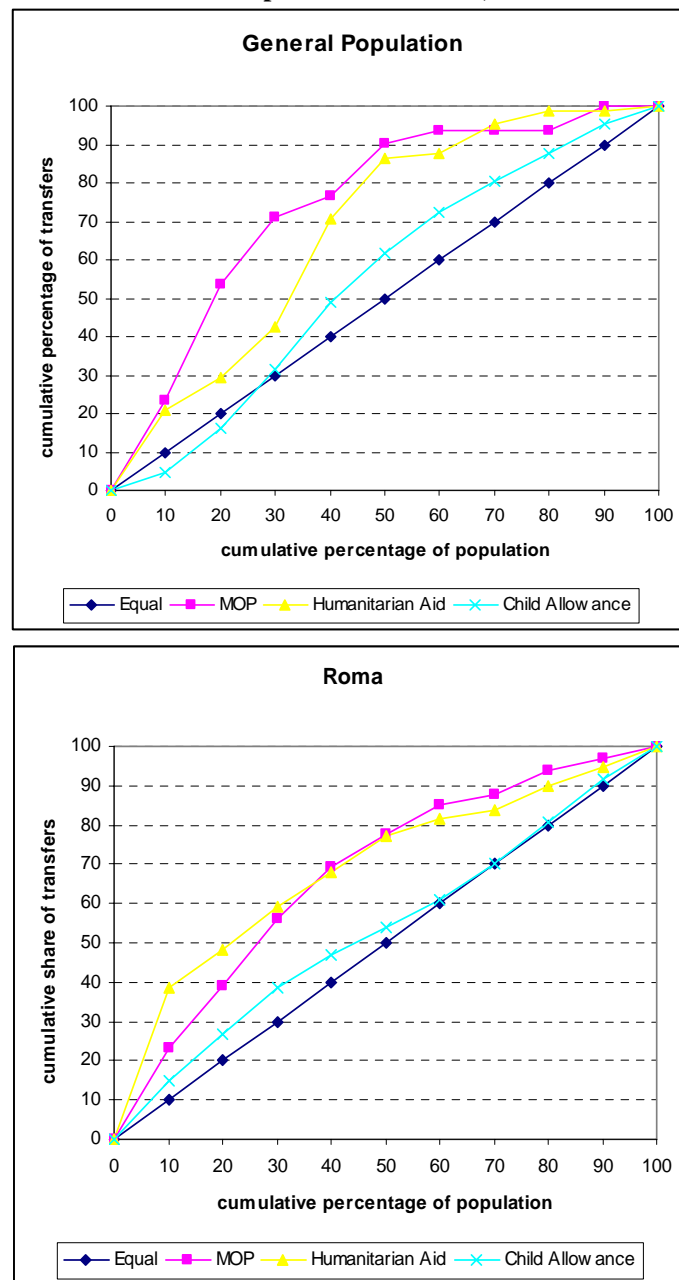
62. **The child allowance program's high coverage of the poor comes at the expense of high leakage to the non-poor.** Indeed, though they reach less poor households, the MOP and humanitarian aid have targeted poor Roma more effectively and show less leakage to non-poor Roma households, as the transfer incidence data presented in Table 4.4 shows. In 2003, a modest 26.9 percent of child allowance transfers went to the poorest quintile for Roma households. The MOP transferred 53.6 percent of its benefits to the poorest 20 percent of households in the general population and 39.1 percent to the poorest 20 percent of the Roma households. Humanitarian aid was better targeted on the poorest Roma households, with 48.3 percent going to the poorest 20 percent. The data confirm that child allowance in Serbia remains a benefit not effectively targeted to the poor. Almost three quarters of the child allowance resources went to the non-poor households in the general population in 2003. Given the greater poverty among the Roma, leakage of child allowance spending to the non-poor among the Roma households was lower than for the general population households, but its targeting cannot match that of the MOP:

⁴² The superior targeting performance may also be driven by limited available resources for MOP. Leakage may increase with increased spending on MOP.

⁴³ Tesliuc (2004)

While a quarter of the child allowance resources going to Roma households leaked to the non-poor, this was the case only for one eighth of the MOP resources. The concentration curves presented in Figure 4.1 indicate the superior targeting performance of the MOP and humanitarian aid. With the exception of child allowance for the general population, all transfers are progressive, i.e. the poor get a greater share of transfers than their share in total consumption. Child allowance, despite being means-tested, fares worse than the other two benefits, although it is also a (slightly) progressive transfer a result.

Figure 4.1: Concentration Curves for Selected Social Welfare and Child Protection Programs, General Population and Roma, Serbia



Source: World Bank estimates based on Serbia 2003 SLS and Roma Booster.

Note: Concentration curves are graphic devices which illustrate whether a transfer is progressive (the poor get a higher share of it) or regressive (the opposite is the case). If the concentration curve of a program lies above the equality line, the program is highly progressive: the poor recipients get more benefits than their share in total consumption.

63. **Consequently, the MOP is found to have a higher relevance in household income of the poorest Roma households than child allowance, while the phasing out of humanitarian aid risks leaving a vacuum in household income of the poorest.** While MOP represented a slightly lower share of household income than child allowance both for non-poor and poor Roma households overall, the reversal was true for the top two quintiles. For Roma households in the first quintile the MOP had a share of 12.9 percent of households' income compared to 12.2 percent of child allowance, and for the second quintile it represented 7.8 compared to 7.1, as Table 4.5 shows. Note also that for the poorest quintile more than 50 percent of household income is social protection, and that social welfare and child protection benefits represented a higher share in the Roma household income than social insurance consistently for all quintiles. While the relevance of humanitarian aid for the poor has been modest (2.5 percent), it took a share of 7 percent of household income for households in the poorest quintile in 2003. With humanitarian aid having been phased out, an income vacuum may emerge for the poorest households.

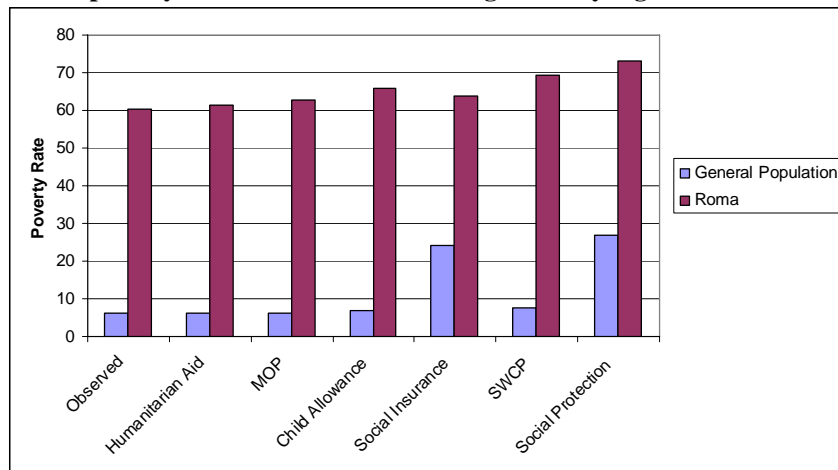
Table 4.5: Child Allowance and MOP were the most relevant transfers as a share of Roma household income in Serbia in 2003

