

Diagnostics and Policy Advice on the Integration of Roma in the Slovak Republic

*Economic Cost of Exclusion, Employment and Social Protection,
Financial Inclusion, Education, Housing, Health, Monitoring and
Evaluation, EU Financing*

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In October 2011, the World Bank was asked by the Slovak Ministry of Labor, Social Affairs and Family to analyze the situation of the marginalized Roma community and recommend policy solutions on how to better include them in the mainstream society focusing on employment and social protection, financial inclusion, education, health, housing, monitoring and evaluation, and use of EU financing instruments. This report details the findings. *A complementary overview report provides a summary of these findings.* It highlights the urgency of better integrating Roma in Slovakia and offers specific policy recommendations in each of the sectors. In carrying out its analyses, the World Bank benefitted from a large household survey sponsored by the European Commission in 2011 and implemented by UNDP in collaboration with the World Bank, which compensated for the chronic lack of data on how the Roma live.

The analysis also benefitted from numerous discussions with officials from the relevant ministries, the Office of the Plenipotentiary, various Slovak NGOs, and field visits to Eastern Slovakia. In particular, it follows team visits in: (i) November 2011 (planning workshop with MoLSAF and PPO); (ii) December 2012 (technical meetings with staff from ministries, international conference on monitoring and evaluation, and workshop with civil society); (iii) February 2012 (joint conference on social benefits system in Slovakia and on the economic cost Roma exclusion); (iv) March 2012 (field visits and regional workshop in Kosice); (v) April 2012 (field visits and regional workshop in Presov); (vi) May 2012 (Banking for Progress conference on financial inclusion); and, (vii) meetings with the relevant line ministries. It also benefitted from a separate World Bank task for the Ministry of Labor, Social Affairs, and Family to analyze the Benefit in Material Need (BMN) and benefitted from the inputs by UNDP and the Open Society Foundations (OSF).

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1 INTRODUCTION

1.1 THE PRESENT SITUATION CALLS FOR URGENT ACTION

The differences in living standards between Roma and the general Slovak population are stark and start early in life. Findings from a large scale UNDP/World Bank/EC regional Roma survey (2011), representative of 83% of Slovak Roma, show that the vast majority of Roma in Slovakia, 87% of those households interviewed, live in poverty. One-third of Roma children go to bed hungry at least once a month because there is not enough food. The gaps between the marginalized Roma and the majority population start early. For example, only 28% of Slovak Roma children aged 3-6 attend preschool, compared with 58% of non-Roma children living nearby. The comparison is unfavorable also with other countries: 76% of Roma children in Hungary and 45% of those in Bulgaria attend preschool. Despite widely held perceptions to the contrary, 82% of Slovak Roma indicate the wish for their children to achieve at least upper secondary or tertiary education, but only 28% actually reach – but not necessarily complete – upper secondary education. This compares with 94% in the general population that completes upper secondary.

The gap among adults is similarly large: only 20% of working age¹ Roma men and 9% of Roma women have jobs, compared with 65% of working age men and 52% of working age women in the general Slovak population. These rates are low also for regional standards: they are less than half those found in Bulgaria, the Czech Republic, and Romania. Moreover, wage levels among the Roma who do have jobs are on average half of those earned by the general population. About half of Roma households receive the Benefit in Material Need, and approximately two thirds receive child allowances and related family benefits. Yet, because Roma make up a minority in the overall population, Roma families constitute only about 35% of all households receiving BMN². With regards to housing, about one third of Roma families live in very poor, informal housing conditions, and only about half of them have indoor sanitation or drinking water in their house. Regarding health outcomes, Roma life expectancy has been estimated to be about 15 years lower than the national average, which is consistent with the survey finding that only 2% of Slovak Roma are older than 65. As such, life expectancy for Roma is more comparable with that of countries in Sub-Saharan Africa or South Asia than with life expectancy in the European Union.

Dire employment conditions among marginalized Roma in Slovakia translate into unusually large gaps in per capita GDP between Roma and the general population. Among the general Slovak population, average per capita GDP is approximately Euro 13,000 per year, placing Slovakia among the richest 25% of countries in the world. At the same time, the average per capita output of Slovak Roma is only Euro 1,400 per year. After accounting for purchasing power, GDP levels found among Slovak Roma are, once again, equivalent to levels observed in countries in Sub-Saharan Africa and South Asia belonging to the poorest 25% worldwide. Another way of seeing this gap is that *monthly* per capita output among the general Slovak population is similar in magnitude to the *annual* per capita output among Slovak Roma.

The dire situation of the Roma communities has been noticed at the European level and addressing it has become part of mainstream European policy making. The April 2011 EU *Framework for National Roma Integration Strategies up to 2020*³ clearly positions Roma inclusion as part of the overall

¹ 'Working age' refers to the age-group 15-64, inclusive.

² For details, see the World Bank's (2012) report on the Benefit in Material Need (BMN)

³ Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, Brussels, 5.4.2011 COM(2011) 173 final

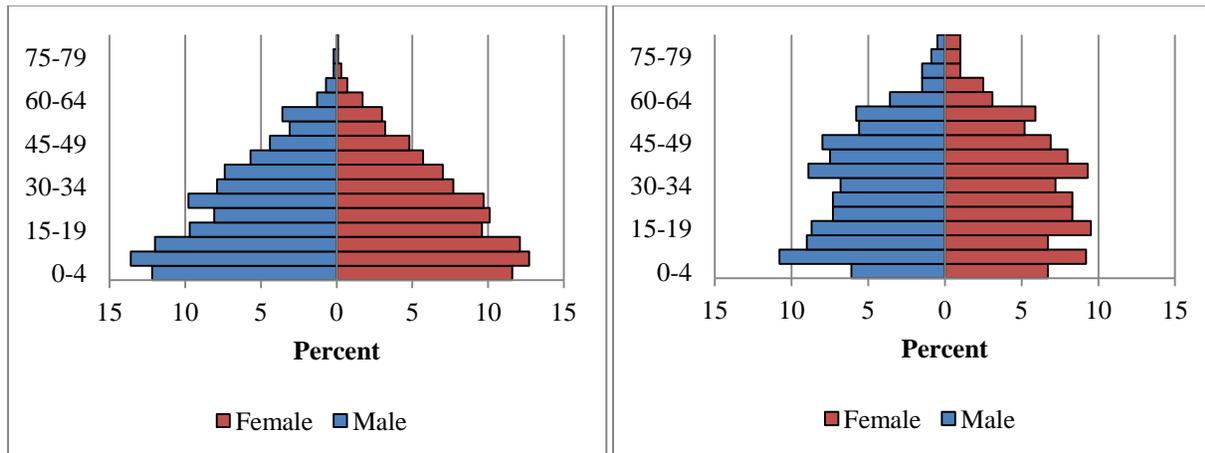
Europe 2020 strategy of smart, sustainable and inclusive growth. In its May 2012 Communication, the EC explicitly states that “[f]or Member States with a larger Roma population making sufficient progress towards the Europe 2020 employment, social inclusion and education targets will require addressing explicitly and swiftly the situation of the Roma.”⁴ The EU therefore urges the Member States to ensure that EU funding available makes a tangible difference to Roma communities. In fact, in May and June 2012, the Commission and the European Council even included various countries’ Roma Integration Strategies in the new economic governance cycle – called the European Semester – by mentioning the implementation of these strategies as one of the so-called ‘Country Specific Recommendations’ (CSR). This was the case for Bulgaria and Hungary. In the case of Slovakia, however, the Commission/Council went further by including a detailed set of recommendations on Roma inclusion in the education and employment fields as one of only seven CSRs (see Box 1 below for details). The Slovakia government request to the World Bank to provide diagnostics and policy advice is an example of the Government’s concern.

Roma integration is indeed in the national economic interest of Slovakia. Slovak GDP would be Euro 3.1 billion higher if Roma would have the same employment opportunities and wage levels as non-Roma. Considering that there are an estimated 320,000 Roma living in communities with large Roma populations in Slovakia, the gap in individual level output translates into an aggregate output gap of Euro 3.1 billion, or 4.4% of Slovak GDP. This means that each year, Slovak output would be 4.4% higher if Roma would have the opportunity to work as much and to earn the same wages as non-Roma. The extremely poor employment prospects for Roma, hampered especially by extremely low education levels, also result in lower income tax and social insurance revenue, lower corporate tax revenue, and higher social assistance payments, not even counting costs in health, special education, and law enforcement. Altogether, these differences in fiscal revenues between Roma and the general population amount to nearly Euro 3900 per year per working age Roma. This means that Slovak Government revenues would be 3.1% higher – about Euro 725 million annually – if employment conditions for Roma would be the same as for non-Roma.

Furthermore, population dynamics make Roma inclusion indispensable for Slovakia’s long-term economic sustainability and the long-term viability of its social protection system. With an officially used population estimate of more than 320,000 Roma in Slovakia and the survey finding of 40% of the Slovak Roma population being under 15 years of age, *more than 13% of new labor market entrants in Slovakia today are young, mostly unskilled Roma*. By 2050, the Roma population is estimated to *nearly double at current growth rates of approximately 1.7% per year*, while Slovakia’s population as a whole is expected to shrink. The population pyramids for Slovak Roma and non-Roma neighbors illustrate this (see Figure 1). Hence, in an otherwise rapidly aging society, paying for future pensions and social services will increasingly depend on today’s young Roma. Consequently, the quality and level of education that young Roma achieve today and in the years to come, and the kind of skills they develop to become productive citizens, bear significant implications for the future of the Slovak society as a whole. .

⁴ Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, *National Roma Integration Strategies: a first step in the implementation of the EU Framework*, Brussels, 21.5.2012, COM(2012) 226 final.

FIGURE 1-1: POPULATION PYRAMIDS: ROMA (LEFT PANEL) AND NON-ROMA NEIGHBORS (RIGHT PANEL)



Source: UNDP/World Bank/EC regional Roma survey (2011).

Investing in Roma inclusion is not only equitable, but also fiscally smart. Estimates of the fiscal returns to education investments, measured in net present value, show that the returns to these investments are substantial, ranging from fiscal revenues that are 50% to 105% higher than the investment costs. These figures conservatively assume that it is 50%-100% more costly to ensure a Roma pupil completes the extra school years than a non-Roma pupil. On the revenue side, these calculations assume that more education translates into better labor market outcomes in the future. For example, the employment analysis finds that Slovak Roma completing secondary education have employment rates that are approximately 12 percentage points higher than those who only complete basic education. Better employment outcomes, in turn, translate into higher government revenue through increased income tax receipts and lower benefit payments. Finally, because these benefits occur in the future while the education costs are incurred today, the benefits are discounted assuming a relatively high real interest rate of 2%.⁵

1.2 METHODOLOGY AND DATA SOURCES

This report is meant to support the Slovak Government in its efforts to address the exclusion of the Roma by offering evidence-based policy advice. The assessment relies on three main sources of information. First, it takes advantage of the 2011 UNDP/World Bank/EC regional Roma survey, described below, which is the most comprehensive survey effort to date to capture the situation of Roma in Central and Eastern Europe. It also includes information from the 2010 survey by UNDP, done specifically on Slovak Roma at the request of the Ministry of Labor, Social Affairs, and Family. The results on comparable indicators from both surveys are very similar. Second, this report relies on qualitative information, collected through field visits in Eastern Slovakia and through interviews with key stakeholders from the Slovak Government and from civil society. And third, each of the chapters highlights relevant international experiences from which Slovak policy formulation on Roma integration can benefit. Many of the international examples and best practices from integrating poor and marginalized

⁵ The current market real interest is well under 1%; over 2011, interest rates on long-term (close to 10 years) Slovak government bonds were approximately 4.5% and inflation 4.1% (Eurostat, 2012), suggesting a real interest rate of 0.4%. Discounting the revenue stream at 1% real would put the net present value of the education investment returns between 101% and 167%.

communities elsewhere provide reasons to be optimistic that Roma integration does not have to be a distant goal for Slovakia.

The UNDP/World Bank/EC regional Roma survey – the main data source for this report -- is a comprehensive survey that is representative of approximately 83% of the Slovak Roma population, including Roma living in mixed, separated and segregated neighborhoods. The survey questionnaire was designed by the World Bank and UNDP in partnership, and implemented by UNDP through the IPSOS polling agency in May-July 2011 on a random sample of Roma living in communities with concentrated Roma populations in Bulgaria, Romania, Hungary, Slovakia, and the Czech Republic (henceforth: the “regional Roma survey”). The European Commission DG Regional Policy financed the survey. In each of the countries, approximately 750 Roma households (representing over 3,500 individuals) and approximately 350 non-Roma households living in the same neighborhoods or vicinity were interviewed. The sample was purposefully not representative of all Roma in these countries, but rather *focused on those communities where the share of the Roma population equals or is higher than the national share of Roma population*. This covers 88% of the Roma population in Bulgaria, 90% in the Czech Republic, 78% in Hungary, 89% in Romania, and 83% in Slovakia. Once identified, a random sample of these areas was drawn, and households were randomly sampled within these enumeration areas.

The data provide reliable estimates of the conditions in which the vast majority of the Roma in Slovakia live, and of the conditions of their non-Roma neighbors. Unless otherwise noted, the analysis in this report is based on the ‘Roma’ and the ‘non-Roma nearby’ sampled households as they were identified by the survey enumerators. Comparisons with non-Roma living nearby provide a crucial frame of reference, since the sampled non-Roma households live in the same municipalities and thus share local labor markets, community, school, and health facilities as well as other services and collective infrastructure. Hence, if we observe differences in education, health, housing, and employment between Roma and non-Roma households, *these must reflect particular disadvantages faced by Roma, differences in preferences between Roma and non-Roma, or both*.

For comparison with the general population in Slovakia, the report uses the EU Statistics on Income and Living Conditions (EU SILC) survey. The EU-SILC does not distinguish between Roma and non-Roma and provides household survey information that is representative of the general Slovak population. In other words, when gaps are reported between an educational or employment attainment of Roma compared with non-Roma neighbors in the 2011 regional Roma survey, these gaps will generally be smaller than between Roma and the general Slovak population in the EU SILC.

1.3 THE PRESENT SITUATION ALSO OFFERS UNPRECEDENTED OPPORTUNITIES

The forthcoming programming of the next generation of the Structural Funds is a truly historic opportunity for Member States with large Roma minorities to significantly improve the integration of their Roma populations. The EU will make large sums available to countries to develop and implement inclusion programs and projects, and will monitor the progress of Member States. This provides a unique opportunity, also for Slovakia. In the previous programming periods, it was not possible to combine the European Social Fund (ESF) and the European Regional Development Fund (ERDF) investments under one Operational Program, let alone under one Priority Axis. This caused inefficiencies and led to lesser impact, especially in areas where linking soft (ESF) and hard (ERDF) investments is a key ingredient for success. Roma inclusion is an area where no infrastructure construction (housing,

schools, community centers, etc.) will succeed unless accompanied by outreach, training, mediation, social work, courses for parents, and other soft investments.

BOX 1-1: PAST USE OF STRUCTURAL FUNDS FOR ROMA INCLUSION

In recent years, significant hopes were pinned on the horizontal priority “*Marginalised Roma Communities*” and especially on the “*Local Strategies of Comprehensive Approach*” in the current programming period 2007-2013 of the Structural Funds. Despite the generous national allocation of 200 million Euro for the local strategies, little has been invested from this amount in Roma inclusion at the national or local level. In April 2012, one year before the end of the programming period, only some 16 million out of the allocated 200 million had been contracted. The horizontal priority as currently implemented does not seem to have resulted in a more systematic push for Roma inclusion, or in scaling up the piloted approaches. While the new National Roma Integration Strategy has been praised by the EC for its holistic and data-driven approach, experience with previous strategies shows that real challenge rests with implementation – a key component of which is the efficient utilization of all resources available.

To make full use of this opportunity, the Slovak Government may consider developing one Operational Program or one Priority Axis for Roma inclusion in a broader Operational Program (see Figures 14 and 15). In either case, Roma inclusion can be financed jointly from the European Social Fund (ESF) and the European Regional Development Fund (ERDF). The financing should also be aligned, to the extent possible, with the programming under the Rural Development Fund (EAFRD). The existing set-up in the 2007-2013 programming period of a horizontal priority with the mandate for local comprehensive strategies has proven too complicated and ineffectual (see Box 1). The structure for the next programming period should be redesigned, taking advantage of the ability to combine the two Structural Funds in one OP or Priority Axis. It is also critical to have in place one sufficiently staffed and resourced coordinating body that leads the design and monitoring and guides the implementation of Roma integration policies and Structural Funds investments.

The Slovak National Roma Integration Strategy (NRIS) of January 2012 has been adopted at an opportune moment, as the European Commission is committed to monitor the progress individual Member States make on Roma inclusion. At the same time, as the current EU financing and programming period is drawing to a close (end 2013), regulations for the new financing period (2014-2020) are making their way through the legislative process. Structural Funds in the next programming period will have to be closely aligned with the Europe 2020 Strategy of *smart, sustainable and inclusive* growth. Due to the focus of this last pillar - inclusive growth - Roma inclusion will be a key area in which the Commission will actively engage Member States during the forthcoming negotiations (expected end 2012 and throughout 2013). The Commission’s tools during the negotiations will comprise: (i) thematic concentration on a limited number of priorities, including “*promoting social inclusion and combating poverty*”; (ii) partnership agreements with Member States that will set out the priority areas and themes; and (iii) “*ex ante conditionalities*” for all themes setting the preconditions to receive support from the Structural Funds.

BOX 1-2: EC COUNTRY SPECIFIC RECOMMENDATIONS FOR SLOVAKIA

The European Commission’s Country Specific Recommendations to Slovakia, released at the end of May 2012 and confirmed by the end June 2012 EU Summit, deliver a strong message on the relevance of Roma inclusion. Roma inclusion is the subject of one of the seven specific recommendations to the Slovak Government. As such, apart from

two countries with short references to the need to implement their NRISs, Slovakia is the only EU country receiving a detailed set of recommendations explicitly targeting Roma inclusion. The recommendation specifically reads:

“Marginalised communities, including the Roma, are largely excluded from the labour market and the mainstream education system, representing a significant underutilised labour potential in the Slovak economy. In order to tackle this problem, Slovakia should step up efforts to improve educational outcomes of marginalised groups and reinforce its reintegration policies for adults.

[THE COUNCIL] HEREBY RECOMMENDS that Slovakia should take action within the period 2012-2013 to:

Take active measures to improve access to and quality of schooling and pre-school education of vulnerable groups, including Roma. Ensure labour market reintegration of adults through activation measures and targeted employment services, second- chance education and short-cycle vocational training.”

1.4 OVERALL POLICY RECOMMENDATIONS

The remainder of this report provides a detailed description of the assessment of the economic cost of exclusion, the situation in the 5 sectors above and in the 2 cross-cutting areas of monitoring and evaluation and of EU financing, followed by specific policy recommendations in each. One important area beyond the scope of this report is the ability of the Slovak legal and judicial system to successfully protect the rights of all citizens, including the courts, issues of legal aid, as well as law enforcement issues. Recently, a much discussed court ruling in Eastern Slovakia held school segregation as illegal. More of such cases may emerge, especially in light of the 2007 ruling against school segregation by the European Court of Human Rights in Strassbourg. While important, these are all beyond the scope of this report. Appendix Chapter 10 provides a summary of the policy recommendations for each of the sectors.

Detailed diagnostics and policy options by sector should not overshadow the need for a holistic and integrated approach to addressing the needs of Roma inclusion, requiring ministries to coordinate reinforcing actions. In addition to sector specific findings, this report highlights important linkages between each of these areas and stresses the need for close coordination among different sector ministries. For example, the linkages that exist between poor housing conditions and poor health, or the linkages that exist between social benefit reforms and activities by key line ministries; for example, early childhood education can be promoted by informing parents about its benefits through the use of Roma mediators and teaching assistants, but also by putting in place targeted social protection benefits that support all poor and vulnerable parents financially if children attend regularly preschool. Conversely, stimulating demand for pre-school through the benefit system needs to be complemented by infrastructure investments to expand pre-school facilities in those communities that are currently lacking these. Or, targeted social protection benefits can be made available on condition that mothers participate in pre- and post-natal check-ups, fully vaccinate their children, and participate in counseling on early childhood development and nutrition, thus also requiring coordination between ministries. Or, changing the eligibility criteria for housing allowances to include the poorest and restricting use of the funds for home improvements should be complemented by training activities how to make basic home and energy efficiency improvements. In short, it is important therefore that policy measures in the different areas are designed to reinforce each other. Many of the policy measures suggested offer opportunities in this sense.

Most policy recommendations attempt to draw and build on programs and policies already in place in Slovakia, including good examples and best practices the World Bank team came across during its field visits which are not known nationally. In some cases, putting in place incremental and reinforcing policy measures can be achieved by modifying existing policy measures such as reforming the system of

allowances –labor activation, kindergarten and housing --that already exist as part of the BMN program of social assistance; or, by addressing the financial incentives that currently exist for municipalities to invest in special education, and instead provide incentives to invest in integrated regular schooling; or, by ensuring that the ongoing expansion of social workers will lead to an increase specifically in counseling on early childhood development and nutrition. In other cases, the World Bank team recommends expanding and further improving promising initiatives that are currently small scale such as the Roma Health Mediator (RHM) program, or the home improvement and financial literacy training courses provided by, for example, ETP Slovakia.

No policy measure can fully succeed if strong prejudices among parts of the majority population against the Roma are not addressed simultaneously. To illustrate, in 2010, the World Bank carried out 222 qualitative interviews with government and civil society officials in Bulgaria, Romania, Czech Republic, and Serbia. Respondents were asked to share their view of commonly held perceptions among the general public. According to more than three-quarters of these officials in each of these countries, a commonly held perception by the general public is that Roma are "lazy, lack will power, and prefer to live off social assistance". Many people with whom the World Bank team met in Slovakia similarly mentioned that these views are common, consistent with the 2008 European Social Survey finding that two-thirds of respondents claim that the unemployed (regardless of ethnicity) are not seeking employment and 40% report that social benefits make people lazy. On the other hand, results from the regional Roma survey indicate that the vast majority of Roma wish at least a secondary education for their children, and value lower paid, secure and full time employment over social assistance or over irregular employment with more freedom. Yet, it is easy to see that a typical employer would not be keen on hiring a Roma, no matter how successful might have been policy measures to improve Roma education and health outcomes.

Tackling Roma stereotypes is a vital component of inclusion strategies and need to be an integral aspect of any measure as well as a goal in itself. Beliefs shape behaviors and therefore determine both political outcomes and practical day-to-day decisions in applying policies and implementing programs. Even in the absence of the measures advocated in this report, there are examples of mayors who have been able to transform the lives of Roma in their municipality –at the same time improving the lives of all their constituents - because they challenged stereotypes, forged partnerships with others also willing to challenge stereotypes (e.g., social workers, school officials, psychologists), thus creating a virtuous circle. Communication can have a significant impact on people’s beliefs and behaviors, in particular through targeted campaigns of communication to change behavior (CCB), which apply a marketing approach to address social issues.⁶ The Slovak Government should join forces with civil society, media experts, and international organizations in determining a roadmap for a comprehensive and creative communication campaign aimed at fighting stereotypes and encouraging acceptance. For example, the Open Society Foundation has a long history of supporting Roma inclusion programs in Slovakia and elsewhere, including projects to fight stereotypes. The European Roma Grassroots Organization (ERGO) has implemented a number of programs tackling stereotypes across Europe forging partnerships with municipalities and creatively using (social) media and sports. And, the Roma Education Fund has been working closely with teacher training colleges to create greater awareness among college students of the challenges facing Roma children in school and foster interest in contributing personally to closing the gap by seeking placement in schools with many Roma children. The Slovak government can take advantage of these and other such campaigns.

⁶ CCB has been used widely and successfully to encourage environmentally responsible behaviors, as well as in preventive health campaigns, for example, to promote basic hygiene and responsible sex. Its use to promote social cohesion and mutual acceptance (e.g., in ethnically divided contexts) is growing and shows very promising results.

Successful implementation will also require strengthening capacity at all levels, from policy coordination to implementation of projects on the ground, and this implies building stronger partnerships between regional and municipal bodies, and between public, civil society, and private bodies. The Office of the Plenipotentiary for Roma Communities has started developing the necessary capacity. It has prepared the National Roma Integration Strategy in a professional and consultative manner. This capacity can be captured and built upon – regardless of who will politically oversee the Office – and substantially expanded. In doing so, Slovakia can also build on international experiences with integrated approaches to addressing the most vulnerable such as the Chile Solidario program. The sizable allocation of technical assistance under the structural funds (4% of total ESF) can be deployed to finance capacity building. For example, knowledge sharing and technical assistance to local actors such as municipal governments requires strong regional level capacity; or, leveraging the knowledge and experiences of promising NGO initiatives requires building stronger public-private partnerships whereby, for example, NGOs with a proven track record are financially supported to work with municipal and regional bodies to scale up promising initiatives.

2 THE ECONOMIC COST OF ROMA EXCLUSION

This chapter highlights how dire employment conditions among Roma in Slovakia translate into unusually large gaps in per capita output between Roma and the general population. After reviewing the employment gap and providing an overview of the methodology to calculating the economic costs of exclusion, the chapter first assesses the gap in economic output as it exists today between Roma and the general Slovak population. This is followed by an analysis of the fiscal implications of the employment gap, analyzing the implications for income tax revenues, social insurance revenues, as well as corporate tax revenues. Finally, it highlights the calculations detailed in the Education chapter that investing in Roma inclusion is not only equitable, but also fiscally smart, with estimates of the fiscal returns to education investments, measured in net present value (to account for the fact that investments today provide fiscal returns in the future), showing that the returns to these investments are substantial and positive even under restrictive scenarios.

2.1 BACKGROUND

For the purposes of this analysis, the population figure of 320,000 Roma living in concentrated Roma communities is used. In 2010, the total population in Slovakia was estimated to be 5,431,024 (Statistical Office of the Slovak Republic [SOSR], (2012)). Estimates of the size of the Roma population vary as highlighted in the 2011 National Roma Integration Strategy of the Slovak Republic: "In the national census of 2001, 89 920 Slovak citizens, representing 1.7 % of the total population, claimed Roma national minority. The Atlas of Roma Communities [developed in 2004] quotes the number of Roma living in Slovakia at 320 000 individuals, or 5.8% of the population. The Center for Demographic Research estimates with great probability that 440 000 Roma resided in the territory of the Slovak Republic in 2011, which represents around 8 % of the total population."

The data from the regional Roma survey (2011) used in this analysis are representative of the communities that were surveyed by the Slovakia Roma Atlas and is representative of approximately 83% of the Slovak Roma. For this reason, the analysis will use this figure of 320,000, and the analysis will be representative for the Roma living in these concentrated Roma communities. To compare monetary amounts between 2009 and 2011, the values for 2009 are converted into 2011 values using the GDP deflator for Slovakia (Eurostat, 2011).⁷

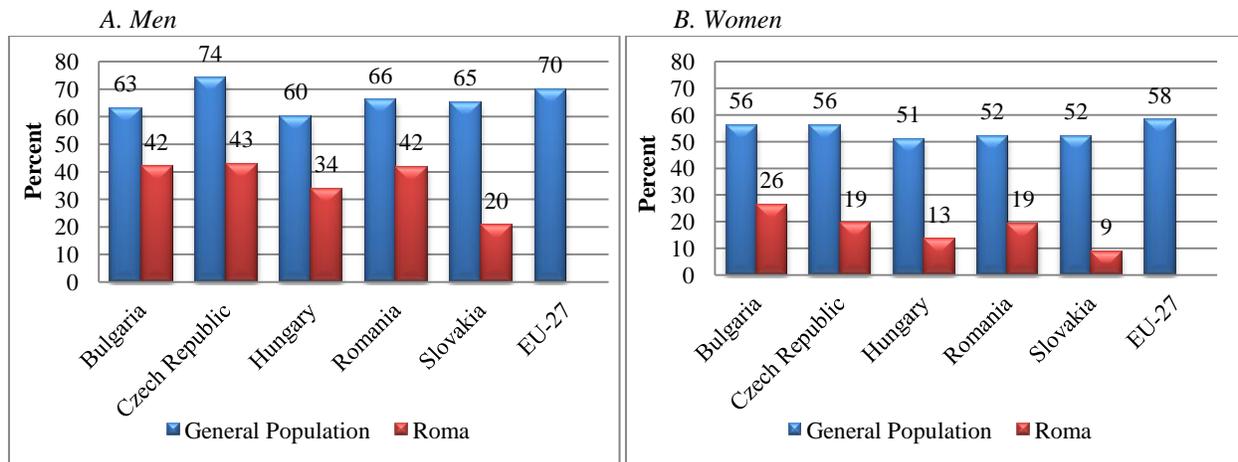
For comparison to the general population in Slovakia – and in the other four countries where relevant, use was made of the EU Statistics on Income and Living Conditions (EU SILC) survey. The EU-SILC does not distinguish between Roma and non-Roma. Given the low levels of education and employment among Roma, this means that – to the extent the EU-SILC sample captures Roma – any EU-SILC statistic presented on the ‘general population’ will be lower than the corresponding statistic on Slovak non-Roma only.

The key determinant for the economic cost of exclusion is employment: in the case of Slovakia, very few Roma work. The employment rates of Roma in Slovakia fall well behind those of the general Slovak population and also compare unfavorably to the Roma employment rates in other Eastern European countries with large Roma minorities. Figure 2-1a and 1b show the employment rate for the working age population (15-64 year old) – general population and Roma living in concentrated Roma areas - in Bulgaria, the Czech Republic, Hungary, Romania, and Slovakia. Individuals are considered employed regardless of the nature of employment; i.e. these figures include informal employment. Only 20% of

⁷ The analysis uses the GDP deflator – rather than the CPI deflator - because the focus is on output and not expenditure.

Roma men and as few as 9% of Roma women are reported to be working, compared with 68% and 52%, respectively, in the general population. While there is a substantial employment gap between Roma and the general population in each of the countries, nowhere is the gap as large as in Slovakia.

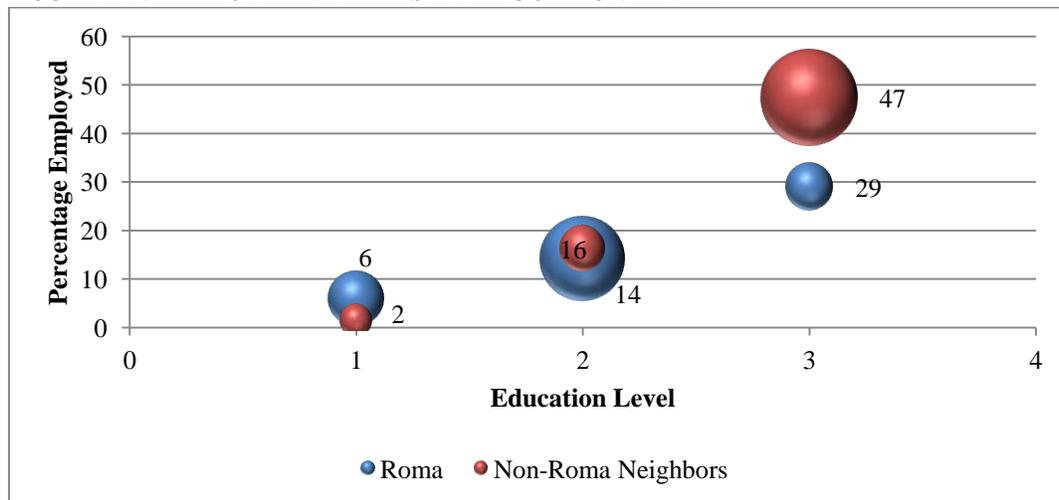
FIGURE 2-1: EMPLOYMENT RATES AMONG ROMA ARE MUCH LOWER THAN AMONG NON-ROMA



Source: Roma: UNDP/World Bank/EC regional Roma survey; General Population: EU SILC (2009).

Roma who achieve higher levels of education show a higher rate of employment, but employment does not improve with education as much as it does for non-Roma. Moreover, the biggest group of working age Roma has not completed secondary school. Figure 2-2 shows a breakdown of employment rates by education level, for Roma and non-Roma neighbors. Employment rates for Roma and non-Roma are similar at lower education levels, but for those having completed secondary education, the gap in employment rates is very large: the employment rate for non-Roma neighbors in this group have is almost double the rate for Roma. Moreover, as indicated by the width of the circles, most Roma never reach this level of education, whereas by far the biggest group of non-Roma neighbors does.

FIGURE 2-2: EMPLOYMENT RATES BY EDUCATION LEVEL



Source: UNDP/World Bank/EC regional Roma survey (2011).

Education levels: 1= None or incomplete Basic (up to age 15); 2= Basic or incomplete secondary: vocational/technical; 3= Secondary or higher. The width of each circle reflects the proportion of the working age population having achieved each education level.

In addition to low employment, labor earnings among Roma with jobs, women especially, are also significantly lower. The net monthly wage for a male from the general population with a job is Euro 729, compared with Euro 403 for Roma men. The equivalent figures among women are Euro 566 and Euro 278 per month. This means that employed Roma men earn salaries that are only 55% of the salaries earned by the general male population. Among women the corresponding figure is even lower: 49%. These comparisons do not control for potential differences in education or work experience. As such, they only present the eventual outcome of a complex process of influences and interactions, such as low education levels leading to low employment- and wage outcomes among Roma, leading to low incomes and potentially to the inability of Roma to send the next generation of children to school. These are explored in the chapters on employment and education.

2.2 METHODOLOGY

The analysis used in this chapter rests on a purposefully simple thought experiment: how much higher would total annual output (and thus incomes) in Slovakia be if the average Roma individual of working age had the same economic output as the average person from the general population?

This estimate first requires (a) an estimate of annual output among Slovak Roma working age individuals, and (b) an estimate of annual output among the general population in Slovakia; the difference between these two, then, is the *annual output gap* per working age individual. In combination with (c) an estimate of the number of working age Roma, the total annual output gap across all working age Roma can be calculated. Note that this analysis rests on the assumption that the labor market does not contain a fixed number of jobs – at least not across different points in time, but rather, that new jobs are endogenously being created over the course of say, a generation. Through this process, skill levels and employment opportunities more generally are being equalized, new skilled labor market entrants – Roma and non-Roma – get absorbed, and new economic opportunities are being generated. Even in the absence of this, population growth estimates for Slovakia suggest that skilled Roma entering the labor market are unlikely to cause a net increase of the overall Slovak working age population participating in the labor market: the United Nations (2010) predicts the total population in Slovakia to decrease by 4.0% and 11.6% between 2010 and, respectively, 2050 and 2070. The Roma population estimate used in the current analysis – 320,000 – reflects 5.8% of the Slovak population.

To calculate estimates of annual output among Slovak Roma working age individuals, and among working age individuals of the general population in Slovakia, we first focus on workers. To calculate output per worker (which is essentially the GDP per worker measure), we need to account for the fact that one share of the economic output by workers translates into labor compensation, while the other part translates into compensation to the owners of capital; i.e. to cover the payments for buildings, computers, machinery, corporate taxes, and firm profits. As described below, we can infer the total amount of labor compensation by combining individual level information on net compensation (obtained from household survey data) with information on labor taxation (income tax and social insurance payments) in Slovakia. In this way we can calculate the ‘labor part’ of total output.

Once we have calculated the ‘labor part’ of output, we need to add the ‘capital part’ to arrive at total output. We do not have individual level information on the total amount of compensation per worker that companies spend on capital. However, the OECD maintains a database with country-specific averages on labor and capital shares, using national accounts information (OECD, 2011); in Slovakia, the labor share reflects slightly more than half (50.8%) of total output and the capital share (49.2%) the

remainder.⁸ Hence, total output per worker is nearly double the value of total labor compensation per worker. By adding the capital part to the amount of labor compensation received by Slovakian workers, we arrive at total output.

To calculate the size of the ‘capital part’, we need to combine information on total labor compensation per worker, with information on labor and capital shares. We can then estimate the value of capital compensation per average worker. Note that our calculation assumes that the capital-labor ratio is the same for the general population as it is for the Roma population. If the actual capital share is lower among Roma, then we are under-estimating the total output gap (and vice versa). Finally, once the difference in total output per worker between the general Slovak population and the Roma population is known, the calculation has to account for the fact that not every working age individual also actually works; the total output per worker must be multiplied by the employment rates to calculate the total output *per working age individual*. Table 2-1 highlights how Euro 100 in net income translates into Euro 192.74 total labor compensation after accounting for taxes and (employee, employer) social insurance contributions. The EU-SILC and the regional Roma survey both provide information on the net monthly income for individuals of working age (15-64 years). This information can therefore be combined with the information in the table below to infer the total average monthly labor compensation.

TABLE 2-1: LABOR TAX RATES

| | Amount | Rate | Base |
|--------------------------|--------|-------|----------------|
| Total Labor compensation | 192.74 | | |
| Employer social ins. | 50.18 | 35.2% | Gross income |
| Gross income | 142.56 | | |
| Employee social ins. | 19.10 | 13.4% | Gross income |
| Taxable income | 123.46 | | |
| Income tax | 23.46 | 19.0% | Taxable Income |
| Net income | 100.00 | | |

Source: World Bank. (2011). Doing Business Survey; www.oecd.org/ctp/taxdatabase/; <http://www.taxrates.cc/html/slovakia-tax-rates.html>; and, http://www.worldwide-tax.com/slovakia/slovakia_tax.asp.

Note that this calculation assumes that every worker and employer is fully tax compliant, and that discrimination of Roma – if present – has no effect on wages. If Roma workers are in fact more likely to be informal than workers from the general population, then their net incomes will be closer to their gross incomes than suggested by the tax-rate inference; in that case our estimate of the total productivity of Roma workers is biased upwards, and the estimate of the total economic loss is biased downward. The presence of discrimination, on the other hand, may lead to an overestimate of the output losses. To see this, note that in the presence of wage discrimination, the reported wages underestimate the underlying level of productivity. The actual output gap is then smaller than the estimated one. The extent to which discrimination reduces the chances that people have jobs does not, however, affect our estimate of economic losses; in that case, discrimination simply puts people out of jobs, having a direct impact on economic losses, which are adequately captured by the low employment rate.

⁸ For example, suppose that (purely for illustrative purposes) labor gains are estimated to be 120 and suppose that the labor share in national income is known to be 60% and the capital shares 40% (these shares are calculated from the national accounts data). Then the corresponding increase in capital income equals $120 \times (40/60) = 80$. In Slovakia the OECD (2012) estimates the labor share (for 2010) to be 50.8% and the capital share to be 49.2%.

BOX 2-1: FOUR POTENTIAL CRITICISMS TO THE ECONOMIC COSTS
CALCULATION APPROACH

1. Is full equality of output a meaningful benchmark against which to measure economic losses in output, when in reality, inequalities are large and difficult to overcome? While bridging the output gap will require resources, concerted effort, and mutual acceptance by Roma and non-Roma alike, placing the reference point anywhere below equality of output would incorrectly suggest that Roma children provided with the same opportunities as non-Roma would somehow not be capable of achieving the same outcomes as non-Roma. The examples from Israel and the UK shown in Chapter 5 (Education) demonstrate that even extremely large gaps in educational attainment can be overcome with the right policy environment.

2. On choice of indicator, is the static output gap an accurate measure of overall output gains that will be achieved if productivity levels were equalized? Equality of output levels may actually increase national output by more than the current gap in output alone if we take into account the multiplier effect, whereby an increase in incomes and subsequent expenditures stimulate further employment creation and incomes. However, because there is much uncertainty over the size of the economic multiplier, the current analysis does not take this into account, thus opting to err on the lower bound of the gap in output.

3. To what extent are information on wages, employment rates, and taxes and social insurance contribution rates sufficient to infer productivity gaps? As discussed above in the more detailed description of the methodology, our method tends to err on the lower side of the individual output gap. Hence, if the assumptions used here do in fact not hold, this means that the true output gap is higher, not lower, than what is estimated below. This, in turn, makes the current analysis one of the ‘best case scenario’: the output gap presented here assumes favorable conditions.

4. Improving education levels among Roma is a costly investment. Would this cancel out the gains from higher employment rates? As shown in the Education Chapter, the investments needed to improve education levels among Roma are likely to pay off: for various types of investment in education, a calculation of the expected financial benefits to the state under different assumptions of how much education translates into employment gains shows that these investments result in extra revenues which outweigh the total costs.

Most of the literature in which similar analyses are executed aim to relate productivity gaps to economic growth. This literature is predominantly about the impact of gender inequalities on economic growth in particular. Although there are some opposing voices (Senguino, 2000), the literature by and large argues that promoting female education will raise economic growth (e.g. Galor and Weil, 1996). Empirical work generally supports this hypothesis (e.g. Dollar and Gatti, 1999; Klasen and Lamanna, 2011). These studies rely on so-called country ‘growth’ regressions, in which country level data are used to estimate economic growth rates as a function of (country) measures of education or employment differences between men and women.

The current analysis differs from the conceptual approach used in the gender gap-economic growth literature, both empirically and conceptually – aside from the gender versus minority focus. First, empirically, this analysis does not seek to link differences in economic growth rates (over time and across countries) with differences in employment and education – and hence, in productivity – between the Roma on the one hand and the general population on the other. Accurate time series data on Roma do not exist, but even if they did, such an approach would rely on too small a set of countries with Roma populations,

and be subject to considerable country level heterogeneity impacting both inequalities and growth rates that cannot be captured by the data (and thus biasing the results). Furthermore, it would require within country variation over time in the education gap; comparisons of education levels across age cohorts suggest education rates have increased very slowly over time. For these reasons, the goal in the current paper is to establish how much greater economic output – instead of economic growth – would be if productivity rates would be the same for Roma as they currently are for non-Roma. The final section touches upon the question of how to equalize productivity levels – starting with a push for preschool -, although a detailed analysis is beyond the scope of this paper.

2.3 RESULTS

2.3.1 THE OUTPUT GAP

Output per working age Roma individual is a small fraction of output per individual from the general population. Table 2-2 summarizes the findings. First, total monthly output per male Roma worker is Euro 1530, only slightly more than half of total monthly output per male worker from the general population (Euro 2764). The ratio of total output among female workers is similar, Euro 1054 versus Euro 2149, respectively. However, the differences in total output *per average working age individual* (15-64 years) are much larger because men (68%) and women (58%) from the general population are much more likely to be employed than Roma men (20%) and women (9%). As a result, average monthly output per working age Roma is a mere Euro 313 for men and Euro 92 for woman, well below the Euro 1892 and Euro 1239, respectively, among the general population.⁹

TABLE 2-2: MONTHLY OUTPUT GAP PER WORKING AGE ROMA – 15-64 YEARS

| | Net Income for Primary Occupation (if working) | | Total labor costs to firm ^A | | Total output (labor, capital) per worker ^B | | Employment Rate (among working age 15-64) | | Total output (labor, capital, profit) averaged over all working age (15-64) ^C | |
|--------------|--|-------|--|-------|---|-------|---|-------|--|--------------|
| | Men | Women | Men | Women | Men | Women | Men | Women | Men | Women |
| General pop. | 729 | 566 | 1404 | 1092 | 2764 | 2149 | 68% | 58% | 1892 | 1239 |
| Roma | 403 | 278 | 777 | 535 | 1530 | 1054 | 20% | 9% | 313 | 92 |
| Difference | -326 | -288 | -627 | -556 | -1234 | -1095 | -48% | -49% | -1579 | -1147 |

Source: UNDP/World Bank/EC regional Roma survey (2011), and EU-SILC (Eurostat, 2009). Authors' own calculations. ^A The total labor costs include net wages, income tax (calculated as a 19% flat tax, paid on taxable income = gross income – employee social insurance contributions), employee social insurance contributions (13.4% of gross income), and employer social insurance contributions (35.2% of gross income). ^B Total output per worker follows from the 'total labor costs' multiplied by (0.492/0.508). ^C Total output per working age individual equals 'total output per worker' x 'employment rate' of working age.

This estimation method generates an estimate of per capita GDP that is very similar to official national account level estimates of per capita GDP. As a robustness check, we compare our GDP estimate with the IMF (2011) estimate based on official accounts. Among the general population, 71.6% is of working age (15-64 years). Among the Roma population, the equivalent figure is 58.3%. Averaging over males and females, total monthly output per working age individual regardless of sex is therefore

⁹ These estimates are very similar to national account level estimates of output.

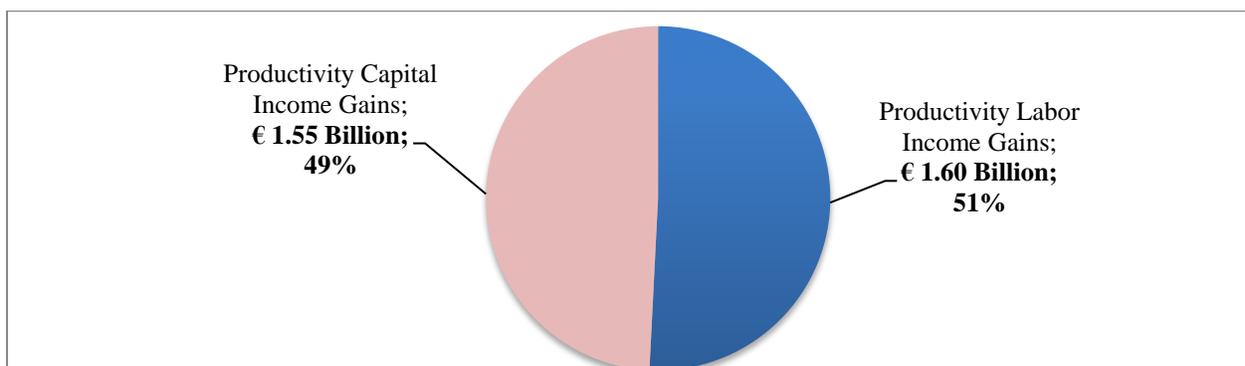
Euro 1566 and Euro 203, respectively, for the general population and for Roma. This implies that per capita monthly output is Euro 1121 and Euro 118, respectively, or Euro 13,452 and Euro 1,417 per annum. If the Roma population is proportionally captured in the EU-SILC, then our estimate of per capita GDP is equivalent to that of the general population estimate alone: Euro 13,452. If the Roma captured by the regional Roma survey (2011) are not captured by the EU-SILC, then per capita GDP is equivalent to a (population) weighted average of the two, equivalent to Euro 12,749 per annum. Both estimates are close to the official national accounts statistics per capita GDP estimate of Euro 12,661 for 2011 (IMF, 2011).

BOX 2-2: PER CAPITA GDP OF SLOVAK ROMA IN INTERNATIONAL PERSPECTIVE

Per capita output among Roma in Slovakia is comparable to per capita output in sub-Saharan Africa. Per capita output among Roma is estimated to be a Euro 1107 per annum, a mere 10.5% of the per capita output estimate of Euro 13,452 for the general population. According to the IMF (2011), Slovakia ranked 42 out of 181 ranked countries with respect to per capita GDP (in purchasing power parity; i.e. adjusted for price differences) in 2010; i.e. among the world’s richest 25% of countries.¹ The per capita output (PPP) among its Roma population¹ would place it at rank 143, among the world’s poorest 25% of countries.

Total annual economic output gains from equal labor market conditions for Roma and the general population would amount to Euro 3.1 billion, equivalent to 4.4% of Slovak GDP. Given that currently, labor market conditions for Roma are much more restrictive than for non-Roma, one can calculate the ‘gap’ in output between the current situation and a hypothetical ‘best case scenario’ in which wages and employment rates among Roma would equal those among the general population. The monthly average of this output gap is Euro 1,579 for men and Euro 1,147 for women (v. Table 2-2), or Euro 16,357 per year per working age Roma, regardless of sex. Using the 320,000 total Roma population estimate, and with approximately 58% of Roma men and women being of working age, this implies that there are approximately 186,000 working age Roma. Hence, the total gap in GDP amounts to more than Euro 3.1 billion, divided nearly equally between labor income and capital income gains.

FIGURE 2-3: TOTAL OUTPUT GAP AMOUNTS TO EURO 3.1 BILLION ANNUALLY



The largest driver behind this gap in total output between Roma and the general population are the low employment rates. Table 2-3 shows how much economic output per working age Roma would be if instead of the current situation (row 1), wages were equal (row 2), employment rates were equal (row 3), or both were equal (row 4). Rows 6 and 7 show that equalization of wages alone would reduce the output gap by 16% for men and 8% for women, while equalization of employment rates alone would close the

output gap by 46% and 45%, respectively. That the two do not sum to 100% is simply a reflection of their interaction; an increase in wages will lead to a greater reduction in the gap if Roma employment rates also increase and vice versa.

TABLE 2-3: BREAKING THE OUTPUT GAP DOWN INTO A PRODUCTIVITY AND EMPLOYMENT RATE COMPONENT

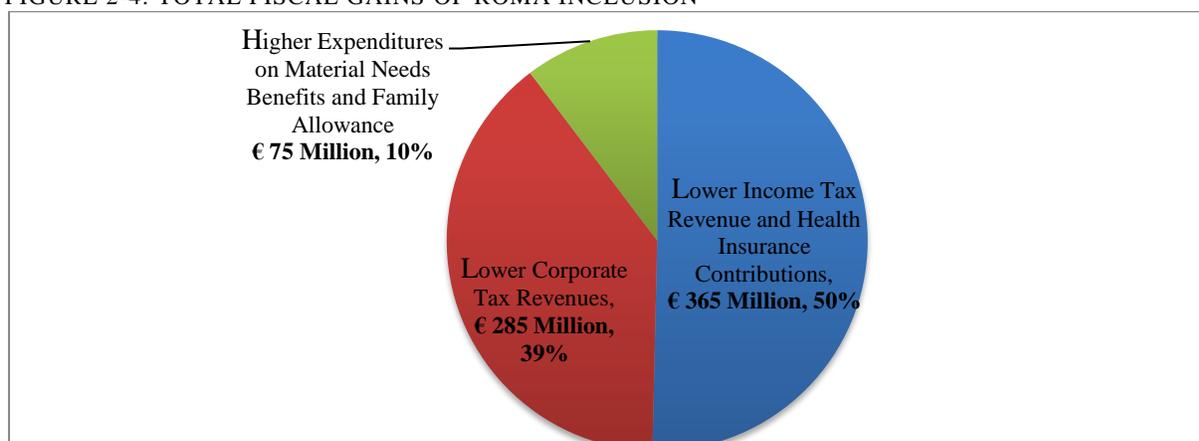
| Output (monthly) per working age Roma | | Men | Women | Men | Women |
|---------------------------------------|---|-------------|-------------|------------|-------------|
| 1 | Actual | 313 | 92 | 1.0 | 1.0 |
| 2 | If wages were equal to general population | 566 | 187 | 1.8 | 2.0 |
| 3 | If employment rates were equal to general population | 1047 | 608 | 3.3 | 6.6 |
| 4 | If wages and employment rates were equal to general population | 1892 | 1239 | 6.0 | 13.5 |
| 5 | Total output difference Roma and general population ^A | 1579 | 1147 | | |
| 6 | % of output gap closed if wages were equal | 16% | 8% | | |
| 7 | % of output gap closed if employment rates were equal | 46% | 45% | | |

^A This row displays the difference between scenario 4 and scenario 1 (4-1).

2.3.2 THE FISCAL GAP

In similar fashion, one can calculate the size of a so-called ‘fiscal gap’: the difference between current fiscal revenues, and the fiscal revenues that the Slovak government would earn if labor market conditions among Roma would be similar to those of the general population. This fiscal gap amounts to approx. Euro 725 million annually, equivalent to 3.1% of Slovak government expenditures. Per working age Roma, the fiscal gap is nearly Euro 3900 per year. This gap can be divided into three components: (a) lower income tax and social insurance revenues (approx. Euro 365 million across all working age Roma, or 50%), (b) lower corporate tax revenues (approx. Euro 285 million or 39%), and (c) higher social insurance payouts (approx. Euro 75 million, or 10%). These will be discussed in turn.

FIGURE 2-4: TOTAL FISCAL GAINS OF ROMA INCLUSION



Annual income tax and social insurance revenues would be approximately Euro 365 million higher if Roma had the same labor market outcomes. With employment rates and wages lower, the first gap in government revenues stems from lower income taxes and lower social insurance contributions. Income tax is a flat rate of 19% on taxable income. Social insurance contributions are divided between those paid for by the employee (altogether 13.4% of gross income) and those paid for by the employer (altogether 35.4% of gross income). These social insurance contributions cover six areas: (a) health insurance and hospitalization, (b) retirement insurance, (c) disability, (d) unemployment, (e) accident insurance, and (f) other. Table 2-4 illustrates, assuming a *gross income* that is now normalized at 100.

TABLE 2-4: OVERVIEW OF SLOVAK LABOR TAXES

| | | Rate | Amount | Total |
|---|---|--------------|-------------|--------------|
| Total labor compensation | | | | 135.2 |
| | <i>Health Insurance and Hospitalisation</i> | <i>11.4%</i> | <i>11.4</i> | |
| | Retirement insurance | 14.0% | 14.0 | |
| Employer paid social insurance (35.2% on gross income) | Disability | 3.0% | 3.0 | |
| | Unemployment | 1.0% | 1.0 | |
| | Accident insurance | 0.8% | 0.8 | |
| | Others | 5.0% | 5.0 | |
| Gross income | | | | 100.0 |
| Employee paid social insurance (13.4% on gross income) | <i>Health Insurance and Hospitalisation</i> | <i>5.4%</i> | <i>5.4</i> | |
| | Retirement | 4.0% | 4.0 | |
| | Disability | 3.0% | 3.0 | |
| | Unemployment | 1.0% | 1.0 | |
| Taxable income | | | | 86.6 |
| | <i>Flat Income Tax</i> | <i>19.0%</i> | <i>16.5</i> | |
| Net income | | | | 70.1 |

Source: World Bank. (2011). Doing Business Survey; <http://www.taxrates.cc/html/slovakia-tax-rates.html>; http://www.worldwide-tax.com/slovakia/slovakia_tax.asp.

Whether a social insurance tax payment should be included in the fiscal gap calculation depends on whether these are defined contribution schemes where the benefit amount depends on the years of contribution and the level of income. For the gap in labor related tax revenues that are part of the fiscal cost calculations, we conservatively include only the gap in health insurance payment and income tax payments. Slovakia has a universal healthcare scheme for all residents funded by compulsory insurance contributions. Since the State pays the contributions on behalf of children, pensioners, unemployed, etc. (EC, 2011), lower health insurance payments as a result of lower wages and employment rates should be included. While the State similarly guarantees social (disability) pensions to people without working histories, pension receipts are importantly dependent on the employment histories. Including these would therefore bias the overall fiscal gap upwards while excluding these results in a downward bias of the overall fiscal gap. The monthly fiscal gap resulting from lower income tax and health insurance payments amounts to Euro 189 and Euro 137 per working age Roma men and woman, respectively. Considering the approximately 186,000 working age Roma, this translates into a fiscal gap of approximately Euro 365 million per annum.

TABLE 2-5: MONTHLY FISCAL GAP PER WORKING AGE ROMA RESULTING FROM LOWER INCOME TAX AND HEALTH INSURANCE PAYMENTS

| | Net Wage for Primary Occupation (if working) | | Income Tax (19% Gross Income) | | Health Insurance Contribution (11.4% Employer, 5.4% Employee of Gross Income) | | Employment Rate | | Average Income Tax and Health Ins. Contribution (per working age 15-64) | |
|--------------|--|-------|-------------------------------|-------|---|-------|-----------------|-------|---|-------|
| | Men | Women | Men | Women | Men | Women | Men | Women | Men | Women |
| General pop. | 729 | 566 | 171 | 133 | 160 | 124 | 68% | 58% | 227 | 148 |
| Roma | 403 | 278 | 95 | 65 | 88 | 61 | 20% | 9% | 38 | 11 |
| Difference | -326 | -288 | -76 | -68 | -71 | -63 | -48% | -49% | -189 | -137 |

Source: UNDP/World Bank/EC regional Roma survey (2011), and EU-SILC (Eurostat, 2009). Authors' own calculations.

Annual corporate tax revenue would be approximately Euro 294 million higher as a result of equal labor market outcomes. Slovakia has a corporate tax revenue rate of 19% of capital income. The Table 2-6 shows the estimates for the amount of foregone corporate tax revenues, using the difference between total output per worker and total labor costs to the firm per worker as the amount of capital income per worker. Taking into account the differences in employment rates, the table shows that the monthly gap per working age Roma amounts to Euro 148 for men and Euro 107 for women, which translates into a fiscal gap of approximately Euro 285 million per annum.

TABLE 2-6: MONTHLY FISCAL GAP PER WORKING AGE ROMA RESULTING FROM LOWER CORPORATE TAX REVENUES

| Total labor costs to firm per worker | | Total output (labor, capital) per worker | | Corporate Tax Revenue (19% of capital income) | | Employment Rate | | Average Corporate Tax Revenue per working age (15-64) | |
|--------------------------------------|--------|--|--------|---|--------|-----------------|--------|---|--------|
| Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| 1404 | 1092 | 2764 | 2149 | 258 | 201 | 68% | 58% | 177 | 116 |
| 777 | 535 | 1530 | 1054 | 143 | 99 | 20% | 9% | 29 | 9 |
| -627 | -556 | -1234 | -1095 | -115 | -102 | -48% | -49% | -148 | -107 |

Source: UNDP/World Bank/EC regional Roma survey (2011), and EU-SILC (Eurostat, 2009). Authors' own calculations.

Finally, annual social insurance payments by the State would be approximately Euro 75 million lower, and Euro 125 million in total if family benefits would also equalize. Slovakia has an “assistance in material need” minimum income social assistance program in place. This is a means tested program, intended to support the poorest families to provide for basic needs, and the amount of benefit received varies with family composition¹⁰ (EC, 2011). Slovakia also has a number of family benefits in place (EC,

¹⁰ The amount is calculated as the difference between household income and the minimum income floor. The minimum income floor is (EC, 2011): € 60.50 for singles; € 115.10 for single parents with one to four children; €

2011): (a) child benefits (a flat rate monthly allowance of Euro 21.99 per child paid until completion of compulsory education), (b) parental allowance (a flat monthly rate of Euro 164.22 for parents with children until the age of 3), (c) a child care allowance consisting of a tax bonus providing a reduction in income tax of Euro 20.02 monthly per child; and, (d) a lump-sum birth grant to pay for purchase of necessities for a newborn child.¹¹

While the argument for including differences in material needs payments is clear in the fiscal gap calculations, one can argue against including differences in payments for child benefits, which are a function of the number and age of children, and do not directly depend on income levels. The analysis presents both for two reasons: (a) the likelihood that measures to improve labor market outcomes (such as those aimed at addressing the low education levels of Roma) will reduce family size (and thus family benefit receipts) is very high; there is a large, global body of evidence documenting the reduction in family sizes with improved labor market outcomes of women; and, (b) to clarify that any fiscal savings from reduced family benefit payments is only a fraction of the much larger fiscal benefits stemming from increased labor tax and corporate tax revenues.

Table 2-7 underscores how poor many of the Roma households are: as many as 40% of Roma households report receiving social assistance and report the amount, compared with 4% of households from the general population¹². The recipient Roma households also receive more: Euro 235 per month on average compared with Euro 119 for households from the general population. Taking into account both the likelihood of being in a household that receives social assistance and the average number of working age individuals per household (2.59 and 2.08, respectively), the table shows that the average social assistance payout per working age Roma is Euro 36 per month compared with Euro 2 for the general population. The differences in family benefits are smaller; while the likelihood of being in a household that receives family benefits is similar (38 and 39%, respectively), the amounts are considerably higher among Roma households, Euro 234 versus Euro 55, respectively. This most likely reflects the fact that the average Roma household has 1.81 children under 15 years of age compared with 0.37 for the general population. Altogether, the extra fiscal payments amount to approximately Euro 128 million, with 58% of this – Euro 75 million – as a result of higher social assistance payments, and 42% - Euro 53 million – from higher family benefit payments.

105.20 for couples without children; € 157.60 for couples with one to four children; € 168.20 for single parents with five or more children; € 212.30 for couples with five or more children. In addition, there are several potential allowances such as a housing benefit and an activation allowance.

¹¹ A more detailed description of Slovakia's social protection programs can be found in the chapter on employment and social protection..

¹² The proportion of Slovak Roma households reporting to receive social assistance is higher: 55%. For the calculations we need to restrict the analysis to households additionally reporting the amount. The implication of this bias is that the fiscal gap estimated here is lower than the real fiscal gap.

TABLE 2-7: MONTHLY FISCAL GAP PER WORKING AGE ROMA RESULTING FROM HIGHER SOCIAL INSURANCE PAYMENTS

| | % Households | | Average Amount (if recipient household) | | Average amount per working age (15-64) household member | | Total Benefit Receipt (per working age) |
|--------------|-------------------|----------------|---|----------------|---|----------------|--|
| | Social Assistance | Family Benefit | Social Assistance | Family Benefit | Social Assistance | Family Benefit | |
| General pop. | 4 | 39 | 119 | 55 | 2 | 10 | 13 |
| Roma | 40 | 38 | 235 | 234 | 36 | 34 | 70 |
| Difference | 36 | -2 | 116 | 179 | 34 | 24 | 57 |

Source: UNDP/World Bank/EC regional Roma survey (2011), and EU-SILC (Eurostat, 2009). Authors' own calculations.

Investing in Roma inclusion is not only equitable, but also fiscally smart. To estimate the fiscal returns to education investments, the Education Chapter compares 3 scenarios whereby increasingly larger investments are made to enhance both the length and the quality of education for children in Roma communities. In each case, the estimates assume investments that exceed the regular per pupil education expenditures in Slovakia. Each scenario assumes that education completion rates among Roma increase with increasingly higher investments. To calculate the potential fiscal returns to higher rates of education completion, the three scenarios use estimated education returns (i.e. how much higher employment rates and wages are for someone having completed secondary education) and assume education returns currently experiences among Roma (scenario 1), education returns currently experienced among non-Roma living nearby (scenario 2), and education returns experienced among the general population (scenario 3). In each of these cases, the education investments yield substantially greater fiscal returns from improved employment prospects.

2.4 CONCLUSIONS

The dire conditions of Slovak Roma have macroeconomic consequences, which will grow over time as more than 13% of new labor market entrants are young, mostly unskilled Roma. The gap in individual level output translates into an aggregate gap in Slovak GDP of Euro 3.1 billion, equivalent to 4.4% of Slovak GDP. This gap will grow over time as a result of demographics. The extremely poor employment prospects also result in lower income tax and social insurance revenue, lower corporate tax revenue, and higher social assistance payments. Altogether, the difference between the current situation and a hypothetical 'best case scenario' of full Roma inclusion is nearly Euro 3900 per year per working age Roma. Measured over all working age Roma, this means that Slovak government revenues would be 3.1% higher –Euro 725 million annually – if employment conditions were the same for Roma as non-Roma. 90% of this gap is driven by lower income tax and social insurance revenue, with higher social assistance payouts representing only 10% of the total fiscal gap.

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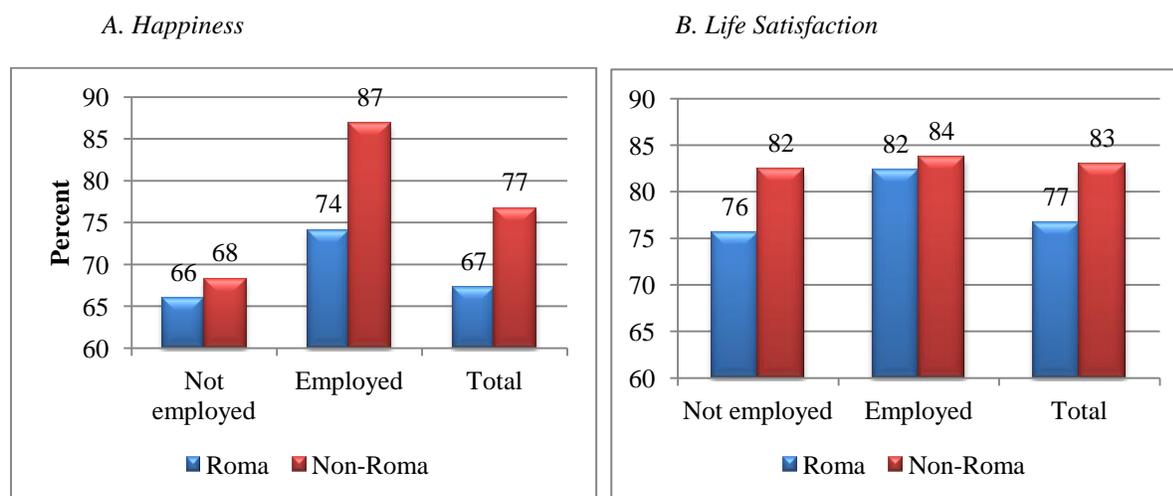
3 EMPLOYMENT AND SOCIAL PROTECTION

This chapter highlights by how much employment income and different sources of social protection income contribute to the financial coping strategies of Roma households in Slovakia, as well their non-Roma neighbors living nearby. The chapter also provides a detailed analysis of employment patterns, looking at the determinants of which Roma find jobs and which don't, and the types of jobs that Slovak Roma have. Among the unemployment and inactive, the chapter explores how far these two groups are from the labor market in terms of, for example, previous employment experience. The chapter concludes with examples of policy actions that the Slovak government can consider to boost employment for Roma, grouped in three types of incremental policy recommendations: (1) improving job search incentives; (2) improving efficiency of job search – better matching of labor supply and demand; and, (3) improving the employability of unemployed Roma through skills building. In addition, the chapter calls for investments in monitoring and rigorous evaluation of employment policy actions, and includes a call to maintain a strong safety that continues to protect the poor, but replace incentives in the social protection design that may currently lead to more exclusion with social protection incentives that promote greater investments in job search, human capital, health, and housing.

3.1 INTRODUCTION

Roma households with employment have lower rates of malnutrition and higher rates of self-reported happiness and life satisfaction. Among those Roma living in households where nobody is employed, 46% experience hunger at least once a month compared with 33% among households where at least one person is employed. In addition, Roma who are employed report that they are 'happy' and 'satisfied with their life' significantly more often than Roma who do not have work.

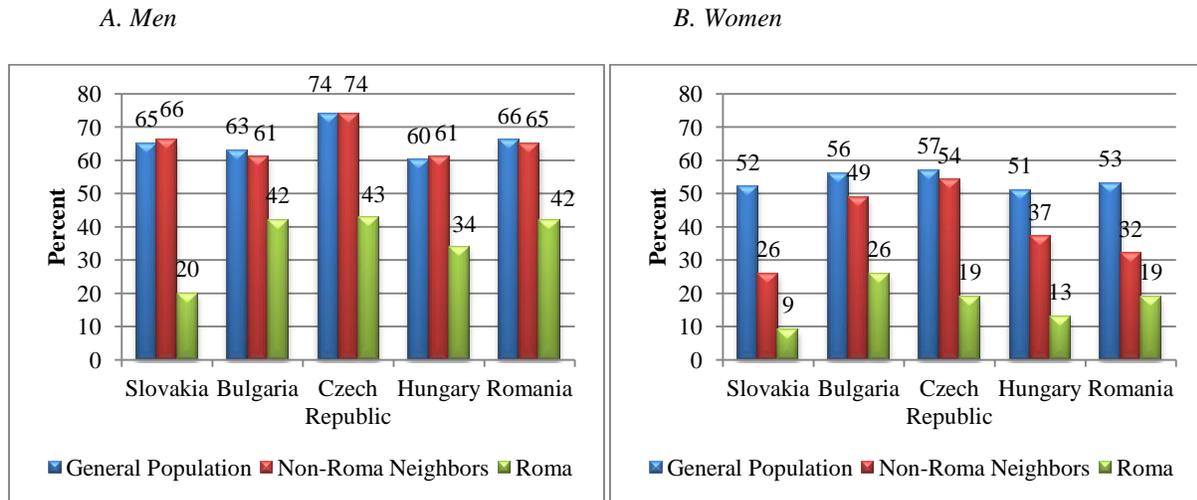
FIGURE 3-1: HAPPINESS AND LIFE SATISFACTION: EMPLOYED ROMA ARE HAPPIER THAN OTHERS OF WORKING AGE



Source: UNDP/World Bank/EC regional Roma survey (2011). Figure 3-1a represents: the proportion of working age Roma and non-Roma, respectively, who report that overall, they are 'Quite happy' or 'Very happy'. Percentages were calculated separately for those who work and those who do not work. Figure 3-1b represents: the proportion of working age Roma and non-Roma, respectively, rating their overall life satisfaction as 5 or higher, on a scale from 1-10, with 1 being the lowest and 10 being the highest. Percentages were calculated separately for those who work and those who do not work. Sample restricted to one randomly selected adult (16+) individual per household.

