

ERGO Network

Case Studies 2021

Roma Access to Minimum Income in Romania

INTRODUCTION

The Policy Center for Roma and Minorities is a foundation that has been working in one of the most deprived areas of Bucharest (Romania) for more than 10 years. The main focus of its intervention is on education. The flagship program is named "Alternative Education Club" and provides remedial and alternative education for a number of 100 children in the Ferentari ghetto. Besides this, our foundation is in service of the community, addressing different type of problems and helping poor people access social services. We cooperate with the electricity provider, that is willing to help people connect legally to electricity and even more helps with small renovation projects. We mediate the relation between our beneficiaries and public administration, facilitating administrative processes.

One of the newest fields we address are health and domestic violence. Besides providing necessary hygienic materials, we teach young girls about importance of health and how to better treat their body. Domestic violence has been documented as part of an international project and concrete recommendations have been formulated. As a grassroots NGO we will continue to address the needs of the community and to contribute to national developments relate to better social inclusion of Roma and poor families.

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METHODOLOGY

We have used 2 main methods for this report. The first is desk research – materials on the minimum income, studies on numbers and impact. The desk research includes materials developed by Romanian researchers, data from Labour Ministry and data collected by NGOs.

The second source of information (mostly about difficulties in the field related to accessing the minimum income benefit) are people from the poor neighbourhood where PCRIM is involved. It is an urban ghetto but the information received is relevant because it applies to all types of poor communities. What matters here is less the geography and more the economic situation of the potential beneficiary.

OVERVIEW OF THE SOCIO-ECONOMIC SITUATION OF THE ROMA IN ROMANIA

- The official number of Roma in Romania is 621 573¹, while estimates are 1.5-2 million
- 80% of Roma live under the poverty line²
- 68% do not have access to water and 79% lack an inside bathroom and toilet³
- Only 25% of young adults (over 16) have a "remunerated activity" or an "independent" activity⁴
- Employment rate among Roma women is 16% compared to 34% among Roma men
- 63% of young Roma (16-24 years) do not have a job or are not involved in the education system⁵
- For 5% of Roma working abroad is the main income source⁶
- 60% of the Roma rural communities are poor communities⁷

The adequate minimum income is important for people with highest level of poverty as their chances to integrate in the labour market are minimum. This study emphasizes that in Romania poor people are discouraged to access these benefits, so they are pushed on the grey and black labour market or simply forgotten by the state. They are discouraged both by the small amount of the minimum income and by the administrative procedures for accessing it.

OVERVIEW OF THE MINIMUM INCOME SCHEME IN ROMANIA

The social benefits system is regulated by the law in Romania since 1995. In 2001 the minimum income scheme has been introduced by Law no. 416/2001. Over the years it has been modified for 29 times, last time in 2018. Since 2016 we have a law that should replace the minimum income scheme with the minimum income for inclusion, but the government keeps postponing its application. This scheme is at national level.

One of the main problems if not the biggest problem with the minimum income in Romania is that the amount is too small. It is calculated according to an indicator called Reference Social Index (ISR) which is only 500 lei (aprox. 100 Euro) – just as much as it has been established in 2008. ISR is an amount according to which all social benefits are established, and it has been decided by the law. It is not related to minimum expenditure basket. There has been an attempt to gradually bring it at 1200 lei and the Parliament voted for this at the end of last year, but the President of Romania did not ratify it. According to Law 225/2021 ISR will be adjusted every year (March) with the inflation rate calculated for the previous year.

The amount of the minimum income is established according to this ISR and the number of persons in the family.

¹ <http://www.recensamantromania.ro/rezultate-2/>

² <https://mfe.gov.ro/pnrr/>

³ Idem

⁴ http://sgglegis.gov.ro/legislativ/docs/2020/11/152nftks6zbd3vpw8_jr.pdf

⁵ Idem

⁶ Idem

⁷ Idem

The value of the minimum income is:

No. of persons	ISR	Amount (lei)
1	0,283	142
2	0,510	255
3	0,714	357
4	0,884	442
5	1,054	527
More than 5	+ 0,073 for each person	

Comparison with the national poverty line

In the EC Country Report for Romania 2020 the problem of a very low reference social index is emphasized in relation to poverty⁸. Considering the evolution of prices, inflation and other economic indicators, although the level of the minimum income remained the same since 2008, the amount of good and services one can purchase actually decreased. In the period 2008-2019 the level of prices increased by 33% while the medium salary was raised by 139%. If the ISR had been raised according to inflation, the poverty rate in Romania would have been lower with 12% and if the ISR had been raised more generously (similar to the medium salary), the decrease of the poverty rate would have reached 44%. This level of minimum income in Romania is not meant to help people raise out of poverty. As a self-evident conclusion, a family of 4 members cannot live with less than 100 Euro per month in any circumstances.