In percent	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
<i>Social Insurance</i>	1.2	5.6	12.1	4.7	3.9	2.9	0.9
Old age pension	0.9	3.0	5.8	3.0	2.1	1.7	0.7
Disability Pension	0.2	1.8	5.7	0.6	1.0	0.9	0.0
Family Pension	0.1	0.7	0.5	1.2	0.8	0.3	0.2
Foreign Pension	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unemployment Benefit	0.0	0.3	1.3	0.3	0.0	0.0	0.0
Severance Pay	0.0	1.3	6.4	0.0	0.0	0.0	0.0
<i>Social Assistance</i>	4.5	16.7	35.5	19.6	9.4	7.4	3.8
Caregiver's Allowance	0.0	0.2	0.2	0.1	0.3	0.1	0.0
Veterans and Disability Allowance	0.0	0.1	0.5	0.0	0.0	0.0	0.0
War Victims Allowance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MOP	1.0	5.8	12.9	7.8	3.4	1.5	0.6
Humanitarian Aid	0.5	2.5	7.0	2.3	1.3	0.6	0.5
One time Municipal Assistance	0.0	0.3	0.9	0.1	0.1	0.0	0.0
Child Allowance	2.8	6.8	12.2	7.1	4.2	4.5	2.7
New Birth Allowance	0.0	0.3	0.1	0.8	0.0	0.1	0.0
Mother's Monthly Allowance	0.0	0.8	1.7	1.3	0.0	0.4	0.0
Alimony	0.1	0.0	0.0	0.0	0.0	0.1	0.0
<i>Social Protection</i>	5.7	23.9	55.3	24.6	13.3	10.3	4.7

Source: Own calculation based on Serbia SLS 2003 and Roma booster. Poor/non-poor defined based on pre-transfer income, assuming a counterfactual consumption of 100 percent marginal propensity to consume out of transfer income.

64. **There is significant overlap of MOP and child allowance coverage for both the general population and the Roma.** Among the general population in Serbia half of those families receiving MOP also received child allowance in 2003: While 1 percent and 14.3 percent of general population households received MOP and child allowance respectively, half of those receiving MOP also received child allowance. The overlap is even more pronounced for Roma households: While 32.4 percent of Roma households are estimated to have received MOP and 57.3 percent child allowance in 2003, 20 percent of the population received both benefits. In other words, 62.5 percent of those receiving MOP were also child allowance beneficiaries. The overlap of the two benefits is not surprising, given that child allowance and MOP are means-tested.

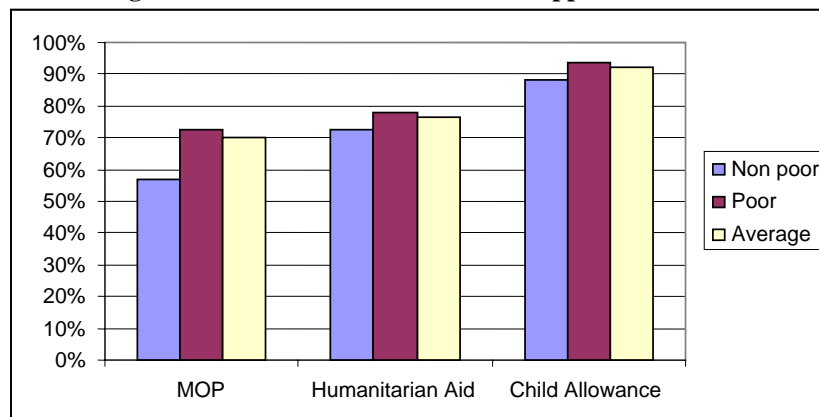
Figure 4.2: Roma poverty rates in Serbia would be significantly higher without social protection



Source: Own calculations based on Serbia 2003 SLS and Roma Booster. Observed poverty rates are defined as post-transfer, while poverty rates for benefits are defined based on pre-transfer income, assuming a counterfactual consumption of 100 percent marginal propensity to consume out of transfer income. “Roma” relates to Roma households residing in settlements

65. **Social protection prevents Roma poverty from rising even further:** In the absence of social protection the poverty rate for Roma would jump by 13 percentage points to above 73 percent. Driven by its high coverage rates, child allowance is the most relevant social protection instrument to mitigate Roma poverty, closely followed by MOP and humanitarian aid. Figure 4.2 presents the comparative poverty impact in the absence of select social protection interventions. It reveals that the mix of social welfare and child protection mechanisms is the most relevant tool mitigating Roma poverty, as in their absence, Roma poverty would jump from 60.5 percent to almost 70 percent. Note that social insurance policies such as old-age pensions are less important, as predicted by the low coverage rates of social insurance of Roma individuals. As for the most important SWCP interventions, the poverty rate for Roma would rise to 66 percent in the absence of child allowance, to 62.6 in the absence of MOP and to 61.4 if there was no humanitarian aid. The poverty mitigation relevance of the MOP is unsatisfactory, which is explained by its relatively low coverage due to its small budget allocation. The figure also presents the poverty mitigation relevance of the social protection policies for the general population. As predicted by its high coverage, social insurance policies turn out to be significantly more relevant than SWCP policies.

Figure 4.3: Percentage of Roma social assistance benefit applicants who received the benefit

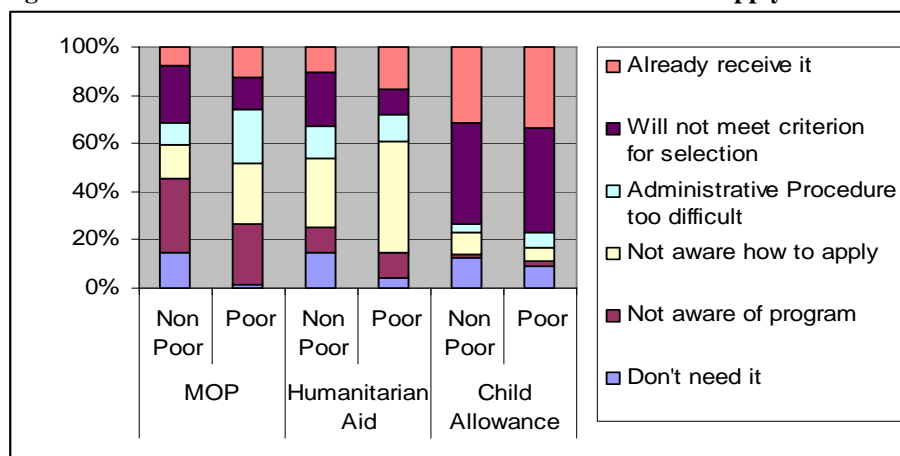


Source: Own calculation based on 2003 Serbia SLS and Roma Booster. Poor/non-poor defined based on pre-transfer income, assuming a counterfactual consumption of 100 percent marginal propensity to consume out of transfer income. "Roma" relates to Roma households residing in settlements

3. BARRIERS TO ROMA ACCESS TO THE SOCIAL PROTECTION SYSTEM

66. **Despite high coverage of poor Roma households, notable problems in terms of access for Roma to social protection programs remain, in particular for the MOP.** As Figure 4.3 demonstrates, despite its good targeting performance, only 73 percent of poor Roma households who had applied for the benefit actually received it (78 percent for humanitarian aid and 94 percent for child allowance). This discrepancy can largely be explained by various forms of access barriers evident in a perception of limited chance of actually being admitted to the benefit program. Figure 4.4 reveals the reasons which lead Roma household heads to not apply for social assistance benefits, both poor and non-poor. For MOP and humanitarian aid, survey respondents often stated that they were uncertain as to whether they met the eligibility criteria, were not aware of the programs or did not know how to apply for the benefit. In particular among the poor, a lack of knowledge on how to apply for humanitarian aid and MOP stands out. For child allowance, the main reason for not applying was a perception that the household would not meet the eligibility criteria, pointing to a better understanding and awareness about the benefit. These access barriers may be one key explanation why coverage of MOP is lower for Roma households in the poorest quintile compared to the second-poorest 20 percent of the population.

