Roma poverty from a human development perspective

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Summary: The most recent publication in UNDP’s “Roma Inclusion Working Papers” series builds on the collective work of many researchers, policy makers and activists involved in United Nations Development Programme’s interventions promoting an integrated approach to the realization of the human development potential of Roma.

Reducing Roma poverty was placed on the political agenda and formulated as an explicit commitment of those countries participating in the Decade of Roma Inclusion (2005-2015). The European Commission’s Framework of Roma Inclusion provided additional political weight to efforts to lift Roma out of poverty. “Roma Poverty from a Human Development Perspective” departs from the standard approach to poverty focusing solely on monetary poverty rates. The paper instead proposes a multidimensional poverty index to better measure the challenges Roma are facing.

The data used in the paper are drawn from a 2011 UNDP, World Bank, and European Commission survey, carried out in conjunction with the Fundamental Rights Agency pilot Roma survey. Thus data set represents the largest integrated household survey of Roma to date. The combined surveys cover 20,018 Roma households (and 87,717 household members) as well as 9,782 non-Roma households living nearby (28,214 household members), in 18 European countries. The survey follows the approach tested in 2004 by UNDP in the first comprehensive regional survey of Roma at risk of marginalization and non-Roma living in close proximity (UNDP 2006).

Using these data, “Roma Poverty from a Human Development Perspective” shows that various approaches to poverty estimation that calculate monetary poverty (by income and by expenditures) yield a generally consistent picture.

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The data show that progress was made in reducing the magnitude of Roma monetary poverty between 2004 and 2011. The share of people living on less than PPP$4.30/day (measured by expenditures) declined in all countries (Figure 1). The most substantial decline in Roma poverty occurred in Albania, where the distance between the Roma and their non-Roma neighbours was also reduced dramatically. By contrast, progress in poverty reduction for non-Roma respondents was not so apparent. In Bosnia and Herzegovina and Montenegro, the incidence of income poverty for non-Roma living nearby Roma increased. In Croatia and FYR Macedonia it stagnated. This is worrying sign can be attributed to a number of factors, including the impact of the financial crisis. Unless both Roma and non-Roma benefit from poverty reduction initiatives, popular support for Roma-targeted measures may weaken.

Relative monetary poverty estimates (Figure 2) reveal deep disparities between Roma, their non-Roma neighbours and the general population in all countries surveyed. Relative poverty rates for Roma and their non-Roma neighbours are far above national averages (as reported by Eurostat). Relative poverty rates were on average between 3 and 4 times higher for Roma and twice as high for their non-Roma neighbours than the national “at-risk-of-poverty rate” for the respective countries. Of particular interest is the fact that differences in poverty rates between Roma across countries are not as great as the differences between non-Roma. This suggests that Roma at risk of marginalization are similarly poor, regardless of the country in which they live.

Data about sources of income for Roma and their non-Roma neighbours counter popularly held views that Roma abuse public resources. Earnings from employment constitute 24% and 34% of the total

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3 Except where otherwise mentioned, the data shown here come from UNDP’s 2004 vulnerable groups survey, the UNDP/World Bank/EC 2011 regional Roma survey, or official national statistics.

4 The following abbreviations were used in the graphs: AL (Albania), BA (Bosnia and Herzegovina), BG (Bulgaria), H (Hungary), HR (Republic of Croatia), CZ (Czech Republic), MD (Moldova), ME (Montenegro), MK (Former Yugoslav Republic of Macedonia), RO (Romania), RS (Republic of Serbia), and SK (Slovakia). The abbreviations are following the country codes used by EUROSTAT, http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Glossary:Country_codes. In all graphs depicting individual countries, the countries are ordered alphabetically.

5 Relative poverty approach uses 60% of the median income in specific country as a threshold determining whether a person is poor.
household income for Roma and non-Roma, respectively. When income from labour activities other than employment is added, the total share of labour income is very similar: 36% for Roma and 38% for their non-Roma neighbours.

Large differences are found in income from pensions (making up 41% of the income of non-Roma and only 18% of the income of Roma), child benefits (respectively 5% and 13%) and social assistance (respectively 9% and 21%). Unemployment benefits constitute a small share of income—3% in the case of non-Roma and 6% for Roma. In other words, both groups are equally dependent on social transfers (unemployment benefits, pensions, social assistance and child allowance). For both non-Roma and Roma, these sources constitute 58% of total income. The difference is in their structure. Whereas transfers for non-Roma households are dominated by pensions; for Roma, they are dominated by child allowances and general social assistance.

Non-monetary poverty measures (education, employment, housing, and health) present a more nuanced picture. Roma are not only money-poor, they are also educationally poor. Low Roma pre-school enrolment rates severely reduce the chances of school completion and increase the probability of dropping out of school early. Access to early childhood education and care appears to be a major challenge for Roma—particularly as non-attendance at pre-school limits professional and educational opportunities later in life.

Dropping out before completing compulsory schooling is another aspect of Roma educational poverty. In many countries, Roma are more likely to have completed short-term upper secondary education and thus fall into the “early leavers from education and training” category. More than 80% of Roma in Hungary, Bulgaria, Bosnia and Herzegovina, Croatia, Macedonia, and Serbia fall into the “early leavers” category. In the Czech Republic, Slovakia, Romania, Montenegro, Albania, and Moldova, this share rose to above 90%.

