



# Education and Employment Opportunities for the Roma

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The Roma more than anyone else lost out in the transition to the market economy in the countries of Central and South Eastern Europe. Their unemployment rate is 100 per cent in some rural areas and the Roma's dependence on government benefits is widespread. This article takes a look at unemployment and employment among the Roma on the basis of two surveys completed in 2002 and 2004. It is shown that lack of formal education cannot provide a full explanation of the relatively high unemployment rates faced by Roma and that at least part of the problem arises from discrimination in employment. Roma are also disproportionately employed in low-quality jobs in the informal sector. The paper argues that programmes aimed at combatting labour market and income disadvantages of the Roma must be based on the development of opportunities for autonomous income generation rather than the public works temporary employment programmes currently prevalent.

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## INTRODUCTION

In some ways the title of this article is excessively optimistic. Given the high unemployment rates among the Roma, perhaps the title should be 'Opportunities for Roma to Avoid Unemployment'. The distinction between 'increasing employment opportunities' and 'avoiding an increase in unemployment' is not just a semantic one. The positive connotation of the first phrase unfortunately does not correspond to the reality Roma are facing. The development challenges for Roma communities are not so much about



'improving their welfare' but rather 'avoiding a decline in their employment status'.

According to official statistics, Roma unemployment often reaches 95–100 per cent. These figures do not, however, record involvement in the informal sector, which is not often considered to be employment. Surveys were conducted in part to gain an accurate quantitative picture of the levels of real unemployment among the Roma.<sup>1</sup> The survey from 2002 was the first attempt to carry out an integrated household survey to clearly distinguish between 'wage employment' and 'income generation activities', which include work in the informal sector. The 'Vulnerable Groups Survey' from 2004 was a follow-up of the former elaborating in-depth methodological aspects of vulnerability research (sampling, appropriate sets of indicators, fieldwork) targeting marginalised populations like the Roma. The survey in 2004 employed a format similar to that of an integrated household survey and included members of the majority community living close to the Roma so that comparisons could be made between Roma populations and non-Roma populations living in close proximity.<sup>2</sup>

This article deals with various issues of Roma unemployment, such as unemployment rates, employability, ethnic discrimination and its relationship to the low competitiveness of the Roma labour force. The paper also looks at traditional skills as a source of employment opportunities for the Roma. The last section deals with the role of different actors (individuals, businesses, the state) in increasing employment opportunities and thus reducing poverty.

## UNEMPLOYMENT ESTIMATES

Roma households usually rank lack of employment and income as the most serious problem they face. As seen from Table 1, their concerns about '*unemployment*' and '*economic hardship*' in almost all the countries surveyed exceed those about '*discrimination in access to employment*'.

Roma unemployment levels are difficult to assess for several reasons. First, the exact Roma population numbers are not known. Second,

<sup>1</sup> The surveys covered Bulgaria, the Czech Republic, Hungary, Romania and Slovakia in 2002 and 2004 and Albania, Bosnia & Herzegovina, Croatia, Former Yugoslav Republic of Macedonia and Serbia, Montenegro and Kosovo in 2004.

<sup>2</sup> The survey had a separate sample for non-Roma majority populations living in close proximity to Roma. The purpose was to measure the difference in living standards that can be attributed to ethnic identity. In most cases these populations are representatives of majority populations for the country but in some cases they may be other minorities as well. In the text those populations are referred to as 'non-Roma populations living in close proximity to Roma'.