Figure 4.4: Reasons for Serbian Roma households heads to not apply for benefits



Source: Own calculations based on Serbia 2003 SLS and Roma Booster; "Roma" relates to Roma households residing in settlements

67. **Despite being targeted on the poor, child allowance fails to reach many poor Roma households with children.** According to child protection legislation, a household is eligible for monthly child allowance benefit for the first four children aged 0-19 (above the age of 7 if they are enrolled in school) and if the household's income is below a defined eligibility threshold. We therefore re-examine child allowance coverage data in the light of this eligibility criteria. The analysis of families with children who do not receive child allowance in either dataset reveals substantial discrepancies (see Table 4.6): While for the general population 12.9 percent of families who did not receive child allowance were poor, 87.1 percent of them were non-poor and, therefore, should not have been receiving it. However, the reverse is true for Roma households. Out of those Roma households who did not receive child allowance 68 percent were poor. This suggests that substantial access barriers for child allowance remains for Roma, even where households meet the eligibility criteria. The section on access barriers below analyses reason for

this. The data also confirms substantial leakage of child allowance to the non-poor, with 75 percent of non-poor general population households with children receiving the benefit.

Table 4.6: More Roma households in Serbia who do not receive child allowance are poor than among the general population

Percent of surveyed households	General Population			Roma		
	Non-Poor	Poor	Total	Non-Poor	Poor	Total
Do not receive child allowance (but have children)	87.1	12.9	100	32.0	68.0	100
Receive child allowance	75.1	24.9	100	22.7	77.3	100
Total	83.6	16.4	100	25.4	74.6	100

Source: Own calculations, based on Serbia 2003 SLS; “Roma” relates to Roma households residing in settlements

68. **Pervasive non-registration, in particular residential registration undermines access to social services and benefits.** As noted earlier in this report, many Roma households or individual members remain unregistered, in particular those residing in settlements. This non-registration can take the form of the lack of an address and therefore residential registration or individuals are simply without birth certificates, ID cards or passport. Moreover, displacement adds to the barriers to accessing social benefits: Almost 80 percent of Roma IDPs did not even apply for the MOP, as compared to 45 percent of non-IDP Roma. This underlines that Roma IDPs in Serbia, possibly for registration reasons, find it particularly difficult to access the social protection system. This is worrying especially in the light of humanitarian aid having been phased out in the meantime.

Box 5: Documentation needed to apply for MOP social assistance

According to the Serbian *Law on Social Care and Provision of Social Security of Citizens*, the right to MOP social assistance is based on a number of characteristics of the individual and family, such as income, family assets, the employment status and nature of the cause of unemployment of household members and others. The individual MOP benefit is determined as a monthly money amount equal to the difference between the minimum social security level, determined as a percentage of the Republican average wage and the amount of average monthly income of the individual or family, realized in the three months preceding the month in which the application was submitted. In order to determine eligibility, the Centers for Social Work have to conduct a comprehensive review of the multiple documentation allowing an assessment of the individual’s or family’s need. As noted, many Roma households, and IDPs in particular, do not hold even basic citizenship or residential registration documents, making it difficult for the CSW staff to assess their need based on formal documentation. Such documentation includes the following:

1. *ID card*
2. *IDP registration card* (if applicable)
3. *Witness’s declaration of shared household* – issued by the municipal administration in the temporary place of residence
4. *Proof of citizenship*
5. *Salary certificate* (*‘working booklet’*) - issued by dislocated employer company/ institution or *Unemployment certificate* – issued by the Bureau for Employment in temporary place of residence
6. *Pension certificate* or certificate confirming that the person does not receive pension - issued by dislocated Pension Insurance Office (dislocated PIO)
7. *Birth certificate* – issued by dislocated Registry Office
8. *Death certificate* – issued by dislocated Registry Office (if pensioner or other family member has died)
9. *Marriage certificate* – issued by dislocated Registry Office (if applicable)
10. *Divorce ruling* – issued by court where the procedure was initiated (if applicable).
11. Certificate issued by the *internal revenue service* (tax administration) in temporary place of residence.
12. Certificate issued by *land survey authority* (cadastre) in temporary place of residence
13. Certificate confirming *schooling* for children over 15
14. Certificate confirming a *person unfit for work* issued in temporary place of residence or by dislocated PIO (if applicable)
15. Court document certifying that the *applicant cannot rely on family support* (if applicable)
16. Document showing *inheritance* or lack of inheritance
17. *Bank account statements*

Source: *Law on Social Care and Provision of Social Security of Citizens and ICRC (2005b)*

69. **Policy Recommendations – Social Protection:**

- The municipal Centers for Social Work (CSW) in charge of social services and social welfare administration are the key primary interface and tool to identify and address poverty. Boosting coverage of the social welfare system as well as widening the recipients of social services requires a *new approach of scaled-up and sustained outreach by the CSWs to identify pockets of poverty* and improve information flow on how to access benefits and services among the poor communities. CSWs and municipal authorities as well as Roma associations can benefit from experience from MLESP's Social Innovation Fund (SIF) – a program aimed at promoting new ways of social service delivery and management and partnerships with NGOs which has supported Roma-centered projects already. The CSWs are also possibly a key tool in overcoming service access barriers resulting from lacking residential registration.
- As noted, multiple types of documentation are required in order to access the social welfare and child protection system. While these are necessary input to a CSW decision on eligibility for benefits and services, Roma households often lack the most basic form of documentation – residential and citizenship documents. Tackling the problem of lacking citizenship and residential registration is challenging given complex associated legal dimensions, and the elaboration of solutions lies beyond the scope of this report. However, it is obvious that the authorities in Serbia and Montenegro need to *intensify efforts in particular to ensure residential registration of Roma, including those residing in settlements and in particular Roma IDPs*, to ensure access to municipal services even without legalizing such settlements. While a new and comprehensive registration effort is required in the long term, allowing Roma households to access, in addition to residential and citizenship registration documents, such varied types of documents such as birth certificates and marriage licenses, temporary solutions may have to be found in the short term. This could involve applying temporary “proxy-residential registration” through the municipal centers for social work or allocating temporary numbers to households instead of addresses.
- Among the social welfare and child protection benefits the *MOP benefit* is best-targeted on the poorest but heavily under-resourced. Despite its good targeting performance, a significant share of the poor Roma population, therefore, remains uncovered – although also for reasons of access barriers affecting Roma in particular, such as lacking documentation and registration. If the MOP's impact on reducing poverty is to rise, more funding is required, in addition to a resolution of the registration challenge. In order to limit the budgetary impact of widening MOP coverage, CSW outreach activities could first be piloted regionally in areas of substantial Roma settlement, such as in and around Belgrade or in Vojvodina.
- *Humanitarian aid* in 2003 played an important role in poverty alleviation for the poorest Roma households, and its phase-out given receding donor-funded programs may have left a vacuum in the protection of the chronically poor, and Roma in particular. While informal coping strategies may well turn out to fill most of this remaining vacuum, this is a challenge for the formal public social safety net, and efforts have been made by humanitarian agencies to facilitate the transition from food aid to social welfare. Given its good and similar targeting performance, the MOP appears the benefit best placed to

replace phased-out humanitarian aid, however this requires increasing MOP financing and efforts to address Roma households' lack of registration documentation.

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ANNEX 1: Data Sources and Methodology

A. Data Sources: The analysis in this report relies on data from three household surveys that were carried out in Serbia and Montenegro in 2003.

