

The post-communist rural underclass is neither exclusively nor predominantly Roma

A new and isolated social stratus characterized by deep poverty and the lack of ability to provide its own subsistence or to satisfy even the most basic necessities has emerged. It is important to emphasize though that deep poverty is not at all a Roma issue. Only about one third of poverty stricken Eastern-Europeans are Roma and vice versa: only around one third of Roma live in deep poverty. Proportions of those living below or near the subsistence level are similar: the post-communist rural underclass is neither exclusively nor predominantly Roma.

The widest gap is not among Roma and non-Roma

Researches indicate that the exclusion of Roma in most policy areas is not primarily defined by their ethnicity but by a multitude of other interconnected economic factors. Even in the case of educational perspectives - despite the serious violation of human rights constituted by the widespread ethnic segregation - the widest gap is not among Roma and non-Roma children, but among those whose parents have jobs and those who come from an economically inactive family. According to a recent study conducted by the Hungarian Ministry of Culture and Education, the labour market situation and qualification of parents is the most decisive factor influencing the educational performance of their children and in addition, the primary cause of child poverty is the joblessness of their parents. A growing proportion of teenagers (currently more than 70%) living in entirely unemployed families are neither learning nor working: thus joblessness is starting to be hereditary.

Discrimination is one factor of many

Even in the field of employment, according to most standard researches, direct or indirect discrimination - as defined in EU Directives 2000/43 and 2000/78 - is only one among the several factors of the low employment rate among Roma; the primary cause naturally being low education. Additional factors include:

- Geographic disadvantages - The vast majority of European Roma reside in isolated clusters of villages or boondocks, mostly in economically deprived rural territories;

- Collapse of the communist economic structure - Priority sectors of the communist planned economy - such as the building industry, mining and heavy industry - have traditionally employed a multitude of unskilled labour force, including Roma, who were irreversibly fallen out of the labour market;
- New type of labour demand - Modern enterprises and actors of the market economy claim highly qualified employees;
- The "Poverty Trap" phenomena - As a result of all the aforementioned factors, and considering the chances of entering or re-entering the labour-market, in view of maximizing the total profit of the family, most Roma become financially interested in not working;
- Barriers of self-employment - Launching enterprises is almost impossible for most Roma, due to the lack of proper capital, entrepreneurial skills and know-how.

Demographic dynamism

Compared to the equally excluded majority communities however, there is one distinctive attribute of the Roma population, the economic relevance of which cannot be overemphasized: demographic dynamism. Roma and non-Roma populations can be characterized by reverse demographic trends: while the majority society ages rapidly, the proportion of Roma is quickly increasing, and according to some estimations, in Hungary for example the ratio of Roma within the economically active population will exceed 50% by 2050. It is vital therefore to take into account that on the one hand the proportion of Roma within the active population which carries the social security system on it's shoulder is growing steadily, and on the other hand there is a huge potential in the labour market reintegration of the massive unemployed population.

Integration is a necessary investment and financially profitable

The integration of Roma is a necessary investment and is financially profitable in the long run: on a scale of a 20-30 years period - when also the results of educational converts will start to unfold - it is actually cheaper to integrate the Roma population than sustaining their substandard socio-economic conditions. If the employment rate

of Roma could be raised to that of the majority, the overall rate of employment would be increased with 5% to 10% depending on the proportion of Roma population in the country. Taking into account its affect on the growth of GDP, national economies themselves would grow triggering a substantial improvement in all the indicators based on the percentage of GDP per capita.

The cost of non-inclusion

Hence, by not prioritizing the economic inclusion of Roma, Member States are wasting a significant amount of financial asset, let alone social benefits. Losses include:

- The indirect cost of lost GDP - as a result of social exclusion unemployed Roma fail to produce any domestic product;
- Social assistance and welfare benefits as well as the social and healthcare insurance provided by the state to those in poverty;
- Higher health costs due to substandard living conditions and lack of prevention;
- Wasted education expenditure - the cost of segregated and/or low standard schools that fail to provide quality education is wasted money, moreover, special-needs schools require higher costs;
- Extra safety costs, due to the higher crime rates caused by social exclusion and economic deprivation;
- Administrative cost of supervising the flow of welfare expenditure.

Territorial exclusion

Another important feature of the social exclusion affecting Roma is the strong territorial dimension of poverty and marginalization. The geographic distribution of social disadvantages is not uniform throughout the Member States, but poverty and social exclusion is concentrated in underdeveloped micro-regions which in many of the new Member States are predominantly inhabited by Roma. Exclusion has a predominantly territorial nature and these dropped behind areas hamper social development in its entirety. Intra-regional disparities are in many cases higher than those between the regions and the polarization is deepening, since economic and

social interventions are concentrated in the dynamic centres causing the further decline of the excluded periphery.

Invisible micro-regions

The above described territorial exclusion is currently "invisible" for European statistics as well as for policy objectives and instruments. Since the scope of analysis, decision making and planning is too wide to locate these regions, they usually remain hidden from EU-level approaches. The analyses and data collection conducted by Eurostat or within the Espon programme are also unable to identify this phenomena and there are no generally applied, suitable territorial indicators.

These social and economic crises areas are mostly emerging in peripheral intra-regional areas or in lagging behind micro-regions and in most cases they cannot be addressed within the NUTS nomenclature, but could be targeted at the LAU 1 and LAU 2 levels. It is also necessary to earmark resources at EU level, aimed specifically at levelling up LAU 1 planning-statistical regions and to let these micro-regions decide themselves about the use of these resources.

