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**ECONOMIC AND EMPLOYMENT PROBLEMS**  
**FACED BY ROMA/GYPSIES IN EUROPE**

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## I. INTRODUCTION

1. The Roma/Gypsies currently find themselves in an extremely difficult economic situation in most Council of Europe member States, particularly in the countries of Central and Eastern Europe where they have been among those hardest hit by the transition to a market economy. Many Roma/Gypsy communities in Western Europe, however, are no better off than those in the new member States.

2. This situation has numerous underlying causes, and in many cases complex historic origins, and the issue of employment and economic problems can only be tackled from a multidisciplinary angle and with due regard to the weight of history.

The following factors in particular need to be considered:

- the impact of the discrimination and rejection suffered by the Roma/Gypsies over the centuries and the resulting problem of social exclusion;
- the general discrimination against Roma/Gypsies seeking employment;
- the feeling of non-identification of Roma/Gypsies with the institutions of mainstream society and their lack of familiarity with the rules governing the labour market in particular;
- the disappearance of Roma/Gypsies' traditional occupations following the industrialisation and urbanisation of European societies;
- major deficiencies in terms of education and vocational training (see The Roma Children Education Policy Paper prepared by the Specialist); lack of qualifications in an increasingly competitive labour market;
- in Central and Eastern Europe, the transition to a market economy; difficulties in gaining access to newly privatised land and loss of most unskilled jobs as a result of the transition process.

3. The main consequences of these various factors are as follows:

- the unemployment rate among Roma/Gypsy communities is extremely high, often much higher than that of mainstream society; some communities have reached record unemployment levels of 80-90%<sup>1</sup>; women and young people are particularly affected by unemployment;
- of course, the Roma/Gypsy community in Europe is highly varied and this also applies to their economic situation: some Roma/Gypsies have enjoyed economic success, particularly as a result of the transition to a market economy, and there is also a small, well integrated middle class. However, it should be remembered that a large proportion of Roma/Gypsies live below the poverty line and their situation is only getting worse;

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<sup>1</sup> These figures probably concern formal employment as many Roma earn a living through informal or income-generating activities.

- some groups seriously affected by unemployment are heavily dependent on the welfare state. In addition to the fact that this dependency in some cases is becoming an obstacle to the development of self-sustainable development projects, it reinforces the prejudices of the majority population, which often perceives the Roma as being a burden for the State and as living at the expenses of the society;
- on the other hand, many of those who have been unemployed for several years find themselves completely excluded from the welfare safety net; it is also clear that Roma/Gypsies often do not know how to access the social services or are unaware of their social rights.
- unemployment leads to greater social exclusion and marginalisation; extreme poverty exacerbates housing, education and health problems;
- problems usually linked to extreme poverty and marginalisation are made worse, eg breakdown of the traditional family structure, loss of moral values, recourse to petty crime for reasons of survival; moreover, intercommunity tensions risk being heightened, while economic issues (land-sharing in Central and Eastern Europe, for example) have often led to conflict between ethnic groups;
- the worsening economic situation of the Roma/Gypsies is a threat to member States' social cohesion; moreover, the impossibility of finding proper employment strengthened migratory movements from Eastern Europe to Central Europe, Western Europe and North America.

## **II. BRIEF HISTORY**

4. Although they tended to be marginalised by mainstream society, Roma/Gypsies were traditionally involved in a number of specific occupations (such as training animals, collecting scrap metal, handicrafts, street entertainment, seasonal agricultural work, itinerant trade, etc) which enabled them to fulfil a particular social function and earn a living, whether they had an itinerant lifestyle or not.

5. The main characteristics of Romani culture, which are also found in relation to their approach to work, are as follows: strong family ties and sharing of work among family members, a preference for self-employment rather than salaried employment (which involves dependence on a “gadjo” employer), and flexibility and adaptability. This relative economic independence, however, was set against the background of links with the wider economy. It was also a vital weapon in the fight against the assimilating tendencies of mainstream society and the struggle to maintain the Romani identity, customs and tradition.

6. The large-scale industrialisation which followed the Second World War in Central and Eastern Europe, together with rapid urbanisation all over Europe, meant that traditional Romani occupations disappeared very quickly. The Roma/Gypsies were excluded from many types of job because they lacked the new skills required by urban industrial society.