1. **Serbia Living Standards Survey 2003:** A follow-up panel survey to the 2002 Living Standard Survey conducted by the Government of Serbia, the survey captured information on multiple dimensions of living standards of household members, including their consumption and income. The survey was based on a two-stage stratified sample, with primary sample units being the census districts and secondary units being the households. They are representative of all six major regions and urban and rural areas in each region. 2,548 households, comprising 8,027 individuals were sampled in this survey. The survey was also able to identify 21 Roma households, comprising 81 individuals. These Roma households have been defined as “integrated Roma” in the paper.
2. **Serbia Roma Living Standards Booster Survey 2003:** This was a special survey conducted to capture the living standard information of “non-integrated” or “settlement” Roma households that are usually not captured by the census. As a result, known Roma settlements in Serbia were identified, and from this sample frame 525 households were surveyed using the same questionnaire used to survey the general population. An additional module was added to the questionnaire to capture information on the type of settlement, the ethnic structure of the household, the language(s) spoken by individual members, and characteristics of the local community.
3. **ISSP/UNDP Household Survey of Roma, Ashkaelia, Egyptians, Refugees and IDPs in Montenegro 2003:** This survey was developed and conducted by the Institute of Strategic Studies and Prognoses (ISSP) in Montenegro to collect information on the living standards of the vulnerable population in Montenegro. The sample was categorized into four sub-samples (Roma, Ashkaelia and Egyptians (RAE), refugees, IDPs and a control group for the regular population). The sample captured a total number of 828 households, comprising 3,592 individuals. The sample frame was identified using a database from Commissariat for Displaced Persons of Republic of Montenegro and UNHCR.

B. Treatment of Consumption Aggregate: The development of poverty lines and poverty rates in this report for the analysis of households in Serbia follows the methodology used for the 2003 Serbia and Montenegro Poverty Assessment⁴⁴. The consumption aggregate for the Montenegro survey was constructed and made available by Center for Entrepreneurship and Economic Development. In all cases, imputed rent was subtracted from total consumption for the purposes of this report, because the inclusion of imputed rent is expected to overestimate poverty for Roma.

In order to calculate the new poverty line for Serbia, the consumption aggregate for 2002 was first adjusted to exclude imputed rent. Then the poverty line was recalculated in order to give the same poverty rate of 10.16% in 2002, as calculated by the World Bank 2002 Poverty Assessment. This poverty line was then adjusted for inflation, and applied to 2003 data. As a result, the poverty line used in the report was calculated to be Dinars 3,997 per capita per month. The extreme poverty line already excluded imputed rent and hence was not redefined. It was used as defined in the World Bank 2002 Poverty Assessment, and adjusted for food inflation (which was almost zero), giving a poverty line of Dinars 1,901 per person per month. In the case of Montenegro, the previously used poverty line of Euro 116.2 per person per month was adjusted in

⁴⁴ World Bank (2003), *Serbia and Montenegro Poverty Assessment*

the same way as done for the Serbia data, resulting in a new poverty line of Euro 84, which was used in this report.

C. Calculation of counterfactual consumption for impact evaluation of social transfers:

To assess the impact of a particular social transfer on a household's economic welfare, (if consumption is used as the measure of welfare), one must first estimate the consumption level of the household assuming that the transfers did not exist. Accordingly, this analysis constructs a 'counterfactual consumption' level that is consistent with the absence of both public and private transfers. It does so by making an assumption about what proportion of the transfers were used by households to finance additional consumption. The change in consumption relative to the change in income (in this case, transfer income) is defined as the 'marginal propensity to consume out of transfer income'. It can range between 0 and 100 percent, depending on each household's behavior. That is to say, if the marginal propensity to consume were 100 percent, the household would consume all of its transfer income, while at 0 percent it would not change its consumption level at all.

It is difficult, however, to predict the behavior of households in the absence of these transfers. Many might reduce their consumption by the full amount of the transfer income received. If a household is faced with the loss of transfer income, however, there are several reasons why it might reduce its consumption by less than the reduction in its income. It might finance part of its continuing consumption by increasing its indebtedness. Some household members might choose to work more or begin working, thereby offsetting part of the lost transfers through increased wages or earnings. Faced with a sustained and foreseeable loss in income from transfers, some households might withdraw a child from school, or expand home production activities so as to maintain consumption levels closer to their levels before the loss of income occurred. Other households might join together or change their composition so as to exploit economies of scale from a larger household, although doing so could entail a loss of independence that the household members see as detracting from their overall well-being. Thus, it is clear that households would not always change their consumption levels by the full amount of the change in their incomes.

It is hard to obtain reliable empirical estimates of households' average marginal propensity to consume out of transfer income. Accordingly, the analysis in this report uses a counterfactual consumption level based on a marginal propensity to consume of 100 percent. However, it is useful to review alternative calculations to estimate the counterfactual consumption levels, which are provided below. Counterfactual consumption levels are defined for four different assumptions about the marginal propensity to consume out of transfer income – 25, 50, 75 and 100 percent. The tables below show the impact of social transfers on poverty and economic welfare under alternative assumptions about the marginal propensity to consume from transfer income.

The following statistics are presented here:

1. **Coverage of Social Protection transfers** – Percentage of each subgroup receiving the benefit
2. **Beneficiary Incidence** – Percentage of Beneficiaries belonging to each subgroup
3. **Transfer Incidence** – Percentage of total transfer amounts received by each subgroup

Coverage of Social Protection transfers - General Population

Marginal Propensity to Consume out of Transfer Income – 25%								
	Percent of Population	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
Social Insurance	51.3	49.5	67.7	67.4	60.5	50.9	44.5	33.6
Old age pension	33.2	31.9	44.5	43.8	41.2	33.6	26.6	20.9
Social Assistance	20.4	19.5	28.2	26.8	27.6	19.4	17.1	11
MOP	1.5	1.6	0.9	2.3	2.2	1.5	1.4	0.1
Child Allowance	14.3	13.7	18.9	18.1	21	13.2	11.1	7.8
Social Protection	64.6	62.7	81.9	82.9	78.7	63.8	56.2	41.7
Marginal Propensity to Consume out of Transfer Income – 50%								
	Percent of Population	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
Social Insurance	51.3	46.6	76.1	74.6	62.8	49.1	40.5	29.8
Old age pension	33.2	29.7	51.1	49.6	42.8	31.7	24.2	17.7
Social Assistance	20.4	19.7	23.9	25.1	28.1	19.9	17.4	11.5
MOP	1.5	1.5	1.5	1.6	3	1.6	1.1	0.1
Child Allowance	14.3	14.2	14.7	15.4	22.3	14.1	10.2	9.1
Social Protection	64.6	60	88.7	87.3	80.5	63.6	52.9	38.9
Marginal Propensity to Consume out of Transfer Income – 75%								
Q75	Percent of Population	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
Social Insurance	51.3	42.7	81.3	83	62.2	48.9	37.3	25.5
Old age pension	33.2	26.7	55.7	57.1	41.3	30.5	22.9	14.2
Social Assistance	20.4	19.4	23.8	23.7	27.6	23.3	16.7	10.8
MOP	1.5	1.5	1.4	1.6	3.2	1.3	1.2	0.1
Child Allowance	14.3	14.2	14.4	13.4	22.3	16.2	10.5	8.8
Social Protection	64.6	56.8	91.9	92.9	79.9	66.3	49.7	34.5

