

# Roma on the Labor Market

(first draft)

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# Part I

## Essay

(J. Steiner)

### 1 Introduction

The essay at hand reflects personal experiences of Romas' problems gained from the position of a social worker and analyzed from the point of view of economic reasoning. To transfer the personal experience to the reader, three case reports describing individual Roma experiences are included in the appendix. The case reports are not meant as a substitute for scientific evidence that would have to be based on representative data collections. As these are absent in the Czech Republic<sup>1</sup>, individual experience combined with economic intuition may be the second best alternative. Still, the reader should be warned of the essay's speculative character.

Popular explanations of differences between Roma and non-Roma behavior are culturally based. Typically, Roma are supposed to behave suboptimally because of their different cultural heritage, and the culture is supposed to have large inertia banning individuals to adapt to new circumstances. In contrast, economists assume that people behave *individually* optimally and adapt quickly. The task of an economist is to pinpoint circumstances, under which the individual optimizations lead to socially suboptimal outcomes and to propose a remedy. Below, I use this framework to analyze the problems of Roma and the role of state that sets the rules of the game and whereby can cause or prevent the suboptimal outcomes.

Analyzing problems of Roma is a precarious task. Generalization is a necessity for any analysis, yet they are especially dangerous in the case of sensitive Roma issues. Roma are certainly comprised of a heterogenous population and thus following sentences such as, "Roma are less educated than non-Roma" are to be understood in a statistical sense, for which however no statistical evidence based on representative samples exists. Yet, such statistical observations are needed for recognition of the true mechanisms behind the social failures and for identification of a remedy.

The unemployment rate among Roma are notably larger than those of non-Roma<sup>2</sup>,

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<sup>1</sup>Representative surveys of Roma households have been conducted in Hungary, Bulgaria and Romania, (Revenga, Ringold and Tracy, 2002) . Though the need for such survey was discussed in the Czech republic recently, it has not been realized.

<sup>2</sup>Kaplan, (1999) estimates the unemployment rate among Roma as 19 percent for the year 1998 but Ringold, Orenstein and Wilkens (2003) reports Czech government estimate for 1999 to be 70 percent. The state-wide unemployment rate was 5 percent in 1998. The huge differences among estimates of Roma unemployment rate are given by absence of unified definitions and methodologies, nevertheless there is a consensus that it is several times higher than that of the non-Roma.

Roma work in unqualified positions and earn less. The inferior position of Roma on the labor market has many mutually interacting causes, including:

- Lack of incentives caused by the structure of Roma extended families,
- Mismatched skills,
- Low mobility,
- Illicit employment,
- Indebtedness,
- Discrimination,
- High marginal taxes.

Below, we analyze the individual causes and their interactions, with the exception of the high marginal rates that are analyzed independently in the study of Jurajda and Zubrický.

## 2 Analysis of the Individual Causes

### 2.1 Lack of Incentives, Solidarity Networks

One of the common stereotypes against Roma is that they are lazy. Below I argue that the smaller effort of Roma is a consequence of their family structure, which in turn is an adaptation to a risky environment in which the social system fails to fulfil its insurance function.

Roma are famous for maintaining solidarity networks within their extended families. Economically, such networks serve as an informal insurance against temporal fluctuations of income and against many other hazards endangering poor families.<sup>3</sup> Most of the Roma nuclear families count on help of other closely related nuclear families that lend them money, food or provide shelter in times of a sudden misery. Actually, as poor Roma lack savings which could be used as buffers against a dropout of income, the mutual help is quite common; money flows in all directions and many nuclear families would hardly survive for a month without this income smoothing service. Naturally, the solidarity networks distribute the incomes in an egalitarian way and thus richer nuclear families are giving more than receiving.<sup>4</sup> This egalitarian consequence of solidarity

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<sup>3</sup>Certainly, Roma maintain the links within the extended families for other than economic reasons too; they may simply like each other. However, the fact that the family networks have other than material value, is no excuse for not relieving the burden of the economic motives behind the networks.

<sup>4</sup>Zuzka, p. 42.

demotivates members of the network from working, as the fruits of the employment is shared with all while the burden of the effort is not.<sup>5</sup>

While such a demotivating effect of the solidarity network may look like a failure of Roma families, they should not be blamed as the network formation is the best reply to the environment shaped, to a large extent, by government policies. Poor families are especially vulnerable to income fluctuations since a negative income shock can easily expose a family even to temporal starvation and hence an insurance against such income fall-outs is absolutely necessary. Theoretically, the state provides such an insurance by means of unemployment, health and social insurance and by the guarantee of minimal living standards.<sup>6</sup> Yet, in practice, the social benefits to a large extent fail to fulfill their insurance function. The social system is complicated, nontransparent and its implementation depends on local customs and personal opinions of local administrators. Thus, while usually generous, the system occasionally fails and the recipients are left without cash. Typically, long periods of smooth income are occasionally interrupted by sudden drop-outs or fluctuations<sup>7</sup> and in precisely such situations the informal solidarity network of extended family is indispensable.

The complexity of the social system is an outcome of the government's effort to balance various, partially contradictory requirements on the system. On the one hand, the system is meant to deliver generous benefits to those in need, on the other hand, government tries to avoid abuse of the system. Moreover, a trend is to make the system flexible in order to free the local administrators to accommodate atypical situations. Though all the three government's aims are legitimate, they are often at odds with the original insurance mission of the system. For instance, a nuclear family is eligible for certain benefits only if all the family members are eligible. This requires all unemployed family members to cooperate with an unemployment office, which is hard to achieve for large Roma families with several unemployed members. Being poor, chances are that at least one family member has problems with alcohol, drugs, or gambling and thus, with high probability, at least one member drops out of the unemployment office. The rule requiring all family members to be eligible individually is presumably meant to create pressure of family peers on individuals to comply with the social system rules, but it multiplies the uncertainty already rooted in the system.<sup>8</sup>

As for the role of the flexibility, many allowance decisions are done on a subjective

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<sup>5</sup>The interaction between insurance provided by extended families and barriers to markets is analyzed in a World Bank working paper of Hoff and Sen (2002) who provide explanations of nepotism, and of inefficient housing sharing by members of extended families. See also Steiner (2004) who argues that members of informal solidarity network have generally low incentives to make profitable investments. Ivanov (2005) analyzes efficiency of a microlending program and finds that Roma borrow more often for family purposes and less often for investment purposes than their non-Roma neighbors.

<sup>6</sup>The state guarantees living standards only to families not being at "fault" for their material shortage.

<sup>7</sup>Josef, p. 37.

<sup>8</sup>Josef, p. 34.

basis of administrators' opinions about the family. Administrators may provide, additional allowances to usual benefits, such as extra allowances for a baby-coach, a washing machine, coal or other expenses. As, especially in large cities, the administrators lack any realistic information about the true situation of the families, these decisions are often done on a basis of personal impression, — virtually randomly.

The complexity of the social system is an invitation for manipulation with its rules. A common practice is to misreport members of household. The benefits are received for a whole household as a unit and if a large household formally divides into two, the total subsidy may increase. Also, it is beneficial to claim that the misbehaving members of the household are an “independent family” and thus cut the income of the remaining family because of their failure to show up at the unemployment office. Such misreporting is often tolerated by administrators, who have very limited possibility to check the true composition of households, which also fluctuates substantially. However, misreporting often leads to eventual contradictions and subsequent suspending of the benefits. Other drawbacks of the social system's complexity are that some of the eligible recipients are simply so stressed by the uneasy bureaucratic process that they simply opt out of the system.<sup>9</sup>

The complexity of the social system leads to its unpredictability and thus to an urgent need of an additional insurance which Roma achieve through informal solidarity networks within their extended families. Such networks however, lead to sharing of incomes, and subsequently to the tragedy of commons. The members of such networks have, in comparison with individually organized non-Roma majority, lower incentives to raise their incomes by individual efforts. When balancing the properties of the social system, the state must not forget its original insurance function.

## 2.2 Lack of Skills

Roma are less educated compared to majority members<sup>10</sup> which limits the success of Roma on the labor market as the demand for unqualified labor has fallen dramatically during the transition<sup>11</sup>. While coarse methods of discrimination, such as allocation of Roma pupils to special schools for the mentally ill, are slowly diminishing partly thanks to international pressure, other, more intricate causes of low educational attainment remain. Standard basic schools in many localities have started to support Roma pupils by creating what is often called a community atmosphere. Many have introduced

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<sup>9</sup>Zuzka, p. 39.

<sup>10</sup>Sirovátka (2002) estimates that 70 percent of Roma had only basic education or lower in 2001 which is a slight improvement compared to 1991 estimates but still well below the whole population estimates. According to the 2001 census data, only 23 percent of ethnic Czechs had basic or worse education, while the number was as high as 65 percent among ethnic Roma.