7. In Central and Eastern Europe, the Communist regimes recruited large numbers of Roma/Gypsies to work on collective farms, in factories and in heavy industry in particular. Many of those who continued to work on a self-employed basis found themselves on the wrong side of the law. Some continued to work illegally after the transition to the market economy, or were at least perceived as doing so by mainstream society.

8. After 1990, when the state sector and collective agriculture had collapsed, most Roma in Central and Eastern Europe once again found themselves unemployed and unqualified, since what remained of their previous salaried jobs during the communist period had been taken by members of other poor social strata, whole families suddenly had no income whatsoever apart from state benefits. The situation was complicated by the privatisation of land in several central and east European countries insofar as many Roma were excluded for a variety of reasons (such as a lack of available land, discrimination, complex procedures for becoming a private land-owner, the fact that they were not land-owners before the communist period and that they were usually not culturally oriented to agriculture). The problem of land distribution is likely to become increasingly acute because of the high growth rate of the Romani population.

9. Generally speaking, since there was a high concentration of Roma in some industrial regions, the collapse of heavy industry inherited from the Communist era has created genuine disaster areas where large groups of Roma are without work and where the overall economic situation is difficult for the whole population. This frequently leads to a deterioration of relations between different ethnic communities.

10. In Western Europe, the disappearance of traditional occupations, difficulties faced by people with an itinerant lifestyle (availability of sites, school education), obstacles to itinerant trade and the gradual settlement process, as well as the transition to a service economy requiring increasingly advanced qualifications and education, have also resulted in a very high unemployment rate among the Roma/Gypsy population. Here too, many families have no income except for family and unemployment benefits and are therefore heavily dependent on the welfare state.

11. However, it would be wrong to suggest that the situation is irreversible. The traditional qualities of the Roma/Gypsies – adaptability, independence, flexibility and mobility – are a definite asset, particularly in the transition economies of Central and Eastern Europe, and in general in modern economies. The fact that some Roma never broke off relations but continued trading across national boundaries throughout the Communist period gives them a distinct advantage in a new society where mobility and a dynamic approach to trade are highly valued. An ability to adapt very quickly to new openings such as the sorting and recycling of waste, sale of second-hand goods, provision of services, door-to-door selling and small-scale cross-border trade has enabled many Roma/Gypsies to earn a reasonable living. Small groups of Roma in Central and Eastern Europe, who had refused to be employed as workers and had pursued self-employed activities, are now successful on the market economy, especially in trade and business and they succeeded in preserving their culture by preserving their employment.

Other positive elements are the fact that certain types of traditional crafts have come back into fashion in Western Europe and the fact that, basically, Roma/Gypsies have always been service providers.

12. It should also be borne in mind that despite the fact that the general context is one of a very low education level among Romani communities, a new generation of young, well-trained and skilled Roma is emerging in a number of European countries, and they could soon become competitive on the labour market.

13. Lastly, despite the problems that have arisen, land privatisation in Central and Eastern Europe is giving Roma/Gypsies in Europe their first ever opportunity to become land owners.

This should have a major impact on the position of the Roma in traditionally agrarian societies. For many families who had reached the level of absolute poverty, farming and animal husbandry are currently proving to be a key to survival and are providing an opportunity to acquire new skills.

### **III. WHAT ABOUT THE FUTURE?**

14. Clearly, there are no easy answers to the economic and employment problems of the Roma/Gypsies (which have many different causes). Close co-operation with all parties concerned is particularly important: state administrative bodies, local authorities, industry, financial institutions, Roma/Gypsy NGOs and non-Roma/Gypsy NGOs, trade unions. The member States need to adopt innovative, proactive overall strategies based on training, information, the fight against discrimination, integration into the labour market, the development of income-generating projects, access to land and, of course, participation of the population groups concerned at all stages of project preparation and implementation.

15. It is also vital that these projects be carried out jointly by the public (authorities) and the private sector if real solutions are to be found.

#### **1. Training**

16. If the very high unemployment rate among Roma/Gypsy populations is to be cut, training clearly has an essential role to play. Greater access to education is needed, particularly secondary and higher education, so that a young generation of well-trained Roma/Gypsies can emerge and be competitive on the labour market. At the same time, vocational training and apprenticeship schemes must be made more accessible to young Roma/Gypsies. In some Central and Eastern European countries, the solution adopted is that of quotas or reserved places for minority groups, especially Roma/Gypsies, in higher education or vocational training establishments. Grants are also made available so that young Roma/Gypsies (in Spain, for example) can gain access to vocational training and/or higher education.