Coverage of Social Protection transfers - Roma Population

Marginal Propensity to Consume out of Transfer Income – 25%								
Q25	Percent of Population	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
Social Insurance	11.7	12.9	11	7.9	8.3	15.2	16.2	10.9
Old age pension	5.6	6.6	5.1	2.4	1.3	11.2	6.7	6.5
Social Assistance	73.8	65.8	78.3	81.7	80.4	71.5	69.8	65.5
MOP	21.2	13.3	25.6	34.4	26.5	16.5	13.5	15
Child Allowance	57.3	52.6	59.8	59.9	59.4	59.5	53.9	53.6
Social Protection	78.8	72.2	82.5	84.3	82.9	77	78.5	71.1
Marginal Propensity to Consume out of Transfer Income – 50%								
Q50	Percent of Population	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
Social Insurance	11.7	8.7	13.1	9.4	11.5	14	16.2	7.4
Old age pension	5.6	5.1	5.9	2.8	4.4	9.3	7.8	3.9
Social Assistance	73.8	65.2	77.8	82.7	82.9	74.1	64.6	64.6

MOP	21.2	13.9	24.7	36.7	29.6	13.1	11.6	14.9
Child Allowance	57.3	53.1	59.2	60.7	63.5	57.8	50.9	53.3
Social Protection	78.8	68.9	83.4	86.8	86	79.3	74.3	67.4
Marginal Propensity to Consume out of Transfer Income – 75%								
Q75	Percent of Population	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
Social Insurance	11.7	7.9	13.3	10.4	16.8	12.6	13.2	5.4
Old age pension	5.6	5	5.9	3	9.6	4.9	6.6	3.9
Social Assistance	73.8	62.6	78.5	85.2	85	71.1	65.1	62.4
MOP	21.2	13.3	24.5	38.9	31.8	12	8.1	14.9
Child Allowance	57.3	50.3	60.2	66.3	62.6	52.6	53.6	51.1
Social Protection	78.8	66.4	84	89.8	89.9	75.8	73.2	64.9

Beneficiary Incidence – General Population

Marginal Propensity to Consume out of Transfer Income – 25%							
Q25	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
Social Insurance	86.9	13.2	26.3	23.5	19.8	17.3	13.1
Old age pension	86.7	13.4	26.5	24.8	20.2	16.0	12.6
Social Assistance	86.4	13.8	26.4	27.1	19.0	16.8	10.8
MOP	93.9	6.1	31.0	30.0	19.6	18.2	1.2
Child Allowance	87.0	13.3	25.5	29.5	18.5	15.6	10.9
Social Protection	87.4	12.7	25.7	24.3	19.7	17.4	12.9
Marginal Propensity to Consume out of Transfer Income – 50%							
Q50	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
Social Insurance	76.3	23.8	29.1	24.5	19.1	15.7	11.6
Old age pension	75.4	24.7	29.9	25.8	19.0	14.6	10.7
Social Assistance	81.4	18.8	24.6	27.6	19.5	17.1	11.2
MOP	83.7	16.3	21.7	40.6	21.3	15.2	1.2
Child Allowance	83.7	16.6	21.7	31.4	19.8	14.4	12.8
Social Protection	78.1	22.0	27.1	24.9	19.6	16.3	12.0
Marginal Propensity to Consume out of Transfer Income – 75%							
Q75	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
Social Insurance	64.7	35.4	32.4	24.2	19.0	14.5	9.9
Old age pension	62.5	37.5	34.5	24.8	18.3	13.8	8.6
Social Assistance	74.0	26.2	23.3	27.0	22.8	16.4	10.5
MOP	78.3	21.7	21.7	43.0	17.5	16.6	1.2
Child Allowance	77.6	22.7	18.8	31.3	22.7	14.7	12.4
Social Protection	68.3	31.8	28.8	24.7	20.5	15.4	10.6

Beneficiary Incidence – Roma Population

Marginal Propensity to Consume out of Transfer Income – 25%							
Q25	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5

Social Insurance	39.5	60.6	13.5	14.3	25.8	28.0	18.4
Old age pension	41.7	58.2	8.6	4.6	39.7	24.2	22.9
Social Assistance	31.9	68.1	22.2	21.9	19.3	19.1	17.5
MOP	22.5	77.5	32.5	25.2	15.5	12.8	14.0
Child Allowance	32.9	67.1	20.9	20.9	20.7	19.0	18.5
Social Protection	32.8	67.2	21.4	21.2	19.4	20.1	17.8

Marginal Propensity to Consume out of Transfer Income – 50%

Q50	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
Social Insurance	23.9	76.1	16.0	19.7	23.8	27.8	12.6
Old age pension	29.2	70.8	9.9	15.7	32.8	27.7	13.8
Social Assistance	28.3	71.7	22.4	22.7	20.0	17.6	17.4
MOP	21.0	79.0	34.6	28.2	12.3	10.9	14.0
Child Allowance	29.8	70.3	21.2	22.4	20.1	17.8	18.5
Social Protection	28.1	71.9	22.0	22.0	20.0	18.9	17.0

Marginal Propensity to Consume out of Transfer Income – 75%

Q75	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
Social Insurance	20.0	80.0	17.8	29.0	21.5	22.6	9.1
Old age pension	26.3	73.6	10.7	34.5	17.4	23.6	13.8
Social Assistance	25.1	74.9	23.2	23.2	19.2	17.6	16.8
MOP	18.5	81.5	36.8	30.2	11.3	7.7	14.0
Child Allowance	26.0	74.0	23.2	22.0	18.3	18.7	17.7
Social Protection	25.0	75.0	22.9	23.0	19.2	18.6	16.4

Transfer Incidence – General Population

Marginal Propensity to Consume out of Transfer Income – 25%

Q25	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
Social Insurance	85.3	14.8	26.3	20.8	20.1	16.9	16.0
Old age pension	86.4	13.7	24.9	21.2	20.9	16.5	16.6
Social Assistance	84.7	15.4	26.7	24.5	17.0	16.6	15.2
MOP	90.2	9.8	33.0	27.2	29.9	8.6	1.3
Child Allowance	88.0	12.3	24.2	30.1	17.6	17.3	10.8
Social Protection	85.2	14.9	26.8	21.5	19.6	16.8	15.3

Marginal Propensity to Consume out of Transfer Income – 50%

Q50	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
Social Insurance	69.9	30.1	34.9	22.0	18.6	13.1	11.4
Old age pension	70.6	29.5	33.6	23.2	18.3	13.0	12.0
Social Assistance	75.8	24.3	30.2	23.8	15.7	17.8	12.5
MOP	75.5	24.5	29.3	35.8	26.1	7.6	1.3
Child Allowance	84.2	16.1	21.4	31.8	19.2	14.8	12.8
Social Protection	69.3	30.8	35.4	22.0	18.3	13.3	11.0

Marginal Propensity to Consume out of Transfer Income – 75%

Q75	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
Social Insurance	52.8	47.3	44.9	21.1	15.3	10.3	8.4
Old age pension	53.6	46.5	43.9	22.1	15.0	10.7	8.3
Social Assistance	65.7	34.5	31.5	22.6	21.9	15.0	9.0
MOP	70.7	29.3	29.3	41.5	16.8	11.2	1.3
Child Allowance	76.9	23.3	17.7	32.9	21.9	15.0	12.5
Social Protection	53.2	46.9	44.4	21.1	15.8	10.5	8.2