The poverty line in Romania in 2018 was 9002 lei/year (750 lei/month) for a single adult and 18905 lei/year (1575 lei/month) for a family with 2 adults and 2 children (under 14 years old)⁹.

The impact of the social transfers on the rate of relative poverty is very low¹⁰. In 2018 the relative poverty before all social transfers was 28% and after was 23.5%. The minimum income benefit helped out of poverty 1,7% of the beneficiaries (2016).

Purchasing power and reference budgets

In September 2008 Friedrich Ebert Stiftung calculated a minimum monthly basket at the level of 6 762 lei¹¹. For September 2020 it has been calculated at 7 278 lei (for a family of 2 adults and 2 children).¹² We can say that, in order for the minimum income to cover minimum expenses of a family, it should be increased by 16 times.

⁸ https://ec.europa.eu/info/sites/default/files/2020-european_semester_country-report-romania_ro.pdf

⁹ https://insse.ro/cms/sites/default/files/field/publicatii/tendinte_sociale.pdf

¹⁰ Toc S., Buligescu B., 2020, Impactul politicilor de acordare a VMG in Romania, revista Sociologie Româneasca, vol. 18

¹¹ <http://library.fes.de/pdf-files/bueros/bukarest/14759.pdf>

¹² https://economie.hotnews.ro/stiri-finante_banci-24428459-cosul-minim-pentru-trai-decent-actualizat-pentru-anul-2020-cea-mai-mare-crestere-cheltuielilor-fost-capitolul-locuinta.htm

The problem with this is not only for the ones who receive minimum income benefit. It is also for the ones who receive minimum salary (1 346 lei) and also for the ones with medium salary (3 176 lei).

Eligibility criteria and requirements for recipients

There are many eligibility criteria, meant to decrease the number of potential beneficiaries. These are mostly related to the possessions of the beneficiary.

You do not receive minimum income benefit if you possess the following:

- Any house except the one you live in
- Terrain around the house that exceed 1000 sm in urban and 2000 sm in rural
- A vehicle (car, motorcycle) newer than 10 years or agricultural vehicles
- Machine-tools for wood processing
- Bank deposits bigger than 3000 lei
- Fields or animals that can produce more than 2500 lei per family
- Other possessions

The requirements are to work in favour of the community every month. The working needs of the community are decided by the mayor. The mayor must elaborate a plan for seasonal workings and make it public. In case this is not done, he/she can be fined. Since 2018 refusing a job (for 3 times) offered by the Employment Agency or refusing to participate at professional trainings leads to ending the minimum income benefit.

How many people claim minimum income

If we take the last month (May 2021) a number of 165 666 people received this benefit, almost 14 000 benefits were suspended, the total amount paid is 43 306 454 lei while the medium amount received is 261, 41 lei (a bit more than 50 Euro).¹³

If we refer to the last years, the situation is this:¹⁴

	2011	2012	2013	2014	2015	2016	2017
Medium No. of beneficiaries	186 704	214 888	216 868	240 651	245 545	244 814	233 966
Amount paid (thousand lei)	240 618	414 292,3	529 241,3	665 053,3	673 411	811 680,7	781 129,8
Medium amount paid	107	161	203	230	229	276	278

¹³ https://www.mmanpis.ro/wp-content/uploads/2021/06/VMG_Mai_2021.pdf

¹⁴ [ESTE ROMÂNIA O ȚARĂ DE ASISTAȚI SOCIAL? - PDF Descărcare gratuită \(docplayer.ro\)](#)

In December 2018 there were registered 188 438 beneficiaries.¹⁵
In December 2019 there were registered 170 303 beneficiaries.
In December 2020 there were registered 176 674 beneficiaries.

Possibility to combine minimum income with paid work

Minimum Income cannot be combined with other financial revenue. Beneficiaries need a proof that from financial authorities they really have no income. Even for a 2 hours per day job, they cannot receive minimum income benefit.

Interplay with other forms of social protection

As numbers show, it is a small part of beneficiaries and of budget allocated to social protection.