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6 Early leavers from education and training refer to persons between the ages of 18 and 24 that are not enrolled in school or training, and have not attained at least an upper secondary education (ISCED 3) - Eurostat 2011, p. 203.
Educational segregation is another dimension of the educational poverty that Roma experience, and is both an outcome and a driver of Roma exclusion. The data suggest that, in Slovakia, Hungary, Bulgaria, Romania, FYR Macedonia, Montenegro, Albania, and Moldova, the shares of Roma attending segregated schools was statistically significantly higher than the shares of non-Roma living in close proximity.

The link between education and employment poverty in Central and Southeast Europe is strong. Unemployment rates for Roma men vary from 16% in Albania to 64% in Slovakia, and for Roma women from 35% in Albania to 79% in Bosnia and Herzegovina. Even when employed, Roma are disadvantaged in terms of the quality of employment. In addition, engagement in informal employment results in lower pay and the absence of any kind of employment security or insurance-based social protection.

Notable differences in the health conditions of Roma and non-Roma are related to differences in housing conditions and access to public utilities and services. Almost one third of Roma households do not have access to improved water sources inside their dwelling. Even more Roma households do not have access to improved sanitation facilities. Habitable shelter is another key concern: the share of the surveyed Roma population living in insecure housing ranges from 14% in the Czech Republic to 42% in Montenegro.

These dimensions of poverty offer compelling evidence of the multiple disadvantages Roma are facing. But, Roma poverty is not just about inadequate financial resources, unemployment, sub-standard housing, or poor access to social services. It is a combination of all these factors, compounded by prejudice and discrimination, and limited opportunities for political participation. The multidimensional nature of Roma poverty calls for a “human development” approach that can integrate the reduction of material deprivation with increasing agency and the achievement of fundamental civil rights. Unemployment, social exclusion, and marginalization are linked with (and mutually reinforce) discrimination, anti-Gypsyism, limited access to justice, and segregation.

These diverse aspects of Roma deprivation can be captured by a multidimensional poverty index. The MPI reflects the status of individuals (and their characteristics) living in households (with their characteristics) that are facing multiple deprivations. It combines 12 indicators: on basic rights, health, education, housing, living standards, and employment, reflect status along six critical development dimensions. Individual status in each dimension is tracked with two indicators per dimension. People experiencing 5-7 deprivations are considered “multidimensionally poor”; those experiencing eight or more deprivations are considered “severely multidimensionally poor”.

The MPI also allows for the tracking of the impact of individual sector-specific policies on poverty. This makes possible linking individual sector-specific interventions to overall poverty reduction outcomes. In this way policy interventions can be prioritized and the allocation of resources devoted to poverty reduction can be optimized.

The data in Figure 3 indicate that, while multidimensional poverty rates among Roma decreased during 2004-2011 in most countries, they increased in Albania and Serbia. In most of the countries in which improvements occurred, they resulted primarily from declines in the number of Roma who were poor rather than ‘severely poor’. “Severe poverty” decreased significantly only in Bosnia and Herzegovina and Romania; while it increased in Albania.

The data in Figure 4 show that, in most countries, the average number of deprivations experienced by Roma decreased slightly during 2004-2011. The impact of deprivations in education and living conditions declined, while deprivations in terms of fundamental rights and employment increased.
Figure 3: Multidimensional poverty rates and their components for Roma (non-severe and severe, bars left scale) and MPI values (right scale)

Figure 4: Contribution of individual dimensions to multidimensional poverty of Roma (2004-2011)
Figure 5 shows the composition of a “weighted MPI”, depicting what would happen to multidimensional poverty if policies to alleviate the effects of a specific deprivation were successful. The weights for the Roma are much higher than for the non-Roma because the average number of deprivations of the MPI poor is weighted by the number of people in poverty. The non-Roma therefore have a much
lower MPI value on average compared to the Roma. (Just as the non-Roma are less monetarily poor, they are also less MPI poor).

Among the Roma, the most important influences on this weighted index are the employment indicator, the absence of extreme poverty (i.e., not having gone hungry at least once in the past month), the education indicator, and the material deprivation indicator. Across countries, these appear to have a greater impact on multidimensionally poor Roma. This makes sense as these are usually the factors most often referred to by policy makers as potentially reducing poverty, especially employment and education. Some indicators such as access to basic amenities (piped water, electricity, sewage) have a differentiated impact; they appear to have a greater impact on MPI poverty in Moldova and Romania than in Montenegro and Bulgaria.

Roma vulnerability has also explicit gender dimensions, as shown below:

**Unemployment rates for Roma and non-Roma in Central and South-east Europe, 2011 (%)**
Roma inclusion is not only about poverty and deprivation: it is a matter of citizenship, equal opportunities, individual freedoms, and fundamental rights. Benefits to the society stem from the guarantee that the rights of all citizens—Roma and non-Roma alike—will be protected and respected. Roma inclusion has other, social, non-economic, intangible, non-monetary, benefits that cannot be easily quantified in economic or econometric models. Accordingly, Roma poverty definition and monitoring cannot, and should not, be reduced to monetary poverty. Instead, a multi-dimensional poverty index can generate evidence that enables a better understanding of the underlying factors determining poverty—and hence help to create policies to overcome them.