Transfer Incidence – Roma Population

Marginal Propensity to Consume out of Transfer Income – 25%							
Q25	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
Social Insurance	57.1	42.9	10.4	8.4	19.9	32.9	28.4
Old age pension	57.8	42.2	6.4	2.4	28.1	29.6	33.4
Social Assistance	27.8	72.2	27.1	19.3	19.3	20.1	14.1
MOP	23.3	76.7	40.7	17.7	13.2	16.9	11.5
Child Allowance	37.0	63.0	21.3	17.5	18.5	21.7	21.0
Social Protection	37.4	62.6	22.8	15.7	18.5	22.1	20.8
Marginal Propensity to Consume out of Transfer Income – 50%							
Q50	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
Social Insurance	33.3	66.7	16.9	14.7	18.6	32.1	17.7
Old age pension	38.5	61.5	12.9	13.0	21.4	34.1	18.6
Social Assistance	24.1	75.9	28.9	22.9	18.2	16.0	13.8
MOP	22.4	77.6	42.5	21.6	10.8	13.6	11.5
Child Allowance	33.2	66.8	21.7	21.2	17.3	18.9	20.9
Social Protection	24.9	75.1	25.6	24.1	17.5	18.8	14.0
Marginal Propensity to Consume out of Transfer Income – 75%							
Q75	Non-poor	Poor	Q1	Q2	Q3	Q4	Q5
Social Insurance	29.7	70.3	21.0	27.3	15.9	23.1	12.6
Old age pension	35.8	64.2	14.9	29.2	12.8	24.5	18.6
Social Assistance	20.5	79.5	32.0	25.5	15.5	13.4	13.5
MOP	16.3	83.7	47.3	20.5	13.9	6.9	11.5
Child Allowance	29.6	70.4	24.5	22.1	14.6	18.7	20.1
Social Protection	21.4	78.6	32.9	24.7	15.0	14.9	12.5

ANNEX 2: Univariate Analysis of the Roma Poverty in Serbia

1. Roma (residing in settlements)

A. Characteristics of the Household Head

	Poverty Headcount		Poverty Gap		Poverty Severity		Composition of the sample		Sample Size
	<i>Estimate</i>	<i>Std.Err.</i>	<i>Estimate</i>	<i>Std.Err.</i>	<i>Estimate</i>	<i>Std.Err.</i>	<i>Poor</i>	<i>All sample</i>	
Total	60.5%	3.3%	0.193	0.017	0.084	0.010	100	100	
Area of Residence									525
urban	57.5%	4.3%	0.184	0.022	0.077	0.012	59	62	
other	65.2%	5.4%	0.208	0.029	0.095	0.019	41	38	
Region									525
Belgrade	51.1%	9.4%	0.140	0.044	0.055	0.025	15	18	
Central Serbia	60.0%	4.5%	0.189	0.022	0.079	0.013	55	55	
Vojvodina	67.7%	5.7%	0.238	0.038	0.114	0.024	30	27	
Type of Settlement									525
slums	75.1%	5.9%	0.277	0.042	0.138	0.029	31	25	
rural settlements in towns	52.1%	6.5%	0.173	0.033	0.074	0.018	23	27	
poor rural	60.0%	6.3%	0.168	0.028	0.065	0.014	26	26	
suburban	54.8%	8.2%	0.153	0.032	0.057	0.016	20	22	
Household size									525
1-2	42.8%	6.4%	0.109	0.021	0.041	0.011	5	7	
3	43.2%	6.4%	0.105	0.022	0.040	0.011	7	10	
4	50.8%	5.7%	0.169	0.026	0.078	0.014	15	18	
5	60.1%	5.7%	0.207	0.028	0.092	0.017	20	20	
6+	71.0%	4.1%	0.229	0.022	0.099	0.014	53	45	
Gender									525
male	58.8%	3.5%	0.187	0.017	0.080	0.010	86	88	
female	73.5%	6.5%	0.244	0.037	0.115	0.024	14	12	
Marital Status									525
legitimate marriage	59.6%	3.7%	0.180	0.019	0.074	0.011	65	66	
common law marriage	57.8%	6.7%	0.202	0.030	0.092	0.017	19	19	
single	49.3%	18.8%	0.177	0.106	0.127	0.081	2	2	

divorced	72.6%	12.4%	0.269	0.061	0.122	0.038	3	3	
widowed	70.0%	6.1%	0.247	0.031	0.111	0.021	11	10	
Current residential status									525
Serbian citizen	59.6%	3.5%	0.191	0.018	0.083	0.011	92	93	
IDP or refugee	72.1%	7.8%	0.221	0.049	0.091	0.028	8	7	
Education of the Household Head									525
no schooling	79.2%	4.2%	0.274	0.031	0.132	0.023	30	23	
elementary	66.0%	4.8%	0.207	0.022	0.086	0.013	40	37	
vocational (1-2 years)	48.6%	4.9%	0.152	0.025	0.064	0.014	25	31	
vocational (3-4 yrs) or gymnasium	33.0%	8.6%	0.078	0.021	0.023	0.008	4	7	
Employment of the Household Head									525
Employed	35.6%	5.7%	0.097	0.020	0.036	0.010	13	22	
works, unofficial	60.8%	8.5%	0.168	0.039	0.063	0.022	10	10	
others, working	67.9%	10.4%	0.216	0.038	0.076	0.017	7	6	
Unemployed	64.4%	5.1%	0.230	0.026	0.109	0.015	43	40	
Pensioners	54.5%	7.4%	0.127	0.031	0.047	0.016	8	10	
social protection income	97.8%	1.8%	0.361	0.067	0.165	0.059	9	6	
Housewife	87.2%	6.0%	0.258	0.057	0.120	0.039	6	4	
unable to work	85.4%	7.5%	0.253	0.069	0.112	0.042	4	3	
Household size									525
1-4	47.1%	4.1%	0.139	0.018	0.060	0.010	27	35	
5-6	60.3%	4.4%	0.194	0.021	0.083	0.012	35	35	
7+	76.2%	4.5%	0.255	0.028	0.113	0.018	38	30	
Age of Household Head									525
10-19	52.4%	18.2%	0.182	0.068	0.067	0.030	0	1	
20-39	55.2%	4.7%	0.184	0.023	0.083	0.014	37	41	
40+	64.1%	3.6%	0.200	0.019	0.085	0.011	62	59	
Language spoken in Household									525
Only Romani	74.7%	6.0%	0.264	0.040	0.126	0.028	27	22	
Only Serbian	57.6%	8.6%	0.141	0.028	0.046	0.012	8	9	
Combination of Romani and Serbian	55.4%	4.1%	0.178	0.021	0.077	0.012	60	66	
Other	73.0%	14.3%	0.169	0.038	0.052	0.017	4	4	
Ethnic Structure of the Community									525

Only Roma	56.3%	5.4%	0.167	0.027	0.075	0.016	30	33	
Mostly Roma	58.1%	5.4%	0.187	0.029	0.078	0.016	39	40	
Other than Roma	69.0%	5.6%	0.235	0.031	0.103	0.022	31	27	
Ethnic Structure of the Household							100	100	525
Only Roma	61.6%	3.5%	0.197	0.018	0.085	0.011	95	93	
Mostly Roma	45.0%	10.9%	0.154	0.055	0.071	0.033	4	5	
Other than Roma	47.6%	16.1%	0.131	0.091	0.080	0.077	1	2	