No. of beneficiaries and budget for January 2018¹⁶:

Benefit	No. of beneficiaries	Budget	Budget %
Allowance for children	3 655 414	353 798 136	43,71
Allowance for the family	246 150	40 458 125	5,00
Allowance for raising children	170 907	298 398 589	36,87
Insertion stimulus	89 337	55 983 764	6,92
Minimum income benefit	219 719	60 770 044	7,51
TOTAL		809 408 658	100,00

The rhetoric of politicians is that Romania spends a lot of money on social welfare. But here they put all the benefits, although some of them are contributory benefits or some are universal (like child allowance). In fact compared to other EU countries expenses on social welfare measured as percentage of GDP, Romania is one of the last countries.

¹⁵ <https://www.mmanpis.ro/informatii-de-interes-public/plati-efectuate-de-anpis/ajutor-social-venit-minim-garantat/>

¹⁶ [ESTE ROMÂNIA O ȚARĂ DE ASISTAȚI SOCIAL? - PDF Descărcare gratuită \(docplayer.ro\)](#)

MAIN OBSTACLES ROMA FACE IN ACCESSING MINIMUM INCOME SCHEMES

Roma for sure know about this benefit and try to access it. We don't have a number of Roma beneficiaries, but we have some related data.

There are some incomplete data about no. of Roma beneficiaries from 2015, but not all the counties (prefectures) have reported this.¹⁷

Another data also from 2015¹⁸ show that out of 248 055 families, a number of 97 023 were Roma families (39,1%) who benefit of minimum income.

According to data included in the National Strategy for Roma Inclusion 10% of the Roma family identify minimum income benefit as their source of income.¹⁹

The application procedure

The most important problem, as Roma said, is that a lot of documents are needed, and it is not necessarily the bureaucracy that discourages them but rather the cost of the papers. For every proof they need in the file there is a small amount of money (like 2 Euro) to be paid. For some of them this is too much, especially when they have no income source at all. Some of them (especially the illiterate ones) need help with all the bureaucracy.

We don't know any procedures in place for vulnerable claimants, such as illiterate or elderly. of this kind. You need an ID card and you need to have the official address in the area that belongs to the municipality where you request this benefit from. This is difficult for people who have lived for many years in a different locality than the one where they are registered, travel and documents to the old place of residence are very expensive.

Compliance with eligibility criteria

There is not a big problem in this regard. Maybe the biggest problem affecting Roma is the fact that you cannot receive this benefit from the municipality where you live if you don't have a legal residence there. In case of Roma there are cases of illegal poor settlements. And another problem can be with the refusal of a job – which cannot be according to your skills or cannot be fit to you due to some health problems or other causes.

There are 2 main obligations of the beneficiaries:

- to work in favour of the community, according to the municipality's needs and schedule
- to prove you are in search of a job

It can be suspended if you refuse a job or other services to stimulate employment and it can be ended if this situation is repeated for three times.

¹⁷ [Analiza.judetelor.RO.pdf \(fonduri-ue.ro\)](#)

¹⁸ <https://www.fonduri-ue.ro/images/files/transparenta/romi/23.03/Analiza.judetelor.RO.pdf>

¹⁹ http://sgglegis.gov.ro/legislativ/docs/2020/11/152nftks6zbd3vpw8_jr.pdf

Antigypsyism

We cannot say that institutional antigypsyism is generalised. Of course that due to the media influence there can be cases of Roma treated badly but this would be caused by a person and not as an institutional policy. Where social workers are employed, this is not supposed to happen. But in rural areas especially the employees of the social services might have not training in the social area, so they might consider poverty is a personal choice or fault and minimum income benefit as a payment for laziness.

Stigmatisation of benefit claimants

There is a huge stigma developed in the last years in Romania. Starting with last year the Labour ministry herself promoted ideas like people live very well only from the social benefits.²⁰ Such remarks from her or from other members of the government are numerous lately. At the local level this discrimination is also spread among authorities. Media is playing here a very important role in nourishing and multiplying these attitudes.

While preparing some legislative changes on the law of minimum income (related to ending it if the beneficiary refuses a job) a big wave of hate against Roma has started in the media, especially in social media.²¹ The populist and extremist speech was easily promoted also by different political parties, just for getting popularity.

There is a very good report about social stigma towards beneficiaries of minimum income and how media contributes to it.²² The 3 main ideas repeated by the media in order to stigmatize beneficiaries of the minimum income scheme are:

- Speaking in pejorative terms: "assisted" persons and many words and images that suggest laziness and desire to live on someone else's money; comments in the on-line to these messages are extremely racist (animals, rats, gypsies, etc)
- Promoting the idea that they do not want to work
- Promoting the idea that employers do not find enough people to work (which is true but for certain underdeveloped areas where unemployment is low and for certain industries; on the other hand unqualified workers prefer to work abroad for a much higher salary than the one offered by Romanian employers)

The study presents very good arguments and numbers that prove these are fake ideas, based only on opinions meant to stigmatize.

