



## FACT SHEET

### Roma entrepreneurship

#### Introduction

Social justice and equality are among the fundamental principles of the European Union (EU); yet the Roma, Europe's largest minority, continue to face widespread structural discrimination across a variety of fields, including employment, education, health-care and housing.<sup>1</sup> As a result of these barriers the Roma are trapped in a vicious cycle of poverty and marginalization.

Lack of adequate education and training, compounded by discrimination, causes Roma to face a higher risk of unemployment. A survey conducted by the European Union Agency for Fundamental Rights (FRA) revealed that a vast majority (80%) of Roma respondents live in extreme poverty and precarious conditions.<sup>2</sup> These conditions are linked to various forms of discrimination and anti-Gypsyism Roma face in Europe. Moreover, they underline the need to ensure Roma have equal access to employment, as this would combat unemployment and facilitate their social inclusion.<sup>3</sup>

Despite efforts in some countries to increase labour market access and curb unemployment, levels of unemployment among Roma in Europe remain three times higher than those noted among the non-Roma.<sup>4</sup> Only 25% of Roma involved in FRA's second EU-MIDIS survey reported to be employed or self-employed, compared to 64% of the non-Roma respondents.<sup>5</sup> The situation of young and older Roma is substantially worse, 26% (aged 20-24) and 16% (aged 55-64) reported being in paid work. Furthermore, gaps in employment levels have also been noted between Roma men and women.

Rampant unemployment breeds a cycle of poverty, and ultimately represents a terrible waste of human potential. Yet even Roma who succeed in obtaining paid work face precarious employment conditions: 23% hold temporary working positions and 9% are employed on a

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<sup>1</sup> FRA (2016) <http://fra.europa.eu/en/publication/2016/eumidis-ii-roma-selected-findings>

<sup>2</sup> Ibid.

<sup>3</sup> FRA (2014) <http://fra.europa.eu/en/publication/2014/poverty-and-employment-situation-roma-11-eu-member-states>

<sup>4</sup> Ibid.

<sup>5</sup> (Footnote 1) p. 1

part-time basis.<sup>6</sup> Regardless of their level of education or skills, many are denied employment on a purely racist basis, due to their ethnicity. Roma women, moreover, suffer double discrimination on the grounds of their ethnicity and gender. Nevertheless, discrimination in the workplace is difficult to detect, as it is often covert.

In light of the fact that initiatives intended to combat Roma unemployment and discrimination in the workplace did not accomplish their intended results, Roma entrepreneurship is an innovative approach to overcoming discrimination in the employment sector and curbing Roma unemployment levels. Accordingly, this fact sheet aims to inform readers about the importance and benefits of Roma entrepreneurship.

## What is entrepreneurship?

In this fact sheet we take the term “entrepreneurship” to mean a variety of business ventures that aim to create value by creating a viable product and/or service that people want or need.<sup>7</sup> Entrepreneurship involves coming up with ideas based on previously identified economic, cultural or social opportunities, which demands “creativity, innovation, risk taking, ability to plan and manage projects in order to achieve objectives.”<sup>8</sup>

### Key findings on Roma entrepreneurship

- Across Europe entrepreneurship of the working-age Roma population ranges from 3% to 19% among men and 0% to 7% among women.
- Entrepreneurship is most common in Romania, where 19% of Roma men and 7% of Roma women are self-employed.
- Roma entrepreneurship is also very common in Bulgaria.
- The share of Roma who are self-employed remains low in the Czech Republic, Hungary and Slovakia.
- 24% to 40% of working-age Roma men expressed an interest in entrepreneurship.
- Some 14% to 35% of respondents among Roma women are considering entrepreneurship.

*Source: Reducing Vulnerability and Promoting the Self-Employment of Roma in Eastern Europe through Financial Inclusion*

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<sup>6</sup> Ibid.