Crisis map and intraregional convergence

An all-European crisis map needs to be established therefore, which measures and surveys those micro-regions within the EU where communities are hardest hit by poverty and social exclusion. Coordination with the EU's other policies must also be improved - e.g. between rural development and regional policy - in order to foster synergies and complementarities between these policies. Bureaucratic and implementation rules must be substantially simplified and all barriers between the various funds must be eliminated so that the maximum possible allocation of resources can be achieved by the Cohesion Fund, European Agricultural Fund for Rural Development, European Integration Fund, European Regional Development Fund, and European Social Fund.

Holistic and integrated approach

Complex and holistic development programs with a cross-sector integrated approach are needed, which make immediate intervention possible in these underdeveloped areas struggling with serious structural disadvantages especially focusing on

developing the infrastructure, fostering development opportunities in accordance with their specific potentials, improving housing and living conditions as well as enhancing agricultural and agriculture-related economic activities

Not an ethnic minority but primarily an economic target audience

From the above reasoning pronouncing that ethnicity and ethnicity-based discrimination is only one of many factors - such as low qualification and territorial exclusion - determining the socio-economic deprivation of European Roma, it follows that the exclusion can be best grasped by reckoning them not as an ethnic group but as an economic target audience. In line with Principle No 2 and No 4 of the Common Basic Principles on Roma Inclusion declaring "explicit but not exclusive targeting" as well as "aiming for the mainstream" the EU strategy must focus on these common economic features of socially excluded Roma instead of trying to address all the social issues that any single group of the remarkably heterogeneous European Roma population suffers from. Notwithstanding such country or region-specific issues as the availability of halting sites for travellers or the lack of personal documentation in some countries, the social and economic conditions and the demands of Roma communities themselves are extremely similar in all countries.

Common and uniform European solution is needed

A common and uniform European solution is needed for a common and uniform European problem, irrespective of the diversity of additional and collateral concerns in specific regions affecting specific subgroups of Roma. The social and economic exclusion of Roma thus requires a strategy on its own, not excluding of course the subsequent or parallel development of independent policy responses to independent controversies.

Not compromising but complementing anti-discrimination

There is also a lot to achieve regarding the above mentioned rules of anti-discrimination, since the application and implementation of existing regulations are insufficient. They either don't cover certain areas, such as multiple discrimination or they prove to be inadequate when implemented. A good example for the latter is the

low level of awareness about the anti-discrimination legal frame, which results in the astoundingly few number of lodged complaints.

Socio-economic integration is a matter of fundamental rights

The strategy aiming the economic integration and reintegration of Roma however will not at all compromise but rather complement the transposition or implementation of anti-discrimination laws. Moreover, given the extent of social and economic exclusion of Roma, the overall integration is essentially an issue of fundamental rights. A significant proportion of European Roma face such substandard conditions - almost totally disconnected from the economy, resulting in their exclusion from their basic human rights - that fostering social inclusion cannot be viewed within the frameworks of general policy rectifications, but must be handled as bridging the hugest gap in the fulfilment of constitutional and human rights in Europe.

Soft law is deficient

Most EU actions regarding the socio-economic situation of Roma - except those in connection with tools defined by the Treaties, such as directives and regulations - belong to the category of soft law. Resolutions, reports, declarations, conclusions and communications of the EU's three major institutions constitute a legal "grey zone" between non-law and positive law. Soft law is however deficient in fostering the social inclusion of Roma: rules and norms without sanction may be effective, but not efficient. Following the argumentation of standard legal theories nevertheless, community soft law regarding Roma is thus the prefiguration and feedstock of legislation to-come, to which the legal community committed itself by issuing the related quasi-legal instruments.

Possibility and necessity of a legally binding strategy

After the entry into force of the Treaty of Lisbon, the European Union has a variety of forceful instruments by which concerned Member States can commit themselves in fostering the social inclusion of Roma. By a clear mandate from the European Council, with the self-commitment of interested and devoted Member States and with the acquiescence of others - e.g. through an enhanced cooperation - a legally binding European Roma Strategy can come into existence.

Features of the strategy

The strategy can and must set clear and unambiguous indicators and benchmarks in order to evaluate progress and proper monitoring mechanisms need to be introduced in order to ensure the effective and bona fide utilization of financial and human resources. Given that local implementation is the crucial factor of all initiatives and the three most important elements - planning, management and monitoring - must be carried out by local authorities and NGOs. When defining the specific content of the legal and policy framework set up by the strategy, is also essential to measure up the needs of local communities and to succeed in smaller scale, local objectives. To this end it would be beneficial to do extensive surveys on the demands of local target groups; something similar to what has been so successful in Ireland regarding agricultural tenders.

In brief, not only is there no legal obstacle of the development of an EU-level strategy aiming the social inclusion of Roma, but moreover the existing soft law regulations on the matter can be viewed as a pending legal situation, a promise of the European Communities for a properly enforceable legislation later on. In the short run, the pan-European action plan must prevent the reproduction of deep poverty through generations. In the medium term it is necessary to equalize the regional lag of the underdeveloped micro-regions. In the long run, the hopeless, poverty-stricken masses of today must become the equal taxpayers of tomorrow.