<sup>11</sup>Kaplan (1999) reports that 86 percent of Roma seeking employment have basic or lower education, but only 3 percent of available jobs are compatible with such a low educational attainment.

preparatory classes, Roma assistants, and free-time activities attractive to Roma, such as dancing classes. In many localities, such schools managed to redirect virtually all Roma pupils from the schools for the mentally ill to such Roma friendly environments.

Although this is certainly an improvement compared to 1990's, the concept of community schools has its flaws. The pedagogical tools helping the Roma pupils, such as the preparatory classes, are a clear signal for non-Roma parents that the school is specializing on Roma and hence that a high ratio of Roma pupils are to be expected there. Consequently, most of the non-Roma pupils flow out of such a school. The non-Roma parents, reallocating their children to other schools are not necessary xenophobic; they may only fear low peer quality of such schools. Unfortunately, their sceptical beliefs are always confirmed. Once the non-Roma pupils disappear, the pace of education dramatically slows down as the remaining Roma pupils are handicapped by the low education of their parents, and by economic, cultural or by language barriers. The consequential segregation can be as damaging as the allocation to the special schools for the mentally ill. The community schools often resign the standard curriculum and teach according to a simplified one. Moreover, given the high concentration of children from poor families, high levels of criminal wrongdoing is to be expected.<sup>12</sup> As a consequence, almost no absolvents of the community schools succeed in secondary schooling. Though many community schools report that high proportions of their alumni continue to secondary schooling, the reports include only numbers of pupils starting a secondary school. According to the experience of People in Need social workers, most of the students from the Prague locality drop out of secondary schools after just a few months due to the shock of an environment without the community style of protection.

The special schools for mentally ill children are currently changing their status by an administrative act and their absolvents have been freed of administrative barriers to further studies. Though these measures help to eliminate the special school stigma, the culture within these schools is changing only slowly. Actually, both the community style and former special schools converge to the same educational methods, which are characterized by an atmosphere friendly to Roma pupils but unfortunately also by segregation and lower attainment of knowledge which leads to future uncompetitiveness on the labor market.

In order to address the negative consequences of the schooling segregation, it is important to realize that the segregation is largely voluntary.<sup>13</sup> Often, it is difficult for Roma parents to fully realize the low quality of schooling at the community schools. The grades are not a decisive measure as these are not comparable across schools and are usually heavily inflated in the community schools; and parents, themselves being uneducated, cannot judge the quality of education directly. Besides the lack of informa-

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<sup>12</sup>The social workers of People in Need have witnessed an epidemic of homosexual prostitution and drug abuse in a community school in the locality described in the appendix.

<sup>13</sup>The partially voluntary nature of enrollment in special schools has been already noted, e.g., in Ringold, Orenstein and Wilkens, (2003), p. 46.

tion, Roma parents and children do not have necessary incentives to search for better schools. While most of the non-Roma have some educated peers with high incomes, Roma do not, and hence they lack a direct experience with the benefits of education. Moreover, success of Roma is much less correlated with attained education than success of non-Roma. As Roma often work in a shadow economy, wealth of their successful peers was attained on the basis of their connections, talents and personal qualities, education typically not being decisive. Also, too much education may lead to the loss of a family member. Imagine a successful lawyer being a part of the solidarity network. Unless she is willing to share most of her income with her extended family, she has to cut off her family connections. Moreover, socially deprived family peers often fail to provide an environment in which education may be fully utilized.<sup>14</sup> The scepticism over the usefulness of education is furthermore deepened by anticipated discrimination in the labor market. Given the low incentives, most Roma families eventually accept the schooling segregation, with exception of the most successful families struggling for transition to the middle class.<sup>15</sup>

Revenga, Ringold and Tracy (2002, p. 19), have exercised a multivariate data analysis on representative Roma household samples in Bulgaria, Hungary and Romania and found that returns on primary and secondary education are lower for Roma than non-Roma while return on higher education is very high in the case of Roma. Educational strategies of Roma families are consistent with this statistical observation; incentive to obtain secondary education is low and the higher education is beyond limits of most Roma families.

The lack of educational incentives is complemented by a comfortable atmosphere in the community schools. The Roma children enjoy the relaxed atmosphere and the parents appreciate the tolerance of high absence levels, that, if reported to authorities, could lead to a loss of social benefits.<sup>16</sup> Although Roma parents certainly appreciate education, their educational incentives do not sufficiently motivate them to overcome the trap of segregation.

To fight the segregation and its consequences, incentives of both parents and schools have to be changed. The schools receive extra subsidies proportional to the number of “socioeconomically handicapped” pupils which in practice are the Roma. Thus, once a school specializes as a community school, it has an incentive to attract as many Roma as possible. If instead, the subsidies were maximized on some sustainable ratio of socioeconomically handicapped pupils, say 20 percent, the schools would be naturally motivated to avoid the full segregation.

Educational incentives of Roma have to be increased. The Slovak government has

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<sup>14</sup>Zuzka, p. 39.

<sup>15</sup>Zuzka, p. 40.

<sup>16</sup>Bolf et al. (2004) have found on a small sample of basic schools that while non-Roma pupils in the first year of basic schools have an average of absences that equals to 100 hours per year, their Roma schoolmates have absences more than two times higher.

recently introduced special benefits for families of children with good grades. Similarly, the Czech government introduced benefit cuts in a case of low school attendance. Unfortunately, such steps may backfire if not applied with caution. Roma parents may be reinforced to choose segregated schools as the good grades are easier to obtain there and the absences are often tolerated.<sup>17</sup> Thus, if financial bonuses and/or penalties are to be of any help, they must be based on measures comparable across schools, which only unified tests allow. Moreover, the unified tests would allow Roma parents and experts to evaluate the true educational achievements of community schools.

The ministry of Education distributes an allowance for Roma students of secondary schools. The 7,000 CZK per year allowance can however be used only for educational purposes, such as for tuition. The allowance is probably meant to help students to overcome obstacles caused by poverty, not to increase their educational incentives. An unrestricted use of the allowance would both increase the incentive to attend a secondary school and at the same time, if needed, help a poor family to pay the tuition. The allowance is conditioned on ethnicity of recipients nowadays, which precludes further growth of such a program because of its political unacceptability. However, it can be conditioned on low educational attainment of pupils' parents, which would target the same group.

Higher education is necessary for success on the labor market, but the educational level among Roma is improving way too slowly. Many schools have adopted pedagogical tools supporting Roma pupils which helps to redirect Roma from special schools. Unfortunately, such tools usually scare away non-Roma and lead to segregation. Government should focus not only on pedagogical support of Roma pupils but also on creating incentives for schools and Roma to overcome the segregation. Subsidy per pupil should be maximized in mixed schools not in the segregated, and families of pupils with good grades should receive special benefits, for which purpose the grades have to be comparable across schools.

## 2.3 Low Mobility

Low mobility is a general problem of the labor market in the Czech Republic. With the housing market being heavily regulated, it is difficult to find housing in areas with high working opportunities. Consequently, the unemployed are trapped in economically depressed areas, which disproportionably affects Roma as they are traditionally overrepresented in North Bohemia and other depressed areas. Though Roma are often considered to be mobile due to their tradition<sup>18</sup>, they in fact face more obstacles to mobility than the non-Roma. As described in section 2.1, Roma depend economically on their family network and thus seldomly move unless they have relatives in the new

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<sup>17</sup>Fero, p. 20.

<sup>18</sup>Ancestors of Czech Roma were settled down for generations, the culturally based mobility is a stereotype.

locality.<sup>19</sup> Another main cause of low mobility of the Roma is the heavy discrimination they face on the housing market; decent dwelling is the most burning problem of Roma families. Typically, if Roma move, it is not for better jobs, but because they have lost their dwelling. Hence, they move to depressed areas where the dwellings are more available but the jobs are rare.

The discrimination of Roma on the housing market is pervasive. Most of the agencies mediating rentals of the flats terminate a phone call once they learn that the applicant is Roma. While such discrimination is unfair, illegal and hurting all in the long run, it is not irrational from the point of view of the landlords, as many Roma families fail to pay rents regularly.<sup>20</sup> Although the epidemic of evading rent among the Roma seems to be their failure, it is to a large extent an outcome of the state created legal environment. The legal process necessary for moving out a notorious debtor often takes several years during which the landlord does not receive the rent which will never be recovered. Middle class members do not find rent evasion profitable, as they have property to be seized in case of debts. However, poor people have nothing to be seized, and thus rent evading goes unpunished for years, until the family is eventually evicted. The flat owners anticipating rent evasion fear renting flats to members of groups with higher probability of rent evasion and Roma are one of such groups.<sup>21</sup>

The notoriously slow lawsuits are typical for the Czech justice system.<sup>22</sup> In the case of housing, the inability to enforce contracts leads to a market failure, and even rich Roma families willing and able to pay the rent are often unable to find a dwelling. Because the primary housing market fails for Roma families, a secondary market has developed on which small dwellings typically built as lodging houses for manual workers are offered. Such dwellings are not protected by state regulations and hence the rent evaders can be moved out quickly. This allows the tenants and landlords to draw enforceable contracts and thus allows the secondary market to function. Often families not paying rent for years under a regulated contract, start to pay (typically, much higher price) under the unregulated contract. Another “solution” to an absence of legal environment has evolved: mafia, using violence, instead of malfunctioning state enforcement has no problems with collecting rents. Because of such “solutions” of the market failure, Roma tend to be concentrated in unattractive outskirts and the unregulated rents for small dwellings are extraordinarily high as Roma have nowhere else to go. A chance to move for better jobs is minimal.