**Table 1:** Ranking of problems facing the Roma, 2002 survey

	BG	CZ	HUN	RO	SK
Unemployment	1.1	1.6	1.5	1.2	1.4
Economic hardship	1.1	1.8	1.4	1.2	1.5
Discrimination in access to employment	1.4	1.6	1.7	1.8	2.5
Unclear housing status	2.3	2.1	2.2	1.6	2.0
Limited access to social services	2.0	2.3	2.2	1.7	2.4
Lack of educational opportunities	2.0	2.3	2.5	2.0	2.6
Crime	2.0	2.3	2.7	2.1	2.6
Restricted possibilities for free movement	2.5	2.5	2.7	2.1	2.6
Loose family ties	2.4	2.6	2.7	2.3	2.9
Lack of respect for old people	2.5	2.6	2.8	2.2	2.9

*Source:* UNDP survey 2002. Based on the question, 'Which of the following problems are seriously affecting you and your household', respondents were asked to assess the magnitude of the problem on a scale of 1–3, where 1 indicates 'a major problem'; 2 indicates 'this is a problem but not serious' and 3 indicates 'not a problem at all'. Values in the table are the mean score for each option. Different options in the table are ranked by regional averages (mean values for each option for the whole sample in the five countries).

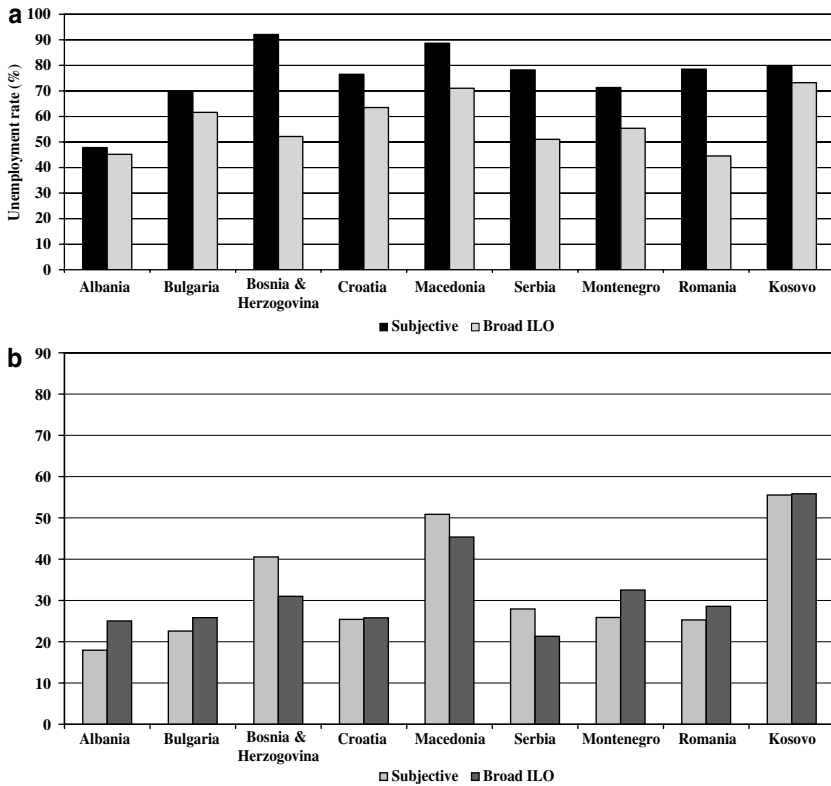
unemployment registries usually do not maintain disaggregated statistics that would show unemployment broken down by ethnic group.

Because of these difficulties, the UNDP 2004 survey asked a series of different questions that helped to pinpoint the true employment status of a given household. For example, the basic question was: 'What is your current working status'? A more specific question was, 'From what type of work/activity did you earn money last month'? Long-term unemployment is based on, 'For how long have you been unemployed'? Finally, the question 'What was your working status in the last month?' provided information on those who lost their job only few weeks ago.

Figure 1a and b (left bars) show subjective unemployment rates (reflecting respondents' assessment of their own employment status) in 2004 among the Roma and non-Roma populations living in close proximity to Roma, respectively.<sup>3</sup>

According to the standard International Labour Organisation (ILO) definition, an unemployed person is one who is willing, able and seeking work. In some circumstances the third criterion of the definition is relaxed. This leads to the so-called broad ILO definition of unemployment. In an attempt to more closely approximate the ILO definition of unemployment, information from respondents' assessment of their employment status and the questions 'What was your working status in the last month?' and 'Did you earn income last month?' were combined to produce a more objective

<sup>3</sup> This is based on those answering 'Unemployed' to the question, 'What is your current status?'