However, actual employment rates among Roma are extremely low, especially among women, and lower than among Roma in each of the neighboring countries. Figure 3-2 shows that while 65% of working age men and 52% of working age women in the general population are employed, only 20% and 9% of Roma men and women are. Among non-Roma neighbors in Slovakia the rates are respectively 66% and 9%. In total, only 26% of the marginalized Roma households in Slovakia have at least one employed household member.

FIGURE 3-2: EMPLOYMENT RATES – 15-64 YEARS



Source: General Population: Eurostat 2011 Q2; Non-Roma neighbors and Roma: UNDP/World Bank/EC regional Roma survey (2011). Individuals are considered employed regardless of the nature of employment; i.e. these figures include informal employment.

These low employment rates do not reflect preferences: the vast majority of Roma express a desire for stable jobs, similar to the responses by non-Roma neighbors. Consistent with the finding that Roma with jobs report greater levels of happiness and life satisfaction, 77% of Roma men and 78% of women report preferring “Secure employment but low paid” instead of “Having a higher income but insecure and irregular”. These responses are similar to the responses by non-Roma neighbors. Comparable majorities of Roma and non-Roma neighbors similarly prefer “Having secure employment but having to be at work 8 hours a day, 5 days a week, and not having the freedom to manage your time” compared with “Having irregular employment but being free to manage your time” Data for the age-group 16-24 show a very similar pattern.

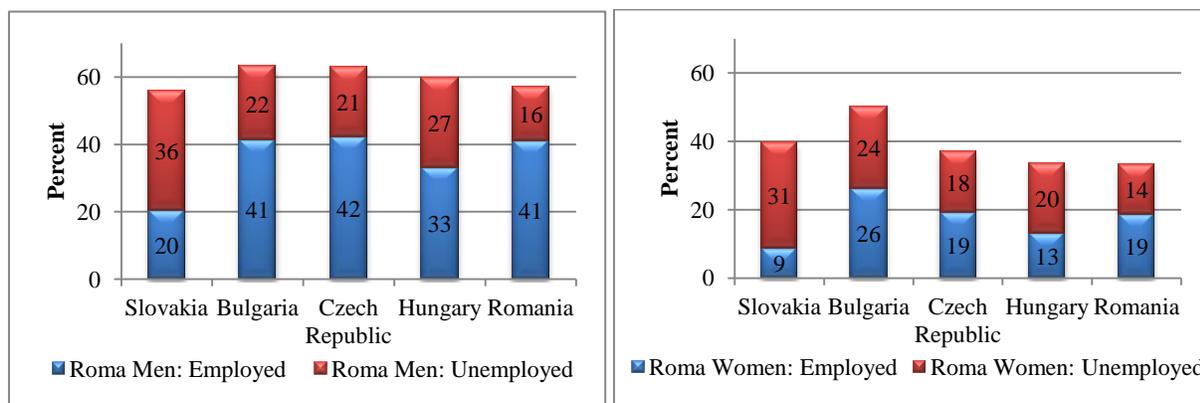
Many Roma men and women are looking for work, but cannot find jobs. 56% of Roma men and 40% of Roma women of working age participate in the labor market¹³: only slightly lower than the rates for non-Roma neighbors: 64% and 49% for men and women, respectively. However, a large majority of labor market participants is unable to find work; 64% among men and as much as 78% among women¹⁴, higher rates in Slovakia than anywhere else in the region. Using a population estimate of 320,000 Roma living in

¹³ The ‘Participation Rate’ among a certain population group is defined as: ‘the share of the working age population that is either employed or looking for work’. The working age population includes all individuals aged 15-64. Those who are looking for work are also referred to as ‘the unemployed’.

¹⁴ These rates are referred to as ‘unemployment rates’: the unemployment rate is defined as the share of the unemployed among those in the labor force (i.e. those aged 15-64 who are either working or looking for work). As such, the unemployment rates gives indication of the share among those interested in working who are not able to find work.

Slovakia in total, these figures translate into a total of 165,000 Roma without work, divided between approx. 15,000 jobless in Western Slovakia, 28,000 in Central Slovakia, and as many as 122,000 in Eastern Slovakia. Specifically among youth – i.e. the age-group 15-24 – unemployment rates are even higher: 70% for Roma men and 79% for Roma women. Among youth in the general population, unemployment jumped up from 19% in 2008 to over 33% in 2010 as a consequence of the global financial crisis (World Bank, 2012: 14).

FIGURE 3-3: PARTICIPATION RATES AMONG ROMA MEN AND WOMEN (%), SPLIT UP INTO EMPLOYED AND UNEMPLOYED



Source: UNDP/World Bank/EC regional Roma survey. Sample restricted to working age population. Exact figures for participation rates are not displayed. Labels inside the graphs represent the share of the working age population that is employed (blue) or unemployed (red). In line with the ILO definitions of Labor statistics, a person is "unemployed" if he/she did not have a paid job last week and a) did have a job that would start sometime in the future, or b) did look for a job within the last four weeks. Those in the second category also had to be ready to start a job within the next two weeks.

Wages among Roma who do work are much lower than among non-Roma (neighbors) with jobs, making it even more difficult to make ends meet. Monthly earnings among Roma men with jobs are approx. three quarters of the monthly earnings than a non-Roma neighbor can expect to earn, while these earnings are only 60% of the earnings among the general Slovak male population with jobs. Among employed Roma women, the gap with non-Roma neighbors is similar to the gap among men; approx. three quarters, while monthly earnings are 55% of those among working women in Slovakia as a whole.¹⁵ While some of this can be explained by lower education levels, younger age structure etc., the fact remains is that low wages contribute to the low incomes, and raise the question of how do Roma families manage to survive?

3.2 MAKING ENDS MEET: FINANCIAL COPING STRATEGIES

The average Roma household lives from approx. €528 per month, compared with €773 for non-Roma neighbors. When corrected for household size, the differences in per capita incomes are even larger. Many Roma households are larger in size and its members are younger on average. The 'adult

¹⁵ Source: General Population: EU-SILC. Author's calculations. For comparative purposes, values have been adjusted to 2011 prices using the Harmonized Index of Consumer Prices (Eurostat, 2012). Non-Roma neighbors and Roma : UNDP/World Bank/EC regional Roma survey (2011). Earnings (taxable monthly income) for the general population are normalized at 100%. The corresponding rate for non-Roma neighbors and Roma are relative to the general population. Data is reported for yearly income. Monthly data is calculated by dividing yearly income by the number of months worked (full- or part-time).

equivalent' per capita income corrects for these differences, and amounts to €221 and €390 among Roma and non-Roma, respectively. Put differently, whereas the total average household income for Roma is 68% of that for non-Roma households living nearby, this is only 57% once equivalized income measures are compared. Table 3-1 further shows the average per capita (adult equivalent) incomes across the five income quintiles for Roma and non-Roma neighbors. The average per capita income in the bottom quintile is only €108 among non-Roma neighbors, underscoring the deep levels of poverty among the bottom 20%. The average income among the next quintile is €249, more than double. Among Roma, poverty is concentrated among a much larger share: at €252, the average per capita monthly income of the 4th quintile among Roma – representing the top 61-80% of the income distribution - is nearly identical to the bottom 21-40% among non-Roma neighbors.

TABLE 3-1: AVERAGE ADULT EQUIVALENT INCOME LEVELS AMONG ROMA AND NON-ROMA HOUSEHOLDS (BY INCOME QUINTILE)

| Income Quintiles (%) | 0-20 | 21-40 | 41-60 | 61-80 | 81-100 |
|----------------------|------|-------|-------|-------|--------|
| Roma | 73 | 157 | 206 | 252 | 420 |
| Non-Roma Neighbors | 108 | 249 | 387 | 511 | 737 |

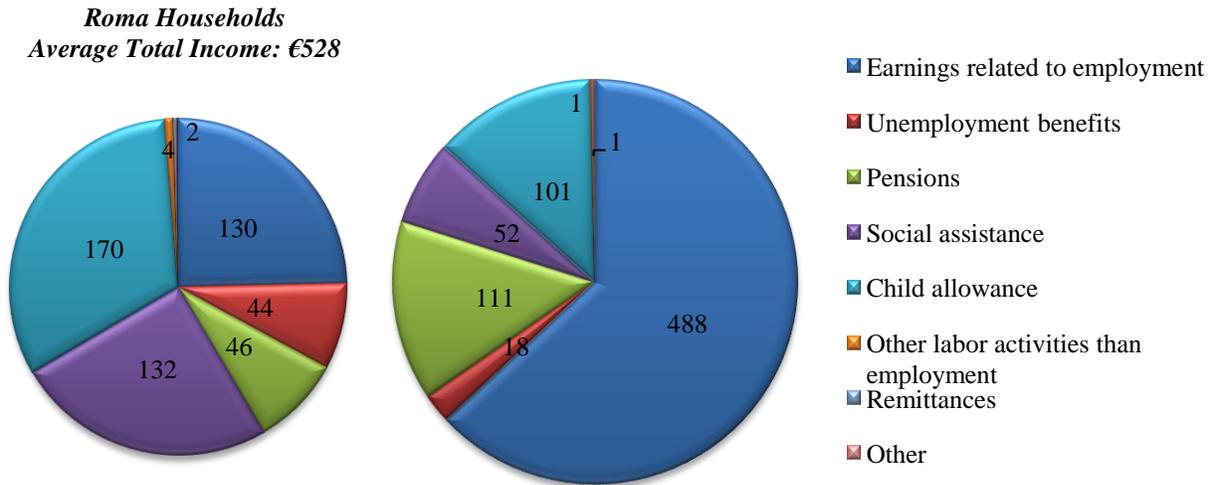
Source: UNDP/World Bank/EC regional Roma survey (2011).

3.2.1 SOURCES OF INCOME: EMPLOYMENT VERSUS SOCIAL BENEFITS

A typical Roma family in Slovakia receives a small share of overall income from employment and depends importantly on state transfers, with universal family (child) benefits providing a larger share of income than means-tested social assistance¹⁶. Among Roma, only 25%, or approx. €130, comes from employment or other labor activities, compared with 63%, or approximately €488 on average among non-Roma neighbors (UNDP/World Bank/EC regional Roma survey (2011)). The regional Roma survey also captured different types of transfers: unemployment benefits, social assistance (including poverty and local assistance benefits, stipends and scholarships), and universal child allowances. 4 out of 5 Roma households reported one or more of these as major sources of income. Two-thirds report receiving universal child allowances, and more than half report receiving social assistance (corresponding to Basic Material Needs), and a total of 80% of households reports at least one type of state benefit as a major source of income. Figure 3-4 and Figure 3-5 show the breakdown.

¹⁶ Reported income figures were calculated from survey information on the major sources of income of the household. Households were asked to report the amount of income they received from eight possible income sources. These amounts were only reported if the household classified them as a 'major source of income'. The categories asked for were: income from employment, income from unemployment benefits, income from social assistance, income from child benefits, income from pensions, income from other labor activities, income from remittances, and income from any other sources. If a household reported a particular source to be of significant importance for the household, but refused to report the amount received from that source, the amount was assumed to equal the conditional average for Roma households in Slovakia – i.e. the average amount of income reported from that particular source by all Slovakian Roma households who classified this source as a major income source. In total, between 2% (for pensions) and 29% (for child allowances) of all Slovakian Roma-household observations were corrected in this way. The same was done for non-Roma households, by taking the conditional average for this group within Slovakia. In this group, between 1% (for 'income from other labor activities') and 28% (for child allowances) of the observations were corrected. If a household did not give information about some of the income sources, but did report other sources, the non-reported sources were assumed to be of no- or trivial importance to the household.

FIGURE 3-4: COMPARISON OF INCOME SOURCES FOR ROMA AND NON-ROMA NEIGHBORING HOUSEHOLDS



Source: UNDP/World Bank/EC regional Roma survey (2011). Figures are based on unconditional means for Roma and Non-Roma households in Slovakia. Missings are not included, meaning that 91% of the Roma sample and 93% of the non-Roma sample were taken into account when calculating averages. Social Assistance includes: Maternity leave benefits, Poverty and Local assistance benefits, Stipends and Scholarships.

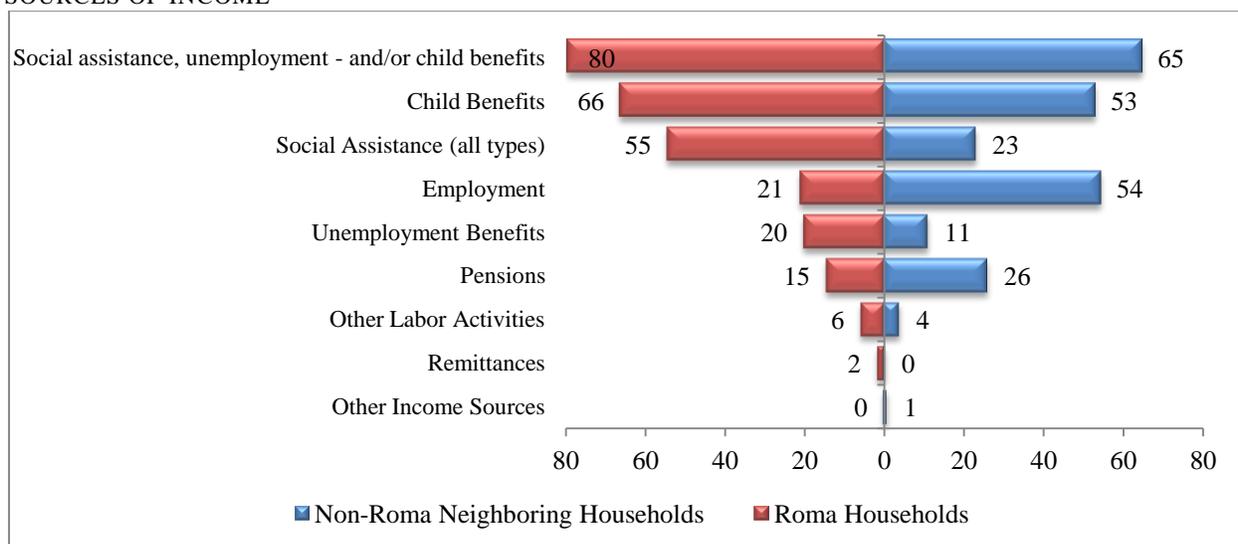
FIGURE 3-5: STATE BENEFITS RECEIVED BY ROMA AND NON-ROMA NEIGHBORING HOUSEHOLDS



Source: UNDP/World Bank/EC regional Roma survey (2011). Figures are based on unconditional means for Roma and Non-Roma households in Slovakia. Missings are not included, meaning that 91% of the Roma sample and 93% of the non-Roma sample were taken into account when calculating averages.

The most striking differences between Roma- and neighboring non-Roma households in terms of income sources occur in the realms of employment and social assistance. Whereas only one in every five Roma households (21%) reports employment as one of their major sources of income, this figure reaches 54% for neighboring non-Roma households. The opposite picture appears for social assistance: 55% of Roma households report this to be a major income source, whereas only 23% of non-Roma households do so.

FIGURE 3-6: COMPARISON BETWEEN ROMA AND NON-ROMA HOUSEHOLDS REPORTING THE MAIN SOURCES OF INCOME



Source: UNDP/World Bank/EC regional Roma survey (2011). The figure represents the share of Roma- and non-Roma neighboring households, respectively, reporting each of the listed categories as a major source of income. Lower bound estimates. Social Assistance includes: Maternity leave benefits, Poverty and Local assistance benefits, Stipends and Scholarships.

Most households, also those with employment income, depend on a variety of income sources for their survival. This is shown in TABLE 3-2. For example, among those 1 in 5 Roma households that receive income from employment, 35% also report receives income from social assistance (column (1)). Among households receiving social assistance (column (4)), 83% report also receiving child allowance. In fact, 50% of all households in the sample report receiving both child allowances and social assistance.

Table 3-2: COMBINATIONS OF INCOME SOURCES AMONG ROMA HOUSEHOLDS (COLUMN PERCENTAGES)

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|------------|------------|--------------|---------|-------------------|-----------------|------------------|-------------|-------|
| | Employment | Unemployment | Pension | Social Assistance | Child Allowance | Other Employment | Remittances | Other |
| Emp. | . | 18% | 17% | 14% | 24% | 30% | 29% | 100% |
| Unemp. | 17% | . | 21% | 17% | 24% | 37% | 36% | 0% |
| Pension | 12% | 15% | . | 11% | 11% | 15% | 36% | 0% |
| S.A. | 35% | 44% | 42% | . | 68% | 46% | 64% | 50% |
| Child All. | 73% | 77% | 49% | 83% | . | 76% | 86% | 0% |
| Other Emp. | 9% | 11% | 6% | 5% | 7% | . | 57% | 0% |
| Remit. | 2% | 3% | 5% | 2% | 2% | 17% | . | 0% |
| Other | 1% | 0% | 0% | 0% | 0% | 0% | 0% | . |
| N | 161 | 154 | 111 | 412 | 502 | 46 | 14 | 2 |

Source: UNDP/World Bank/EC regional Roma survey (2011). Missings are not included, meaning that 91% of the Roma sample households were taken into account in the presented frequencies. Social Assistance includes: Maternity leave benefits, Poverty and Local assistance benefits, Stipends and Scholarships.

3.2.2 TYPES OF SOCIAL BENEFITS AND ASSOCIATED RISK REDUCTIONS

In Slovakia, there are three main types of ‘protection-oriented’ social assistance programs: the Benefit in Material Need program (BMN), Family Allowances, and Disability Benefits. The Benefit in Material Need protects families whose income falls below the subsistence minimum, as calculated via means-testing. It consists of a basic entitlement and supplements. The exact amount that a family receives is calculated as the difference between the sum of claims and the income of the claimant. Table 3-3 provides an overview of the basic- and additional claims associated to the BMN. For the conditional housing benefit, conditions include regular payment for housing costs or an agreed scheme of the payment of housing debt. Like the BMN, Disability benefits are also income-tested, and eligibility criteria are relatively strict. This benefit includes a caretaker allowance, transportation benefits, and one-off compensations for larger purchases needed to accommodate the needs of the disabled. The only non-contributory cash benefit that the disabled person themselves get is the protection allowance, as discussed under the Benefit in Material Need. (World Bank, 2012)

TABLE 3-3: STRUCTURE OF BMN CLAIMS

| Type of Family | Basic Claim: | Type of Additional Allowance: | Additional Claim: |
|------------------------------------|--------------|---|---------------------|
| Individual with no children | €60.50 | Health care allowance | €2 per person |
| Individual and 1-4 children | €115.10 | Protection allowance (for people who for health, age and other reasons cannot be activated) | €63.07 (€ 34.69) |
| Individual with 5 or more children | €168.20 | Allowance for pregnant woman | €13.50 |
| Couple with no children | €105.20 | Allowance for child aged <1 | €13.50 |
| Couple with 1-4 children | €157.60 | Allowance for school-aged child | €17.20 |
| Couple with 5 or more children | €212.30 | Activation benefit (CONDITIONAL) | €63.07 |
| | | Housing benefit (CONDITIONAL): | |
| | | - for one person households: | €55.80 |
| | | - for households with several persons: | €89.20 |

Source: World Bank, 2012.

Of these three types, family allowances are the only universally available form of support. Family allowances are available to any family with children. They may consist of the categories mentioned in Table 3-4. Since January 2011, a parent is allowed to work while receiving parental allowance benefits.

TABLE 3-4: STRUCTURE OF FAMILY ALLOWANCES

| Type of Benefit | Conditions | Amount |
|--|---|-------------------------|
| Child benefits | Family with children under 18 or studying children under 25 | €22 per month per child |
| Parental allowance | Family has at least one child aged <3 (regardless of amount of children in this agegroup) | €190 per month |
| Benefit for proper care of the child | Alternative to the parental allowance. Reimburses the cost of using a surrogate to care for the child (including child care facilities) | Up to €230 per month |
| Child birth grants and adoption benefits | Universal | |

Source: World Bank, 2012

Two thirds of the households who receive the benefit in material need are non-Roma: Roma families constitute only about 35% of all households that receive the benefit in material need in Slovakia. If one were to assume that the population of Roma in the Slovak Republic is 320,000 individuals, and a total population of 5,431,024, one obtains that about 38,800 Roma households receive the BMN, while about 72,200 non-Roma households receive the benefit (World Bank (2012f)) (the average household size among Roma households is about 4.45; while it is about 2.83 among non-Roma households).

Among marginalized Roma households only, about half receive Material Needs Benefits, and approximately two thirds receive child allowances. In particular, 49% of Roma households living in ‘mixed’ neighborhoods, receive the Benefit in Material Need (BMN); this proportion increases to 54%, among Roma households in ‘segregated’ and ‘separated’ settlements.¹⁷ Among non-Roma households in the vicinity, only 4% receive the BMN, and only one third receives child allowances. Similarly, about one third of all surveyed Roma households receive a housing allowance, which is conditional on receipt of the BMN. Among non-Roma living in the vicinity, only 3% of all households receives housing allowance (UNDP Slovak Roma survey (2010); Author’s calculations).

Access to unemployment benefits is linked to very strict conditions in Slovakia. Access to this contributory benefit is conditioned on contributions for at least two years during the last three years¹⁸ and the duration of benefits is limited to six months. “The system is especially restrictive towards labor market entrants and those working in unstable jobs, typically in low-skilled and low-paid occupations. (...) A recent comparative study on the strictness of eligibility criteria for unemployment benefits found the Slovak Republic to have the third strictest eligibility criteria and sanctions (after Portugal and Romania) among 36 OECD and/or EU member countries covered in the study.” (World Bank, 2012: 36). Among the general population, 12% of all jobseekers receive unemployment benefits, whereas among Roma, this is 9%¹⁹. In OECD countries on average, almost 50% of jobseekers received unemployment benefits in 2007-08 (World Bank, 2012).

BOX 3-1: THE DUAL ROLE OF THE BENEFIT IN MATERIAL NEED SYSTEM

The BMN serves both as a last-resort social assistance program, protecting against chronic poverty, and as a non-contributory unemployment benefit. Due to the highly restrictive nature of contributory unemployment benefits in Slovakia, the BMN in fact assumes a dual role: in addition to providing last resort social assistance to vulnerable and chronically poor families, it also serves as a *de facto* second tier non-contributory unemployment allowance. This is caused by long spells of unemployment and the design of the benefits, as eligibility for the BMN is established through a means-test that relies largely on current incomes. Consequently, unemployed individuals who are either not initially eligible for unemployment benefits, or who run out of benefits before they find another job, become eligible for the BMN.

Source: World Bank, 2012: 36.

¹⁷ Roma living in ‘mixed’ neighborhoods are those living among the majority population. Roma living in ‘segregated’ neighborhoods are those living in a settlement at some distance from the town or village, or separated from it by some barrier. Roma living in ‘separated’ neighborhoods are those living in a certain part of the town or village – either on its outskirts or within it – without a clear barrier, but in a concentrated settlement.

¹⁸ Two years in the last four years in the case of temporary employment or for people who voluntarily contribute to unemployment insurance. Until 2011, the requirement was at least 3 years of unemployment insurance contributions during the last 4 years.

¹⁹ This number is likely an overestimate and may include people reporting the activation allowance.

Moreover, the system of taxes and benefits in the Slovak Republic seems to be biased against part-time employment at low wages: exactly the types of jobs that many Roma are engaged in. For a single person receiving the BMN and a housing- or activation allowance, the marginal effective tax rate (METR)²⁰ for taking up a part-time job at the minimum wage is close to 80%. This means that if such an individual were to move from social assistance to a part-time job at minimum wage level, 80% of the additional income received from this change in lifestyle would be ‘taxed away’. Indeed, the World Bank (2012) study on Slovakia’s tax-benefit system concludes that “existing instruments to ‘make work pay’ are not sufficient and not very effective”, mainly because benefits aimed at easing the transition – such as tax credits – are not substantial enough and have a too short maximum duration (World Bank, 2012: 39).

BOX 3-2: ATTITUDES TOWARDS SOCIAL ASSISTANCE IN SLOVAKIA

In Slovakia, many people believe that the unemployed do not really try to find work, and that social assistance is too costly to the state. “In the 2008 European Social Survey, one-third of Slovaks reported that the primary reason people live in need is because they are either lazy or lack willpower. In comparison, only slightly more than 10% of Norwegians report the same. (...) In the Slovak Republic, perceptions that the unemployed are not motivated to find work are particularly strong, with two-thirds of respondents claiming that the unemployed are not seeking employment. Furthermore, 40% report that social benefits make people lazy.” (World Bank, 2012: 31) Many citizens of the Slovak Republic are of the opinion that social benefits are too costly for the state, thus placing a strain on the economy, and that the Benefit in Material Need poses work disincentives (World Bank, 2012).

However, unlike what is often assumed, social benefits do not pose a large burden on Slovakia’s state budget, and the most costly component is the universally targeted family benefit. As such, the benefits received more exclusively by the poor, among which poor Roma households, only constitute a very small proportion of the total state budget. However, spending on social assistance is relatively low compared to most EU countries: The Slovak Republic spends about 1.8% of GDP on the three non-contributory benefits outlined above (World Bank, 2012: 19). Family allowances, which are universal, absorb almost two-thirds of this amount. Moreover, empirical evidence on potential work disincentives arising from receipt of the BMN is inconclusive (World Bank, 2012: 6).

3.3 EMPLOYMENT AND WELFARE

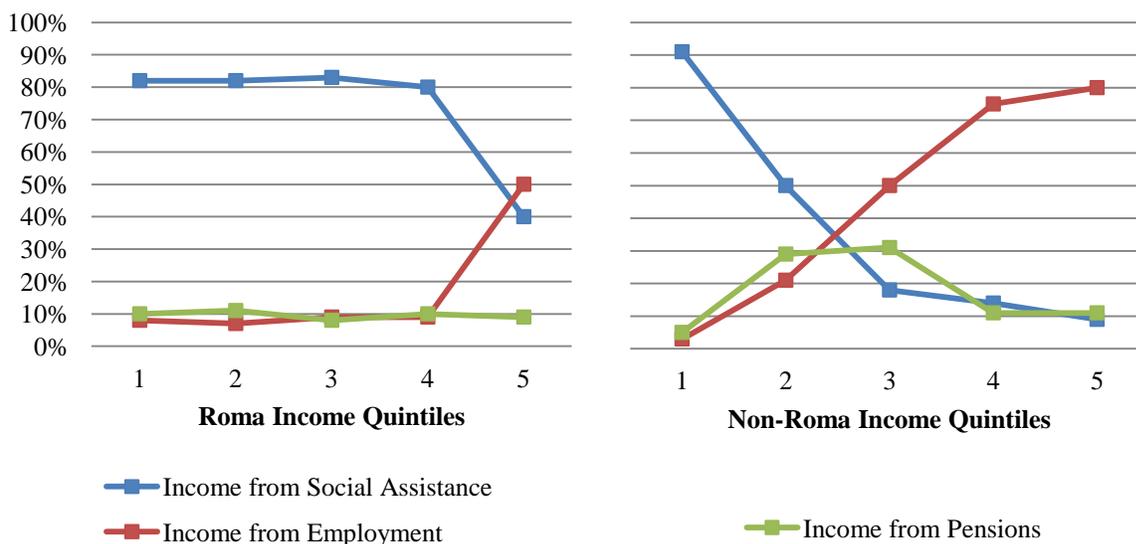
How do Roma households with and without employment differ? First, employment raises household incomes. The typical per capita income of a Roma household without employment is €202 (equivalized), whereas for a Roma household with employment, it is €275, about 37% higher.²¹ Roma households without employment typically earn an income of slightly below €500 a month. For non-Roma households without employment, this is slightly below €700. When comparing these amounts to the incomes earned by families with employment, there is a steep increase for both Roma and non-Roma: 46% and 60% on average, respectively.

²⁰ METR represents “the fraction of any additional earnings that is —taxed awayl by the combined effects of taxes and benefits withdrawals” (World Bank, 2012: 39). For more details, please see <http://www.oecd.org/els/social/workincentives#models>.

²¹ Based on median income levels, equivalized using the OECD adjusted scale.

Roma households at low income levels generally depend on social transfers (universal and means tested) for almost all of their income. Those Roma households that earn a larger share of their income from employment are also the better off households. Among non-Roma households nearby, the share of income obtained from social transfers is very high only in the lowest income quintile, i.e. among a relatively small group of very poor households. Among Roma households this pattern is sustained also across higher income quintiles: up to and including the fourth income quintile among Roma, the predominant share of income comes, on average, from social transfers. Only the relatively better off Roma families show a different income pattern: these families earn about half of their income from employment, and the other half from social transfers.

FIGURE 3-7: INCOME SHARES FROM SOCIAL TRANSFERS, EMPLOYMENT AND PENSIONS – ROMA VS. NON-ROMA NEIGHBORS



Source: UNDP/World Bank/EC regional Roma survey (2011). Adult equivalent income levels were used to calculate the share of income, for each household, from each of the different income sources. These shares were then averaged by income quintile, for Roma and non-Roma households separately. Roma and Non-Roma income quintiles were calculated separately: this means that among Roma, the income levels represented by each quintile are in fact lower than among non-Roma. Social Transfers includes: Social Assistance, Unemployment Benefits and Child Benefits. Employment includes: income from Employment and from Other Labor Activities.

A Roma household in which the household head is employed is 24% less likely to depend on social assistance than a Roma household where the household head has no job, keeping other background characteristics the same. This finding is based on regression estimates that explore the correlation between social assistance and household background characteristics, including employment. As shown in Annex Table 3.1, the association is stronger than among non-Roma neighbors, for which the chance of depending on social assistance goes down by only 19% if the household head is employed (Model 4). Overall, Roma households are 21.6 percentage points more likely to depend on social assistance than non-Roma, after controlling for background characteristics (Model 2).

Household employment is strongly correlated with household size, education, financial security, and housing conditions, not with age of the household head. As shown in Table 3-5, households without employed individuals are larger than those with employed individuals: these two groups respectively have 4.5 versus 3.2 members on average, reflecting mostly larger numbers of children – 2.1 versus 1.1 children

on average – among households without employment. In Roma households with at least one employed person, education levels of the household head and the adult household members overall are generally higher than in households without employment. Still, the most striking differences with regards to education remain between Roma and non-Roma households rather than between Roma households with and without employment. There is no difference in the age of the household head for these two groups of households. Financial security improves; a much larger share of Roma households in which at least one person is employed saves, and also have less difficulty to pay for expenses such as mortgages, rent and utility bills. And, housing conditions improve: 79% with employment live in a well maintained dwelling compared with 51% without employment.

TABLE 3-5: BACKGROUND CHARACTERISTICS OF HOUSEHOLDS WITH AND WITHOUT EMPLOYMENT

| | Roma | | Non-Roma Neighbors | | Total | |
|--|--------------------|-----------------|--------------------|-----------------|-------|--------------------|
| | Without Employment | With Employment | Without Employment | With Employment | Roma | Non-Roma Neighbors |
| Household Head – Av. Age | 39 | 40 | 46 | 44 | 39 | 45 |
| Share of households – head has completed at least some secondary education (%) | 11% | 38% | 59% | 86% | 18% | 74% |
| Average Household Size | 4.5 | 3.2 | 5 | 3.6 | 4.6 | 3.4 |
| Average No. Of Children per household | 2.1 | 1.1 | 2.1 | 1.1 | 2.1 | 1.1 |
| Av. share of working age household members who are employed (%) | 0% | 55% | 0% | 66% | 14% | 38% |
| Household has savings (%) | 5% | 20% | 34% | 49% | 9% | 43% |
| Household lives in well maintained dwelling (%) | 51% | 79% | 87% | 96% | 58% | 92% |

Source: UNDP/World Bank/EC regional Roma survey (2011).

3.4 JOB PATTERNS

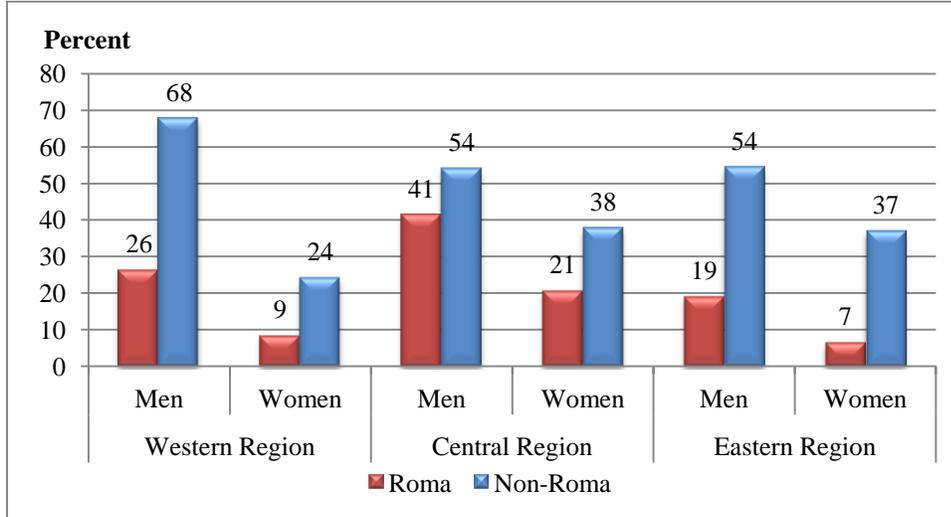
This section explores in more detail employment patterns among employed Roma, determinants of employment, and the distance to the labor market among unemployed Roma.

3.4.1 DETERMINANTS OF WHO WORKS

Employment rates among Roma are especially low in the eastern region, both relative to other regions and relative to non-Roma nearby. Figure 3-8 depicts employment rates for Roma men and women in the three regions of the Slovak Republic. Using a population estimate of 320,000 Roma living in Slovakia in total, these figures translate into a total of approximately 14,500 Roma in Western Slovakia without employment (unemployed and out of the labor force), 28,000 in Central Slovakia, and as many as 122,000 in Eastern Slovakia. Among non-Roma neighbors, the employment rate in Eastern Slovakia is the

same as that in Central Slovakia, suggesting that the low employment rates among Roma living in Eastern Slovakia must be explained, at least in part, by factors other than a regional labor market with a low supply of jobs.

FIGURE 3-8: EMPLOYMENT RATES, BY REGION AND GENDER, ROMA AND NON-ROMA NEARBY



Source: UNDP/World Bank/EC regional Roma survey (2011). Sample restricted to Roma subjects in the agegroup 25-64.

Even when differences in background characteristics are taken into account, Roma are much less likely to be employed than non-Roma, and Roma women are much less likely to be employed than Roma men. The first estimation model predicts ‘being employed’ based on a number of background characteristics, including ethnicity. It shows that Roma ethnic origin lowers the chances of being employed by almost 16 percentage points; given employment rates of 20% among men and 9% among women, this reduction is extremely large. When restricting the analysis to Roma only (Model 2), women with similar background characteristics as men are 14 percentage points less likely to work; again, this is a very large effect considering the low employment rates. It underscores the challenges that Roma women especially have in accessing the labor market, and is consistent with qualitative experience by a Slovak Roma community assistant for medical education, described in the box below.²²

Education level is also a large and significant determinant of employment among Roma, although the effect size is larger among non-Roma. Annex Table 3.2 shows the probability of being employed as a function of personal and community characteristics. The estimation models predict ‘being employed’ based on a number of background characteristics. What language is spoken at home (i.e. whether this is Romani or not), or whether the dominant ethnic identity of the settlement in which one lives is Roma, is not correlated with the employment probability. It also does not matter whether one lives in a rural or urban setting. Instead, the only factor that has an effect besides gender and the region is education level: Roma who did not complete primary school are 6 percentage points less likely to find employment than those who did, whereas those who complete secondary school or higher are 13 percentage points more likely to find employment than those who have completed only primary education. The correlation

²² The employment gap between men and women among non-Roma is larger than among Roma, also after controlling for background characteristics (results available upon request). However, this reflects in part the very low employment levels among both Roma men and Roma women.

between education and employment is larger – almost twice as large - among non-Roma as shown in Model 3 of the table.

BOX 3-3: A ROMA WOMAN AT WORK EXPLAINS THE PRESSURES SHE FACES

Denisa Gáborová is 35 and works as a community assistant for medical education. She is a Roma who was raised in a predominantly non-Roma neighborhood. Denisa has four children: two are in secondary, and the other two in primary school. Her husband drives a tractor for the local landscaping department.

It took Denisa years to get used to ‘settlement life’ once she got married: the lack of infrastructure and facilities, and the fact that all residents were Roma were things she wasn’t used to. When she went to work, other residents of the settlement scolded her children. Her son once said: “Mama, do you know what they told me? That you don’t take care of me, that you go to some training and don’t care for us.” Many family-members also had doubts about Denisa’s ambitions. “In the Roma community, people think that a wife should be at home, cooking, caring for her children and husband.” But with time, people started to view her differently. When Denisa’s father-in-law had an accident and broke his ribs, they ran into one of Denisa’s colleagues at the hospital. “She said hello to me, and my husband and father-in-law were proud that such people greet me and know me and value me.”

Source: MECEM, Roma Press Agency: 2010.

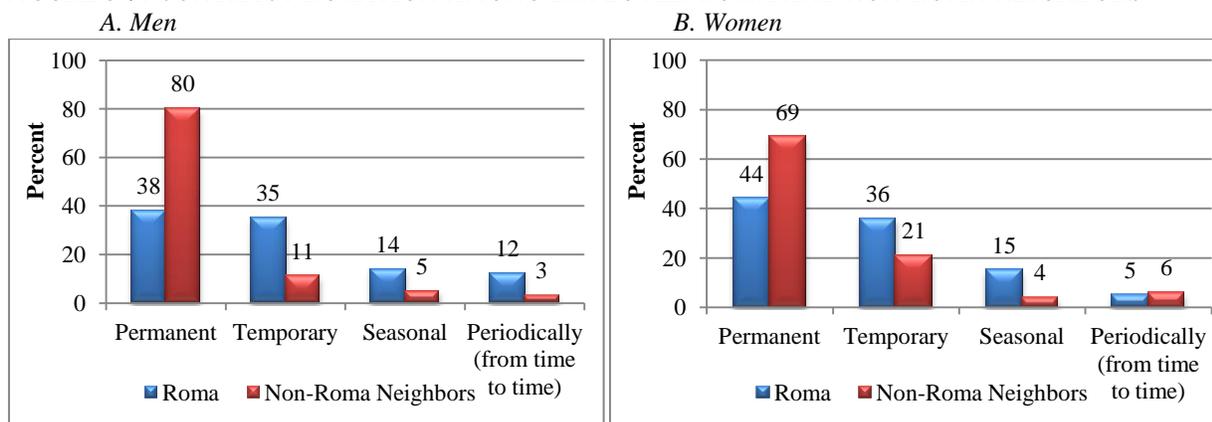
A majority of Roma report labor market discrimination, both when they look for work and on the workplace. The large employment gap between Roma and non-Roma controlling for background characteristics can be explained by a number of factors, including discrimination in the labor market. Qualitative information suggests that discrimination is indeed a substantial barrier to Roma looking for work and those with jobs. According to the regional survey, among Roma who looked for work somewhere in the past 5 years, 78% report that they have experienced discrimination because of their ethnicity. 12% of non-Roma men report the same. Among those who already had a job in the past 5 years, the corresponding figures are 57% and 4%²³.

3.4.2 JOB CHARACTERISTICS

The large majority of Roma who work are in formal employment, but informality is relatively high, and most work tends to be temporary or seasonal. Approx. 80% of employed Roma has a written contract, compared with 95% of non-Roma neighbors. However, in 24% of cases for Roma men with jobs and 17% for Roma women, the employers do not pay social contributions for pension or healthcare. The corresponding numbers among non-Roma nearby are 7% and 11%, respectively. Furthermore, as shown in Figure 3-9, only 38% of men and 44% of women report being in ‘permanent’ employment, with the rest being in temporary, seasonal, and periodically (from time to time) employment.

²³ Source: UNDP/World Bank/EC regional Roma survey (2011). Sample restricted to one randomly selected adult (16+) individual per household. The share of Roma individuals who have looked for work in the past 5 years is 52%; for non-Roma neighbors, this is 24%. The share of Roma individuals who have had a job in the past 5 years is 25%; for non-Roma neighbors, this is 37%.

FIGURE 3-9: CONTRACT DURATION AMONG EMPLOYED ROMA AND NON-ROMA NEIGHBORS



Source: UNDP/World Bank/EC regional Roma survey (2011). Sample restricted to employed subjects (age-group: 15-64).

The vast majority of employed Roma are unskilled workers, and Roma mainly work in construction, public utilities and mining. These characteristics clearly show that the lack of education among Roma translates into low-skilled jobs – if Roma find work at all. Hardly any Roma work in social services such as leisure services (3% of total), healthcare (2%), or education (2%).

TABLE 3-6: OCCUPATION AND INDUSTRY OF EMPLOYED ROMA

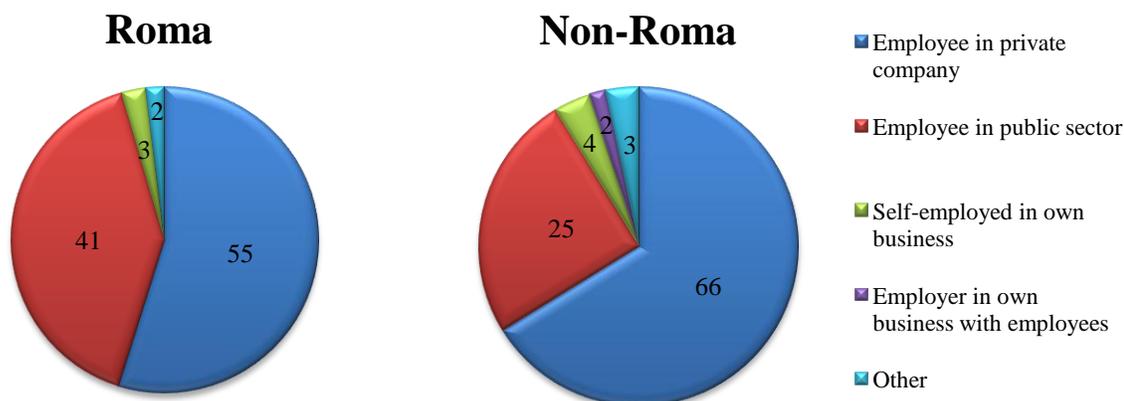
| Occupation | % | Industry | % |
|------------------------------|----|-----------------------------------|----|
| Unskilled worker | 58 | Construction | 25 |
| Skilled worker | 20 | Public utilities | 25 |
| Semi-skilled worker | 9 | Industry or mining | 19 |
| Professional / Office worker | 5 | Trade / other commercial services | 9 |
| Civil servant | 3 | Agriculture and forestry | 8 |
| Owner of own business | 2 | Transportation | 6 |
| Landless worker | 2 | Leisure services (tourism, etc.) | 3 |
| Foreman, technician | 1 | Healthcare | 2 |
| Other | 0 | Education and science | 2 |
| | | Other | 1 |

Source: UNDP/World Bank/EC regional Roma survey (2011). Sample restricted to employed subjects (age-group: 15-64).

Self-employment rates among Roma and non-Roma are extremely low. The proportion of Roma which are self-employed is negligible. When translating the rate of self-employment into a numeric estimate, the approximate number of self-employed Roma is 750, among a total group of 29,000 Roma with jobs.²⁴ This suggests that there is scope for more self-employment among both groups. At the same time, it should be noted that realizing higher self-employment rates is only feasible if other preconditions, such as availability of start-up capital and sufficient levels of entrepreneurial skills and financial literacy, are met.

²⁴ An estimate of 320,000 Roma living in Slovakia was used.

FIGURE 3-10: TYPES OF EMPLOYMENT AMONG ROMA AND NON-ROMA NEIGHBORS



Source: UNDP/World Bank/EC regional Roma survey (2011). Sample restricted to employed individuals (age-group: 15-64).

3.5 DISTANCE TO THE LABOR MARKET AMONG THE UNEMPLOYED AND INACTIVE

In order to design targeted policy-measures, it is useful to make a distinction between those who are ‘close to’, and those who are ‘far from’ the labor market. Among the unemployed Roma, some will find it very difficult to find work, even with the help of the state and civil society organizations. For example, individuals who have been without a job for long and have little work experience. A similar argument can be made regarding education: the higher one’s education level, the more chances one has of finding work. As such, groups who are at different ‘distances’ from the labor market are likely to require different types of policy-responses. For this reason, the following section will analyze distances to the labor market among the working age Roma in Slovakia; indicators that capture some basic information on a person’s chances of finding a job such as the amount of time during which an individual has not worked (since recent work experience is often seen by potential employers as an indicator of having ‘up to date’ knowledge and skills).

Most Roma without a job are either inactive or very long-term unemployed: precisely the groups that have the worst chances of getting into employment. Among the entire working age population, shares of “short-term” unemployment (defined here as < 2.5 years²⁵ because few are unemployed between 1 and 2.5 years) are low: 10% of men and 2% of women, with a majority of these having been unemployed for less than 1 year. These proportions are fairly similar between Roma and non-Roma neighbors. However, as many as 25% of all Roma men of working age and 29% of Roma women are very long-term unemployed (>2.5 years). Among non-Roma neighbors, the corresponding rates are 9% for men and 13% for women. In addition to (very) long-term unemployed, there is also a large group of working

²⁵ The cutoff at 2.5 years rather than more standard cutoffs such as 1 or 2 years was chosen because data were only available on the year in which a person last worked, i.e. 2009 or 2010. Since the survey was conducted in May/June, the maximum time duration of unemployment for someone reporting 2009 as the year in which they last worked is 2.5 rather than 2 years. The cutoff was set at 2.5 years rather than 1.5 years because the group of 1.5-2.5 years unemployed was very small, as was the group of 0-1.5 years unemployed.

age Roma outside the labor force: i.e. inactive. 44% of men and 61% of women compared with 37% and 51% among non-Roma men and women.

TABLE 3-7: DISTANCE TO THE LABOR MARKET: ROMA AND NON-ROMA NEIGHBORS (% OF WORKING AGE POPULATION)

| | Men | | Women | | Total | |
|-----------------------|-------|----------|-------|----------|-------|----------|
| | Roma | Non-Roma | Roma | Non-Roma | Roma | Non-Roma |
| Employed | 20% | 46% | 9% | 29% | 14% | 37% |
| Short-term Unemployed | 10% | 9% | 2% | 6% | 6% | 7% |
| Long-term Unemployed | 25% | 9% | 29% | 13% | 27% | 11% |
| Inactive | 44% | 37% | 61% | 51% | 52% | 44% |
| Total | 100% | 100% | 100% | 100% | 100% | 100% |
| N | 1,070 | 408 | 1,098 | 439 | 2,168 | 847 |

Source: UNDP/World Bank/EC regional Roma survey (2011). ‘Short-term unemployment’ is defined as being unemployed for less than 2.5 years. Within the group of short-term unemployed Roma (6% of the working-age Roma individuals), the largest group (4%) has only been employed for less than 1.5 years, whereas a minority (2%) has been unemployed for 1.5-2.5 years. 14% of the Roma in Slovakia who are not employed did not report the year in which they last worked. These individuals were assumed to belong to the group of long-term unemployed. The same procedure was followed for non-Roma neighbors.

In total, there are about 12,000 short-term unemployed Roma in Slovakia, and about 53,000 long-term unemployed. As many as 104,000 Roma do not participate in the labor force (estimated). Among the short-term unemployed, the biggest group belongs to the age-group 25-40 (approximately 6,500 people). The same holds for the long-term unemployed: an estimated 26,000 long-term unemployed Roma belong to this age category. Among the inactive, most individuals are younger: the biggest group here is aged 15-24 (approximately 41,500 individuals).

TABLE 3-8: DISTANCE TO THE LABOR MARKET: WORKING-AGE ROMA AND NON-ROMA NEIGHBORS (POPULATION ESTIMATE)

| | Men | Women | Total |
|------------------------------------|--------|---------|---------|
| Employed | 19,500 | 9,000 | 28,500 |
| Short-term Unemployed ^A | 9,700 | 2,000 | 11,700 |
| Long-term Unemployed | 24,300 | 29,000 | 53,400 |
| Inactive | 42,900 | 61,000 | 103,900 |
| Total | 96,500 | 101,000 | 197,600 |

Source: UNDP/World Bank/EC regional Roma survey (2011). Estimates based on a total estimated Roma population of 320,000 in Slovakia.

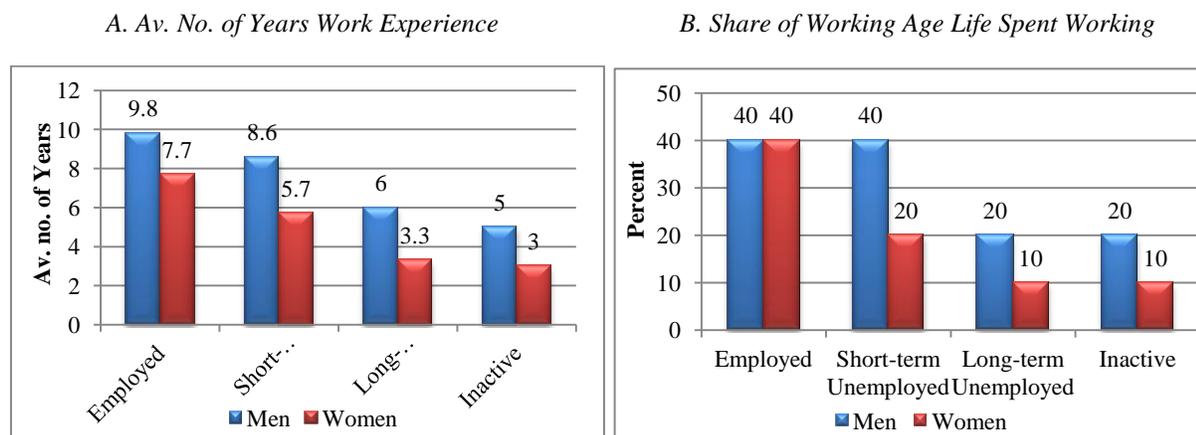
TABLE 3-9: DISTANCE TO THE LABOR MARKET: AGE COHORTS AMONG ROMA (POPULATION ESTIMATE)

| Agegroups | Employed | Short-term Unemployed | Long-term Unemployed | Inactive | Total |
|-----------|----------|-----------------------|----------------------|----------|---------|
| 15-24 | 4,700 | 2,100 | 11,600 | 4,100 | 60,000 |
| 25-40 | 14,600 | 6,500 | 26,200 | 35,900 | 83,300 |
| 41+ | 8,800 | 3,700 | 15,400 | 26,000 | 54,100 |
| Total | 28,200 | 12,400 | 53,300 | 103,500 | 197,600 |

Source: UNDP/World Bank/EC regional Roma survey (2011). Estimates based on a total estimated Roma population of 320,000 in Slovakia.

Roma who are long-term unemployed or inactive have very little work experience. Among short-term unemployed Roma, the average duration of men and women’s life-time work experience is approximately 9 and 6 years, respectively. For those who are long-term unemployed, this drops to 6 and 3 years. For the inactive, rates are similar to those of the long-term unemployed, at 5 years on average for men and 3 years for women. As such, those who are at a greater distance from the labor market in terms of the duration of their unemployment and their activity status are also the ones with the least work experience, on average. Figure 3-11b corrects these figures for age, showing the proportion of one’s working life during which the subject has been employed. This proportion is already low for the employed and short-term unemployed, at 40%, and drops to 20% among men and 10% among women among the long-term unemployed and inactive. In part this reflects that among these groups, approx. half has never worked before, compared with 30% among non-Roma neighbors.

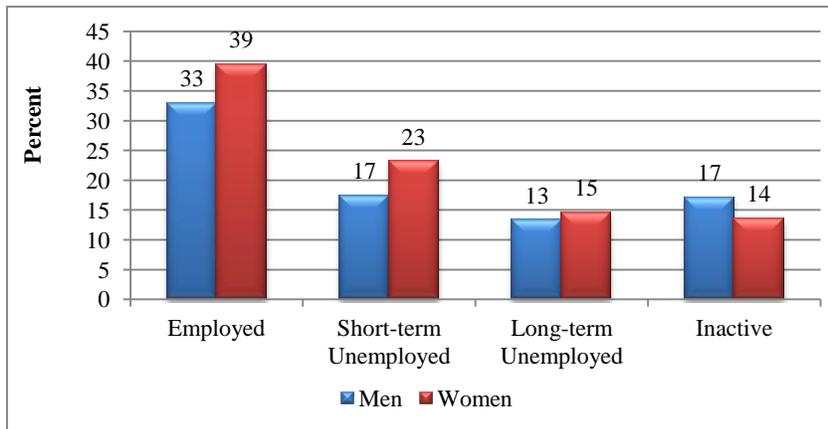
FIGURE 3-11: AVERAGE NUMBER OF YEARS WORK EXPERIENCE: ROMA



Source: UNDP/World Bank/EC regional Roma survey (2011).

Roma who are short-term and long-term unemployed or inactive also have very low levels of secondary education completion. The main difference in this respect occurs between those with, and those without jobs. Among the employed, secondary school completion rates are about twice as high as among those without jobs. For women, secondary school completion is again lower among those who are long-term unemployed or out of the labor force as compared to the short-term unemployed, whereas for men, rates are fairly similar across these three groups. Among non-Roma who are out of the labor force, the secondary school completion rate is 60% for men and 62% for women.

FIGURE 3-12: SECONDARY SCHOOL COMPLETION AND DISTANCE TO THE LABOR MARKET

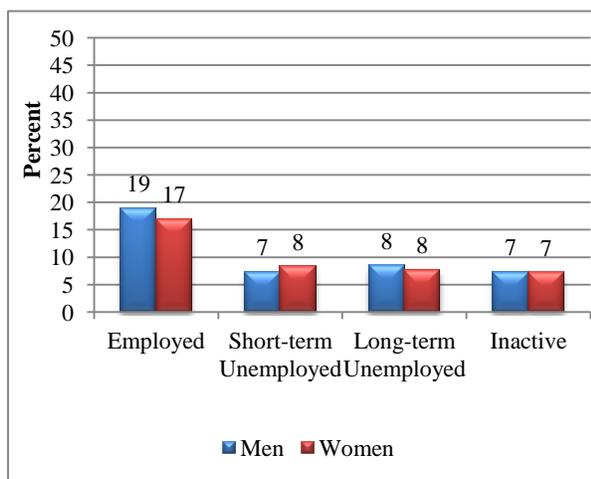


Source: UNDP/World Bank/EC regional Roma survey (2011).

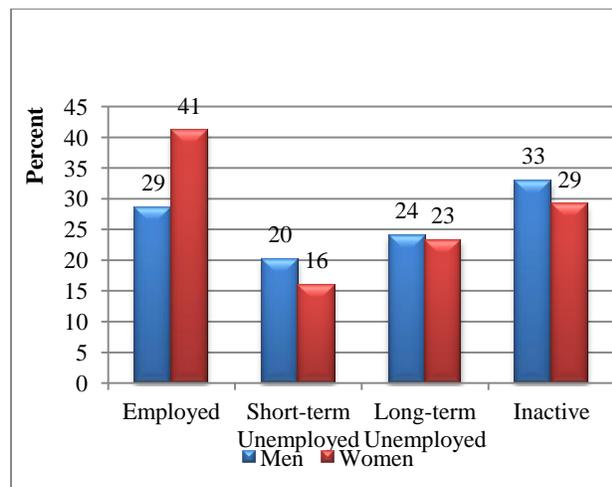
Professional skills are best among the employed Roma, but do not get worse as the distance to the labor market increases. Shares of unemployed Roma who have received adult learning courses or an apprenticeship are similar for all groups without jobs; approximately 8% compared with approximately 18% among those with jobs. Computer literacy rates are higher, between one-quarter and one-third, with rates that are not much higher among the employed. The learning course completion- and computer literacy rates are about twice as high for non-Roma neighbors as for Roma in all categories (not shown).

FIGURE 3-13: ADULT LEARNING COURSE / PROFESSIONAL APPRENTICESHIP AND COMPUTER LITERACY

A. Apprenticeship



B. Computer Literacy



Source: UNDP/World Bank/EC regional Roma survey (2011). Apprenticeship: “Has s/he ever received adult learning courses or professional apprenticeship (formal or informal of any kind)?”. Computer Literacy: “Is s/he able to use a computer word processing program?”

Family size increases with distance from the labor market among women with employed women having the fewest number of children and inactive the highest number of children. Among Roma women who are employed, the average number of children in the household is 1.4. As the distance to the labor market becomes larger, Roma women live in households with more children, on average: 1.5 among

short-term unemployed, 2.0 among long-term unemployed, and 2.3 children among inactive women. Among non-Roma women, this increase by labor market distance is smaller, from 0.7 children among the employed to 1.2 among the inactive.

3.6 POLICY RECOMMENDATIONS

Given the prevailing low skill levels and the extent of labor market exclusion (mainly among Roma, but also among very poor non-Roma), the Government may consider a more holistic approach to addressing unemployment and inactivity by offering complementary employment services. The following recommendations to improve employment outcomes among the existing working age Roma population are geared toward three main objectives: (1) improving job search incentives; (2) improving efficiency of job search by allowing better matching of labor supply and demand; (3) improving skills; and, (4) invest in monitoring and evaluation of specific activation measures, and systematically share best practices across municipalities. However, given the extent and depth of the challenge to improve employment outcomes in the short-run, the analysis also strongly calls for a fifth objective: (5) maintaining a strong safety net that continues to protect the poor and combines it with targeted measures that promote health and human capital investments, especially for children.

3.6.1 POLICY MEASURE 1: IMPROVE JOB SEARCH INCENTIVES

The current system of providing activation allowances to Roma to participate in unskilled menial jobs is not effective because they provide disincentives to search for work and they do not build skills that improve employability. First, activation programs in Slovakia such as the small municipal works program have been found to weaken the incentives to take up ‘real’ jobs (World Bank, 2012). Most Roma out of work are registered with employment agencies much more often than non-Roma. High rates of registration are not surprising since this is required to be eligible for the activation allowance of €63.07 per month for a period of 6 months at a time to participate in the (often menial) municipal works. The incentives provided through these activation allowances discourage job search since income support is more generous to ‘jobless’ individuals on activation than people who have recently found work (e.g. the form of tax incentives or continuation of some social transfers). Hence, beneficiaries who can only access low wage, insecure jobs may be better off staying on benefits and receiving additional support through activation allowances (ibid: 39). Furthermore, most of the benefits administered by the Slovakian government are unconditional.

A combination of more conditionality – to look for work, participate in apprenticeships etc. - and continued partial coverage upon finding employment for a significant amount of time can aid in activating jobless Roma. The World Bank (2012) study on Slovakia’s tax-benefit system concludes that “existing instruments to ‘make work pay’ are not sufficient and not very effective”, mainly because benefits aimed at easing the transition – such as tax credits – are not substantial enough and have a too short maximum duration (World Bank, 2012: 39).

Furthermore, job search incentives, especially for Roma women, and addressing the large gap in pre-school are linked. The situation of Roma women as caretakers for the children warrants particular attention. The data showed that family size and inactivity are strongly linked. Furthermore, as shown in the education chapter, enrolment rates of Roma children aged 3-6 in preschool is extremely low, reflecting in part a self-reported social desirability by Roma mothers to raise children at home. From this perspective, addressing the gap in preschool participation is not only essential to ensure Roma children get

an equal start with regards to early learning and succeed in school later on (see education chapter for details), but also addresses an important barrier to labor force participation among Roma women.

3.6.2 POLICY MEASURE 2: IMPROVE EFFICIENCY OF JOB SEARCH – BETTER MATCHING OF LABOR SUPPLY AND DEMAND

Effective skill building requires addressing counseling the unemployed. In addition to regular counseling, the employment office can consider providing soft job search skills such the ability to write a good CV, to identify potential employment opportunities, write an application letter, and present oneself well in an interview. These can be provided through specific and short job counseling programs, while ‘regular’ intensive job counseling aims to identify job opportunities and encourage the unemployed to pursue these.

The government can play a key bridging role enabling employers to identify prospective Roma employees eager and able to work by reaching out to non-State actors and government entities well known with the local Roma community. Many Roma are eager to work, and while discrimination is a barrier to employment prospects, there are also employers interested in hiring Roma men and women, not only for corporate social responsibility reasons, but simply because they need good productive workers to contribute to their firms. Information about employment – and employee – opportunities can be a major barrier. To identify prospective employees, the US Steel factory in Kosice, for example, turned to a local church in Kosice with a strong presence in a large Roma neighborhood in Kosice. In this case church officials were able to be a bridge between the private company US Steel, which had no particular knowledge or expertise identifying motivated and skilled (in the formal but more often in the informal skill sense) Roma; for example, eagerness to learn new skills on the job, or having obtained non-formal skills through previous work experience that would be relevant for US Steel. Similarly, other non-State actors, but also government social workers and community mediators can provide a bridging function for employment services.

Rather than having each individual firm identify a non-State actor or State actor with knowledge of the local communities, the employment offices could perform a bridge between these two sides of the market, and develop a jobs platform – in the form of, for example, a database and/or job fairs – where firms or government institutions looking to hire workers can communicate with entities that have good knowledge of local communities to get recommendations for specific job applicants. Note that this is much like the regular job market with job applicants providing references such as former employers or university faculty where they have trained. The main difference is that the employment offices actively build a network of local references that employers can turn to. Of course, this requires building in measures that provide transparency and ensure that corruption is avoided (e.g. local Roma paying ‘job brokers’), but this can be addressed, for example, by relying on multiple sources for references and using entities that have a clear reputation to keep up.

Similarly, establish a knowledge portal of “good practices”, including of municipal activation activities and actively disseminate these among all the relevant actors. As described below, some mayors are implementing innovative practices, often taking advantage of the municipal activation allowances. Rather than having Roma sweep streets or do other menial tasks that do not build skills, these mayors are employing Roma in, for example, the construction of municipal buildings, and are providing them with the necessary on the job training that enables them to undertake real construction activities. These types of experiences should be shared much more broadly across the different municipalities.

3.6.3 POLICY MEASURE 3: IMPROVE EMPLOYABILITY THROUGH SKILL BUILDING

Improve the employability of excluded Roma by strengthening skills: This could be achieved through employment attachments and second-chance education. Given the extremely low education levels and lack of work experience among unemployed and inactive Roma, job search incentives must be combined with programs that build employable skills. This includes introducing a robust system of *second chance education*, as also recommended in the June 2012 European Council Country Specific Recommendations to Slovakia. To achieve this, apart from designing and developing a network of second chance education provider, the current legislative restrictions would need to be amended.

Second chance education may also build on creative solutions being undertaken in some municipalities to build sector specific skills through employment attachments or use of activation works to meaningfully build construction skills. For example, a few municipalities have set up social enterprises in which Roma on activation allowances carry out real municipal construction works, supervised by a qualified person, with a strong emphasis on on-the-job training. But these types of work arrangements could also be linked with activities undertaken by non-State actors such as private firms and NGOs, effectively creating leveraging activation allowances to create traineeship opportunities that can act as a pathway to employment. Establishing certain standards that these traineeships should meet can also open the door for certification of skills learned through non-formal means.

A special focus on the social sectors is particularly relevant to promote employment opportunities for women and to improve the perception of working Roma women. Recall a negligible number of Roma men and women work in education or health. Providing training, especially to women, to become community health assistants, or (kindergarten) teacher assistants is likely to generate a significantly positive impact on the perception of the Roma among the general population, and of working Roma women among the Roma communities themselves. In addition, future government plans to hire social workers in the areas including marginalized Roma communities can also put an emphasis on hiring from the communities themselves so as to ensure better linkages and communication with community members. Finally, the Government of Slovakia may wish to consider developing trainee, internship and placement programs for Roma youth in central administration, regional and municipal positions. Again, such programs could be developed in collaboration with NGOs active on the field of Roma education and employment. In addition, future government plans to hire social workers in the areas including marginalized Roma communities can put an emphasis on hiring from the communities themselves so as to ensure better linkages and communication with community members. An example of a program that has taken a holistic approach toward improving employability is Spain's *Acceder* model described below, which has drawn on considerable European Social Funds to support employment prospects for Roma. In Slovakia, such a program could draw on the capacity of the Social Development Fund of the Slovak Republic, and seek partnerships with non-State actors such as NGOs, churches, private businesses.

BOX 3-4: AN INTERNATIONAL GOOD PRACTICE: SPAIN'S ACCEDER MODEL²⁶

Acceder is a program designed by *Fundacion Secretariado Gitano* in Spain aimed at enhancing the access of the Roma population to mainstream training and employment as an alternative to self-employment or

²⁶ This box is based on a presentation about the *Acceder* program in the *Decent work for Roma* conference (Skopje December 1-2, 2011) and background materials (*Framework Document* by Jose Manuel Fresno and the technical staff of FSG; and *Methodological model for the socio-labor market integration of Roma*) prepared for the EURoma working group meeting on employment (March 11-13, 2009).

family business. It comprises components that could be drawn upon in the context of Roma employment in Slovakia.

A comprehensive program supporting employment: Although conceived in times of a positive economic outlook and dynamic labor market, Spain's *Acceder* program remains one of the most robust and comprehensive programs aimed at facilitating Roma employment because of its holistic approach. Through providing professional qualifications and access to the labour market, raising awareness on prejudice and discrimination affecting the Roma, and fostering more active policies regarding the Roma community, it addresses the challenges faced by Roma from several important angles, with features that could and should be utilized in the Central and Eastern European context as well.

The *Acceder* methodology is based on a three-tier approach, which is adapted to the specific characteristics and circumstances of each territory where the program is active:

- (1) Individual intervention: curricular inventory, variable analysis, vocational diagnosis, design of personalized integration pathways;
- (2) Environmental intervention: educational and general diagnosis of the family and community context;
- (3) Labor market intervention: Seeking possible labor opportunities and partnerships; the establishment of commercial networks; establishment of collaboration with public and private economic agents committed to the integration of Roma.

A 2-level approach – Policy and Practice: The *Acceder* program has been running on two complementary levels: (1) a grass-roots approach with teams working around Spain primarily in the larger cities providing guidance, training, assistance in search for employment and placement; (2) a complementary policy-level approach: awareness-raising, campaigns, research, data collection and advocacy.