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<sup>19</sup>Josef’s family refused to move within the same quarter, because seven tram stops away from the family is too far, (Josef, p. 32).

<sup>20</sup>In fact, most of the Roma families in the Prague locality.

<sup>21</sup>Of course, other motives play a role, too. Some owners may be plainly xenophobic, others may fear that their surrounding flats will loose value as most of non-Roma avoid having Roma neighbors.

<sup>22</sup>Though we will analyze consequences on the housing market, the problem is general. For instance, Zuzka’s husband was able to avoid imprisonment for several years (Zuzka p. 42); the slowness of the system dramatically undermines the deterrence effect of the punishment.

Not only may the eviction take years, but courts may require the owner to find an alternative flat or dwelling in the case of a bad social situation of the evicted family. This rule, meant to protect poor families, actually harms them as it scares owners from renting a flat in a first place. Moreover, such rules send the wrong signals to Roma families that observe the cases of their peers.<sup>23</sup> The complicated law and slow processes perturb the relationship between being evicted and evading rent. Observing their peers' cases, Roma may conclude that eviction is a random event with little connection to debts. On one hand, some private owners evict Roma families unfairly and illegally, on the other hand some cities, which are the major landlords of Roma, fail to have any clear system in deciding allocation of social flats and/or eviction from them, and thus punish notorious debtors only after several years.

Fortunately, there are recent signs that the situation is slowly improving. Low interest rates and availability of mortgages have pushed the rents down on the unregulated segment of the housing market and the legal system is becoming more effective. Trivial processes that would last for two years in the 1990's now often take only half a year. We have witnessed that some Roma families have been able to rent flats from private landlords and are able to pay the rents although they have not been paying during 1990's.

Local authorities play a special, if not central role in the housing problems of Roma. A vast majority of Roma have been living in flats owned by municipalities during 1990's. Since then, the number of Roma families in municipal houses has decreased as many local authorities did nothing to prevent the growth of debts and subsequent eviction of Roma families or they even actively privatized the municipal houses populated by Roma to owners that did the dirty job of eviction. Local authorities have various incentives to move Roma out of the municipal flats: it is administratively difficult to deal with some Roma tenants, as they pay the rent irregularly, change the composition of households frequently, and the families are numerous so the flats wear down rapidly. Moreover, eviction of the Roma may be popular among local electorate.<sup>24</sup>

The Roma evicted from the municipal flats with regulated rents typically end up in lodging houses with unregulated, high rents. The state then mounts the social benefits

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<sup>23</sup>As a social worker of People in Need I have worked with a family that has failed to pay rent for several years totalling a debt of 200, 000 CZK. Court has decided that their landlord cannot evict the family unless he provides an alternative flat because of the pressing social needs of the family with ten children. The landlord, being unable to arrange a rent for the family on the regulated market, had to buy the family a small house on a countryside for 200, 000 CZK and resigned to collect the original debt from the indigent family. Though the court decision prevented the family's homelessness, the cost of the social help (400, 000 CZK) was shifted from the state onto the landlord, — a private person with no moral obligations to the family. Moreover, local Roma had observed the case and objected to the fact that a family with the largest debt was given a house whereas other debtors with less children were not.

<sup>24</sup>It is important to stress that the approach of local authorities to Roma is very heterogeneous, and many have a responsible and sensitive approach.

of such families to address the rent increase. However, the increase in benefits is a burden to the central, not the local authority. The central government has recognized this externality and the new proposal of the social system<sup>25</sup> shifts the burden of the dwelling part of the social benefits from the central to the local budgets. However, the new rule may have unexpected consequences: it increases incentives of the local authorities to dispose of poor Roma families by moving them out of the city. Although the authority is not competent to do so directly, it can push around the owners of the lodging houses until they close them down. The well-meant proposal may push Roma further into unattractive localities.

The mobility of Roma is dramatically lowered by the high discrimination they face on the housing market. The discrimination is to a large extent a consequence of a market failure, caused by the notoriously slow legal system and subsequent unenforceability of rent contracts and the subsequent market failure. The functioning legal environment would force Roma families to pay the rents and the landlords would not have reason to discriminate. Many local authorities tend to dispose of Roma families by moving them out of their cities. This proves that the local level is not appropriate for solving the housing problems of Roma and the central government should play a more active role.

## 2.4 Debts

Many Roma families are heavily indebted.<sup>26</sup> Debts can be a major obstacle to legal employment because any legal property or income can be seized whereas illicit incomes cannot.

Typical debts include old electricity and gas bills, unpaid rents, compulsory health insurance or penalties. Other debts are consequences of creative ways Roma people borrow money. As not being eligible for standard bank loans, Roma families use non-standard, expensive ways to borrow cash. A popular practice is to create a bank account, deposit, say 10, 000 CZK, which enables the account holder to a bank overdraft and cash for 20, 000 leaving a debt of 10, 000 CZK for a high interest rate. In many Roma families, all adult members have already created bank accounts at several banks. Another practice is to take a commercial loan for a mobile phone and immediately resell it on a secondhand market. Roma families are able to borrow substantial cash by these means. In most of the cases, the debts including the interests and various administrative charges are beyond their ability to repay. While debts were not much of a trouble for Roma in 1990's, the seizures of debtors' properties have sped up in recent years.

The need for cash in Roma families is huge and thus once all other ways have been used and there is nothing to pawn, they are inclined to use the services of usurers.

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<sup>25</sup>Undiscussed by the parliament as of yet.

<sup>26</sup>All three families described in the appendix have considerable debts, and only the most well off family of Zuzka is capable of repaying.

The “advantage” of usurers is that they, contrarily to legal institutions, use violence to enforce paying off the debt. Thus they are able to lend even to the poorest people, and using their advantageous bargaining position, they require interest rates as high as 100 percent per month. The usury is specific to areas of extreme poverty: it is common in north Bohemia, but virtually absent in Prague where Roma still have at least a TV set to pawn.

Integration of poor Roma families and their success on the legal labor market is unrealistic unless they are relieved of their debt burden. Currently, an institution of personal bankruptcy does not exist in the Czech Republic, however the government is debating its introduction as the number of indebted households is increasing, not only among Roma but also among the non-Roma population. Both debtors and creditors would benefit from the introduction of personal bankruptcies as nowadays the debtors often choose to default fully, live below the living wage or of illicit incomes and the creditors have nothing to seize, whereas a renegotiation of the debt’s size and payment schedule could open a way to socioeconomic integration of the debtors and to a partial repayment of the debt.

## 2.5 Illicit Employment

Many officially unemployed Roma actually work under illicit contracts which is frequently tolerated by local authorities as they often consider illicit work superior to a total apathy. Still, the orientation to the illicit labor market has many negative consequences. Along the direct drawbacks, such as the lack of safety controls,<sup>27</sup>, there are important indirect drawbacks. Illicit contracts are unenforceable within the legal system and so the workers are often left without their salaries<sup>28</sup>. The unfulfilled payments are only the tip of the iceberg; many potentially beneficial contracts are not concluded at all as the parties have no trust in each other. Missing the contract enforcement machinery of state, workers can trust only long-term partners. Thus, the importance of connections is larger compared to non-Roma which further decreases mobility of Roma workers. Moreover, the illicit job opportunities are largely unqualified and thus the specialization on the illicit market hampers the transition to the qualified sector.

The law of jungle, typical for shadow economy, creates a demand for contract enforcement authorities alternative to state, such as the mafia. The market of window cleaning<sup>29</sup>, would function better if the cleaners could sign enforceable contracts with their customers. As such contracts are not available, conflicts emerge and the cleaners have to work in pairs in order to protect themselves. Even such a seemingly innocent problem is an opportunity for mafia practices that are later difficult to eradicate.

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<sup>27</sup>Accidents are common, Fero, p. 21.

<sup>28</sup>Fero, 26, Josef, p. 34

<sup>29</sup>See Fero, p. 24 for the description of the market.

The illicit work is virtually unpunishable, as it is unobservable to the state. The only chance to decrease attractiveness of the shadow economy is to lower the marginal tax rates which are especially high for low incomes. The popularity of illicit labor is a natural consequence of marginal taxes which can be as high as 100 percent.