<sup>7</sup> <http://www.businessnewsdaily.com/2642-entrepreneurship.html>

<sup>8</sup> [http://ec.europa.eu/growth/smes/promoting-entrepreneurship\\_en](http://ec.europa.eu/growth/smes/promoting-entrepreneurship_en)

## Why is Roma entrepreneurship important?

The current context calls for innovative approaches to guarantee Roma's right to equally participate in the labour market. This can be achieved by means of entrepreneurship. First and foremost, among the fundamental rights enshrined in the Charter of Fundamental Rights of the European Union is also Article 16, which guarantees the freedom of the individual to conduct a business. Although less traditional than other rights contained in the Charter, this article introduces a concept crucial to modern society, as its "main aim is to safeguard the right of each person in the EU to pursue a business without being subject to either discrimination or disproportionate restrictions."<sup>9</sup>

Despite the fact that Roma entrepreneurship has received insufficient attention, it would help reach some of the Europe 2020 Strategy targets by combating unemployment by creating new jobs. It could also provide an avenue to circumvent discrimination in the labour market, and empower Roma by allowing them to no longer depend on discriminatory employment structures and employers, and on short-term projects and initiatives that aim to facilitate their social inclusion. As stated in the 2013 Council Recommendation, Member States should take measures "supporting self-employment and entrepreneurship" within Roma communities.<sup>10</sup> This confirms

the potential of such measures to promote the equal participation of Roma, who are likely to face barriers and constraints when seeking employment, in the labour market.

**Persistent discrimination against the Roma in the employment sector can be circumvented through entrepreneurship.** A substantial share of Roma report to have experienced prejudice and discrimination when looking for work. In fact, 38-40% of Roma in Spain, Romania, and Portugal claim to have encountered such discrimination, whereas the share of Roma who

### BENEFITS OF ROMA ENTREPRENEURSHIP

- ✓ UNEMPLOYMENT REDUCTION
- ✓ POVERTY REDUCTION
- ✓ INCREASE OF LABOUR FORCE AND ECONOMIC PRODUCTION
- ✓ CREATION OF ALTERNATIVE FORMS OF EMPLOYMENT
- ✓ OPPORTUNITY TO EXPLORE AND PROMOTE ROMA CULTURE
- ✓ IMPROVEMENT OF ROMA SELF-PERCEPTION
- ✓ EMPOWERMENT OF ROMA
- ✓ FACILITATION AND PROMOTION OF PERSONAL GROWTH
- ✓ TRANSFORMATION OF THE ROMA IMAGE IN SOCIETY
- ✓ SOCIAL INCLUSION OF ROMA
- ✓ INTEGRATION OF ROMA INTO THE LABOUR MARKET
- ✓ SUPPORT FOR THE ECONOMY

<sup>9</sup> FRA (2015) <http://fra.europa.eu/en/publication/2015/freedom-conduct-business-exploring-dimensions-fundamental-right>

<sup>10</sup> Council of the European Union (2013)

[https://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/lisa/139979.pdf](https://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/lisa/139979.pdf)

experienced such treatment is much larger in Italy, Greece, and the Czech Republic (66-74%).<sup>11</sup> Entrepreneurship, however, could lessen the effects of prejudice and discrimination which undermine Roma employment prospects.

**Entrepreneurship is a solution to the pressing issue of Roma unemployment.** Persistent high rates of unemployment registered among the Roma underscore the need for innovative strategies, such as entrepreneurship, that would mitigate these circumstances. Given the high saturation of the job market and few employment opportunities, entrepreneurship has the potential to lessen unemployment through job creation as an alternative to job search.<sup>12</sup>

**Roma entrepreneurship can eradicate poverty.** Lessening Roma unemployment by means of promoting entrepreneurship helps to lift individuals and communities out of poverty. Entrepreneurship can, therefore, provide the Roma with the means to support themselves and their families financially.<sup>13</sup>

**By means of entrepreneurship, Roma have the opportunity to explore different elements of their culture.** Potential entrepreneurs need not look very far when considering ideas for their business. It can be very innovative and motivating to develop entrepreneurial skills by exploring different elements of Roma culture. Significantly, this can contribute to the originality and uniqueness of the business.<sup>14</sup>

**Entrepreneurship can also contribute to the change of the Roma image and help them integrate not only into the labour market but into the majority society.** The previously mentioned Entrepreneurship of Roma Women project revealed that this endeavour contributed to the enhancement of the Roma image.<sup>15</sup> As Roma people begin to engage in entrepreneurship, they will begin to secure a living for themselves and their families, thus improving their quality of life and social status and gradually moving up the social ladder. By strengthening financial security and promoting equality, Roma entrepreneurship can therefore contribute to greater social cohesion and good community relations.