Good program results: The *Acceder* program has achieved considerable results: until November 2011, 64,365 beneficiaries have participated in the program, 43,279 labor contracts have been established (one-third of which constitute “first jobs”) and more than 16,000 participants are in training. The program has also reached gender balance through targeted actions.

Funding and investment: *Acceder* is primarily financed through the EU Structural Funds: between 2000 and 2008, approximately 68% of the program was funded from ESF and ERDF, with the significant majority of co-funding provided by central government, regional and municipal budgets. In 2009, the costs per attended beneficiary was estimated at 1,454 Euros, with costs per labor contract amounting to 2,010 Euros.

3.6.4 POLICY MEASURE 4: INVEST IN MONITORING AND EVALUATION OF SPECIFIC ACTIVATION MEASURES, AND SYSTEMATICALLY SHARING OF BEST PRACTICES ACROSS MUNICIPALITIES

The Slovak government can improve the effectiveness of employment related interventions and expand the reach of the most effective ones by systematically piloting and evaluating promising ideas, and by investing more in knowledge sharing across municipalities. Governments, also in

Europe, are increasingly using rigorous impact evaluations to pilot programs and measure their effectiveness. This is especially important in areas where policy measures are designed to address some of the greatest social challenges, including improving employment prospects for the long-term unemployed. Examples include a program of systemic evaluations of labor market measures in Denmark, the Netherlands, France, and others.

These evaluations are prospective impact evaluations, or so-called social policy experiments, in which a subset of potential beneficiaries is randomly selected to receive the pilot program. Randomly selected recipients and non-recipients are then followed over time and employment outcomes are compared. Projects that are proven to work will have much more public support for scale up than promising initiatives that have not been subject to a rigorous evaluation. One of the most well-known examples of this is the Mexican conditional cash transfer program Progresa (now called Oportunidades), which was criticized at its inception in 1997 until rigorous impact evaluations showed it was an effective means of using government resources to promote nutrition and school attendance among Mexico’s poor, and was subsequently scaled up. By 2007, program expenditures had reached \$3.7 billion and covered over 5 million families.²⁷ To implement these evaluations, the Slovak evaluation departments in the Ministries can reach out to academics and policy think tanks in Europe – e.g. the Poverty Action Lab Europe – founded at MIT University, and partner with local Slovak think tanks. The European Commission is promoting (and funding) social policy experiments through its PROGRESS facility, as was highlighted during the December 2012 conference on monitoring and evaluation in Bratislava²⁸.

BOX 3-5: INSTITUTIONALIZING IMPACT EVALUATIONS: DANISH NATIONAL
LABOR MARKET AUTHORITY

The Danish Labor Market Authority (LMA) has taken a very proactive approach towards building up evidence on its employment policies, including for vulnerable groups. Its strategy consists of three complementary activities: (1) collecting existing evidence from research reviews on comparable active labor market programs; (2) developing new evidence through randomized control trials of selected LMA projects; and, (3) disseminate evidence to its affiliated job centers, the Ministry of Employment, and the public at large. Information about job center output is available for everyone on the internet (www.ams.dk and www.jobindsats.dk).

In designing and carrying out these evaluations, the LMA works closely with external evaluators – Danish academics – and a selection of its affiliated job centers. Denmark has 98 municipalities, with 93 integrated job centers for all job seekers (insured and uninsured). There are also 4 regional employment councils.

So far it has completed 4 randomized control trials, 2 evaluations are ongoing, and a new one is planned starting August 2012 serving particularly vulnerable groups. In each evaluation, the comparison group is offered the regular package of employment services while the treatment group receives something ‘extra’. For example, the first evaluation consisted of an intervention whereby job seekers were offered bi-weekly counseling as opposed to regular counseling every three months. In the upcoming evaluation, a ‘social mentoring’ pilot will be evaluated. The target group consists of youth 18-29 years old far from the labor market. Local job centers will be provided with funding to hire social

²⁷ E.g. see <http://www.povertyactionlab.org/evaluation/role-conditional-cash-transfers-early-childhood-development-mexico>: Lia C H Fernald, Paul J Gertler, Lynnette M Neufeld. “Role of cash in conditional cash transfer programmes for child health, growth, and development: an analysis of Mexico’s Oportunidades” *Lancet* 2008; 371: 828–37

²⁸ http://siteresources.worldbank.org/EXTROMA/Resources/615986-1325095562445/Diane_Angermueller.ppt.

mentors who will give intensive counseling to vulnerable youth, including advising on accessing social services and education and training opportunities.

Furthermore, the Government of Slovakia program could establish a knowledge portal of “good practices” of municipal activation activities. Many municipalities are undertaking innovative ideas in the area of employment as well as other areas, sometimes in collaboration with the NGO sector. Creating a platform where mayors and other municipal level authorities can exchange these ideas with one another – even a virtual platform – and creating a regional task force that systematically compiles these practises (including impact evaluation findings) and shares them with municipalities can ensure that good but isolated ideas can benefit all municipalities.

3.6.5 POLICY MEASURE 5: MAINTAIN A STRONG SAFETY NET THAT PROTECTS THE MOST VULNERABLE, BUT ALSO ACTIVELY SUPPORTS INCREMENTAL AND SPECIFIC IMPROVEMENTS IN WELFARE

Maintain a strong safety net that protects the most vulnerable. Even with the current levels of family and social assistance support, poor families struggle to make ends meet. Continuing to provide these unconditional social *protection* benefits is therefore essential for protecting the most vulnerable families – Roma and non-Roma – from falling deeper into poverty. Some of the reforms of the BMN program that were proposed in 2011 increase the risk that beneficiaries far removed from the labor market – the largest group among out-of-work Roma - fall into poverty in case they do not succeed to find jobs or engage in activation programs.

Include additional incentives for poor families to invest in incremental and targeted improvements in education, health, employment, and housing. The support system of government transfers to the poor can have a stronger role in promoting specific household investments in health, education, employment, and housing that reduce long-term dependency. Families enrolled in CCT programs receive cash subsidies if they fulfill certain conditions, such as attending preventive health clinics (e.g. child vaccinations), taking nutrition supplementation for young children, and education attendance (Fernald et al. 2008). There is considerable rigorous international evidence from around the world indicating that targeted conditional transfers can lead to significant improvements in health- and education outcomes, and that through these mechanisms, they enhance productivity and reduce long-term dependency. Slovakia has a number of CCT type programs, including the activation allowances which adults receive conditional on carrying out local works. Other countries, and especially countries in Latin America have a number of comprehensive programs that integrate different measures, including Oportunidades in Mexico, Bolsa Alimentação in Brazil, Red de Protección Social in Nicaragua, Programa de Asignación Familiar in Honduras, Familias en Acción in Columbia, Subsidio Unico Familiar in Chile, and the Program of Advancement through Health and Education in Jamaica (Fernald et al. 2008). Of course, such demand side initiatives should be matched with quality and accessible supply side programs. In the context of Roma in Slovakia, the Government may consider:

Incentivizing targeted investments in maternal health and early childhood development – from conception to age 8. This period is critical for the future development and prospects of children, since it bears long-term implications for people’s capabilities in school and on the labor market. The Government of Slovakia may consider providing financial incentives to poor pregnant women and to young mothers to a) attend pre-natal check-ups, b) have their children fully vaccinated, and c) attend information sessions on infant care, nutrition, the risks of smoking, and the use of health insurance.

Strengthening the existing program providing support to poor young families conditional on children participating in pre-school represents an additional potential measure in this regard. Disadvantaged families are currently exempted from paying kindergarten fees and are supported through subsidies for meals. However, qualitative research by the Slovak Governance Institute (2012) revealed that many mothers with children of preschool age lose their social assistance benefit in material need (dávka v hmotnej núdzi) when they become a recipient of the parental allowance (rodičovský príspevok) after giving birth to a child. This is because their new income – i.e. including the parental allowance – exceeds the minimum subsistence level. As a result, they also lose eligibility for the pre-school subsidies. This, perhaps unintended consequence of the eligibility rules for the benefit being tied to the calculation of the Basic Material Needs Benefit threshold excludes among the most vulnerable families – the original target group of this benefit. With total expenses for the meals and fees paid at kindergartens ranging from approximately 20 to 50 Euros per child, preschool is then no longer affordable for many of these families.

Incentivizing secondary school completion, not early school leaving. Early school leaving rates among Roma are extremely high. To adequately address this challenge, the Government could consider making early school leavers under 20 years old ineligible for the current labor activation allowance, and instead provide a bonus to parents of vulnerable youth if children complete secondary education. This could also be linked to encouraging savings (see financial inclusion chapter): for example, including a matching grant component to the bonus if parents have saved a certain amount in a dedicated secondary education savings account. Again, rigorously evaluated examples from successful programs around the world could serve as inspiration for policy makers.

Incentivizing job search incentives. This can be used to promote job search while providing stability. See Policy Measure 1 above.

Incentivizing investments into improved living conditions, especially by the most vulnerable. The Basic Material Needs Benefit provides an additional payment to cover housing and utility costs. While approximately half of all households receive the BMN, approximately one-third (or 24,000) of all Roma households receive housing allowances. Families who do not live in formally accepted buildings with formal tenure (lease/ownership) are not eligible to receive housing benefits. Hence, the housing allowance program rules inherently exclude the neediest Roma families. The Slovak Government may consider (a) delinking eligibility for the housing allowance from formal residence status, or even developing a new subsidy program; (b) imposing conditions on receiving housing allowances in such a way that they can be used only for costs related to housing and utilities, and related expenses; and, (c) linking the housing allowance to household financial planning skills for self improvement of living conditions (i.e., link to financial literacy training, use of prepaid metered utilities such as gas, electricity and water).

To address multiple needs of Roma families through the social protection system, Slovakia can build on international experiences such as the Chile Solidario program. As described below, this program focuses on providing complementary services targeting the poorest families that go beyond the main social safety nets available in Chile. The program's main goal is to help households progressively sustain their exit from extreme poverty by improving their human capital assets, housing, and income-generation capacity. Chile Solidario also has a supply-side component, aimed at ensuring coordination among different social protection programs. The rationale comes from the recognition that an approach with isolated and sectoral programs is not able to address the multiple and interrelated causes of extreme poverty. The long-term objective is to move away from an approach based on single programs toward a system of social protection in which bundles of programs are tailored to meet the specific needs of households that are hard to reach. While the specific target groups are obviously different in the Chile Solidario, the program feature of a dedicated coordinating body providing personalized social protection

support to the most vulnerable provides important lessons for the Roma situation, where the social protection system provides not only a crucial backbone for security but provides also opportunities to stimulate targeted investments in employment, (early) education, health, housing, and financial literacy.

BOX 3-6: FILLING THE GAPS AND INCREASING INDEPENDENCE: CHILE
SOLIDARIO

The Chile Solidario program provides a personalized support system whereby the poorest families receive psychological and social services, guaranteed subsidies, and preferential access to public social programs. A local social worker follows beneficiary families for two years. During this period, households receive direct cash transfers while the social worker assesses their needs, assists them in developing a “family contract” outlining ways the family can improve its living conditions, and connects them to various social programs. Families are provided with support to develop certain competences, which will enable them to reach the social welfare system independently and which will motivate them to strive for change, and with advice and opportunities for orientation.

The program’s main goal is to help households progressively sustain their exit from extreme poverty by improving their human capital assets, housing, and income-generation capacity. Unlike other conditional cash transfer programs in Latin America, which have income support as the main objective, Chile Solidario transfers a comparatively small amount of money. The program’s direct cash transfers (complementary to other social protection programs) are provided at a decreasing rate over 24 months, in order to avoid beneficiary dependency on the program and to gradually prepare families to no longer receive benefits.

Chile Solidario’s supply-side component, aims at ensuring coordination among different social protection programs, enable families to navigate through Chile’s social services institutions independently, to orientate themselves on specific programs and to manage solutions to their own needs. The rationale comes from the recognition that an approach with isolated and sectoral programs is not able to address the multiple and interrelated causes of extreme poverty. The long-term objective is to move away from an approach based on single programs toward a system of social protection in which bundles of programs are tailored to meet the specific needs of households that are hard to reach.

There are four specific programs that aim to facilitate a transition from Chile Solidario to other social protection programs: The Bridge Program, aimed to support extremely poor families. This program functions at the municipality-level and is administered and technically assisted by the ‘Solidarity and Social Investment’ foundation (FOSIS); The Bind Program, aimed to support vulnerable elderly citizens who live on their own. This program functions at the municipality-level and is technically assisted by the National Senior Service (SENAMA); The Street Program, aimed to support adults who are homeless. This program may be performed by municipalities, Provincial Governments and NGO’s and its management and technical assistance are the responsibility of the Ministry of Social Development; And, the Opening Pathways Program, aimed to support children in families where there are situations of forced separation because of an enforcement order to one of its members. The program is implemented by NGOs and its design and methodological support is provided by Ministry of Social Development.

Chile Solidario is part of Chile’s Social Protection System and is represented by the Executive Secretariat of the Ministry of Social Development, which is in charge of coordinating social welfare institutions. It operates as a decentralized system closely related to local government, municipalities, and people responsible for Chile’s main social security programs. To reach out to its target group, Chile

Solidario makes use of the government administration of other social protection systems, but it also uses its own institutional network. In addition, it links its own beneficiaries back to other social protection programs, in order to achieve a fully integrated social protection system.

Chile Solidario's structure and functioning are laid down in a legal framework, which explains the operation principles of the system, its scope and modes, and establishes the state benefits that must be granted to Chilean citizens by right.

Sources: <http://www.chilesolidario.gob.cl/en>; "Safety-nets: How To – A Toolkit for Practitioners," The World Bank: <http://siteresources.worldbank.org/SAFETYNETSANDTRANSFERS/Resources/281945-1291746977764/HowtoCompletePdfs.pdf>.

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3.8 ANNEX: ESTIMATION RESULTS

ANNEX TABLE 3.1: PREDICTING SOCIAL ASSISTANCE AMONG ROMA HOUSEHOLDS IN SLOVAKIA

| | (1) | (2) | (3) | (4) |
|--|--------------------|--------------------|--------------------|--------------------|
| | All: Base Model | All: Full Model | Roma | Non-Roma |
| Roma | .181*** (.043) | .216*** (.043) | | |
| Household Head – Female | -.073** (.030) | -.067** (.029) | -.031 (.039) | -.135*** (.047) |
| Household Head – Age | -.006*** (.001) | -.005*** (.001) | -.005*** (.001) | -.007*** (.002) |
| Household Head – Employed | -.228*** (.033) | -.190*** (.034) | -.241*** (.048) | -.196*** (.045) |
| Number of household members | .031*** (.007) | .024*** (.007) | .034*** (.008) | .019 (.019) |
| Second income quintile | | -.027 (.062) | | |
| Third income quintile | | .024 (.060) | | |
| Fourth income quintile | | -.106* (.062) | | |
| Fifth income quintile | | -.336*** (.061) | | |
| Household suffers from hunger | | .074** (.035) | | |
| Household language is Romani | .076* (.039) | .036 (.039) | .040 (.042) | .300** (.149) |
| Distance to closest Social welfare office: within 3 km | .095** (.043) | .068 (.042) | .075 (.051) | .111 (.083) |
| Dominant ethnicity of settlement is Roma | .021 (.034) | -.004 (.034) | .028 (.038) | .037 (.079) |
| Central region ^b | -.155*** (.053) | -.217*** (.052) | -.212*** (.064) | -.083 (.099) |
| Eastern region ^b | -.080* (.045) | -.129*** (.042) | -.085 (.052) | -.096 (.090) |
| Rural household | .035 (.042) | -.011 (.041) | .033 (.048) | .018 (.085) |
| Constant | .557*** (.088) | .752*** (.100) | .748*** (.096) | .656*** (.166) |
| Observations | 999 | 999 | 676 | 323 |
| R-squared | .209 | .262 | .112 | .136 |

Source: UNDP/World Bank/EC regional Roma survey (2011).

OLS estimations. Robust standard errors in parentheses. Example (Model 2): In Slovakia, Roma households are 21.6 percentage points less likely to complete secondary school than non-Roma, when background characteristics are taken into account. *** p<.01, ** p<.05, * p<.1 ; In addition to income quintiles, the analysis includes ‘missing

income' as a separate income category. Observations for which no information on income was available could hence be included in the estimations. The 'missing income' category is left out of the table. ^aOnly one subject per household was included in the estimation sample: the head of the household. This implies that all individual level background characteristics, such as gender and age, refer to the household head. ^bSlovakia's Western region is omitted from the table. Estimates for the Central and Eastern region refer to the difference of these two regions with the Western region.

ANNEX TABLE 3.2: PREDICTING EMPLOYMENT (AGES 25-64)

| | (1) | (2) | (3) | (4) | (5) |
|---|--------------------|--------------------|--------------------|-------------------|--------------------|
| | All | Roma | Non-Roma | Roma: Men | Roma: Women |
| Roma | -.159*** (.037) | | | | |
| Women | -.157*** (.015) | -.141*** (.017) | -.204*** (.032) | | |
| Age | -.001 (.001) | -.001 (.001) | -.002 (.002) | -.002 (.001) | -.000 (.001) |
| No / incomplete basic education ^a | -.052** (.025) | -.060** (.025) | -.120 (.088) | -.059 (.042) | -.066*** (.023) |
| Complete Secondary education or higher ^{a b} | .188*** (.030) | .132*** (.034) | .295*** (.063) | .134*** (.046) | .131*** (.043) |
| Number of household members | .003 (.005) | .006 (.006) | -.009 (.018) | .013* (.008) | -.002 (.005) |
| Household language is Romani | -.016 (.029) | .006 (.031) | -.148 (.128) | -.003 (.042) | .016 (.032) |
| Distance to employment office: within 3 km | -.028 (.039) | -.039 (.041) | -.011 (.083) | -.052 (.059) | -.025 (.035) |
| Distance to nearest city: within 3 km | .009 (.032) | .012 (.033) | .017 (.073) | -.003 (.046) | .028 (.030) |
| Dominant ethnicity in settlement is Roma | -.010 (.025) | -.029 (.027) | .042 (.067) | -.019 (.039) | -.038 (.026) |
| Central region ^c | .080* (.044) | .126** (.052) | .010 (.088) | .121 (.074) | .134*** (.050) |
| Eastern region ^c | -.031 (.035) | -.044 (.039) | -.009 (.074) | -.081 (.058) | -.007 (.036) |
| Rural household | .005 (.035) | -.002 (.037) | .045 (.073) | -.041 (.053) | .039 (.033) |
| Constant | .385*** (.073) | .196*** (.075) | .290* (.148) | .258** (.115) | -.013 (.069) |
| Observations | 2,085 | 1,450 | 635 | 722 | 728 |
| R-squared | .172 | .105 | .106 | .074 | .083 |

Source: UNDP/World Bank/EC regional Roma survey (2011).

OLS estimations. Robust standard errors in parentheses. Example (Model 1): In Slovakia, Roma of the ages 25-64 are 15.9 percentage points less likely to be employed than non-Roma, when background characteristics are taken into account. *** p<.01, ** p<.05, * p<.1; ^aBoth schooling categories shown in the table should be compared to 'primary or incomplete secondary education'. ^bSecondary school completion also includes those respondents who have incomplete general secondary school. ^cSlovakia's Western region is omitted from the table. Estimates for the Central and Eastern region refer to the difference of these two regions with the Western region.

4 FINANCIAL INCLUSION

Poor households – regardless of ethnicity - need a broad range of financial services just as much as, if not more than, non-poor households. This chapter investigates access to a broad range of financial services for Slovak Roma, explores the link between access to financial services and vulnerability, and highlights examples of policy actions both in Slovakia itself by civil society, as well as in other countries of the world facing similar challenges with excluded communities. The policy recommendations promote a comprehensive, incremental approach to financial inclusion, focusing on (1) expanding financial literacy and debt management training, (2) improving access to financial services with a focus on savings facilitation, and linking savings activities with human development outcomes; and, (3) taking advantage of government social protection payment systems to promote financial inclusion.

4.1 ASSESSMENT²⁹

ROMA IN SLOVAKIA LACK ACCESS TO FINANCIAL SERVICES

Roma in Slovakia lack access to financial services. Only 29% of Roma households in Slovakia have a current account, compared with more than three quarters (77%) of the general population. The precarious economic situation faced by most Roma coupled with a lack of access to saving methods helps explain why only very few Roma households (9%) have any savings at all, and even less households (5%) save in savings accounts. This situation is comparable to other countries in the region.

TABLE 4-1: USAGE OF SAVINGS ACCOUNTS AND OTHER BANKING SERVICES AMONG ROMA HOUSEHOLDS IN SLOVAKIA

| Banking Services ^A | % | Savings | % |
|-------------------------------|----|---|----|
| Saving Account | 5 | Household has Savings (%) ^B | 9 |
| Term Deposits | 2 | Number of Months the Household Could Rely on Savings ^C | 3 |
| Money Transfer Services | 2 | Household with Savings has a Savings Account (%) ^C | 33 |
| Debit/Payment Card | 10 | Home Ownership (%) ^D | 73 |

Source: UNDP/World Bank/EC regional Roma survey (2011). ^A Figures refer to the percentage of Roma households making use of the indicated banking services. ^B ‘Savings’ include e.g. cash, bank deposits and highly valued commodity items like gold. ^C Conditional on household having some form of savings. ^D Measured as family- rather than household-ownership of the dwelling.

A likely cause of this low usage of banking services is the physical remoteness of banks for most Roma households: only about one-third of Roma households in Slovakia live within 3 kilometers of the nearest bank branch. As shown in Table 4-2, this is lowest proportion across the five countries, and reflects the absence of bank branches in the rural areas. Not shown in the table is the finding that two thirds (65%) of Roma households in Slovakia possess either a landline or a mobile phone (used for online banking services in some countries), while about 1 in 5 reports having a computer, 1 in 5 reports being able to use word processing, and 1 in 8 has an internet connection.

²⁹ This chapter has been prepared based in part on selections from the upcoming World Bank report on Financial Inclusion among Roma in five Eastern European countries: Bulgaria, the Czech Republic, Hungary, Romania and Slovakia. The report is titled: “Reducing Vulnerability and Promoting the Self-Employment of Roma in Eastern Europe through Financial Inclusion” and is based on the same survey data that were used for the current report: the data from the regional Roma survey.

TABLE 4-2: HOUSEHOLDS LIVING CLOSE TO A BANK BRANCH (%)

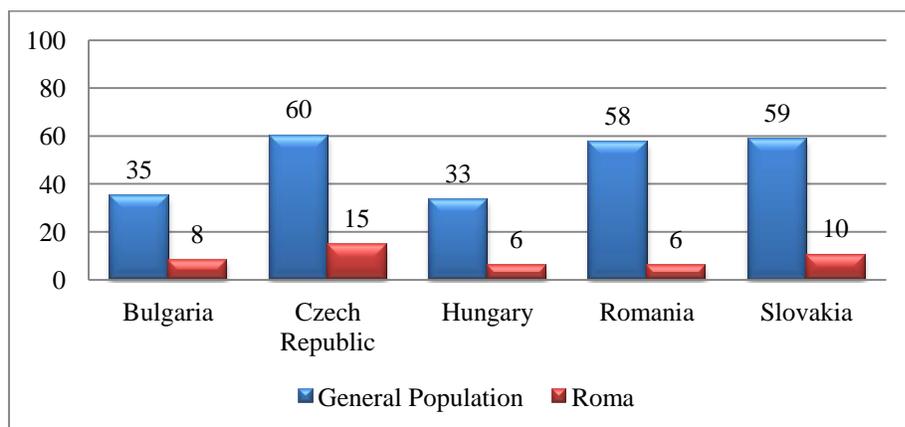
| | Bulgaria | Czech Republic | Hungary | Romania | Slovakia |
|--|----------|----------------|---------|---------|----------|
| General population | 91 | 79 | 92 | 85 | 64 |
| Roma households | 47 | 69 | 60 | 44 | 36 |
| Roma households in urban neighborhoods | 73 | 70 | 79 | 73 | 81 |
| Roma households in rural communities | 19 | 50 | 50 | 26 | 18 |

Source: UNDP/World Bank/EC regional Roma survey (2011) for Roma household data, and EU SILC (Eurostat, 2008) for general population data. Author’s own calculations.

^A For Roma, the data refers to the proportion of households living less than 3 km away from the nearest bank branch. For the general population, the data refers to the proportion of households living close to a bank branch, though the term ‘close’ is left unspecified in the questionnaire administered to households. Thus, survey design differences do not allow a strict comparison between the data.

Irregular employment incomes and low levels of savings translate into considerable economic insecurity. Given the crucial importance of savings for households’ economic security, the fact that few Roma have savings and even fewer saving accounts, is an alarming finding. In fact, few Slovak Roma – 1 in 10 compared with nearly 6 in 10 among the general population – are able to face unexpected expenses without external financial support, and this is directly linked to the lack of savings that Roma families would otherwise be able to draw from.

FIGURE 4-1: ROMA HOUSEHOLDS HAVE A MUCH LOWER SELF-REPORTED ABILITY TO FACE UNEXPECTED EXPENSES WITHOUT EXTERNAL FINANCIAL SUPPORT



Source: General population: EU SILC (2008); Roma: UNDP/World Bank/EC regional Roma survey (2011). The figures represent the share of households reporting an adequate “Ability to pay for unexpected expenses without relying on loans or other external forms of financial support”.

Related, Roma are also more likely to have arrears on utility bills than the general population. 15% of Roma households in Slovakia is in arrears on utility bills, compared with 3% of the general population. This is lower than among Roma in neighboring countries, but the difference with the general population remains large, and in fact exceeds the gap between Roma and non-Roma registered in some of the other countries.

TABLE 4-3: ARREARS ON HOUSEHOLD MORTGAGES, LOANS AND UTILITY BILLS

| | Bulgaria | | Czech Republic | | Hungary | | Romania | | Slovakia | | EU-27 |
|--------------------------------|----------|-----|----------------|-----|---------|-----|---------|-----|----------|-----|-------|
| | Roma | All | Roma | All | Roma | All | Roma | All | Roma | All | |
| Utility Bills (%) ^A | 38 | 32 | 34 | 2 | 46 | 0 | 29 | 23 | 15 | 3 | 1 |

Source: UNDP/World Bank/EC regional Roma survey (2011) for Roma household data, and EU SILC (Eurostat, 2008) for general population data; ^A Bills for any housing related utilities (e.g. electricity and water supply, heating or phone bills).

Most Roma face significant barriers that limit access to credit. As shown in the previous employment section and in the World Bank report on financial inclusion of Roma in Europe (forthcoming, 2012), the potential group of Roma that can take advantage of microcredit is small, as most Roma interested in becoming self-employed face significant barriers that limit access to credit. These barriers include indebtedness, little employment- and professional experience, and very low levels of education: even when compared to that segment of the general population that is being refused credit. The recent social microcredit experience of the Hungarian Kiút program (box below) provides an important example in this regard. Hence, while microcredit can be an important tool for supporting a small group of existing micro entrepreneurs and a small group of starting entrepreneurs, a much larger group may be reached through more basic financial inclusion instruments.

BOX 4-1: EXPERIENCES WITH MICROCREDIT AMONG STARTING ROMA ENTREPRENEURS: THE KIUT PROGRAM IN HUNGARY

The Kiut Program is a two-year microcredit pilot program in Hungary implemented by the Polgar Foundation in collaboration with Raiffeisen Bank, with EU financing. The purpose of the project is to empower poor households, mainly Roma, to become self-employed through microcredit with a goal of reaching up to 300 loans by 2012. At the project start in mid-2010, its field officers sought out potential borrowers in poor communities, especially in Eastern Hungary, offering relatively small-sized, unsecured loans of up to EUR 3,500 for a period of 0.5-1.5 years. The loans are provided in a group setting, so that peer pressure – but not full joint liability – is used to secure the loans. Loans are generally provided sequentially³⁰ and saving is encouraged among members of the group. An ideal group consists of 5 members, but in practice contains a minimum of 3 and maximum of 6 members. The Kiut program supports selected entrepreneurs in registering their business and the first loan is disbursed.

The program succeeded in reaching out to poor Roma families. Project summary statistics based on interviews with serious loan applicants³¹ showed that a ‘typical’ applicant is Roma, male, in his late thirties, either married or living with a spouse, in a household of 5 members, and in a mixed neighborhood, most likely in a village. The applicant generally lives far (around half an hour or longer) from (a) a bank office where a loan could be taken and paid; (b) the local employment office, and (c) any secondary school. The applicant is typically literate but does not have advanced education – usually primary or some vocational. He has been unemployed for nearly two years although has a formal employment history spanning more than 10 years. However, he does not expect to be able to take a regular

³⁰ I.e. credit is given to one borrower at a time under the condition that the previous borrower repaid her loan.

³¹ Kiut field officers carry out a detailed interview with serious loan applicants. This extensive monitoring system was developed in collaboration with the World Bank and UNDP, and financed by DG Regional Policy.

commercial loan of approximately 500 Euros. Furthermore, the typical applicant has low satisfaction with life in general, and especially with the financial situation of the household.

The Kiut early experience underscores the challenges to lend to this group of borrowers. Staff drew several early lessons from the program in May 2011. First, despite the initial goal of concluding loan agreements with 100 customers by the end of the first year, fewer than 50 loans were disbursed, owing to the difficulty of finding good candidates. Even then, by early Winter 2011, many businesses experienced difficulty and there was an increase in the number of late- or non-payment of loan installments, and by May 2011 the program management decided to change the model of the program, most importantly requiring field agents to put greater emphasis on identifying potential entrepreneurial capabilities, even if this may mean in practice attracting fewer clients from the most disadvantaged groups. In addition, the program decided that counseling and training that had been conducted informally by the field workers and crisis managers so far, should be done in a more organized manner. This approach led to much improved lending results.

Source: World Bank (2012): “Reducing Vulnerability and Promoting the Self-Employment of Roma in Eastern Europe through Financial Inclusion”

ACCESS TO FINANCIAL SERVICES IS IMPORTANT, ESPECIALLY FOR THE POOR

Access to financial services is important, especially for the poor. Successful financial inclusion can be evaluated at two different levels: the provision of additional financial *security*, mitigating the impact of economic shocks and uncertainty to marginalized businesses owners and households, and the provision of additional *opportunities* to participate in a wide variety of markets – including the formal labor market. Poor households – including many of Roma households – need a broader range of financial services just as much as, if not more than, non-poor households (Ehrbeck, 2011). For example, poor people need careful financial planning to make ends meet with the limited resources, they need access to savings products to protect themselves against income vulnerabilities that arrive as a result of irregular employment, or they need savings to build up a down payment for a (micro-) loan to make home repairs.³² The importance of financial inclusion for basic welfare outcomes is underscored by a recent increase in political attention for this topic.

In June 2012 The World Bank published a Reference Framework as a resource for preparing new financial inclusion strategies. This Framework highlights that: “Financial inclusion is emerging as a priority for policymakers and regulators in financial sector development, with an increasing number of countries introducing comprehensive measures to improve access to and usage of tailored financial services, informed by a fast-growing body of experience and knowledge. More than 60 countries have initiated financial inclusion reforms in recent years.” The Seoul G20 summit recognized financial inclusion as one of the main pillars of the global development agenda, and a growing number of governments are seeking comprehensive policy-level solutions to improve financial inclusion.

For poor households being able to save in a secure way is perhaps the most crucial form of financial inclusion since this is an important means of increasing economic security. Yet, Roma households almost never have savings accounts. Savings allow people to smooth consumption and respond to income shocks, but also to borrow money, increasing their potential for self-employment. For poor households,

³² For a discussion on microcredit vis-à-vis financial inclusion broadly, e.g. see an August 19, 2011 interview with Mr. Tilman Ehrbeck, the CEO of CGAP: http://www.cgap.org/gm/document-1.9.53154/Tilman_Ehrbeck_Transcript.pdf.

financial exclusion often implies a complete lack of secure means to save, or forces these households to make use of expensive alternatives to regular banking services. Nonetheless, even under these far from ideal circumstances the poor still can and do save (Karlan, 2011). Yale Professor of Economics Dean Karlan concludes that: “The evidence generated thus far on the impact of access to formal savings is limited but very promising,” (Karlan, 2011).

The European Commission (EC) has followed a narrow approach on financial inclusion geared towards basic bank account access, and focuses on ‘financial education’, i.e. citizens’ understanding of complex financial products. In the case of the Roma, a broader approach toward financial inclusion would be more appropriate. In fact, given the extremely high Roma poverty levels, low levels of education, and general degree of marginalization, the challenge of achieving financial inclusion among Roma in Slovakia is comparable with that of achieving financial inclusion among citizens of lower middle income and lower income countries, rather than among the citizens of European countries in general. The ‘Graduation Approach’ provides an example of how poor households facing extremely high economic insecurity are targeted in low and middle income countries:

BOX 4-2: "GRADUATION APPROACH": USING FINANCIAL INCLUSION TO CREATE PATHWAYS TO GRADUATE OUT OF POVERTY

The CGAP-Ford Foundation Graduation Program is a global effort to understand how safety nets, livelihoods, and microfinance can be sequenced to create pathways for the poorest to graduate out of extreme poverty. The graduation model targets poor households facing extremely high economic insecurity. Ten pilots are taking place in Haiti, India in three places (with Bandhan, SKS, and Trickle Up), Pakistan, Honduras, Peru, Ethiopia, Yemen, and Ghana. The pilots involve diverse institutional forms, economic contexts, and cultures. The pilots are implemented through partnerships between financial service providers, nongovernmental organizations, and government units. Several of the pilots are measuring the program’s effects on people’s lives through rigorous randomized impact evaluations and qualitative research.

The Graduation Approach addresses at first the most obstructing barriers that poor households face to accessing financial services. The initial focus on savings illustrates the latter’s crucial role in facilitating a successful transition to self-employment. The approach is built on five core elements: targeting, consumption support, savings, skills training and regular coaching, and an asset transfer. Once the most immediate needs are addressed, households are encouraged and assisted to save, allowing the household to build assets and instilling financial discipline. Only in the final two steps, ‘business skills training’ and the transfer of in-kind assets, does the purpose of self-employment come into play. The asset transfer is included to jump-start small businesses, increasing the chance of a successful transition to self-employment.

Sources: GCAP Graduation Program Overview; Hashemi and De Montesquiou, 2011. CGAP: Haiti Chemen Lavi Miyo Program.

The Bank on San Francisco approach provides an example of how poor households in a rich country like the United States are being targeted for financial inclusion:

BOX 4-3: BANK ON SAN FRANCISCO, UNITED STATES

'Bank on San Francisco' is a collaborative effort to bring 10,000 of the city's estimated 50,000 un-banked individuals into the financial mainstream. The San Francisco Mayor's Office, the Treasurer's Office of the City and County of San Francisco, the Federal Reserve Bank of San Francisco, local non-profit EARN (Earned Assets Resource Network), and the city's financial institutions have worked together to:

- (1) Increase the supply of starter account products that work for the low-income un-banked market by developing baseline product criteria that must be offered by all participating financial institutions;
- (2) Raise awareness amongst un-banked consumers about the benefits of account ownership and spur them to open accounts;
- (3) Make quality money management education more easily available to low-income San Franciscans;
- (4) Clamp down on the proliferation of check cashers and payday lenders;
- (5) Raise city-wide awareness of the un-banked problem and potential solutions.

Such a combination of supply-side networks, political engagement and NGO involvement could also be effective in efforts to include the Roma in Slovakia into the financial mainstream.

Source: Stuhldreher, A.: Bank on San Francisco – An initiative to bring all residents into the financial mainstream (draft).

To promote financial inclusion among Roma in Slovakia, the June 2012 draft Financial Inclusion Action Plan of the Slovak Republic identifies several goals. These have been formulated on the basis of the financial inclusion chapter of the NRIS for which the World Bank team provided inputs:

Goal No. 1: Improve financial literacy. This entails providing marginalized Roma communities with information on financial services, and supporting basic and advanced financial education and training in marginalized Roma communities.

Goal No. 2: Improve access to financial services, with a focus on access to savings and savings facilitation.

Goal No. 3: Increase the protection of marginalized Roma communities against loan shark activities and illegal practices of credit companies. This entails using systematic terrain work, education in financial literacy and a comprehensive revision of criminal law, as well as financial measures aimed at customer protection.

Goal No. 4: Support the development of microfinance programs in marginalized Roma communities with a view to supporting micro-, small- and medium enterprises (MSMEs) and self-employed individuals. This entails supporting the growth of MSMEs using EU tools such as the ESF and the ERDF.

4.2 POLICY RECOMMENDATIONS

Building on the Action Plan Goals 1-4, there are three main policy recommendations: (1) expanding financial literacy and debt management training, (2) improving access to financial services with a focus on savings facilitation, and linking savings activities with human development outcomes; and, (3) taking advantage of government social protection payment systems to promote financial inclusion.

Policy Measure 1: Expanding basic financial literacy and debt management training. Excellent examples from around the world are plentiful, but Slovakia can also build on locally implemented initiatives that can be scaled up. There are many financial literacy training modules – also for school children. In Slovakia, the NGO most active in the area of small scale financial inclusion activities with

disadvantaged Roma is ETP. Together with Autonomia Foundation, it has been working with standardized financial training modules that have proven successful entry points into microsavings and microcredit programs for clients living in marginalized communities. Upscaling initiatives such as this one would help reach the target of improving financial literacy among Roma households. Another possible way of increasing financial literacy among Roma would be to target teen agers through schools.

BOX 4-4: FINANCIAL LITERACY TRAINING AMONG ROMA IN SLOVAKIA

The financial education course developed by ETP Slovakia aims to teach clients to use their finances wisely as well as to help them escape from the trap of debts and give them a new beginning. The financial education course consists of two modules. The first module („Don't Be Afraid of Money“) is for entry-level program participants, children and youth. In this module, the client learns basic knowledge and information about financial management, household budgeting and not spending money beyond means. The second module consists of 6 volumes and is for the intermediate level (i.e. graduates of the first module). This program is conducted in groups in community centers. The participants gain knowledge, skills and attitudes that are necessary for good financial management of their earnings, expenses, savings and investments. The clients learn to plan their finances as well as saving for certain goals in the future. Both courses inform participants about the dangers associated with the excessive interest rates of loans provided by non-banking entities, and how this becomes a trap for clients by creating a vicious circle of growing debts. After the completion of both courses, the successful graduates become eligible to participate in microsavings and microcredit programs administered by ETP Slovakia.

Source: www.etp.sk

Policy Measure 2: Improving access to financial services with a focus on savings facilitation, and linking savings activities with human development outcomes. For example, the Government could support households to open up *targeted* education- or housing savings accounts, in which households are encouraged to save with an explicit purpose. International evidence suggests that targeted savings are successful in raising overall savings. Several locally implemented initiatives can be adopted and scaled up, such as ETP Slovakia's "Individual Development Account", which provides incentives to save for housing improvements. Slovakia can also adopt international models, such as the "Kindergarten-to-College (K2C)" savings initiative used in the USA, in which parents are provided with incentives to save for children's education. Both are described below. Initiatives like these can be linked to social protection transfers like the Benefit in Material Need and family benefit programs.

Earmarking savings for specific purposes is an effective way to not only stimulate saving in general, but to make sure that accumulated savings are spent 'wisely' by poor households. As highlighted in Box 4-5, there are examples of initiatives in which poor families are encouraged to save for specific purposes. This not only guides families through the saving process, teaching them through learning by doing why saving is important and how even small quantities of money can accumulate to a more substantial sum, but also provides incentives for families to spend their savings on investments which are valuable in the long run, such as education and housing improvements.

BOX 4-5: EARMARKING SAVINGS: UNITED STATES AND GHANA

The Kindergarten-to-College program in San Francisco, USA: In order to promote savings and economic mobility, children’s savings accounts have been established as long-term asset-building accounts that grow over time with additional deposits and earnings. San Francisco’s K2C initiative promises to open a college savings account for children entering kindergarten in San Francisco’s public schools, with an opening deposit of \$50 from the City of San Francisco. Low-income families receive an additional \$50 deposit from the city, and EARN, the program’s non-profit sponsor, has committed to provide an additional \$100 to match the savings of the first group of students to participate.

Source: www.earn.org

Labeling savings accounts in Ghana: The focus on earmarking savings is not uncommon. In Ghana, the international organization Innovations for Poverty Action, which carries out randomized counterfactual impact evaluations of innovative ideas, is working with Mumuadu Rural Bank (MRB) to study the response to, and impact of, a new account labelling savings product. It recruited 2100 study participants and found that customers with a labelled (i.e. ‘earmarked’ for housing improvements, school fees, etc.) savings account show a 31.2% increase in total deposits after nine months of account operations as compared to customers who were offered to open a savings account but were not offered the option to earmark it.

Source: <http://www.poverty-action.org/project/0071>

A Slovak example is ETP’s Individual Development Account (Box 4-6). A central element of ETP’s Individual Development Account (IDA) project has been the provision of targeted savings toward home improvements, providing a way to link financial inclusion to improved housing conditions.

BOX 4-6: ‘TARGETING SAVINGS’ PROJECT AMONG ROMA IN SLOVAKIA

ETP’s Individual Development Account³³, is a microsavings initiative which has been made available for 400 individuals in Eastern Slovakia. Since its launch in 2006, it teaches Roma families how to resist loan sharks, better manage limited funds through the month, and – most importantly – think about the future prospects for the whole family. While the program is small, ETP has developed a very important knowledge base of financial inclusion in the marginalized communities through years of fieldwork, which can be capitalized on. ETP describes its project as follows:

“The IDA project is focused on marginalized populations with inappropriate living and housing conditions. The savers are saving their money for a certain amount of time, usually 1 or 2 years, for a certain set goal. Some of them save for roof reconstruction or house expansion, others save for new windows or bathroom. The goal of this program is to teach the participants to think forward and plan their future as well as to teach them to save money, despite their modest income.”

The terms and conditions of the Savings Program are clear but strict. The clients have to open a savings account and monthly deposit a certain amount of money, usually 10-50 Euros. During their saving period, the clients are neither allowed to make any cash withdrawals nor miss their monthly deposit. Those who meet the requirements of the program receive a bonus equal to the amount on their saving account. The clients can also participate in a Micro-loan Program after they have finished saving.

Source: <http://www.etp.sk/en/sporiaci-program-ida/#more-92>

³³ <http://www.etp.sk/en/sporiaci-program-ida/#more-92>

Policy Measure 3: Taking advantage of government social protection payment systems to promote financial inclusion. The Government can play a significant role in incentivizing financial inclusion of Roma by transferring various benefits to accounts that beneficiaries – Roma and non-Roma - open in commercial banks. Providing stable monthly inflow from the social benefits into these accounts may be an important tool for the Government to agree with banks on the provision of low cost “no frills” bank accounts for the poor.

There are many experiences from around the world that Slovakia can draw from to put in place a good - non-stigmatizing - system of E-payments to replace cash payments to poor households. See, for example: www.worldbank.org/paymentsystems. This website includes a report titled “**General Guidelines for the Development of Government Payment Programs**” (World Bank, 2012), which presents a set of comprehensive guidelines that can assist governments and other stakeholders in designing and operating efficient government payment programs. The Slovak system of E-payments should take into consideration the relatively large distances to nearby bank branches and consider ways to promote low-cost branchless banking through the mobile phone. Approximately 65% of Slovak Roma households currently possess a mobile phone, a landline or both.

In the long run, a good system of E-payments can also provide significant savings to governments³⁴. For example, disbursing grants and funds electronically to beneficiaries with newly established bank accounts helped reduce the administrative costs of Brazil’s conditional cash transfer program *Bolsa Familia* from 14.7% to 2.6% of the disbursed grant value, and a recent McKinsey report suggests that the government of India could save \$22.4bn annually by switching to electronic transfers³⁵.

³⁴ World Bank presentations at the *Banking for Progress* workshop in Bratislava on May 24, 2012.

³⁵ Johnson, C., and P. Jaisinghani, *We Must Do Better Than Cash*. USAID Impact Blog, 2012. <http://blog.usaid.gov/2012/02/we-must-do-better-than-cash/>

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5 EDUCATION

This chapter provides a diagnostic of the gap between Roma and the general population in the area of education, and policy recommendations to address this gap. In particular, following an overview of main indicators of educational outcomes, the chapter analyzes in detail the challenges facing Slovak Roma children accessing pre-schools, followed by an analysis of the discouraging trends in special education, and a more macro view of education financing in Slovakia broadly as well as estimate of the fiscal returns to investing in education for Roma children. The section on policy recommendations to improve educational outcomes groups these in three areas, with a priority focus on investing in infants and young children: (1) increase access to quality pre-school, moving toward compulsory preschool from age 3 onwards, and improve home parenting; (2) promote integrated regular primary schooling for all; and, (3) address early (secondary) school leaving. (International) examples for each of these are provided.

5.1 INTRODUCTION

Roma's educational achievements continue to be far below those of non-Roma, regardless of how these are measured. There is a large gap in preschool access, Roma children are much more likely to be streamed into special schools for mentally disabled children or into special classes in regular schools, and rates of secondary school completion and performance on standardized tests are much lower. In some cases, such as streaming children into special schools, the trends are also getting worse over time.

Education is not only a basic human right, but it is arguably the best passport to a better life for people living in poverty. Research from around the world indicates that education is a strong determinant of employment and income.³⁶ Women's education in particular is also closely linked to other positive outcomes such as better child health, nutrition and education, and more manageable fertility rates. Low education therefore tends to cause poverty, because individuals with little or no education are more likely to be unemployed or to earn very little. But the reverse is also true: children from disadvantaged households perform less well in school on average than those from more advantaged households, and leave school earlier. Thus, low education and poverty form a vicious circle that passes poverty from one generation to the next. Slovakia is no exception to this worldwide pattern -- employment rates for individuals who completed upper secondary school are 16.8% higher than for those who did not complete it, and on average, incomes are 30% higher among this group as well.³⁷

As Roma educational achievements lag behind those of the majority population in the countries where they live, improving Roma education is a key priority. The Roma Education Fund (REF), established in 2005 in the framework of the Decade of Roma Inclusion and supported by several bilateral and multilateral organizations, symbolizes the international commitment to closing the gap in educational outcomes between Roma and non-Roma.³⁸ Indeed, education is probably the sector that has received the greatest attention by scholars, activists and governments seeking to promote Roma inclusion. In particular, Roma school segregation and Roma over-representation in schools for the handicapped have been the object of much debate.

³⁶ See, for example: Patrinos, Harrys, and George Psacharopoulos, 2010. *Returns to Education in Developing Countries*, Oxford, England: Elsevier.

³⁷ Income was measured based on a) the income streams of all household members; b) the composition of the household, according to the OECD scale of adult equivalent household size. As such, the income levels that were used here take into account a number of important characteristics of the household in which each individual lives.

³⁸ REF main programs include: (a) project support grants to governments and NGOs, (b) policy development, (c) communication and cross-country learning, (d) tertiary level scholarships, and (e) reimbursable grants to help NGOs and local governments access EU funds for the purpose of expanding Roma access to education.

BOX 5-1: THE NRIS AND IMPROVING EDUCATION AMONG ROMA

The Roma Integration Strategy produced by the Office of the Plenipotentiary for Roma Communities in December 2011 represents the latest Government attempt to tackle the educational needs of the Roma. The 2004 *Concept of Integrated Education of Romani Children and Youth, Including the Development of Secondary and Higher Education* remains the central education-specific document targeting Roma. Its key objectives include improving readiness for school, reducing attendance to special schools, increasing secondary and tertiary school attendance, mentoring arrangements for Romani students, and introducing a study program at the university level focusing on Romani language and literature. The 2011 Strategy calls for a comprehensive reform of the Slovak education system focusing on three objectives: (a) a massive increase in the schooling of Roma children three years old and above (from 18% in 2010 to 50% in 2020); (b) the development and implementation of desegregation standards in schooling; and (c) the development of specific models of school integration and the eventual establishment of a “school inclusiveness index”. Additional specific objectives include: reaching 100% basic school completion, closing the gap in upper secondary enrollment, increasing the number of teachers and pedagogical specialists fluent in Romani, exercising the right to education in a Romani language or to learning Romani, and reducing the overrepresentation of Roma in special education.

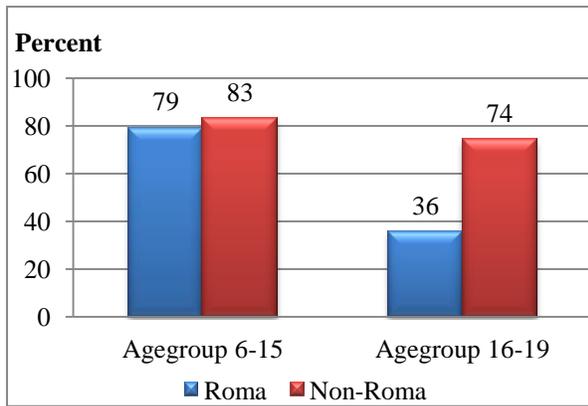
However, since a persistent lack of quantitative information has long stumped efforts to get a more accurate view of the situation, it has thus far remained challenging to engage in well-informed dialogue. On the one hand, education data are not disaggregated by ethnic group, and on the other, many initiatives aimed at improving Roma educational outcomes are not well documented, making it difficult to assess their performance or learn from their experience.³⁹ Unless otherwise noted, information on Roma comes from the 2011 Regional Roma Survey, representative of 83% of the Slovak Roma population. Approximately 42% of Roma that were interviewed in Slovakia report living in communities or neighborhoods where the majority is Roma. Additional information comes from a survey on the living conditions of Roma in Slovakia carried out in 2010 by UNDP in cooperation with the Ministry of Labor, Social Affairs and Family. This survey covered 90 Roma settlements (divided equally among segregated, separated and scattered settlement depending on the level of integration with the majority population) for a total of 720 households.

5.2 EDUCATIONAL OUTCOMES – ROMA VS. NON-ROMA

Enrolment rates in basic (grades 1-9) compulsory school are very similar for Roma and non-Roma children living nearby. In the age group 6-15, which corresponds to the years of compulsory education, the enrolment rate of Roma is 79% and that of non-Roma living nearby is 83% (see Figure 5-1). According to OECD’s Education at a Glance reports, the national net enrolment rate for 5-14 year olds is 96.1%.⁴⁰ Hence, there is a small yet noticeable gap in enrolment rates between Roma and non-Roma, already at primary school ages. Enrolment differences between Roma boys and girls are very small.

³⁹ See, for example, the evaluation of REF-supported projects carried out by Marek Hojsík in 2010.

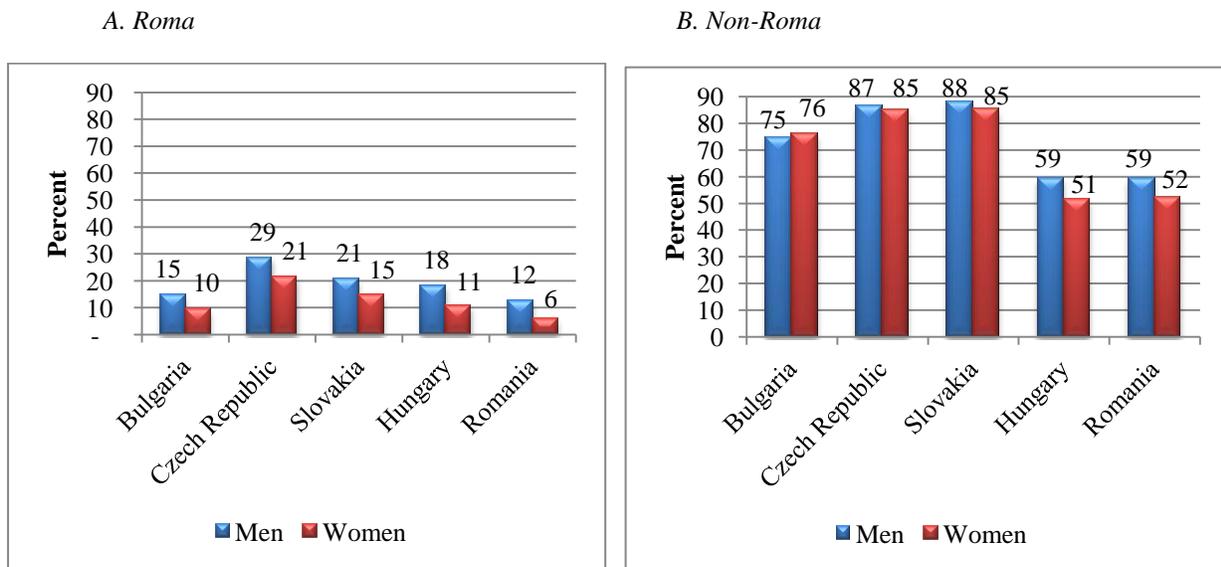
FIGURE 5-1: ENROLMENT RATES AMONG ROMA AND NON-ROMA BY AGE GROUP



Source: UNDP/World Bank/EC regional Roma survey (2011).

But beyond compulsory schooling, enrolment differences become large. When they reach 16 years of age, Roma children start abandoning school and results in a significant enrollment gap in the 16-19 age group, which corresponds to upper secondary school (see Figure 5-1 above). Thus, while only about one third of Roma 16-19 years old are still enrolled in school, three fourths of their non-Roma neighbors are still enrolled. Not surprisingly, even though Slovakia has overall higher secondary school completion rates than most other countries in the region (Figure 5-2), the percentage of Roma completing secondary school (21% for boys and 15% for girls) is alarmingly low for European standards and dramatically lower than for non-Roma (approx. 70 percentage points lower). Also not surprisingly, given the patterns across the region, girls’ completion rates are even lower than those for boys.

FIGURE 5-2: SECONDARY SCHOOL COMPLETION RATES AMONG ROMA AND NON-ROMA NEIGHBORS, AGE 25-64



Source: UNDP/World Bank/EC regional Roma survey (2011). ‘Secondary school completion’ is defined as having completed either a vocational/technical or a general secondary school program, or a higher level of education. Sample restricted to age group 25-64.

As a result, education levels are very low among the working-age Roma. Table 5-1 shows the distribution of the highest education level attended. It shows that only about one third (32%) of Roma men and one quarter of Roma women (24%) has attended (not necessarily completed) some form of upper secondary school.⁴¹ Among the general population, nearly three quarters (74% and 71% of men and women, respectively) have reached this level, while more than one in five (22% of both men and women) have reached tertiary level.

TABLE 5-1: HIGHEST LEVEL OF EDUCATION ATTENDED

| <i>Highest level of education attended</i> | <i>General Population</i> | | <i>Roma</i> | |
|--|---------------------------|---------------|-------------|---------------|
| | <i>(%)</i> | | <i>(%)</i> | |
| | <i>Male</i> | <i>Female</i> | <i>Male</i> | <i>Female</i> |
| Basic education (or none) | 0 | 0 | 5 | 7 |
| Lower secondary/Upper basic | 4 | 7 | 63 | 70 |
| Upper secondary | 74 | 71 | 32 | 24 |
| Tertiary | 22 | 22 | 0 | 0 |

Source: Roma: UNDP/World Bank/EC regional Roma survey; General population: EU-SILC (Eurostat, 2009). ^A Education levels for 25-64 year-old population excluding current students.

Whether the household head has completed secondary education is the most important factor related to Roma’s lower educational achievements. When analyzing the causes of low secondary education completion rates among Roma⁴² (see Annex), it turns out that whether the household head completed secondary school is the factor that has the largest effect: this makes Roma children over 40 percentage points more likely to complete secondary school (significant at 1% level). Other background characteristics that appear to play a role are⁴³: the size of the household (the larger the household, the less likely to complete high school), income (the richer the household, the more likely to complete high school), suffering from hunger (which has a negative impact), living in rural areas (which makes Roma more likely to complete high school), having attended preschool and proximity to a high school (both of

⁴¹ This category includes: (a) Incomplete secondary vocational/technical; (b) Secondary voc/technical (1 or 2 years); (c) Secondary vocational/technical (3 or 4 years); (d) Incomplete secondary general (4 years); (e) Secondary general (4 years).

⁴² The model used to analyze the causes of (low) secondary school completion is an Ordinary Least Squares (OLS) regression model, with Secondary School Completion as the dependent variable. In this case, ‘secondary school completion’ is defined broadly, i.e., also including subjects who completed only part of their secondary school. Independent variables included are: ethnicity (Roma vs. non-Roma living nearby), gender, age, preschool attendance, gender of the household head, educational background of the household head (i.e., whether the latter has completed secondary school), age of the household head, the number of household members, income (included as quintiles), whether the household suffers from hunger, whether Romani is spoken at home, whether the closest secondary school is within walking distance from the household’s dwelling (i.e., within 3 km), whether the dominant ethnicity of the settlement is Roma, the region (West, Central, East), and whether the household lives in a rural or an urban location. The model was estimated for those who had completed at least some primary education, among the age group 18-30, in three iterations: (1) for both Roma and non-Roma living nearby (with the ethnicity independent variable included), (2) for Roma only, and (3) for non-Roma only (in models 2 and 3 the ethnicity variable was left out). The Annex at the end of this chapter gives a more elaborate description of the model, including the full set of model estimates.

⁴³ This list was taken from the second model iteration, i.e. the model including only Roma subjects. Only significant (at 10 percent level) predictors are listed here.

which have a positive impact). It should be noted that for Roma, contrary to what happens for non-Roma living nearby, when all other background characteristics are the same, being a girl is not a disadvantage. It is also interesting that for non-Roma living nearby, only three factors are significantly associated to higher rates of secondary school completion: gender (with women being at a disadvantage), age, and whether the household head completed secondary school (which has the strongest effect).⁴⁴

Low educational aspirations by Roma are unlikely a key impediment to educational outcomes.

While the discrepancy in opportunities is clear, one may wonder whether, even if barriers to accessing quality education were removed, Roma children would be interested in studying more when their parents have received so little education themselves. This is partly because parents who have not reached a high level of education may not be aware of the value of being educated. Household members aged 16 years and older in the regional Roma survey (2011) were asked “what do you believe is a sufficient level of education for a Roma child?”. The responses were similar for girls and boys, and mirrored the *actual* educational attainment among the general population: more than 60% wanted an upper secondary school diploma. In the same vein, the 2010 Slovak Roma survey found that three fourths of the parents of elementary school students wanted their children to go on to secondary school. On the other hand, less than half of the parents of high school students (46%) wanted their children to go on to university, although this may be more the reflection of significantly greater costs of attending university than of lack of ambition. As such, low aspirations do not seem to be an impediment to educational outcomes, at least up to secondary school completion, among Roma.

Ethnicity seems to matter regardless of background characteristics and aspirations. When all characteristics are equal, on average a Roma is 26 percentage points less likely than a non-Roma to complete secondary education (significant at 1% level – see Annex Table 5.1). This means that Roma’s educational attainment is lower, not only because Roma tend to have unfavorable backgrounds --e.g., a poor and large family, uneducated parents and no preschool-- but also because of their ‘being Roma’. With the information available from existing nationally representative surveys it is impossible to determine in which ways “being Roma” is an obstacle, but qualitative research provides abundant material to make some educated guesses. On the one hand, it has been noted that the Slovak school system does not respect traditional Roma culture and socialization patterns⁴⁵ Roma children are raised with much more freedom than their non-Roma counterparts, without stressing delayed gratification and discipline. They are expected to learn primarily by mimicking and without correction from adults, with special emphasis on non-verbal communication –something that helps explain their relatively limited spoken language development when they start school. Also, even though Roma parents have educational aspirations for their children, they are generally less equipped to help their children with homework. On the other hand, there have been many accounts of teacher bias and discrimination against Roma students, or simply of the lower expectations teachers have for the school performance of Roma children, which are then reflected in lower achievement and low self-esteem/low ambition.⁴⁶ Indeed, among Roma in Slovakia who report having been in contact with educational institutions, 32% have experienced discrimination, almost half of which was based on ethnicity. Among non-Roma, 27% reports to have experienced discrimination, but none of these discrimination cases were based on ethnicity.

⁴⁴ The fact that income does not appear to be a good predictor of high school completion for non-Roma in the survey should not be interpreted as meaning that income no longer matters for educational achievement in Slovakia. It does matter overall, but non-Roma living near Roma settlements tend to be in the lower income brackets, and it is the variations *within* the lower income brackets that make no significant difference.

⁴⁵ See for example: Marcincin and Marcincinová (2009), and Kosova and Hul’ova (2006).

⁴⁶ Sociological research offers convincing evidence of the impact of low expectations and negative labeling on performance. Self-fulfilling prophecy is one of the main theories that have been used to explain the influence of teacher expectations and perceptions of students on student achievements. See for example Ministry et al. (2009).

The reasons given by young Roma for dropping out of school are both economic and cultural. When asked why they had not continued schooling all the way to complete secondary school, Roma drop-outs younger than 23 years of age gave three main answers: the costs of education were too high, they felt they were already sufficiently educated or, in the case of girls only, they got pregnant (11%). The first answer can be easily understood, as even in public schools there are considerable costs associated with studying, such as transport, books and fees for specific activities. Indeed, almost half of the Roma households in the 2010 survey said that they had difficulties in covering educational expenditures for high school students (see Box 5-2).⁴⁷ The feeling that lower secondary school represents a sufficient educational achievement, which was reported to be the main reason for not completing secondary school by 31% of Roma boys and 24% of Roma girls aged 6-23 in the 2011 survey, reflects a misperception in terms of the impact of education but can be understood considering that employment rates for Roma are a measly 20% for men and 9% for women --as succinctly put by a Roma youth, if the end result is going to be unemployment, why bother getting an education? More in general, this apparent limited ambition can be explained as the expression of the low self-esteem that psychological studies have typically found among adolescents who perceive themselves as victims of discrimination (see for example Harris-Britt et al, 2007). However, bullying, which often underlines a discriminatory attitude by classmates, was not mentioned as a reason to abandon school.

BOX 5-2: DIFFICULTIES IN ATTENDING HIGH SCHOOL

The staff from a high school with a sizable number of students coming from Roma settlements point out that some of their students may not come to school because they have no good shoes to brave bad weather, or simply no decent clothes to wear. Transport money is also a problem, even if the round trip on the bus is just €1. But perhaps the biggest difficulty is the sense of inferiority that eats away their self-confidence. For example, at an event offering a buffet, none of the Roma students dared to eat in front of the others -- and they certainly were hungry-- conscious of their poor manners and worried about being judged needy or greedy.

Source: Personal communication, Kosice.

It has also been suggested that Roma youth may abandon secondary school to take advantage of labor activation programs. Upon turning 16, youth become eligible for labor activation programs that provide paid employment for up to six months at about € 60-65 per month (after a six-month break, another twelve-month cycle is possible). This amount is considerably higher than the social scholarships provided on the basis of school attendance (€ 20-40 per month) and, more importantly, it goes directly into the pockets of the youngster while the social scholarship goes either to the school or, depending on the school's decision, to the parents. Needless to say, abandoning school for a short-term job is a short-sighted strategy, but its attraction from the point of view of an adolescent can be easily understood, especially when there is no counterargument offered by parents and peers. Indeed, several field workers have pointed out that, contrary to non-Roma parents, the typical Roma parent in a settlement does not encourage his/her children to pursue an education. As it is typical of people living in poverty and with

⁴⁷ There are teaching methods that target problems like the ones described in the bottom part of Box 1. For example a paper by Sharan examines five such methods, and evaluates their effects on academic achievements, interactions between children of different ethnic backgrounds, etc. See: Sharan, S., 1980: "Cooperative Learning in Small Groups: Recent Methods and Effects on Achievement, Attitudes, and Ethnic Relations" *Review of Educational Research*, 50 (2): 241-271.

uncertain futures, the planning horizon is very short and a certain immediate earning is preferable to the higher but less certain rewards of a high school degree.

5.3 GETTING OFF TO A GOOD START – EARLY CHILDHOOD EDUCATION

The majority of Slovakia’s children attend preschool from the age of three. Regular attendance of quality kindergartens is a high return investment, both for the individual in terms of cognitive development and for society in terms of improved labor productivity in adulthood. In 2010, there were 162,000 children aged 3-5 years old. In the same year, there were approximately 139,000 children (of varying ages) in 7,126 kindergarten classes (National Statistics Office), reflecting a gross enrolment rate of 85%. Net enrolment stood at 72 percentage for the ages 3-5,⁴⁸ meaning that about 45,000 children in this age group were not enrolled in pre-school during this period.

A large body of international evidence underscores the importance of early intervention –from conception to age 8– on child development.⁴⁹ Early childhood development programs are particularly beneficial to children from disadvantaged backgrounds.⁵⁰ As Nobel laureate economist James Heckman argues, “investing in disadvantaged young children is a rare public policy with no equity-efficiency tradeoff”⁵¹. A new review of the scientific literature by *The Lancet* (October 2011) similarly concludes that “[...] unless governments allocate more resources to quality early child development programmes for the poorest people in the population, economic disparities will continue and widen.”⁵²

BOX 5-3: EVIDENCE ON THE IMPORTANCE OF EARLY CHILDHOOD DEVELOPMENT

In 2007, the international science journal *The Lancet* published a first series on early child development, reviewing the evidence from the international scientific literature. In October 2011, a new series of two review papers documented subsequent progress worldwide.

The first review article in the series¹ underscores that inequalities in child development begin prenatally and in the first years of life. These inequalities include insufficient early intake of micronutrients (certain minerals and vitamins) and lower levels of cognitive stimulation. The evidence reviewed underscores that the most effective and cost-efficient time to prevent inequalities is early in life before trajectories have been firmly established.

The second scientific review article¹ assesses the effectiveness of early child development interventions. It concludes that parenting support and preschool enrolment can improve early child development, “[...] with effects greater for programmes of higher quality and for the most vulnerable children. Other promising interventions for the promotion of early child development include children’s educational media, interventions with children at high risk, and combining the promotion of early child development with conditional cash transfer programmes. Effective investments in early child development have the

⁴⁸ UNICEF, TransMONEE database 2011.

⁴⁹ Nores and Barnett 2010; Burger 2010; UNESCO 2007.

⁵⁰ Burger 2010; Heckman and Masterov 2007; Young 1996; Open Society Foundations/Roma Education Fund/UNICEF (2012).

⁵¹ Heckman and Masterov 2007.

⁵² Engle et al. (2011) “Strategies for reducing inequalities and improving developmental outcomes for young children in low-income and middle-income countries”. *The Lancet*, 378 (9799): 1339 – 1353.

potential to reduce inequalities perpetuated by poverty, poor nutrition, and restricted learning opportunities. A simulation model of the potential long-term economic effects of increasing preschool enrolment to 25% or 50% in every low-income and middle-income country showed a benefit-to-cost ratio ranging from 6.4 to 17.6, depending on preschool enrolment rate and discount rate.”

Roma children benefiting from preschool and parental stimulation have significantly higher cognitive outcomes, consistent with the international evidence. Roma children 4-6 years old attending preschool in Slovakia (as well as in the Czech Republic, Hungary, Romania and Bulgaria) are more likely to be able to (a) identify ten letters of the alphabet, (b) read four simple popular words, (c) write their own name, (d) recognize numbers from 1-10, and (e) know simple sentences in the national language.⁵³ For example, about 65% of Slovak Roma children aged 4-6 are reported to know simple sentences in Slovak, but the percentage goes up to approximately 85% among those who are attending pre-school. Similarly, while 38% of 4-6 year old Roma not attending preschool can identify at least ten letters of the alphabet, the percentage goes up to 62% if they attend preschool. Likewise, Roma children whose parents are reported to have taught them letters or how to count in the past three days have significantly higher cognitive outcomes.