17. In order to ensure that vocational training produces tangible results in terms of employment, past errors have to be avoided: young people must be trained in professions for which there is a local need.

18. Nevertheless, the needs of older unemployed Roma/Gypsies also need to be addressed. To this end, several strategies have been drawn up in different countries, with the aim of:

- providing literacy and numeracy training wherever required;
- providing basic vocational training or new, specially adapted training with the promise of real job opportunities;
- reviving traditional Roma/Gypsy occupations and skills, provided job opportunities exist;
- setting up a system of training workshops and business "incubators" offering unemployed people training in a particular field (learning a trade, training in business management, in market research etc), together with a small allowance.

## 2. Information

19. Roma/Gypsies must also be given information about their rights and duties in the employment field, about the different forms of help available from administrative bodies and about the functioning of institutions such as social security. Such information, which should be provided by public administrative bodies in co-operation with NGOs, should enhance the social integration of Roma/Gypsies. Specialised information offices have been set up in various countries either by local authorities or by employment agencies in order to familiarise Roma/Gypsies with employment regulations, make them aware of their fundamental rights in this field and offer them new alternatives/ideas for their future career, especially if they are engaged in occupations which are dying out. This should also help in the fight against institutional discrimination and racism.

## 3. The fight against discrimination

20. Legislation sanctioning racial discrimination in the employment field is a vital part of any equal opportunities policy. The clear commitment of State authorities to the fight against racial discrimination provides the impetus needed to combat this problem within local authorities, in industry and, of course, among the general public. In this respect, information campaigns may help bring about a change of attitude on the part of company managers and public officials.

21. Machinery should be put in place to ensure that the implementation of these anti-discrimination measures is properly monitored. The judiciary should be given specific training in order to raise its awareness of this issue.

**22. The European Union Social Dialogue Summit (Florence, October 1995), which brought together the social partners of the European Union, adopted a Joint Declaration on the prevention of racial discrimination and xenophobia and the promotion of equal treatment at the workplace.**

The Declaration is a kind of code of good practice for large companies which not only serves as a reference text for the adaptation of national legislation and drafting of national codes of conduct, but can also be used as a basis for publicity and information campaigns. In addition, it should help raise awareness among company managers.

The underlying principle of the Declaration is that the integration of ethnic minorities into the labour market is fundamental to the social cohesion of European societies and should be part of overall strategies in the fight against discrimination.

23. The Declaration lists a number of discriminatory practices and proposes guidelines to combat them.

The main points mentioned are:

- discrimination carried out by companies (selection tests, interviews, vacancy advertisements);
- preference for recruiting “nationals” or applicants from the majority and general racism in the recruitment process and in the workplace;
- the need to combat the complex socio-economic causes of racism and xenophobia.

Among the solutions put forward to promote equal opportunities are the following:

- introduction of anti-discrimination legislation;
- joint positive action by employers and trade unions, regulations and codes of good practice;
- taking into account of cultural differences during recruitment and selection tests;
- company intercultural training policies;
- complaints procedures;
- development of in-house training opportunities for minorities;
- monitoring of progress made;
- clear commitment of national authorities to equal opportunities, so that influence can be exerted on local authorities;
- involvement of minorities in decision-making;
- introduction of the concept of equal opportunities in the training of public officials;
- appropriate punishment of acts of discrimination.

24. The role of trade unions is also stressed insofar as, if their awareness is raised sufficiently, they can launch information campaigns and promote the integration of ethnic minority representatives in their own ranks<sup>2</sup>.

25. Finally, it should be recalled that the International Labour Office has carried out extensive work in this field and that the labour conventions and standards set by the ILO should be referred to when designing policies to tackle discrimination on the labour market.

#### **4. Integration into the labour market**

26. The integration, or in some cases, re-integration of Roma/Gypsies into the labour market is a particularly difficult task in view of the difficulty of creating jobs in the current economic climate. It is an important aspect, however, even if it seems clear that lasting solutions to the Roma/Gypsies' economic problems must involve the creation of small private enterprises (see section 5, below). Roma/Gypsies must also be encouraged to participate in public life and to change the majority's perception of them. It is important to try and dispel the notion that Roma/Gypsies make their living from a "parallel", illegal economy. Furthermore, practices in the private sector will only be influenced if the public authorities take positive action themselves.

27. Moreover, the efforts of public administrative bodies called upon to deal with Roma/Gypsy issues will only be well received by this minority group if their programmes and projects are prepared and implemented in close co-operation with the Roma/Gypsies themselves.