## 2.6 Discrimination

Roma are heavily discriminated on the labor as well as other markets.<sup>30</sup> Though the state tries to fight the discrimination, its possibilities are limited as discriminatory practices are almost impossible to prove. In order to help abolish discrimination, it is important to understand the various motives behind it. Some employers may refuse to employ Roma for xenophobic reasons but in the context of the Czech Republic, “individually rational” motives of discrimination are likely to prevail. For instance, Fero’s employer Starý pays the Roma workers less than to non-Roma because the former, being discriminated, are in a worse bargaining position than the latter.<sup>31</sup> Starý simply maximizes his profits not detesting the discriminatory practice. Other employers may simply refuse to employ Roma, because they are not able to recognize the quality of the worker, and, in a statistical sense, being Roma is a negative signal. While no official statistics exist, the general belief is that Roma have on average worse skills, working morals, etc.<sup>32</sup> The danger of such statistical discrimination is that it is self-enforcing. Expectation of future discrimination lowers incentives to attain skills or working habits and thus the negative beliefs of the employers may be confirmed in equilibrium. The crux of the discrimination against Roma most likely lies in the statistical motivation in the Czech Republic.

Though the statistically based discrimination is individually rational, it precludes integration of Roma and thus it is harming to all in the long run. However, as the individual incentives to discriminate are high and the means of the state to prove such practices are low, the discrimination is to be expected to cease only if the statistical reasons vanish. Meanwhile, the state has to provide artificial monetary incentives for Roma to attain higher education, and other qualities as I have argued in section 2.2.

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<sup>30</sup>According to Sirovátka (2002) 33 percent of Roma have reported discrimination by an employer. This number is likely to underestimate the true level of discrimination as many Roma simply do not try to get employment in places where discrimination is likely.

<sup>31</sup>Fero, p. 22.

<sup>32</sup>The biggest victims of statistical discrimination are diligent Roma such as Zuzka. These can overcome discrimination, once they build a positive reputation under a stable employment contract, but they are aware that on the anonymous labor market, the reputation would be useless (Zuzka, p. 44), and the fear of such discrimination forces them to even higher working effort.

### 3 Conclusions

Transition from centrally planned economies to decentralized markets is hard for most Czech citizens, but the burden of Roma was multiplied by their specific socioeconomic situation and by discrimination. Most of the problems Roma face, they share with all other Czech citizens: their life is complicated by a malfunctioning and slow legal system, by the rigidly regulated housing market, and by the absurdly high marginal taxes of beneficiary recipients. Sirovátka (2002) finds that the unemployment rate among Roma, though distinctly higher than among non-Roma, is correlated with the rate of the whole population, and thus unemployment of both populations seems to share the same roots. Thus, in general, Roma nonspecific improvements of legal and economic environment, may have the greatest impact on Roma population. Unfortunately, problems caused by inadequacies of legal and economic environments tend to multiply in the case of Roma, because, unlike the non-Roma, whole networks of families are often exposed to the inadequacies. For instance, non-Roma families dependent on social benefits typically have social connections to people independent of the social system, while in the case of Roma, whole family networks depend on the benefits, with little connection to families independent of the social system.

An important example of an obstacle Roma share with many non-Roma families is the huge indebtedness that forces and will force the families to specialize in illicit income sources as any legal incomes would be seized. But while, in case of non-Roma, such indebted families are an exception, debts are epidemic in the case of Roma and whole family networks are influenced by this burden. A relief from the debts is necessary for Roma integration. Such relief is likely to come because even the creditors have the incentive to renegotiate the debts as otherwise families with excessive debts will default fully. The Czech government is currently discussing introduction of private bankruptcies.

Though Roma share the core of their problems with the non-Roma population, they also face specific obstacles that call for specific measures. Roma have low incentive to gain education, as they can expect discrimination on the labor market, and their return to education is lower than in the case of the non-Roma population. To overcome the absence of sufficient natural incentives, the state must create “artificial” ones. In practice, I suggest monetary benefits for pupils with good grades. Such benefits need not be conditioned on the ethnicity of recipients; a politically acceptable solution is to have the eligibility requirement be based on the low education of parents.

Another fundamental Roma specific problem is their discrimination on the housing market. Ambitions to fight the discrimination directly are hopeless as it is virtually impossible to observe and prove. Rather, the state should outbalance the discrimination by a network of social flats intended for Roma families with ambition and ability to move from low to middle class. Ownership and allocation of social flats is now executed by local governments that have an incentive to move out Roma to other cities and get

rid of the burden. Only a centralized approach to the allocation of social flats can internalize such externalities. Inability to rent flats severely limits physical and social mobility of Roma.<sup>33</sup>

Only a combination of general improvements of legal and economic environment with certain Roma specific measures especially in cases of education and housing can succeed in the process of Roma integration into the labor market and other economic aspects of life.

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<sup>33</sup>Zuzka's family is an example of a Roma family on the transition from low to the middle class. The assignment of the social flat greatly helped the process (Zuzka, p. 41).

## Part II

# Case Reports

We include three case reports describing individual Roma experiences. The case reports are not meant as a substitute for an evidence of claims in the essay, rather they have been included to transfer personal experiences to the reader. The informants have been chosen to represent various different strategies on the labor markets and various underlying socioeconomic backgrounds. At the same time we have chosen informants with which we have long, stabilized, friendly relationships, in order to avoid biased, superficial self-representation from the side of the informants. The interviews have taken several hours divided into two or three meetings. The informants were paid a small reward to compensate their opportunity costs. All informants live in a quarter of Prague with a relatively high proportion of Roma (1,000-3,000 out of 80,000 inhabitants<sup>34</sup>). Although the informants are not relatives or friends, they know each other and greet each other on the streets, as most Roma do in the quarter. Roma in this quarter form a community, in the sense of a small village of a similar size.

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<sup>34</sup>Official statistics do not exist, moreover Roma are moving out of Prague in recent years due to the economic pressures so the number is declining.

## A Fero

(interviewed by J. Steiner)

### A.1 Introduction

Fero<sup>35</sup> and Steiner got to know each other five years ago when Steiner was a social worker and Fero's family his clients. Professional contact terminated three years ago and the relationship has transformed into a friendship. Steiner visits Fero's family every month or two. Two interviews took place at the current dwelling of the family with Fero's wife and children being present at the first meeting. Fero was paid 800 CZK for the 8 hour interview.

### A.2 Family Background

Fero is a 30 year old Roma man of basic education and with the unfinished training of a house painter. After the fifth grade of basic school, he attended a special school for mentally handicapped pupils, into which Roma were commonly enrolled. He is an introvert preferring the calmness of home to social entertainment. His social status within his extended family is mixed. On one hand, people appreciate his kindness and reliability, on the other hand he is considered to be a dull companion without the ability to make prompt jokes. Fero has very dark skin, which downgrades his social status within non-Roma as well within Roma circles.

Fero lives with Žofka, 33 years old, and their two children, of 3 and 8 years. Žofka comes from a mixed family with a non-Roma father and Roma mother. Her extended family has inclined to the Roma way of life and most of the social contacts they have are with Roma people. Žofka's extended family has a low status among Roma, but it often enjoys favors from official institutions; this may be partially caused by their communication and language skills inherited from the non-Roma father being more compatible with the customs of the Czech majority. Žofka's extended family has an extraordinary low ability to organize their finances, which often leads to debts, seizure of property, homelessness and poverty greater than typical for other Roma families in the locality. Žofka's family, however, very rarely engages in illegal activities and drugs, which is rather common among other local Roma families.

Žofka has a very low status within her extended family, which lasts from her childhood; she was the least favored child out of six. Sadly, Žofka can be described as an unhappy person and her frustrations often lead to abusing painkillers or gambling, in which she loses substantial amounts of money. Because of the gambling, Fero has to accompany Žofka on large shoppings, as the danger of losing the money necessary for food

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<sup>35</sup>All names have been amended in order to protect the informants' anonymity.

is too high. Fero is in charge of family finances which is unusual as it is traditionally the duty of women in Roma families.<sup>36</sup>

Žofka has been on maternity leave for 8 years; previously, before the age of 23, she worked as a shop assistant in various places, as an assistant of a Chinese businessman, doing easy administration tasks in a computer shop and as a cleaner. Žofka reports that she has always found jobs more easily than her Roma peers; being of pale skin and speaking Czech without an accent she was not recognized as Roma. Žofka studied a high school specializing in nursing. However, during the practical training she found that she could not stand the job and being tempted by her non studying Roma peers she dropped out of school.

Fero's nuclear family currently lives in an asylum house which is a great improvement from their previous housing uncertainty. Before, the family lived in provisional and often illegal dwellings for about two years after they had been expelled from a social flat for not paying the rent. The regulated rent including all services was around 1,000 CZK, which was less than 10 percent of the family income; the inability of the rent payment was not directly caused by their poverty, rather it was a consequence of the inability to manage family finances.