Roma children benefiting from preschool have also significantly better later life outcomes: they are much less likely to enroll into special school, more likely to complete secondary school, and less likely to be on social assistance. Again, consistent with the international evidence, when comparing Roma from the same neighborhood, those who attended kindergarten as children have better outcomes in later life than those who did not. For example, subsequent enrolment into special school is reduced by 7 percentage points. Given that 12% of Slovak Roma children are streamed into special primary schools, this reduction of 7 percentage points is equivalent to a 58% drop. Similar sizeable differences are found for the Czech Republic. Preschool attendance is also strongly linked with subsequent secondary school completion: 15% secondary school completion among those who didn't attend preschool compared with 20% among those who did, which reflects an increase of 33%. Regression estimates suggest that the increase is even larger when comparing individuals within the same geographical communities. And, preschool attendance is linked to lower rates of social assistance as adults – by 11 percentage points for Slovakia.

The vast majority of Slovak Roma children lack access to preschool, with preschool enrolment rates far behind the national average for children aged 3-5 years. There are about 27,000 young Roma children aged 3-5⁵⁴ (9,000 children aged 3, 9,000 aged 4, and another 9,000 aged 6). Since approximately four out of five are not in preschool, this represents around 21,000 children aged 3-5 who do not have access to preschool. Within this same age bracket, the average enrolment rate among surveyed Roma children is a mere 18%, well below the national average of 72%. Roma girls especially are unlikely to be enrolled in kindergarten. This very large gap is comparable to the gap that exists in the Czech Republic. On the other hand, Hungary has much higher preschool enrolment rates with more than two thirds of Hungarian Roma children now in kindergarten (see Table 5-2 below).

⁵³ These results are based on OLS estimations whereby cognitive outcomes are the dependent variables. The estimations control for enumeration area fixed effects, which effectively means that the outcomes of Roma children from the same neighborhoods –some participating in the local preschool, while others are not– are compared. The estimations also control for background characteristics such as the child's age, gender, hospital birth, general health states, background characteristics of the child's primary caretaker (age, gender, whether s/he works, attended preschool in the past, and secondary school completion), and quintiles of per capita household income.

⁵⁴ Based on the population structure in the sample of Roma interviewed as part of the UNDP/WB/EC Regional Policy Roma survey (2011), and assuming the Slovak Roma population total of 320,000.

TABLE 5-2: PRESCHOOL NET ENROLMENT RATES

| | Bulgaria | Czech Republic* | Slovakia* | Hungary | Romania |
|----------------------------|----------|-----------------|-----------|---------|---------|
| <i>Roma girls</i> | 38 | 19 | 14 | 71 | 32 |
| <i>Roma boys</i> | 42 | 25 | 20 | 61 | 33 |
| Roma average (2011) | 40 | 22 | 18 | 66 | 32 |
| National average (2009-10) | 75 | 79 | 72 | 88 | 77 |

Source: UNDP/World Bank/EC regional Roma survey (2011). ^ATo make comparison with national data, we rely on the UNICEF's TransMONEE database 2011. National data for Slovakia are for the year 2008-09. To make the estimates consistent with age groups used to report preschool enrollments in the TransMONEE 2011 database, enrollments for the Czech Republic and Slovakia (*) were estimated for the 3-5 year age group. For the other countries, the TransMONEE age group is 3-6 years.

In Slovakia pre-primary education remains voluntary, although the newest education strategy advocates for compulsory early childhood education. Pre-primary education caters for children from 3 to 6 years of age. Attendance is not compulsory. Public-sector authorities partially charge fees, except to parents of children in the last year before compulsory school attendance.⁵⁵ Preparatory classes, called the zero grade, can be set up in primary schools for children who are 6 or older and who are not considered ready to enter primary school. These children can be placed into zero grade with the agreement of the legal guardian (Dral et al., 2008).⁵⁶

Several new EU Member states are expanding preschool. Since 2011, Poland, for example, requires all five year olds to complete a year in preschool. In Bulgaria legal amendments from September 2010 provide for two years of compulsory preschool education, which would encompass all 5-year olds. Municipalities have two years to ensure that they are able to accommodate all children and the government, with World Bank financing, has embarked on an ambitious Social Inclusion Program to expand preschool access. In Romania, according to a legal amendment from January 2011, as of academic year 2012-13, there will be one compulsory year of preschool education that is meant to equalize the level of preparation of all children for the primary grades. And, finally, Hungary has been able to reach much higher enrolment rates by making preschool a priority area, as explained in Box 5-4.

BOX 5-4: PRESCHOOL IN HUNGARY

Preschool enrolment among Roma (and the poor more generally) in Hungary is considerably higher than in Slovakia, and than in other neighboring countries. For example, while 49% of Hungarian Roma children report attending some form of preschool, the corresponding rate among Slovak Roma is 10%. At age five, 86% of Hungarian Roma children are enrolled compared with a mere 36% of Slovak Roma and 75% of Slovak non-Roma neighbors. In other words, Hungarian Roma are more likely to be in pre-school than Slovak non-Roma living close to Slovak Roma. There are some important differences between the Hungarian and Slovakia preschool systems.

⁵⁵ Eurydice (2011). National system overview on education systems in Europe; 2011 Edition. Slovakia

⁵⁶ It has been remarked that zero grades can also be an important pathway for Roma segregation and enrollment in special schools and classes. Since Roma are more likely to be 'unprepared' for school than other children, they are put in zero classes disproportionately. Then, since they don't enter with their peers they are not 'ready' at the end of the zero grade and are placed in special schools/classes, supposedly to give them time to catch up. But the testing ensures they remain in special schools. This is discussed in *School as Ghetto* amongst other sources.

- In Hungary, kindergarten was optional from the age of 3 and compulsory from the age of 5. The new education law, passed in December 2011, calls for compulsory preschool from age 3. Mandatory primary school entry age is 6 years, although children may stay in kindergarten for an extra year, until turning 7.

-Public-sector kindergartens charge no tuition, although they charge a compensation for extra services not included in their basic tasks, such as for meals, excursions and extracurricular activities. Non state kindergartens may charge fees.

- To improve access for the poor, meals have been free for families receiving a supplemental child protection allowance. Furthermore, since 2009, parents of multiply disadvantaged children have been encouraged through subsidies to enroll their children as early as possible. The so-called "kindergarten subsidy program" grants disadvantaged families a twice a year subsidy of 10 000 HUF (approx 35 Euro) per child aged 3-4 years conditional on the child attending pre-school regularly. The eligibility criteria are based on multiple disadvantages (a legal category, it including low education of the mother and means testing by the local notary).

- Financing of preschool has come from a combination of central government funding (30-40 percent), parents (10 parents), and municipal governments (the rest). Parents' fees are lowered or cancelled completely for those with low incomes. Municipal financing has been a challenge for poor municipalities. It is possible for them to contract with private and voluntary sector providers, services are almost entirely public.

To address the shortage of preschool places, the government issued specific calls for proposals in 2009 partly for the improvement of school education and partly for the development of kindergartens and kindergarten-related projects in the 33 most disadvantaged micro-regions. These fell under the scheme of the infrastructure development within the Regional Operational Programme. Nevertheless, lack of physical space and personnel in preschools was a constraint in many instances.

Slovak Roma parents with children in preschool report spending approximately € 7 per month on preschool, with lunch being provided for a fee in three fourths of the cases. The survey asked parents about the expenses on fees, books, transport, clothes (uniforms), and food. The table below shows the low actual costs in Hungary (on average €1.3 per month) compared with Slovakia, with the highest expenses reported in the Czech Republic (€ 25.6). The large majority of Roma parents in Slovakia, as well as in Bulgaria and Czech Republic, report that children receive food that is covered by a fee charged to the parents, while in Romania the majority of parents report that their children are expected to take their own lunch with them. Hungary stands out for freely providing food to virtually all children (see Table 5-3 for details).

TABLE 5-3: MONTHLY PRESCHOOL EXPENSES BY PARENTS WITH CHILDREN IN PRESCHOOL, AND PROVISION OF FOOD

| | Bulgaria | Czech Republic | Hungary | Romania | Slovakia |
|-------------------------------|----------|----------------|---------|---------|----------|
| Monthly cost (mean - Euro) | 15.4 | 25.6 | 1.3 | 7.5 | 7.2 |
| Monthly cost (median - Euro) | 17.4 | 24.7 | 0.0 | 2.2 | 4.0 |
| Provision of food (%) | | | | | |
| Yes, freely provided | 23.1 | 4.9 | 97.0 | 33.0 | 28.0 |
| Covered by fee | 75.6 | 92.2 | 2.4 | 2.7 | 72.0 |
| Children must bring own lunch | 1.3 | 2.9 | 0.6 | 64.3 | 0.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

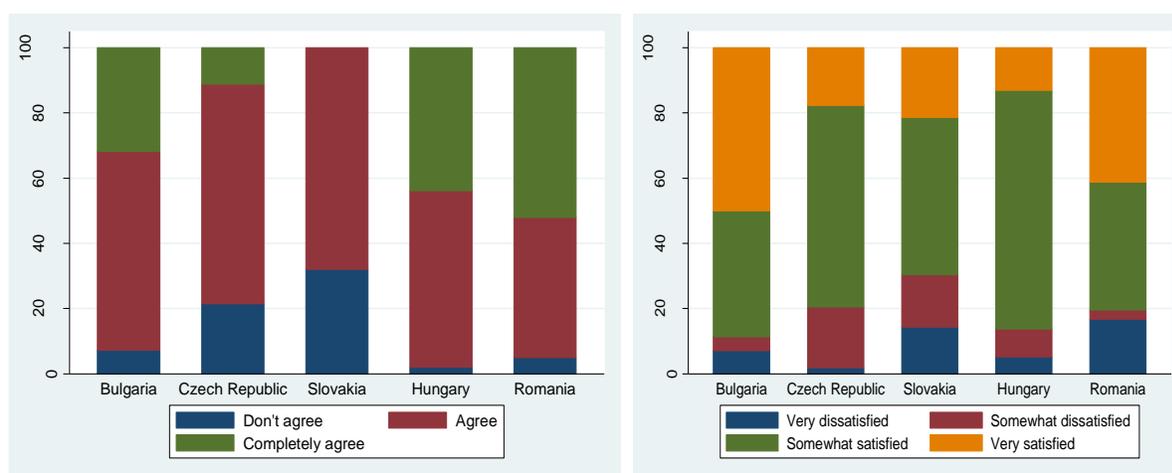
Source: UNDP/World Bank/EC regional Roma survey (2011).

Preschool in Slovakia is more segregated than in neighboring countries. According to the regional Roma survey data (2011), Slovakia had the highest fraction of children attending ‘all’ or ‘nearly all’ Roma kindergartens (48%), indicating a high degree of segregation in early education. In Romania the figure is similar (46%) but in Bulgaria, Czech Republic and Hungary it is much lower (18%, 16% and 21%, respectively). It should be noted that the high degree of segregation is not the result of preschools being located in Roma settlements, as only 11% of Roma children in preschool attend a kindergarten located in the settlement.

While the majority of Slovak Roma parents with children enrolled in preschool feel that their children are welcomed, about one third of parents feel they are not. This is presented in Figure 5-3. The rate of dissatisfaction, although still a minority, is higher in Slovakia than in all other countries that were surveyed.

FIGURE 5-3: SATISFACTION WITH PRESCHOOLS AMONG ROMA CHILDREN AND PARENTS

A. Do Roma children feel welcome in preschools? B. Parental satisfaction



Source: UNDP/World Bank/EC regional Roma survey (2011).

Most Roma households report not sending a child to preschool because they thought the child was too young and/or because home care was available, but many would consider enrolling their child into preschool if there were no fees involved or if they would receive food coupons or if the school had a Roma teacher (assistant). A substantial proportion (16%) of parents also reported ‘too far’ as a main reason for not sending their children to kindergarten. Table 5-4 shows that the responses around home care are comparable with the responses in other countries, while fewer parents in Slovakia (and Hungary) report expenses as being a main reason, and more parents report ‘too far’ as being a main reason. On the other hand, when asked if they would reconsider enrolling their child into preschool if preschool were free or if they would receive a food coupon, more than 40% of Slovak Roma parents responded ‘yes’, and approximately 20% responded ‘maybe’. This is consistent with reports from kindergarten staff that children tend to stop coming to school if the household loses eligibility to the cheaper food fees charged to recipients of social aid. Also, almost half of the parents indicated that they would reconsider sending their children to preschool if there were a Roma teacher or teaching assistant.

TABLE 5-4: REASONS FOR NOT SENDING CHILD (3-6) TO PRESCHOOL

| | Bulgaria | Czech Republic | Hungary | Romania | Slovakia |
|--------------------------|----------|----------------|---------|---------|----------|
| Child is too young | 28% | 26% | 49% | 46% | 23% |
| No need (have home care) | 29% | 40% | 24% | 21% | 37% |
| Too expensive | 40% | 21% | 4% | 22% | 5% |
| Child should stay home | 8% | 13% | 3% | 2% | 7% |
| Too far | 4% | 2% | 0% | 6% | 16% |
| No place | 3% | 5% | 2% | 0% | 3% |
| On the waiting list | 1% | 5% | 3% | 1% | 2% |
| Don't trust teachers | 0% | 2% | 0% | 0% | 1% |
| Language | 0% | 1% | 0% | 0% | 2% |
| Child is ill-treated | 1% | 2% | 0% | 0% | 0% |

Source: UNDP/World Bank/EC regional Roma survey (2011).

Many young Roma children could likely benefit from greater cognitive stimulation at home. Child development depends of course not just on schooling, but importantly on the home environment. Roma children face multiple disadvantages in this regard. With so many children growing up in deep poverty, infants are at higher risk of malnutrition, and families lack the means to purchase books and other learning tools. Furthermore, the very low education levels among men and especially among women, is a barrier to effective parenting support for cognitive development. The 2011 survey asked about access to books at home and several questions on parenting techniques. Indeed, few Roma children aged 3-5 have access to books: on average 2.6 books and a median of only 1 book, indicating that a typical Roma child in this age group only has 1 book at home. This is comparable to the situation in Bulgaria and Romania, while Roma families in the Czech Republic and in Hungary have more books (5 and 4, respectively, for the median). Parental time spent with children in stimulating activities is also an important input to cognitive development. Less than one quarter of the Roma children aged 3-5 were taught letters or counting by their caregivers in the past three days, and less than half looked at picture books or read books, or drew or painted with their caregivers (Table 5-5).

TABLE 5-5: HOME ENVIRONMENT

| | Bulgaria | Czech Republic | Hungary | Romania | Slovakia |
|---|----------|----------------|---------|---------|----------|
| <i>Number of books at home:</i> | | | | | |
| Mean | 1.8 | 7.0 | 7.2 | 1.2 | 2.6 |
| Median | 0 | 5 | 4 | 0 | 1 |
| <i>Activities with children, past 3 days:</i> | | | | | |
| Look at picture books or read books | 23% | 50% | 57% | 17% | 44% |
| Draw or paint | 21% | 51% | 42% | 19% | 45% |
| Teach letters or count | 15% | 21% | 29% | 12% | 22% |

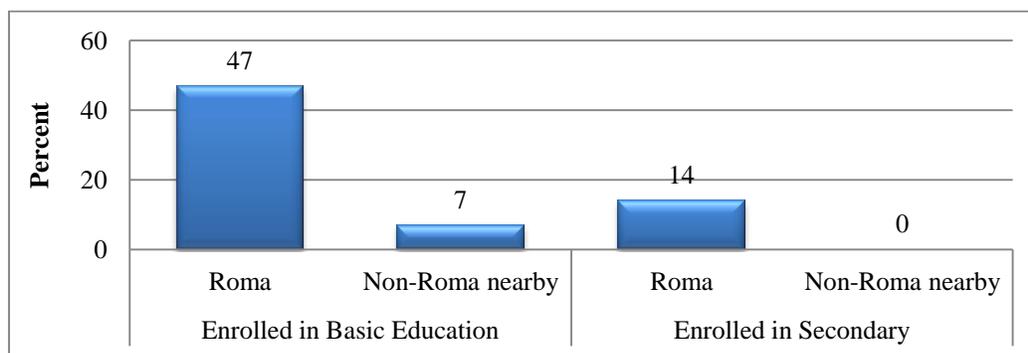
Source: UNDP/World Bank/EC regional Roma survey (2011). ^A Limited to households with children aged 3-5 years old. Source: regional Roma survey (2011). Authors' calculations.

5.4 THE SPECIAL CASE OF SPECIAL EDUCATION

Roma children continue to be over-represented in special schools and classes. Official data in 2003-04 showed that while the share of Roma children in standard primary schools was 0.53%, the figure for special schools was almost fifteen times higher – 7.6% (Salner, 2005). In the same vein, estimates based on field research carried out in 2008-09 on a statistically representative sample were that Roma made up about 60% of the enrolments in special schools (Friedman et al., 2009). In particular, Roma were estimated to be 76% of the children in the first four years of special primary education, and 86% of the students in special classes within standard schools. The findings of the 2010 Slovak Roma Survey and the 2011 regional Roma survey confirm Roma over-representation in special education. 91% of special classes in regular schools and 65% of special primary schools have only or almost only Roma students.

The regional Roma survey (2011) supports a very high level of classroom-level segregation among Roma. Figure 5-4 below shows that nearly half of Roma children currently attending basic education are in classes where most of the children are Roma. Among their non-Roma neighbors, who were also interviewed, only 7% are in classes with mostly Roma children.

FIGURE 5-4: SEGREGATION: % OF PUPILS REPORTING TO BE IN CLASS WITH MOSTLY ROMA PUPILS



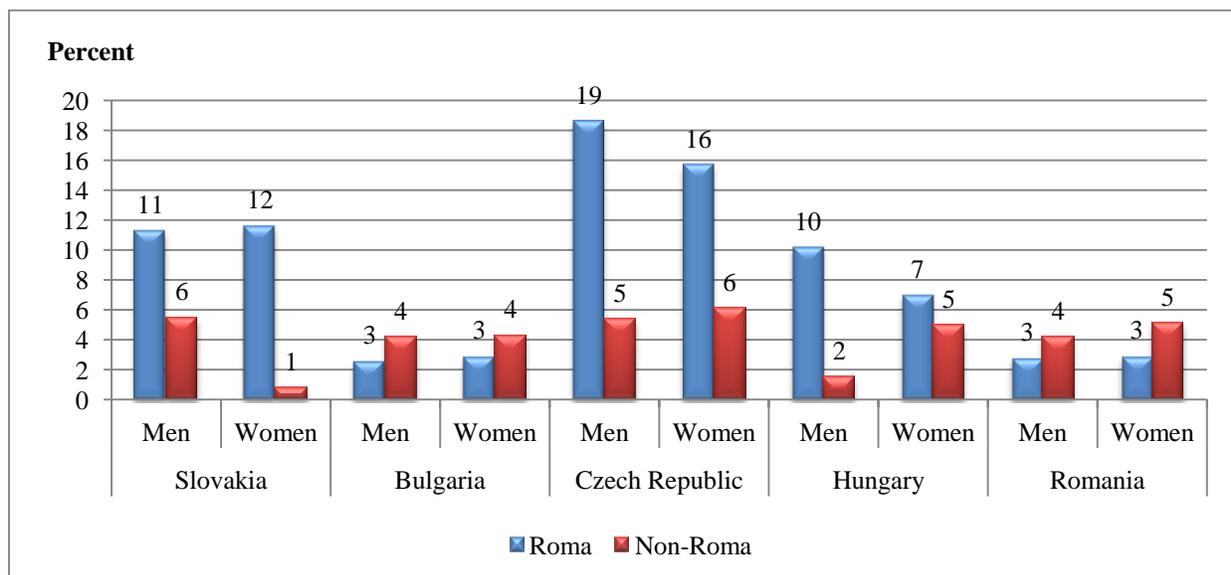
Source: UNDP/World Bank/EC regional Roma survey (2011).

The most rigorous study on the impact of desegregation efforts finds positive results. A study by Kezdi and Suranyi (2009) exploits quasi experimental variation to analyze the impact on cognitive as well as socio-emotional outcomes of primary education students attending one of 45 schools in the Hungarian National Educational Integration Network (OOIH), which aimed to provide quality education for students

in an integrated environment. The study finds that students in integrated schools had small improvements on standardized reading comprehension tests, a positive impact on the development of non-cognitive skills, both among Roma and non-Roma, disadvantaged and non-disadvantaged, and sees improvements on overall tolerance. As the authors point out: “Program schools seem to achieve integrated education without hurting non-Roma and non-disadvantaged students’ skills development.”

Slovakia is a particularly severe case in the matter of special education: enrolment into special education attendance among Roma is higher than other countries in the region with the exception of the Czech Republic. In Slovakia, 12% of the Roma aged 7-18 go to special schools compared to just 3% for non-Roma living nearby (6% for boys and less than 1% for girls). As a comparison, estimates by the World Health Organization put the proportion of severely disabled children 0-14 year old in European countries at 0.8% (WHO, 2011).⁵⁷ Thus, either Slovak children are extraordinarily affected by disability or they are unfairly placed in special schools. The findings also indicate that Slovakia is the country with the second highest rates of special school attendance among Roma children and the second largest gap between Roma and non-Roma, with only the Czech Republic having higher rates and gaps.

FIGURE 5-5: SPECIAL SCHOOL ATTENDANCE AMONG ROMA AND NON-ROMA CHILDREN



Source: UNDP/World Bank/EC regional Roma survey (2011). Sample restricted to subjects aged 7-18.

Special school attendance is on the increase, and so is segregation. As a reflection of national demographic trends, the number of pupils in basic schools and the number of basic schools are decreasing. The number of children in special education settings (schools and classes) and the number of special schools, however, have been steadily increasing, although the slight inflection in 2011-12 could signal a reversal of the trend (Table 5-6). This increase is primarily due to a larger proportion of Romani children attending special education. In fact only 6.4% of Roma (5% men and 8% women) over 30 attended special schools, as opposed to 11% now (11% boys and 12% girls). Thus, in the space of approximately a generation Roma’s attendance rate of special schools has more or less doubled. Findings on segregation tell a very similar story. According to the 2010 UNDP survey, just 7% of the Roma who graduated before

⁵⁷ The proportion of moderately and severely disabled children is estimated at 4.2 percent, but moderately disabled children are normally schooled in regular classes.

1990 were in classes with only or almost only Roma children, while presently over one third of Roma children (36%) are in classes with only or almost only other Roma children.

TABLE 5-6: TRENDS IN THE NUMBER OF SCHOOLS AND STUDENTS

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|-----------------------------|---------|---------|---------|---------|
| <i>Basic Schools:</i> | | | | |
| No. of basic schools | 2,237 | 2,224 | 2,216 | 2,202 |
| Pupils in basic schools | 462,715 | 448,371 | 439,675 | 434,477 |
| <i>Special Schools:</i> | | | | |
| No. of special schools | 233 | 236 | 244 | 239 |
| Pupils in special education | 28,328 | 28,543 | 28,948 | 28,828 |

Source: UIPS

It seems that persisting discriminatory practices have resulted in increases in special education enrollment and segregation. Some other factors contribute. First, the faster demographic growth of Roma means that the proportion of Roma children in the school system is higher than at any time before. This is especially true in schools near Roma settlements, resulting in more schools becoming overwhelmingly Roma not because of deliberate segregation but because of population dynamics. For example, in Jarovnice (Eastern Slovakia) there was only one basic school until 1992 but the growth of the large Roma settlement made it necessary to open another basic school; now one of the two schools is exclusively Roma and the other one is two thirds Roma. Another explanation may be Roma’s greater school attendance over time, which may have brought into the educational system children with special needs who before were remaining at home. Whereas one fifth of the Roma aged 31 or older report never having been to school or only having attended part of primary school, these figures are slightly lower among those aged 18-30 (16% and 18%, respectively) and lower still now, indicating that education levels are improving over time. However, this alone cannot explain the increased segregation. The other explanation, therefore, is likely to be greater discrimination. Despite the stated policy goal of reducing the number of Roma children attending special schools or special classes in basic schools,⁵⁸ it would appear that a larger proportion of Roma children entering the school system has triggered a number of practices to minimize the inclusion of these children in the school system. These include putting Roma children in separate schools and classes, and taking non-Roma children out of schools with a larger –or more integrated—Roma student body. This last practice is evident when looking at the distance students travel to go to school: over one third of non-Roma children leaving near Roma settlements travel more than 10 km to go to school, compared to less than one in ten Roma students (UNDP 2010).

Special school attendance is particularly high in Eastern Slovakia, confirming findings from 2008-09.⁵⁹ In this region, special school attendance is now even relatively frequent among non-Roma children (8% of the boys and 1% of the girls) in stark contrast with the other regions where less than 1% of non-Roma children attend special schools. Eastern Slovakia is also the only region where special school attendance is higher now than in the past (see Table 5-7 below), for both Roma and non-Roma. This is consistent with the results of a study carried out in 2010 by the Slovak Governance Institute on the

⁵⁸ See, for example, the Government’s *Revised National Action Plan for a Decade of Roma Inclusion 2005-2015 for years 2011-15*: goal number 5 reads “to deal with problematic issues of education and upbringing at special schools and school facilities including school consultancy and prevention”. Before then, *the Basic Theses of the Concept of the Government of the Slovak Republic’s Policy in the Integration of Roma Communities*, in 2003, called for an immediate solution to the over-representation of Romani children in special schools.

⁵⁹ See Friedman et al., op. cit.

education of children from socially disadvantaged backgrounds, both Roma and non-Roma, which found an increasing number of socially disadvantaged children in special schools (Gallová Kriglerová, 2010). Considering that Eastern Slovakia is the poorest region, and that it has been particularly hard hit by the recent financial crisis, the increase in the proportion of its children in special education would appear to be a confirmation that socio-economic characteristics continue to play an important role in determining whether a child will end up in special education, even though the School Law of 2008 requires that no child be placed in special education on the basis of social disadvantage or ethnicity. On the other hand, economic disadvantage does not appear to be the only explanation for the high proportion of children in special schools. In fact, when comparing children from equally poor households, those living in Eastern Slovakia will still be more likely to attend a special school only if they are Roma, suggesting that discrimination is also present. The experience reported by a social worker during a conference is telling: she realized that the reports on the individual diagnostic tests used to declare several Roma children fit for special schooling were exactly the same, with the psychologist not even having made the effort to match the pronouns to the sex of each child.

TABLE 5-7: SPECIAL SCHOOL ATTENDANCE BY REGION AND GENDER

| | West Slovakia | | Central Slovakia | | East Slovakia | |
|------------------|---------------|-------|------------------|-------|---------------|-------|
| | Men | Women | Men | Women | Men | Women |
| ROMA (%) | | | | | | |
| Age cohort 7-18 | 0 | 2 | 9 | 11 | 14 | 13 |
| Age cohort 19-30 | 12 | 5 | 13 | 15 | 11 | 9 |
| Age cohort 31+ | 0 | 0 | 4 | 8 | 6 | 8 |
| NON-ROMA (%) | | | | | | |
| Age cohort 7-18 | 0 | (0) | (0) | (0) | 8 | 1 |
| Age cohort 19-30 | (0) | (0) | 10 | (0) | 0 | 0 |
| Age cohort 31+ | 0 | 0 | 3 | 3 | 1 | 1 |

Source: UNDP/World Bank/EC regional Roma survey (2011). Figures in parentheses represent estimates from a total of less than 20 respondents for a given age cohort, region and gender. This means that estimates may not reflect the actual situation at the national level.

Why do parents send their children to special schools? Much has been written to explain the disproportionate number of Roma children in special schools. The most thorough study carried out to date focusing on this subject is probably “School as a Ghetto” (Friedman et al. 2009). The survey and interviews conducted then identified a number of incentives for Roma parents to enroll their children in special education, including expectation of better grades, geographic proximity and promises of material benefits (e.g., meals and school aid), as well as a number of factors that would discourage Roma’s attendance of standard schools, such as bullying by non-Roma pupils. The study also suggested that while the School Law of 2008 requires the parents’ *informed consent* (defined as written consent with awareness of the consequences of consenting), in reality many parents are not aware of the long-term consequences of their decision and simply trust school officials or are afraid of questioning their authority.

While in principle special schools should cater to the special needs of children with disabilities, only 13% of the Roma respondents to the 2011 Regional Survey attending special school said that a mental or physical handicap was the main reason for attending (10% reported a mental handicap and 3% a physical one). This compares to 55% for the non-Roma. Material advantages, such as free food or books, also appear to play a relatively small role in the decision of Roma parents to enroll their children in

special schools, as only 6% gave it as the main motivation. None of the non-Roma mentioned material advantages as a reason, though field research suggests that the financial crisis is pushing poor non-Roma parents to enroll their children in schools dominated by Roma because of the free meals provided when at least 50% of the students are from a socially disadvantaged background, i.e., receive social assistance.

What seems to matter most for the vast majority of Roma --over three-fourths—is that special schools are easier and until recently this ensured access to social assistance. Why would this be the case? Previous field work reports that teachers frequently explain special education to parents in terms of its advantages over standard education because an easier curriculum and a more individual approach make it more likely for children to be successful in their studies (Friedman et al., 2009). It is understandable that parents' natural desire to see their children thrive would make them particularly receptive to such arguments, especially if they themselves had a positive experience in a special school (see Box 5-5 for an example). In addition, school aid used to be linked to academic performance, hence providing an incentive to enroll in schools where better grades were easier to obtain. While the law changed in 2009 to make aid during compulsory schooling linked to school participation rather than academic performance, only the respondents who started school after 2009 would have been affected by such change (it is also likely that not all Roma parents would have been promptly informed of the policy change). The incentive represented by school aid policies would also explain the relatively large proportion (44%) of non-Roma living nearby who said the easier program was the main reason for special schooling. On the other hand, this commonly cited reason for attending special schools may also point to a lack of adequate provisions for young Roma children to prepare them for regular primary school classes.

BOX 5-5: THE SPECIAL SCHOOL IN CHMINIANSKE JAKUBOVANY

The special school in Chminianske Jakubovany is warm and welcoming to its 395 students, all coming from the nearby Roma settlement. The school staff explains that children are made to feel good about themselves and parents do not have to fear that they will be looked down upon. Many of them actually went to the same school, so they know their children will be safe, and it is not unusual that they try to enroll their children regardless of a psychological diagnosis attesting to the need for special education (until 2009 it was possible to accept the children without a psychological diagnosis). Attendance is not a problem either: children are happy to come because they feel accepted, and in any case they would get bored at home, with nothing to do but watching TV.

The funding structure provides a strong incentive for school officials to place Roma children in special education. Schools receive funding on the basis of the number of pupils, taking into account various parameters such as the school type, the language of instruction, personnel demands and the form of study. Per-pupil funding in special primary schools is about one and a half times that of standard primary schools, and per-pupil funding for a special class in a standard primary school is about 1.75 times higher than for a regular class. Given a dwindling basic school population overall because of national demographic trends, there is inevitably a certain degree of competition among schools to keep up the number of students. But the principals of standard schools have to reckon with another factor –the tendency for non-Roma parents to take their children to another school to avoid mixing with Roma students (European Roma Rights Center, 2007; Friedman et al. 2009). Opening special classes within a standard school becomes therefore doubly attractive for the school: it helps retain the non-Roma children and it gives access to the higher per-pupil funding. In addition, attending a special class makes it easier for children to have good grades, which in turn may attract more parents (the impact of the 2009 change in requirements will only become evident as the cohorts that started before 2009 leave school).

Funding mechanisms provide a perverse incentive for Special Pedagogical Advising Centers as well.

These centers are in charge of diagnosing children with mental and physical disabilities, and of providing them with expert assistance in cooperation with family, school, physicians and social workers. Because their funding depends on the number of clients served, there is an obvious incentive to keep up the number of students diagnosed as needing the special attention provided by special schools and special classes in standard schools.

Ethnicity per se may not account for the disproportionate representation of Roma in special education.

When comparing children who share the same characteristics generally associated with schooling outcomes, such as parents' education or family income, it turns out that being Roma does not make a significant difference (see Annex Table 5-2).⁶⁰ In other words, if two children are identical in every way but one is Roma and the other one is not, the estimation suggests that the non-Roma child will be just as likely as the Roma child to be in a special school. This does not mean that discrimination plays no role. There is consistent and convincing evidence of discriminatory practices and behaviors that contribute to the over-representation of Roma children in special education, from inappropriate diagnostic tests to arbitrary interpretations of testing results and failure to reintegrate Roma children inappropriately placed in special education (e.g., Amnesty International, 2010; Rafael, 2011).⁶¹ But it suggests that the impact of discrimination is much of what being Roma implies.⁶² For example, the estimations show that pre-school participation is an important (negative) determinant of special school enrolment alongside have a male households head, completion of secondary education by the head, whether the head went to special school him/herself, and household size. All the factors put Roma children in a disadvantaged situation vis-à-vis their non-Roma neighboring children. Teacher prejudices may make them more likely to recommend a Roma child for placement in special classes, which will result in lower educational achievement,

⁶⁰ An OLS model was used to estimate the determinants of special school attendance among Roma and non-Roma children. Attendance of special classes in regular school was not included in this case. Independent variables included are: ethnicity (Roma vs. non-Roma living nearby), gender, age cohort (7-18 or 19-30), preschool attendance, gender of the household head, educational background of the household head (i.e. whether the latter has completed secondary school), whether the household head attended a special school, age of the household head, the number of household members, income (included as quintiles), whether the household suffers from hunger, whether Romani is spoken at home, whether the closest primary school is within walking distance from the household's dwelling (i.e. within 3 km), whether the dominant ethnicity of the settlement is Roma, the region (West, Central, East), and whether the household lives in a rural or an urban location. The model was estimated for subjects in the age group 7-30, in 5 iterations: 1) a base model (with only age and ethnicity as independent variables), 2) a 'regions' - model (with age, ethnicity, regions, urban/rural, and distance to primary school as independent variables), and three 'full' models: one for Roma and non-Roma taken together (including the ethnicity variable as a predictor), and two for Roma and non-Roma separately (excluding the ethnicity variable). The Annex at the end of this chapter gives a more elaborate description of the model, including the full set of model estimates.

⁶¹ There has been considerable debate about the process followed to determine whether a child should be in special education, and in particular about diagnosing. As we have no new evidence to inform such debate, this paper will not get into it. The reader is referred to works by Friedman et al. (2009), Tomatová (2004), and Spotáková (2011).

⁶² Social science literature on ethnic discrimination typically focuses on investigating whether there are race-specific effects present for a particular outcome (e.g., years of schooling, hiring) within a particular domain (e.g., education, labor markets) at a particular point in time. *Cumulative discrimination* instead concerns discriminatory effects over time and across domains. The focus is not on the impact of discrimination on a given outcome at a point in time, but on the dynamic and systematic processes that may perpetuate or reinforce discriminatory effects. One of the reasons cumulative discrimination is important is the potential for future discrimination to be causally affected by past discrimination, including cross-generational effects. Discrimination at one decision point may increase the likelihood of discrimination at future decision points. See: Blank, Rebecca, and National Bureau of Economic Research. "Tracing the Economic Impact of Cumulative Discrimination". American Economic Review, Papers and Proceedings. May 2006.

reinforce stereotypes about Roma's inferior mental capabilities and increase discriminatory treatment in the labor market.

The strongest predictor of whether a child will end up in a special school is whether the parents went to a special school themselves. If the household head went to a special school, there is a 58% higher chance that his or her children will also attend a special school, regardless of ethnicity (significant at 1% level). In a way, this is not a particularly surprising finding as parents' education is often found to be a good forecaster of their children's educational achievement. At the same time, this particular case is exceptional, since parents' disability is not a good predictor of their children's disability. Qualitative research suggests some explanations. Parents who themselves went to a special school tend to see nothing wrong with enrolling their children in special education. On the one hand, rejecting special education for their offspring would be tantamount to belittling their own educational experience or even questioning their parental standing ("if special education was good enough for me, why should it not be good enough for my child?"). On the other, there may be a feeling that special education is "normal" or "destiny" in their family, and therefore acceptable. Regardless of the explanation, this finding casts an even darker shadow on special schooling, as its negative impact appears to be transmitted from one generation to the next in more ways than one. Hence the crucial importance of efforts to reach out to parents, Roma and non-Roma alike, and ensure that they understand the long-term consequences of special education, as well as the fact that it is inappropriate for the vast majority of children.

Attending preschool tends to "protect" against special education for both Roma children and their non-Roma neighbors. When all other individual characteristics are the same, those who benefitted from preschool education are less likely to be found in special schools than those who did not (significant at 1% level). This is consistent with a large body of international evidence suggesting that early childhood education can be a powerful counterbalance against the burden represented by unfavorable background characteristics. It is also consistent with the reasons given by Roma for attending special schools: since a majority reports as the main reason that special school programs are easier, a proper preparation for regular primary schools, in the form of preschool, is a logical factor to increase chances of attending a regular school.

5.5 PAYING FOR ROMA EDUCATION

Slovakia education expenditures are among the lowest in Europe. Public expenditures in education are a mere 3.6% of total GDP, lower than neighboring countries (Czech Republic's education expenses are 4.1% of GDP and everyone else's are higher) and considerably lower than Western European countries or countries known for their high educational achievements such as Finland or Korea. Slovakia's expenditures are also very low as a percentage of GDP per capita, and appear particularly low for secondary school: they are 15% of GDP per capita, against an average of more than 20%.

TABLE 5-8: PUBLIC EXPENDITURES FOR EDUCATION, 2008

| Country | As % of GDP | For primary school student as % of GDP per capita ^A | For secondary school student as % of GDP per capita |
|----------------------|-------------|---|---|
| Bulgaria | 4.4 | 24.4 | 24.2 |
| Czech Republic | 4.1 | 13.6 | 22.8 |
| Hungary | 5.1 | 21.9 | 22.9 |
| Romania ^B | 4.3 | 20 | 16.6 |
| Slovakia | 3.6 | 15.5 | 15 |
| France | 5.6 | 17.3 | 26.8 |
| Netherlands | 5.5 | 17.2 | 24.9 |
| Portugal | 4.9 | 19.9 | 31.6 |
| Spain | 4.6 | 20.3 | 25.8 |

Source: World Bank. ^A Public expenditure per student is the public current spending on education divided by the total number of students by level, as a percentage of GDP per capita. Public expenditure (current and capital) includes government spending on educational institutions (both public and private), education administration as well as subsidies for private entities (students/households and other private entities). ^B Data for 2007. Source: OECD

In terms of overall education quality, Slovakia's performance is slightly above the European average, but slightly below the new Eastern member states. When looking at the results of the Programme for International Student Assessment (PISA) for Slovak students, they are broadly in line with what could be expected from a country with that level of GDP. However, countries from the former soviet bloc have traditionally better outcomes in the education sector, all other things being equal. When compared to this smaller group of countries, Slovakia is somewhat below the average, even though scores have improved considerably between 2006 and 2009 (2009 is the last year for which data are available).

Segregated schooling appears to be an ineffective way to spend the limited budget devoted to education. As noted earlier, segregation has an impact on pupil attainment through the "peer effect". Although the data available for Slovakia do not allow for more in-depth analysis, international research suggests that peer effects tend to be most significant for low-achievement students, and the positive results obtained by these students thanks to a greater mix of abilities exceeds any negative impact on the achievements of other students.⁶³ There is also a considerable body of literature on the negative social and psychological impact of segregation on children, who tend to develop feelings of inferiority and enter a vicious circle of low expectations and low achievements.⁶⁴ Low educational achievements, in turn, lead to higher chances of unemployment and low income, thus setting the stage for poverty and dependence on social assistance.

Special education in particular seems to represent an unwise use of public resources. This is clearly illustrated by estimates of the payback period for special education, that is, the number of years it takes to recover the original investment by summing up the future discounted cash flows.⁶⁵ This estimate was calculated by taking into account the average cost of schooling plus the average cost of students from low-income families, as well as the costs and revenues that result from the individual's employment status later on. The payback period for individuals who attended only special primary school or special primary

⁶³ In fact, some studies show that there is no negative effect on other (better performing) pupils. For example, the study from Hungary in: Kézdi, Gábor and Éva Surányi. 2007. 'A successful school integration program'. Working Paper no. 2. Roma Education Fund.

⁶⁴ See for example, Niles and Peck, 2008.

⁶⁵ For details on the calculations and the assumptions that underlie them, see Friedman et al., 2009, op. cit. (p. 43-48).

school plus three years of practical school is calculated to extend beyond age 60, meaning that the state will never be able to recover the cost of educating these people.

Improving Roma education would also be a smart investment for the Government. Better educated Roma are more likely to be employed than their less educated counterparts and tend to have higher incomes. For the Government, this would mean more revenues from the taxes paid by the (now richer) Roma and less money going to pay for social assistance. But would the extra expenses needed to improve Roma educational outcomes be worth it? To answer this question, three different scenarios were simulated (see Table 5-9 for a summary).

- The first scenario assumes that Roma pupils would succeed on completing upper secondary school (12 years of education), thus spending on average three more years in school, but this would require extra help for these students. So it is assumed that an extra investment equivalent to 50 percent of the regular per-pupil cost would be necessary. On the other hand, survey results indicate that with three more years of schooling, Roma employment rates and monthly wages increase. Thus, the Government would spend €10,458 for the additional education provided to a Roma but get back €17,014 (in the form of fiscal revenues), equivalent to a rate of return on investment of 63 percent.
- The second scenario estimates what would happen if, in addition to the extra spending to finish upper secondary school, the Government were to enable all Roma children to have two years of high quality preschool as well as extra help during all of the twelve years of regular education. As a result of the investment in better and longer pre-school preparation and the higher quality education, labor market returns to upper secondary education by Roma would become equivalent to the returns experienced by non-Roma living in close proximity. This would bring the additional annual fiscal revenues to €26,259 (lifetime net present value), largely offsetting the €17,478 estimated increase in education expenditures per pupil. The rate of return on investment would be 50 percent.
- The third scenario, assumes even higher investments in Roma education, which would result in Roma experiencing equivalent labor market conditions as the general population. With employment rates now at 69% for Roma men and 58% for Roma women (against the current 20 and 9%, respectively), the rate of return on the education investment (105%).

TABLE 5-9: FISCAL RETURNS TO EDUCATIONAL INVESTMENTS

| | Current | Scenario 1 | Scenario 2 | Scenario 3 |
|--|---------|---|--|--|
| | | Additional 3 yrs upper secondary and extra expenditures – w/ 'Roma' labor returns | Additional 2 yrs preschool and even more expenditures – w/ 'non-Roma nearby' labor returns | Additional 2 years general education and even more expenditures - general population labor returns |
| Employment probability - men | 20% | 33% | 53% | 69% |
| Monthly wages conditional on working - men | 403 | 500 | 593 | 729 |
| Employment probability - women | 9% | 20% | 38% | 58% |
| Monthly wages conditional on working - women | 278 | 309 | 387 | 566 |
| Average net wage per adult individual (15-64) | 53 | 112 | 230 | 413 |
| Relative to scenario? | | Current | Scenario 1 | Scenario 2 |
| Extra annual fiscal revenue per adult (15-64) | | 573 | 1,144 | 2,139 |
| Total extra fiscal revenue (NPV) per adult (15-64) | | 17,014 | 26,259 | 45,952 |
| Total extra investment (NPV) per pupil | | 10,458 | 17,478 | 22,371 |
| Difference (Euros) | | 6,556 | 8,781 | 23,581 |
| Rate of return (assuming 2% real interest rate) | | 63% | 50% | 105% |

Source: Authors' calculations using UNDP/World Bank/EC Regional Roma Survey (2011)

The impressive returns on Roma education investments suggested by these simulations may be overly optimistic, but even under less favorable conditions they would remain largely positive. Research findings offer strong indications of discriminatory practices in the labor market. For example, among those Roma subject who have looked for work somewhere in the past five years, 78% report that they have experienced discrimination because of their ethnicity. Among those who already had a job in the past five years, 57% report that they have suffered from ethnic discrimination at the workplace. In addition, the labor market may not be able to absorb as many individuals (Roma or non-Roma) regardless of their qualifications. Therefore it can be expected that improved education would not translate into quite the employment conditions envisaged in the three scenarios. But the returns on investment are so substantial that increasing education expenditures to ensure better education for Roma would still be a fiscally smart decision under more conservative employment outcomes.

Education investments would also pay off for individual Roma. Many Roma express the view that studying may be a waste of time because in any case they would find no work, or occasional low-paying work at best. But estimates show that among Slovak Roma with similar background characteristics, those completing secondary education have employment rates that are approximately 12% (13% for men and 11% for women) higher than for those who only complete basic education (significant at 1% level).⁶⁶

⁶⁶ An OLS model with 'employment' as the dependent variable was used to arrive at this finding. Employment was defined as 'having worked in the previous week for at least one hour, or having been absent during this time from a job to which the subject will return later'. Independent variables included are: ethnicity (Roma vs. non-Roma living nearby), gender, age, school level, the number of household members, whether Romani is spoken at home, whether the closest employment office is within walking distance from the household's dwelling (i.e. within 3 km), whether the dominant ethnicity of the settlement is Roma, the region (West, Central, East), and whether the household lives

Even if their non-Roma neighbors experience a much larger increase in their employment rates when they complete secondary as opposed to basic education (32 percentage points for men and 30 for women), for individual Roma extra schooling would still not be a waste of time. In addition, their monthly wages would increase by 24% (from €403 to €500) for men and 11% (from €278 to €309) for women (these increases correspond to the actual increases observed among the Roma with upper secondary relative to those having completed only upper basic education, holding various background characteristics constant).⁶⁷

5.6 POLICY RECOMMENDATIONS

As noted previously, Roma education in Slovakia is a subject that has attracted considerable attention and as a result policy recommendations are not in short supply. Summarizing the many recommendations issued over the years is beyond the scope of the present study, and in any case would be of little additional value. This section, therefore, focuses on a few policy measures considered crucial, but this should not be interpreted as a lack of endorsement of other measures advocated elsewhere. In particular, it does not enter into the debate surrounding the process of diagnostics for determining which children should be placed into special education, and eventually which children should be streamed back into regular education. The measures proposed here satisfy two main criteria: (a) they have been tried elsewhere --sometimes also in Slovakia-- and have given encouraging results, (b) they have a high potential for synergy, meaning that while each measure has value in its own right, their combined implementation would increase the effectiveness of each one. In addition, most of them can be implemented at a reasonable cost and speed.

A commitment to educational inclusion is the precondition for the success of any policy measure aimed at improving Roma education outcomes. This means nothing less than a paradigm shift, and as such it will require not only strong political leadership but also a concerted effort with all concerned stakeholders, including education professionals (e.g., teachers, school staff and administrators, employees of the Ministry of Education, school inspectors, and academics), professionals whose services are used in connection with education (e.g., social workers, nurses, doctors, psychologists), local and regional governments, Roma organizations, and, of course, parents and students. A paradigm shift implies a change in social norms: from considering segregation normal, or at least acceptable, to considering inclusion normal --and segregation unacceptable. Needless to say, changing social norms is not easy, but social norms evolve constantly and influencing the direction of their evolution is possible. Social marketing techniques, for example, have been used successfully to change social norms concerning a number of behaviors, from smoking to hygienic habits. “Edutainment”, that is, the use of entertainment to educate people, has also been used with some encouraging results, especially with delicate topics such as

in a rural or an urban location. The model was estimated for subjects in the age group 25-64, in 5 iterations: (1) the full model for all subjects (Roma and non-Roma); (2) the same model for all Roma; (3) the same model for all non-Roma; (4) the same model for Roma men; and (5) the same model for Roma women. The Annex at the end of this chapter gives a more elaborate description of the model, including the full set of model estimates.

⁶⁷These Roma (and non-Roma) rates of return to upper secondary education are based on OLS estimations of employment and wages (conditional on working) regressed on age, household size, whether usual language is Romani or Slovak, distance to employment office and to nearest city, whether dominant ethnicity in settlement is Roma, rural versus urban, and region dummies; separate estimations for men and women, ages 15-64. Actual rates of return may be lower (e.g., due to unobserved characteristics that correlate positively with education completion and employment conditions) or may be higher (e.g., Roma with upper-secondary education may be able to take advantage of employment possibilities away from the settlements and move out), and are thus not captured by this particular survey sample).

sexual behavior.⁶⁸ The specific measures proposed below, therefore, can be accompanied by a pervasive and sustained effort to change the way non-Roma perceive –and therefore treat-- Roma.⁶⁹ No policy can be effective if those supposed to implement it boycott it, whether actively or passively.

Compared to other industrialized countries, Slovakia’s education policies are “old fashioned” in their non-inclusiveness. In developed countries there are significant variations in the definition of “special education needs” (SEN), and therefore in the proportion of children who are considered in need of special educational arrangements. A comparison of special education arrangements in 17 OECD countries, for example, found that the percentage of students classified as having SEN went from 17.8% in Finland to 0.9 in Greece, while the percentage of segregated students (in special schools or spending most of the day in a separate classroom) went from 6% in Switzerland to less than 0.5% in Spain, Italy and Greece (Powell, 2006). Another comparative study of OECD countries found that the percentage of students classified as actual beneficiaries of special support and services range from one in twenty to one in three (Richardson and Powell, 2011). But regardless of definitions, the general trend in OECD is toward integration and special education is increasingly regarded less as a "place" and more as "a range of services, available in every school".

International good practice for educational inclusion can provide inspiration. Below are some examples from European countries, but useful lessons can also be found in countries further away that have had to deal with disadvantaged ethnic minorities, such as Canada, the United States or Australia. In-depth study of the experiences of these (and other) countries, and possibly study tours and exchange visits, could help Slovakian authorities identify ways to bring about the needed paradigm shift.

- **Finland.** Special educational services are provided alongside regular teaching and children are only segregated as a last resort, usually in part-time segregated classes within mainstream schools. There are only eight segregated schools in the whole country, intended for students with visual, hearing or significant physical disabilities. Special education teachers are assigned to classrooms where there are students entitled to special education services, and remedial teaching is available for any student who has fallen behind or needs special support. There is no tracking by school type: all students engage in the same national curriculum for the period of compulsory schooling. Every school has a “student welfare group” chaired by the headmaster and composed of school nurses, counselors and teachers, which works in close collaboration with families. The proportion of children needing special attention is reported to decline as children progress through school.
- **France.** While there are segregated schools and classes, the presumption of the law is inclusion. Students are assessed, sometimes at an early age, to determine their needs and develop a personalized education plan. A Network of Specialized Aid to Struggling Students (RASED) comprised of special education teachers, school pathologists and other service providers is available to provide advice and specialized support for any child in primary schooling, typically in mainstream classes.

⁶⁸Radio and television soap operas in Brazil, Ethiopia, India, Kenya, Mali, Mexico, Niger, Nigeria, Rwanda, St. Lucia, and Tanzania have been documented by independent researchers in their massive effects on audience attitudes and behavior with regard to HIV/AIDS avoidance and use of family planning. See: Ryerson, William. (undated). “The Effectiveness of Entertainment Mass Media in Changing Behavior”. Population Media Center. Available at: <http://www.populationmedia.org/what/effectiveness/>

⁶⁹Of course, a successful anti-discrimination campaign would also have positive outcomes in other spheres of Roma’s life, starting with employment.

- **Italy.** The Italian education system is regarded as among the most inclusive in the world. The right for disabled students to compulsory education in regular classes in public schools was established in 1971, and in 1992 special classes and special schools were abolished. There are presently only nine segregated schools in the country, seven for the deaf and two for the blind. If a disabling condition is suspected, students undergo an assessment to draw a Personalized Education Plan and determine the number of hours of specialized assistance to which they have right under the law. The assistance is then provided in mainstream classrooms.
- **United Kingdom.** Under the Education Act of 1996, schools have a duty to educate children with special educational needs in mainstream classes. If schools do not have the means to do it, they may request additional help, which may require a formal and lengthy assessment. But the basic presumption remains mainstreaming and special schooling is only allowed if it can be proven that regular schooling would actually be detrimental to the special need student.

The specific policy measures proposed below are based on the following considerations, drawn from the evidence and analyses examined so far:

1. **The Roma predicament in education is well known, and in many ways not unique.** Findings from the most recent research conducted on the situation of Roma in Slovakia (in particular, the 2011 regional Roma survey and the 2010 Slovak Roma Survey) broadly confirm previous analyses. This indicates that the Roma educational situation and the factors that contribute to its creation are quite well understood, but also that there has been little change in the past decade or so. Another general observation is that the obstacles faced by Roma in Slovakia are not very different from those faced by ethnic minorities throughout the world, and therefore much can be learned from the experiences of other countries.
2. **Roma's educational achievements continue to be far below those of non-Roma, no matter the way in which they are measured.** Whether one looks at the highest grade completed, at the probability of finishing high school, at scores obtained in standardized tests or at the likelihood of being sidetracked in special schools and classes for the disabled, Roma are invariably the group faring the worst. This suggests that (a) Slovakian policies for the integration of marginalized groups have not been effective, or sufficiently aggressive; (b) future efforts to develop and implement policies and programs for the integration of marginalized groups should have Roma as the main target group; and (c) the effect of policies and programs for marginalized groups should be monitored and feedback can spur action.
3. **When it comes to Roma education, the present system is a lose-lose proposition.** Failing to invest in Roma education dooms large numbers of Roma to unemployment or extremely low-paying jobs and deprives the Government of substantial fiscal revenues. In addition to rethinking the basic premises of Slovakian education to make it more inclusive, this suggests that incremental improvements could be possible with minimal additional cost by redirecting expenses toward services that have been shown to be effective in improving educational outcomes for marginalized groups.
4. **Individual background characteristics explain a large part Roma's inferior educational outcomes.** Having poor and uneducated parents --or parents who went to a special school--represents an enormous burden that is not easy to overcome regardless of personal aspirations. This suggests that policies and programs aiming at improving Roma educational outcomes should try to compensate for the lack of material and human resources in children's families. Of course,

policies and programs aiming at actually improving the socioeconomic status of Roma parents can complement efforts to make it matter less for the educational success of their children.

5. **Cultural differences, including discrimination, also play an important role.** Some findings, especially from qualitative research, can only be explained by a difference in beliefs and attitudes, and eventually behavior. For example, even when everything else is the same, living in Eastern Slovakia increases a Roma's chances of ending up in special education and being Roma increases the chances of doing poorly in standardized tests. This suggests that in addition to doing something to compensate for deprivation in the children's background, measures to fight prejudices (on all sides) are necessary because without them any well-intentioned policy may be doomed to failure.

To address the Roma education gap, Slovakia can build on positive policy experiences from other countries that have sought to address large education gaps of minority groups, Roma and non-Roma. Recommendations to improve educational outcomes can be grouped in three areas, with a priority focus on investing in infants and young children: (1) increase access to quality pre-school, moving toward compulsory preschool from age 3 onwards, and improve home parenting; (2) promote integrated regular primary schooling for all; and, (3) address early (secondary) school leaving. The Slovak program to put in place community centers can – if designed and resourced sufficiently - perform an important role in reaching these 3 goals.

5.6.1 POLICY MEASURE 1: INCREASE ACCESS TO QUALITY PRE-SCHOOL, MOVING TOWARD AGE 3, AND IMPROVE HOME PARENTING

Increase access to quality pre-school, moving toward preschool attendance from age 3 onwards, and improve home parenting. Given the high returns to early childhood development and the very large gap that exists between Roma and non-Roma in Slovakia, closing this gap should be a high policy priority area. Achieving this will require two complementary areas of intervention: increasing preschool enrolment rates and supporting Roma parents in providing early stimulation at home. The measures suggested below are based on the following considerations about the present situation:

- Out of pocket expenses for preschool are relatively low (approximately € 7 per month), particularly in comparison to the monthly child benefit (*Pridavok na dieťa*, € 21.99 per month). Experience from Hungary indicates that Roma families living in similarly poor environments are much more likely to enroll their children, but do not have out-of-pocket expenses for preschool fees or lunch and preschool from the age of 5 was compulsory at the time of the survey.
- About two-thirds of parents with children in school is satisfied, but one third are not nor feel their child is welcomed at the preschool.
- Many Roma parents express a preference for raising their younger children at home, but more than half of the parents report they would reconsider enrolment if there were no fees, or if food coupons were provided, and nearly half of the parents report they would reconsider enrolment if there were a Roma teaching assistant.
- A lack of nearby preschool facilities, at least for some Roma children (16%) constitutes an obstacle.

- The average annual gross salary for pre-primary teachers in Slovakia is € 7,622.⁷⁰ Given average class sizes⁷¹, this means an investment of € 391 per year per pupil. Closing the preschool gap for all 45,000 children therefore requires an annual investment in teaching salaries of € 17.5 million.

To close the gap in preschool enrolment, the evidence suggests a combination of awareness raising, implementing demand side incentives, improving physical accessibility, and strengthening the (social) connection between kindergartens and parents.

- Raise awareness through kindergarten-community liaisons:** Many parents may simply not be aware that quality pre-school education is one of the highest return investment parents can make into the development of their children. Making sure that poor parents have this information enables them to make a better informed decision. This information could be disseminated by kindergarten teaching assistants for example. The teaching assistants could be recent secondary graduates from the communities where pre-school enrolment is low, hired at minimum wage levels of € 327 per month or € 3,924 per year.⁷² Suppose that there is one (Roma) teaching assistant per local kindergarten. With the average kindergarten size at 48.5 pupils in 2010,⁷³ this means an annual cost of € 81 per pupil. If these would reach out to all approximately 50,000 children aged 3-5 at-risk-of-poverty (of which about 23,500 are Roma), the annual expense would be € 4.04 million. This implies an additional investment equivalent to 23% of the necessary regular additional teacher salary expenditures of € 17.5 million required to cover the inflow of the new pupils.⁷⁴ More generally, kindergarten teaching assistants can be leveraged to become bridges between the local communities and the kindergartens themselves. For example, they can help parents with enrolment procedures, or support the kindergartens engage parents into the preschool, fostering participation and local ownership. The Roma Education Fund (REF) has been implementing the Home-Community Liaison Program, as part of its “A Good Start” project, which is modeled after a similar such program in Ireland. Community liaisons could also be leveraged to help parents strengthen parenting practices.
- Remove preschool costs barriers for the poorest parents and provide encouragement subsidies to poor parents to enroll their children into preschool at an early age (as early as 3 years old) conditional on meeting good attendance.** Families below the subsistence minimum receiving the Benefit in Material Need are eligible for support to offset the tuition and meal costs of kindergarten. However, qualitative fieldworker by the Slovak Governance Institute⁷⁵ indicates that many poor families with infants lose out on this subsidy because the receipt of the parental allowance for families with infants can push some of these families just above the subsistence minimum, making children of pre-school age ineligible for the subsidies in the current system. In addition to covering fees, Hungary, using a more complex eligibility to define “multiple

⁷⁰ Eurydice (2010). Teachers’ and School Heads’ Salaries and Allowances in Europe, 2009/10.

⁷¹ In 2010 there were about 45,000 children aged 3-5 years old not enrolled in kindergarten. Among those who were enrolled, the average class size was 19.5 children per class.⁷¹ The maximum class sizes are 20 per class for children aged 3 to 4 years and 21 per class for children aged 4 to 5 years. Eurydice. (2010). Structures of Education and Training Systems in Europe. Slovakia 2009/10 Edition.

⁷² http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Minimum_wage_statistics

⁷³ 139,239 pupils over 2,869 kindergartens (National Statistics Office, 2010).

⁷⁴ The total Slovak population has approximately 162k children aged 3-5 (National Statistics Office, 2010). Of these, roughly 30 percent, or 50,000 children, live in households with incomes below 60 percent of the median income –the ‘at-risk-of-poverty’ threshold. Among Roma, there are about 27,000 children aged 3-5 (based on total population estimate of 320k). 87% live at risk-of-poverty (UNDP calculations based on the UNDP/WB/EC Regional Policy 2011 Roma Survey), equivalent to approx. 23.5k Roma children (from the 50k in total – almost half).

⁷⁵ Personal communities

disadvantaged parents,” provides households € 70 per year (divided in two tranches) conditional on the good preschool attendance of their children 3-4 years. A similar subsidy provided to the approximately 50,000 children aged 3-5 at-risk-of-poverty would cost € 3.5 million per year, exclusive of operating expenses. This implies an additional investment equivalent to 20% of the necessary regular additional teacher salary expenditures.

- c) **Move toward making pre-school compulsory for at least two years.** While it would be best if parents were freely choosing to enroll their children for their own good, making preschool compulsory would set an important normative standard and, if accompanied by the other measures suggested here, would likely constitute a crucial policy element.
- d) **Invest in preschool infrastructure to accommodate the inflow of children using EU Structural Funds.** Slovakia can importantly take advantage of the European Regional Development Fund (ERDF) to finance construction. The update of the Slovak Roma Atlas (underway in Fall 2012 by UNDP) can provide the list of communities lacking preschool facilities nearby.

Support home parenting. For example, parental participation in extracurricular or in-class activities has been encouraged in the Step-by-Step projects and the projects financed by the Bulgarian Centre for Educational Integration of Children and Young People from the Minorities. Discussion groups on parenting techniques have also been a component of the preschool project of Minority Rights Group International in Slovakia, and an explicit focus of the Hungary's Meséd project, which is a part of REF's “A Good Start” initiative, and described in more detail in Box 5-6 below. Finally, the Council of Europe's “Teaching Kit for Roma Children” is a set of teaching materials developed to help aide young Roma children prepare for school in a home environment (see ISSA, 2009).

BOX 5-6: THE MESÉD PROJECT – “YOUR TALE”

The Meséd Project is being implemented in six locations in Hungary as a part of Roma Education Fund's EC Roma Pilots “A Good Start Initiative”, in collaboration with the Unity in Diversity Foundation and with the help of students from the College of Nyíregyháza. A major project objective is to improve parenting practices.

As a part of the project mothers meet in small groups (8 to 15) on a weekly basis for two-hour sessions and take turns to practice reading out high quality children's story books, which they also get to keep. A trained facilitator, who is also usually a Roma woman, guides the reading and initiates discussions on certain elements and messages of the story, thus providing the mothers with a teaching technique they can use with their children at home. Furthermore, parenting problems and techniques are discussed during the sessions. Mothers report using the reading techniques they learned during the Meséd sessions and their children taking pride in the books they have received.

There are also many international non-Roma examples of successful approaches to increase access to early childhood education for disadvantaged children. The Program for the Improvement of Education, Health and the Environment (PROMSEA) in Colombia is a long-term large-scale project that trained disadvantaged Columbian mothers of young preschool-aged children on appropriate educational approaches. “Promoters” taught mothers about play-based and cognitive methods, culturally-appropriate games and toys, and how older siblings can be involved (Arango et al. in Siraj-Blatchford and Woodhead

2009). Another parenting program that has proven successful is the Mother-Child Education Program in Turkey. On a nation-wide scale mothers are instructed on their children's development needs and on ways to create a stimulating home environment. Children who participated in the program demonstrated better cognitive skills and greater school readiness (Bekman in Siraj-Blatchford and Woodhead 2009).

Piloting of new measures should be accompanied by impact evaluations. The analysis points to several promising, relatively low-cost areas of intervention. Each of these can build on international experiences. Nevertheless, the most effective implementation will be locally specific; for example, what is the appropriate subsidy incentive to encourage poor parents to enroll their children? What are effective methods to support parenting? Piloting these types of programs first, rigorously evaluating their impact, and then scaling up proven programs will ensure the interventions are cost effective and receive public buy-in.

5.6.2 POLICY MEASURE 2: PROMOTE INTEGRATED REGULAR PRIMARY SCHOOLING FOR ALL - CREATE THE POSITION OF ROMA SCHOOL (OR COMMUNITY) MEDIATOR

In 2000 the Council of Europe recommended using “mediators from within the Roma/Gypsy community” to “ease the contact between Roma/Gypsy, the majority population and schools and to avoid conflicts at school”.⁷⁶ The recommendation of using Roma mediators was based on the experience of a number of countries, including Spain (the first country to use Roma mediators, in the 1980s) but also Slovakia (with a pilot in 1994). At the same time, many of the countries of Central and Eastern Europe elaborated national strategies for Roma integration that included the employment of Roma school mediators among their education measures. During the following years, the number of Roma mediators increased significantly in pre-accession countries thanks to the support available from EC funding through national PHARE projects. The role and profile of Roma school mediators, however, differs from one country to the other and tends to be confused with that of a teaching assistant. Here it is argued that a Roma school mediator should have a role closer to what the word “mediator” suggests (a neutral third party who eases communication between two parties thus preventing conflict and facilitating agreement) and therefore more similar to that of a social worker or school counselor.

Roma school mediators can act as intercultural mediators. Intercultural mediators are employed in several European countries with significant non-European immigrant populations to facilitate these populations' communication with public authorities and the local population as well as to improve their access to public services. The main requirements for an intercultural mediator are to originate from the immigrant group targeted and to be well integrated in the host country. Communicative competence (e.g., empathy, active listening) and pleasant manners are often also a consideration, but generally no specific academic background is required beyond basic education --the idea is that a cultural mediator is there primarily to facilitate mutual understanding, and this does not depend on academic credentials. In Italy, for example, intercultural mediators are required to be familiar with the language and culture of the immigrant group, to have personally undergone the migration experience, and to be well inserted in the Italian reality with good knowledge of the language, cultural codes and administrative structures. In addition, they have to follow a specific training, which was initially provided by NGOs but later formalized through partnerships with vocational training centers. To facilitate certification, competencies acquired on the job are recognized.

⁷⁶ Recommendation No. R(2000)4 adopted by the Committee of Ministers in February 2000.

The work of Roma school mediators should have two primary purposes: support Roma children’s integration in school and facilitate relations with the families. Activities to fulfill the first objective would include: accompanying children in their first experiences in the school; explaining to children the school norms (including discipline and hygiene, both of which are often reported to cause problems to Roma children), possibly starting before school begins; providing translation and interpretation; contributing to assess children’s competencies and possible need for extra assistance (this last responsibility would be crucial for the successful mainstreaming of children who would otherwise be bound for special education). In terms of facilitating relations with the family, Roma school mediators would: explain to families the school organization and way of operating; provide information about school life, including translation of specific messages; facilitate meetings between parents/caregivers and school staff, and if needed participate; provide information about the process for entering school (and about the consequences of enrolling in special classes or schools); and, prevent misunderstanding and conflicts between Roma families and school staff as well as between Roma and non-Roma parents. Ideally, a third objective of Roma school mediators should be promoting multicultural education by organizing cross-cultural encounters and education activities, but this may prove too demanding in many cases.

Because of the nature of their responsibilities, Roma school mediators should preferably come from the local Roma community. This would ensure that they speak the local version of Romany and have a deep understanding of the local culture. In some countries, employment decisions for Roma mediators are also discussed with the community or with Roma organizations to ensure that the mediator is trusted and accepted. While presently the position of Teaching Assistant for Socially Disadvantaged Children encompasses some of the responsibilities proposed for school mediators, separating the role of school mediator from that of teaching assistant would probably facilitate the deployment of both types of professionals because the requirements for the two positions are not quite the same. Roma mediators’ should be provided with specific training (see Box 5-7 for an example), support materials and guidelines, not only before they are employed but also to update them regularly about new administrative dispositions and policies. But formal academic requirements should be minimal because their most important qualifications would be their cultural knowledge and personality.⁷⁷ In principle, each Roma community should have at least one Roma school mediator for each school in proximity –a disposition that would also represent an employment opportunity for local Roma.