**Figure 1:** (a) Subjective and broad unemployment rates by country, Roma 2004. (b) Subjective and broad unemployment rates by country, non-Roma population 2004. *Source:* UNDP survey 2004.

definition of Roma unemployment<sup>4</sup>. The resulting trends are shown in Figure 1a and b (right bars). Unlike the non-Roma populations living in close proximity to Roma, in the case of Roma, the ILO-based definition of

<sup>4</sup>Essentially the difference between the two definitions lies in the fact that the former is based on self-assessment including what constitutes being ‘unemployed’, while the latter identifies the unemployed on the basis of their (reported) behaviour. For example, in Labour Force Surveys, it is not usual for a person to report themselves as unemployed when they receive unemployment benefits and/or they do not have stable or regular employment. In this case, if the person worked (at all) in the reference period, they are not unemployed according to the ILO definition. Similarly it is possible for a person who does not see himself or herself as unemployed, because they are not actually looking for work and/or are not registered as unemployed, to be included among the unemployed according to the ILO definition if they would work if work were available. In general, one would expect the subjective definition to produce higher estimates; however, this is not necessarily the case, as the figures in the text show.



unemployment always produce a lower estimate of unemployment. However, even using this more objective definition (including a broad definition of 'employment' as all productive activities), unemployment rates of the Roma are still very high, ranging from 44.5 per cent in Romania to 73.2 per cent in Kosovo. Unemployment rates are also invariably much higher for the Roma than for the non-Roma populations living in close proximity to Roma although, interestingly, the difference between subjective and objective unemployment rates are significantly greater for the Roma than for the non-Roma.

To understand the duration of unemployment, the following question was posed: '*When was the last time you had a job?*' Responses to this question reveal the long-term nature of Roma unemployment: In the 2002 survey, more than half (51 per cent) of unemployed respondents stated that they had not held a job since 1996 or earlier. Two years later, in 2004, the share of those who haven't had a job since 1996, among all unemployed, was even higher at 64 per cent (ranging from Bulgaria with 55 per cent to Romania at 88 per cent). Respondents with primary or lower education levels stated that they had not held a job since 1995 or earlier, more often than respondents with at least a secondary education (56 per cent compared to 46 per cent). The fact that the Roma are unemployed for long periods of time explains why many are ineligible for unemployment benefits and thus must rely on minimal social assistance.

A consequence of long-term unemployment is the loss of skills. Again, the Roma are most affected. Data collected in 1999 in Slovakia suggest that as time passes, the ethnic structure of the unemployed significantly changes. At that time the Roma made up 5 per cent of those unemployed for up to 6 months, and as much as 52 per cent of those unemployed for over 4 years. Such figures confirm that the risk of the Roma's permanent exclusion from the labour market is significantly higher than is the case for the non-Roma populations living in close proximity to Roma.

## CAUSES OF UNEMPLOYMENT

The 2002 survey data show that the majority of respondents in all the Central and East European countries face difficulties in the labour market. Only in the Czech Republic the share responding '*No, do not have difficulties*' is relatively high (30 per cent). In all other countries this percentage varies from 7 (Bulgaria) to 10 per cent (Hungary). When asked, '*What are the three main difficulties in finding a job?*', respondents usually mentioned '*overall economic depression in the country*', (in Bulgaria 78 per cent, Romania 63 per cent and Slovakia 61 per cent) or '*my ethnic affiliation*' (average



58 per cent in the region) and *'inadequate skills'* (on average 49 per cent in the region).