B. Characteristics of the Individuals

	Poverty Headcount		Poverty Gap		Poverty Severity		Composition of the sample		Sample Size
	Estimate	Std.Err.	Estimate	Std.Err.	Estimate	Std.Err.	Poor	All sample	
Total	60.5%	3.3%	0.193	0.017	0.084	0.010	100	100	
Gender									2366
male	59.3%	3.5%	0.191	0.018	0.084	0.011	49	50	
female	61.7%	3.4%	0.196	0.017	0.084	0.010	51	50	
Age groups									2366
0-9	64.2%	4.2%	0.211	0.023	0.095	0.014	25	24	
10-19	64.8%	4.4%	0.220	0.021	0.098	0.013	21	20	
20-39	57.1%	3.5%	0.179	0.017	0.077	0.010	32	33	
40+	57.9%	3.6%	0.173	0.016	0.071	0.009	23	23	
Education									2366
no schooling	67.6%	3.7%	0.226	0.022	0.103	0.015	45	41	
elementary	63.4%	4.2%	0.204	0.020	0.087	0.011	35	33	
vocational (1-2 years)	47.6%	4.2%	0.137	0.018	0.055	0.011	16	20	
vocational (3-4 yrs) or gymnasium	37.5%	6.7%	0.098	0.021	0.034	0.010	2	4	
Employment Status									2366
employed	32.9%	4.6%	0.086	0.016	0.030	0.007	3	7	
works, unofficial	47.8%	7.6%	0.132	0.028	0.052	0.015	4	5	
others, working	65.4%	7.1%	0.222	0.035	0.089	0.020	5	5	
unemployed	63.1%	3.8%	0.201	0.020	0.089	0.013	31	30	
pensioners	37.7%	5.6%	0.090	0.019	0.032	0.010	2	3	
social protection income	89.7%	5.4%	0.326	0.047	0.143	0.036	3	2	
housewife	61.6%	4.5%	0.196	0.021	0.087	0.013	12	11	
child, student, pupil	64.0%	4.0%	0.211	0.022	0.094	0.013	38	36	

unable to work	71.6%	8.3%	0.213	0.046	0.093	0.030	2	2
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2. General Population

A. Characteristics of the Household Head

	Poverty Headcount		Poverty Gap		Poverty Severity		Composition of the sample		Sample Size
	<i>Estimate</i>	<i>Std.Err.</i>	<i>Estimate</i>	<i>Std.Err.</i>	<i>Estimate</i>	<i>Std.Err.</i>	<i>Poor</i>	<i>All sample</i>	
Total	6.1%	0.8%	0.012	0.002	0.004	0.001	100	100	
Area of Residence									2548
Urban	3.0%	0.7%	0.006	0.002	0.002	0.001	27	56	
Other	10.1%	1.5%	0.019	0.004	0.006	0.001	73	44	
Region									2548
Belgrade	1.6%	0.7%	0.004	0.002	0.001	0.001	6	21	
Vojvodina	4.5%	1.2%	0.007	0.003	0.002	0.001	20	27	
Western Serbia	8.8%	3.8%	0.014	0.008	0.004	0.003	16	11	
Central Serbia	4.9%	1.4%	0.007	0.002	0.002	0.001	14	17	
Eastern Serbia	7.4%	2.5%	0.017	0.006	0.006	0.003	11	9	
Southeast Serbia	14.1%	2.9%	0.033	0.007	0.013	0.003	32	14	
Household size									2548
1-2	6.7%	0.9%	0.013	0.002	0.004	0.001	24	22	
3	4.0%	1.0%	0.006	0.002	0.002	0.001	13	19	
4	3.5%	0.8%	0.007	0.002	0.002	0.001	16	28	
5	6.9%	1.8%	0.014	0.005	0.005	0.002	14	13	
6+	10.8%	2.1%	0.021	0.006	0.007	0.002	33	18	
Gender									2548
male	6.1%	0.8%	0.011	0.002	0.004	0.001	83	83	
female	6.1%	1.4%	0.013	0.004	0.004	0.002	17	17	
Marital Status									2548
legitimate marriage	5.8%	0.8%	0.011	0.002	0.004	0.001	74	77	
common law marriage	2.7%	2.7%	0.000	0.000	0.000	0.000	1	2	
single	5.8%	3.6%	0.007	0.004	0.001	0.001	2	3	
divorced	6.9%	2.7%	0.013	0.006	0.003	0.002	4	4	
widowed	7.4%	1.6%	0.016	0.004	0.005	0.002	19	15	

Current residential status										2548
Serbian citizen	6.0%	0.8%	0.012	0.002	0.004	0.001	97	98		
IDP or refugee	7.8%	4.2%	0.018	0.012	0.006	0.004	3	2		
Education of the Household Head										2548
no schooling or unfinished elementary	15.8%	2.2%	0.036	0.006	0.013	0.003	46	18		
elementary	9.5%	1.9%	0.017	0.004	0.005	0.002	31	20		
vocational (1-2 years)	0.5%	0.5%	0.001	0.001	0.000	0.000	0	3		
vocational (3-4 yrs) or gymnasium	2.6%	0.6%	0.004	0.001	0.001	0.000	18	46		
post secondary and higher education	1.5%	0.7%	0.001	0.001	0.000	0.000	4	14		
Employment of the Household Head										2548
employed	3.4%	0.8%	0.005	0.001	0.002	0.001	20	36		
works, unofficial	4.5%	2.4%	0.005	0.004	0.001	0.001	3	4		
others, working	8.4%	2.6%	0.018	0.007	0.005	0.002	16	11		
unemployed	8.9%	2.6%	0.022	0.009	0.009	0.005	9	6		
pensioners	7.3%	1.1%	0.013	0.003	0.004	0.001	46	38		
income from other sources	7.8%	3.6%	0.033	0.018	0.017	0.011	0	0		
housewife	6.4%	2.4%	0.020	0.012	0.010	0.007	4	3		
unable to work	33.6%	15.7%	0.110	0.055	0.038	0.020	2	0		
other, who don't work	7.0%	5.2%	0.015	0.013	0.004	0.004	1	1		
Household size										2548
1-4	4.7%	0.6%	0.009	0.001	0.003	0.001	53	69		
5-6	8.8%	1.7%	0.019	0.004	0.007	0.002	34	24		
7+	10.5%	3.4%	0.016	0.007	0.004	0.002	13	7		
Age of household head										2548
20-39	4.7%	1.4%	0.010	0.004	0.003	0.001	9	11		
40+	6.2%	0.8%	0.012	0.002	0.004	0.001	91	89		

B. Characteristics of the Individual

	Poverty Headcount		Poverty Gap		Poverty Severity		Composition of the sample		
	Estimate	Std.Err.	Estimate	Std.Err.	Estimate	Std.Err.	Poor	All sample	Sample Size
Total	6.1%	0.8%	0.012	0.002	0.004	0.001	100	100	
Gender									8027
male	6.1%	0.8%	0.012	0.002	0.004	0.001	48	48	

female	6.1%	0.8%	0.011	0.002	0.004	0.001	52	52	
Age groups									8027
0-19	5.3%	0.9%	0.010	0.002	0.004	0.001	18	20	
20-39	5.3%	0.9%	0.011	0.002	0.004	0.001	21	25	
40+	6.7%	0.8%	0.013	0.002	0.004	0.001	61	55	
Educational level									6902
no schooling or unfinished elementary	14.2%	1.7%	0.030	0.005	0.010	0.002	43	19	
elementary	7.9%	1.2%	0.014	0.003	0.005	0.001	29	23	
vocational (1-2 years)	3.9%	1.6%	0.007	0.003	0.002	0.001	1	2	
vocational (3-4 yrs) or gymnasium	3.3%	0.6%	0.006	0.002	0.002	0.001	23	41	
post secondary and higher education	1.5%	0.6%	0.003	0.002	0.001	0.001	4	15	
Employment status									6902
employed	3.9%	0.7%	0.007	0.002	0.002	0.001	19	29	
works, unofficial	4.5%	1.4%	0.006	0.002	0.001	0.001	3	4	
others, working	8.6%	2.0%	0.015	0.004	0.005	0.002	12	9	
unemployed	9.0%	1.9%	0.020	0.005	0.007	0.002	16	11	
pensioners	6.0%	0.8%	0.011	0.002	0.004	0.001	23	24	
income from other sources	18.4%	8.0%	0.059	0.036	0.027	0.021	1	0	
housewife	8.7%	1.4%	0.017	0.003	0.006	0.001	16	11	
unable to work	28.2%	7.4%	0.062	0.024	0.019	0.008	3	1	
other, who don't work	4.1%	1.1%	0.009	0.003	0.003	0.001	7	11	