BOX 5-7: ROMA MEDIATOR TRAINING PROGRAMME

The Roma Mediator Training Programme (Romed), was launched at the beginning of 2011 by the Council of Europe. The training sessions equip people with a Roma background, either from Roma communities or with a good knowledge of Roma issues, to act as mediators between the Roma and public institutions. It has so far been implemented in 16 countries, with 427 mediators trained. The mediators are now working in the field, with a second series of training sessions to review their work organized in the second half of the year. The mediators’ job is to act as “ambassadors of trust” between Roma communities and local public institutions – for example, getting Roma children into local schools, making sure that families receive proper health care, helping Roma secure decent housing and find jobs that will bring them out of long-term unemployment and back into salaried work.

⁷⁷ The “Healthy Communities” Project, presently implemented in 32 communities, employs Roma health mediators whose profile and role are comparable to what is being advocated here for education. The experience so far is very encouraging.

5.6.3 POLICY MEASURE 3: PROVIDE SCHOOL-BASED EDUCATION SERVICES BEYOND REGULAR CLASSROOM TEACHING – TEACHING ASSISTANTS AND TUTORS

Both international and Slovak experience confirms the effectiveness of teaching assistants in improving educational outcomes for children from disadvantaged backgrounds. Similarly, after-school tutors who help children with their homework have been successfully employed in low-income settings to compensate for the assistance that poorly educated parents cannot provide. On the other hand, teaching assistants and tutors can only be effective if they are appropriately qualified and properly used. For example, an evaluation conducted in the UK found out that the number of teaching assistants did not increase academic performance, but this could be explained by the fact that teaching assistants were routinely used to substitute for absent teachers rather than to complement teachers' efforts (Paton, 2011). In the case of Slovakia, it has been reported that in many classes teaching assistants are used for tasks not directly related to children's learning, such as serving snacks, cleaning up after teachers or watching students in the playground (Tankersly et al., 2002). Also, Roma teaching assistants have complained about being treated by teachers as inferior, which of course constitutes the wrong role model and can actually contribute to keep marginalized children in a subservient position.

The position of teaching assistant was introduced in Slovakia in 2000 with the title of *Roma Teaching Assistant*, and given responsibilities for both cultural mediation and academic support. Over the years the name of the position evolved (losing its Roma connotation) as well as the definition of its requirements and responsibilities. Presently, the teaching assistant position covers healthcare assistants and assistants for socially disadvantaged children. Their work encompasses three main areas: (a) support to the educational process, including cooperation with teachers in the classroom, help to children to overcome health, social and language barriers, and tutoring; (b) organization of extra-curricular activities (e.g., sports, arts, cultural visits); and (c) facilitation of communication with parents and the community. As can be expected, teaching assistants are more numerous in poorer regions (see Table 5-10 below).

TABLE 5-10: TEACHING ASSISTANTS BY REGION

| Region | Elementary schools | | Special elementary schools | |
|-----------------|--------------------------------|-----------------------|--------------------------------|-----------------------|
| | Assistant for Disadv. Children | Health Care Assistant | Assistant for Disadv. Children | Health Care Assistant |
| Bratislava | 6.0 | 7.6 | 2.0 | 33.8 |
| Trnava | 3.2 | 18.6 | 5.0 | 31.3 |
| Trenčín | 2.3 | 20.9 | 0 | 19.2 |
| Nitra | 8.8 | 33.0 | 0 | 38.9 |
| Žilina | 8.4 | 63.0 | 2.6 | 40.6 |
| Banská Bystrica | 90.6 | 60.0 | 19.1 | 41.2 |
| Prešov | 130.4 | 38.4 | 9.7 | 50.3 |
| Košice | 165.1 | 42.7 | 19.9 | 28.0 |
| SLOVAKIA | 414.8 | 284.0 | 58.3 | 283.2 |
| TOTAL | | | | |

Source: Ministry of Education (data collected in March 2011).

The number of teaching assistants has been growing but can grow faster, and for this it is necessary to review the criteria for their funding and recruitment. The number of teaching assistants has been slowly growing over the years, from 923 in 2005 to an estimated 1,040 in 2011. According to the 2008 School Act, a teaching assistant is required when there are at least 100 students from a socially disadvantaged background (i.e., whose families receive social assistance) and it is to be financed from 50% of the additional funding provided by the Ministry of Education for each disadvantaged student (€90 per student in 2011-12). This system has three main problems. One is that, under the current funding conditions, it has been estimated that a school would need at least 111 disadvantaged students to have enough funds for the salary of a teaching assistant (Oláh, 2011). Another is that one teaching assistant for 100 students is not enough. Another still is that all socially disadvantaged students should have the right to additional support regardless of whether they are in large groups or not. It has also been remarked that the academic requirements for teaching assistants have become unnecessarily demanding as a high school diploma is no longer sufficient and a diploma from a pedagogical school is now required. This makes it a lot more difficult for a Roma to qualify, even though a Roma teaching assistant could be considerably more effective with the majority of students from a disadvantaged background who are Roma (see Box 5-8 for an example). It could make sense, therefore, to accept teaching assistants with high school diplomas for pupils in the lower grades, whose academic needs are unlikely to be too demanding for a high school graduate.

BOX 5-8: ROMA TEACHING ASSISTANTS

Roma teaching assistants often perform very well at work: a conversation with the principal of a big and largely Roma school in Eastern Slovakia illustrates this: he emphasizes that there is no way he will let go his two Roma teaching assistants, no matter what the regulations say about the academic requirements. They are excellent and hard working – they even come to work when they have a fever, they're so devoted. The non-Roma teaching assistants are also good, but not as effective with the students as the Roma. So he will do whatever it takes to keep them on the school staff. He would even consider hiring them as cleaning personnel.

Source: personal communication, April 2012.

A way to increase the number of teaching assistants at a limited cost could be through the use of students. Presently graduate students in social work or social pedagogy do a nine-month practical training paid by the Ministry of Labor, Social Affairs and Family. Their work, however, is generally of an administrative nature and assignments as a teaching assistant (or school mediator) are not envisaged. Allowing teacher trainees to spend their practicum in schools with high poverty/Roma indicators and graduate students, including those in pedagogy and from the social academy, to do their internships as teaching assistants, as it is for example done in the USA, would allow students to gain useful practical experience and diminish the burden on teachers and teaching assistants. Students in secondary school could also be volunteer tutors. They would have to be approved by their teachers and, in exchange for their work with struggling students, they could earn extra credits or other desirable things, such as more frequent access the school computers and internet.

5.6.4 POLICY MEASURE 4: PROVIDE EDUCATIONAL SUPPORT AND OPPORTUNITIES OUTSIDE REGULAR SCHOOL HOURS -AFTER SCHOOL AND SUMMER PROGRAMS

Slovakian children in general spend very little time in school, and this is to the detriment of disadvantaged children. On a typical school day, most children spend less than half their non-sleeping hours in school and over the course of the year they spend fewer than half of all days in school. This short time in school puts children from marginalized communities at a significant learning disadvantage relative to their more advantaged peers whose parents are often able to provide them a rich set of opportunities for learning outside of school, whether that be after school, on weekends or during the summer. These extra-curricular activities matter not only because they are enriching in their own right, but also because they provide experiential background useful for learning as children progress through school.

Extended school hours, after school and summer programs represent a way to compensate for lack of out-of-school learning opportunities. The quality and nature of these programs matter and this, combined with their very great heterogeneity, means that the evidence on the effectiveness of after school programs and summer schools is somewhat mixed (Cooper et al., 2000). Not surprisingly, research shows that marginally expanding the time students spend in school without improving how that time is used does not improve learning. At the same time, some high intensity summer programs have generated academic gains in high poverty areas, and some low-cost reading programs have reduced summer reading loss (Jacob and Lefgren 2004; Allington et al, 2010). Many dynamic Slovak principals have managed to complement public finances through their own fund-raising efforts to offer a variety of enriching extra-curricular activities, from sports to arts, and it would appear that they have quite encouraging results. An extended school day is also presently being tested, and it would be important to document its outcomes.

Several countries have opted for equalizing extra-curricular opportunities by using their schools increasingly also as community centers. Many Dutch schools, for example, have been converted into community schools with a variety of enrichment activities after school hours. Similarly, the highest performing school districts in the USA have public schools that are open outside school hours to offer a wide range of sports, arts and other activities, often with the help of volunteers. It should be noted that relying on volunteers for school-based extra-curricular activities is not just a way to save money. In most cases, the volunteers are students' parents or other family members, so these activities become an important way to reach out to families and encourage them to participate in school life. Especially when parents are poorly educated, as it is often the case with Roma parents, involving them in non-academic activities may represent the first step to encourage them to take a more active role in their children's education.⁷⁸ An interesting example comes from Romania, where in 2009 an NGO piloted a summer program to prepare Roma children and their families for kindergarten, and also to better equip teachers to work with Roma children. Results proved encouraging: 85% of the children who attended the first summer program also attended kindergarten regularly during the following school year, as did 94% of children who attended the second summer program.⁷⁹

5.6.5 POLICY MEASURE 5: PROVIDE ADDED INCENTIVES THAT MAKE A DIFFERENCE - CASH SUBSIDIES CONDITIONAL ON CERTAIN EDUCATIONAL ACHIEVEMENTS

Conditional cash transfers (CCT) programs give money to poor families in exchange for specified verifiable actions, such as sending children to school or taking them to regular health check-ups. In this way they aim at providing immediate relief from poverty while at the same time contributing to its

⁷⁸ See for example: Cataluña Secretaría de Acción Ciudadana. 2007. *Good Practice Guide for the Social Inclusion of Roma in Europe*. Barcelona: Secretaria d'Acció Ciutadana.

⁷⁹ Presentation by Save the Children at a workshop on Early Childhood Education for Roma Inclusion held in Bucharest on 28 March 2011.

longer-term reduction by supporting human capital development. Part of the appeal of CCT for education thus lies in their simultaneous action to address current poverty while improving household educational status and future earning potential. Additionally, CCT schemes may be more politically feasible than unconditional transfers of comparable size because they introduce an element of responsibility on the part of beneficiaries thus making them “work” for what they get and reassuring the electorate that tax payers’ money is not just given away.

CCT programs for education can be divided into two broad types - added benefit and added condition. Added-benefit CCT consist of conditioning transfers on school enrolment and/or attendance, and in some cases also on achievement (e.g., graduation). Added-condition CCT rely on the threat of removing benefits within the existing social safety net if children do not attend school. Most education-related CCT implemented to date are of the added-benefit type and offer per-student cash grants whose amount is usually calculated to cover not only the direct costs of school attendance (e.g., school fees, supplies, transportation), but also opportunity costs (e.g., income lost by not sending children to work). Expert opinions on individual programs vary, but their extensive and continued use suggests that added education-related CCT are effective means of affecting educational outcomes. CCT schemes for education have been widely implemented and analyzed in Latin America, where they have obtained generally encouraging results (see Box 5-9).

BOX 5-9: THE EXPERIENCE OF *BOLSA FAMILIA* IN BRAZIL

Bolsa Família (Portuguese for “family scholarship”) started in the 1990s and by 2007 more than 11 million families (about 46 million people, a quarter of Brazil’s population) received payments. Glewwe and Kassouf (2008) examined the impact of *Bolsa Família* on children’s progress in school and estimate that, after accounting for cumulative effects, *Bolsa Família* has increased enrolment rates by about 5.5 percentage points in grades 1–4 and by about 6.5 percentage points in grades 5–8. The program raised grade promotion rates by about 0.9 percentage points for children in grades 1–4 and by 0.3 percentage points for those in grades 5–8. The results show that *Bolsa Família* is more effective at increasing the enrolment of blacks, mulattos and indigenous children than it is for whites, and thus it appears to be equalizing enrolment by race. While these impacts cast a favorable light on *Bolsa Família*, simple calculations based on the enrolment impacts suggest that the likely benefits in terms of increased wages may not exceed the program’s costs. Its long-run effect seems to be increasing participants’ enrolment rates by about 18 percentage points, which implies that 82 per cent of beneficiaries would have enrolled in school even without *Bolsa Família*.

Source: Glewwe, P. and A. L. Kassouf (2008). *The Impact of the Bolsa Escola/Familia Conditional Cash Transfer Program on Enrollment, Drop Out Rates and Grade Promotion in Brazil*. Department of Applied Economics, University of Minnesota.

CCT programs for education implemented to date in Hungary, Romania and Slovakia have not met with the well-documented successes of some of their counterparts from outside Central and Eastern Europe (Friedman et al., 2009). In particular, neither of the two education CCT implemented in Slovakia has contributed to increase attendance among Roma.⁸⁰ Yet, in theory, the low average Roma incomes

⁸⁰ As mentioned before, the motivation allowance introduced in 2004 was abandoned in 2009 because it actually introduced a perverse incentive to enroll children in special classes and schools as a way to ensure the good grades required to obtain the allowance. Good grades, however, are still required to continue receiving the allowance past compulsory schooling.

should make financial incentives an effective way to encourage Romani families to invest in education. A number of explanations can be offered for this apparent aberration. One is that lack of money is not the only reason for low educational achievements among Roma, as indicated by findings from the recent surveys. Another is that the supply of educational opportunities, both qualitatively (schools which are segregated, of poor quality, and/or are special schools) and quantitatively (not close to where Roma live), is also a constraint and therefore stimulating demand through a CCT scheme is not enough. Another still is that the cash transfer amount is simply not enough to make a difference. For example, as mentioned earlier, if Roma drop out of school when they turn 16 to take advantage of the €60 labor activation grants, the transfer should be close to €60.

If properly tailored to the dynamics of Roma education in Slovakia, CCT can be a powerful instrument to help closing the gap between Roma and non-Roma. Because this gap is small during the years of compulsory education, it would be unwise to use scarce public resources to encourage attendance during this time. Instead, CCT should focus on upper secondary school, where the gap between Roma and non-Roma becomes huge and where the risk of segregated schooling is much reduced.⁸¹ The amount should be set at a level that realistically covers the total cost of attendance, including all direct costs (books, supplies, transport, etc.) as well as opportunity costs (e.g., the labor activation grant). In addition to making grants conditional on regular attendance (e.g., 80% of the time), a “prize” should be given for passing each grade and a bigger “prize” for completing upper-secondary school. This would encourage students not only to remain in school, but also to strive toward a diploma. It is interesting to note that in Colombia, conditioning cash transfers on school success rather than school attendance significantly reduced early pregnancies (Cortés et al., 2011) while in Malawi cash transfers conditional on attendance reduced teenage pregnancy and early marriage (Baird et al., 2010). These are surely objectives worth pursuing in addition to improved educational achievements.

5.6.6 POLICY MEASURE 6: MOVE RAPIDLY TO CLOSE MOST SPECIAL SCHOOLS AND ABOLISH SPECIAL CLASSES IN STANDARD SCHOOLS

Keeping children who do not suffer from a severe mental or physical disability in special classes and schools is a waste of public money and a violation of the children’s rights. Leaving aside the moral argument, straightforward economic efficiency calls for this measure. As seen earlier, special education is expensive to deliver, between 50 and 75% more expensive than regular basic schooling. It is even more expensive when one considers its long-term consequences: the fiscal revenues lost because of the lower wages (or complete absence thereof) of those who attended special education, the social benefits that the Government will have to pay for the same reason, the likelihood that the offspring of special education students will in turn end up in special school. On the other hand, there is no demonstrable harm done by integrated education to children without special education needs, so the higher cost of special education does not appear to be justified by the avoided losses for the bulk “normal” students.

In addition, there is now convincing evidence that Roma children placed in special education can do well in regular classes if provided with the appropriate support. A recent qualitative study funded by the Roma Education Fund (Equality, 2011) followed 38 Slovak Roma and 23 Czech Roma students ages 9-15 that had moved to the United Kingdom on average 3.4 years earlier. Of the 61 students, 17 had attended a special school before moving abroad, but upon arrival in the UK they were placed in regular classes. In the new schools, their average attainment in numeracy, literacy and science was only just below average. Thus, children who had been considered unable to follow a standard curriculum in their own

⁸¹ This is also the recommendation of the Roma Education Fund study on CCTs. See Friedman et al., 2009.

country, were able to perform on a par with their British counterpart despite having to learn a totally new language in a totally foreign setting.

The money presently spent on special schools can be used to support mainstreaming, but additional funding would likely be needed. Integrating SEN⁸² children in regular classes costs more than keeping them in special schools or in special classes. Special schools are cheaper because, although classes are smaller than in regular schools, there are still economies of scale that integration would not allow (this is reflected in funding norms that provide 150% of regular per-pupil cost for special school students and 175% of regular per-pupil cost for SEN students in standard schools). Special classes in regular schools are not financially cheaper than mainstreaming under the present financing arrangements because the per-pupil cost of SEN children attending standard schools is the same regardless of whether they are integrated, as it is often the case with non-Roma children, or kept in separate classes. But the administrative burden changes, because mainstreamed children are supposed to have an individual learning plan while those in special classes are not. With the majority of special schools closing or becoming standard schools, the number of SEN children in basic schools would inevitably increase, and this would have budget implications. At a minimum there would be a 25% increase in per-pupil cost (from 150 to 175% of the regular per-pupil cost) for each of the now integrated students. Assuming that at least 70% of the 17,326 children attending a public special primary school in 2011-12 would be mainstreamed, this would cost an additional €7.3 million.⁸³ It should be kept in mind, however, that the number of children in need of special education services should decrease as children progress through school (see the example of Finland) and therefore the cost of integrating socially disadvantaged children would slowly go down each year, until it stabilizes at a lower level.

As special schools are gradually closed or are transformed into regular schools, staff can be redeployed and trained to provide special services in an integrated setting. The five policy measures advocated above would help standard schools become better equipped to address the needs of children from disadvantaged backgrounds, and in particular Roma children. But they can also become better equipped to address the needs of SEN pupils. This is why those whose employment depends on special schools (e.g., special education teachers, psychologists and social workers) would not have to worry about losing their jobs -- To the contrary, it is likely that mainstreaming would actually increase the demand for special education professionals, as SEN students would receive a more individualized attention. The nature of the work of these specialized professionals, however, would change and (re)training would be needed. In any case, training would certainly be needed for all school staff to eliminate negative stereotypes and prejudices, learn how to work in an inclusive environment/mode, and sensitize them to the need to combat harassment and bullying among students. The curriculum at the university level can also be modified in this sense, so that future generations of education professionals would come already equipped to work effectively in inclusive environments.

The newly acquired membership in the European Agency for the Development of Special Education would facilitate the transition. The European Agency for Development in Special Needs Education is an independent and self-governing organization established by European countries to act as their platform for collaboration regarding the development of provisions for learners with SEN. Its work program reflects agreed EU policies and promotes the full participation of SEN students within mainstream education and training. A wealth of useful information, policy and practice advice, and monitoring tools

⁸² SEN is used here to designate all children considered different, whether it is because of a physical or mental handicap, a disadvantaged social background or a special talent.

⁸³ The calculation is as follows: 70 percent of 17,326=12,128; additional 25 percent of the €2370 per-pupil cost of regular schools= €592.5. Therefore 12,280 x €592.5=€7,275,900. Clearly, these are very rudimentary estimates and much more detailed calculations are needed.

are available to members. For example, a group of experts from 23 countries has developed a set of 67 specific indicators to monitor the inclusiveness of education policies in terms of financing, participation and legislation (see Box 5-10). In the same vein, key principles for promoting quality inclusive education were elaborated in 2009 to guide the work of policymakers.⁸⁴

BOX 5-10: KEY AREAS FOR INCLUSIVE EDUCATION POLICY

1. Legislation and balance/consistency between inclusive education and other policy initiatives.
2. Clear national policy on inclusive education: (a) acceptable national position about the educational concept of tracking; (b) connection between general and special provision; prevention of the emergence of special needs.
3. Value statements underlying the curriculum as a point of reference: (a) curriculum; (b) certification.
4. Inclusive assessment systems: identification of SEN by using, e.g., formative/on-going assessment for learning approaches with all learners.
5. Participation of pupils/students and parents in decision-making.
6. Connection between inclusive education and lifelong learning/ early childhood intervention.
7. Incentives in resources and support allocation; pre-resourcing of schools versus resourcing based upon diagnosis of needs.
8. Financing and processes linked to funding mechanisms.
9. Inter-sectoral cooperation.
10. Inter-disciplinary support systems.
11. Teacher training/training of professionals (including use of information and communication technology – ICT).
12. Systems/cultures that encourage collaboration and teamwork among teachers.
13. Differentiation, diversity and multi-cultural education in the classroom.
14. Systems for accountability

⁸⁴ Together with a number of background papers, they can be found on line at: <http://www.european-agency.org/agency-projects/key-principles>

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5.8 ANNEX

ANNEX TABLE 5.1: PREDICTING SECONDARY SCHOOL COMPLETION

| | (1) | (2) | (3) |
|--|--------------------|--------------------|--------------------|
| | All | Roma | Non-Roma |
| Roma | -.262*** (.042) | | |
| Girls | -.054** (.021) | -.016 (.023) | -.170*** (.047) |
| Age | .015*** (.003) | .007* (.003) | .040*** (.006) |
| Attended preschool | .036 (.024) | .048* (.026) | -.045 (.069) |
| Household Head - Male | -.004 (.024) | .017 (.027) | -.044 (.052) |
| Household Head – Completed Secondary School ^b | .431*** (.037) | .401*** (.044) | .447*** (.072) |
| Household Head – Age | .003*** (.001) | .004*** (.001) | .002 (.002) |
| Size of the household | -.022*** (.007) | -.024*** (.008) | -.029 (.020) |
| Second income quintile | -.018 (.050) | .011 (.051) | -.116 (.130) |
| Third income quintile | .062 (.050) | .090* (.052) | -.072 (.124) |
| Fourth income quintile | .120* (.062) | .142** (.067) | -.092 (.148) |
| Fifth income quintile | .154*** (.052) | .184*** (.060) | .007 (.116) |
| Household suffers from hunger | -.046 (.029) | -.062** (.030) | .060 (.096) |
| Household language is Romani | -.013 (.031) | -.007 (.031) | -.211 (.160) |
| Distance to secondary school: within 3 km | .063* (.035) | .096** (.039) | .019 (.073) |
| Dominant ethnicity of the settlement is Roma | -.042 (.027) | -.053* (.028) | .018 (.073) |
| Central region ^c | -.037 (.046) | -.035 (.050) | -.086 (.104) |
| Eastern region ^c | -.005 (.036) | -.016 (.037) | -.045 (.078) |
| Rural | .049 (.034) | .097** (.040) | -.015 (.070) |
| Constant | -.049 (.110) | -.213* (.120) | -.265 (.227) |
| Observations | 1,071 | 823 | 248 |
| R-squared | .494 | .314 | .425 |

Source: UNDP/World Bank/EC regional Roma survey (2011).

OLS estimations. Robust standard errors in parentheses. *Example (Model 1): In Slovakia, Roma of the ages 18-30 are 26.2 percentage points less likely to complete secondary school than non-Roma, when background characteristics are taken into account.*

*** $p < .01$, ** $p < .05$, * $p < .1$

In addition to income quintiles, the analysis includes 'missing income' as a separate income category. Observations for which no information on income was available could hence be included in the estimations. The 'missing income' category is left out of the table.

^aOnly those subjects with at least some primary education were included in the estimation sample.

^bSecondary school completion also includes those respondents who have incomplete general secondary school.

^cSlovakia's Western region is omitted from the table. Estimates for the Central and Eastern region refer to the difference of these two regions with the Western region.

ANNEX TABLE 5.2: PREDICTING SPECIAL SCHOOL ATTENDANCE

| | (1) | (2) | (3) | (4) | (5) |
|--|-----------------------|---------------------------|-----------------------|--------------------|------------------|
| | All: Base Model | All: Base + Regions | All: Full Model | Roma | Non-Roma |
| Roma | .089*** (.016) | .085*** (.016) | -.019 (.016) | | |
| Girls | | | .005 (.010) | .012 (.012) | -.028 (.020) |
| Agegroup: 19-30 ^a | -.012 (.015) | -.014 (.015) | -.014 (.013) | -.011 (.016) | -.015 (.013) |
| Attended preschool | | | -.080*** (.018) | -.081*** (.020) | -.066* (.036) |
| Household Head - Male | | | -.034** (.016) | -.042** (.020) | .009 (.017) |
| Household Head - Completed Secondary Education ^b | | | -.023 (.015) | -.039** (.019) | .035* (.019) |
| Household Head - Went to Special School | | | .578*** (.056) | .574*** (.058) | .559* (.296) |
| Household Head - Age | | | -.000 (.001) | -.000 (.001) | -.001 (.001) |
| Size of the household | | | .013** (.005) | .012** (.005) | .022 (.017) |
| Second income quintile | | | -.005 (.038) | .013 (.044) | -.126* (.075) |
| Third income quintile | | | -.021 (.038) | -.007 (.042) | -.139* (.081) |
| Fourth income quintile | | | .020 (.035) | .042 (.039) | -.119 (.074) |
| Fifth income quintile | | | -.002 (.039) | .020 (.045) | -.123* (.070) |
| Household suffers from hunger | | | -.020 (.018) | -.011 (.019) | -.094* (.050) |
| Household language is Romani | | | .024 (.018) | .027 (.019) | |
| Distance to primary school: within 3 km | | .077*** (.021) | .007 (.015) | .005 (.019) | -.004 (.019) |
| Dominant ethnicity of the settlement is Roma | | | -.005 (.016) | -.013 (.018) | .035* (.021) |
| Central region ^c | | .075*** (.027) | .018 (.023) | .021 (.031) | .002 (.016) |
| Eastern region ^c | | .070*** (.017) | .037*** (.014) | .044** (.019) | .014 (.012) |
| Rural | | .023 (.021) | -.016 (.017) | -.019 (.021) | -.021* (.012) |
| Constant | .027** (.014) | -.122*** (.032) | .086* (.051) | .066 (.057) | .119* (.063) |
| Observations | 2,214 | 2,214 | 2,214 | 1,744 | 470 |

| | | | | | |
|-----------|------|------|------|------|------|
| R-squared | .016 | .027 | .348 | .349 | .306 |
|-----------|------|------|------|------|------|

Source: UNDP/World Bank/EC regional Roma survey (2011). Sample restricted to subjects aged 7-30. OLS estimations. Robust standard errors in parentheses. *Example (Model 1): In Slovakia, Roma of the ages 7-30 are 8.9 percentage points more likely to attend a special school than non-Roma, when only age differences are taken into account.*

*** p<.01, ** p<.05, * p<.1

In addition to income quintiles, the analysis includes ‘missing income’ as a separate income category. Observations for which no information on income was available could hence be included in the estimations. The ‘missing income’ category is left out of the table.

^A A distinction is made between two agegroups: 7-18 and 19-30. Agegroup 19-30 is represented in the table. Estimates for this variable refer to the difference of subjects belonging to this agegroup as compared to the younger agegroup (7-18) which is left out of the table.

^B Secondary school completion also includes those respondents who have incomplete general secondary school.

^C Slovakia’s Western region is omitted from the table. Estimates for the Central and Eastern region refer to the difference of these two regions with the Western region.

ANNEX TABLE 5.3: PREDICTING EMPLOYMENT

| | (1) | (2) | (3) | (4) | (5) |
|---|--------------------|--------------------|--------------------|-------------------|--------------------|
| | All | Roma | Non-Roma | Roma: Men | Roma: Women |
| Roma | -.159*** (.037) | | | | |
| Women | -.157*** (.015) | -.141*** (.017) | -.204*** (.032) | | |
| Age | -.001 (.001) | -.001 (.001) | -.002 (.002) | -.002 (.001) | -.000 (.001) |
| No / incomplete basic education ^a | -.052** (.025) | -.060** (.025) | -.120 (.088) | -.059 (.042) | -.066*** (.023) |
| Complete Secondary education or higher ^{a b} | .188*** (.030) | .132*** (.034) | .295*** (.063) | .134*** (.046) | .131*** (.043) |
| Number of household members | .003 (.005) | .006 (.006) | -.009 (.018) | .013* (.008) | -.002 (.005) |
| Household language is Romani | -.016 (.029) | .006 (.031) | -.148 (.128) | -.003 (.042) | .016 (.032) |
| Distance to employment office: within 3 km | -.028 (.039) | -.039 (.041) | -.011 (.083) | -.052 (.059) | -.025 (.035) |
| Distance to nearest city: within 3 km | .009 (.032) | .012 (.033) | .017 (.073) | -.003 (.046) | .028 (.030) |
| Dominant ethnicity in settlement is Roma | -.010 (.025) | -.029 (.027) | .042 (.067) | -.019 (.039) | -.038 (.026) |
| Central region ^c | .080* (.044) | .126** (.052) | .010 (.088) | .121 (.074) | .134*** (.050) |
| Eastern region ^c | -.031 (.035) | -.044 (.039) | -.009 (.074) | -.081 (.058) | -.007 (.036) |
| Rural household | .005 (.035) | -.002 (.037) | .045 (.073) | -.041 (.053) | .039 (.033) |
| Constant | .385*** (.073) | .196*** (.075) | .290* (.148) | .258** (.115) | -.013 (.069) |
| Observations | 2,085 | 1,450 | 635 | 722 | 728 |
| R-squared | .172 | .105 | .106 | .074 | .083 |

Source: UNDP/World Bank/EC regional Roma survey (2011).

OLS estimations. Robust standard errors in parentheses. *Example (Model 1): In Slovakia, Roma of the ages 25-64 are 15.9 percentage points less likely to be employed than non-Roma, when background characteristics are taken into account.*

*** p<.01, ** p<.05, * p<.1

^A Both schooling categories shown in the table should be compared to 'primary or incomplete secondary education'.

^B Secondary school completion also includes those respondents who have incomplete general secondary school.

^C Slovakia's Western region is omitted from the table. Estimates for the Central and Eastern region refer to the difference of these two regions with the Western region.

6 HOUSING

This chapter provides a detailed assessment of the large gaps that exist in housing conditions between Slovak Roma and the general Slovak population, and provides recommendations to address these. It first highlights the linkages between housing conditions and outcomes in other areas such as health, employment, and education. It then assesses the neighborhood conditions faced by surveyed Roma, before focusing on the specific housing conditions and housing affordability. Following a review of the current policy framework in Slovakia, which relies heavily on two policy tools - (1) construction of social housing units, and (2) the housing benefit allowance - the chapter concludes with specific policy recommendations that promote a comprehensive, incremental approach to improving living conditions in situ and/or helping poor families move into better housing elsewhere.

6.1 INTRODUCTION

“A huge drop in the living standard of Roma communities had been registered in Slovakia in the last twenty years. In the aforementioned period, the Roma population had relocated from integrated town districts to town ghettos and rural settlements, mostly in the segregated regions. Housing is undoubtedly one of the areas in which the gap between Roma on the one hand and the majority population on the other is ever deepening. ...[O]nly Roma communities in Slovakia establish settlements within which are various types of non-standard dwellings that fail to comply with either technical or hygienic standards. Such non-standard dwellings are more often than not built on land with uncertain land title, without a planning permission. The construction materials used, such as wood, tin, clay, are also non-standard. Another serious problem is the lack of basic infrastructure, such as electricity, access to drinking water, access roads and sidewalks with public lighting, gas, sewage. An extreme problem in this regard is the waste removal and disposal.”

-The Slovak National Strategy for Roma Inclusion, as submitted to the European Commission early 2012, Section D. 2. 4. Housing)

6.1.1 THE IMPORTANCE OF ADEQUATE HOUSING CONDITIONS FOR INCLUSION

This chapter focuses on the housing conditions among Roma in Slovakia, an increasing number of whom live in segregated, often informal, settlements --or “slums.”⁸⁵ The term “slum” commonly refers to informal settlements in or near urban areas with inadequate housing, overcrowding, poor living conditions, lack of access to basic municipal services such as water, sanitation, waste collection, storm drainage, street lighting, paved sidewalks and roads for emergency access. Slums usually also lack easy access to schools, hospitals or other basic services. In general slums are informal and residents lack legal ownership and buildings are not built to code or in accordance with zoning. Finally, slums are often areas where the social situation is worsening, where crime and unemployment, for example are increasing.⁸⁶ In Slovakia, a large percentage of Roma households live in slum conditions. The chapter investigates how many Roma households live under what kinds of conditions, reviews current Government policy approaches to improving conditions for poor Roma households living in segregated and informal settlements (i.e., slums), and draws from Slovak and world experience with slum upgrading to suggest how policies might be complemented or changed to more effectively use available resources to reach a larger number of people.

⁸⁵ The Slovak National Strategy for Roma Inclusion, as submitted to the European Commission early 2012, Section D.2.4. Housing.

⁸⁶ This definition draws from Cities Alliance. See <http://www.citiesalliance.org/About-slum-upgrading>.

Housing is particularly important for social inclusion as living conditions are linked to other socio-economic outcomes, such as health, labor market participation and education. Slums where poor households live under substandard conditions are logical places to focus multi-dimensional inclusion efforts to reintegrate these places and their residents physically, socially, economically and financially back into the broader Slovakian society. The Raxen Report (2009)⁸⁷ on Slovakia points to spatial segregation as one particularly important housing challenge. Spatial segregation is highly correlated with early school-leaving, low labor market participation rates and costly access to other services (public transport, health facilities, etc.).

The informality of most spatially segregated settlements, as is true of slums worldwide, creates additional barriers. Without clear land title and a formally accepted dwelling built according to codes in areas planned for residential housing, Roma households are ineligible to obtain a legal address to use for registration purposes. A permanent registered address is required for access to housing allowance benefits, as well as for school registration and access to health care among others. Thus, providing for adequate housing conditions goes hand in hand with social and economic inclusion for marginalized Roma households.

6.2 HOUSING CONDITIONS

The UNDP/World Bank/EC regional Roma survey (2011) finds that a large proportion of households, 42% (approximately 30,240 households when considering the entire population), live in a settlement where the dominant ethnicity is Roma, underscoring the very high level of spatial segregation. An estimated 21,000 (30%) Roma families live in the worst conditions, i.e., in ruined houses or slums as identified by the 2011 Regional Survey enumerators.

As highlighted in the introduction, Roma population growth remains much above that of the majority population, implying that that this group of ‘unhoused’ and ‘underhoused’ Roma is rapidly growing over time. Assuming a continued annual population growth rate of 1.7% (and assuming that mortality rates and household size remain the same⁸⁸), an estimated 1,200 new Roma households are formed every year. This is considerably greater than the 0.3% annual increase for the country’s population as a whole during the 2001 to 2011 intercensal period.⁸⁹ A 1.7% growth rate for Roma households means that the number of Roma families living under the worst conditions (i.e., in ruined buildings or slums) is estimated to grow by about 360 households per year. At the same time, the main policy intervention for housing, building low standard social housing, has supplied an average of 290 units per year from 2001 to 2010 suggesting that the program is insufficient even to keep up with natural increase for the worst housed Roma families.⁹⁰

6.2.1 NEIGHBORHOOD CONDITIONS

Analysis of the Roma Regional Survey data finds little difference between Roma households and the nearby comparator households in terms of access to basic services (medical, educational, transport, and financial). For both groups, urban households have much better access to services than rural households as would be expected. About one in four households in both groups report deterioration in their neighborhood conditions during the past four years.

⁸⁷ FRA Raxen Report 2009

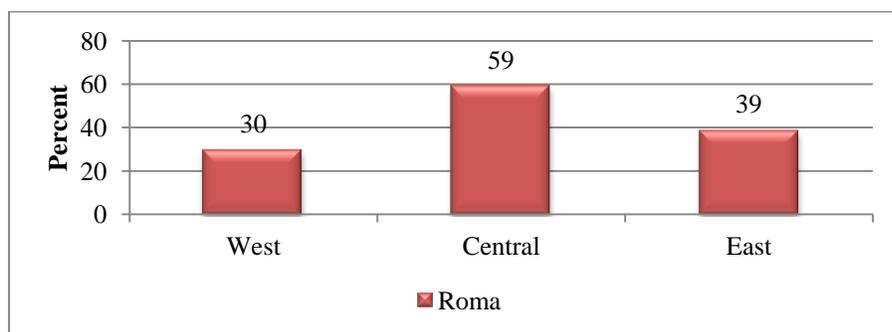
⁸⁸ Reductions in age-adjusted mortality rates or household size would increase the number of dwelling units needed each year.

⁸⁹ The Statistical Office of the Slovak Republic: 2011 Census. See <http://portal.statistics.sk/files/table-3.pdf>

⁹⁰ Figures provided by Ministry of Construction.

However, the problem with spatial segregation for Roma households is particularly acute. About four in ten Roma households live in a settlement where the dominant ethnicity is Roma. In Central Slovakia, this ratio is nearly six in ten. Ethnic segregation is stronger among Roma households living in ruined buildings/slums than among those living in other types of housing. More than half (56%) of Roma households living in slums report also living in predominantly Roma communities. At the same time, nearly three in four Roma households surveyed would prefer to live in mixed areas.

FIGURE 6-1: PERCENTAGE OF ROMA HOUSEHOLDS LIVING IN PREDOMINANTLY ROMA COMMUNITIES IN THE THREE REGIONS OF SLOVAKIA



Source: UNDP/World Bank/EC regional Roma survey (2011).

BOX 6-1: SUMMARY OF NEIGHBORHOOD CONDITIONS OF ROMA HOUSEHOLDS

- Most Roma households in Slovakia are located in villages. In the Eastern region, the share of Roma households in villages is 66%.
- There are few differences between Roma and comparator non-Roma households in terms of access to basic services (medical, educational, government or financial). Both Roma and non-Roma urban households are similarly better provided with access than are Roma and non-Roma households in villages.
- The majority of Roma households in the sample speak Romani at home.
- Spatial segregation of Roma reaches approximately 42%.
- Spatial segregation is stronger among Roma households living in slums than among those living elsewhere.
- Roma and non-Roma households are similarly satisfied (dissatisfied) with their neighborhoods and report few improvements in neighborhood conditions during the past five years.

6.2.2 HOUSING CONDITIONS

Although the neighborhood conditions for Roma and non-Roma households are quite similar, actual housing conditions for Roma households are consistently worse than for the comparator non-Roma households. The regional Roma survey finds that 30% of Roma households live in a ruined house / slum, many times more than the 4% of comparator households with similar housing conditions. Ruined houses or slum conditions are especially common among Roma households living in segregated communities: 41% of these households live in slum dwellings. Disaggregated by income level, Roma households in the lowest income tercile are two and a half times as likely to live in slums as Roma

households in higher terciles. Analysis of the EU SILC (2008) finds a similar pattern with 42% of Roma households in Slovakia living in a dwelling that is in (very) bad condition. Among non-Roma in their vicinity, this is much lower, 12%, and among the general population, the rate is close to 9% (EU SILC, 2008)⁹¹. The share of Roma households where exterior and interior walls are judged to be in (very) bad condition is significantly higher than the comparator households' ratio in all parts of the country. About 40% of Roma households report walls in bad condition whereas for the non-Roma the share is much lower, below 20% (Roma Regional Survey, 2009).

Roma families are much more overcrowded than non-Roma families, and poorer Roma households tend to live in smaller units with fewer rooms. Although 45% of Roma households surveyed lived in dwellings with more than 2 people per room, only 9% of nearby non-Roma households experienced this level of overcrowding. In general, more than 2 people per room is considered very overcrowded in the European context.⁹² Moreover, among the Roma, the poorest households tend to live in smaller units with fewer rooms. For example, Roma households in the lowest income tercile have, on average approximately half as large a dwelling as nearby non-Roma households (48 sq m vs. 80 sq m). The median number of rooms available to Roma households in the lowest income tercile category is 1 compared to 2 for the highest income tercile Roma households. The median number of rooms for non-Roma households is 3.

The overcrowding measures are especially important when taking into account the size of the household, as Roma households are generally larger: Roma have access to 14 square meters per household member on average, whereas among non-Roma, each household member has an average of 28 square meters. The share of Roma households in Slovakia with only one or two rooms in the dwelling is as high as 72%, whereas among the general population, this is only 27% (EU-SILC, 2008).

TABLE 6-1: SIZE OF THE DWELLING

| | Roma Income Terciles: | | | Aggregates: | |
|--|-----------------------|------|-----|-------------|----------|
| | 1 | 2 | 3 | Roma | Non-Roma |
| <i>Number of rooms available to the household:</i> | | | | | |
| Mean | 1.7 | 2.1 | 2.3 | 2.1 | 3 |
| Median | 1 | 2 | 2 | 2 | 3 |
| <i>Square meters in dwelling:</i> | | | | | |
| Mean | 48.5 | 49.9 | 61 | 53.4 | 80 |
| Median | 50 | 45 | 55 | 50 | 72 |

Source: UNDP/World Bank/EC regional Roma survey (2011).

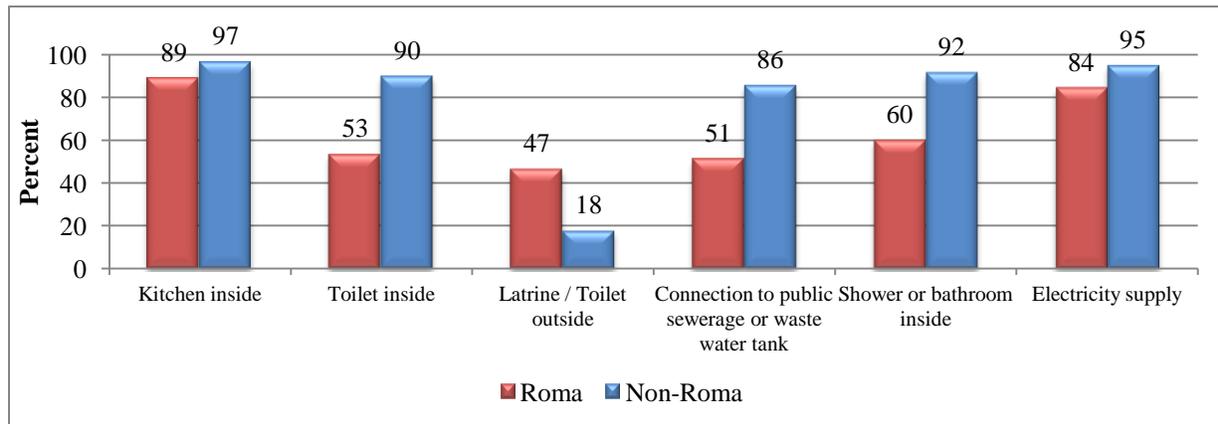
In addition to overcrowding, Roma households are significantly more likely to lack basic amenities such as indoor toilets and kitchens. The figure below illustrates this point clearly. Only about half of Roma households have indoor sanitation (toilet, bathroom, sewage connection) while about 90% of nearby non-Roma families have these amenities. The poorest Roma families are least likely to have access to indoor sanitation. For the lowest income tercile Roma households, fewer than 30% have toilets inside

⁹¹ Among the general population, the question asked concerning the condition of the dwelling was more specific than in the Roma Regional Survey: whereas in the latter survey, the interviewer was asked to rate the exteriors of the dwelling on a 1-5 scale, the question asked in the EU SILC survey was: 'Does the dwelling have a leaking roof, damp walls/floors/foundation, or rot in window frames or floor?'

⁹² This can be considered a rough proxy for EU standards, see the following link for more information. http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Glossary:Overcrowding_rate

their homes, which suggests potential important health risks. Roma households living in predominantly Roma communities have lower rates of sanitation than those in mixed communities: only 44% of Roma households in segregated communities have indoor toilets, 39% are connected to sewerage and 47% have a bathroom. Similarly, about half of Roma households do not have access to drinking water indoors (as compared with 12% for non-Roma households).

FIGURE 6-2: PRESENCE OF SANITARY PROVISIONS IN THE HOUSEHOLD (% OF HOUSEHOLDS)



Source: UNDP/World Bank/EC regional Roma survey (2011).

Nearly half of Roma households lack access to indoor piped water (46%) while only 21% of the non-Roma households nearby do not have access to indoor piped water. Again, the situation is the worst among Roma in segregated settlements where as few as 39% of households have access to piped water. When comparing data for Roma in Slovakia to those for Roma in other countries in the region, only Roma in Romania are worse off in terms of access to drinking water inside their dwelling (Regional Roma Survey, 2011).

Collection of solid waste is particularly problematic for Roma households, especially in segregated areas. One in four Roma households reports irregular or no collection of solid waste. In segregated Roma communities this share increases to nearly one in three (29%). Among nearby non-Roma comparator households only one in twenty report not having access to regular waste collection. Regionally, only Bulgaria has lower solid waste collection rates than Slovakia (Regional Roma Survey, 2011).

Roma households are far more reliant on dirty fuels for heating and cooking than are the comparator non-Roma households (see Table below). Half of Roma households use wood for cooking and 86% use wood or coal for heating (rates that were characteristic for the overall population in the 1960s).⁹³ For non-Roma comparator households the rates are much lower: only 12% use wood for cooking while 53% use wood or coal for heating. Use of dirty fuels is especially common among lower income Roma households. Three-quarters of all Roma households in the lowest income tercile rely on wood for cooking and an impressive 92% rely on wood for heating.

⁹³ See the Census data for 1961 and 1971 for Slovakia. http://sodb.infostat.sk/sodb/eng/1848-2001/tab.III.2-2A_en.htm and http://sodb.infostat.sk/sodb/eng/1848-2001/tab.III.2-2G_en.htm

TABLE 6-2: METHODS OF COOKING AND HEATING THE DWELLING (% OF HOUSEHOLDS)

| | Roma Income Terciles: | | | Aggregates: | |
|---|-----------------------|----|----|-------------|----------|
| | 1 | 2 | 3 | Roma | Non-Roma |
| <i>On what do you usually cook in your household?</i> | | | | | |
| Gas / Electricity | 20 | 34 | 51 | 44 | 83 |
| Wood | 77 | 54 | 42 | 50 | 12 |
| Other | 3 | 12 | 7 | 7 | 5 |
| <i>And how do you usually heat your house?</i> | | | | | |
| Gas / Electricity | 4 | 5 | 22 | 8 | 34 |
| Wood | 92 | 92 | 69 | 74 | 34 |
| Other | 4 | 4 | 10 | 18 | 32 |

Source: UNDP/World Bank/EC regional Roma survey (2011).

The reliance on wood for heating is exacerbated by the overall lack of energy efficiency of the structures, which means relatively more wood is necessary as much of the heat escapes the dwelling. The use of wood and the overall energy inefficiency of the dwellings are in stark contrast with the EU2020 goals on energy efficiency and emissions.

BOX 6-2: SUMMARY OF HOUSING CONDITIONS AMONG ROMA HOUSEHOLDS

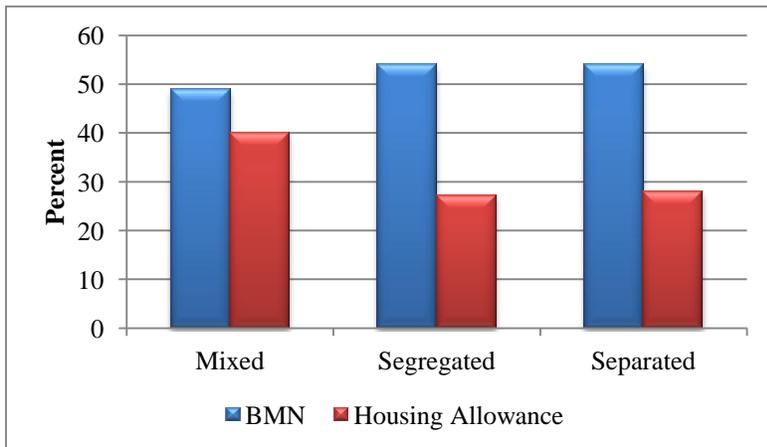
- Nearly one third of the Roma in excluded communities live in ruined housing / slums, while fewer than 5% of the non-Roma comparator group lived in ruined housing / slums. Ruined houses or slum conditions are especially common among Roma households living in segregated communities: 41% of households. Disaggregated by income level, Roma households in the lowest income tercile are two and a half times as likely to live in slums as Roma households in higher terciles. An estimated 21,000 Roma families suffer from very poor housing conditions.
- Roma families are much more overcrowded than non-Roma families. Although 45% of Roma households surveyed lived in dwellings with more than 2 people per room, only 9% of nearby non-Roma households experienced this level of overcrowding. Poorer Roma households live in smaller units with fewer rooms. As Roma households are larger, in terms of living space per capita Roma households average only 14, which is about one half of the 28 square meters per capita found among the comparator households.
- Only about half of Roma households have indoor sanitation (toilet, bathroom, sewage connection) while about 90% of nearby non-Roma families have these amenities. The poorest Roma families are least likely to have access to indoor sanitation.
- About half of Roma households lack access to piped water in their dwellings whereas for comparator households only 12% lack this access.
- One in four Roma households reports irregular or no collection of solid waste. In segregated Roma communities this share increases to nearly one in three. Among nearby non-Roma comparator households only one in twenty report not having access to regular waste collection. Regionally, only Bulgaria has lower solid waste collection rates than Slovakia (Regional Roma Survey, 2011).
- Half of Roma households use wood for cooking and 85% use wood or coal for heating, substantially more than the use by non-Roma comparator households.

6.2.3 HOUSING AFFORDABILITY

The economic transition affected all Central and Eastern European countries and has had a long-term impact on Roma in the whole region. In Slovakia, the employment rate for groups with little education shrank to 60% of its 1998 value by 2010, resulting in many low educated Roma households' exclusion from the labor market. This, in turn, resulted in increasing vulnerability in terms of security of income, dependency on transfers and general affordability problems. Slovakia witnessed smooth economic growth throughout the nineties. Employment rates decreased in the first half of the nineties, but with the restructuring of the economy (increase of the service sector and decrease of the industrial and agricultural production sector), employment rates began increasing again until the end of the nineties⁹⁴. Currently, the national employment rate is 58.8%, approximately 5% points lower than the EU average. Employment rates among Roma are much lower though; the Regional Roma survey shows that only 20% of working age Roma men, and 9% of working age Roma women, are formally or informally employed.

Although approximately half of Roma households depend on social assistance, many do not qualify for the housing allowance. Among Roma, approximately every second household receives the Benefits for Material Needs (BMN) (about 35,000 households), and every third family receives the additional Housing Allowance (about 24,000 households) as can be seen in the Figure below. Among non-Roma households, the shares are only 4% for the BMN and 3% for Housing Allowance.

FIGURE 6-3: SHARE OF ROMA HOUSEHOLDS RECEIVING THE BASIC MATERIAL NEEDS BENEFIT OR THE HOUSING BENEFIT BY SETTLEMENT TYPE



Source: UNDP 2010 Survey of Roma and nearby Non-Roma in Slovakia

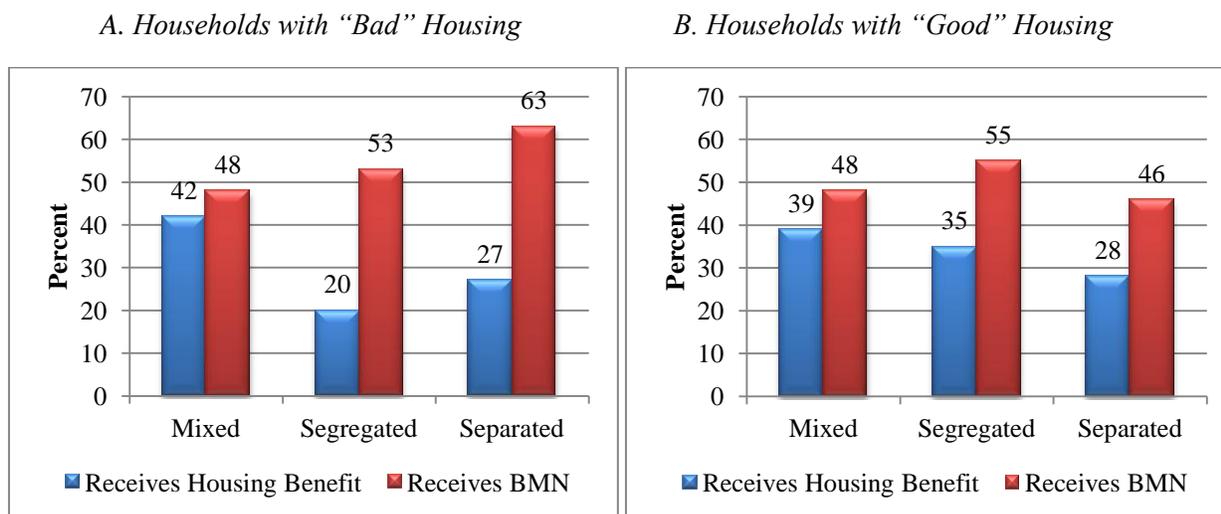
As would be expected, housing allowance receipt correlates strongly with type of settlement. In segregated areas where housing is more likely to be informal and not legally registered, only 27% of Roma households receive the housing allowance. In mixed neighborhoods where Roma households are more likely to live in formal dwelling units, this share increases to 40%. The large gap between BMN recipients (who comprise the poorest layer of Slovak society) and Housing Benefit receipt can be explained by several factors, among which informality (not living in a formal dwelling or not having secure tenure (i.e., a lease)) are the most likely reasons. Families must live in formally accepted buildings with formal tenure (lease/ownership) in order to be eligible to receive housing benefits, whereas BMN eligibility is only tied to low income levels.

⁹⁴ <http://www.unece.org/fileadmin/DAM/stats/documents/ces/sem.44/wp.16.e.pdf>

Households with the worst living conditions are particularly likely to not receive the housing benefit.

Figure 6-4 depicts the share of Roma households who receive the BMN or the Housing Benefit by household housing conditions. Households who described their housing conditions as average or better were classified as households with good conditions. Those describing their living conditions as worse than average were categorized as households with bad conditions. The largest gap between the share of households receiving the BMN and those receiving the Housing Benefit is found in households living in bad conditions. This is logical as informal households are more likely to live in poor conditions. It is important to note, however, that the Housing Benefit, one of the two main subsidies for housing, does not reach poor Roma households living informally in separated or segregated settlements (in other words, the most disadvantaged Roma households).

FIGURE 6-4: SHARE OF ROMA HOUSEHOLDS RECEIVING BMN OR HOUSING BENEFIT BY QUALITY OF LIVING CONDITIONS BY TYPE OF SETTLEMENT.



Source: UNDP 2010 Survey of Roma and nearby Non-Roma in Slovakia.

Low incomes contribute to poor housing conditions for Roma families. Extremely low employment levels – 20% of working age Roma men and 9% of working age Roma women – means that most Roma households – 87% - live in poverty⁹⁵, and many depend on social assistance; approximately every second Roma household receives the Benefit for Meeting Material Needs (BMN), and approximately one third receives the additional housing allowance. Among non-Roma households, on average 4% receive the BMN and only 3% receive housing allowances. Even though housing expenditures comprise roughly the same share of household budgets for Roma as for non-Roma comparator households, the lower income levels for Roma households mean affordability is much more problematic. Roma households often worry they will be evicted due to financial difficulties-- 40% of Roma households expressed concern about eviction. Due to the overall low income levels, restructuring household budgets to mitigate this risk is difficult or impossible.

Nearly half (44%) of Roma households report having difficulty making mortgage, rent or utility payments. Among non-Roma comparators a much smaller percentage reports having difficulty to pay the bills (16%). As shown in

⁹⁵ As defined by equivalized household incomes below 60% of the national median income.

Table 6-3, a small but significant proportion of Roma households is in arrears. For example, 11% of Roma households is in arrears for electricity bills, compared with 2% of non-Roma neighbors. But as shown above, the lower rates of arrears in part reflects the fact that a majority of households relies on wood for heating and cooking, not gas or electricity. Importantly, as many as three quarters (75%) report restricting heating. The latter is also a challenge among non-Roma where 63% reports restricting heating.

TABLE 6-3: ARREARS FOR HOUSING RELATED EXPENSES (% OF HOUSEHOLDS)

| | Roma Income Terciles: | | | Aggregates: | |
|--|-----------------------|----|----|-------------|----------|
| | 1 | 2 | 3 | Roma | Non-Roma |
| Water supply | 4 | 7 | 5 | 6 | 1 |
| Electricity supply | 13 | 17 | 7 | 11 | 2 |
| Other housing related utilities | 4 | 4 | 5 | 4 | 2 |
| Mortgage | 1 | 1 | 2 | 1 | 1 |
| Credit for household appliance or furniture | 4 | 7 | 5 | 4 | 2 |
| Do you have difficulties paying off mortgages, rent or utility bills? | 37 | 48 | 35 | 44 | 16 |

Source: UNDP/World Bank/EC regional Roma survey (2011).

BOX 6-3: PRE-PAID METERED UTILITY PROVISION – EXTENDING THE SOLUTION TO MANAGE DEBTS

In Slovakia, some attempts have been introduced since the mid 2000s to introduce pre-paid meters for electricity supply. The benefits of this solution, however, can be extended so as to not only permit control of consumption, but also can be used to manage arrears effectively by combining pre-paid meters with housing allowance and debt management schemes. The latter approach is completely missing from the current Slovak context as housing allowances are only provided as a cash-benefit. In Hungary, however, prepaid meters are linked to both housing allowances and debt repayment.

A study by the Open Society Foundation describes the Hungarian prepaid meter program.: “One of the most popular debt-management models applied in **Hungary** is a combination of in-kind housing allowance and repayment of debts via pre-paid public utility services. The model needs a **minor infrastructure investment**, that is, a meter which is served by a pre-paid card. Typically, gas and electricity providers have been offering such meters for many years now. The account can be recharged at the service points of the utility provider⁹⁶. For the repayment of the debt, a certain ratio of the recharged credits is written off, based on a case-by-case debt management contract between the household and the service provider. The housing allowance scheme is offered in-kind in the form of credits to be consumed. Households reportedly consciously control their consumption after the meters are installed. The

⁹⁶ Various service providers have extended this opportunity to bank transfers and uploading the credits at ATMs, placed in hundreds of news shops and post offices.

application usage of this technical solution **can be easily learned and it can be transferred** if the infrastructure for recharging the pre-paid cards is available.⁹⁷

The lack of affordable housing and low levels of access to housing finance limit housing mobility for Roma households. The gap in housing quality and the spatial exclusion of a large share of Roma housing severely limits the pathways out of housing exclusion. For example, a Roma household that would like to sell its house generally only has a few potential buyers, i.e., other (usually poor) Roma. This means that the average price of a home in a predominantly Roma settlement is reported to be a fraction of a regional average housing price. Social housing represents currently approximately 4% of the total housing stock. About one in ten social housing units built during the past decade has been intended to serve Roma housing needs. Unfortunately, the low-standard social housing construction program relies on land provided by the municipalities and in practice this has resulted in further segregation for Roma families who receive these new units. Despite these challenges, evidence from ETP, a NGO working with poor Roma households, shows that many households are able to save small amounts toward home improvements that can make a significant difference in living conditions.

As is the case with other countries in the region, the lack of affordable rental housing, limited access to housing finance and discrimination combine to limit Roma households from accessing or improving housing. The challenge posed by Roma slums is growing both because of rapid population increase but also because downwardly mobile Roma households move to slums because of evictions, other affordability problems and on occasion due to discrimination and prejudice.

BOX 6-4: SUMMARY HOUSING AFFORDABILITY

- Approximately half of Roma households depend on social assistance, although many do not qualify for the housing allowance, especially those who live in informal housing as formal housing is required for eligibility. This excludes many of the worst off Roma.
- Nearly half (44%) of Roma households report having difficulties in paying their mortgage, rent or utility costs.
- Although few households are actually in arrears on utility payments this primarily reflects that the majority of Roma households rely on wood for heating and cooking, not gas or electricity.
- Three quarters (75%) of Roma households report limiting heating.
- The lack of affordable housing and low levels of access to housing finance limit housing mobility for Roma households.
- Distrust toward Roma moving into mixed neighborhoods also impedes upward mobility.

6.3 CURRENT POLICY FRAMEWORK IN SLOVAKIA

6.3.1 INTERNATIONAL APPROACHES TO IMPROVE HOUSING CONDITIONS OF POOR AND EXCLUDED COMMUNITIES

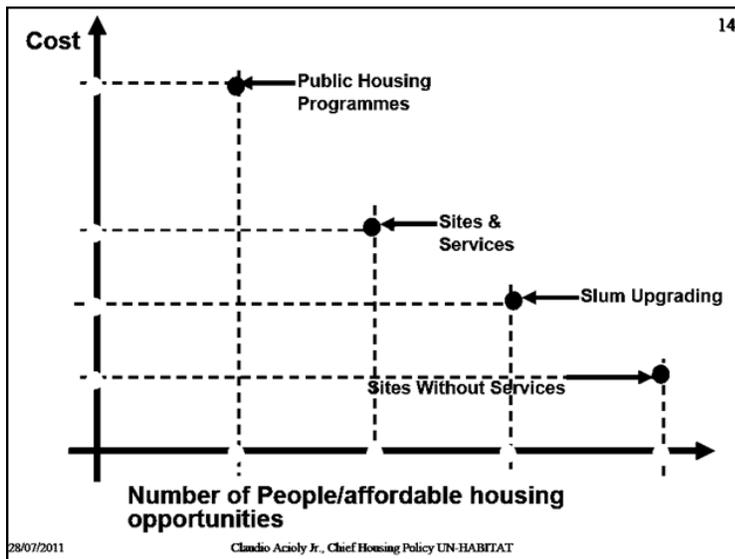
⁹⁷ http://lgi.osi.hu/cimg/0/1/3/9/3/vademecum_supplementary_1703.pdf, section 3.3.2.

Providing adequate shelter is a high priority for countries worldwide, however the approach countries take has evolved during the past several decades. The high cost of providing fully finished dwelling units has meant that governments rarely are able to meet their targets for public units as the costs are high and management complex. In an effort to control costs and increase the number of beneficiaries, governments increasingly have diversified their approaches to housing provision during the past several decades. Claudio Acioly, who is responsible for housing policy at UN-Habitat, characterizes the last several decades of housing policy worldwide as having passed through five main stages as it moved from government (direct) provision of actual housing units to market supply of housing supported by government regulation and enabling policies.⁹⁸ He characterizes the five stages as:

- State sponsored housing production and delivery
- Lowering standards to reach lower income families
- Involving future beneficiaries in housing production (i.e., slum upgrading)
- Intervention in housing inputs to facilitate housing production (i.e., sites and services)
- Enabling policies: less government involvement

As the figure below shows, the different solutions for housing provision bring different costs and benefits with provision of public housing being the most costly (and thus having the fewest beneficiaries) and provision of unserviced sites being the least costly (and thus reaching the most beneficiaries).

FIGURE 6-5: TRADE OFFS BETWEEN COSTS PER DWELLING AND NUMBER OF BENEFICIARIES FOR DIFFERENT TYPES OF AFFORDABLE HOUSING OPPORTUNITIES



Source: Claudio Acioly Jr., Chief Housing Policy UN-HABITAT, Presentation on Housing Sector Profile, July 28, 2011.

In terms of how existing slums are handled, what the above means is that Governments increasingly look beyond providing new public units as the sole or even the main intervention. Instead, lower cost community-driven incremental approaches are increasingly prioritized. These include ‘slum upgrading’ and ‘sites and services’.

⁹⁸ Claudio Acioly Jr., Chief Housing Policy UN-HABITAT, Presentation on Housing Sector Profile, July 28, 2011

‘Slum upgrading’ enables slum residents to engage actively in planning and implementing community improvements in terms of basic infrastructure, in order to formalize/legalize the slum areas and the land plots, to strengthen community leadership and skills, and to support housing improvements. It is this combination of tenure security combined with community-driven approaches to physical, social and economic services within the community that results in the most effective slum upgrading projects. Community and housing improvements are usually incremental and take place over a number of years, creating the conditions for longer-term social and housing mobility for residents.

‘Sites and services’ approaches provide housing inputs (land, infrastructure and services) with the idea that the low-income recipients will build their houses themselves, which much reduces the subsidy required. Commonly services provided to beneficiaries include assistance with materials and plans for building a core or starter dwelling. For both slum upgrading and for sites and services the costs to the state are far less, enabling these programs to reach many more households and to leverage other resources including those of the beneficiaries.⁹⁹

6.3.2 NATIONAL LEVEL POLICY DEVELOPMENTS: NRIS

Current policies for Roma inclusion in Slovakia draw from the Decade for Roma Inclusion 2005-15 and the EU member states’ obligations to produce National Roma Inclusion Strategies (NRIS) to frame the Roma inclusion agenda 2012-2020. The goals of the NRIS (see Box 6-5 below) include a broader range of interventions ranging from tenure security (legalization of land), provision of basic physical services/infrastructure, small-scale and incremental housing improvements, social housing construction, staircase housing models (where beneficiaries are supported in moving gradually from the lowest quality informal housing through different housing levels to fully finished formal housing units) and extension of the housing allowance scheme.

The broader goals in the NRIS resonate strongly with the evolution of worldwide thinking on slum upgrading and incremental housing approaches such as sites and services.

BOX 6-5: HOUSING GOALS FROM THE SLOVAK NATIONAL STRATEGY FOR
ROMA INCLUSION (2012), SECTION D. 2. 4: HOUSING

The overall goal of the strategy regarding housing conditions is to improve access to housing, with special emphasis on social housing and the need to support abolishing segregation in housing, while fully exploiting the funds that have been made available recently in the context of the European Regional Development Fund. In addition, the NRIS aims to bridge the gap between the majority population and the Roma in access to housing utilities (such as water, electricity and gas), and reduce the proportion of shacks and illegal dwellings by 25 %.

Partial goals:

- **Disposal of shacks and dwellings unsuitable for living** (under the Construction Act and applying minimum housing standards) in marginalized Roma communities, and establishing mechanisms for supporting legal housing for citizens whose dwellings have been disposed of.

⁹⁹ Cities Alliance: Cities Without Slums. The case for Incremental Housing. Cities Alliance Policy Research and Working Papers Series No. 1, June 2011.

- **Analyze chances of repairing the existing apartments** in cases where the apartments and/or houses in question are in such a technical condition, which could endanger health or life of their residents. Find chances for intervention in emergency cases caused by natural calamities (such as storms, floods) and fire.
- **Find ways of legalizing and/or disposing of illegal constructions**, while giving their inhabitants an opportunity to acquire legal housing.
- **Introduce financial and legislative tools enabling settlement of land title for the purpose of building rental social apartments.**
- **Ensure completing infrastructure and equipment** [access to drinking water, sewage/septic, gas and electricity] of segregated and separated Roma settlements in Slovakia.
- **Ensure the allocation of funds for the Program of Housing Development** that serves to channel subsidies for procuring standard and low-standard housing. Explore the possibility to use EU funds.
- Indicator: Number of subsidies granted by the Ministry of Transport, Construction and Regional
Benchmark: Number of low-standard apartments constructed prior to 2010 is 2,890.
- **Introduce and implement a program of gradual assisted housing as a social service.** Benchmark: Currently this program is operational in two towns in Slovakia.
- **Prepare legislative framework for providing housing benefit** in such a way that it would – in justified cases – be paid directly **to the apartment manager or another provider of services associated with housing, and also that the circle of recipients be broadened** to include applicants not assessed as citizens in material need, although their income is lower than the sum of the subsistence minimum. Allowance will, however, be strictly limited to the purpose of covering costs associated with housing.”