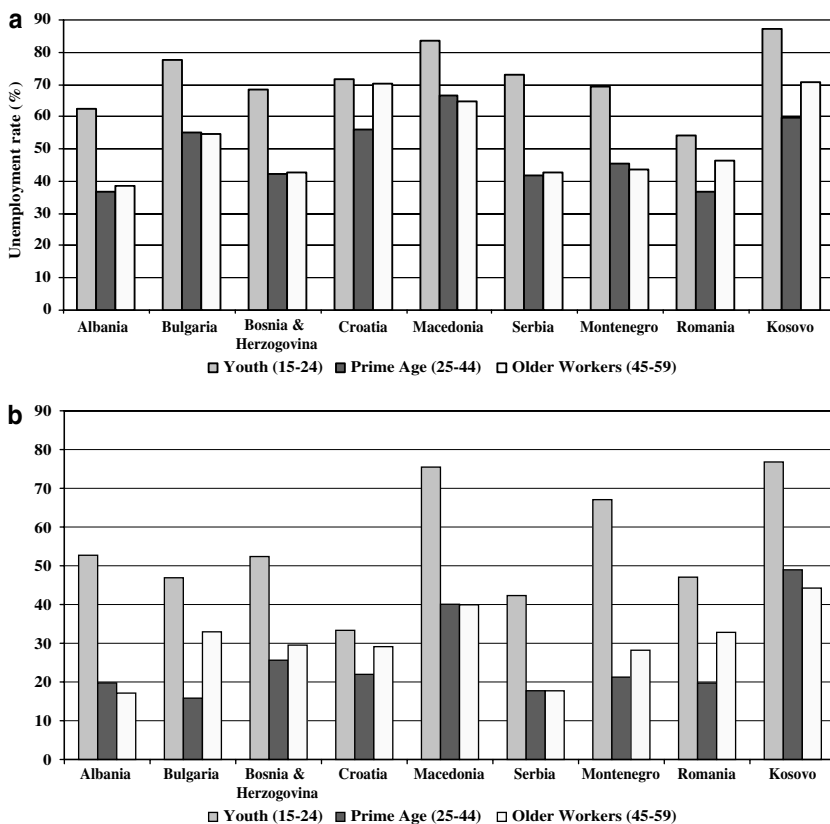
There are many possible interpretations of these responses. One could be that Roma perceptions of existing ethnic discrimination in hiring are accurate. Another could be that when respondents fail to gain employment due to their low skill levels, they interpret their rejection as ethnic discrimination. Finally, the variety of interpretations also reflects the cyclical nature of Roma employment problems: lower competitiveness in the labour market today is often due to discriminatory practices and limited access to education in the past. This was discussed in the previous section.

The real problem is in determining where inadequate skills end and ethnic discrimination begins. The responses to the question, *'Which of the following problems are seriously affecting your household?'* (summarised in Table 1 at the beginning of the previous section) lend additional support to the hypothesis that respondents tend to underestimate the labour market requirements and overestimate the impact of their ethnicity. The option, *'lack of educational opportunities'*, was selected by a disturbingly small numbers of respondents, suggesting that many Roma may not connect their employment difficulties to their lack of formal knowledge and skills. Despite being aware of their low skill levels, many respondents apparently do not appreciate the importance of education and training to improve their employment prospects.

The process of economic transition and the associated restructuring of former state industries have hit the Roma the hardest. The case of Hungary is illustrative: Roma employment opportunities plummeted in the 1990s as the demand for unskilled workers fell drastically and a significant part of those with elementary education could no longer hold their positions in the labour market. In addition, one-fifth of those with a vocational school certificate were driven out of the labour market because they had skills only applicable in the shrinking heavy industrial sector such as mining and metallurgy (Kertes, 1995).

