

**II European Roma Summit**  
**Cordoba, Spain**  
**April 8-9, 2010**

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**World Bank Europe & Central Asia Region**

On behalf of the World Bank, I would like to thank the Spanish Presidency of the European Union for organizing this second European Roma Summit. In an institution devoted to fighting exclusion and poverty like the World Bank, one is always faced with a fundamental dilemma when considering tough socio-economic issues, like social inclusion, where the problem at hand seems so insurmountable that any progress looks too small to make a difference. This is true when talking about issues as wide-ranging as racial discrimination in OECD countries, inequality in some Latin American countries, or even maternal mortality in Sub-Saharan Africa. It is also the case when we talk about social inclusion of the Roma in Europe. So, allow me to first acknowledge the dimension of the problem and to recognize that we all have much more work to do if the challenge of overcoming the cycle of exclusion and poverty of the Roma community is ever to be overcome.

The Roma community has been excluded from opportunities available to the rest of the citizens of Europe for many years. In particular, they have fewer opportunities than the rest of the population to access social services and to hold well paid jobs. The numbers are well known by this audience: in Bulgaria, for example, about 13 percent of working age individuals identified as Roma have completed some secondary education, compared to almost 90 percent for the rest of the population. Similar figures have been documented in countries where such data are collected, like Romania, Serbia, and the Czech Republic. Low education achievements, of course, lead to poor employment opportunities; not surprisingly, the employment rate among Roma is as much as 30 percentage points lower than that of the rest of the population.

The exclusion of Roma children from mainstream education has also been documented extensively through the good work of organizations like the Roma Education Fund. The disproportionate share of Roma children enrolled in special schools for children with learning disabilities results in segregation of Roma children from the rest and in the end prevents them from continuing into secondary education and eventually finding a well-paying job when they leave school.

As we remind ourselves of the magnitude of the challenges, it is also important to acknowledge the progress in addressing them. To that end I would like to refer back to the First European Roma Summit in September 2008 and the recommendations made by our Regional Vice President in his keynote address. Using those recommendations as a baseline against which progress can be measured, I am encouraged by what significant progress on four major recommendations. Let me give you a summary, which will be further developed in the roundtables later today.

A first recommendation was to **establish a policy coordination forum on Roma inclusion at the EU level**. Here there is clear progress. Following the first Summit, the European Platform for Roma Inclusion was created, as *“an exchange of good practice and experience between the Member States in the sphere of inclusion of the Roma.”* The Platform has met twice since its creation last year, the European Parliament has discussed Roma issues on several occasions, and only yesterday the Commission adopted a Communication on Roma inclusion.

A second was to **rely on proven instruments such as the Roma Education Fund to promote policy change**. In only five years since its creation the REF, with the strong support of the Open Society Institute and other partners, has established itself as the center of reference for Roma education interventions, and promotion of social inclusion through improving education opportunities for the Roma community. REF has provided about 17 million euros for more than 180 project grants in 12 Central and South-East European countries. Through advocacy and expert advice, the REF has influenced governments in setting policies promoting social inclusion of Roma. The REF was created in the context of the Decade of Roma Inclusion and I am proud to represent one of its founding institutions. It is now entering into a new phase and beginning to implement larger scale interventions directly, some of which are financed by European Structural Funds roles.

A third recommendation was to **improve availability of household level data on the socioeconomic status of Roma families and careful evaluation of policy interventions**. The World Bank is a firm proponent of evidence-based policy making. One of the keys to good policy design is to be able to quantify its impact. This requires good baseline indicators and proper evaluation techniques. Unfortunately, as you all know, the statistical information on the Roma community is sparse at best. As a first step it would be extremely useful to simply know how many people belong to the Roma community. Efforts to register Roma families in national censuses have taken place in FYR Montenegro and Serbia, and, recognizing all the complexities, we remain convinced of the importance of EU encouragement of member states to find ways to improve the Roma population count. Efforts have also taken place to include Roma households in statistical surveys, including in Serbia, Bulgaria, and the Czech Republic, but more is needed. UNDP is leading an effort to improve data collection for Roma, and there is clearly a role for EUROSTAT to foster and harmonize Roma-related statistical work. There has also been progress on using impact evaluation techniques to assess which policies work to promote social inclusion. The Roma Education Fund interventions, for example, are being subject to evaluations to determine their success, make adjustments, and apply the lessons elsewhere. This is another area of strong collaboration work between the Commission and the World Bank.

A final recommendation was to **increase financing for Roma inclusion**. Since the First European Summit, the Commission has been increasing funding for Roma inclusion activities, as we will hear during the various roundtables. For example it is funding Roma Inclusion pilot initiatives, and a few member states are increasing the role of Roma related initiatives in their programming of EU structural funds. Since many Roma live in European countries that do not belong to the EU, we must also find a way to ensure that EU programs reach them. The EU Communication adopted yesterday is an excellent step and we hope the EU can continue to

make progress towards setting targets for policies in education, employment, health, housing and gender equality.

Let me end with a few words about the World Bank's work on Roma. Roma inclusion is primarily a European issue, but the World Bank is also, I hope, an important institution for Europe. We currently provide technical advice and financing to five EU member states and all the candidate and potential candidate countries, hence to most of the Decade of Roma Inclusion signatory countries. All the member states are shareholders in our institution—and taken together the EU member states are by far the largest shareholder in the Bank—and they have an active role in providing strategic guidance for our work. As in September 2008, the World Bank continues to be committed to the objective of Roma inclusion. Since then, we have expanded our support in two main areas: (i) design and financing of projects that promote inclusion of Roma, and (ii) gathering evidence about the situation of the Roma Community in Europe and estimating the economic impact of exclusion. Our expanded assistance in projects can be illustrated by three examples: (i) the World Bank has helped FYR Macedonia to design and finance a cash transfer program for poor households, including many Roma families, who receive transfers as long as they send their children to school; (ii) in Serbia we provide technical support for a Roma Health mediator program; and in Bulgaria we provide financing to launch a social inclusion project later this year which aims to increase the participation of poor children, including Roma, in early childhood development education. All these activities can be scaled up and the lessons learned can be applied in other countries. In the case of Bulgaria for example, EU structural funds are expected to fund the continuation of the activities under the social inclusion project.

In terms of estimating the economic impact of exclusion, we are just about to complete a new study on the "Cost of Roma Exclusion". One of my colleagues will be presenting preliminary conclusions of this study this afternoon, but the main finding is that as a result of so many Roma being excluded from the labor market, European countries are "losing" hundreds of millions of euros annually in both output and in tax revenue. An analysis carried out for Bulgaria, the Czech Republic, Romania, and Serbia shows that these four countries alone would be enjoying an increase in GDP of at least 2 billion euros annually, if Roma had employment opportunities like the rest of the population. Similarly, annual government revenues would be at least 900 million euros higher.

**The inclusion of Roma into the workforce and the education system would cost money, but these investments would be more than offset through increases in output and tax revenues. In other words, the potential gains of inclusion far exceed the necessary investment costs. And the gains will only increase as the working-age population in Europe declines.**

**For these reasons, fostering inclusion of the Roma makes sense, not only from a human rights point of view but also from an economic perspective. Delaying action would cost Europe and all European citizens dearly.**

Thank you for your attention.