Analysis of the NRIS suggests that it lacks the specific actions and associated budget needed to realize these goals. The NRIS’ housing chapter relies heavily on the Roma Decade Action Plan’s targets and does not go beyond the Plan either in terms of goals or in targets. The NRIS instead supports the status quo more than it does the creation of an inclusive housing policy for the Roma for the following reasons. First, there are no incentives (or demands) to go beyond creating the sympathy and the step-by-step education of local authorities to understand options and the responsibility for local solutions, whereas social housing, spatial planning, and social service delivery is delegated (to a large extent decentralized) to local level. Second, no steps are foreseen to seriously improve housing affordability (and through this housing consumption and quality of life). And, third, in a few localities, local practice goes beyond the set of tools mentioned in the action plan, which suggests that building on good practice in the field is still problematic, and substantial changes in policy design have not been thought through.

Since June 2010, ERDF regulations have made it possible to use EU Structural Funds to improve marginal groups’ housing conditions by desegregation within an integrated approach, that is, a combination of various soft measures and hard infrastructure investments¹⁰⁰. The organizational setting delegates tasks relating to the horizontal representation of Roma related issues and needs to the Plenipotentiary Office. In the field of housing, the Plenipotentiary Office has a coordination role in designing future pilot interventions for housing, co-funded from EU funds. At the time of drafting this report, a new pilot scheme that would have targeted social housing provision via new “regular” local and integrated social housing construction had been stopped. The pilot should have been a demonstration for the absorption of ERDF Structural Funds for housing for marginalized groups.

¹⁰⁰ http://www.euromanet.eu/upload/86/94/Guidance_note_Housing_interventions_art__7_2_ERDF.pdf

Thus far, the Government has relied on two main policy tools to promote housing inclusion: construction of low-standard social housing and the housing allowance.

Construction of low-standard social housing. The Ministry of Transport, Construction and Regional Development is responsible for designing and implementing public housing construction programs targeting also Roma households and this program, which is funded by the State Housing Development Fund, is the result. The objective is to replace some of the most precarious Roma housing with these units. The units are small and unfinished in order to reduce costs and increase affordability; however, despite these cost reductions, only 2,900 units have been built during the past ten years. Each unit costs an average of 20,000 Euros. The average annual rate of construction (290 units per year) is not sufficient to even keep up with natural increase and new household formation among the Roma population living in ruined houses / slums. Flats are rented for approximately 100 Euros monthly, which is more than one quarter of the average Roma household budget, without taking into account the cost of utilities. Although housing allowances of about 90 Euros cover almost all of the rent, the residual rent and the additional utility costs are often unaffordable to these very poor households. Another problem is that unfortunately, the low-standard social housing construction program relies on land provided by the municipalities and in practice this has resulted in further segregation for Roma families who receive these new units.

The housing allowance. This benefit is linked to the Basic Material Needs Benefit providing an additional payment to cover housing and utility costs. One-third (approximately 24,000) of all Roma households receive housing allowances. The housing allowance has much better reach than the program to build low-standard social housing; however, the program rules inherently exclude the neediest Roma families. Specifically, potential beneficiaries must legally rent or own a formal dwelling, which means the unit must be in an area designated for residential use where land tenure is clear and where the building complies with local building codes. Although data about tenure status are not available, in 2004 about one-third of Roma households who lived in separated / segregated communities lived in dwellings built without proper planning permissions (i.e., informal).¹⁰¹

6.3.3 INCREMENTAL SOLUTIONS AT THE LOCAL LEVEL

A number of local level solutions in Slovakia go beyond low-standard social housing construction and provision of the housing allowance to needy households. For example, some local initiatives take on land title regularization while others supplement low-standard social housing and housing allowances with “soft” support such as education, community social work, health services or assistance with microfinance. NGOs (such as ETP Slovakia) as well as municipalities (for example Dolny Kubin) have implemented these kinds of activities using funds from the national government, donors, EU Funds and other sources singly or in combination.

Some efforts were made to include unregulated (i.e., informal) areas into the spatial planning documents of the municipalities, which is a necessary step for regularizing these areas and eventually providing land title to the Roma residents. Funding was provided to cover a part of the local authorities’ costs to update their general urban plans or master plans, and also to facilitate “finalizing” clearing the restituted lands’ titles for example by swapping land in order to unite plots. In case Roma settlements were positioned on private land, municipalities could initiate swapping these plots for plots in their ownership, or, to clarify who was the effective owner of such plots (many times there are multiple owners and very complicated ownership conditions) and launch negotiations among the “users” and the owners of the plots. Due to lack of public funding, however, the program was stopped, and

¹⁰¹ FRA RAXEN Report Slovakia (2009), p. 24.

benefited only a few settlements.¹⁰² The Box below profiles one example of integrated incremental approaches within Stara Lubovna, a small city near Presov.

BOX 6-6: STARA LUBOVNA: COMMUNITY PARTICIPATION IN INTEGRATED (AND INCREMENTAL) IMPROVEMENTS IN LIVING CONDITIONS IN SPATIALLY SEGREGATED ROMA COMMUNITIES

Of the 16,000 people living in Stara Lubovna, approximately 2000 are Roma, of whom about half are housed in the ‘Podsadek’ part of the city, below the historical castle ruin area. In Podsadek, most homes are built of solid materials and some are standard apartment buildings; however, wooden shacks and insecure extensions can be also found. Many houses lack windows and proper roofs. There is no sewerage, and most families collect water from public wells. More than half of the residents are children. Unemployment is close to 90%.

In the community center of Podsadek, the NGO ETP has coordinated various programs in close cooperation with the municipality of Stara Lubovna since 2003, to improve conditions in Podsadek. The staff of the local community centre, in part employed by the municipality, organizes after-school activities, early childhood education programs, health consultations (e.g. drug prevention), vocational trainings, and, above all, intensive social work. The staff reach out to the different age groups from young children to adults. Linked to ETP’s micro-finance and micro-loan program, approximately 150 families (adults) are offered financial education, and access to micro-loans, which they have invested in improving their housing quality and energy efficiency by installing new windows, doors, and insulation. The precondition for accessing micro-loans for housing improvements has been regularizing the land, which the municipality has supported. In some cases, local Roma residents who move have been supported and followed up with by social workers (in one case a young couple moved to a social dwelling in the integrated part of the city).¹⁰³

Other types of local interventions have resulted in incremental changes, such as immediate improvement in living and health conditions. Examples include the insulation of walls, windows and roofs to improve energy efficiency, providing for non-wood heating or in-house access to potable water, launching of the regularization the land title – sometimes with the help of microloans. These types of programs can frequently be leveraged to provide job training opportunities and actual work experience for Roma households, as discussed in the Box below. However, there is a lack of institutional support for systematic peer-learning and scaling-up of promising initiatives. The Box below describes how existing programs can be used to provide job training opportunities and actual work experience for Roma households.

BOX 6-7: LOCAL INITIATIVES TO BUILD SKILLS AND COMMUNITY INFRASTRUCTURE AT THE SAME TIME.

Some mayors in Eastern Slovakia have taken advantage of the municipal works activation scheme, which provides allowance to people receiving the BMN in return for work. Most often this work consists of low skill work like street sweeping. Some mayors, however, have realized that with some on the job training in basic construction skills, the municipalities can cheaply improve municipal infrastructure *and* at the same

¹⁰² <http://www.fao.org/DOCREP/007/AD878E/AD878E05.htm>

¹⁰³ Author site visit in March 2012.

time provide unemployed Roma receiving the activation allowance an opportunity to learn employable skills. Inspired by such examples, ETP in collaboration with Habitat for Humanity started the “Sharpen Your Skills” course. In Hodejov, for example, a Community Center was renovated whereby most of the technical labor was provided by local citizens, who were trained by project tutors. The course consists of a theoretical and a practical part where participants learn to recognize various building materials, use of construction tools, and working methods. The tutors carefully explained and then demonstrated each component.¹⁰⁴

6.4 POLICY RECOMMENDATIONS

The recommendations recognize the desirability of incremental approaches that will reach larger number of poor Roma households sooner with the expectation that improvements will be gradual and take place over a period of time. This will require broadening the range of tools (projects and programs) available to the government and thus to go beyond social housing and housing allowances. The recommendations here are organized in two broad areas: (1) improving conditions – in situ - for the worst off Roma living in slum areas, and (2) helping poor families move into better housing.

The Government’s strategy should prioritize the large group of Roma households in the worst living conditions (i.e., the 27,000 households living in ruined housing and slums) and can be designed so as to allow for measurable and immediate improvements in basic living conditions (including access to infrastructure services, incremental housing improvement, access to state benefits, etc.). This is important to demonstrate positive progress in counteracting the impacts of unhealthy and dangerous housing conditions and building on the participation, knowledge and resources of the target population.

If the Government is to show measurable improvement during the next several years, it will be particular important not to have new groups of households join the category of those living in ruined and slum conditions. For example, in Lunik IX, tearing down heavily deteriorated buildings without having an acceptable place to move to for the affected families (formal and informal) will create an even larger policy problem for the Government as these families will now be fully homeless. To prevent the further growth of impoverished segregated areas and slums, leveraging different public resources in an integrated manner will be important. Both sets of recommendations go beyond the NRIS, because they suggest the importance of thinking beyond the existing policy tools. They take into account the currently limited availability of public finance resources, while keeping in mind the substantial role that could be played by current and future EU funding in social inclusion and desegregation and improving living conditions for the most disadvantaged Roma households.

The new programming period 2014-2020 will have strong ex ante conditionalities that focus on social inclusion. The expectation is that approximately 20% of all Structural Funds will have to be dedicated to programs that target inclusion. In the case of Slovakia and the other Decade of Roma Inclusion countries, Roma inclusion is an essential element of any social inclusion process. Accomplishing this will require strong political commitment and leadership at the highest level of government.

¹⁰⁴ <http://www.etp.sk/wp-content/uploads/2011/08/From-our-lives.pdf>

6.4.1 POLICY MEASURE 1: FOCUS ON IMPROVING LIVING CONDITIONS FOR POOR HOUSEHOLDS IN SITU; I.E. UPGRADING

Focus on improving living conditions for poor households in situ; i.e. upgrading. The main challenges for improving living conditions within a poor community include a lack of legal status of land, building and people, lack of infrastructure, poor quality of housing, limited social capital within the communities, physical isolation, and lack of economic opportunities. Specific recommendations for improving living conditions in situ include the following:

POLICY MEASURE 1A: FACILITATE LEGAL INCLUSION

- Provide technical assistance to municipalities to support regularization of informal areas through incorporation of informal areas into city/village plans
- Allow residents to legally register where they live regardless of type of structure
- Encourage municipalities and NGOs to undertake steps toward titling and tenure security. For example, help households register in cadaster, formalize a lease, privatize public land, facilitate land purchase from private owner or land swapping among owners, etc.

POLICY MEASURE 1B: IMPROVE ACCESS TO BASIC SERVICES

- Access existing programs, such as the State Housing Development Fund for the provision of public utility infrastructure, to provide basic infrastructure to poor communities (where feasible)
- Support families in managing their utility (and other) debts and in regaining access to existing services
- Involve beneficiaries in infrastructure upgrading, which builds ownership, creates job opportunities, and develops skills.

POLICY MEASURE 1C: IMPROVE SUPPORT TO POOR RESIDENTS TO MAKE HOME IMPROVEMENTS

- Provide financial literacy and home improvement training and materials to permit residents to plan for and improve their homes including energy efficiency improvements.
- Delink eligibility for housing allowance from formal residence status or develop a new subsidy program aimed at the poorest
- Consider limiting housing allowances so that they can be used only for costs related to housing and utilities, and related expenses.
- Increase availability of micro-finance for home improvements, and assess the experience with using housing allowances to secure repayments of microloans for housing improvements.

6.4.2 POLICY MEASURE 2: HELP POOR FAMILIES MOVE INTO BETTER AND INTEGRATED HOUSING.

Help poor families move into better and integrated housing. A large number of Roma households live in very difficult conditions, which in many cases will mean creating the opportunities to move into different dwellings. For example, households living in formal apartment buildings that become

uninhabitable, overcrowded families, or new households that are being formed. Moving into new housing is challenging since there is a very limited supply of affordable housing: the relatively small number of private rentals are largely informal, landlords may discriminate against Roma families, and the supply of affordable social housing remains below the level of new household formation.

POLICY MEASURE 2A: DIVERSIFY GOVERNMENT PROGRAMS TO ENABLE POOR HOUSEHOLDS MORE CHOICES THAN JUST LOW-COST SOCIAL HOUSING TO ACCESS BETTER DWELLINGS:

- Create incentives to use vacant housing in integrated areas (rent or ownership)
- Expand the availability of private formal rentals (requires revising the legal framework)
- Provide strong social support for Roma families transitioning to new neighborhoods, for receiving majority communities, and in many cases anti-discrimination campaigns
- Redesign the housing allowance so it can be paid directly to landlord

POLICY MEASURE 2B: INVOLVE FAMILIES IN THE CONSTRUCTION OF NEW HOMES, WHICH CAN BE MORE COST EFFECTIVE THAN BUILDING FINAL FINISHED UNITS

- Provide families with well located land sites and building materials
- Provide technical assistance to the families in construction

6.4.3 CROSS-CUTTING RECOMMENDATIONS

In addition to these specific recommendations, there are also several cross-cutting recommendations:

- Make sure different Roma inclusion programs are synchronized horizontally for a common goal (i.e. across different housing programs but also programs in education, employment, health, etc., or commingling ERDF and ESF funds)
- Recognize up front the need for sustained and long-term interventions to reach long-term goals using incremental measures
- Target the poorest communities and work with them on their problems; this will require revisiting subsidy programs to make sure the poorest households are being reached
- Seek integrated approaches
- Support desegregation (i.e., physical, social and economic inclusion)
- Apply community development type approach with skilled community worker assigned to targeted communities

Improve community targeting by taking advantage of (a) the poverty map being produced by the National Statistics Office and the World Bank that will show small area poverty estimates of Slovak communities, regardless of ethnicity, and (b) the Slovak Roma Atlas being updated by UNDP (see the Monitoring and Evaluation section for details).

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7 HEALTH

This chapter provides a detailed assessment of gaps that exist in health outcomes between Slovak Roma, their non-Roma neighbors, and the general population, despite the fact that health insurance coverage is nearly universal, as well as policy recommendations to improve health outcomes and reduce the gaps. Following a discussion of main data sources, it assesses several key demographic outcomes and disease burden, before providing an assessment of the determinants of health outcomes among Slovak Roma, including not only health infrastructure and services, but assessing also prevention and risky behavior, and using health services effectively. The chapter then reviews the current Slovak health policy environment, before concluding with specific recommendations that are grouped under those (1) promoting more effective use of existing health services, and (2) using entry points outside the immediate health system to promote better health outcomes.

7.1 INTRODUCTION

Health services in Slovakia are free of charge, health insurance coverage is nearly universal, and most of the population, including Roma, live within a few kilometers from a health facility. Yet Roma suffer worse health than the non-Roma population. Previous literature on the health status of Slovak Roma points to a higher burden of infectious and chronic disease. This is generally supported by self-reported health outcomes in the regional Roma survey and focus group discussions that were conducted. Furthermore, research estimates have shown that poor health translates into life expectancy among Roma that is much lower (an estimate of 15 years for Slovakia) than non-Roma. This is consistent with the regional survey finding that only 2% of Slovak Roma are older than 65. The findings in this chapter suggest three complementary reasons that help explain this poor health status.

First, the very poor living conditions described in the housing chapter are obvious contributors to infectious disease, diarrhea and respiratory disease among children. Recall that housing conditions for Roma households are much worse than for nearby comparable households. About 30% of Roma households live in a ruined house/slum, while this is true for only 4% of comparator households. Only about half of Roma households have indoor sanitation (toilet, bathroom, sewage connection) while about 90% of nearby non-Roma families have these amenities. One in four Roma households reports irregular or no collection of solid waste. And, half of Roma households use wood for cooking and 85% use wood or coal for heating, substantially more than the use by non-Roma comparator households.

Second, a high burden of chronic disease is consistent with high risk behavior such as high smoking rates, both for men and women, poor diet and low levels of physical activity, as well as a high rate of teen pregnancy. For example, the analysis shows that more than 60% of Roma adults smoke regularly, compared to about 27% of the general population, and 40% among non-Roma neighbors. The smoking prevalence among Roma women is three times higher than that among Slovak women nationally. Yet, there are very few examples of campaigns directed at preventing smoking among Roma, health diets etc. Roma women reportedly also continue smoking during pregnancy, which will also contribute to poor reproductive health outcomes. Furthermore, many Roma women have children early. According to data from the UNDP (2010) survey of the Slovak Roma population, among women aged 15-19, 19% has given birth. Among women aged 20-24, 64% has given birth. At the same time, practically all women give birth at the hospital, providing an excellent opportunity for awareness creation about infant and child care, family planning, and reproductive health.

Third, poor health outcomes can be caused by ineffective use by many Roma of the available health services. The regional Roma survey finds that most of the population, including Roma, live within a few

kilometers from a health facility, and most Roma report being satisfied with the health services received. Still, 45% of Slovak Roma does not seek health care when they actually need it. Half of those that do not seek needed care say it is unaffordable to them. In follow-up interviews with focus groups, including health workers and some Roma community members, the financial barrier was explained; money needed for transport could be prohibitively expensive for a Roma family. Another 20% wants to wait to see if the affliction improves by itself. Respondents also indicate that medication is often too expensive and forego treatment as a result. In part this may reflect that many do not understand the benefits of health insurance, and instead incur high out of pocket expenses or do not see a doctor for relatively minor check-ups. As a result of misunderstandings and ‘waiting to seek care’, the use of emergency services and ambulances is very high, and costly to both the health system and the patient. Roma Health Mediator programs address these by assisting Roma in getting health insurance cards and explaining the use as well as accompanying them to seek health services. However, these programs are small scale and their sustainability is uncertain.

Health, nutrition, and population policies play a fundamental role in economic development and poverty alleviation. Empirical studies have documented a positive correlation between health and national income around the world, but this relationship is complex and runs both ways. Higher income can allow for greater access to inputs that improve health, such as food, clean water and sanitation, education, and medical care. And in turn, improved health and nutrition can contribute to economic growth through better educational outcomes, increased productivity, and increased investment, creating a virtuous circle.¹⁰⁵

Improving early child health and nutrition has particularly large benefits. A child born from a healthy well-nourished mother has a much better chance at a healthy childhood, educational achievement, and greater labor productivity as adults. Recent evidence also shows that children that are breastfed are less likely to develop chronic disease in later life; for example, a 4% reduction in obesity risk with every month of breastfeeding [Singal and Lanigan, 2007]. Children born with low birth weight (<2500 grams) are at higher risk of childhood stunting, more prone to infectious disease, and show lower educational achievement and adult productivity. They are also at elevated risk of chronic disease later in life due to the mismatch between in-utero environments and later environments in which food is more abundant.¹⁰⁶

The recently approved Strategy of the Slovak Republic for the Integration of Roma (NRIS) by 2020 includes a clear focus on health issues. The draft Strategy highlights the need to improve access to quality health services for disadvantaged and vulnerable populations. It focuses on the need for more health promotion and prevention as well as financial protection, with provisions for including essential drugs to health insurance packages. In addition, it proposes interventions that would disproportionately benefit the Roma population such as the free Hepatitis A vaccination, dental care, travel allowances, and increased support to reproductive health. It also foresees more data-collection on socially excluded sub-populations in order to improve targeting of interventions and resource allocation. At this time, however, there remains no indication of increases in budget or resources to support these policies or programs.

The purpose of this chapter is to present findings from the recent regional Roma survey on Roma health status and performance of the health system for the Roma population in Slovakia. A review of the current policies and programs, as well as the recommendations of the draft Strategy mentioned

¹⁰⁵ Several recent reviews have explored the relationship between health and income; see Kremer and Glennerster (2012), Bleakley (2010a), Spence and Lewis (2009), Currie (2009), Strauss and Thomas (2007).

¹⁰⁶ The mismatch is often between what was available to the mother while pregnant and during early life years with greater abundance of food later in life. The so-called Foetal Original of Adult Disease (FOAD) theory suggests that part of the Double Burden Malnutrition problem, whereby under- and overnutrition occurs in the same population, community, family and even individual over a life-time, is due to a mismatch between the environment of the womb and that of the world outside when the child is born (Barker Hypothesis in Barker 1998).

above is carried out in light of these findings. The policy recommendations below are consistent with the overall Strategy recommendations, and aim to (a) highlight more specific programs and priorities areas, and (b) provide a number of complementary entry points that are important to consider.

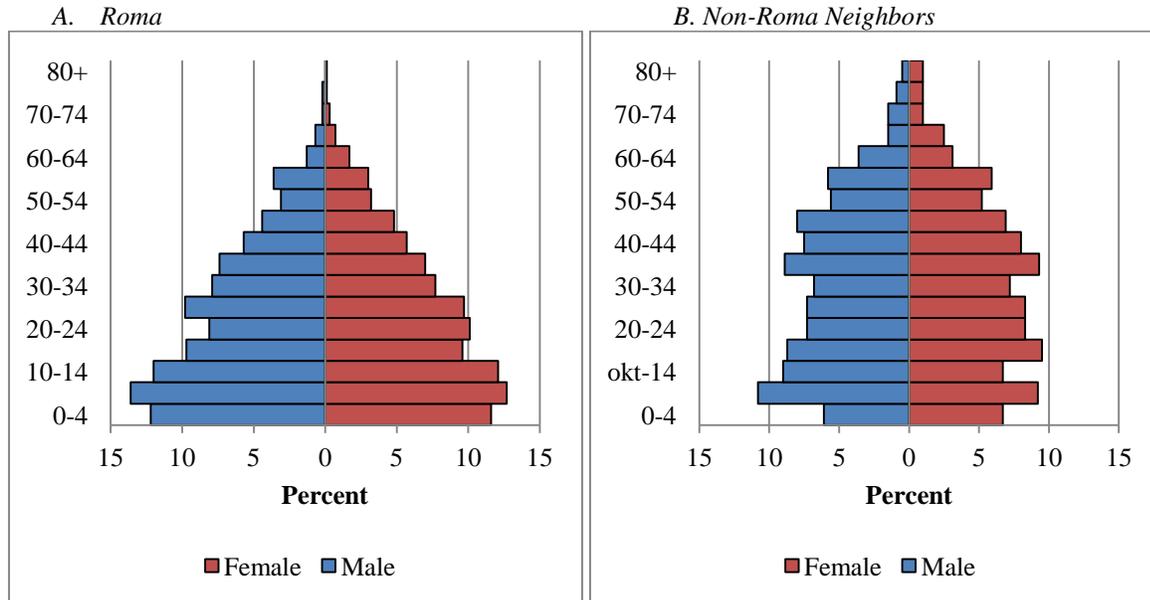
7.2 METHODOLOGY AND KEY DATA SOURCES

The findings in this chapter rely primarily on the regional Roma survey (the UNDP/World Bank/EC regional Roma survey, 2011), and comparisons with data on the general population. It should also be noted that throughout this chapter, we present two comparison populations: 1) the "general population," which is the national population of each country in the EU Eurobarometer data, and 2) "non-Roma," who are non-Roma neighbors of the vulnerable Roma sampled in the Regional Survey. The chapter will use these terms to refer to specific comparison populations.

All estimates related to the general population of Slovakia are based on Eurobarometer survey data collected in either 2006 or 2009. Eurobarometer (2006) is data from the 66.2 round of the Eurobarometer surveys. The survey queried respondents about their general health and quality of life, current or past health problems, and the location of body pain. Respondents were also asked about treatment for chronic illness, medical tests or health checkups, and recent changes in health behavior. Demographic and other background information includes age, gender, origin of birth (personal and parental), and marital status. In all, Eurobarometer 66.2 interviewed 28,585 citizens aged 15 and over of the 25 countries in the European Union after the 2004 enlargement, remaining Accession Countries (AC) Bulgaria and Romania, Candidate Country (CC) Croatia, and among the Turkish Cypriote Community (TCC). National estimates on smoking and alcohol consumption were based on data from Eurobarometer 72.3, conducted in 2009. This round of the survey interviewed 30,292 citizens in the 27 countries of the European Union.

When comparing adult estimates across these populations, the figures are also adjusted for age in order to identify the disparities or gaps between Roma and non-Roma. The Roma population structure is different from that of the general population or non-Roma neighbors – typically, Roma are younger on average and have fewer elderly. As a result, comparing simple averages across the different populations would not account for these differences in age structure.

FIGURE 7-1: POPULATION AGE STRUCTURE FOR ROMA AND NON-ROMA NEIGHBORS IN SLOVAKIA



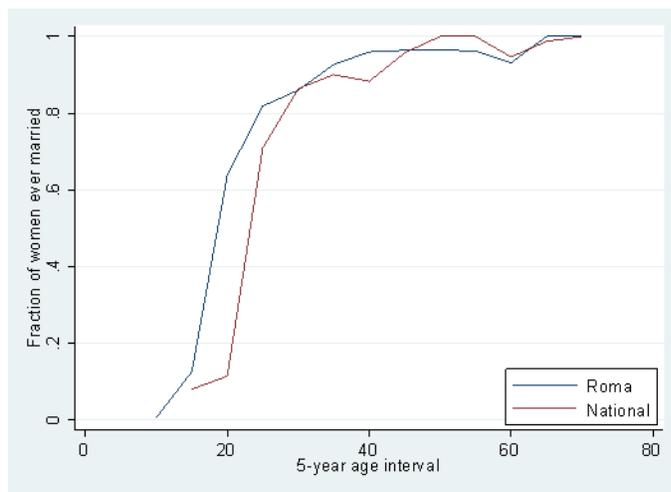
Source: UNDP/World Bank/EC regional Roma survey (2011).

7.3 POPULATION AND HEALTH OUTCOMES AMONG THE SLOVAK ROMA

7.3.1 AGE STRUCTURE AND FERTILITY

Among vulnerable Slovak Roma, family formation starts at a very early age, and there is a high dependency ratio. Patterns of entry into marital unions among women in the most vulnerable Roma communities differ substantially from those in the general population (Figure 7-2). In the regional survey, about 15% of Roma women between the ages of 15 and 19 years were married (7% in the general Slovak population), and about 65% between the ages of 20 and 24 years (compared to only 13% in the general population). The mean age at first marriage among Roma women who entered into traditional marriages (20 years of age) was the same as that among those who were married in church or a municipality office. Households that participated in the Regional Survey also reported preferences on timing of vital events, and the mean desired age of marriage for girls was 19.5 years. The desired age for men was slightly higher at 20 years. Interestingly, preferred age of initiation of sexual life for men and women (18 years for both) was slightly lower than the desired age of entry into marriage. Desired ages of marriage were slightly higher among non-Roma neighbors (a mean of 22 and 21 years for men and women, respectively), while desired age of initiation of sexual life was roughly the same as that among the Roma. Lastly, the Roma population has a higher dependency ratio (whereby more community- or family members that are not in the labor-force depend on members in the labor-force or gainfully employed), which, coupled with low employment rates, exacerbates poverty levels.

FIGURE 7-2: MARRIAGE RATES AMONG SLOVAK WOMEN



Source: Roma: UNDP/World Bank/EC regional Roma survey (2011); General Population: Eurobarometer (2006). The figure represents the fraction of women who have ever been married, for vulnerable Roma and the general population.

Childbearing starts early and fertility remains high. The Regional Survey did not collect information on reproductive behavior among women. However, According to data from a similar survey one year earlier – the UNDP (2010) survey of the Slovak Roma population - the average number of children is 3.7 among women aged 45-49 and 3.6 among women aged 35-39. The median age at first birth is stable over time – 19 or 20 years of age for each of the five-year cohorts from 25 to 49. Data from the 2011 regional Roma survey on preferences about timing of first birth also reflect this desire to initiate childbearing early: the mean desired age to start having children was 20 years for females. Among young women aged 15-19, 19% has given birth. Among women aged 20-24, 64% has given birth (note: this is similar to the reported marriage rates). Among women aged 45-49, 94% has given birth. This is consistent with findings from older studies. In 2002, Roma women living in ‘partially integrated’ and ‘segregated’ communities had a mean age at first birth of about 20 years (Mézšáros and Vaňo 2004; Šprocha 2006). Roma women living in ‘partially integrated’ communities had a total fertility rate of 3 children per woman, and those living in ‘segregated communities’ had a total fertility rate of 5.2 children per woman, both high in comparison with an average of 1.19 children per woman in Slovakia as a whole. In another study in ‘segregated’ communities in Slovakia, 30% of Roma women had their first child by age 18 (Kumanová, Džambazovič 2002). In a household survey across Europe, the fraction of women between the ages of 14-16 years that had given birth for the first time is three times higher among the Roma than among the non-Roma (FSG 2009). Monitoring data from the RHM programs implemented by OSF in Slovakia show that 49 percent of Roma mothers were under 18 years of age when they had their first child (6 percent were not even 15 years old) (OSF 2012, Internal Memo).

7.3.2 LIFE EXPECTANCY

Life expectancy among the Roma is considerably lower than that among the general population in Slovakia, although more recent data is needed. Rigorous data on life expectancy gaps between Roma and the general population are rare because administrative data are not disaggregated by ethnicity in most countries. Data that does exist is often estimated or extrapolated from household survey data or official statistics, and may be based on small sample sizes. Table 7-1 presents Roma life expectancy data for countries in Eastern Europe, available since 2000, including their source and methodology. Although the

data are derived from various sources and should be interpreted with caution, the evidence is suggestive of lower life expectancy among Roma. The gap in Slovakia of an estimated 14 years is particularly large, but the data concerns and the year (2000) should be kept in mind.

TABLE 7-1: LIFE-EXPECTANCY FOR ROMA AND NON-ROMA IN SELECTED COUNTRIES

| Country | Year | Life Exp Gap | Life Exp Roma | Life Exp Gen Pop | Source | Methodology |
|----------|------|--------------|---------------|-------------------|--|--|
| Moldova | 2006 | 3 | 65 | 68 | UNDP survey (UNDP-Moldova 2006) | Estimate based on infant deaths from household survey, and correlation between life expectancy and infant mortality. ¹⁰⁷ |
| Serbia | 2005 | 10 | 63 | 73 ¹⁰⁸ | 2005 Mortality Database, Serbian Office of Statistics (Bogdanovic et al. 2007) | No methodology reported. Only reported life expectancy gap. |
| Romania | 2003 | ~6 | 64 | 70 | UNDP survey (UNDP 2003) | Estimated from life expectancy of countries with similar infant mortality rate. IMR estimate from separate survey (RHS 1999). ¹⁰⁹ |
| Hungary | 2002 | 10-15 | 56-61 | 71 | Unknown (Kovac 2002) | Not methodology reported. |
| Bulgaria | 2001 | 5 | 67 | 72 | 1992 and 2001 census, Bulgaria (UNDP 2003) | Not methodology reported. Data only for people who declared ethnic affiliation. |
| Slovakia | 2000 | 15 | 59 | 73 ¹¹⁰ | UNDP 2004, Zoon 2001 ¹¹¹ | Not methodology reported. Only reported life expectancy gap |

Source: World Bank

An important factor contributing to the gap in life expectancy are higher rates of infant mortality among the Roma. Once again, vital statistics disaggregated by ethnicity do not exist, but available data suggests that most Roma populations in Europe have higher infant death rates than non-Roma. The most recent information from the Slovakia statistical yearbook shows the regions where the Roma population are

¹⁰⁷ The Roma infant mortality rate was calculated as number of infant deaths (40) over total number of live births (1,386). No reference to the range of years (e.g., births within the last 10 years) over which the births occurred.

¹⁰⁸ Non-Roma life expectancy from WHO European Health for All Database (HFA-DB 2010)

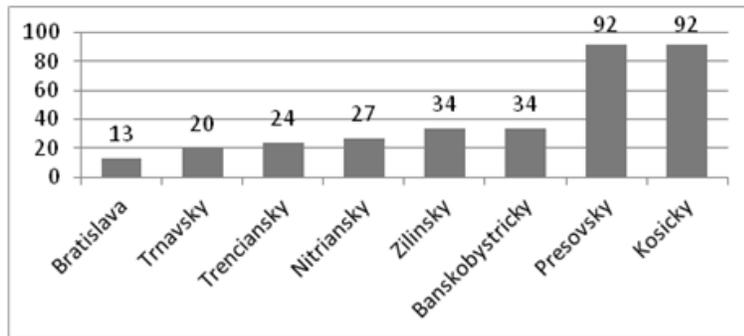
¹⁰⁹ Unclear which IMR was used for the calculation. UNDP 2003 cites that the Roma infant mortality rate is “roughly three times higher than the national average” and shows IMR figures of 27.1 for the Romanian population and 72.8 for the Roma population for children born in the last 5 years, between 1994-1999. The RHS 1999 final report only presents figures for children born in the last 10 years, between 1989-1999, with IMR figures of 26.9 for the Romanian population and 50.6 for the Roma population.

¹¹⁰ From WHO European Health for All Database (HFA-DB 2010)

¹¹¹ Zoon and UNDP only present life expectancy gap for men (13 years) and women (17 years). For overall life expectancy gap, Roma male-to-female ratio was assumed to be the same as for the general population, 95:100 (UN Population Division 2000). Source cited was a report by the International Organization for Migration (2000), which was not found.

concentrated have much higher IMR than those regions where few Roma are living. Figure 7-3: Total numbers of infant deaths in Slovakia in 2008, by region shows the actual number of infant deaths in 2008 in Slovakia. A total of 336 infants died before the age of 1, with over 50% of the deaths from only two regions: Presovsky and Kosicky. These are also the two regions with the highest concentration of Roma. While this correlation strongly suggests that disparities in infant mortality exist, more accurate data is needed.

FIGURE 7-3: TOTAL NUMBERS OF INFANT DEATHS IN SLOVAKIA IN 2008, BY REGION



Source: Slovakia Ministry of Health statistics, 2008

7.3.3 BURDEN OF DISEASE

Evidence from small, local studies indicates that infectious disease prevalence is high among the Roma. Measles outbreaks have occurred in recent years among Roma communities in Italy, Portugal, Germany, Greece, Croatia, Bulgaria, Romania, Serbia and Poland (Loewenberg 2006; Orlikova et al. 2010; Seguliev et al. 2007). Polio has been found to be higher among the Roma as well (Kojouharova et al. 2003). Evidence from Bulgaria also shows high TB prevalence (Schaaf 2007). A high prevalence of infectious disease can be linked to low vaccination coverage, low utilization of basic health services, crowded and unsanitary housing conditions, and poor water and sanitary conditions.

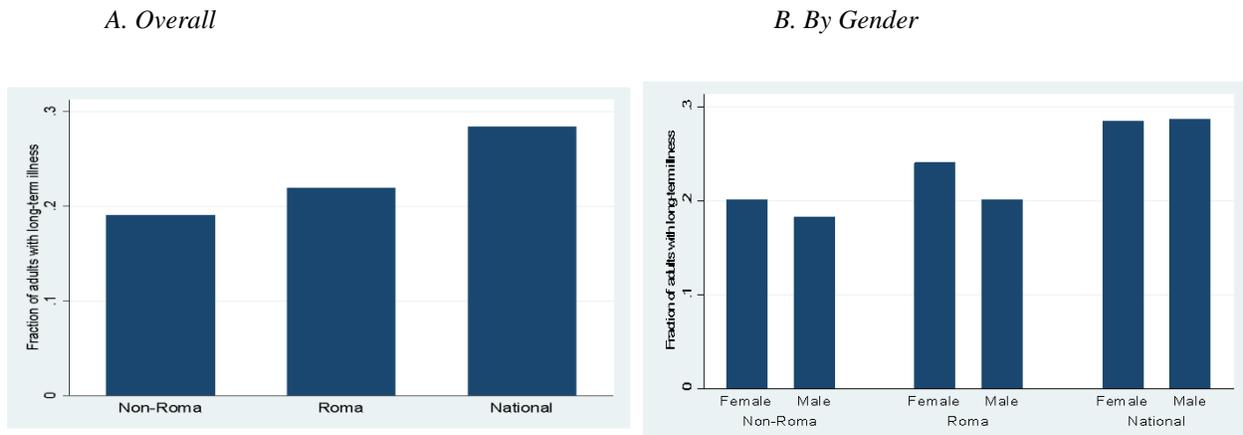
Although the Regional Survey collected no data on infectious disease prevalence in vulnerable Roma communities, interviews conducted with health practitioners indicate that certain infectious diseases are common in these communities. Health assistants working in Roma settlements reported that scabies was a common problem among children, and infectious respiratory ailments, urinary tract infections and jaundice were common among adults. In one settlement, there were a high number of cases of infection of the bronchi and lungs among children who then had to be hospitalized when the (untreated) condition worsened. One health coordinator interviewed in the Focus Group Discussions noted that cases of flu and other infectious diseases tended to rise in autumn. Another interviewed doctor working in three villages noted that jaundice had been an issue in the past, but a two-year long vaccination project was successful in eliminating the disease.

Self-reported health outcomes suggest that Slovak Roma suffer disproportionately from chronic diseases. Figure 7-4 (a) shows self-reported chronic disease prevalence among vulnerable Roma, non-Roma living nearby, and the general population in Slovakia, adjusted for age.¹¹² After adjusting for the age structure of the Slovak Roma, 22% of Roma adults between the ages of 15 and 70 years reported suffering

¹¹² Roma and non-Roma estimates are from the Roma Regional Survey (2011); national estimates from Eurobarometer (2006).

from long-standing disease, a few percentage points lower than in the general population of Slovakia (29%). Similarly, a quarter of Roma adults reported that they experienced restricted mobility due to a disability in the past 6 months (not shown), compared to 31% of adults in the general population. In both regards, prevalence rates among the non-Roma were slightly lower than those among their Roma neighbours, although the difference was not statistically significant.

FIGURE 7-4: FRACTION OF ADULTS SUFFERING FROM A LONG-STANDING ILLNESS



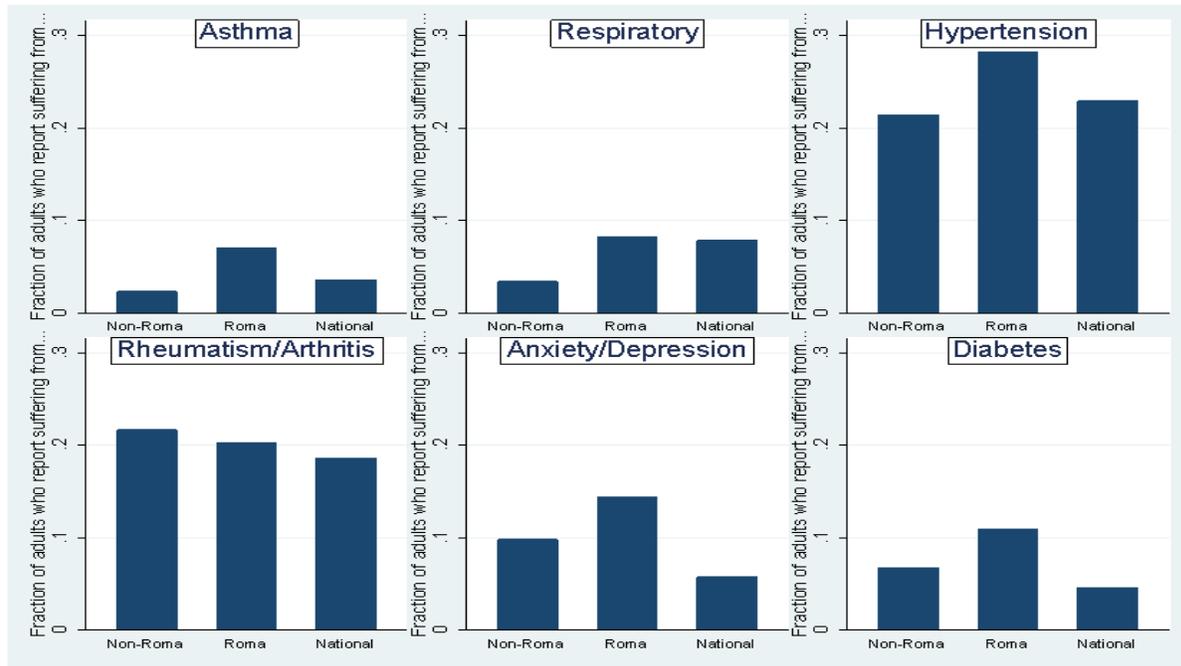
Source: Roma and non-Roma neighbors: UNDP/World Bank/EC regional Roma survey (2011); General population (referred to as ‘national’ in the figure): Eurobarometer (2006). The figure refers to percentages among the age group 15-70. Data were based on self-reported question items, i.e. it was not verified whether the individuals reporting so were indeed suffering from health problems.

Self-reported, age-adjusted prevalence of anxiety and/or depression is significantly higher among the vulnerable Roma, and they also report somewhat higher rates of diabetes, hypertension and asthma. Hypertension and rheumatism/arthritis are among the most prevalent chronic illnesses reported (Figure 7-5), both among the Roma and the general population of Slovakia. After adjusting for the different age structures of the two populations, self-reported prevalence of hypertension and chronic joint/muscular pain stands at about 27 and 21% respectively among the Roma, a few percentage points higher than that estimated for the country population as a whole. Self-reported, age-adjusted prevalence of asthma, respiratory disease and diabetes are slightly higher among the vulnerable Roma than in both the general population and among the non-Roma neighbours in these communities.

Interviews conducted among health practitioners to follow up on these findings confirm a high prevalence of chronic disease among the vulnerable Roma. A doctor in the focus group discussions confirmed that high blood pressure and obesity were common among young Roma, as well as musculoskeletal disorders, which were concentrated among women. Cardiovascular problems and heart attacks were also common. The doctor pointed out that these problems were prevalent even among Roma living in more “integrated” villages, where the socioeconomic conditions of Roma are similar to those of their non-Roma neighbours. The doctor linked high prevalence of these diseases to sedentary lifestyles (the Roma under his care did not work) and lack of preventive health behaviors. He also pointed to smoking and alcohol consumption, which were common among men and women, old and young. One health assistant who was interviewed mentioned angina as a common ailment, and linked this to risky health behaviors and lack of preventive examinations among the Roma.

Most notably, age-adjusted prevalence of chronic anxiety and/or depression is three times higher among the vulnerable Roma (15% of adults aged 15-70 years) than in the general Slovak population (5% of adults aged 15-70 years – Figure 7-5). This disparity in mental illness has serious implications not only for those who suffer from it but for the entire community, as it puts additional strain on families and communities. In general, these chronic diseases, including mental illness, require regular medical care (and associated expenditures), and their management requires health literacy¹¹³ among both patients and their families.

FIGURE 7-5: FRACTION OF ADULTS SUFFERING FROM CHRONIC DISEASES



Source: Roma and non-Roma neighbors: UNDP/World Bank/EC regional Roma survey (2011); General population (referred to as ‘national’ in the figure): Eurobarometer (2006). The figure refers to percentages among the age group 15-70. Data were based on self-reported question items, i.e. it was not verified whether the individuals reporting so were indeed suffering from the mentioned diseases.

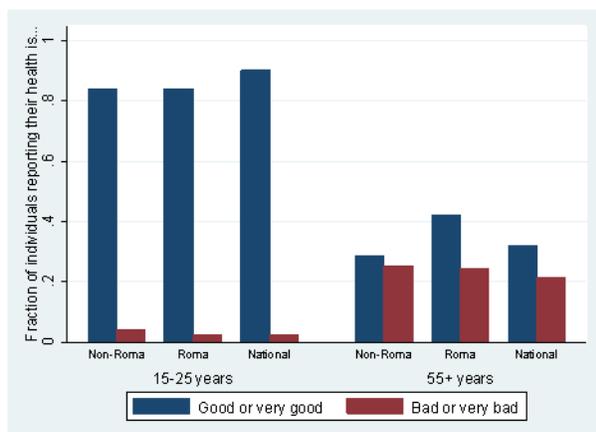
Self-reported, age adjusted prevalence of each chronic disease is significantly higher among Roma women than among men, and the gender disparity is always larger than that observed in the general Slovak population. While self-reported prevalence of long-term illness in the general population was roughly the same among men and women, among the vulnerable Roma and non-Roma it was higher among women than among men (Figure 7-4b). Interestingly, the gender disparity was larger for Roma (4 percentage point difference) than their non-Roma neighbours. Further, prevalence of each specific disease was always higher among women than among men, with the female disadvantage ranging from a low of about 5 percentage points in the case of asthma, other respiratory illness, and rheumatism/arthritis, to a little over 10 percentage points for anxiety/depression and diabetes. The corresponding gender differences for each disease are much smaller in the general population – ranging from 2 to 6 percentage points depending on the disease, with self-reported prevalence of asthma and other respiratory illness 2 percentage points *lower* among women than men. Similarly, Roma women were about 5 percentage points

¹¹³ Health literacy is the ability to understand instructions on prescription drug bottles, appointment slips, medical brochures, doctor’s directions and consent forms, as well as the ability to negotiate complex health care systems.

more likely than men to report restricted mobility due to a health problem in the past 6 months (the difference was 2.5 percentage points in the general population (not shown)).

In spite of being in poor health, the majority of vulnerable Slovak Roma are satisfied with their health, but satisfaction declines sharply with age. In general, satisfaction levels are comparable to those in the national Slovak population. The Regional Survey asked a standard self-reported health status question, where the respondents report whether they are in very good, good, fair, bad, or very bad health. About three-quarters of the vulnerable Roma surveyed in the Regional Survey reported that their health was either good or very good. Significant differences emerge within the population, however, when responses were disaggregated by age group. Among young Roma adults aged between 15-25 years, over 80% reported that they were in good or very good health, slightly lower than the estimate for the general population. However, for the population over age 55 years, Roma self reports of health status are higher than among the general population or non-Roma neighbors. Over 40% of older Roma over the age of 55 years reported that they were in good or very good health, higher than the 32% in the general population. About a quarter of old adults reported that their health was bad or very bad, comparable to the national population.

FIGURE 7-6: FRACTION OF YOUNGEST AND OLDEST ADULTS WHO REPORTED THAT THEIR HEALTH WAS EITHER GOOD / VERY GOOD, OR BAD / VERY BAD



Source: Roma and non-Roma neighbors: UNDP/World Bank/EC regional Roma survey (2011); General population (referred to as 'national' in the figure): Eurobarometer (2006).

Happiness in general was high and mirrored satisfaction levels with health, with younger Roma reporting higher levels of satisfaction with life than older Roma respondents. The Regional Survey asked respondents whether they were very happy, quite happy, not very happy, or not at all happy. Roughly three-fourths of Slovak Roma aged 15-25 years reported that they were quite or very happy (about 81% among non-Roma neighbours). Older Roma – aged 55 years and above – were significantly less happy – roughly 50% reported that they were not at all, or not very happy. Older adults in neighbouring non-Roma households, on the other hand, resembled younger non-Roma, with 75% reporting that they were either quite or very happy. When asked to rate how satisfied they were with life in general, the differences were not quite so stark. Among the Roma, the average satisfaction score was 6.6 among young adults (with zero denoting complete dissatisfaction and 10 denoting complete satisfaction), and slightly lower among the elderly. Among the non-Roma neighbours, the mean score was higher at 7.2 among the young adults, and 6.0 among the elderly.

7.4 DETERMINANTS OF HEALTH OUTCOMES

Why are Roma people suffering worse health status? There is evidence suggesting that the socio-economic conditions in which Roma live and grow up expose them to greater risk factors for poor health outcomes in comparison with their non-Roma neighbors and the general Slovak population.

7.4.1 PUBLIC SERVICES INFRASTRUCTURE

Provision of public infrastructure in vulnerable Roma communities remains poor and inadequate.

Estimates from regional Roma survey show that while the vast majority of vulnerable Roma communities have regular waste collection in their neighborhood (at least once every two weeks), there is clearly room for improvement. In Slovakia, one in five Roma households reported that waste was not collected regularly from the community. Similarly, only half of Slovakian Roma households have piped water inside their dwelling, and about 40% access water through a public tap or a source at higher risk of contamination¹¹⁴. Compounding the problem, about half of vulnerable Roma households in Slovakia reported that their residence was not connected to the public sewerage system, and about 40% did not have showering/bathing facilities inside the dwelling. Each of these factors places the Roma at higher risk for contracting infectious disease.

Concerns about access to clean water also emerged in a number of follow-up interviews conducted with health practitioners in Slovakia.

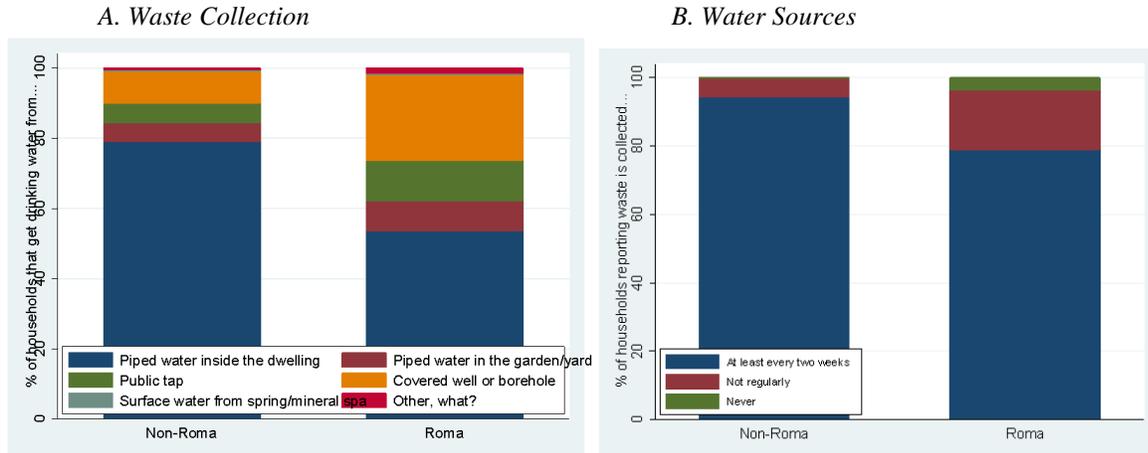
Health personnel interviewed in the Focus Group Discussions reported that Roma had difficulty accessing water in settlements with public wells or taps during the dry season and the winter (when water freezes). In general, the lack of hygiene became particularly problematic during winter when it was harder to find water for cleaning clothes and washing up. One health assistant related the occurrence of jaundice and other infectious diseases to the lack of clean water.

These interviews also linked the incidence of infectious disease to generally poor living conditions in vulnerable Roma communities.

Health assistants interviewed pointed to the lack of appropriate clothing and exposure to cold during the winter months as one reason for higher incidence of infectious disease during this period. One health coordinator suggested that dirty bed linen, lack of ventilation, and dirty and wet living conditions contributed to illnesses during the colder months.

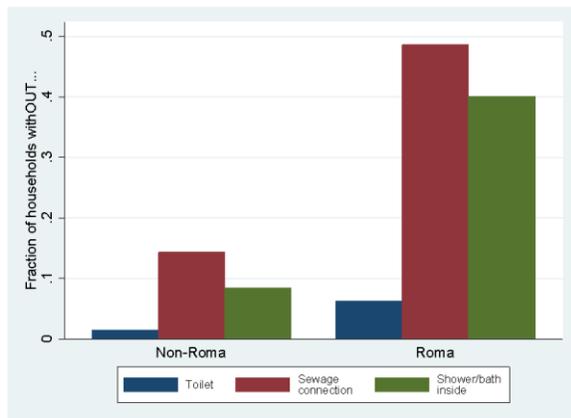
¹¹⁴ Data on the quality of drinking water that Roma households use has never been collected.

FIGURE 7-7: WASTE COLLECTION AND WATER SOURCES IN VULNERABLE ROMA COMMUNITIES



Source: UNDP/World Bank/EC regional Roma survey (2011).

FIGURE 7-8: FACILITIES WITHIN HOUSEHOLDS



Source: UNDP/World Bank/EC regional Roma survey (2011).

Improvements are indeed possible: In the Czech Republic, for example, each of the services above exists in more than 90% of Roma households in vulnerable communities. Similarly in Macedonia, about 90% of Roma households in similar communities have piped water inside the dwelling. It is clear that these improvements will come about only with the right mix of public investments, and this has not occurred in Slovakia: While a quarter of vulnerable Roma households in Slovakia reported improvements in roads and pavements, very few reported any recent improvement at all in access to sewerage systems and drinking water, or in the quality of housing.

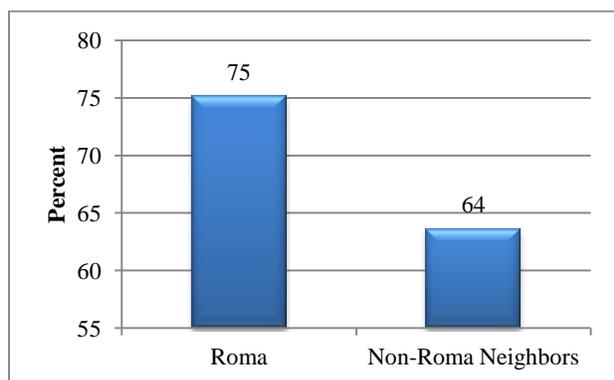
7.4.2 SOCIOECONOMIC CHALLENGES

High poverty, low education, and low employment rates among the Roma population contribute to the poor health in vulnerable Roma communities. As discussed in Chapter 3, Roma unemployment rates are very high, in some communities even hundred percent. Roma also have lower levels of education, with only 20% of adults having finished secondary school. Many Roma live in very poor living conditions, as described in Chapter 6. Facing financial constraints, vulnerable households reduce direly needed investments in human capital such as education and health, and as this report will show, the vast

majority of Roma households reports that they are unable to afford basic necessities that often serve as inputs to good health.

Low socioeconomic status and poor health among the vulnerable Roma go hand in hand with concerning levels of reported hunger, and other measures of hardship. Over 40% of Roma households in Slovakia surveyed in the regional Roma survey reported that a household member went to bed hungry at least once during the past month. Hunger prevalence among non-Roma households in the same communities was strikingly low in comparison (about 14%). Roma are also unable to maintain heating through the winter, as three-quarters of Roma households report that they restrict heating during winter (Figure 7-9). The fraction is significantly lower (63%) among their non-Roma neighbors.

FIGURE 7-9: SHARE OF HOUSEHOLDS RESTRICTING THEMSELVES WHEN HEATING THE DWELLING



Source: UNDP/World Bank/EC regional Roma survey (2011).

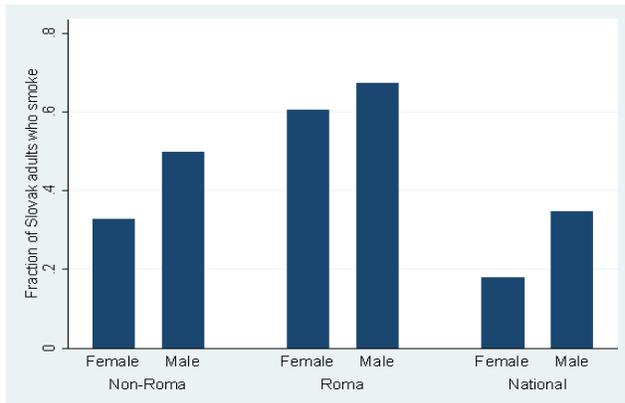
7.4.3 DIET, SMOKING AND ALCOHOL CONSUMPTION

Across Europe, Roma adults and children are poorly nourished, a result of unhealthy diets and nutrition practices reinforced by the low socioeconomic status of the population. Regarding child health, maternal nutrition and early life nutrition, exclusive breastfeeding and adequate complementary feeding practices are crucial for a healthy start to a productive life. Roma households in vulnerable communities are at high risk of experiencing hunger, and additional evidence suggests that young Roma children are particularly vulnerable: Roma infants typically only receive up to 3 months of exclusive breastfeeding instead of the recommended six months and practice poor weaning and complementary feeding practices. Poor diet and nutrition contributes to low immunity, a high incidence of infectious diseases, and poor child growth, increasing the risk for cardiovascular disease in later life (WHO, 2003). Surveys of the Roma population in Europe indicate that the intake of fast food is high and the intake of fruits and vegetables is low (FSG 2009). While poor breastfeeding practices and poor diet are of concern among the non-Roma population as well, it is critical to ensure that the entire population has proper nutrition to prevent non-communicable diseases. Related to good nutrition is the condition of teeth; Roma have high incidence of non-treated cavities and missing teeth and have poor dental check up records (FSG 2009), which can negatively impact the ability to consume fresh and healthy foods such as fruits and vegetables, whole grains and tubers.

Smoking is common among vulnerable Roma, most likely resulting in poor health outcomes. More than 60% of Roma adults smoke regularly, compared to about 27% of the general population, and smoking prevalence is about 8 percentage points higher among men than among women. Non-Roma

neighbors smoke as well, but prevalence is significantly lower at 40%. The difference in smoking rates between men and women is significantly smaller among the vulnerable Roma than it is in the general population, and the prevalence among Roma women is *three times* higher than that among Slovak women nationally. The high smoking rate among Roma women likely contributes to poor reproductive health outcomes in this community, as women reportedly continue smoking during pregnancy¹¹⁵.

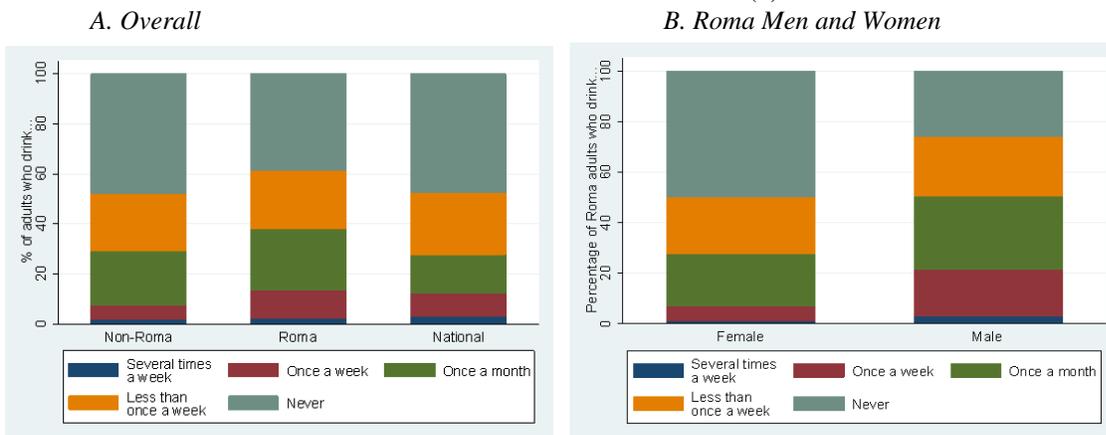
FIGURE 7-10: PREVALENCE OF SMOKING AMONG ROMA AND NON-ROMA, BY GENDER



Source: Roma and non-Roma neighbors: UNDP/World Bank/EC regional Roma survey (2011); General population (referred to as ‘national’ in the figure): Eurobarometer (2006).

By contrast, alcohol use is low (Figure 7-11). About 40% of Roma adults in Slovakia report that they never drink, only slightly lower than the national average, and only a little over 10% report drinking regularly: once to several times a week. Differences between the Roma and their non-Roma neighbors are negligible, but Slovak Roma men do drink significantly more frequently than women (Figure 7-11b): while roughly 5% of Roma women report drinking once to several times a week, 20% of men report doing so.

FIGURE 7-11: ALCOHOL USE AMONG ROMA AND NON-ROMA (A)



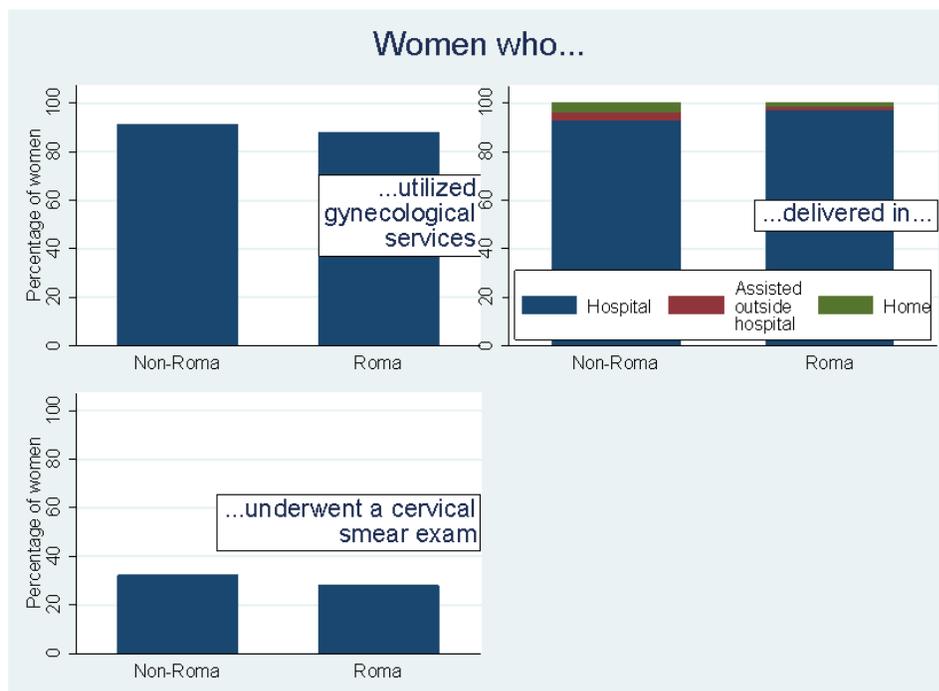
Source: Roma and non-Roma neighbors: UNDP/World Bank/EC regional Roma survey (2011); General population (referred to as ‘national’ in the figure): Eurobarometer (2006). ^A The left-hand figure (figure a) presents overall shares for Roma, non-Roma neighbors and the general population. The right-hand figure (figure b) presents shares for Roma men and women.

¹¹⁵ Focus Group Discussion – April 2012

7.4.4 REPRODUCTIVE HEALTH

While most Roma women had visited a gynecologist at least once and gave birth in a hospital, the frequency of reproductive health check-ups was low. A very high fraction of Roma women in vulnerable communities and their non-Roma neighbors (roughly 90%) had visited a gynecologist, at least once in their life (Figure 7-12). It remains unclear, however, how frequently or regularly these visits were made. Also, while the fraction of Roma women delivering in hospitals was very high (almost 95%), less than a third of Roma women had undergone a cervical smear examination in the past year¹¹⁶. As with other examinations, the fraction was slightly higher among the non-Roma neighbors (33%), which is also very low. These results suggest that while women in these vulnerable communities may be receiving care at the time of birth, access and utilization of pre- and postnatal care may still be very inadequate. A recent qualitative study in Serbia and Macedonia supports these findings, showing that Roma women have poor prenatal care due to various factors including lack of health insurance and poor knowledge (Janevic et al. 2011). Poor preventive health among women is not only a Roma issue (although outcomes seem to be worse), but also a broader issue for all women across the region¹¹⁷.

FIGURE 7-12: UTILIZATION OF REPRODUCTIVE HEALTH CARE SERVICES



Source: UNDP/World Bank/EC regional Roma survey (2011).

Abortion rates are also relatively high. According to a 2002 UNDP/ILO 2002 report, abortion is about 25% higher among Roma women than the non-Roma, and abortion is regularly used as an anti-conception

¹¹⁶ Women of reproductive age are recommended to have annual pap smears. Regular pap smears dramatically reduce the development of invasive cancer.

¹¹⁷ Fewer than 50 percent of sexually active women in Moldova and Romania reported ever having had a Pap test; in Azerbaijan and Georgia, fewer than 5 percent of women reported having had the test in 2003 (Population Reference Bureau).

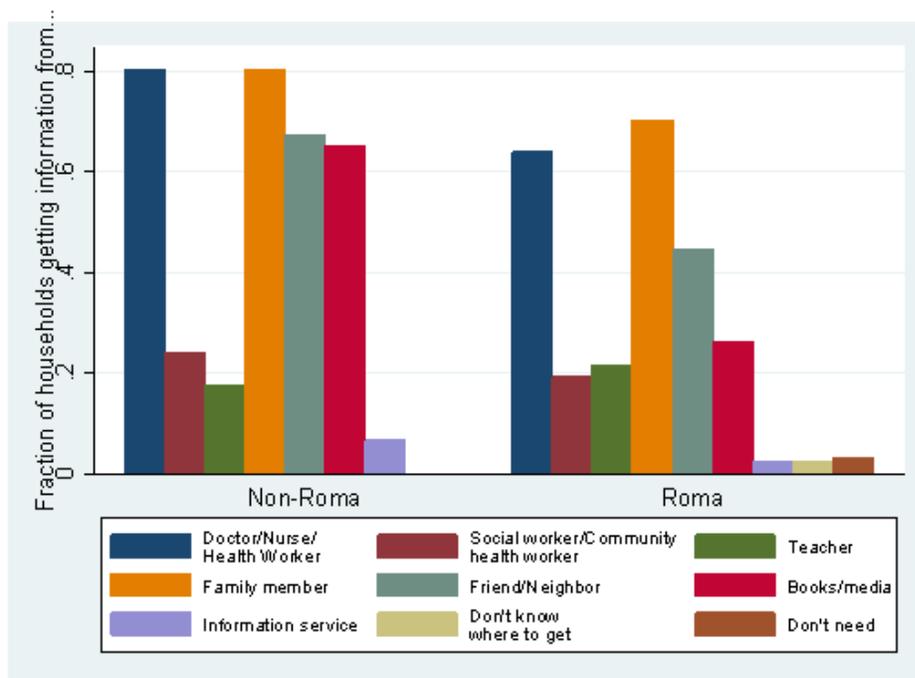
method. Induced abortion seems to be acceptable as a form of birth regulation (mostly among older women who have a higher number of children). Repeated induced abortion is not uncommon among some women living in Roma settlements, which poses another risk to their reproductive health. Women are not well informed about methods of birth control, in part related to low education levels and cultural factors that lead to tabooisation of sexuality in traditional Roma communities (UNDP/ILO 2002).

7.4.5 BEING INFORMED ABOUT CHILDHOOD DEVELOPMENT

Health practitioners and community health workers are an important source of information about childhood development, and the latter could play a central role in overcoming information barriers.

Over 60% of Roma and 80% of non-Roma households in vulnerable communities reported in the Regional Survey that they had received information about childhood development from a doctor, nurse, or health worker (Figure 7-13), indicating that most households have had some contact with personnel in the health system, and that health outreach work currently underway has been successful in reaching vulnerable households – although we do not have any information on the impact of these programs. The fraction of households reporting that they had received information from a health worker or practitioner stood second only to the fraction reporting that they had received information from a family member, indicating that these communities rely significantly on family and social networks for information on childhood health and development. Outreach work can help raise awareness in these circles.

FIGURE 7-13: SOURCE OF INFORMATION ABOUT CHILDHOOD DEVELOPMENT



Source: UNDP/World Bank/EC regional Roma survey (2011).

7.4.6 HEALTH CARE SERVICES

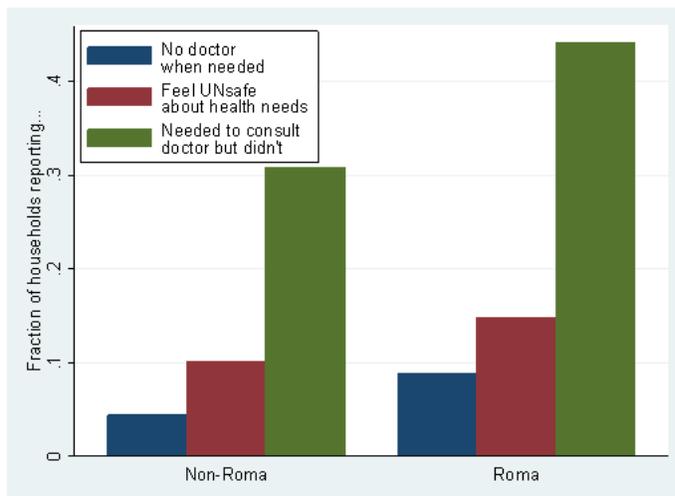
As shown above, the Slovak Roma population is in much poorer health than the general population of the country. Is the health system providing adequate services to fulfill the health needs of the Roma

population? Do the Roma have access to and are they using these services? Evidence from the regional Roma survey sheds light on these questions.