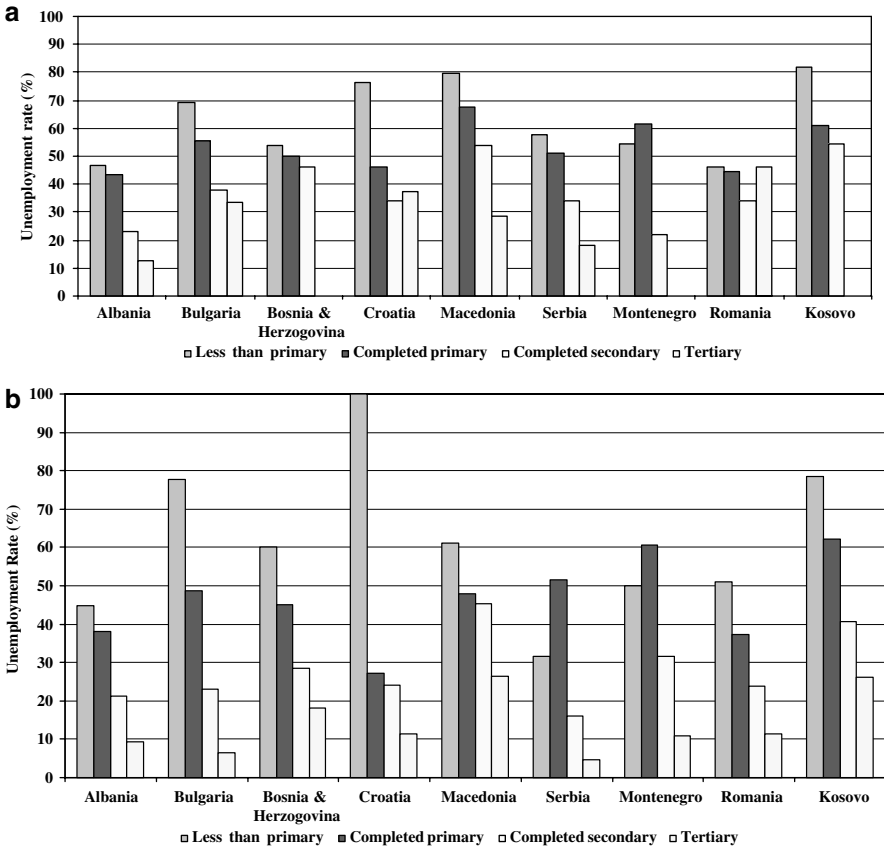
The unemployment rates by age reported in Figure 2a and b show the higher unemployment rates are particularly high for young people of both Roma and Non-Roma ethnic origin, although it will be observed that, while things tend to improve significantly for the non-Roma populations living in close proximity to Roma as they become 'prime age adults' (sometimes worsening again as workers approach retirement age), this is less true of the Roma. The ratio of youth to adult unemployment rates in the non-Roma populations living in close proximity to Roma is generally of the order of 2-3-young people are twice or three times as likely to be unemployed as adults. For the Roma this ratio is much lower, generally between 1.5 and 2.<sup>5</sup>

<sup>5</sup> For an analysis of various dimensions of youth unemployment, see O'Higgins (2001).



**Figure 2:** (a) Unemployment rates by age, Roma 2004. (b) Unemployment rates by age, non-Roma population 2004. *Note:* The unemployment rate used is based on the broad ILO definition. *Source:* UNDP survey 2004.

Unemployment rates by education level (Figure 3a and b) provide interesting – and worrying – information. In common with non-Roma populations living in close proximity to Roma, unemployment rates are lowest among the Roma with higher education levels, illustrating the obvious fact that the lower the education level, the higher the level of unemployment. However, it will also be observed that, among the Roma that unemployment rates fall much more slowly as education level rises than for the non-Roma population. One can thus reconcile two apparently contradictory claims – that the Roma have higher unemployment rates than the non-Roma populations living in close proximity to Roma because they have lower education levels, and that Roma have higher unemployment rates because they face discrimination in the labour market. The figure gives partial support to both



**Figure 3:** (a) Unemployment rates by education level, Roma 2004. (b) Unemployment rates by educational level, non-Roma population 2004. *Note:* The unemployment rate used is based on the broader ILO definition. *Source:* UNDP survey 2004.

claims – unemployment rates fall with education level (supporting the association of high Roma unemployment with their low average levels of education) but much more slowly for the Roma than the non-Roma populations living in close proximity to Roma (suggesting that discrimination prevents the Roma from reaping the full returns from a higher educational level). The fact that employment opportunities improve with education more slowly for the Roma also suggests a partial explanation for why the Roma remain in school for less time than young people from the non-Roma populations. Since the gains from education are more limited for Roma, the incentives to remain in school are clearly less for the Roma than for majority populations.