Take-up by Roma of minimum income

Unfortunately, we do not have enough statistical information.

²⁰ <https://ziare.com/raluca-turcan/pnl/ministrul-muncii-ataca-persoanele-care-primesc-ajutoare-sociale-nu-avem-dovada-ca-omul-respectiv-nu-se-complace-in-acest-soi-de-abundenta-de-beneficii-1657744>

²¹ rcm-civil-society-monitoring-report-2-romania-2018-eprint-ro-2.pdf (ceu.edu)

²² http://solidaritate-sociala.ro/wp-content/uploads/2019/07/Perspective_asupra_saraciei_in_Romania.pdf

CONCLUSION

Summary of the findings

At the moment accessing social benefits has a small impact on getting out of poverty. The only way to efficiently reduce poverty using social benefits is to update periodically the amount and correlate it with other economic indicators like inflation. When this is done, the rate of poverty decreases significantly.

At the moment minimum income is most relevant for those living in deep poverty. The vast majority of those who access it (around 80%) are to be found in the rural areas. What is feasible at the moment is to make sure that the future minimum inclusion income (a benefit collecting all others) will be situated at a financial level that allows the family a decent life. It has to be complemented by measures for accessing the labour market. There is a need of policies to make sure poor people can access local labour market beyond actual measures. The paradox is that Romania has a shortage of labour force (it had before pandemic and now we have the same problem) and employers prefer Asian workers due to lesser costs. This measure needs a lot of political support.

The first measure would be not to link the access of minimum income to the residence. In the case of many poor Roma security of tenure is relative and the place they live is not the address in their ID. Removing this obstacle would allow better access to minimum income scheme.

As for the stigma, the answer is not in improving policies but in educating media and ensuring a better control of the hate speech in on-line environment.

Ways forward

In Romania access to minimum income is not necessarily a problem for Roma. But this does not mean there are no barriers in benefitting from this. Some of the main impediments are:

- The small amount of minimum income. Looking at the figures it is clear one cannot live in dignity with this amount. More, it basically encourages beneficiaries to enter the black labour market. Many Roma in the community said they did not access it because of this. If we look at the amount for one person per month and at the payments on the labour market, we can say that one person can earn in 1 or 2 days (on the black market) the amount received from the state in a month. More, it is not possible to have a part time job and access this benefit. This would be an ideal combination in practice, because many who receive this benefit do not have the necessary studies for a full-time job. For ex. in Ferentari a women agreed to work as a genitor for a block knowing she has no contract and can apply for minimum income. To her surprise she found out she had a 2 hours per day contract registered. Combining the two would have helped her a lot.
- Attached to this small amount is a huge stigma. This is one of the main issues that feeds continuously anti-gypsism. The proliferation of this speech in the last year in Romania is worrying.

- There has been a big tendency in the last 5 years to reduce the number of beneficiaries, as seen in the numbers.
- Receiving social welfare is the only chance for poor Roma to access the medical system. People receiving minimum income (and people receiving other benefits like parental leave) receive health insurance without being contributors.
- Some of Roma gave up because of the bureaucracy and because they need to have proof of paying all debts to the state. They may have small fines they cannot afford to pay (like for using the public transportation and not paying for it). Due to this they are not entitled to receive this benefit. Some of them do not have a small amount of money to pay for all the necessary papers in the file to be submitted (this is also valid for the amount of money poor students receive from school as a social aid).
- In case of Roma women with many children minimum income remains the only source of income.

Role of the National Roma Framework

The NRIS recognizes the importance of the employment and of the social benefits received by Roma population. It is estimated that 10% of Roma households identify minimum income benefit as the main income source for the family (8% higher than previous measurements). The vision presented is one based on the integration of Roma on the labour market and decrease of minimum income beneficiaries. One of the 5 specific objectives of NRIS is the integration of Roma into the labour market.²³

RECOMMENDATIONS

As this benefit will disappear in favour of a more general one, the recommendations will be:

1. The level of insertion income should allow poor people to live in dignity.
2. Romanian government should update the index based on which calculates all social benefits (ISR).
3. EC and government should encourage projects that are dedicated to combining social benefits with part time jobs.
4. There is a need to allow training and employment for the people with lesser school, based on short term qualification classes.

²³ http://sgglegis.gov.ro/legislativ/docs/2020/11/152nftks6zbd3vpw8_jr.pdf

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