The family's main income is the state social benefits assuring the living wage of 11,000 CZK per month and Fero's illicit work income of 10,000 CZK per month, which, however, greatly fluctuates. The economic situation of the family is worsened by Žofka's notorious gambling. The family is greatly indebted; Fero owes to various installment companies. Buying an item from an installment company, such as a mobile phone, and then selling it in a second hand shop, is a popular method of getting quick money among local Roma. Fero does not pay the installments, so the family is in danger of property seizure. Currently it does not trouble the family much, because they have changed the address so many times in recent years that the companies are unable to reach them by post, but Fero is aware of the problem; thus he does not keep larger amounts of money on his bank account, because it could be seized, which lowers the family's already low saving capacity.

The older child attends a local basic school which specializes as a community school friendly to Roma pupils. The school is not a special school for mentally handicapped, but the educational outcomes are dramatically worse than in surrounding schools with predominantly non-Roma pupils. Fero's child has problems with the Czech language and his success in the school is limited by his many absences. He is often ill, because of an unhealthy life style and low living standards, however, Žofka often does not send him to school even if he is healthy, which is tolerated by the school, probably in order to maintain good relationships with Roma parents.

Fero comes from a large family of ten children. His father worked in a local factory for 35 years and his mother was a cleaner. The family has a low status among Roma as

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<sup>36</sup>Compare with Zuzka, p. 40.

well as of a majority institutions' point of view. Some of Fero's siblings are mentally and physically handicapped; one sister was relieved from the otherwise compulsory schooling and is completely illiterate, which is rare among Czech Roma of her generation. Fero's family has experienced socioeconomic hardship in recent years. Two Fero's brothers are homeless, living in the wreck of a car. An exception among Fero's relatives is brother Matej who had a business organizing manual digging and other unqualified jobs. Later he emigrated to Great Britain where he continues his enterprise and is relatively well off.

Sister Zuzana is another successful sibling of Fero; she has her own flat<sup>37</sup> and a functional nuclear family. Zuzana found her way of earning money on installment selling companies. She contacts a homeless person, cleans and dresses him nicely and accompanies him to buy an expensive cellular phone for about 12,000 CZK. Zuzana pays the first installment of 3,000 CZK, immediately sells the phone for, say, 70 percent of its price, gives 1,000 CZK cash to the homeless person and makes a profit of approximately 4,000 CZK. The company later tries to recover the debt from the homeless person but usually is unsuccessful, as he does not have any property to be seized.

Fero has often helped his siblings by offering dwelling when they were temporarily homeless. This kind of help is common within Fero's and Žofka's families. The help is mutual and nearly everybody has experienced homelessness already, though Fero more often gives than receives this kind of help, not because his housing situation is better, but perhaps of his kindness bordering on naivety, or perhaps because of his awareness of a future need for help.

### A.3 Occupational Anamnesis

Being from a family of ten children, Fero was asked to financially support the family as soon as he reached the age of 14. In his first job, Fero joined his older brothers and uncles in unqualified construction work. Fero's task was to dig in the narrow end of a hole, because he was the smallest of the team. The job was illicit, without any safety supervision and a construction fell on Fero's back, hurting him severely. Fero was asked not to see a doctor since the man managing the job had tight illicit business contacts with Fero's older brother who was also indirectly involved and the two men were afraid of the police investigation that would follow, were the institutions involved. The injury has permanent consequences on Fero's health. His working capacity was later graded as limited by a committee of doctors, so he cannot legally work in physically demanding occupations. The injuries are not rare under illicit work contracts. Recently, Fero's brother-in-law, Jano, was run into by a digger in a construction site. The accident started as a joke, a man in the digger was trying to lift Jano with the excavation device but Jano fell below the wheels. The culprit agreed with Jano to move him to a nearby

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<sup>37</sup>It is a city social flat, which is a success, compared to the condition of other siblings

road and suggest that he was hit by a passing car. The company owner bribed Jano with 100,000 CZK not to report the involvement of his company.

After basic school, Fero took training as house painter, but before he finished the two years of training, his mother died. The mother was the head of the family, organizing everybody and without her support Fero did not continue the schooling; moreover, he was asked to financially support the family. However, Fero still occasionally conducts house painting for Roma families within the locality.

Fero often takes irregular short-term unqualified construction jobs under illicit contracts. His access to such jobs was especially high in 1990's when his brother Matěj and cousin Michal owned trading licences and employed local Roma. Matěj's business was large. He had a long term cooperation with an important Non-Roma construction businessman, and their contracts were as big as digging 30 kilometers of excavation pits or the demolition of two large industrial chimneys that were decomposed by 30 workers over a year. Matěj used to employ his relatives, including his own father, but he paid them only the usual wage and offered the managerial positions to unrelated Roma. Later he emigrated to Great Britain and left the business to an unrelated Roma friend, thus upsetting his own family.

The labor opportunities for unqualified construction workers later worsened. Fero reports that an illicit wage for digging a meter long excavation pit declined from 150 CZK in the early 90's to 70 CZK nowadays, mainly because of the cheap labor force from Ukraine. Cousin Michal has closed his business and local Roma now most often work for non-Roma businessman Starý, operating on a construction market who specializes in employing Roma workers, to whom he pays less than to non-Roma. Fero had often worked for him at the end of 1990's for a period of two years. Starý is known to pay wages reliably, and he is still in the business employing many of Fero's relatives. However, Starý likes to humble Roma workers on ethnic basis. Fero, who is known to be short-tempered, has beaten Starý up on one such occasion and hence has lost the valuable employment contact.

Fortunately for Fero, he has developed a good relationship with another non-Roma construction businessman named Novák. They got to know each other while Fero was working for Starý, and Novák, as a passer-by, negotiated a small job (digging) with Fero. Fero, together with his two brothers, did the job quickly and reliably which was the beginning of a business partnership between the two men lasting till nowadays. Novák often down-contracts to Fero tasks that, though usually smaller, sometimes require as much as 15 men for a month. The jobs include digging pits for cables or demolition works.

Fero then hires other Roma, usually from his or Žofka's family or Roma neighbors. Novák supervises the overall quality of the work, but Fero manages the group himself, though he also takes his share of physical labor. A verbal contract between Novák and Fero only specifies the tasks, timing and total payment, and it is up to Fero to decide how many workers and for what wage he hires. Novák pays Fero usually at the end of

each week in cash and Fero immediately distributes the weekly wages (typically 5,000 CZK) among the other workers. Fero also has responsibility for machines in use and he often takes them home overnight. Occasionally, some workers skip a day or arrive drunk; Fero's policy is to give a penalty of 500 CZK and/or to fire the wrongdoer. Some of Žofka's relatives cause such problems notoriously and Fero wishes not to employ them anymore, however, he always gives in to social and Žofka's pressure. The quarrels caused by their shirking and consequent firing occasionally lead to slanders of Fero in Žofka's family but overall he has a reputation of being fair in his occasional managerial role. In fact, Fero's provision is usually small; his main income is the salary for physical labor that all other co-workers receive and his managerial provision is typically a few thousand CZK for a monthly job.

Novák requires a legal bill for large work contracts for his book-keeping; small contracts are paid in cash without any paperwork. Fero is able to arrange an invoice, if needed. The cousin Michal still keeps his old trading licence, although he does not exercise any real work, and he uses the licence to back work contracts of other Roma without the licence, for which he gets a small provision. Michal enjoys a large tax cut, because of his invalid wife, which makes such activity more profitable. He has also purchased a car and other items for personal use, however they are officially for trading purposes, which lowers his tax base. Michal's provision for backing a contract for 150,000 CZK was 30,000 CZK<sup>38</sup>

Novák's and Fero's relationship exceeds the scope of pure business partnership. Novák often lends money without interest to Fero in times of temporary misery, and later he subtracts the debt from Fero's salary; however, he does so in a gradual way so that Fero is always left with some salary for immediate consumption. When Žofka's mother died in 2002, the extended family did not have enough money for the burial ceremony, which is usually showy and expensive among Roma. Novák lent 15,000 CZK to Fero which he later did not require him to repay. Novák is known to have a good relationship with Roma; Fero has reported that Novák likes *goja* — a Roma culinary speciality made of pork intestines, which is almost never eaten by the majority, and that Novák has taught his wife the Roma recipe.

The amount of labor opportunities Novák offers to Fero, has dramatically declined over the last two years. Novák demands qualified construction workers and Fero is unable to find such among his Roma peers. Fero reports that although many Roma men have experience with various technologies, they lack formal training, and Fero is unwilling to take responsibility for their work as they may cause expensive damages.

Large contracts giving work to many people for weeks are rare. Fero's managerial function is more an exception than a rule and, in fact, he is poorer than some of the co-workers to whom he employs. His main work, though he prefers working for Novák, is cleaning shop windows. Fero has been specializing in this service for over six years, he

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<sup>38</sup>Which is of course not his net profit as he has yet to pay the tax for the 150,000 CZK contract.

has acquired simple equipment and, most importantly, contacts and a good reputation. Nowadays, Fero has a long term customers, owners of shops scattered all over Prague, who often call him or who Fero checks regularly, to see if they need a cleaning. Fero is paid immediately in cash and he earns 500 CZK in a day, usually working four hours. Such earnings cover everyday family expenditures; the state benefits or other occasional large incomes, are usually spent within a day or two for large expenditures, payment of debts and luxury consumption. The family depends critically on the small window cleaning income, because they do not have any saving buffer. Unfortunately, the shop window cleaning income is uncertain; e. g. demand is low on rainy days.