Roma education gaps also have an important gender dimension. The survey data report a literacy rate of just 68 per cent for Roma women, compared to 81 per cent for Roma men. The enrolment ratio of girls to boys in primary education (for the 7–15 year age group) is 0.93, and drops to 0.80 for the secondary education level (16–19 years). Primary school enrolment rates for Roma girls are just 64 per cent, compared to 96 per cent for girls in non-Roma communities in close proximity to Roma, who therefore face similar socioeconomic conditions. (These figures for boys are 69 and 97 per cent, respectively.) These data reflect not only limited access to education, but also the impact of early marriages and early childbearing, which close off education – and as a result employment – opportunities for young Roma women even when other barriers are lifted leading to a higher risk of poverty and the reproduction of the ‘ghetto mentality’, with its low value on education and professional success. Simplistic linkages of these complex phenomena to ‘discrimination’ can blur their true causes and stand in the way of the policies needed to address the underlying causes.

## **EMPLOYMENT AND INCOME**

Employment is a desirable – but often inaccessible – source of income. Table 2 summarises the response to the question ‘*Which source of income provides the most money for your household?*’ Although the data gathered from this question are not directly comparable with the ‘sources of household income’ provided by traditional household surveys (conducted on a regular basis by national statistical offices), they still provide an idea of the role of various sources of income, particularly income from employment. The share of formal sector employment is highest in the Czech Republic and lowest in Romania.

Data from 2002 also provide additional evidence of the correlation between income from employment (and hence employability) and education. Reliance on government transfers (social welfare, child support or pensions) falls off markedly and the share of labour-related income increases as education levels improve.

Given the alarming destitution of the Roma, policy-makers need to implement Roma-specific sustainable employment programmes. They must decide whether to emphasise wage employment, self-employment or some combination of the two. Another critical question is what role should be played by the state (municipalities in particular) and private businesses.

The real policy challenge is how to increase opportunities for the Roma to earn income and lower their dependency on social assistance. One way is to



**Table 2:** Which source of income provides the most money for your household? (2004)

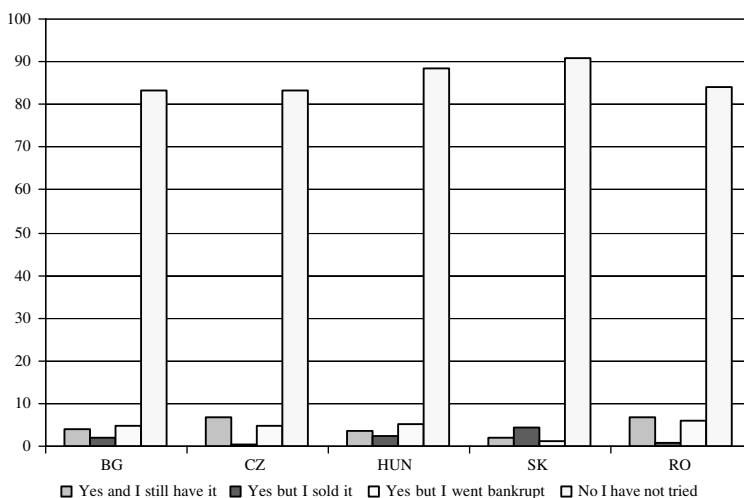
	BG	CZ	HUN	RO
Regular wage jobs	25.9	40.3	14.8	10.6
Occasional jobs	2.5	2.8	3	0.5
Salary/payment for work at a civil organisation	1.1	0.4	0.2	0
Self-employment/own business	2.1	2.8	0.4	1.1
Pensions	26	15.5	23.6	13.3
Unemployment benefits	15.2	23.2	22.4	9.1
Scholarship	0.3	0.6	0.3	0.4
Child support (including paid maternity leave)	15.3	10.6	27.2	25.4
Other	11.6	3.8	8	38.7