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<sup>2</sup> "Initiatives by employers to promote employment and integration of immigrants", Council of Europe Publishing, "Community relations" series, Directorate of Social and Economic Affairs, 1998. See in particular chapter on "The implementation of the Joint Declaration on the prevention of racial discrimination and xenophobia and the promotion of equal treatment at the workplace – Social Dialogue Summit, Florence (Italy), October 1995", by Mary Coussey.

28. It would be useful, therefore, to encourage the recruitment of persons from Roma/Gypsy communities by local and national public authorities, particularly the police (police officers and Interior Ministry staff), the social services, the education system (by creating posts for Romani assistants in schools) and the health services (primary health care for mothers and children).

29. A number of steps might be taken to facilitate this process:

- informing the Roma/Gypsy population;
- providing preparatory classes for public administration recruitment competitions;
- possibly introducing quotas/reserved places;
- organising recruitment competitions geared to Roma/Gypsies.

30. With regard to the difficult issue of positive action to promote equal opportunities, it has often been seen that, in situations where it has been decided not to focus particular attention on Roma/Gypsies, they have been excluded from jobs or training programmes despite having the same qualifications as applicants from the majority. This has been due to discrimination (individual and institutional) and the Roma/Gypsies' lack of knowledge about administrative procedures and their own rights and duties, together with their distrust of institutions. Hence it is often necessary to overcome these initial handicaps by taking positive action, even though local development projects must involve the whole local population concerned if they are to be truly successful.

31. As well as providing access to civil service positions, the state can explore other ways of creating jobs. In some countries, major public works projects are widely used to provide jobs for Roma. It has to be borne in mind, however, that over reliance on this possibility can actually harm the image of the Roma/Gypsy minority: these generally unskilled jobs carry very little prestige and people commonly associate construction sites with Roma/Gypsies.

32. Attention is being focused increasingly on the issue of "new jobs" in the public sector. Since Roma/Gypsies tend to be skilled "service providers", job creation in the following sectors should be given particular consideration:

- services related to everyday life: services in the home, social integration of the most underprivileged groups, work with children and young people, etc. One advantage of these jobs is the fact that they promote Roma/Gypsy participation in public life;
- services related to quality of life, housing, transport, security, improvement of public areas, etc. This would also affect quality of life in the disadvantaged areas where many Roma/Gypsies live;
- services related to the environment, which fit in well with traditional Roma/Gypsy occupations such as collecting and sorting solid waste<sup>3</sup>.

33. Finally, emphasis should be put on the need to make the national and local labour offices more aware of the situation of the Roma/Gypsies. Training courses officials working in labour offices and the organisation of a dialogue between the labour offices and the

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<sup>3</sup> José Manuel Fresno, *Jornadas de reflexión sobre el pueblo gitano*, Ministry of Employment and Social Affairs, Madrid, 19-20 June 1997. *Materiales de trabajo*, p. 97.



Romani/Gypsy communities concerned could be a useful contribution to the fight against discrimination and could facilitate shared understanding of the problems.

## **5. Creation of small income-generating enterprises**

34. This is probably the only genuinely promising way of creating jobs and income on a large scale.

35. The Council of Europe, as part of its Project on Roma/Gypsies in Central and Eastern Europe, funded a preparatory study on the creation of a PAKIV European Roma Fund (PAKIV means "trust" in Romani), which focused on income-generating projects in Romania and Hungary (document MG-S-ROM (98) 10). This very detailed document describes projects run by two NGOs, the *Autonomia Foundation* in Hungary and *Romani CRISS* in Romania.

Income-generating projects should aim to:

- a. meet basic needs (so-called "survival" projects);
- b. develop small family or community enterprises;
- c. promote local development in general.

Up to now, most projects have involved small-scale farming and livestock breeding (Hungary, Bulgaria, Romania), metal working, traditional crafts, retail trade and service provision (Romania, France, etc). Income-generating projects have also been implemented in France and Spain through the setting up of cooperatives, sometimes with public authority support.

36. The PAKIV document (MG-S-ROM (98) 10) mentions the following principles for income-generating projects:

- autonomy and responsibility for the groups concerned;
- horizontal co-operation (partnership) with other local players;
- a constant learning process, based on experience of other projects.