The atmosphere in the shop window cleaning business has become dense recently. Competition is severe and price undercutting common. The price spread is large; Fero reports that other cleaners charge 50 to 500 CZK for a job that he would do for 300 CZK. Substantial amount of effort in the cleaning job is actually getting to the shop, hence the “industry” is characterized by large fixed costs, and the competition may drive price down to unprofitable levels. The competitors occasionally use violence in disputes and nowadays the cleaners often work in pairs to increase their fighting power; Fero has once beaten a price undercutter, trying to overtake a loyal customer. Still, Fero has lost several customers in the competition, but, on the other hand, has overtaken some from more expensive cleaners.

The cleaning business runs a thin line with blackmailing. A Roma man, who has introduced Fero to the cleaning business, has offered the cleaning in an aggressive way and threatened the shop owners who did not want his service with demolition of their shop interior. The scared owners often let the man to do the cleaning who then charged an absurdly high price, such as 5,000 CZK for work worthy 300 CZK. Nowadays, the cleaning is done dominantly by non-Roma and Fero blames the violent practices of some Roma for spoiling the collective reputation of Roma cleaners.

Another type of small employment is collecting old iron waste, which pays comparably to the window cleaning but is physically demanding, as several hundred kilograms of iron need to be manually delivered on a push cart to a local collection center. Besides, the iron collection has low social status and thus it is usually practiced only during a lack of other opportunities or, when a large source of iron waste is found, such as last year when Fero with his relatives dismantled the entire iron waste from a small abandoned factory.

In the 1990’s Fero practiced pedlary, offering clothes in bars or on the streets. Small scale trade of clothes was common among Roma a few years ago, as the branded clothes were expensive in eastern Europe, so the arbitrage opportunity was large. Roma usually offered cheap imitation bought in Chinese businesses, but claimed to customers that it was high quality branded goods stolen from shops. Meanwhile the price of clothes has considerably decreased, only few Roma with exceptional trading talent have remained in the business and Fero has abandoned it.

Fero has revealed that he has occasionally committed petty crimes. Once he sold an

empty box with bricks claiming there was a TV set inside, and he admits an isolated case of pickpocketing. Such activities however are marginal and were committed a few years ago when Fero was younger.

Fero has also had a few legal long term jobs. These were more common in 1990's before the closure of heavy industry in Fero's neighborhood. Fero had unqualified positions in a factory during 1997 and in another one in 1998; in both cases working together with many of his relatives. Long-term legal employment however requires discipline and submission and short-tempered Fero complains of humiliation and the pushing around by his bosses. Fero works under legal long term contracts notably less often than many of his relatives.

Fero, who is officially unemployed, has to report to an employment office which sometimes offers him a job. The cooperation with the office is compulsory, as some of the family's benefits are contingent upon. However, the office has no jobs to offer, because Fero is unqualified and with officially limited working capacity. The only job the employment office has found for Fero is a job in a local street cleaning company co-operating with city hall. The company offers only contracts for three months and then it exchanges an old worker for a new unemployed one. This enables the company to receive subsidies the state offers to support employment of long term unemployed people. Such short-term employment is useful also from the point of view of the employment office clients, because, although they are employed only for three months, it changes their status from long-term to short-term unemployment which slightly improves their access to benefits. The employment office has never offered any re-qualification course to Fero.

Fero was once employed by the city hall for a particular cleaning job. The job was arranged by the mayor after a discussion with a social worker of the People in Need NGO. The mayor, sceptical to Roma's diligence, offered the job to test the social worker's ability to find a Roma willing to work. Although Fero accepted the job and after the termination of the contract was willing to keep on, the city hall was unable to overcome administrative obstacles and the experiment did not continue. Recently, Fero, not having a reasonable income for some time, has offered himself for the same job on his own initiative, but the mayor has changed and the new one has refused to communicate with Fero.

Fero is aware of the disadvantages of illicit contracts: He has a huge debt in compulsory health insurance, and although he has partially repaid it, he still owes over 60,000 CZK. Moreover, because of his bad health, he would be eligible for a partial pension, had he have enough years of social security payments. Fero also complains about the income uncertainty of illicit jobs and names advantages of a legal contract such as paid leave and health benefits. On other occasion he names advantages of illicit contracts: he does not lose the social benefits and has a flexible working schedule. Most importantly, he gets money every day immediately after the window cleaning, whereas under a legal contract he would get a monthly salary, which is a crucial difference for

his family who is unable to save and thus smooth their consumption pattern. Overall, he prefers flexible illicit jobs of uncertain nature to legal jobs with low wage and the pushing around, as he stresses.

Fero recalls four cases of not being paid under illicit contracts. This happens typically in the last week of the work, when an employer, not needing the workers anymore, simply does not show up or makes up an excuse for not delivering the money. Short-tempered Fero has a reputation of fighting on such occasions and usually he works for employers with whom he has long term relationships, so he has experienced such fraud less often than other Roma. Fero thinks the fraud happens usually to the Slovak Roma working in Czech republic, who, desperate for money, take any work opportunity, despite not knowing the employer. Two of the frauds Fero has experienced, were done by a Roma employer, once even by a close relative. The cousin Michal, when he still had an active business, lost the wages for his workers in gambling. Fero, being angry, demolished Michal's car. The two men did not speak for three years but afterwards they restored their business contacts.

## **A.4 Plans, Ambitions, Dreams**

Fero's dream is to own a newspaper and tobacco kiosk; a sister-in-law owned such in the early 1990's and Fero reports enormous profits. Fero once got an offer to buy such a kiosk and he seems to be well informed about the ways of running it. He reports that he would need a capital of 300, 000 CZK to buy the goods and another 20, 000 CZK to rent a place; such amounts are clearly beyond Fero's financial constraints.

Fero often speaks of arranging his own trading licence that would make him independent from the cousin Michal and his trading licence. Fero thinks that his own licence would improve his bargaining position with employers and would widen his labor opportunities. He believes that, having the licence, he would be able to organize construction works on a large scale because he has connections to Roma owning trucks and various equipment. Arranging the licence is relatively easy. The biggest obstacle is the 2500 CZK fee and the moderate administrative process. However, although Fero does not admit it, book-keeping and, above all, saving money in order to pay taxes would be very demanding for him.

Another popular plan among Roma is to buy an old truck; the price of which starts at 12, 000 CZK. Fero does not have a driving licence, but a relative of his does and work with a truck requires two men. A truck greatly facilitates the collection of iron waste; having his own truck also improves the chance of finding work for a construction company.

Fero was also contemplating working for his brother Matěj in Great Britain who has offered him a job. Fero's explanation for declining the offer is that he would miss his older son, with whom he has a tight emotional bond. On another occasion he admitted that he is not sure whether Matěj would not cheat him on the salary and both motives

probably play a role.

Fero and Žofka wish that their children will get good education that would allow them to work intellectually rather than manually. However, virtually no absolvents of the basic school their older son attends manage to complete a secondary school. Fero and Žofka seem not be aware of the low schooling quality. They appreciate that their son does not attend a school for the mentally ill and that the teachers treat them with respect. Having no comparison with other basic schools and no proper education, they are unable to asses the overall low quality of education their children receive. The quality of education is further worsened by the dilatory school attendance of the son: for example, Žofka and many other local Roma do not send their children to school without a snack, for which they often lack money<sup>39</sup>

Fero's most emphasized dream is to find a regular long-term legal job without being pushed around. A large local supermarket offers unqualified jobs with salaries around 10, 000 CZK, and employs many local Roma. Most of the Roma, however, work there only for a few months, complaining about being pushed around. Fero was once admitted for a job in the supermarket but left the job after one day.

Perhaps the largest obstacle to legalizing Fero's business or working in legal employment are Fero's large debts. Though Fero does not like to speak or think about it, he owes on health insurance, to various installment selling companies, etc. The debts are currently not a problem for Fero's family as they have virtually no possessions to be seized. However, any legal activity with regular salary gives scope for the seizure. Seizure of property was slow until recently in the Czech Republic but the recovery of debts is becoming more efficient nowadays and the debt burden will became real.

## A.5 Summary

Fero is a diligent man who is able to fulfill everyday needs of his nuclear family by illicit jobs. The family's largest current problem is the lack of housing, caused by the inability to manage family finances on a scale larger than everyday needs. Fero's illicit jobs are quite sophisticated, he has long term customers of his shop window cleaning service and a valuable contact to a Czech construction businessman for whom he sometimes organizes temporary work teams of his peers. Clearly, Fero has a good reputation among his customers and he understands its high value. Fero's dream is to have a newsstand or at least to be able to legalize his occasional construction business and to buy a truck or other construction equipment. Any legal income would be soon seized however by the debt recovery process. In reality, Fero does not seem to plan any changes in his strategy on the labor market.