Source: UNDP survey 2004.

increase the employability of the Roma labour force. Here, active labour market policies (ALMPs) should play a crucial role. However, ALMPs in Central and East European countries do not seem to be very effective for the Roma. Between 6 (in Bulgaria) and 25 per cent (in the Slovak Republic) of respondents to the 2002 survey participated in employment and retraining programmes. In all these cases, however, the impact (in terms of improved employability) was rather poor. Asked, *'How did these programmes increase your chances of finding a regular job?'*, a majority of respondents in most of the countries said *'Not at all'* or *'Not much'* (86 per cent in Bulgaria, 84 per cent in the Slovak Republic, 76 per cent in Hungary, and 66 per cent in the Czech Republic).<sup>6</sup> These trends could illustrate the key link between the two major problems Roma are facing: lack of educational opportunities and unemployment. If the training and retraining efforts are not effective, there may be little incentive for further participation in educational programmes. 'Effective' here means not just improving job skills – but doing so in a targeted way, providing skills that the market demands. Fostering closer cooperation with businesses – the major employers in a market economy – is a must.

Another way to increase the share of labour-related income in household budgets is through self-employment. Currently, few Roma are self-employed, as the data in Figure 4 show. This leads to two conclusions. First, in the medium term it is unrealistic to expect that a substantial part of the Roma can be self-employed. Second, if self-employment is to play a significant role in the long run, support for Roma enterprises needs to start now by teaching

<sup>6</sup> Also the more formal evaluation of labour market programmes for Roma undertaken by O'Higgins (2002) tends to support the notion of such programmes having little impact on the employment prospects of programme participants.

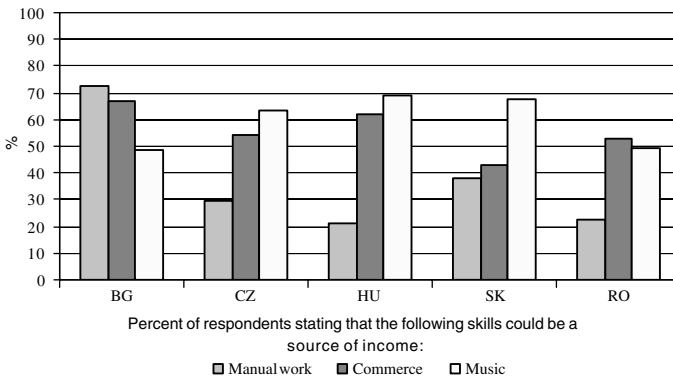


**Figure 4:** Have you ever tried to start your own business? *Source:* UNDP survey 2002.

basic business skills, facilitating access to capital and encouraging Roma business in the grey market to operate in the formal economy. The last point is important if Roma companies are to benefit from participation in the EU market.

There is one important question related to Roma business development. In which sectors would Roma businesses have competitive advantages? The Roma often view traditional forms of employment (eg, smiths, spindle makers, horse traders or other traditional occupations) as promising opportunities for income generation and self-employment. But are they? Some of them may be profitable on the market. If demand for such skills exists, then they are 'viable' from an economic perspective; if not they are simply cultural heritage. A clear distinction between the two is an important precondition for successful labour-market and income-generation policies.