OUTPATIENT DETECTION AND TREATMENT CARE

A large fraction of Roma households in vulnerable communities do not access outpatient care when needed. How do the most vulnerable Slovak Roma feel about the adequacy of the health system and its ability to protect their health? Overall, the results are not bad: Only 9% of Roma households reported that they did not have access to a doctor when they needed one in the past year, while a slightly higher fraction (15%) reported feeling unsafe with regard to their health needs (Figure 7-14). The striking finding is that while the vast majority of vulnerable Roma *feel* that they have access to doctors when needed, only 55% of Roma households report seeing a doctor when they needed one in the previous year. In contrast, 70% of their non-Roma neighbors report seeing a doctor when needed.

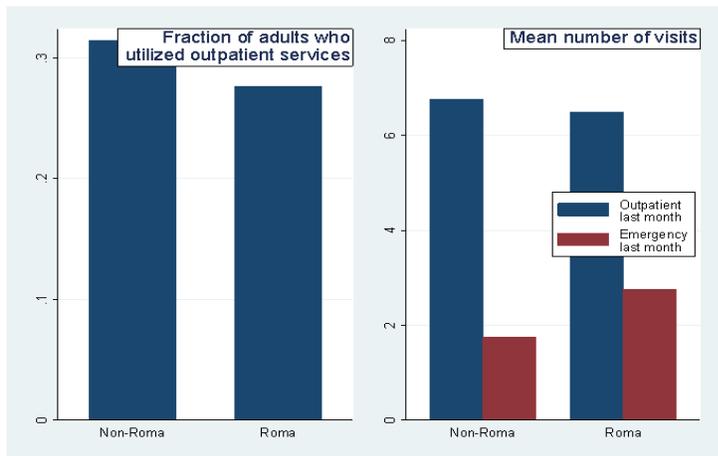
FIGURE 7-14: DO RESIDENTS OF VULNERABLE ROMA COMMUNITIES FEEL THAT THEIR HEALTH NEEDS ARE BEING ADEQUATELY MET?



Source: UNDP/World Bank/EC regional Roma survey (2011).

Among those who do use health services, the use of outpatient services was reported to be high among the vulnerable Roma and their non-Roma neighbors; however, Roma reported to significantly more likely to use emergency services. Roughly a third of Roma adults and their non-Roma neighbors had accessed outpatient medical services at least once during the month preceding the survey, with on average six visits per adult among those who used the services (Figure 7-15). a large fraction of these outpatient episodes involved the use of emergency services: among Roma adults, about 40% of all outpatient visits were to emergency services. Among the non-Roma neighbors, the fraction was lower with about a quarter of all outpatient visits involving use of emergency services.

FIGURE 7-15: UTILIZATION OF OUTPATIENT HEALTH SERVICES



Source: UNDP/World Bank/EC regional Roma survey (2011).

Interviews conducted with health officials in Bratislava as follow-up to these findings support frequent (and possible inappropriate) use of emergency services among the Roma. People wait “until the situation is really bad”, as social workers interviewed in Bratislava pointed out. One government official claimed that many Roma use ambulances as “a taxi service to go to the hospital”, in order to avoid having to pay transport costs associated with a medical visit. While there is a fine for inappropriate use of emergency services, it is waived for recipients of social assistance benefits. Similarly in the rural areas, a health assistant reported that the Roma pay a visit to the doctor only when they have a serious problem, and even in these instances, they prefer to wait until the evening and let the health assistant call an ambulance for transport to the hospital, rather than go to a doctor during the day and pay the transport cost.

ROUTINE MEDICAL EXAMINATIONS

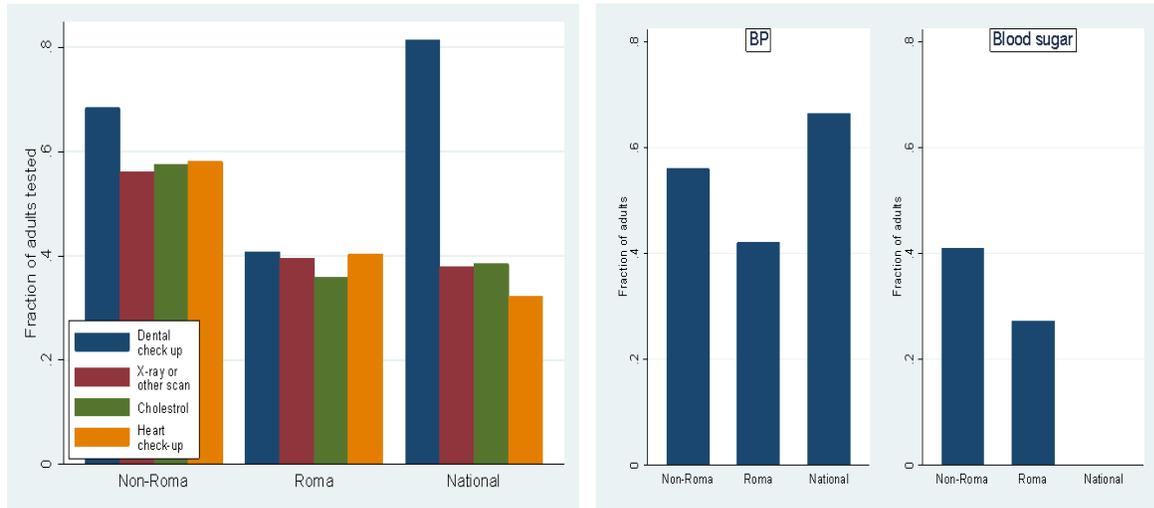
Dental examinations and checkups for blood pressure and sugar levels were low among the vulnerable Slovak Roma (Figure 7-16a and b). However, coverage of other examinations was comparable to that in the general population, after adjusting for the different age structures of the populations. When asked whether an adult had been tested during the last year, the Roma disparity was largest for dental check-ups (about 40% of Roma accessing care compared to 80% of the general population). Surprisingly, with the age structure standardized to that of the general population, the rate of undergoing heart check-ups was higher among the Roma than in the general population by about 8 percentage points. The use of X-ray or other scans was also higher, though the difference was slight. An explanation for this difference may be due to the higher use of emergency services by Roma discussed in the previous section. Blood pressure check-ups (Figure 7-16b) during the past year were significantly lower among the Roma (41%) than in the general population (66%)¹¹⁸. This low rate of examinations places the Roma at risk for delayed or wrong diagnosis. Inadequate testing coupled with a low utilization of health services and lack of resources to afford medication even when tested and diagnosed paves the way to a high prevalence of undetected and un-treated illness. For all procedures, the rate of use was always higher among the non-Roma neighbors of the vulnerable Roma, and the difference varied between 15-25 percentage points depending on the type of examination considered.

¹¹⁸ Only a quarter of Roma adults had their blood sugar levels tested during the same period. No comparable estimate was available for the general Slovak population.

FIGURE 7-16: ROUTINE MEDICAL EXAMINATIONS AND CHECK-UPS (^A)

A. Dental, X-ray / scan, Cholesterol, Heart

B. BP, Blood Sugar

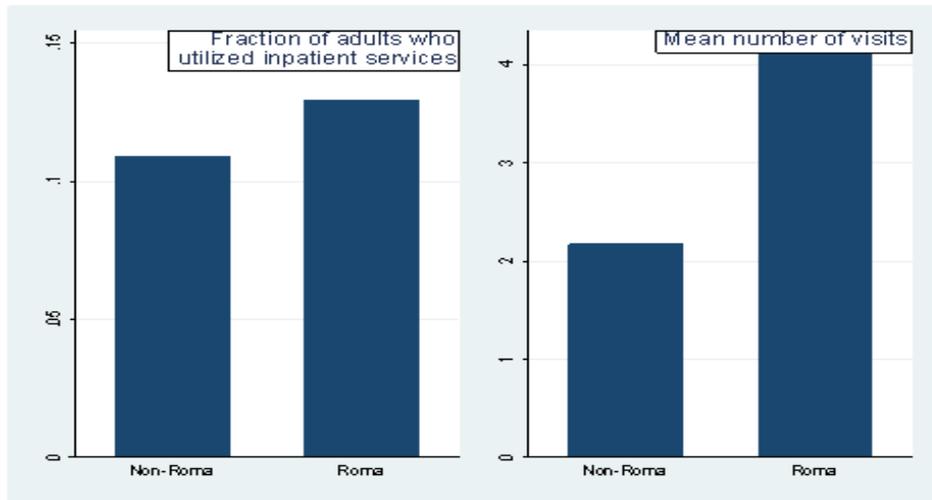


Source: Roma and non-Roma neighbors: UNDP/World Bank/EC regional Roma survey (2011).; General population (referred to as ‘national’ in the figure): Eurobarometer (2006). ^A The figure refers to percentages among the age group 15-70.

INPATIENT CARE

Although the Roma and their non-Roma neighbors had similar utilization rates for inpatient care, the number of hospitalizations was significantly higher among the Roma, conditional on having accessed care (Figure 7-17). Just over 10% of Roma adults reported having accessed inpatient services at least once in the past year, and among these adults, an average of 4 visits were conducted per adult. The number of visits among the non-Roma was significantly lower, at 2 hospital visits per adult in the same period. As discussed above, there is concern among health practitioners that many Roma choose not to seek timely medical care and wait until the health concern has deteriorated significantly before accessing care. It is possible that this leads to the high use of emergency services and the high rate of hospitalization observed here.

FIGURE 7-17: UTILIZATION OF INPATIENT HEALTH SERVICES



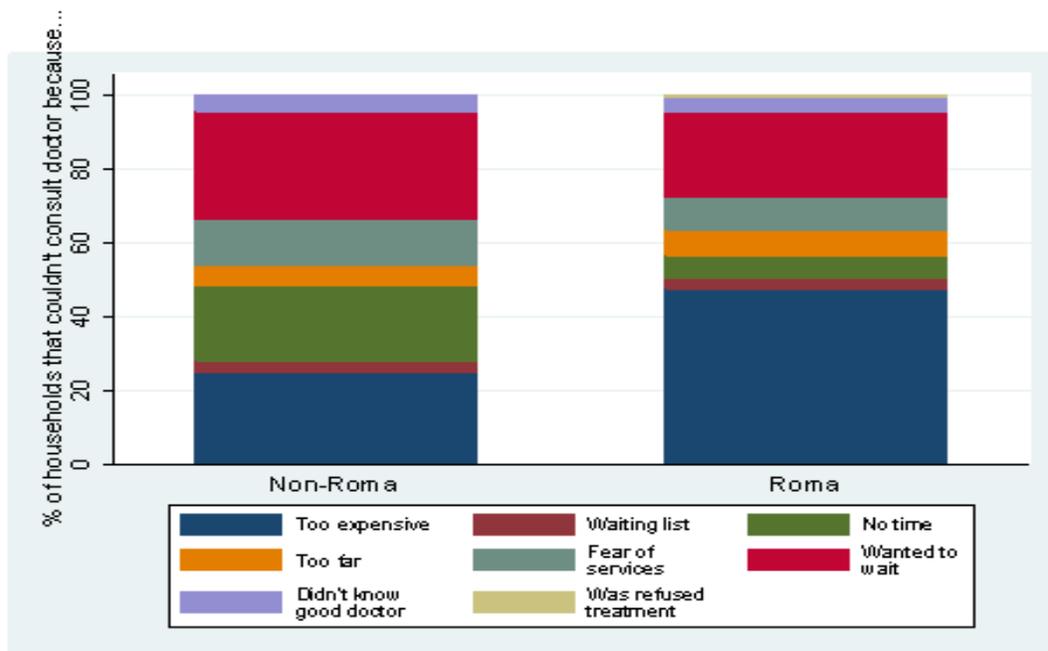
Source: UNDP/World Bank/EC regional Roma survey (2011).

7.4.7 BARRIERS TO ACCESSING HEALTH SERVICES

Among vulnerable Slovak Roma who did not access a doctor when they needed to, financial constraints were the most commonly reported barrier. Why do 45% of Roma choose not to consult a doctor, even when they believe that the services are available to them? The most commonly reported reason was that a consultation would be “too expensive” (50% of households), with “wanted to wait”, i.e. to see if situation improves by itself or worsens, being the next most frequently cited reason (about 20% of households)¹¹⁹. Reasons such as distance from services, fear, availability of time, and knowledge about a good doctor played a very small role in a Roma households’ decision about whether to seek a consultation or not. This is not uncommon in the region; other countries show similar results.

¹¹⁹ The fraction reporting “too expensive” and “wanted to wait” varied with income quintile, with the highest fraction among the richest Roma quintile. However, the number of observations in each quintile, ranging from 30-50, may be too small to assign any significance to this. There is no explanation for the positive correlation with income. Analyzing the fractions of households reporting they couldn’t afford medicines in each income quintile, there is, as expected, a negative relationship with income (see para and figures on medicines).

FIGURE 7-18: REASONS FOR NOT SEEKING CARE WHEN NEEDED

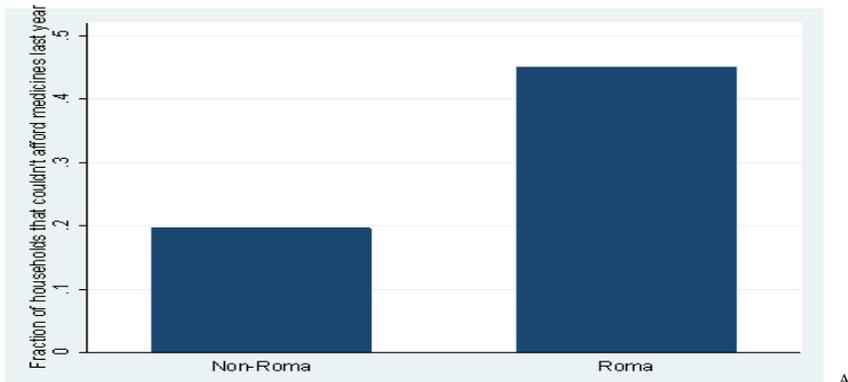


Source: UNDP/World Bank/EC regional Roma survey (2011).

Interestingly, the reasons why the neighboring non-Roma households chose not to seek care were quite different: slightly less than a quarter of households reported that the direct cost was a barrier, and compared to the Roma, a significantly higher fraction (20%) reported that lack of time was a factor. The fraction of households that “wanted to wait” before seeking care was higher as well (30%).

A large fraction of Roma households cannot afford to buy medicines when needed. Lack of affordable health care is reflected not just in the utilization of doctors, but also in the purchase of essential medicines (Figure 7-19). About 45% of Roma households reported that they could not afford to buy medicines at least once in the past year. 72 (43)% of households in the lowest (richest) income quintile could not afford to buy medicines when needed. Again, significantly, only 20% of non-Roma neighbors reported being similarly constrained.

FIGURE 7-19: AFFORDABILITY OF MEDICINES

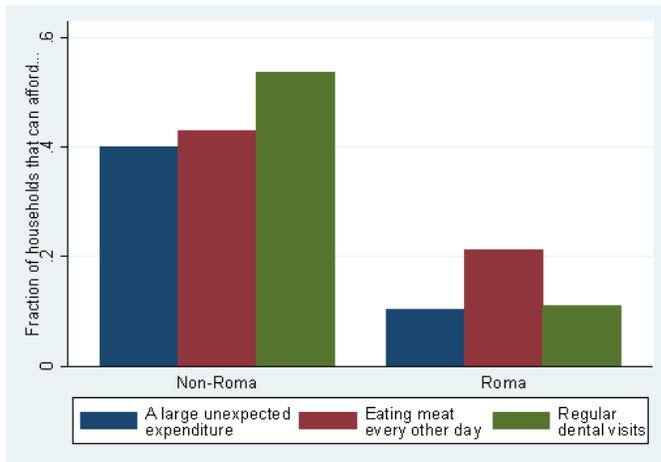


Source: UNDP/World Bank/EC regional Roma survey (2011).^A The figure refers to the Fraction of households reporting they couldn't afford to buy medicines in the past year.

Follow-up interviews conducted with health practitioners confirm that medications are often too expensive for Roma households. Interviews conducted with health officials in Bratislava confirmed that while some prescription medications are free, insurance plans may cover anywhere between 20 to 80% of others, depending on the category of medicine. Non-prescription medicines are not covered, and even a painkiller like aspirin may be too expensive for poor households. While some sympathetic doctors try to prescribe the cheapest (generic) medication, it is possible that others may not due to incentives from pharmaceutical companies. Among larger families, more than one child falling sick at the same time results in a large one-time expense that may not be affordable. Officials say that in such times it is not unusual for households to borrow money from family, although the extent of this has not been quantified. Health workers in Kosice stated that Roma families do not know how to save money, and even with social benefits and allowances arranged through the community center nearby, medicines are still so expensive that many Roma decide not to buy them, or buy them in smaller quantities than are prescribed, and do not take them regularly as a result. A health coordinator interviewed reported the same financial constraints, pointing out that most Roma knew about the usefulness of medicines, and many often asked health and social workers for painkillers such as aspirin. Only a minority of Roma did not trust Western medication or the instructions of doctors, and preferred to buy juice or collect herbs and brew tea for themselves and their children. One doctor who was interviewed and who is working in three villages in one of the regions where Roma reside found that insurance did not adequately cover prescribed medicines, and so he often prescribed medicines that either required no additional payment, or just a “symbolic” payment. In some cases though, he found that the Roma would not go to the pharmacy to pick up the medicine, even in cases where it was free. Since he was aware that a lot of Roma were unlikely to return for prescription refills, or that they would not come back soon enough, he would typically prescribe a larger quantity of medicine than was necessary.

Vulnerable Roma households face similar constraints when making other health investments, including the purchase of nutritious foods. More generally, financial constraints bind Roma and non-Roma households differently, even though these households are located in the same communities and experience similar socioeconomic conditions (Figure 7-20). Only a small minority (10%) of Roma households report that they would be able to pay for a large, unexpected expenditure out of the household’s own resources – compared to 40% of their non-Roma neighbors. Similarly, only 1 in every 5 Roma households can afford to eat meat every second day (compared to 2 in every 5 non-Roma households), and again a mere 10% report that they can afford regular dental visits (compared to just over 50% of all non-Roma neighbors).

FIGURE 7-20: AFFORDABILITY OF UNEXPECTED EXPENDITURES, NUTRITIOUS FOOD AND DENTAL VISITS

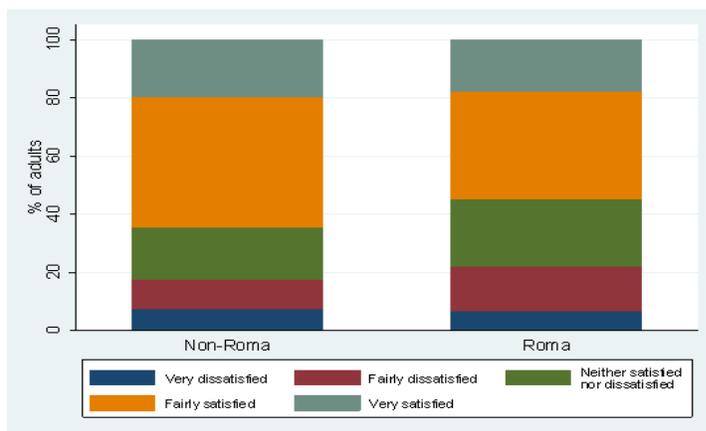


Source: UNDP/World Bank/EC regional Roma survey (2011). The figure refers to the Fraction of households reporting the couldn't afford each item.

Dissatisfaction with the quality of outpatient care received was relatively low among Slovak Roma.

Dissatisfaction with quality of services could keep beneficiaries from accessing services. However, about 55% of Roma households reported being either fairly or very satisfied with the quality of outpatient services used in the past month (Figure 7-21), while dissatisfaction with services seemed to be limited to a significant minority of 20% of households who reported that they were fairly or very dissatisfied with the quality of services accessed.

FIGURE 7-21: SATISFACTION OF HOUSEHOLDS WITH OUTPATIENT SERVICES



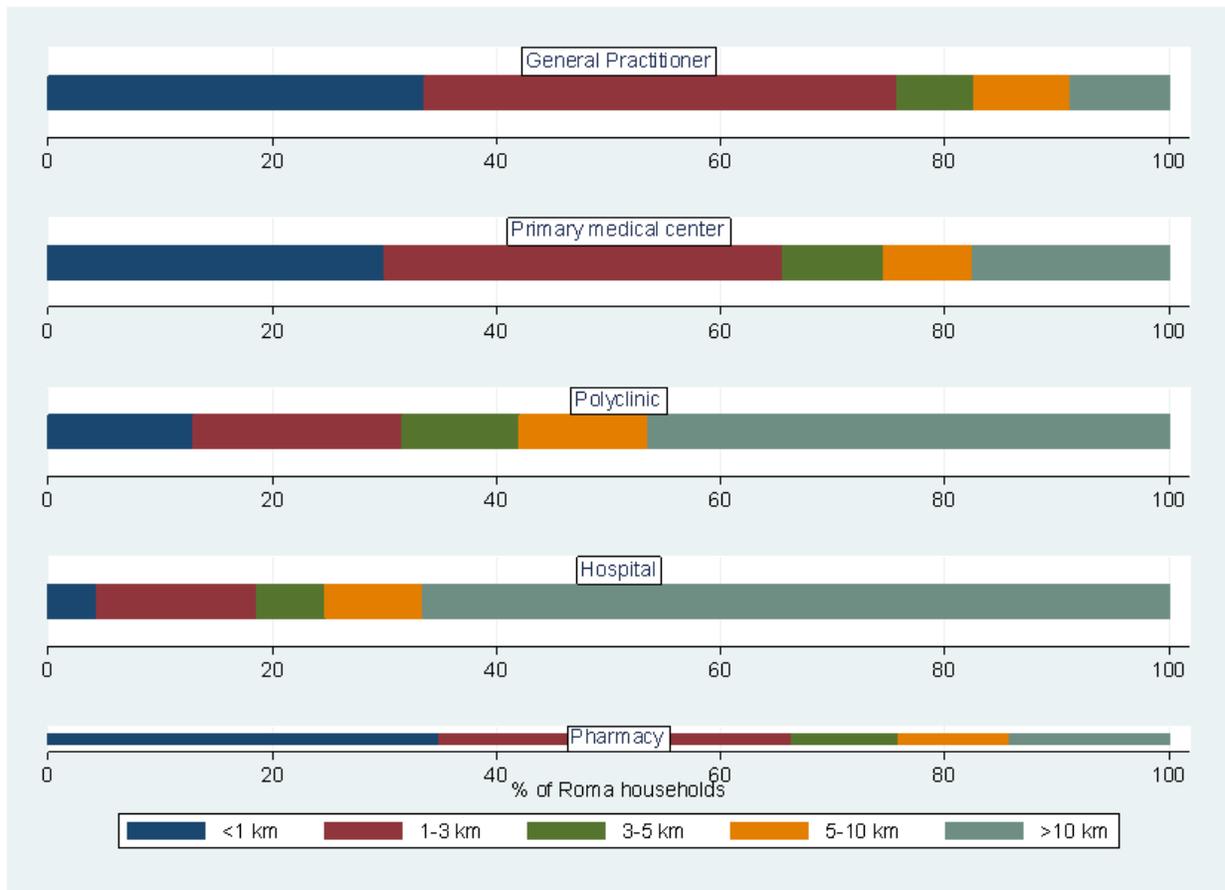
Source: UNDP/World Bank/EC regional Roma survey (2011).

Most Roma households were located within less than a 1-3 km distance from critical medical service providers.

Distance from points of access to important services such as those provided by a general practitioner (GP) were not as high as could be expected, given that Roma communities surveyed were among the most isolated ones in Slovakia (Figure 7-22). Just over a third of Roma households were resident within less than a kilometer from a GP, while roughly another quarter live within 1 to 3 kilometers. About two-thirds of Roma households were resident within a 1-3 km or smaller radius around a primary medical center and a pharmacy. However, it should be noted here that even where service

providers were situated within a 1-3 km radius of settlements, the health practitioners interviewed for this report frequently cited transport costs and a reluctance to seek health care outside a village or settlement as typical reasons why the vulnerable Roma choose to forego seeking medical care.

FIGURE 7-22: DISTANCE OF HOUSEHOLDS FROM ESSENTIAL SERVICES



Source: UNDP/World Bank/EC regional Roma survey (2011).

Direct and indirect financial costs appear to be a significant barrier to accessing medical services among vulnerable Slovak Roma communities. Monthly per capita household expenditures on health are indeed high: 8.80 Euro per capita per month among the Roma (4.3% of household income), and slightly higher at 11.80 Euro (3.3% of household income) among the non-Roma neighbors. Unlike the vulnerable Roma, for whom financial constraints featured prominently as a factor influencing a households’ decision to seek medical consultations or buy medications, opportunity costs of seeking care (e.g. alternative use of time) seemed to matter more for their non-Roma neighbors.

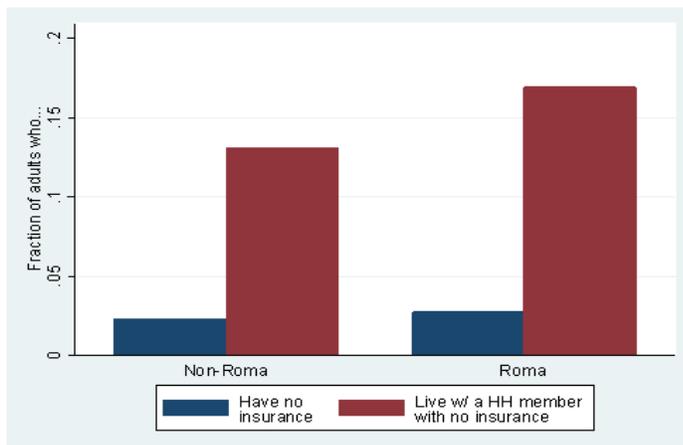
Interviews conducted with health officials in Bratislava to provide follow-up to some of the findings from the Regional Survey shed further light on financial barriers to accessing medical services. Although visits to doctors are free, waiting times for those accessing services without an appointment are very long. In order to make an appointment, patients have to pay a 10 Euro fee. For many Roma, this is prohibitively expensive. Another observation pointed to how Roma households are unable to smooth consumption, even over the course of several weeks: “Health care is more easily afforded in the days after payment of social assistance”. Afterwards, “the money is gone, so it’s also a question of timing”.

A health care coordinator who was interviewed also confirmed that Roma who did not want to visit a doctor or were unable to do so when needed did not have the money to travel to the doctor. She had worked with cases where a child was ill and urgently needed care, and the child’s parents were doing “everything to find money. They borrow from relatives or they try to save money from allowances”. In cases where a child was not critically ill, the opportunity costs to seeking medical care might be high: the coordinator reported that in such cases, many parents would refuse to take their children to the doctor, giving “excuses” even when the health worker offered to accompany the parent and child to the doctor. In these cases, threatening the parents that if they didn’t go to the doctor, the child would be taken away and placed in an orphanage proved to be an “efficient method” to get the parents to comply with the advice of the health worker.

It may be however that distance from provider translates into “costs” that vary across regions. One doctor interviewed reported that distance was not a constraint to accessing a doctor, because the villages were within a 4 km distance of each other and “a lot of Roma who are interested in their health just walk to a doctor”. It has to be kept in mind though that a distance of 4 km is a relatively easy walking distance, except when one is ill and needs assistance. Further research is needed to ascertain whether such systematic differences exist across regions.

The low rates of utilization of health services and lack of affordability of many health inputs among the vulnerable Roma in Slovakia may be surprising as health insurance coverage is very high. As is often the case, health insurance does not equal financial protection. In the vulnerable Roma communities surveyed in the Regional Survey, coverage of health insurance is widespread (Figure 7-23), although there is a significant minority of households in which the adult respondent lives with at least one household member that is not covered under insurance (17%). This fraction is slightly lower among the non-Roma households, but the difference is not statistically significant. Interviews conducted with health practitioners working in Roma settlements confirm that insurance coverage itself is not a problem. Rather, the issue is that most Roma have no understanding or information about insurance programs and what they cover. One health assistant interviewed reported that in many cases the Roma do not even know the name of the insurance company they are insured by. Often, the Roma switch insurance providers when a new company offers them an incentive of 1 to 2 Euros for switching, but they rarely understand the implications of this, leading to confusion during medical visits. Another health assistant interviewed added that many Roma do not have valid insurance cards and that in many cases the community center, social workers and health assistants have to intervene and help them acquire new cards.

FIGURE 7-23: HEALTH INSURANCE COVERAGE AMONG ADULTS



Source: UNDP/World Bank/EC regional Roma survey (2011).

7.5 CURRENT SLOVAKIA ROMA HEALTH POLICIES AND PROGRAMS

7.5.1 STRATEGY FOR ROMA INCLUSION

There is positive news regarding policies and programs targeted at Roma in the health sector. Slovakia recently approved the National Roma Inclusion Strategy (NRIS), which includes a large focus on improving health conditions. The main goal for the health strategy is to improve access to quality health care and emphasize preventive care and health education. This goal is very well aligned with the priorities that have been identified from this analysis which shows there is a lack of awareness about the importance of seeking timely and preventive care when needed. The strategy's focus on improving access to quality care and preventive care is therefore well founded.

The strategy proposes partial goals or sub-goals for key health factors. They include personal responsibilities regarding behavior change such as increased awareness of parenthood, reproductive health, and campaigns on modern contraception. They include local government responsibilities such as improving the environment, hygiene and waste disposal, rodent removal and reducing pollution levels as well as ensuring quality of drinking water. Specific health services are addressed: dental hygiene and care, preventive vaccinations and reproductive health. The strategy does not include however, clear targets or indicators to be met toward which policies can be developed.

The strategy includes an implementation proposal, which builds on existing programs such as strengthening the communication between socially excluded populations and service providers through community workers. It looks at strengthening coordination with NGOs and the Association of Towns and Municipalities in Slovakia or ZMOS. Finally the Strategy includes an implementation plan and budget proposals and it identifies potential resources.

There are areas that could be strengthened by adding more details regarding new priorities and interventions based on the most recent analysis of the health situation of Roma in Slovakia. For example, population growth has not been mentioned and as shown is a major issue. The Roma population has higher fertility rates and lower life expectancy than the Non Roma Slovak population. They have poorer health outcomes and die younger. Infant mortality rates are higher. Population policies such as improved access to accepted contraceptive methods, inclusion of contraceptives in the health insurance package, and reproductive health education to young adults and future parents could be considered.

Infant health and maternal health are crucially important and explain, in part, the higher mortality rates among Roma children. Intervening at an early age, starting at conception, has been shown to have substantial benefits in later life (Alderman 2010, Bhutta et al 2008; Black et al 2008; Hoddinot et al 2008). The strategy remains very general in targeting populations and could be improved by being more specific with respect to interventions targeted at pregnant women, young children and young adults. These are population groups that are accessible and whose health and behavior will have positive impact on the community as a whole. As such they could be prioritized.

Children going to bed hungry is something that should not happen and would not if social assistance would be targeted to address these issues. Making parents more aware of nutritious food, and what children's needs are is important so parents make more appropriate choices, even within a limited budget. In this regards, reducing the intake of sweets and better dental care will also help improve nutritional status and health throughout the lifecycle.

Chronic disease prevalence is high and is likely to grow further. The strategy does not yet specify any interventions for particularly vulnerable groups such as those suffering from chronic disease, mental disease or disabilities. Unfortunately, chronic disease prevalence will likely continue to grow as shown in the above analysis. More is needed to encourage preventive screening and early detection and treatment, especially among women. Inclusion of chronic disease drugs in the health insurance package for vulnerable groups is a policy that addresses the financial barriers, which impede Roma from getting the right treatment and following up on doctor prescriptions.

The very high smoking rates are worrisome and do not get sufficient attention. This is not only an issue for Roma, it is a problem in Slovakia. Among the Roma, women have some of the highest smoking rates in the world. Communication about the risks, especially during pregnancy and the consequences for the child needs to be targeted and adapted to the Roma population.

At the same time, much focus is given to access to services, and from the analysis it is clear that certain aspects of access, financial access and trust are the main issues which need attention. As such it is important the strategy emphasize these areas. The strategy mentions the Roma Health Mediator programs as being successful and would support local government and non-governmental organizations to get involved. Better access to dental care is specifically mentioned and as the analysis shows is much needed.

Strengthening communication around the various health issues to different population groups is a large area of potential gain for improving access. As mentioned above there are many areas where behavior change can have major impact of current and future health status (with respect to children and chronic disease specifically). These areas are currently not well addressed, early life nutrition, maternal nutrition, risk of smoking during pregnancy etc. These areas can be included in the training and communication manuals and given more attention during training of RHM and all health workers.

7.5.2 INSTITUTIONS AND COORDINATION

It is difficult however, from the aforementioned Inclusion Strategy which was prepared by the Plenipotentiary (PPO), how much commitment there is from the Ministry of Health for this new strategy. The PPO was mandated to prepare the above strategy however the current institutional set up to improve the health of the Roma lays for a large part with the Ministry of Health who is responsible for the health of the entire Slovak population. It also oversees the Health Insurance regulation and coverage principles. MOH assures universal access to health services and financial protection to all citizens through the health insurance. It is however clear from the analyses that not all Roma understand what universal access and free care is.

As a response, the MOH implements one of the existing Roma Health Mediator Programs, which aims at strengthening the link between the services and the Roma population using mediators. This program falls under the responsibility of the National Public Health Institute under the MOH. The budget is set on an annual basis. Unfortunately there is little information available on the coordination between the different programs, the oversight and impacts.

Moreover, due to the principle of not recording ethnicity there is very little known from the administrative data about Roma, their burden of disease and utilization of services. This hampers the targeting of not only groups but also specific messages and interventions. As a result there is also little information on specific targeting of Roma and how well programs and campaigns work. Certain programs

however do prioritize the Roma, vaccination campaigns, de-lousing and certain education programs, due to the fact that Roma disproportionately suffer these afflictions.

7.5.3 EXISTING PROGRAMS THAT ADDRESS ROMA HEALTH

There are ongoing programs that address Roma Health issues in Slovakia and which show positive results; best known among these is the Roma Health Mediator program. The Roma Health Mediator (RHM) program is the most visible and widely implemented Roma Health program. The RHM programs exist in Romania, Bulgaria, Spain, and Serbia among others. There are also health mediator programs in Slovakia, but they are small in scale and there are many variations between the three programs, which are implemented by different institutions, the National Public Health Institute and NGOs.

An assessment of the RHM programs in Bulgaria, Finland and Romania also found that RHMs have greatly assisted individuals in Roma communities, particularly in overcoming language barriers during doctor visits and bureaucratic obstacles in accessing health care (OSI 2005). Importantly, the RHM programs have been found to decrease prejudice among doctors who participate. However, this assessment notes that some of the mediator programs operate in isolation without being sufficiently integrated into the overall public health system, and they have yet to be accompanied by effective legislative changes that address systemic issues affecting Roma health (OSI 2005).¹²⁰

A more recent assessment¹²¹ of the Slovakia programs lays out in more details the job profiles and activities the RHM workers carry out. However, this was an assessment not an evaluation and it is highly recommended to undertake more rigorous evaluations of the existing programs. Nevertheless, the assessment does provide very valuable information on focus and activities of the RHM in the 3 different programs that are ongoing, of which two are NGO-led and one is implemented by the government. The programs differ in emphasis and the NGO led one is more varied and includes more activities. The training of RHM varies and in all programs is considered to be too little. In the best case, the RHM get a two-week training and an additional 4 times a year education session. In addition to training challenges, RHM are contracted on a yearly basis, with little job security.

There is much written about the programs and assessments of how they work; however, to date there has been no rigorous evaluation of the impacts of mediator programs. Box 7-1 describes more details regarding the ongoing programs in Slovakia and highlights the health benefits these program can accomplish if implemented effectively.

BOX 7-1: HEALTH MEDIATOR PROGRAMS

The objective of Roma Health Mediator (RHM) programs is to facilitate interaction and outreach between the health system and the Roma community. Typically, Roma women that have completed at least primary education are selected and trained as mediators with various responsibilities including facilitating health visits, increasing communication between health providers and Roma patients, and improving knowledge and awareness of healthy behaviors in the community.

¹²⁰ Noting that these systemic issues (including financial limitations, flawed legislation and inadequate political will) are beyond the scope of RHM programs, the report calls for other components of Roma health strategies to address these issues.

¹²¹ This is an internal assessment. OSF made the information available but it will not pursue publishing it, it remains an internal memo.

The Slovak RHM program has been operating for nearly six years. There are three health mediator projects currently operating¹²²:

1. The program for the health promotion of disadvantaged Roma communities. This program is organized and implemented by the Ministry of Health in collaboration with the Office of the Representative for Roma Communities, regional offices for Health, Slovak Medical University and Non-Governmental Organizations. A first stage, pilot, was carried out in 2007-8 and a second phase, after positive findings of the pilot, expanded the program to 13 districts in about 150 communities. Vaccination rates have improved, and health awareness was higher among the Roma participating in the program. A total of 30 health mediators are involved. The second, expanded phase is ongoing. Monitoring data from the program show an increase in variety of activities between 2008-2009, but it is unclear whether this is solely due to the program or other factors. While there is no control group or data for 2006 and 2007, the monitoring data provides a good overview of the type of activities that were carried out and the changes in volume between 2008 and 2009. For example, vaccinations initiated by the community workers are about the same, about 10,000 in both years. Health education to about 40,000 people. Translating the monitoring data into % of targeted Roma population reached, as well as more information on time spent per activity etc will allow for better analysis and can help inform policy decisions regarding scaling up, allocation of resources, training needs and prioritization of activities.

TABLE 7-2: MONITORING DATA ROMA HEALTH MEDIATORS/COMMUNITY HEALTH WORKERS

| Activity | 2008 | 2009 |
|--|-------|-------|
| Preventive Health check up* | 4018 | 4939 |
| Vaccination | 9839 | 10037 |
| Blood test | 1167 | 1635 |
| Children's clinics | 2571 | 2565 |
| Disease requiring doctor's treatment | 1312 | 1546 |
| Medical check up | 1144 | 1227 |
| Health Insurance card | 1269 | 860 |
| Health status monitoring survey | 1540 | 1406 |
| Education/Health education | 41128 | 39913 |
| Visits to New Borns | 614 | 437 |
| Visits to District General Practitioners | 1840 | 1590 |
| Visit to Municipalities | 982 | 1018 |
| Visits to Primary Schools | 2764 | 1114 |
| Co-operation with field social workers | 1057 | 1567 |
| Blood pressure measurement | 5729 | 5485 |
| Delousing | 2489 | 2939 |
| Filling out applications | 559 | 198 |
| Sports activities | 1267 | 831 |

Program for the Health Promotion of Disadvantaged Roma Communities (OSF 2012, Internal Memo)

2. The Healthy communities pilot program, carried out by the Non-Governmental Organization Association for Culture, Education and Communication (ACEC). This program involves 91 field health assistants and coordinators, is implemented in 67 Roma Settlements. Most of the field assistants live in the community itself, the coordinators vary. The program coordinates closely with over 100 General Practitioners (GPs), 26 primary schools and the municipal authorities where the program is

¹²² The following information on the Roma programs is based on an internal memo by OSF.

situated. Union Health Insurance is a partner and finances the program as well as the vaccination programs against hepatitis and influenza. The project assessment shows that a large focus is on vaccination and there has been 100% follow up. The excellent collaboration with GPs contributes to the success. The report includes data on vaccinations, however no data on population reached. It does however report that preventive medical check-ups increased in the targeted areas by 36% between 2007-8 while nationwide this only increased by 16%.

3. The Health field officers program carried out in 12 localities between 2006-2008. In addition to carrying out similar activities as the above two programs, with health workers, the included a Peer Program targeted at children. Between 2009-2010, the so-called Peer Program, involved 12 different groups of children between the ages of 12 and 24. There was strong collaboration with schools and among the results reported are improved hygiene and sanitation practices; peer group members themselves organized community-wide activities sharing their knowledge; some reported overcoming addictions and about 1/3 of the group (50) of 145 children reporting interest in continuing with vocational training, while 26 children aimed at becoming a community health worker. Children became actively involved in community activities regarding scabies prevention, delousing and awareness creation.

Unfortunately, the available information on the activities and benefits from RHM programs do not provide adequate data to allow for comparisons between the programs or what would have happened in the absence of these programs. It is therefore difficult to rigorously quantify the impact; however, based on qualitative evidence from several countries, the programs definitely appear to have had positive impacts.

What the various assessments provide is more information about the challenges the programs face and what future directions could be considered. First and foremost not all communities are being reached. About 200 out of 650 communities in need are covered under the three programs. At present the largest program, reaching 150 communities with 30 health mediators, is showing signs of stagnation with inadequate health education, lack of training for mediators and unfavorable contract situations (non-standard short term contracts and unclear future). Training to health mediators is provided by individual projects and is not systematic. When asked, mediators would like more training and opportunities for sharing knowledge. They encounter situations where they are asked to do more than what is in their job-description and although they are willing they do not feel qualified. More and better coordination with local authorities is often mentioned in assessments, especially regarding infrastructure and with hospitals. There have been instances of miscommunications between families of newborns and hospital authorities on length of stay. Often these can be resolved with the help of mediators, family support and with better information on all sides.

In the long-term, the RHM programs can potentially have positive economic benefits in addition to health impacts. Evidence on health interventions in other countries has shown that improving health can lead to economic benefits, with the strongest evidence for early child health and nutrition programs. Perhaps the most well-known study in this area is the Institute of Nutrition of Central America and Panama (INCAP) nutritional experiment conducted in four rural villages in Guatemala from 1969-1977 (see Behrman 2009 for more info). Long-run follow-up studies showed that children in the villages receiving a high-protein supplement were healthier and obtained more schooling. The effects on adult income are not statistically significant, but are suggestive of potentially large increases in income (by ~25%) and hourly wages (by ~33%). Another important experiment focusing on child health is a randomized school-based deworming program in Western Kenya from 1998-2001. Children in schools receiving the deworming drugs were healthier and had higher school attendance in the short-run (Miguel

and Kremer 2004). Through long-run follow-up surveys, researchers showed that those same children as adults ended up working 17% more hours per week, and that among wage earners, earnings increased by over 20% (Baird et al. 2011). While the situation among the Roma in Slovakia are substantially different, the empirical evidence strongly suggests that improving early child health can greatly improve educational outcomes, cognitive development, and future adult productivity.

TABLE 7-3: RHM ROLE AND THE CORRESPONDING HEALTH IMPACTS

| <i>RHM role</i> | <i>Health impact</i> |
|--|---|
| Documentation and insurance information; encouraging doctor visits | Manage chronic diseases in adults through regular check-ups/preventive care Early detection and treatment of chronic disease |
| Vaccination coverage | Reduce infant and child mortality Community-wide protection from mass vaccination |
| Education sessions on ante-natal care and reproductive health | Improved pregnancy outcomes Reduce LBWs Family planning |
| Health and hygiene education | Reduce infectious diseases |
| Inclusion/integration | All indicators |

There is a variety of other programs and interventions that are being implemented in Slovakia and in other countries to improve Roma Health, but few are sustainable, and none have been evaluated rigorously. In Slovakia¹²³, mobile health clinic units were used to reach hard-to-reach communities and isolated slums to deliver basic health services. In Greece, Spain and Poland mass immunization campaigns to increase vaccine coverage in Roma communities were carried out (EC 2004, Orlikova et al. 2010). While these measures were important, they are also regarded as “stop-gap” and not sustainable in the long term (EC 2004).

NGOs play an important role in implementing intervention and maintaining issues around Roma health on the political agenda. In Helsinki, Finland the NGO Roma Mission developed health education programs for Roma adolescent girls to ask questions they cannot ask their mothers (Dimitrijevic 2009). In Bulgaria, the Foundation for Promotion of Roma Youth and the Initiative for Health Foundation conduct discussions on HIV prevention and outreach to drug users in Roma communities (Dimitrijevic 2009, Initiative for Health Foundation 2007). In Romania NGO led interventions included free medical exams and free medicines for the poor; health care education for pregnant women, mothers and children; ensuring basic conditions for the adequate nutrition of children; informing Roma women of their rights and obligations to increase their access to medical services; and training health mediators (Cace et al.

¹²³ Program funded by Phare (2004)

2006). Most of these projects, however, were implemented over a limited period and have not been continued. One exception was the health mediator program, which was initiated by the NGO Romani Criss, adopted by other NGOs and eventually taken up by the Ministry of Health.

Roma participation in the design and implementation of these interventions has played a key role in the success of programs implemented in Spain, such as the Cartuja health clinic in Granada, where programming is based on research conducted by local Roma women (ERRC 2006).¹²⁴ In Kiunstendil, Bulgaria, a medical center was created in a Roma community following a participatory approach where community members voiced their most urgent needs (Tomova 2009). The establishment of the medical center has led to over 90% of the community being registered with a GP, improved vaccination rates and a greater use of preventive health services, resulting in improvements in general health outcomes for adults and children (including reduced infant mortality) in the community.

At the national health planning level, however, the OSCE High Commissioner on National Minorities, the Council of Europe and the European Monitoring Center on Racism and Xenophobia highlight the consistent lack of Roma participation (OSI 2005, CoE 2003). To this end, several NGOs, including the Fundación Secretariado Gitano, recommend that governments ensure the active participation, and leadership where possible, of Roma in the interventions that affect them, at the stages of planning, implementation and evaluation, and at both macro- and micro-levels of action (FSG 2009). “Active participation” is also one of the ten Common Basic Principles for Roma inclusion adopted by the EU’s European Roma platform in order to guide EU member and candidate states’ Roma policies.

7.5.4 SLOVAK HEALTH EXPENDITURES

Slovakia spends more than its neighbors on health care. In 2009, Slovakia spent 7.8% of its GDP on health, which is well above the average of the EU12 countries¹²⁵ (Szalay et al, 2011). Since 2010, the Slovak social health insurance system, introduced after the establishment of Slovakia in 1993, provides universal coverage for a broad range of benefits. It guarantees free choice of one of the three nationally operating health insurance companies and is based on solidarity. Contributions are collected from employees and employers, self-employed, voluntary unemployed and state-insured. The benefits package is broad and most essential pharmaceuticals are included without co-payment. At the same time, out of pocket health expenditures amount to 1.8% of GDP in 2009 and an average Slovak spends about 200US\$ on health out of pocket annually. This is a significant rise from 2002, when it was about half this amount. Explanations for the increase include rising co-payments on drugs, increase in use of over the counter (OTC) drugs, increased use of private providers and information payments in the state sector. The data and information does not allow to analyze the proportion of public funding spent on Roma, but most Roma do have a health insurance as discussed earlier.

7.6 POLICY RECOMMENDATIONS

Health services in Slovakia are free of charge, health insurance coverage is nearly universal, and most of the population, including Roma, live within a few kilometers from a health facility. Yet Roma suffer worse health than the non-Roma population. First, the very poor living conditions described in the housing chapter are obvious contributors to infectious disease, diarrhea and respiratory

¹²⁴ This information is based on personal interviews; the report provides no further information on this initiative.

¹²⁵ EU12: The countries that joined the EU between 2004 and 2007.

disease among children. Second, a high burden of chronic disease is consistent with high risk behavior such as high smoking rates, both for men and women, poor diet and low levels of physical activity, as well as a high rate of teen pregnancy. Third, poor health outcomes can be caused by ineffective use by many Roma of the available health services.

The recently approved Slovak Roma Inclusion Strategy includes a strong focus on improving the health of Roma. Much emphasis is given to improving access through the active involvement of local governments (ZMOS), the NGO community, and expanding the piloted Roma Health Mediator programs. The policy recommendations below are consistent with the overall Strategy recommendations, and aim to (a) highlight more specific programs and priorities areas, and (b) provide a number of complementary entry points that are important to consider.

7.6.1 POLICY MEASURE 1: MEASURES PROMOTING MORE EFFECTIVE USE OF EXISTING HEALTH SERVICES, MEASURES TO EXPAND HEALTH KNOWLEDGE AND AWARENESS, OR A COMBINATION OF BOTH:

As discussed, even though the Slovak health system provides universal access and all citizens are covered under the health insurance, many Roma still do not use the system and those that do use, do not use it very effectively. Moreover, many who say they do not use, identify financial barriers as the main constraint, which reflects they do not understand the full benefits of the health insurance benefits. As a result of misunderstandings and ‘waiting to seek care’ the use of emergency services and ambulances is very high and costly to both the health system and the patient. The RHM programs mentioned do address these by assisting Roma in getting health insurance cards and explain the use as well as accompanying them to seek health services. However, these programs are small scale and their sustainability is uncertain. Therefore it is highly recommended to seek better integration of Roma in the health system by more effective access and utilization.

POLICY MEASURE 1A: EXPANDING THE RHM PROGRAM AND IMPROVING ITS QUALITY THROUGH THE USE OF RIGOROUS EVALUATION METHODS.

Available evidence suggests that RHM programs work. Although more evidence is needed, RHM programs in other countries have been effective in increasing health care utilization and outreach. The Slovak government recognizes their effectiveness and mentions their scale up in the future directions of the Slovak Strategy on Roma Integration.

Vaccination coverage was a problem, especially the completion of vaccinations, and RHM programs have helped improve vaccination rates. Mediators can encourage parents to get children vaccinated and are also instrumental in supporting vaccination campaigns. Evaluating the actual benefits of this increase in vaccination - how many more children were vaccinated due to the program - would allow policy makers to see results of these investments and justify more investment in such programs.

Upgrading the programs to address the challenges that have been identified The existing RHM programs as described above, address several of the key issues that arise from the new data-analysis and some other priorities could be considered. For example, from the available documentation RHM currently appear to spent considerable time facilitating visits to health facilities and vaccinations. Both are extremely important and should be continued, however, the attention given to preventive care and awareness-raising, especially regarding the importance of maternal and child health cannot be underestimated. Most health gains and later life health benefits are made in the early life years. And the

risk of later life chronic disease can be considerably reduced with preventive actions earlier in life. Clearly a large number of people are being reached, with number as high as 40,000 by one program with health education. These are excellent opportunities to strengthen the messages and raise awareness about the areas that need to be prioritized such as maternal and child health and smoking. It is beyond the scope of this paper to go into details, but it is highly recommended to undertake further operational research and information gathering on the actual training, messages, communications methods to align the training of the mediators and the education materials to these priorities.

An important part of an upgrade of the program would involve the mediators themselves and their supervisors. Among the main challenges mentioned in the various assessments of RHM programs not only in Slovakia but also in other countries where Roma reside, is the issue of the contract situation of the mediators. Often they are on short term, no extension guarantee contracts. There is little career development opportunities and most indicate strong interest in more systematic training opportunities. The available information does show the RHM program is promising and has the potential to grow both in scale and scope. However, this is only feasible with better trained mediators, who enjoy more and better supervision and support as well as more systematic coordination and above all who have job security. There is also a need to systematize the job profile among the different ongoing programs and again, evaluate what works best. As indicated above, the job of the mediator is varied and it is unclear from the available data what time is spent in which task and whether that is the best way to spent that time.

The Slovakia RHM NGO led program piloted peer learning with about 145 adolescents and young adults, aged between 12 and 24. The program saw positive changes in personal hygiene behavior, motivation to take charge of one's life, and recognizing the importance of overcoming addictions (OSF 2012, Internal Memo). Initial monitoring data results show that one third of the children participating indicated interest in continuing with vocational training and 26 of the 145 showed interest to become a RHM. Children themselves started monitoring the health problems in their communities and in schools. This is a promising pilot, which merits more evaluation and possible scaling up.

More sustainable budget is needed. The largest program is already said to be stagnating and a large part can be explained by the lack of adequate budget especially to pay for salaries. More job secure contracts and better training will require more funding. Having better data to justify higher levels of investments will help make the case.

POLICY MEASURE 1B: BETTER USE OF EXISTING ENTRY POINTS WITHIN THE HEALTH SYSTEM –

In particular ante natal care and birth delivery - to promote greater health knowledge and awareness, as well as access to services, among Roma. Birth delivery, but also ante natal care visits are two crucial periods during which Roma women can be reached and given information. Most births already occur at the hospital, which substantially reduces mortality risks for both mother and child. Together with antenatal visits, they allow an opportunity to discuss many elements of reproductive health, family planning, teenage pregnancy, breastfeeding, and post-natal care with the new mother and family-members. However, these needs to be well implemented with trusted health workers and messages adapted to the Roma culture and needs, therefore more coordination between the two is important.

POLICY MEASURE 1C: EXPLORING CHANGING HEALTH PROVIDER PAYMENT SYSTEMS AND LINKING PAYMENTS TO RESULTS.

In particular health coverage as measures by several indicators of Roma population and regular check-ups could be considered. A range of countries is applying results based financing in the health care sector, and these systems have shown good results.

POLICY MEASURE 1D: PROMOTING THE USE OF MOBILE AND WIRELESS TECHNOLOGIES

This can open up many opportunities ranging from making appointments, providing reminders, as well as reminding patients about prescription renewals or vaccinations. Send test results and ensuring treatment compliance are also among the possibilities. M-health is the use of mobile and wireless technologies. Cell phone use is becoming more common and opens up many opportunities ranging from text messaging to make and remind about appointments, remind patients about prescriptions renewals and can also be used to remind people about vaccinations, send test results, treatment compliance, questions about prescriptions, complaints and in many countries health call centers are being evaluated as successful. Mass SMS can be sent out when campaigns take place. And cell phones can be used to respond to emergencies in a more efficient manner, for example determining the need for ambulance transport, informing the hospital about in-coming emergencies. Cell phones among Roma are common; 65% of SK Roma households have "mobile phone or landline" (93% of non-Roma neighbors have it) and this percentage is likely to grow in a more and more connected world. ‘Innovations for Poverty Action’ (IPA¹²⁶) is testing mobile phone messaging with software that reads SMS messages out loud, which is helpful for illiterate people, xx% of Roma adults are illiterate. Considerations would need to be given to data-security, privacy and network capabilities among others. Good examples can be found on ante-natal care in Bangladesh, nursing care in Saskatchewan in Canada for aboriginal populations.

FIGURE 7-24: EXAMPLE OF A MOBILE PHONE (SMS) BASED PREGNANCY ADVICE SYSTEM FOR MOTHERS



Source: Ministry of Health and Family Welfare of Bangladesh.

Source: Ministry of Health and Family Welfare of Bangladesh

¹²⁶ An NGO that applies rigorous techniques to develop, test and scale up proven solutions to real-world problems faced by the poor in developing countries.

7.6.2 POLICY MEASURE 2: USING ENTRY POINTS OUTSIDE THE IMMEDIATE HEALTH SYSTEM TO PROMOTE GREATER HEALTH AMONG ROMA:

IMPROVING HEALTH THROUGH THE EDUCATION SYSTEM

POLICY MEASURE 2A: USE PRESCHOOL TO PROMOTE HEALTH

Preschool offers not only education benefits, but can also offer many opportunities for health, promoting early childhood development broadly. Educating hand-washing and other basic hygiene can be part of the curriculum. Preschools can offer an information channel for vaccination campaigns and follow up, if relevant de-worming, de-lousing and other hygiene-related efforts, and they offer support for parenting education such as encouraging parents to read to children and instill healthy behavior, including nutrition.

POLICY MEASURE 2B: SCHOOLS OFFER EXCELLENT OPPORTUNITIES TO EDUCATE ON HEALTH

Children are excellent channels to get through to parents and experiences from other countries show that children can influence for example what parents choose to eat, change hygiene behavior (demonstrated by Slovakia's own Peer Program). During the middle school years, it is very important to reach young adolescents with messages and information on fertility, family planning, HIV/AIDS and STIs in general. The Roma Peer program is an excellent start and could be expanded through schools and as encouraged in the education chapter as after-school programs.

POLICY MEASURE 2C: PROMOTING SPORTS, ESPECIALLY AMONG YOUTH

Playing sports not only improves health; it also offers opportunities for social engagements, pride in community, and again a venue to learn. Especially reaching an often difficult to reach group, adolescent and young adults with crucial messages about the risks of teenage pregnancies, drugs, risk of chronic disease and health lifestyles.

IMPROVING HEALTH THROUGH THE HOUSING AND INFRASTRUCTURE SECTOR

POLICY MEASURE 2D: PROMOTE ACCESS TO CLEAN WATER, AND REDUCE WASTE AND INDOOR AIR POLLUTION

The large majority of Roma do not have proper access to clean water and even fewer are connected to adequate sewage and waste collection facilities. The consideration of improving personal hygiene behaviors through education and awareness through the RHM programs will not be sufficient if there is not coordination with the local government infrastructure on water and sewage systems. It is also recommended to look into temporary solutions that worked in other countries such as a successful project by Innovations for Poverty Action in Kenya and Haiti, which distributed chlorine dispensers to households as a start, while more permanent connections to infrastructure are being built (www.poverty-action.org/work/projects/safewater). As mentioned in the chapter on Housing, the poverty map and Slovak Roma atlas being produced can support proper targeting of these.

IMPROVING HEALTH THROUGH THE SOCIAL PROTECTION SYSTEM

POLICY MEASURE 2E: LINKING SOCIAL ASSISTANCE AND FAMILY BENEFITS TO RESULTS BY MAKING CASH TRANSFERS FOR CERTAIN HEALTH OUTPUTS.

A majority of Roma receive social assistance and family benefits of which a portion or additional funds could be linked to actual results, so-called Conditional Cash Transfers. Parents or even communities would receive additional cash for having their children vaccinated on time, attending health education sessions and getting adequate pre-natal check-ups for example. There are other examples of results and a number of countries have very positive experiences with these types of programs. The Bolsa Familia in Brazil and the Oportunidades in Mexico described in the social protection and employment chapter and in the education chapter are among the first and largest and have been extensively evaluated. Another large and successful program is being implemented in Indonesia, the PNPM-Generasi program described in the box below.

BOX 7-2: EXAMPLE OF SUCCESSFUL HOUSEHOLD AND COMMUNITY-BASED CASH TRANSFER PROGRAM IN INDONESIA

Promising Interventions for Increasing Community Demand for Maternal and Child Nutrition Services in Indonesia. In 2007, the Government of Indonesia piloted two programs aimed at improving access to basic health and education services: PNPM Generasi, and the Keluarga Harapan Program (Hopeful Family Program, or PKH). The two programs were designed to target health and education indicators, and were piloted in the same six provinces. The programs apply different implementation mechanisms, however. PKH is a household-based conditional cash transfer program targeting primarily ‘supply ready’ parts of the country. PNPM Generasi by contrast is an incentivized community block grant program, which allows communities to address both demand- and small-scale supply-side problems that restrict access to services. The objective of PNPM Generasi is consistent with GoI priorities and the Millennium Development Goals (MDGs): to reduce poverty, maternal mortality, and child mortality, and to ensure universal coverage of basic education.

PNPM-Generasi has been shown to be an effective mechanism for reaching the poor, reducing poverty, and improving health and education indicators especially among low-baseline communities. As part of the Generasi project, communities with assistance from trained facilitators, identify ways to use funding provided by village-level block grants to achieve 12 health and education targets. These include: (i) Four prenatal care visits for pregnant women; (ii) taking iron tablets during pregnancy; (iii) Delivery assisted by a trained professional; (iv) Two postnatal care visits; (v) Complete childhood immunizations; (vi) Ensuring monthly weight increases for infants; (vii) Monthly weighing for children under three and biannually for under-fives; (viii) Vitamin A twice a year for under-fives; (ix) Primary school enrollment of all children 6 to 12 years old; (x) Minimum attendance rate of 85% for all primary school-aged children; (xi) Junior secondary school enrollment of all 13 to 15 years old; (xii) minimum attendance rate of 85% for all junior secondary school-aged children. Health outcomes such as birthweight, malnutrition, and the prevalence of diseases have all shown improvements in the project locations.

In doing this, PNPM Generasi creates spaces in which elected community representatives, local health and education workers, and trained facilitators interact. These spaces help to raise awareness of health and education priorities, and promote discussion around barriers preventing villagers from

accessing services and the actions needed to overcome these constraints. Block grants provide resources for communities to carry out activities that allow for greater access to health and education services. Built in performance incentives encourage communities to focus on activities linked to priority health and education goals. Finally, village implementations teams and facilitators regularly monitor village performance towards achieving the 12 indicators. Communities use monitoring results to revise work plans and propose new activities throughout the implementation cycle where progress is judged to be unsatisfactory.

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8 MONITORING AND EVALUATION

This short chapter provides an overview of several key monitoring and evaluation (M&E) tools that the Slovak government can use to boost results on Roma inclusion. These include M&E tools for better targeting of resources, to improve monitoring of gaps in human development outcomes, to promote better planning and transparency of Roma inclusion programs, and M&E tools to promote learning and sharing of best practices.

8.1 INTRODUCTION

Monitoring and evaluation are critical for results on Roma inclusion. Monitoring and Evaluation (M&E) provides a toolkit for performance measurement with a view to enhancing the effectiveness of policy interventions, to ensuring greater transparency and accountability, and to ultimately supporting governments' efforts to deliver on their commitments to the inclusion of Roma. The introduction of results-based M&E ensures that policy efforts are well managed internally, and that lessons are captured in time and disseminated to all stakeholders and partners to provide continuous feedback for adjustments if necessary. Results-based M&E is also the cornerstone of demonstrating the results of funding.

The April 2011 EU Framework for National Roma Integration Strategies¹²⁷ calls upon EU member states to include strong monitoring and evaluation components. This was underscored during the recent December 2011 conference on the topic organized by the government of Slovakia in partnership with the World Bank, as well as UNDP, the Open Society Foundation, the European Commission, the Slovak Governance Institute, and the Poverty Action Lab Europe (J-PAL).¹²⁸ A similar conference was organized in Bulgaria in January 2012. Both conferences highlighted several well-established monitoring and evaluation tools, and there are encouraging international collaborative efforts to promote and use these tools to achieve results for Roma inclusion.

8.2 POLICY RECOMMENDATIONS

There are five main policy recommendations in the area of monitoring and evaluation:

1. Take advantage of the Slovak poverty map being produced and the Slovak Atlas of Roma Communities to improve targeting of inclusion programs.
2. Bi-annually expand the EU-SILC survey implemented by the Statistical Office of the Slovak Republic to include extra households from the poorest communities in Slovakia.
3. Ensure that the programs being financed have results frameworks in place that clearly define inputs, activities, outputs, and impacts.
4. Undertake rigorous impact evaluations to learn what program works best; and,
5. Building an inexpensive 'municipal best practice' online knowledge portal.

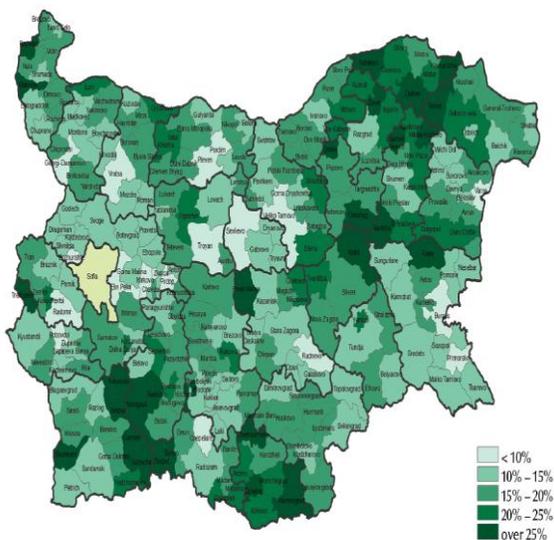
¹²⁷ COM(2011) 173 Final: *An EU Framework for National Roma Integration Strategies up to 2020*. http://ec.europa.eu/justice/policies/discrimination/docs/com_2011_173_en.pdf

¹²⁸ Slovakia December 2011 Conference, <http://go.worldbank.org/YAA3HUQT40>; Bulgaria January 2012 Conference: <http://go.worldbank.org/H715FNC250>

8.2.1 POLICY MEASURE 1: TAKE ADVANTAGE OF THE SLOVAK POVERTY MAP BEING PRODUCED AND THE SLOVAK MAP OF ROMA COMMUNITIES TO IMPROVE TARGETING OF INCLUSION PROGRAMS

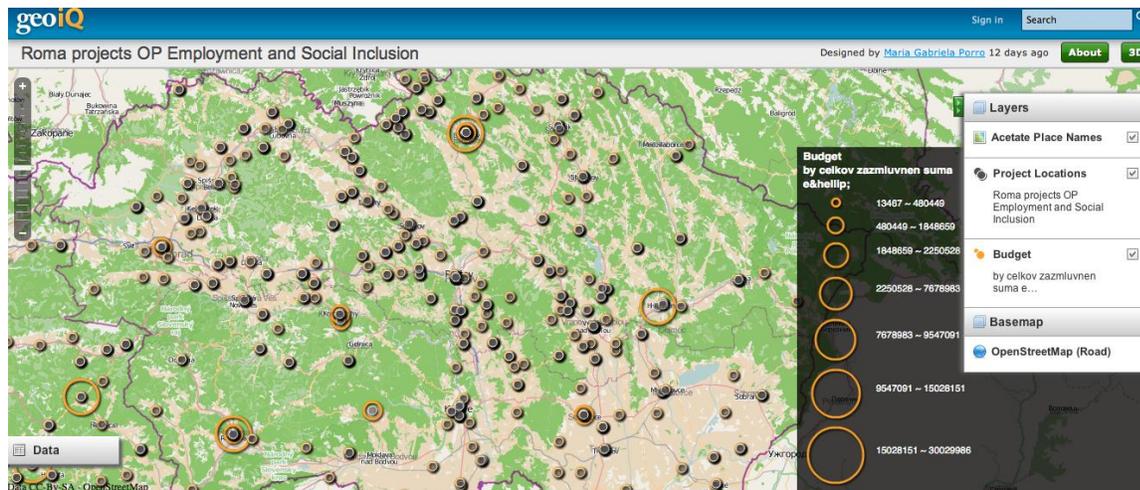
Small area poverty estimation is a method to identify the poorest and most vulnerable communities. It combines household surveys such as the EU-SILC with information from the national censuses to estimate poverty rates at, for example, municipal level, and show these on spatial maps. The World Bank, in partnership with statistical offices around the world, has produced small area poverty maps for more than 70 countries (as an example, see the poverty map of Bulgaria below). Throughout 2012-2013, the WB will work with National Statistics Office of Slovakia to develop a similar map for Slovakia. The experience of the recent crisis map of the least developed microregions by the Government of Hungary and the Open Society Institute shows that such maps can be used to increase the allocation of EU funds towards the poorest regions, including poor and predominantly Roma communities.

FIGURE 8-1: POVERTY MAP OF BULGARIA



The poverty map can be combined with the map of Slovak Roma communities and be combined with a map showing where social inclusion projects are being implemented. In collaboration with the Ministry of Labor, Family, and Social Affairs, the World Bank has produced an internet map of the Slovak Roma communities derived from the 2004 Roma Atlas file. UNDP will update Roma Atlas in 2012-2013 as part of its work with the Ministry of Labor. In addition, the team developed a pilot map (below) showing all Roma related projects under the ESF OP on employment and social inclusion. The Slovak Government can consider systematically mapping the Roma inclusion projects, provide periodic updates on these projects using standardized results framework reporting (below), and even allowing Slovak citizens to comment on the projects and add information to the online maps.