37. The thinking behind the PAKIV European Roma Fund is based essentially on the fact that small Romani projects are unable to obtain bank loans. It involves, on the one hand, creating a European fund to serve as an intermediary between local projects and major international financial institutions and to guarantee loans and, on the other, setting up national foundations to act as links.

38. Facilitating access to bank loans, and in particular to micro-credits, is a strategy which has been used in various parts of the world, often successfully, to alleviate poverty while encouraging the participation of the groups concerned, especially women within those groups.

39. While no institutions on the model of the PAKIV European Fund exist, governments should wherever possible guarantee loans made by international financial institutions in order to support the development of income-generating activities. Moreover, the access of Roma enterprises to state tenders could be supported by the authorities through the establishment of quotas for Roma enterprises in countries where there are large Romani communities.

40. In the long run, the setting up of national support funds, involving players as diverse as the government, the communities concerned, via representative NGOs, international financial institutions such as the World Bank and the Council of Europe's Social Development Fund, national banks and local authorities, can help income-generating projects develop rapidly by providing increased access to funding and improving the guarantees given to financial institutions. However, it is not an easy task for institutions such as the Social Development Fund and the World Bank to support very small scale projects in marginal groups of population. They would rather tend to invest in large-scale projects (in the fields of housing, health, education, employment, etc), concentrating on infrastructure building, which poses the problem of finding guarantors for the loans. However, the Social Development Fund of the Council of Europe and the World Bank are aware of the specific needs of the Roma/Gypsies and are currently exploring new ways of supporting suitable projects.

## **6. Land ownership**

41. The question of land ownership arises mainly in Central and Eastern Europe and is one of the important issues at stake in the setting up of income-generating projects. Experience in recent years shows that, to make it easier for Roma to acquire land:

- the relevant procedures need to be simplified and information on them widely disseminated;
- disadvantaged groups need to be helped, particularly through the setting up of special funds (see the Hungarian experience mentioned below) which can be used to redistribute state-owned land;
- particular attention should be paid to the ways in which the Roma may have been discriminated against during privatisation processes.

## **7. Participation**

42. As underlined in the above text, the issue of the involvement of the Romani communities in the elaboration, design, implementation and monitoring of innovative solutions to their economic and employment problems is crucial. As in other areas such as education or housing, no suitable and lasting results will be achieved if the Romani community is left out of the reflexion processes and considered as an object rather than a subject of its own development. Experiences were carried out in the past to improve the situation of the Roma/Gypsies, in different regions of Europe and particularly in the seventies in Western Europe, neglecting the importance of the participation of the Romani communities. They very often resulted in failures, which strengthened the common feeling among the majority population that the Roma/Gypsies "do not want to be integrated".

43. On the contrary, proper use should be made of the competences and resources which exist within the Romani communities in order to maximise the efficiency of the actions undertaken and guarantee that they are well accepted by the groups concerned. The Social Development Fund of the Council of Europe and the World Bank very much insist on the issue of the participation of the communities concerned as a precondition for successful implementation of the projects.

44. Moreover, the experiences carried out by the Autonomia Foundation and Rromani CRISS (see paragraph 5 above), whose main objective was to empower the local Romani communities, proved to be quite valuable and gave positive results.

#### **IV. CONCLUSION**

45. The very difficult economic situation experienced by the large majority of the Roma/Gypsies in Europe needs to be seriously dealt with by the member States if they want to avoid that it becomes a threat to their social cohesion.

It is also important that the social and economic rights (in the sense of the UN Declaration on Social and Economic Rights and the European Social Charter) of the Roma/Gypsies are fully acknowledged. As mentioned in the Introduction above, the economic situation of the Roma/Gypsies is a key element in improving their position in the society in general.

46. The member States should therefore undertake proactive comprehensive policies to tackle these problems (bearing in mind the elements developed above), in the framework of wider comprehensive policies in favour of the Roma/Gypsies, and allocate appropriate funding from the State budget to meet this end. They should also recourse to existing institutions such as the Social Development Fund and the World Bank, which can play a major role in the development of projects in favour of Roma/Gypsies.

47. Furthermore, it is urgent to devote careful attention and to bring support to the development of local income-generating projects and to initiatives such as the PAKIV European Roma Fund, which are probably the main tool to create employment and sources of stable income and at the same time to promote the empowerment of the Romani communities.

48. Finally, it should be borne in mind that, if a way-out to the current crisis situation is to be found, it has to go through partnership with the Romani communities and their involvement in the development of solutions.