It is interesting to note that Roma respondents were realistic in noting that only a few 'traditional skills and crafts' have the potential to generate income. To the question, '*What traditional Roma activities practiced in your immediate community could be a source of income today?*' (Figure 5), only three options out of a long list of 'perceived traditional activities' received some meaningful support: music (60 per cent), commerce (56 per cent), and handicrafts (43 per cent). And even this realism is questionable because it is doubtful that the demand, say, for Roma musicians (and the supply as well) is high enough to create sufficient employment opportunities for Roma populations.



**Figure 5:** Traditional skills as a potential source of income. *Source:* UNDP survey 2002.

Here we also face some pronounced differences across countries. The expectation that music can generate income is lowest in Bulgaria and Romania (supported by 48 and 50 per cent of respondents, respectively). Handicrafts are seen as a profitable business mostly in Bulgaria (73 per cent). All other options received negligible support.

The real problem is the lack of sufficient demand for these skills in the current economic environment. The traditional customer-oriented nature of Roma crafts (when a need arises, the Roma are quick to satisfy it) suggests that Roma could be well suited for inclusion in rapidly growing service sectors. This is because the Roma are able to flexibly respond to the demands of the pre-industrial economic systems in which many live. However, the task for the future is to foster the skills needed for the post-industrial environment. This requires the gradual growth of Roma service-oriented businesses that are adequate to the demands of the market, aware of their comparative advantages and capable of utilising them.

Business has another role: providing employment opportunities for the Roma. The simple question ‘*What can and should be done so that businesses employ more Roma?*’, does not have a simple answer (at least the answer is not just ‘improve Roma skills and remove labour market discrimination’). Even within the general labour-extensive pattern of growth (GDP growth not matched by an increase in employment, which is typical for EU countries) there are legal and administrative barriers to increasing Roma employment. Ways to remove them can and should be fine-tuned. Identifying the existing barriers so that Roma become more appealing as employees is an urgent research and policy challenge. The benefits of policies aiming to increase the employability of the Roma go beyond boosting household incomes and



decreasing poverty. These policies represent the only way to avoid the emergence of a permanent Roma underclass in these countries (three of which are members of the EU).

Close cooperation with the private sector as an employment provider would deliver the message that concrete steps can help to boost Roma employment. Other measures include public works schemes as a means to provide temporary employment, at least in the short and medium term – especially if they have training/retraining components. Finally, the so-called ‘social economy’ (also known as the voluntary, community, or third-sector economy) is another area that deserves closer attention. Social economy organizations are motivated by social goals rather than profit. While this sector cannot generate resources itself, it can be an ideal partner for governments and donors in the delivery of services in such areas as health, welfare, housing, training and education. Involving vulnerable groups in social economy enterprises not only provides employment for the Roma but can help them enter the mainstream economy.

## **CONCLUSION**

Roma unemployment rates are far below the 95–100 per cent levels that are often reported. Respondents often understand ‘employment’ to mean a ‘steady job’ rather than the broader notion of ‘income generating activities’. This explains why self-reported subjective unemployment rates often substantially exceed conventionally defined ones. Roma who are involved in non-wage income-generation activities, in the shadow economy or in subsistence agriculture, often describe themselves as unemployed. This is why subjective and broad unemployment rates differ substantially.

Despite extensive involvement in the informal economy, Roma households are heavily dependent on welfare payments and other central government transfers (pensions, child support, etc.). Roma youth are particularly vulnerable to unemployment. They run the risk of being permanently excluded from mainstream society and falling into the underclass. Long-term unemployment has profound, negative effects on the social fabric of Roma communities.

Poor employability is a key feature of life for the Roma. This is due to both discriminatory practices and to the low competitiveness of Roma workers. Poor educational opportunities today guarantee poor employment prospects tomorrow. Income generation projects that make use of traditional skills are unlikely to result in large reductions in unemployment.



ALMPs have so far failed to reach many Roma communities. In order to improve the employability of the Roma, a set of comprehensive approaches should be adopted. In the short run, public works employment for Roma (and other disadvantaged groups) could provide some income security and improve job skills to match the demands of the market. In the long run, however, private business should be the main employer of the Roma in a market economy.

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