**Increasing the extremely low employment rates among Roma through entrepreneurship would benefit not only the Roma, but the economy in general and, consequently, society as a whole.** According to a report drawing on the results of the UNDP/World Bank/EC regional Roma 2011 survey, improving Roma employment rates is an “economic necessity for the countries in Eastern Europe and a priority for the EC.”<sup>16</sup> The reason behind this necessity is the fact that, unlike majority populations across Central and Eastern Europe, the Roma population is young and growing. Consequently, Roma are 2 to 3 times more likely to supply the European labour market with new workers and if Europe wants to avoid putting its labour market in danger and

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<sup>11</sup>(Footnote 3) p.1

<sup>12</sup> The World Bank (2012)

<http://documents.worldbank.org/curated/en/157071468249644850/pdf/723310WP0P127200financial0inclusion.pdf>

<sup>13</sup> Ibid.

<sup>14</sup> <http://www.coe.int/en/web/youth-roma/roma-integration-house-lithuania>

<sup>15</sup> Ibid.

<sup>16</sup> (Footnote 12) p. 3

put an end to the ongoing waste of human potential, Roma unemployment must be dealt with.<sup>17</sup> And what better way to deal with Roma unemployment than creating a supportive environment for the establishment of Roma entrepreneurship?

## What are the key obstacles that Roma face in the process of starting a business?

Significant interest in entrepreneurship exists among Roma. Yet despite their intentions of starting their own business, many continue to face barriers that prevent them from reaching this goal. Some of these include:

- **Access to finance.** One of the reasons behind the lack of Roma entrepreneurship is lack of start-up finance.<sup>18</sup> Due to the lack of access to finance and operating funds many Roma finance their businesses themselves.<sup>19</sup>
- **Microcredit.** These services were introduced in order to promote the financial inclusion of Roma by facilitating access to credit. However, according to the World Bank report on the financial inclusion of Roma, microcredit is largely given to already established businesses and often remains “beyond the reach of the average poor Roma micro-entrepreneur seeking start-up funds.”<sup>20</sup>
- **Lack of knowledge among Roma about laws and administrative procedures relevant to running a business.** In addition to the likelihood of the Roma to be denied credit due to a lack of savings and/or indebtedness, many are unable to obtain a credit because of low levels of education and little employment experience.<sup>21</sup> This significantly limits entrepreneurial activities.<sup>22</sup>
- **High labour taxes and other financial contributions.** These represent a significant burden for prospective Roma entrepreneurs. In fact, 60% of questioned Roma entrepreneurs in Serbia suggested that lower taxes and contributions would significantly improve the performance of their business.<sup>23</sup>
- **Prejudice among customers.** It is sometimes the case that prejudiced customers purposefully avoid Roma businesses. As a result of this, Roma entrepreneurs are obliged to lower the price of the goods and services they offer in order to attract customers.<sup>24</sup> As this is unsustainable, it can bring about the demise of a particular Roma business.

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<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

<sup>19</sup> InTER (2016)

[http://www.lokalnirazvoj.org/upload/Plan/Documents/2017\\_02/Romsko\\_Preduzetnistvo\\_izazovi\\_i\\_perspektive.pdf](http://www.lokalnirazvoj.org/upload/Plan/Documents/2017_02/Romsko_Preduzetnistvo_izazovi_i_perspektive.pdf)

<sup>20</sup> (Footnote 12) p. 3

<sup>21</sup> Ibid.