FIGURE 8-2: MOLSAF-WB PILOT MAP OF ROMA INCLUSION PROJECTS IN SLOVAKIA



8.2.2 POLICY MEASURE 2: BI-ANNUALLY EXPAND THE EU-SILC SURVEY TO INCLUDE EXTRA HOUSEHOLDS FROM THE POOREST COMMUNITIES IN SLOVAKIA

Collecting regular and detailed household information on poverty, employment, education, housing, health, finance, discrimination, etc. essential to monitor progress and build policies on sound evidence. The Bratislava December 2011 conferences on M&E for Roma inclusion highlighted how the nationwide sample of the annual EU-SILC survey – which collects similar information - can be expanded. For example bi-annually, to include extra households from the marginalized communities identified through the poverty maps. This would have the advantage of using the same EU-SILC questionnaire and the same implementing agency — the National Statistics Office — to simultaneously measure outcomes and monitor progress among both the poorest communities and the general population. As such, it would also allow the Slovak government to perform standardized monitoring of progress on inclusion using existing instruments for reporting. The government can allocate EU structural funds to implement this booster. This would cost approximately Euro 250,000 per round.

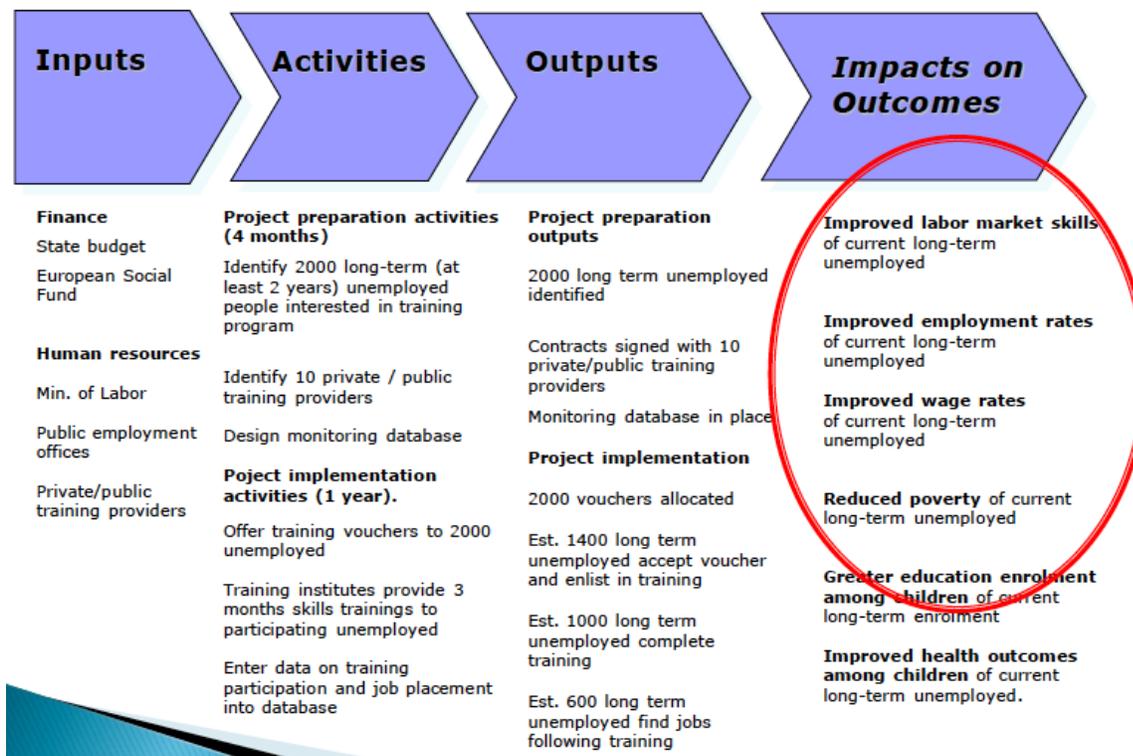
8.2.3 POLICY MEASURE 3: ENSURE THAT THE PROGRAMS BEING FINANCED HAVE RESULTS FRAMEWORKS IN PLACE THAT CLEARLY DEFINE INPUTS, ACTIVITIES, OUTPUTS, AND IMPACTS

The draft guidance document Monitoring and Evaluation of European Cohesion Policy¹²⁹ highlights that it is often difficult to demonstrate the value of a policy because programs frequently focus on spending rather than achieving well-defined results on outcomes, such as improving job prospects, keeping children in school and learning, etc. Fortunately, there are basic tools — results frameworks — which clearly articulate the results chains by summarizing how the project envisions that inputs (financial and human resources) will translate into specific activities that will in turn lead to

¹²⁹ DG Regional Policy. "The Programming Period 2014-2020. Monitoring and Evaluation of European cohesion policy - European Regional Development Fund and Cohesion Fund - Concepts and Recommendations."

specific — monitorable — outputs (e.g. number of unemployed who have received job training), which in turn will contribute to achieving the ultimate desired impacts (results):

FIGURE 8-3: RESULTS FRAMEWORK



To institutionalize their use in Roma inclusion projects and programs, the Slovak government may consider capacity building and requiring their use for funding proposals. For example, the WB is currently collaborating with the Slovak Government and UNDP to map European Social Fund projects using a mapping tool developed under the WB’s Open Aid Partnership program.¹³⁰

8.2.4 POLICY MEASURE 4: UNDERTAKE RIGOROUS IMPACT EVALUATIONS TO LEARN WHAT PROGRAM WORKS BEST

The chapters on education, employment, financial inclusion, housing, and health provide policy recommendations that can benefit from rigorous evaluations. In some cases, there may be different ways of implementing the same policy – e.g. what is the appropriate Euro level of a conditional cash transfer that seeks to encourage parents to enroll their children into preschool? Or, is job counseling as cost effective as a subsidized traineeship? Does earmarking of savings accounts for, say, education purposes, increase savings? In these, and many other cases, there are different policy options that seek to achieve similar policy outcomes.

Social policy experimentations – also called prospective randomized impact evaluations - provide rigorous evidence on project impacts. These impact evaluations involve randomly selected treatment

¹³⁰ <http://wbi.worldbank.org/wbi/open-aid-partnership>

and comparison groups. Randomization ensures the two groups have identical characteristics at the start of the program. This generally ensures that any differences that arise between the two groups – for example in education or labor market outcomes – can be attributed to the intervention and not to pre-existing differences that are often present if groups self-select into a project. For this reason, these randomized control trials are often considered the most robust methodology for conducting program impact evaluations. Promoted by the EU PROGRESS facility, and implemented around the globe by governments, civil society, and international organizations, these can identify the most cost-effective interventions and build public support around proven programs for Roma inclusion. As part of the advisory services to the Slovak Government, the World Bank team provided technical assistance to the Office of the Plenipotentiary, which submitted a proposal to the EU PROGRESS facility in December 2011 to carry out a social policy experiment on early childhood education. The program was developed in partnership with the Slovak Governance Institute and the Roma Education Fund. It was selected by the EU PROGRESS facility in August 2012.

BOX 8-1: SOCIAL POLICY EXPERIMENTATION AND THE DANISH LABOR MARKET AUTHORITY

The Danish Labor Market Authority (LMA) has taken a very proactive approach towards building up evidence on its employment policies, including for vulnerable groups. Its strategy consists of three complementary activities: (1) collecting existing evidence from research reviews on comparable active labor market programs; (2) developing new evidence through randomized control trials of selected LMA projects; and, (3) disseminate evidence to its affiliated job centers, the Ministry of Employment, and the public at large. Information about job center output is available for everyone on the internet (www.ams.dk and www.jobindsats.dk).

In designing and carrying out these evaluations, the LMA works closely with external evaluators – Danish academics – and a selection of its affiliated job centers. Denmark has 98 municipalities, with 93 integrated job centers for all job seekers (insured and uninsured). There are also 4 regional employment councils.

So far it has completed 4 randomized control trials, 2 evaluations are ongoing, and a new one is planned starting August 2012 serving particularly vulnerable groups. In each evaluation, the comparison group is offered the regular package of employment services while the treatment group receives something ‘extra’. For example, the first evaluation consisted of an intervention whereby job seekers were offered bi-weekly counseling as opposed to regular counseling every three months. In the upcoming evaluation, a ‘social mentoring’ pilot will be evaluated. The target group consists of youth 18-29 years old far from the labor market. Local job centers will be provided with funding to hire social mentors who will give intensive counseling to vulnerable youth, including advising on accessing social services and education and training opportunities.

Additionally, seeking direct community level feedback on interventions can add critical local perspectives for social innovation. For example, as part of the monitoring and evaluation component of the ongoing European Parliament Roma Pilots, the WB, UNDP, Roma Education Fund, and the Slovak Governance Institute designed and implemented a local system of data collection whereby partner organizations — mainly small NGOs — collect beneficiary level outcome indicators and project feedback that is entered in an online tool for project monitoring accessible by project partners. Slovakia can similarly implement such monitoring tools.

8.2.5 POLICY MEASURE 5: BUILDING AN INEXPENSIVE ‘MUNICIPAL BEST PRACTICE’ ONLINE KNOWLEDGE PORTAL.

The Slovak government can consider building an inexpensive ‘municipal best practice’ online knowledge portal. Various mayors and civil society organizations in different municipalities in Slovakia implement very innovative ideas to promote Roma integration. For example, to build skills by engaging unemployed Roma on activation in real municipal construction activities supervised by an expert, or to undertake land titling by setting up a partnership with the NGO ETP providing loans which families pay back as soon as they become eligible for the housing allowance. Many mayors may be interested in addressing similar issues in their communities but do not know where to start. A municipal best practice database, enforced by a small regional team of experts, can help the spread of innovative ideas. This ‘best practice’ database can be part of an integrated knowledge portal, which also includes the poverty map, the Slovak Roma atlas map, and a mapping of the social inclusion projects. To make the knowledge portal both inexpensive to operate and to keep up-to-date, it may be a dynamic website whereby local user can upload information.

9 EU FINANCING FOR ROMA INCLUSION

This chapter reviews the opportunities that exist to use EU financing for Roma inclusion, particularly during the next 2014-2020 EU programming period. Part of the chapter is backward looking, reviewing past experiences on the use of EU finances for Roma inclusion to draw lessons for future programming. It highlights six key building blocks to consider for the next programming period: a common strategic framework, thematic objectives, structural funds regulation, partnership agreements between the Commission and Member States, ex-ante conditionality, and efficient and flexible use of EU funds.

9.1 EU FRAMEWORK FOR ROMA INCLUSION

The issues of Roma inclusion have been actively taken on board by the European Commission in 2009/2010, with the publication of the first Communication on Roma inclusion in April 2010, ahead of the Second Roma Summit in Cordoba.¹³¹ While the document clearly states that Roma inclusion is a matter for policy intervention of the Member States at national level, it does recognize, for the first time, that the poverty and exclusion of the largest European minority is a matter of concern for the EU as a whole. In April 2011, the Commission went a step further in a second Communication, entitled: *EU Framework for National Roma Integration Strategies up to 2020*¹³² Communication. This document sets out four key areas for action at national level, in the areas of education, employment, health and housing. It calls on MSs to prepare or revise national strategies for the integration of the Roma in line with the EU Framework and reprogram EU Structural Funds to support these policy objectives with financial commitments. It aims to have tangible improvement in the inclusion of the Roma by the end of the current decade.

In May 2012, the Commission published the first overview and brief evaluation of the submitted NRISs in a Communication entitled: *National Roma Integration Strategies: a first step in the implementation of the EU Framework*¹³³. The May 2012 Communication on the EU Framework¹³⁴ makes the link between Roma inclusion and Europe 2020 explicit: “[f]or Member States with a larger Roma population making sufficient progress towards the Europe 2020 employment, social inclusion and education targets will require addressing explicitly and swiftly the situation of the Roma.”¹³⁵ Three out of the five headline targets of the Europe 2020 strategy are directly related to Roma inclusion: *i) promoting social inclusion and fight against poverty; ii) reducing the number of school dropouts and increasing attendance in tertiary education; and iii) raising employment levels*. And, as mentioned in the introduction, in the case of Slovakia, the Country Specific Recommendations (released by the Commission end-May 2012)¹³⁶ strongly reinforce this message by making the inclusion of Roma children

¹³¹ Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, *The social and economic integration of the Roma in Europe*, 7.4.2010 COM(2010)/0133 final

¹³² Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, Brussels, 5.4.2011 COM(2011) 173 final

¹³³ Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, *National Roma Integration Strategies: a first step in the implementation of the EU Framework*, Brussels, 21.5.2012, COM(2012) 226 final

¹³⁴ *Ibidem*, footnote no. 4.

¹³⁵ *Ibidem*, p. 13.

¹³⁶ Recommendation for a COUNCIL RECOMMENDATION on Slovakia’s 2012 national reform programme and delivering a Council opinion on Slovakia’s stability programme for 2012-2015, {SWD(2012) 326}, Brussels, 30.5.2012 COM(2012) 326 final provisoire

and youth in mainstream education and adults in the labour market one of only seven specific recommendations to the Slovak Government.

The EU Framework urges the Member States to take measures to ensure that EU funding available for the period 2007-2013 makes a tangible difference to Roma communities. Member States are encouraged to adapt their existing operational programmes, which are co-financed by the Structural Funds and the EAFRD, so that they better support projects targeted at disadvantaged Roma communities. It also calls on Member States to make better use of the sizeable amount of technical assistance available under the Structural Funds (up to 4% of programme allocation) to better design, manage, monitor and evaluate projects targeting the Roma communities. Where Member States lack the know-how or capacity to manage projects effectively, the EU Framework suggests that the management and implementation of part of their national programmes could be entrusted to intermediary bodies. These actors, who should have proven experience in Roma inclusion on the ground, could include international organisations, regional development bodies or non-governmental organisations.

The Communication is accompanied by a Commission Staff Working Document¹³⁷, which highlights key elements and remaining gaps of each individual NRIS. The Commission's assessment focuses on the four key areas of intervention set out in the EU Framework -- education, employment, healthcare and housing – as well as on how structural requirements, such as cooperation with civil society and with regional and local authorities are addresses in individual NRISs. It also looks at monitoring, antidiscrimination measures and establishment of a national contact point, as well as the identification of funding.

Overall, the Slovak strategy is praised for using a holistic approach and for providing an accurate description of the dire situation of the Roma in the Slovak Republic. The Staff document recognizes the emphasis on cooperation with Roma civil society and local and regional authorities, as well as the need to work with the majority population to tackle widespread prejudices and stereotypes. The overall budget allocation is quantified at €141m for the period 2011-2015. However, individual measures in the action plan do not always specify budget implications. It should, therefore, be improved by better quantification of required funding. The document stresses the need to better align Operational Programs for the programming period 2014-2020 with the NRIS by drawing lessons from the current programming period concerning the implementation of Roma inclusion projects financed by the Structural Funds. Finally, the commitment to a strong involvement of civil society and local authorities in planning and implementation of projects should be ensured.

The success of the Strategy will ultimately depend on its implementation. At the moment, the Slovak Government has not drafted action plans for the key areas through 2020. This was partly due to the fact that the revised National Action Plan for the Decade of Roma Inclusion for years 2005 – 2015 were adopted with a delay – only in June 2011. Thus the action plans on education, employment, housing and health drafted in the framework of the Decade are used also for the NRIS. Since the Strategy is considerably more ambitious and far reaching than the Decade Action Plans, it is not clear at the moment how its commitments will be transformed into actionable items and implemented. Also, the Decade extends only through 2015, while the Strategy will extend till 2020. It will be up to the new government to

¹³⁷ Commission Staff Working Document *Accompanying the document* Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, *National Roma Integration Strategies: a first step in the implementation of the EU Framework*, Brussels, 21.5.2012, SWD(2012) 133 final.

prepare updated action plans for the NRIS. Perhaps not surprisingly, the most problematic area in the current Action Plans is that of education where all activities are due in 2015.

9.2 SLOVAKIA AND STRUCTURAL FUNDS 2007-2013

Although Slovakia explicitly identified support to marginalized Roma communities in the 2007-2013 programming period as a “horizontal priority: Marginalized Roma Communities (MRC)”, little money has been spent. An indicative allocation of about 200 million EUR to support this priority through a “comprehensive approach” was earmarked. The *comprehensive approach* has been expected to be delivered through selected *Local Strategies of Comprehensive Approach* (about 150 out of over 230 were selected) which are in turn expected to be financed through six separate Operational Programmes: (1) Regional OP, (2) OP Employment and Social Inclusion, (3) OP Education, (4) OP Environment, (5) OP Competitiveness and Economic Growth, and (6) OP Health. However, as of May 2012, only about Euro 11 million out of the earmarked Euro 200 million had been used to finance any projects from the local strategies, with an additional approx. 5 million Euro of calls outstanding at the time of this writing.

Several factors explain the low number of projects and low absorption of funds under the local strategies funding for Roma inclusion:

- (1) **Preparing high-quality projects with potential to achieve real impact and positive outcomes for the marginalized Roma communities is a key constraint.** The Commission provides to the Member States with the Structural Funds generous technical assistance (TA) resources – four percent (4%) of the total allocation. These are meant to enable the authorities in the countries to manage the programmes as well as invest in project preparation, if and when needed. At the moment little, if any, of the TA resources are used for project preparation on the local level and in Roma communities.
- (2) **The architecture of the current Roma integration funding scheme is overly complex.** The MRC priority is a “horizontal priority”, with no specific allocation or funding source, and it covers a number of OPs. The Local Strategies of Comprehensive Approach have a notional allocation of 200 million Euro, but as this funding is expected to come from six separate OPs, there are six different Managing Authorities, each with a separate set of incentives, to deal with. Incidentally, in the Slovak original, the “comprehensive approach” is called “complex approach”. The name is particularly fitting in this case.
- (3) **The coordinator of Roma integration, the horizontal priority MRC, and the local strategies, is the Office of the Plenipotentiary. It has neither the official authority, nor direct access to resources, nor staffing capacity to carry out the coordination task effectively.** Due to this lack of authority or standing vis-a-vis the Managing Authorities in the individual ministries, it is exceedingly difficult to plan any coherent and integrated actions targeting the Roma communities. Due to the insufficient staffing and budget, it does not have capacity for carrying out analytical work, policy development and active outreach.

BOX 9-1: HIGH LEVEL EVENT ON ROMA INCLUSION IN 2011.

The European Commission organized in May 2011 a High Level Event on the contribution of the Structural Funds to Roma integration in Slovakia (23-25 May) with the express purpose of bringing the

Roma inclusion agenda into stronger focus and fueling a momentum for a more active use of the funds and implementation of the Local Strategies of Comprehensive Approach. The event was also a very good platform for sharing information, good practices, projects and lessons learned. The main conclusions of this HLE reiterated the recognition of the horizontal priority and the comprehensive approach with the indicative allocation as an innovative approach that Slovakia introduced. At the same time, some presenters expressed concern over the low usage of funds through the local strategies. In addition, HLE participants made the following points:

- **The 2010 amendment of Article 7 of the ERDF Regulation has allowed the financing of housing actions in rural areas**, including the replacement of existing housing, for marginalised communities. The Commission encouraged Slovakia, especially given the very bad housing conditions of many Roma communities to experiment and **pilot housing interventions**, combining ERDF and ESF funds.
- **Key to Roma inclusion is the involvement of all relevant stakeholders**, in particular representatives from Roma communities themselves, to ensure the appropriateness of the proposed integration measures and assure their buy-in and hence improve the chances of smooth implementation. **Lessons learned from the implementation of the comprehensive approach** can be analysed and reflected upon, especially for the next programming exercise.
- **Not much progress can be made in Roma inclusion unless and until the majority population is also targeted with a well prepared information campaign**. This is important not only to raise awareness of the conditions the marginalised Roma live in and fight prejudices and stereotypes, but also explain the economic benefits and importance of including the Roma population in the mainstream education and labour market. This point has just been made in the official **Country Specific Recommendations** published by the Commission on 30 May, 2012, as part of the new economic governance cycle called European Semester (see more below).

A strong monitoring system and data collection can be introduced. It will help in developing evidence-based policies which is very much needed in the area of Roma inclusion. The recently published results of the household survey carried out in the summer 2011 by UNDP/World Bank and financed by DG Regional Policy, as well as the earlier 2010 UNDP survey, provide excellent baselines for any future data collection exercises. They can also prove instrumental to any evaluation of the impact and targeting of various policies and projects.

9.3 EU FUNDING FOR ROMA INCLUSION IN THE PROGRAMMING PERIOD (2007-2013)

Availability of financial resources does not seem to be the primary constraint to increasing the integration of the Roma population and to a better design and implementation of inclusion policies in Slovakia. For the current 2007-2013 programming period, the EU has several policies and programmes with different financial instruments (funds and programmes) that can provide financing for Roma inclusion related activities. The most important among them is the Cohesion Policy with a budget of 350 billion Euros which is implemented through financial instruments known as the EU Structural Funds. These cover a range of different areas. The Structural Funds operate under an implementation modality called “shared management” between the EC and the national or regional authorities. Once the Commission approves an Operational Programme, all financing and procurement decisions rest with the national/regional authorities (so called “Managing authorities”). The EC retains financial control and

oversight. The two main Structural Funds that can target social inclusion are the European Social Fund (ESF) and the European Regional Development Fund (ERDF). Slovakia's total envelope during the current programming period is 11.7 billion Euro, of which 6.5 billion is for the ERDF and about 1 billion for the ESF.

European Social Fund (ESF) The *ESF* invest primarily in “soft” measures supporting employment and the improvement of living standards; it helps people enhance their education and skills. The ESF invests to improve the situation of the Roma population through funding, for example, education and employment related activities, guidance and counseling, and micro credit to support self-employment. (For changes proposed to the ESF for the next programming period see Box 9-2.)

European Regional Development Fund (ERDF) The *ERDF* supports “hard” investments in infrastructure, environment, regional development, and enhanced competitiveness. For the Roma population, apart from improving access to basic infrastructure such as roads, water and waste water, ERDF can invest in a variety of social infrastructure from kindergartens to community centers. In 2010, Article 7 of the ERDF regulation was amended to allow the ERDF to invest in the building and refurbishment of housing for marginalised communities, which includes many Roma communities.

European Agricultural Fund for Rural Development (EAFRD) The European Agricultural Fund for Rural Development is implemented, like the Structural Funds, through shared management. It aims to improve the competitiveness of the EU's agriculture and forestry, develop the EU's environment and countryside, boost the quality of life in rural areas, and encourage the diversification of economic activities. The EAFRD can thus be used to help Roma communities – a great proportion of which live in rural areas - by funding economic activities and small local infrastructure in rural areas. During the current financing period, little of the EAFRD resources were aimed at marginalised Roma communities.

Fundamental Rights and Citizenship Programme Part of the General Programme ‘Fundamental Rights and Justice’, the Fundamental Rights and Citizenship Programme aims to help protect children's rights and combat racism. The Programme supports actions that can benefit Roma people, such as projects that increase mutual understanding between Roma and non-Roma people in order to breakdown stereotypes. Funding is available through the European Commission, via direct calls for proposals.

Other EU sources of funding There is a variety of programmes in the European Commission which are not specifically targeting the Roma population. Nevertheless, Roma specific projects can benefit from such funding. Among the most relevant ones are: the PROGRESS program, which supports supporting the development and coordination of EU policy in five areas (Employment; Social inclusion and social protection; Working conditions; Anti-discrimination and Gender equality); the EU's Employment and Solidarity Programme; Daphne III – a programme to combat violence against children, young people and women, and to protect victims and groups at risk; the Lifelong Learning Programme; the Youth in Action Programme; the Culture Programme; and the Health Programme. Unlike the ESF, ERDF and the EAFRD, all these other programmes are directly managed by the European Commission that makes the selection of individual projects and subsequently the funding decisions.

Over the last two decades, Roma projects in Slovakia received support from a variety of public and private sources, bilateral and multilateral institutions, as well as Slovak government programs. This support resulted in a number of interesting and worthwhile projects, ranging from education, through health, housing, to employment, to cultural and linguistic identity. Undoubtedly these projects helped individual project beneficiaries and/or their communities.

Due to their fragmentation and mostly unsustainable nature, these individual projects do not offer systemic lessons on how to alleviate poverty among the Roma communities and improve their overall economic and social status. Even though a good number of the projects were conceived as pilots to test different approaches and bring the successful ones to scale, they invariably stopped after their funding ended. One example for all is an EU pre-accession PHARE financed project to train and deploy medical assistants to work in segregated communities as public health workers and cultural connectors of the Roma community to the mainstream health system. In 2009, the project had about two dozens of such assistants. Despite the apparent success of this project according to all relevant stakeholders and the documented need for such interventions in over 700 segregated or separated settlements in Slovakia, the project ended once the EU resources came to an end. Projects have not become programs and did not even have a chance to develop into policies. This is true despite the participation of the Slovak Republic in the Decade of Roma Inclusion, where Slovakia held the rotating Presidency in 2010.

Significant hopes were initially pinned by promoters of Roma inclusion on the horizontal priority “Marginalised Roma Communities” and especially on the “Local Strategies of Comprehensive Approach” in the current programming period 2007-2013 of the Structural Funds. Despite the generous notional allocation of 200 million Euro for the local strategies, little has been invested from it in Roma inclusion at national or local level. In April 2012, one year before the end of the programming period, only some 16 million of the 200 million have been contracted. The complex design of the horizontal priority where six different Operational Programmes contained the actual allocations for Roma inclusion, the fact that the coordinator – Office of the Plenipotentiary for Roma Communities – does not have any leverage vis-à-vis the managing authorities of the individual OPs, and overly complex bureaucratic processes have all contributed to the low absorption of the funds so far. More importantly though, the horizontal priority as currently implemented does not seem to have not resulted in a better policy design and more systematic push for Roma inclusion, or scaling up the piloted approaches.

9.4 NEXT EU PROGRAMMING PERIOD (2014-2020)

The guiding strategy for the next generation of the Structural Funds is Europe 2020 strategy of smart, sustainable and inclusive growth.¹³⁸ The Operational Programmes under the Structural Funds are expected to be, for the first time in the next programming period, fully aligned with the objectives and targets of Europe 2020. To achieve this, the Commission has proposed a variety of instruments: the newly proposed Common Strategic Framework is intended to ensure that Cohesion Policy investments (through the ERDF, ESF and the Cohesion Fund), and also the rural development fund (EAFRD) and the maritime and fisheries instrument, will all fall within a subset of thematic objectives that have been developed around the Europe 2020 goals and headline targets. During negotiations of the next programming period, Member States and the EC are expected to enter into Partnership Agreements which will set out: i) Member States’ priorities and the specific thematic objectives the Member States will pursue with the Structural Funds financing, and ii) *ex-ante* conditions that have to be fulfilled in order to receive the financing. The Partnership Agreements will contain *ex-ante* conditionality, which will define, by sectors, the minimum conditions that need to be met for a Member State to receive financing from EU funds.

¹³⁸ European Commission (2010) ‘*Europe 2020. A European strategy for smart, sustainable and inclusive growth*’. 3.3. 2010 COM(2010)2020.

9.5 KEY BUILDING BLOCKS OF THE NEXT PROGRAMMING EXERCISE FOR THE FUNDING PERIOD 2014-2020

9.5.1 COMMON STRATEGIC FRAMEWORK

The European Commission presented on 14 March 2012 a "Common Strategic Framework" (CSF) for the use of EU funds (see Annexes 2 and 3). The CSF follows the proposals of Cohesion Policy regulations and to help Member States prepare for the next programming period in a more strategic manner, concentrating their investments more consistently on Europe 2020 targets. In other words, Member States will have much less freedom to choose where to invest EU funds than has been the case in the previous programming rounds. The CSF is also intended to encourage combination and coordination of investments from the individual funds, to maximise the impact of EU investments. On the basis of the CSF, national and regional authorities will negotiate with the EC their "Partnership Agreements," committing themselves to meeting Europe's growth and jobs targets for 2020.

BOX 9-2: FORESEEN CHANGES FOR THE EUROPEAN SOCIAL FUND

The European Social Fund is the key EU instrument for investment in people. Target areas are: improving employment opportunities, promoting education and life-long learning, enhancing social inclusion, contributing to combating poverty and developing institutional capacity of public administration. Around 10 million final beneficiaries have been supported by ESF every year. With the current jobs and employment crisis, the new legislative proposal aims at reinforcing the role of the ESF in the future:

- ✓ increasing the minimum share of the budget for each category of regions -- 25% for less developed regions, 40% for transition regions and 52% for more developed ones. This share corresponds to at least €84 billion for the ESF, compared to the current €75 billion;
- ✓ concentrating the ESF on a limited number of objectives and investment priorities in line with the Europe 2020 Strategy;
- ✓ dedicating a minimum share of 20% of the ESF to social inclusion actions and combating poverty;
- ✓ combating youth unemployment, promoting active and healthy ageing, and supporting the most disadvantaged groups and marginalized communities such as Roma;
- ✓ increasing support to social innovation, i.e. testing and scaling up innovative solutions to addressing social needs and providing social services;
- ✓ encouraging the participation of social partners and the civil society in the implementation of the ESF, through capacity building, promotion of community-led local development strategies and the simplification of the delivery system. (Rules governing the reimbursement of projects by the ESF are expected to be simplified, in particular for "small" beneficiaries: NGO's, SMEs, and others who make up at least 50% of ESF recipients; and
- ✓ making equipment linked to investments in social and human capital eligible for support from the ESF.

9.5.2 THEMATIC OBJECTIVES

Compared to the past, the new programming period will require a fuller alignment of Structural Funds financing with the objectives of the Europe 2020 Agenda. The Commission has thus fixed minimum allocations under the Structural Funds for a number of EU priority areas. For example, for more developed and transition regions, at least 80% of ERDF resources at national level needs to be allocated to

energy efficiency and renewable energy sources, innovation and the improvement of the competitiveness of small and medium-sized enterprises (SMEs). This amount will be 50% in less developed regions, reflecting their broader development needs. ESF investments need to be fully aligned with EU objectives and targets on employment, education and poverty reduction. A minimum of 20% of the national ESF allocation will have to be allocated to investments combating social exclusion and poverty.

To reinforce this strategic programming process and maximize impact of EU funds, the Commission has proposed to define a list of 11 thematic objectives in the Regulation (below), aligned with the Europe 2020 Strategy. During the forthcoming negotiations of the programming documents, Member States will have to choose only a subset of these thematic objectives for EU funds financing.

1. Strengthening research, technological development and innovation;
2. Enhancing access to and use and quality of information and communication technologies;
3. Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and fisheries and aquaculture sector (for the EMFF);
4. Supporting the shift towards a low-carbon economy in all sectors;
5. Promoting climate change adaptation, risk prevention and management;
6. Protecting the environment and promoting resource efficiency;
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures;
8. Promoting employment and supporting labour mobility;
9. Promoting social inclusion and combating poverty;
10. Investing in education, skills and lifelong learning;
11. Enhancing institutional capacity and an efficient public administration.

9.5.3 STRUCTURAL FUNDS REGULATIONS

Legislative proposals for Cohesion Policy for the 2014-2020 period were adopted by the European Commission in October 2011, and by the Council (body representing the Member States), a new negotiated version was adopted in April 2012. At the time of this writing, the legislative package is being discussed by the European Parliament. The new Regulations need to be adopted in 2012 or early 2013, to be ready for the start of the new programming period in 2014.

The guiding principles of the next programming period are:

- focusing resources on a few priorities aligned with the Europe 2020 Strategy
- defining clear and measurable targets for investments
- introduction of ex-conditionality and performance incentives
- increasing the leverage effect of investments through private sector finance
- concentrating on the poorest Member States and regions

Additionally, the new regulations are supposed to further simplify the often overly complex regulatory regime for the management and use of the funds. “Simplification” should entail the introduction of simplified reimbursement rules; allow the implementation of funds on the basis of joint action plans reimbursed on the basis of results; harmonising eligibility rules and the management and control systems between the different EU funds, etc.

9.5.4 PARTNERSHIP AGREEMENTS BETWEEN THE COMMISSION AND THE MEMBER STATES

In 2013, each Member State will be asked to draw up a Partnership Agreement where they will assess their development needs and define their national priorities supporting their National Reform Programmes and concrete actions to achieve their national targets for delivering on the Europe 2020 strategy. While the Common Strategic Framework contains the EU's top priorities and will apply to all funds (including rural development and fisheries), the Partnership Agreements will be tailored for and with each Member States. Member States will be allowed to combine ERDF, ESF and the Cohesion Fund in "multi-fund" programmes to better suit their growth plans, improve coordination on the ground and achieve integrated development. The purpose is to allow the biggest impact on the ground. The plan at the moment is to allow suspension or cancellation of funding for failure to achieve progress and targets agreed upon the the Partnership Agreement. It remains to be seen whether this intention will survive the process of negotiations of the legislative package.

The Partnership Agreement will contain notably:

- choice of the above thematic objectives
- investment priorities for each thematic objective
- ex-ante conditions as a pre-requisite to EU funding
- targets that the Member States plan to reach by the end of the programming period
- performance indicators and milestones

9.5.5 EX-ANTE CONDITIONALITY

The biggest novelty in the new programming period is the introduction of “ex-ante conditionality”. EU funding is seen as a strong incentive to deliver Europe 2020 objectives. Hence in all investment areas, some "ex-ante" conditions will need to be in place before the funds are disbursed (for instance, the proper functioning of public procurement systems). For social inclusion and anti-poverty, the ex-ante conditionality implies the existence of both a national strategic framework for poverty reduction, aiming at active inclusion, as well as a national Roma inclusion strategy, where applicable. Conditions are also laid down for reporting on the fulfillment of ex-ante conditionalities, in the absence of which interim payments could be suspended. At the time of this writing, the ex-ante conditionality provisions are being debated, with the Commission pushing for stronger provisions and the Member States (through the Council formation where the regulations are discussed) trying to water the provisions down. One of the key actor in this process will now be the European Parliament that will have to vote on the whole legislative package. But all in all, the concept and the need for some ex-ante conditionality has already been accepted by the Member States. Some iteration of the current provisions is likely to become law.

9.5.6 FLEXIBLE COMBINATION OF EU FUNDS FOR ROMA INCLUSION

The EU Framework specifically recommends making Structural Funds and other EU funds more accessible for Roma inclusion projects; making full use of the amendment of the ERDF regulations for housing, as part of integrated actions; making greater use of technical assistance by the EU; developing results-oriented projects and increasing their duration; ensuring a more effective, flexible and integrated combination of EU funds; strengthening the partnership principle in the planning, implementation, monitoring and evaluation in the programmes of the Common Strategic Framework funds and the

capacities of NGOs specifically in ESF funded programmes; making access to funds easier, especially to small beneficiaries, through simplified cost options; and developing robust monitoring mechanisms and evaluating results.

The Commission's draft Structural Funds regulations propose the possibility to combine more systematically ESF and ERDF programs for social inclusion. This proposal opens up interesting possibilities for integrated actions, for example in disadvantaged micro-regions, settlements or neighbourhoods, and for the simplification of the planning, programming and coordination of Roma inclusion projects. It has been taken on board by France, Greece, Hungary, Italy, Romania, Slovakia and Spain. In some cases a valuable reflection on existing managing models and institutional makeups and on finding the most appropriate tools to achieve effective results on the ground is made. Slovakia, in particular, suggests the establishment of a multi-fund operational programme using ESF and ERDF funds, which would finance programmes centred on inclusive infrastructural development and public services as well as specific labour inclusion and educational programmes.

9.6 POLICY RECOMMENDATIONS

The new Slovak National Roma Integration Strategy of January 2012 has been adopted at an opportune moment: European Commission is fully committed to monitoring progress individual Member States make on Roma inclusion and will require annual reporting. At the same time, as the end of the current financing and programming period is drawing to a close (end 2013), regulations for the new financing period (2014-2020) are making their way through the legislative process.¹³⁹

For Slovakia, Roma inclusion -- especially in education and the labour market -- has become one of only seven “Country Specific Recommendations” (CSRs). The CSRs are those priority areas that the Commission will track and review very closely on an annual basis as part of the new economic governance process called the European Semester. Structural Funds in the next programming period will be required to be closely aligned with the Europe 2020 Strategy of smart, sustainable and inclusive growth. Due to the focus on the third pillar -- inclusive growth, Roma inclusion will be a key area where the Commission will actively engage the Member States during the forthcoming negotiations (end 2012 and 2013).

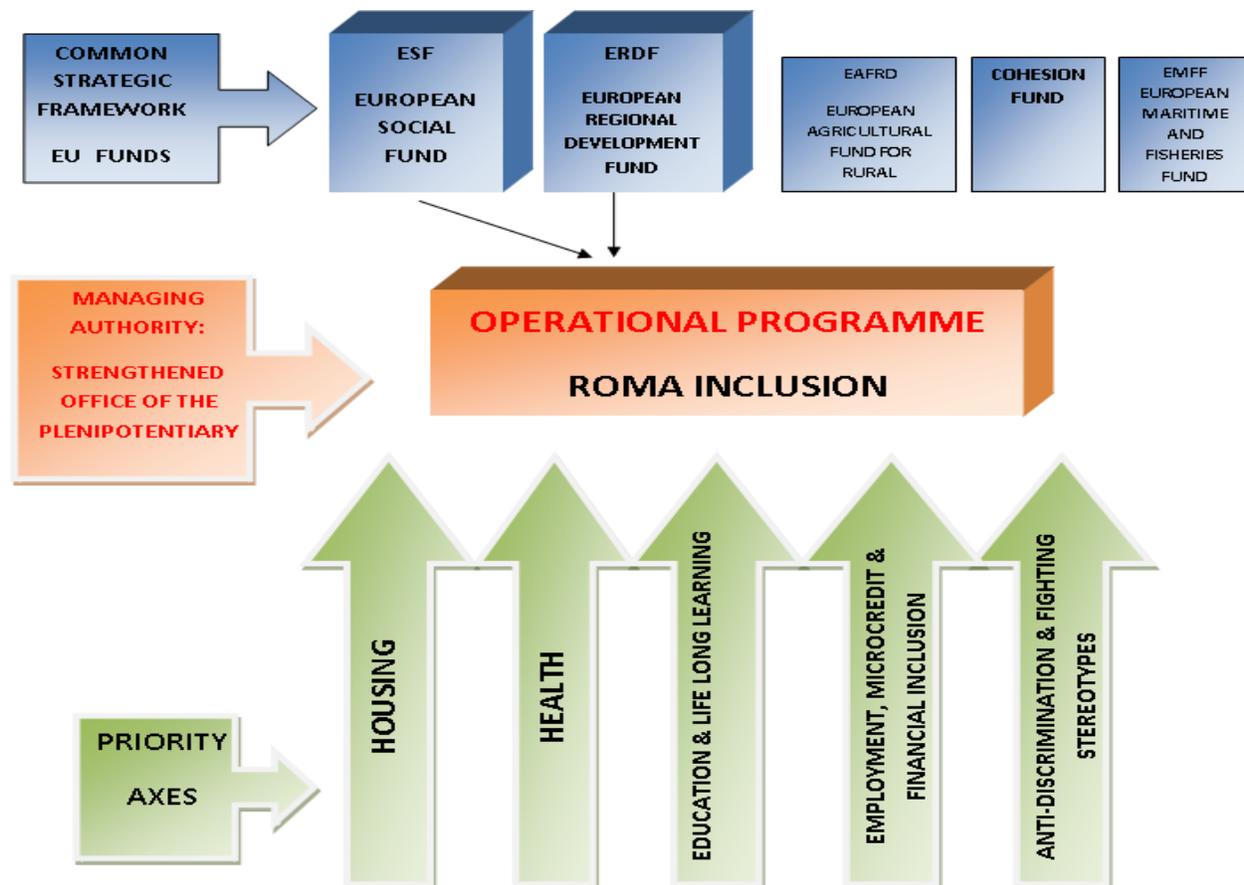
It is important that Slovakia takes full advantage of the opportunities offered by Structural Funds in the next programming period 2014-2020 to reduce the various gaps between the Roma and the majority population, focusing on integrated actions that make a difference in areas where large Roma communities experience segregation and severe poverty. To improve on the current system of using the Structural Funds to take advantage of the new EU financing for Roma inclusion, Slovak Government may consider the following policy measures:

¹³⁹ The Commission adopted the legislative package in October 2011. Following negotiations in the relevant Council working group, the Council adopted a new text in April 2012. At the time of this writing, the European Parliament is deliberating the Council text. Pursuant to the Lisbon Treaty, all these regulations fall under the so-called “co-decision” procedure, where both the Council and the Parliament have to approve the legal text. The EP is expected to vote on the set of regulations in the [Fall 2012].

9.6.1 POLICY MEASURE 1A: DEVELOP ONE 2014-2020 OPERATIONAL PROGRAMME FOR ROMA INCLUSION

Policy Measure 1a: Develop one 2014-2020 Operational Programme for Roma Inclusion and finance it jointly from the European Social Fund (ESF) and the European Regional Development Fund (ERDF) Under this option, the current coordinator, the Office of the Plenipotentiary, would become a Managing Authority (body in charge of an OP), as indicated in Figure 9-1 below.

FIGURE 9-1: DEDICATED OPERATIONAL PROGRAMME ON ROMA INCLUSION

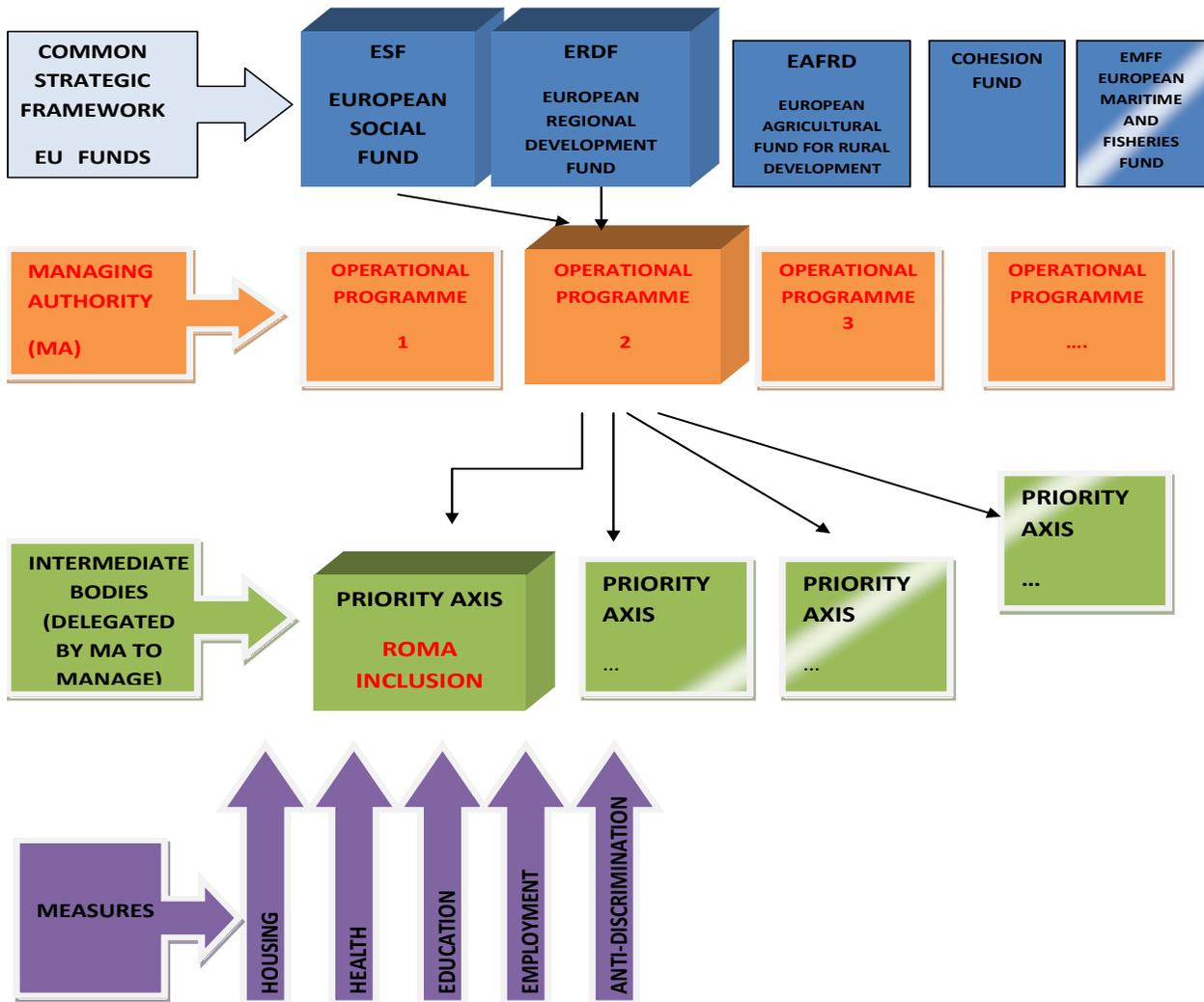


Picture No. 1 – Dedicated Operational Programme on Roma Inclusion

9.6.2 POLICY MEASURE 1B: ALTERNATIVELY, ROMA INCLUSION COULD BECOME A SEPARATE PRIORITY AXIS

Policy Measure 1b: Alternatively, Roma inclusion could become a separate Priority Axis within a larger Operational Programme, again jointly financed by the ESF and the ERDF (see Figure 15). Under this option, the Office would become an “intermediate body” (body delegated by a Managing Authority to be in charge of a specific priority axis) as shown in Figure 9-2.

FIGURE 9-2: ROMA INCLUSION AS A PRIORITY AXIS IN A BROADER OPERATIONAL PROGRAMME



Picture No. 2. Roma Inclusion as a Priority Axis in a broader Operational Programme

9.6.3 POLICY MEASURE 2: STRENGTHEN THE CAPACITY OF THE OFFICE OF THE PLENIPOTENTIARY

Policy Measure 2: Take advantage of the EU Structural Funds to strengthen the capacity of the Office of the Plenipotentiary to design, promote and manage inclusion policies and manage a Structural Funds programme. The Structural Funds themselves can contribute to building this capacity through the substantial amounts available from the EU budget for technical assistance (up to 4% of OP allocation).

9.6.4 POLICY MEASURE 3: ASSIST THE LOCAL COMMUNITIES AND MUNICIPALITIES DEVELOP HIGH QUALITY PROPOSALS

Policy Measure 3: Take advantage of the EU Structural Funds' technical assistance resources to assist the local communities and municipalities develop high quality proposals with appropriate evaluation built-in up front. Again, the Structural Funds themselves can contribute to building this capacity or hiring technical expertise elsewhere through the substantial amounts available from the EU budget for technical assistance.

9.6.5 POLICY MEASURE 4: SIMPLIFY THE USE OF ESF AND ERDF, ESPECIALLY FOR LOCALLY LED INITIATIVES AND SMALL PROJECTS

Policy Measure 4: Simplify the use of ESF and ERDF, especially for locally led initiatives and small projects, often implemented by NGOs. Already in the current programming period, the Commission greatly simplified use of funds for small projects under 50,000 Euros where the beneficiaries no longer need to keep certain complicated accounting measures; once approved, all that projects need to demonstrate is the implementation of the proposal; no other reporting is necessary. Such simplification will be applied also in the next programming period. Several countries have taken advantage of such a simplified process, but not all countries. Slovakia would be well advised to apply these leaner procedures to small local development initiatives that cannot have the necessary capacity to implement full Structural Fund financing management and reporting system.

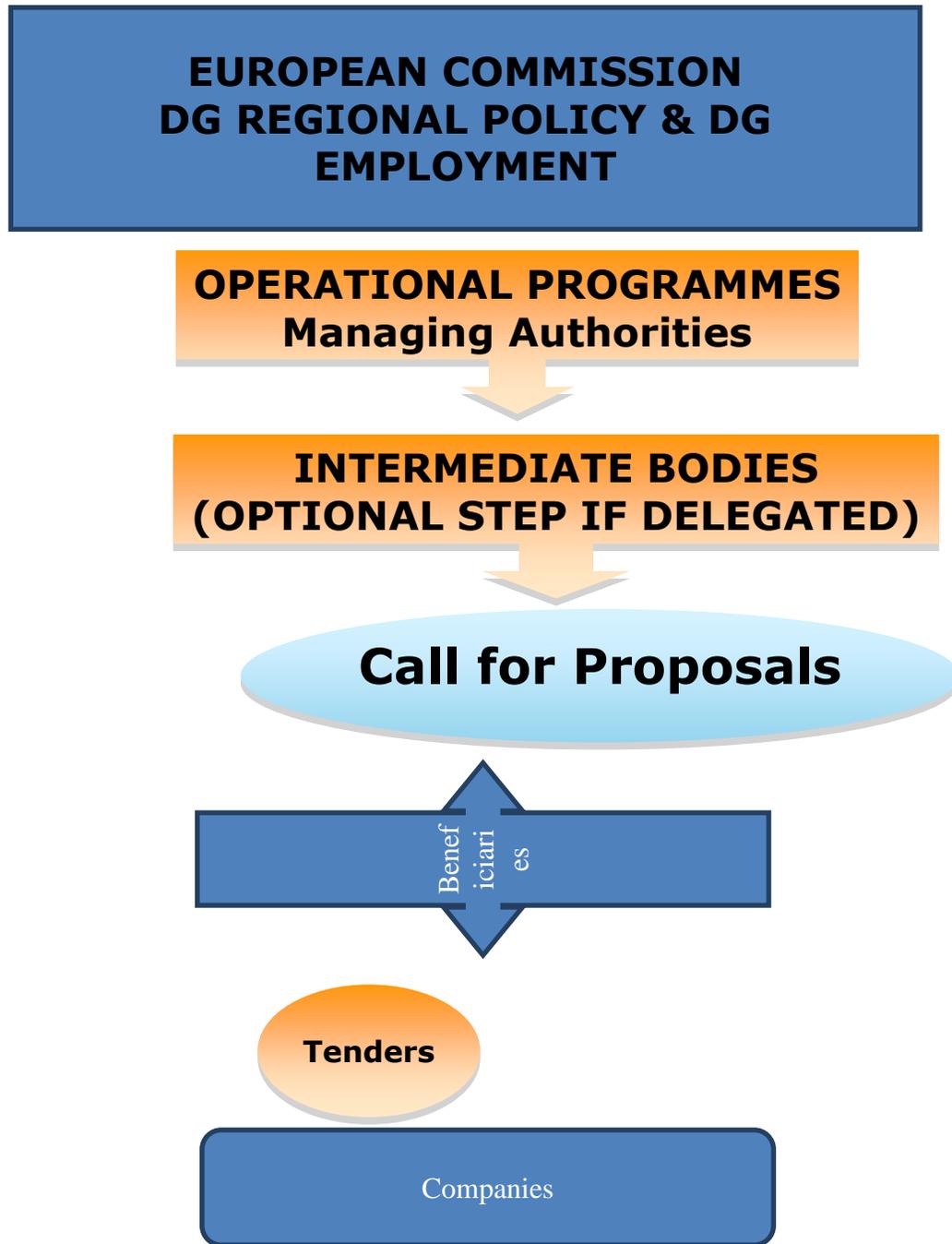
9.6.6 POLICY MEASURE 5: DEVELOP A SYSTEM OF PAYMENT/REIMBURSEMENT FOR PROJECT PROMOTERS OF SMALL PROJECTS THAT DOES NOT UNDULY PENALIZE

Policy Measure 5: Develop a system of payment/reimbursement for project promoters of small projects (beneficiaries of small grants) that does not unduly penalize them. Since the Structural Funds reimburse expenditure ex post, countries often reimburse projects promoters also that way. This can complicate or completely prevent implementation for smaller NGOs or even municipalities that lack sufficient cash flow to pay for expenditures up front. Fortunately, the Commission gives Member States yearly payment advances, and these can be passed on to final beneficiaries. Some countries routinely do so. For projects implemented in poor parts of Slovakia, including Roma communities, it would be important to use this advance and provide up front financing.

9.6.7 POLICY MEASURE 6: USE THE POVERTY MAPS TO BETTER TARGET THE FUNDS

Policy Measure 6: Use the poverty map that will be prepared for targeting Structural Funds financing to target inclusion projects to the most needy communities. The poverty map is described in more detail in the Monitoring and Evaluation chapter.

IMPLEMENTATION OF STRUCTURAL FUNDS PROGRAMMES



9.9 ANNEX 2: COMMON STRATEGIC FRAMEWORK – SOURCES OF FUNDING

- CSF establishes provisions for five funds: European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF), European Agricultural Fund for Rural Development (EAFRD) and European Maritime and Fisheries Fund (EMFF)
- CSF proposes main targets and policy objectives for each of the 11 thematic objectives and key actions (for the purpose of Roma integration, objective no. 9 Social Inclusion and Combating Poverty)
- CSF provides integration and synergies between the five funds (for Roma inclusion purposes, the three more relevant funds are ERDF, ESF and EAFRD)

ERDF

- All thematic objectives
- Companies (infrastructure, business services, innovation, ICT and RTD)
- Services to citizens (energy, on line services, education, health, quality of the environment , on line services)

ESF

- Four objectives : employment, education, skills, social inclusion and administrative capacity building

EAFRD

- Focus on rural areas
- Six priorities: knowledge transfer, innovation, competitiveness of agriculture, management of natural resources and climate action and inclusive development

CF

- Environment, sustainable development and TEN-T

EMFF

- Viability and competitiveness of fisheries and aquaculture
- Social inclusion and job creation in fisheries dependent communities

- The thematic objectives can be implemented through either **monofund** programmes or **multifund programmes combining ERDF, ESF, CF** (for Roma inclusion purposes, the three more relevant funds are ERDF, ESF and EAFRD)

14 March
2012

The **Common Strategic Framework (CSF)** reflects the 11 priorities of the EUROPE 2020 Strategy 11 Thematic objectives:

1. Research Technology Development Innovation
2. Information and Communication Technologies
3. SMEs
4. Low-carbon economy
5. Climate change mitigation
6. Environment and resource efficiency
7. Transport and Network Infrastructure
8. Employment
9. **Social Inclusion and Combating Poverty**
10. Education
11. Institutional Capacity Building

End
2012/Beginning
2013

PARTNERSHIP AGREEMENT



National and regional level: possibility for multi-fund programmes combining ERDF, ESF and CF (For Roma inclusion purposes, the three more relevant funds are ERDF, ESF and EAFRD)

End
2012/Beginning
2013

OPERATIONAL PROGRAMMES



- 7 year timeline (1st January 2014 – 31st December 2020)
- Programmes will list priorities with specific objectives, financial appropriations of support from the CSF Funds and corresponding national co-financing

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10 APPENDIX: SUMMARY OF OVERALL- AND SECTORAL POLICY RECOMMENDATIONS

10.1 OVERALL POLICY RECOMMENDATIONS

Detailed diagnostics and policy options by sector should not overshadow the need for a holistic and integrated approach to addressing the needs of Roma inclusion, requiring ministries to coordinate reinforcing actions. In addition to sector specific findings, this report highlights important linkages between each of these areas and stresses the need for close coordination among different sector ministries. For example, the linkages that exist between poor housing conditions and poor health, or the linkages that exist between social benefit reforms and activities by key line ministries; for example, early childhood education can be promoted by informing parents about its benefits through the use of Roma mediators and teaching assistants, but also by putting in place targeted social protection benefits that support all poor and vulnerable parents financially if children attend regularly preschool. Conversely, stimulating demand for pre-school through the benefit system needs to be complemented by infrastructure investments to expand pre-school facilities in those communities that are currently lacking these. Or, targeted social protection benefits can be made available on condition that mothers participate in pre- and post-natal check-ups, fully vaccinate their children, and participate in counseling on early childhood development and nutrition, thus also requiring coordination between ministries. Or, changing the eligibility criteria for housing allowances to include the poorest and restricting use of the funds for home improvements should be complemented by training activities how to make basic home and energy efficiency improvements. In short, it is important therefore that policy measures in the different areas are designed to reinforce each other. Many of the policy measures suggested offer opportunities in this sense.

Most policy recommendations attempt to draw and build on programs and policies already in place in Slovakia, including good examples and best practices the World Bank team came across during its field visits which are not known nationally. In some cases, putting in place incremental and reinforcing policy measures can be achieved by modifying existing policy measures such as reforming the system of allowances –labor activation, kindergarten and housing --that already exist as part of the BMN program of social assistance; or, by addressing the financial incentives that currently exist for municipalities to invest in special education, and instead provide incentives to invest in integrated regular schooling; or, by ensuring that the ongoing expansion of social workers will lead to an increase specifically in counseling on early childhood development and nutrition. In other cases, the World Bank team recommends expanding and further improving promising initiatives that are currently small scale such as the Roma Health Mediator (RHM) program, or the home improvement and financial literacy training courses provided by, for example, ETP Slovakia.

No policy measure can fully succeed if strong prejudices among parts of the majority population against the Roma are not addressed simultaneously. To illustrate, in 2010, the World Bank carried out 222 qualitative interviews with government and civil society officials in Bulgaria, Romania, Czech Republic, and Serbia. Respondents were asked to share their view of commonly held perceptions among the general public. According to more than three-quarters of these officials in each of these countries, a commonly held perception by the general public is that Roma are "lazy, lack will power, and prefer to live off social assistance". Many people with whom the World Bank team met in Slovakia similarly mentioned that these views are common, consistent with the 2008 European Social Survey finding that two-thirds of respondents claim that the unemployed (regardless of ethnicity) are not seeking employment and 40% report that social benefits make people lazy. On the other hand, results from the regional Roma survey indicate that the vast majority of Roma wish at least a secondary education for their children, and value

lower paid, secure and full time employment over social assistance or over irregular employment with more freedom. Yet, it is easy to see that a typical employer would not be keen on hiring a Roma, no matter how successful might have been policy measures to improve Roma education and health outcomes.

Tackling Roma stereotypes is a vital component of inclusion strategies and need to be an integral aspect of any measure as well as a goal in itself. Beliefs shape behaviors and therefore determine both political outcomes and practical day-to-day decisions in applying policies and implementing programs. Even in the absence of the measures advocated in this report, there are examples of mayors who have been able to transform the lives of Roma in their municipality –at the same time improving the lives of all their constituents - because they challenged stereotypes, forged partnerships with others also willing to challenge stereotypes (e.g., social workers, school officials, psychologists), thus creating a virtuous circle. Communication can have a significant impact on people’s beliefs and behaviors, in particular through targeted campaigns of communication to change behavior (CCB), which apply a marketing approach to address social issues.¹⁴⁰ The Slovak Government should join forces with civil society, media experts, and international organizations in determining a roadmap for a comprehensive and creative communication campaign aimed at fighting stereotypes and encouraging acceptance. For example, the Open Society Foundation has a long history of supporting Roma inclusion programs in Slovakia and elsewhere, including projects to fight stereotypes. The European Roma Grassroots Organization (ERGO) has implemented a number of programs tackling stereotypes across Europe forging partnerships with municipalities and creatively using (social) media and sports. And, the Roma Education Fund has been working closely with teacher training colleges to create greater awareness among college students of the challenges facing Roma children in school and foster interest in contributing personally to closing the gap by seeking placement in schools with many Roma children. The Slovak government can take advantage of these and other such campaigns.

Successful implementation will also require strengthening capacity at all levels, from policy coordination to implementation of projects on the ground, and this implies building stronger partnerships between regional and municipal bodies, and between public, civil society, and private bodies. The Office of the Plenipotentiary for Roma Communities has started developing the necessary capacity. It has prepared the National Roma Integration Strategy in a professional and consultative manner. This capacity can be captured and built upon – regardless of who will politically oversee the Office – and substantially expanded. In doing so, Slovakia can also build on international experiences with integrated approaches to addressing the most vulnerable such as the Chile Solidario program. The sizable allocation of technical assistance under the structural funds (4% of total ESF) can be deployed to finance capacity building. For example, knowledge sharing and technical assistance to local actors such as municipal governments requires strong regional level capacity; or, leveraging the knowledge and experiences of promising NGO initiatives requires building stronger public-private partnerships whereby, for example, NGOs with a proven track record are financially supported to work with municipal and regional bodies to scale up promising initiatives.

¹⁴⁰ CCB has been used widely and successfully to encourage environmentally responsible behaviors, as well as in preventive health campaigns, for example, to promote basic hygiene and responsible sex. Its use to promote social cohesion and mutual acceptance (e.g., in ethnically divided contexts) is growing and shows very promising results.

10.2 SUMMARY OF SECTORAL POLICY RECOMMENDATIONS

The policy recommendations for each sector can be summarized as follows:

Employment: the recommendations focus on specific measures to (a) improve job search incentives; (b) improve efficiency of job search by allowing better matching of labor supply and demand; (c) improve skills. These measures include:

- (1) Reforming the system of activation allowances and focusing on providing in-work benefits;
- (2) Strengthening job counseling and providing soft-skills job search support;
- (3) Reaching out to non-State actors (firms, NGOs, churches etc.) and create a jobs platform; and,
- (4) Providing second chance education, emphasizing on-the-job learning opportunities, including in the social sectors where Roma are strongly underrepresented.

The report also calls for (d) investments in monitoring and rigorous evaluation of specific activation measures, and systematically share best practices across municipalities.

Social Protection: the recommendations call for maintaining a strong safety net that continues to protect the poor, but more so than is currently the case, include social protection benefits that explicitly promote health and human capital investments, especially for children, and housing investments. Specifically:

- (1) Incentivizing targeted investments in maternal health and early childhood development – from conception to age 8;
- (2) Strengthening the existing program providing support to poor young families conditional on children participating in pre-school;
- (3) Incentivizing secondary school completion, not early school leaving;
- (4) Incentivizing job search incentives; and,
- (5) Incentivizing investments into improved living conditions, especially by the most vulnerable.

Financial Inclusion: the recommendations call for measures building greater financial security:

- (1) Promote financial literacy and debt management training;
- (2) Improve access to financial services with a focus on savings facilitation, and linking savings activities with human development outcomes; and,
- (3) Take advantage of government social protection payment systems to promote financial inclusion.

Education: the recommendations focus on measures to (a) increase access to quality pre-school, moving toward compulsory preschool from age 3 onwards, and improve home parenting; (b) promote integrated regular primary schooling for all; and, (c) address early (secondary) school leaving. Specifically:

- (1) Increase access to quality pre-school, moving toward preschool attendance from age 3 onwards, and improve home parenting;
- (2) Create the position of Roma school (or community) mediator;
- (3) Provide school-based education services beyond regular classroom teaching – teaching assistants and tutors;
- (4) Provide educational support and opportunities outside regular school hours -after school and summer programs;
- (5) Provide added incentives that make a difference - cash transfers conditional on certain educational achievements (e.g. participation in ECD and completion of secondary);

- (6) Promote integrated regular primary schooling for all; move rapidly to close most special schools – in part by changing the financial incentives currently in place for special education - and abolish special classes in standard schools.

Housing: the recommendations focus on measures to (a) improve conditions – in situ - for the worst off Roma living in slum areas, and (b) to help poor families move into better housing. The specific recommendations include reform of the housing allowance and emphasize the desirability of incremental approaches that will reach larger number of poor Roma households sooner with the expectation that improvements will be gradual and take place over a period of time.

Specifically, to improve living conditions for poor households in situ (i.e., upgrading):

- (1) Facilitate legal inclusion (provide technical assistance, legally register regardless of structure type, encourage municipalities and NGOs);
- (2) Improve access to basic services through infrastructural investments (access existing programs such as State Housing Development Fund, support families manage utility debts, involve beneficiaries in infrastructure upgrading); and,
- (3) Improve support to poor residents to make home improvements (provide financial literacy and home improvement training, delink housing allowance from legal residency status, ensure housing allowance support is used for housing (improvements), increase availability of microfinance for housing improvements);

Specifically, to help poor families move into better and integrated housing:

- (1) Diversify government programs to enable poor households more choices than just low-cost social housing to access better dwellings (incentives to use vacant housing in integrated areas (rent or ownership), expand the availability of private formal rentals, provide strong social support when families move into new neighborhoods; redesign the housing allowance so it can also be paid directly to landlord);
- (2) Involve families in the construction of new homes, which can be more cost effective than building final finished units and build skills (provide families with well located land sites and building materials, provide technical assistance to the families in construction).

In addition to these specific recommendations, there are also several cross-cutting recommendations on housing, including synchronizing programs horizontally for a common goal (i.e. across different housing programs but also programs in education, employment, health, etc., or commingling ERDF and ESF funds) and target the poorest communities first using the Slovak poverty map being produced by the National Statistics Office and the World Bank and the Slovak Roma Atlas being updated by UNDP.

Health: the recommendations focus on measures to (a) promote more effective use of existing health services (including expansion of the Roma Health Mediators program), expand health knowledge and awareness, or a combination of both; and, (b) measures that use entry points outside the immediate health system (for example in education or housing) to promote greater health among Roma. As with the other sectors, there can be important linkages with demand side incentives provided through the social benefit system.

Specifically, measures promoting more effective use of existing health services, measures to expand health knowledge and awareness, or a combination of both:

- (1) Expanding the RHM program and improving its quality through the use of rigorous evaluation methods.
- (2) Better use of existing entry points within the health system – in particular ante natal care and birth delivery - to promote greater health knowledge and awareness, as well as access to services, among Roma. Birth delivery, but also ante natal care visits
- (3) Exploring changing health provider payment systems and linking payments to results, i.e. coverage of Roma population and regular check-ups could be considered.
- (4) Promoting the use of mobile and wireless technologies can open up many opportunities ranging from making appointments, providing reminders, as well as reminding patients about prescription renewals or vaccinations

Specifically, using entry points outside the immediate health system to promote greater health among Roma:

- (1) *Improving Health through the Education System* - Preschool offers not only education benefits, but can also offer many opportunities for health, promoting early childhood development broadly; Schools offer excellent opportunities to educate on health (e.g. through the Roma peer program); Promoting sports, especially among youth;
- (2) *Improving Health through the Housing and Infrastructure Sector* - Improving infrastructure to promote access to clean water, and reduce waste and indoor air pollution;
- (3) *Improving Health through the Social Protection System* - Linking social assistance and family benefits to results by making extra cash transfers for certain health outputs such as attending health education sessions and getting adequate pre-natal check-ups.

Monitoring and Evaluation: the report recommends:

- (1) Taking advantage of the Slovak poverty map being produced and the Slovak Atlas of Roma Communities to improve targeting of inclusion programs;
- (2) Bi-annually expand the EU-SILC survey implemented by the Statistical Office of the Slovak Republic to include extra households from the poorest communities in Slovakia;
- (3) Ensure that the programs being financed have results frameworks in place that clearly define inputs, activities, outputs, and impacts;
- (4) Undertake rigorous impact evaluations to learn what program works best; and,
- (5) Consider building an inexpensive ‘municipal best practice’ online knowledge portal.

EU Financing: the report recommends:

- (1) Either develop one 2014-2020 Operational Programme for Roma Inclusion and finance it jointly from the European Social Fund (ESF) and the European Regional Development Fund (ERDF), or *alternatively*, Roma inclusion could become a separate Priority Axis within a larger Operational Programme, again jointly financed by the ESF and the ERDF;
- (2) Take advantage of the EU Structural Funds to strengthen the capacity of the Office of the Plenipotentiary;
- (3) To assist the local communities and municipalities develop high quality proposals;
- (4) To simplify the use of ESF and ERDF, especially for locally led initiatives and small projects; and,
- (5) Use the poverty map for targeting Structural Funds financing.