Source: Own calculations based on SLS 2003 and Roma settlement booster dataset

ANNEX 3: Multivariate Analysis of Roma Poverty in Serbia

Characteristics associated with Household Welfare of the Roma residing in settlements and General Population 2003, (dependent variable: real consumption by adult equivalent)

Household characteristics	Roma	General Population
HH size	-0.056 (5.29)**	-0.033 (4.16)**
Rural	-0.129 (1.01)	-0.093 (2.49)*
Region (reference: Belgrad)		
Vojvodina	-0.045 (0.36)	0.115 (2.61)**
West Serbia		-0.048 (0.65)
Central Serbia	-0.031 (0.23)	0.014 (0.28)
East Serbia		-0.056 (0.81)
South East Serbia		-0.188 (2.92)**
Type of settlement (reference: slum)		
rural settlements in towns	0.134 (1.13)	
poor rural	0.272 (2.09)*	
Suburban	0.22 (2.17)*	
Female (reference: male HH head)	0.009 (0.08)	0.01 (0.28)
Marital status (reference: legitimate marriage)		
common law marriage	-0.042 (0.63)	-0.112 (2.03)*
Single	0.03 (0.14)	-0.065 (0.97)
Divorced	-0.082 (0.49)	-0.09 (1.83)
Widower	-0.031 (0.35)	0.08 (2.46)*
IDP or refugee	-0.025 (0.25)	-0.291 (4.13)**
Education of Household Head (reference: no education)		
Elementary	0.083 (1.43)	0.123 (3.40)**
Vocational	0.129 (1.93)	0.191 (3.21)**
Secondary	0.32 (3.09)**	0.349 (9.13)**
High school or higher	0.354 (3.01)**	0.573 (12.23)**
Employment of the HH Head (reference: officially employed)		
Works, but unofficially	-0.188 (2.15)*	-0.049 (1.03)
Self-employed or others working	-0.121 (0.92)	0.225 (4.66)**
Unemployed	-0.303 (4.37)**	-0.175 (4.10)**
Pensioner	-0.161 (1.94)	-0.078 (3.03)**
Social Protection Income	-0.444 (3.57)**	-0.471 (3.76)**
Housewife	-0.303	-0.053

	(2.05)*	(0.98)
Unable to work	-0.411	-0.271
	(3.58)**	(1.68)
Others who do not perform activity		0.06
		(0.52)
Age of HH Head		
20-39	-0.182	
	(1.24)	
40+	-0.188	-0.106***
	(1.21)	(3.19)**
Language spoken in the household (reference: only Roma)		
Only Serbian	0.137	
	(1.09)	
Mixed, Roma and Serbian	0.177	
	(2.47)*	
Other languages	0.325	
	(3.08)**	
Community Ethnic Structure (reference: only Roma)		
Mostly Roma	-0.049	
	(0.57)	
Minority Roma	-0.114	
	(1.20)	
Household Ethnic Structure (reference: only Roma)		
Mostly Roma	0.083	
	(0.68)	
Minority Roma	0.017	
	(0.08)	
Constant	8.627	9.095
	(52.04)**	(127.59)**
Observations	525	2542
R-squared	0.29	0.26

Absolute value of t statistics in parentheses

** significant at 5%; ** significant at 1%; reference 20-39*

Source: Own calculations based on SLS Roma booster dataset

ANNEX 4: European Union and Social Exclusion

The concept of social inclusion has gained a lot of attention in recent years after the European Union began to place a special focus on multidimensional poverty and social exclusion as well as definitions of the concept and its monitoring. At the European Council of Lisbon in 2000 the European Union member states and the European Commission outlined steps “to make a decisive impact on the eradication of poverty by 2010” and adopted a new approach to promoting social cohesion across the EU. Specifically, it laid out six key objectives⁴⁵:

1. promote *employment* and employability through active labor market measures to help those who have the most difficulty in entering the labor market and a mutually reinforcing systems of social protection, lifelong learning and labor market policies,
2. ensure adequate *social protection systems*, including minimum income schemes, for all to have a sufficient income for a life with dignity and effective work incentives for those who can work;
3. increase the *access of the most vulnerable* and those most at risk of social exclusion to decent housing conditions, to quality health and long term care services and to lifelong learning opportunities, including to cultural activities;
4. prevent early exit from *schools and formal education and training* and to facilitate the transition from school to work in particular of young people leaving school with low qualifications;
5. eliminate poverty and social exclusion among *children* as a key step to combat the intergenerational inheritance of poverty with a particular focus on early intervention and early education initiatives which identify and support children and poor families;
6. reduce the levels of poverty and social exclusion and to increase labor market participation of *immigrants and ethnic minorities* to the same levels as the majority population.

European Union Definitions of Poverty and Social Exclusion: For this purpose, the EU also agreed definitions of the concepts of poverty and social exclusion⁴⁶:

- **Poverty:** People are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live. Because of their poverty they may experience multiple disadvantages through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation. They are often excluded and marginalized from participating in activities (economic, social and cultural) that are the norm for other people and their access to fundamental rights may be restricted.
- **Social exclusion:** Social exclusion is a process whereby certain individuals are pushed to the edge of society and prevented from participating fully by virtue of their poverty, or lack of basic competencies and lifelong learning opportunities, or as a result of discrimination. This distances them from job, income and education opportunities as well as social and community networks and activities. They have little access to power and decision-making bodies and thus often feeling powerless and unable to take control over the decisions that affect their day to day lives.

⁴⁵ Council of the European Union: *Joint report by the Commission and the Council on social exclusion*, March 2004

⁴⁶ Ibid.

- **Social inclusion:** Social inclusion is a process which ensures that those at risk of poverty and social exclusion gain the opportunities and resources necessary to participate fully in economic, social and cultural life and to enjoy a standard of living and well-being that is considered normal in the society in which they live. It ensures that they have greater participation in decision making which affects their lives and access to their fundamental rights (as defined in the Charter of Fundamental Rights of the European Union).

Selected Indicators of Social Inclusion: The European Commission also identified a number of monitorable indicators, their definition and data sources⁴⁷. Every two years each member state must submit a National Action Plan (NAP) to the European Commission, laying out how it intends to fulfill progress on these 18 agreed social inclusion indicators. The European Commission then publishes a joint report summarizing progress and experience across the member states. The indicators include the following:

Primary Indicators:

1. At-risk-of-poverty rate after social transfers;
2. Inequality of income distribution;
3. Persistent risk-of-poverty rate (60% median);
4. relative median at-risk-of-poverty gap;
5. Coefficient of variation of regional employment rates;
6. Long-term unemployment rate;
7. Percentage of people living in jobless households;
8. Early school leavers not in further education/training;
9. Life expectancy at birth
10. Self-defined health status by income level

Secondary Indicators:

11. Dispersion around the risk of poverty threshold
12. At-risk-of-poverty rate anchored at a moment in time
13. At-risk-of-poverty rate before social transfers
14. Gini Coefficient
15. Persistent risk-of-poverty rate
16. Long-term unemployment share
17. Very long-term unemployment rate
18. Persons with low educational attainment

⁴⁷ European Commission (2001), *Report on Indicators in the field of poverty and social exclusion*, Social Protection Committee, Brussels