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<sup>39</sup>The importance of the snack is statutory and symbolical, rather than dietary, as the children get home for lunch. Being in school without a snack is considered shameful.

## **B Josef**

(interviewed by K. Hůlová)

### **B.1 Introduction**

Josef and I got to know each other two years ago, when I was starting to work as a field social worker in the Prague quarter and Josef's family had been in touch with a previous colleague of mine. Josef and his wife were clients, who needed to receive close and intense social assistance to be able to move out of makeshift accommodation in a desolated council housing into a promised regular flat from the municipality. Our client-social worker relationship has lasted until today, even though there have been many situations in which we have crossed line of professional contact in the meantime (invitations for the birthday celebrations, helping with moving to another flat, taking the children out of town). As a social worker, I visit the family, on average, once a week and during the meeting we deal with all kind of issues- from the installment calendar, withholding of social benefits, dismissal from the employment office to various family delights and worries.

Two evening interviews took place at the current dwelling of the Sokol family, at their apartment acquired from the municipality one year ago. After years of living either in a devastated building full of garbage, illegal occupants and drug dealers or in two rooms at the municipal lodging house, there was a great expectation of improving the family's situation by moving into a normal three-room apartment. It should be pointed out that such anticipation and dreams have not come true. Many problems such as unemployment, low family budget or children's criminality have remained or even worsened. On the other hand, after the initial rifts with the "Czech" tenants, the attitude among the neighbors is satisfactory and Sokol's do not have to be afraid of a risky, dangerous environment threatening primarily the children, as in the previous dwelling. Josef's wife, all three underaged kids and daughter-in-law were present at both meetings. Josef got paid 800 CZK for the 8 hour interview, which, as he bitterly remarked, will just be enough for one installment payment.

### **B.2 Family Background**

Josef is 41 years old and was born in Košice (Slovakia) in a mixed marriage. His father came from Hradec Králové (Czech Republic) and served as a professional soldier in the army. During his military service, he was sent to Slovakia, where he met Josef's mother. She was a Roma girl coming from the town of Košice and Josef points out, that there was a big difference between the Roma coming from towns and Roma from the settlements, as the "townies" led a life much more similar to the majority way of living.

Josef is the youngest of five children, with two brothers and two sisters. He started a basic school in Košice and in his fourth grade he was transferred to a special school. He finished his basic education at the age of 15 and started to work as a garbage man immediately. Remarking on getting a job at such a young age, Josef explains that otherwise he would have ended up in jail, since being jobless was considered to be a prosecutable criminal act in the former Czechoslovakia. All Josef's siblings attended a special school for pupils with a mental handicap and behavioral problems except for one sister, who finished a regular basic school and works as a cleaning lady nowadays. None of them has any training or qualification. The oldest brother worked as a road builder before the revolution and that kind of profession was rated by Josef's family as an exceptionally good one.

Josef lives in a household with his wife Anna (41), five children and a grandson. Three kids aged 8, 10 and 15 visit a special school, an adult son is in jail recently. The oldest, adult daughter has been taking hard drugs (heroin) for several years and so her son was consigned to Anna few months after his birth. Anna has been on maternity leave for three years and plans to stay home for another year. Josef does not have the typical look of a Roma man considering his blue eyes and pale skin. However, the fact that he is partly illiterate and has a low ability to communicate and orient himself in majority institutions cuts his chances of success on a labor market and in official contacts to a minimum.

Since the time he left for Prague, he has not been in a close touch with the rest of his family, except for his mother, who he visits every year. Josef says, that he counts some of his wife's relatives as his good friends. In the last two years, a nephew of his stayed at their place occasionally and together they had a friendly drink sometimes after a day shift at all kinds of temporary illicit jobs. Otherwise, Josef does not enjoy going to a pub and prefers staying home with his wife and kids. For the rest of Anna's family, especially for the two older sisters and her father, Josef is often the laughing stock due to his illiteracy and slow reactions to verbal hints. Sometimes, when Anna and Josef are not around, they judge negatively his incapability to find a good long-term job and earn more money. In general, Anna and Josef demonstrate a poor ability to negotiate successfully with institutions and people that affect their lives (municipality clerks, labor office staff, school teachers and so on). When anything needs to be solved at the institution, Anna is the one who does the talking with the official authority because she can read and write. Josef usually accompanies her on such negotiations.

Anna comes from a Roma family well-known in the community of Smíchov-her father used to be a famous musician. He started to play the bass in a family music group at wine bars and during the day he worked as a coal man. Slowly, offers for playing piled up and finally he managed to make a very good living as a musician. He often talks about the old times, when he used to play for various representatives of the communist government in classy restaurants or on spectacular tours abroad. His band performed in several famous Czech films, where a director needed to have a real Gypsy band image.

Anna's sisters remember that they and their mother were flying to Bulgaria or Turkey all the time. They purchased cheap clothes to sell back in Prague at their kiosk on the market place. The income from the kiosk sales and the music band enabled the family to have a decent living standard which is in sharp contrast with the current situation of Anna and her sister Jana especially. Anna's mother worked as a cleaning lady for most of her life and for a few years she also washed dishes in the Motol hospital. Her mother died over two year ago from the affects of apoplexy. She had suffered a stroke and lived on for several years during which she was basically immobile and acquired daily care that was provided mostly by the father. During her illness, he gradually quit with the music.

Anna has got two older sisters. The middle sister Jana attended a regular basic school and started a training as a dressmaker. She dropped out of school however and nowadays works as a cleaning lady. Jana got married unusually late, aged 27 and Anna says she married the "wrong" kind of Roma man from a strange family, who started doing drugs soon after the wedding. Today, Jana lives with three children at her father's place, who supports her financially from his pension. Anna's father plays the role of a generous donor anytime his children, including Anna and Jana at first, run out of money. Three years ago, he received financial amends (about 250 000 CZK) from an international organization compensating persecuted and imprisoned individuals during the second world war and he gave it all out to his three daughters. Jana draws a social benefit for taking full-time care of her father, who became partially infirm some time ago. The benefit is not so large, but Jana's social insurance is being paid from it by the state. That enables her to have a part time cleaning job at one public institution. The licit agreement is officially contracted with another person, who gets his health and social insurance monthly payments from the salary, while Jana is the one, who actually does the cleaning job and receives the money for it.. The oldest sister Marie is married to a taxi driver and he earns enough money to provide for the family. Marie receives a disability pension because of her bad health and lives in a municipal flat with her husband, divorced daughter and a grandchild.

When Anna is not around, her sisters make remarks sometimes that "she could have found herself a better husband, but she would not listen... he is the one who has pulled her to the ground!". Anna is convinced though, that she has married the right guy and sees the cause of their actual adverse money situation in the discriminating approach of potential employers, who refuse to give her husband a job. Josef says, that Anna's family had nothing against their marriage. They got married in 1982 and their first child was born a year after. Since then, they lived in a municipal flat consisting of two rooms. Two years later, another child, the oldest son Lukáš was born, but he was raised by Anna's parents. Because of his early delivery (3 months before the term), Anna and Josef had a feeling they would not manage to take a good care of him and he came back home when he was 6. Petr was born in 1989 and a daughter Simona five years later. In the early 90s, their flat was given back to the former owner under the restitution

and Josef had to move out because of his rent debts. He took the offered severance pay and left for a municipal flat, which was a makeshift dwelling for a determinate period. Their youngest son Martin was born at that time.

For seven years starting in 1994, the family lived in a municipal apartment house occupied mostly by Roma families who have been moved together partly by the municipality, partly by the gravity of relatives or friends in a hopeless housing situation. A high concentration of rent-dodgers executed from their previous flats and homeless people illegally moving into unoccupied flats in the house, resulted in the formation of an isolated, hard-to-control community. The house was barely visited by any local clerks or authorities and a strange mixture of various occupants started to live according to their own internal rules. The consequences of such co-existence thus appeared: polluted and dirty halls and stairways, piles of garbage a few meters high growing in the backyard and the air shaft, drug dealers, illegally occupied flats. People moving into the empty flats illegally got automatically connected to the electrical power distribution of the legal tenants, which meant an enormous growth of the electricity consumption at the households officially registered by the power engineering company. The underpayments had to be paid by the legal tenants who, justifiably angry, did not want to pay for somebody else's energy consumption. At first, sharp conflicts and attempts to stop the illegal consumers had arisen. Later, most tenants refused to pay the unreasonable bills which they could not afford anyway. The engineering company turned off the electricity supply for the whole building. For the rest of his stay, Josef and the others, drew energy from the lights in the hallways, where it was easy to put the power on again. However the engineering company demanded Josef's unpaid debts through an executor, which means the sum has risen up for two hundred percent. The apartment building was sold by the municipality to a person and most of the occupants moved into a similar municipal house just a block away. Luckily, Sokols' signed a legal rental agreement again and that enabled them to occupy one of the flats legally for a limited time.