<sup>22</sup> (Footnote 19) p. 5

<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

## Examples of Roma entrepreneurs

- José Heredia is a partner at the *Argonauta producciones*. Together with his colleagues, Mr. Heredia has directed, produced and written numerous documentaries. He also co-founded the magazine *La Mirada Limpia* and is currently directing a theatrical production of *Camelamos Naquerar* with teenagers from marginalized communities.<sup>25</sup>
- Julkica Stefanović became an entrepreneur when she opened a café, *Čarolija ukusa*, in Novi Sad. Ms Stefanović was able to realize her dream owing to a mentorship program organized by the OSCE.<sup>26</sup>
- Zoran Simić owns two businesses of which one, *IMMO Clean*, focuses on providing cleaning and maintenance services for business and living spaces, while the other, *IMMO Recycling*, offers recycling and processing of secondary materials.<sup>27</sup>
- Senat Demiri, from the Former Yugoslav Republic of Macedonia applied for a self-employment program organized by the national government in cooperation with the UNDP. Under the mentorship of the Agency for the Promotion of Entrepreneurship, Mr Demiri successfully established a car-wash business in Shuto Orizari, one of the most economically deprived areas of Skopje.<sup>28</sup>
- Alexander Slepčik works as a hair stylist for more than 10 years and now decided to establish his own salon. He also has an interest in fashion and advises people on their clothing as a stylist. He has also been working on designing and producing his own fashion collection.<sup>29</sup>

## Recommendations

Roma entrepreneurship can create new jobs, thus contributing to the economic empowerment of the Roma communities. This, in turn, contributes to the diminishment of social difference and eases existing social tensions. With this in mind, Roma entrepreneurship demands further support and development; and to this end we make the following recommendations.

- Creating a **support framework** for both existing and aspiring Roma entrepreneurs can have a positive effect on the success of Roma entrepreneurs. This support framework would ideally consist of a network of business centres operating on the local level,

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<sup>25</sup> <http://documentales.org/en/equipo/jose-heredia/>

<sup>26</sup> <http://www.osce.org/serbia/162881> - <https://www.facebook.com/%C4%8Carolija-ukusa-439517749520387/>

<sup>27</sup> <http://www.telegraf.rs/vesti/1833497-zoran-simic-je-napravio-nesto-nevidjeno-u-srbiji-ovo-je-najuspesniji-romski-biznismen-u-drzavi-foto-video> - <http://www.immoclean.org/index.php?lang=en>

<sup>28</sup> <http://rabotaimoznosti.mk/samovrabetuvanje/?p=2656&lang=en>

<sup>29</sup> <http://www.romea.cz/en/news/czech/czech-republic-successful-romani-hairdresser-launches-fashion-designs> - <http://alexander-alechito-slepchik.webnode.cz/>

which would offer non-financial business services to entrepreneurs from the Roma community in the form of trainings, mentorships, legal advice, accounting support.<sup>30</sup>

- Successful entrepreneurship demands capacity building efforts among Roma entrepreneurs, particularly concerning financial affairs. In order to ensure the effective functioning of a business, entrepreneurs must have **basic financial literacy**, which they can obtain via training. Of course, financial literacy must also include knowledge of debt management and savings activities.
- Yet financial literacy is not enough. Access to microcredit is an important factor for the establishment and the functioning of a Roma entrepreneurship. However, unless this is combined with a more **comprehensive and integrated strategy** for the **financial inclusion** of Roma, it is unlikely to be effective.
- Additionally, success of entrepreneurship largely depends on entrepreneurs gathering and **forming business associations**. However, Roma entrepreneurs are characterized by a low level of activity in this regard. The creation of such associations is needed as they could play an important role in promoting the following aspects of entrepreneurial endeavours: the general improvement of businesses, development of business skills and concerted efforts of approaching the market.
- Subsequently, it is important to actively **promote entrepreneurship** among the Roma and encourage them to consider the benefits that it can bring. This promotion can be done by means of education and advertisement of successful Roma entrepreneurs.

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The **European Roma Information Office (ERIO)** is an international advocacy organisation which promotes political and public discussion on Roma issues by providing information to the EU institutions, civil society and governments. Through its wide network, it aims to combat racist discrimination against Roma through awareness raising, lobbying and policy development.

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<sup>30</sup> (Footnote 19) p. 5