In the assigned apartment in which they live today, they face no more troubles with illegal energy consumption or somebody else's underpayments yet still their bills for electricity or water are unusually high. This is caused mostly by a large number of adults staying at Josef's place throughout the year. Lately, a daughter in law with her baby have moved in as well as Josef's nephew from Slovakia together with a family friend. Experiencing life in the previous house and the never ending waiting to get a nice regular flat, Josef and Anna have learned their lesson well - nowadays they always try to pay the rent and related bills on time. Anna borrows from her father and sisters money for food or school supplies needed at the end of the month.

All Josef's children have attended or still attend a special basic school. The youngest Martin begun at the regular school but after the first grade, he was put into a special school as well. Their oldest daughter Sára and middle son Petr begun their education with the "normal" pupils but did not succeed. Sára and Lukáš have no other training.

Sára has taken heroin for several years, does not work, sleeps during the day and at night she leaves for the city to “earn” some money by stealing and to buy her daily dose. Lukáš has been in prison for six months already for the crimes of brake and entry and thieving. Before going to jail, he had been on drugs too. Now he has a job and the jail coaches praise him. During his stay in prison, his reputed daughter was born, even though he had no idea about his paternity before. The mother of a child told the news to Anna and Josef after the baby was born and they have accepted her into their family. She lives at their place and waits for Lukáš to come back home. Josef is not sure of his son’s paternity, but he leaves it to him. Sokols consider themselves to be a catholic family. Their last three children were however christened at the protestant church for a simple reason - the catholic priest required a long preparation and a knowledge of prayers.

### **B.3 Occupational Anamnesis**

At the age of 16, Josef left to Prague to stay at his sister’s place, who got married to a Czech man. He worked together with Josef at the huge state constructing company called Konstruktiva Praha. First worked as a digger, later on he had been carried and passed material as an unqualified worker on the building site. According to Josef, he had good money there and the company paid a viaticum and luncheon vouchers for the employees. He never had a feeling of one law for the Czechs and another for Roma workers, meaning that the bosses were treating him fairly and equally. At twenty, Josef left to work in the local Tatra factory, where he was offered a better wage and a Job, driving a dodgem (bumper car). The factory had offered him a flat as well, but he refused. Together with Anna they decided that living in an apartment house in the same quarter but seven tram stops away from the rest of the family would be just too far.

In 1989 Josef started to work for the coal cellars and the reason for changing a job was a higher wage again. After two years, the state enterprise was cancelled and Josef found a job at the Motol hospital, where he was washing dishes. Many Romanies were employed at the hospital at that time including Josef’s mother-in-law. After several cases of thievery lots of Roma employees were fired. Josef reports that Anna’s mother had stolen a sausage from the kitchen and as a result the boss fired her and Josef at once. Anna defends her and says that her mother had no idea about her actions sometimes as the stroke left her partially insane.

In 1997 Josef got a job as a street sweeper in a company cleaning pavements and streets named Tores. He was paid 8000 CZK a month plus the luncheon vouchers which was a sufficient salary. Later on, he started to drive a mini-car collecting garbage and emptying the waste baskets at bus stops. At the beginning, he had signed several three-month contracts with short breaks between each, during which he got registered at the employment office and received social support. Afterward he got a contract for

half a year, which had been additionally prolonged for the reason of satisfactory work performance and a good relationship with his boss. Josef says that the company used to employ many Roma job seekers but protected itself from bad working habits by signing three month contracts with them. At the same time, the company was drawing financial support from the government for giving jobs to long-term unemployed people and this limited period of time would be just enough to teach them to regain their working habits and be able to find a stable job. The boss of the cleaning group used to control his inferiors, but if Josef had his assigned area cleaned up, he could go home earlier and his boss would not mind. In 2002 Tores was put into bankruptcy proceeding and Josef lost his job. This moment Josef recalls as the beginning of his fall into poverty and unemployment. He was at the employment office registration for six months.

Then he joined another cleaning company, Test, which the municipality had chosen as the best subject to clean the public grounds of Prague 5. Josef informs us that Tests employs people illegally, so they can continue receiving social support from the employment office. Test pays 1500 CZK weekly. Josef left this work after three weeks of constant conflict with other employees, who were telling tales on each other in front of their boss and competed in getting a bigger number of bags full of garbage. To win the game, they had put garbage from the trashcans on the streets into their bags so at the end of the day it looked like they had collected an enormous amount of waste and junk. Thinking of smelly junk being grabbed out of the trashcans by hand makes Josef sick even today. He spent a few months at the employment office again, then started to do a cleaning job at the local supermarket Carrefour. The regular wage was 7000 CZK net per month, but the chief was a young brat who humiliated and pushed the Roma cleaners around. Josef was fired after a month for unsatisfactory work results.

He has been jobless ever since. In 8 months, the employment office had not found him any other place to work. Josef occasionally collects old iron waste with his nephew. For one kilogram of iron the collection centers pay 4 CZK and sometimes Josef is able to earn as much as 1800 per day. They have even purchased a push cart for 500 crowns that could carry even very heavy iron pieces. Josef stresses that they obtain every iron piece in a legal, honest way by picking it on the street and backyards or by asking people about their old fridge or other devices they want to get rid of. He has also tried to find a job through advertisements posted at the employment office or shop windows. If he calls the potential employer at first and introduces himself by his Czech name, usually there is no trouble making an appointment for a personal meeting, as the position is still available at that time. As he shows up at the company and eventually goes through an interview, he is said not to be skilled enough for the required job. Josef thinks he is being put down because of his inability to speak properly and use nice phrases, which makes them think he is “a silly Gypsy man”.

Occasionally he works illegally as a digger for the construction companies. Usually he gets 50 CZK per hour and says that he often does not get paid for a well done job especially when a Roma manager takes care of the money distribution. It happens

mostly after the last week of work when the company does not need him anymore. For those last two months, Josef does demolition work, pulling down a hall and chimney in an old factory. Recalling the last wall demolition he dreams of the possibility to take away all the fallen iron waste from there since he has not seen so much iron together in his whole life. He got this job through his relative who is his boss during the shift. Until now, he has always paid him and the rest of the workers on time and the agreed amount of money. Josef works 10 hours a day and gets around 2500 CZK a week.

Three months ago, Josef was rejected from the employment office register as a sanction of coming late and drunk to his potential employer at the first day of work. At least that is what the employer reported when he called the office later on. Josef complains that he was supposed to start working at 7 AM and only a lunatic would have a drink so early in the morning. He was looking forward to this job and counted with some improvement of the family budget, paying few debts etc. He has appealed against the resolution of the office mentioning that the only possible mistake from his side could be a misunderstanding of the time of lining up for work. He probably did not read the conditions at the signed contract properly as he cannot read very well. And the reason for turning him down is his Roma origin. The employment office has denied to consider Josef's appeal and as a result he will not receive any social support for the following three months. By this proceeding, the whole family will be getting lower social benefits from the local social department. Josef wishes to stay at the demolition company as long as possible and in the meantime assign to the employment office after the terms expiration. The illicit employer does not pay Josef's obligatory health insurance and that means the debt grows immensely every month.

Anna attended a special school where her mother put her during the fourth grade. She thought there were too many Roma children from unfavorable families in Anna's class. When she was 15, Anna started to work at the canteen and after a month she began a cleaning job at her mother's work. Anna has been on a maternity leave most of the time since 1982. And during that time she worked for the local organization of the housing administration as a cleaning lady with her mother and sisters. For a short time she did some cleaning in the Motol hospital. Four years ago she ended maternity leave with her youngest son and started to clean at the Carrefour supermarket. Her monthly wage was 7500 CZK and after three months of work she took sick leave and got fired. Working from midnight to seven in the morning was not her cup of tea as she had no time for the kids. For the following three months she was assigned to the employment office. Since then she has been on maternity leave again, this time with her grandson. Anna adds that after her leave she wouldn't want to go back to do the cleaning in Carrefour and she would rather clean up apartment houses or offices.

The monthly family income is 19 500 CZK. Out of that, social benefits including maternity benefit and children's allowances make about 9500 CZK. Because of Josef's rejection from the employment office, some of their social benefits have been cancelled or stopped until the time he would be accepted to the register again. Josef earns 10 000

CZK per month these days, yet for months it has been just 7000 CZK so his wage is quite unstable and irregular. The family pays 5700 CZK each month for the apartment, 3200 CZK per month is the price of a regulated rent and 2500 CZK for the electricity.

The family is greatly indebted to various institutions. Owing 67 000 CZK for the unpaid consumption of gas and electricity at their previous dwelling, they are in danger of property seizure. For a small part of the debt, Anna has managed to arrange an installment calendar with the executor and she ought to pay 1 000 CZK per month. However covering the rest of the debt is not within the compass of the family and so Josef awaits the execution notice and the capture of the last valuable things in the flat such as the TV set, washing machine and video. The initial panic from losing their property has gradually transformed into the spouses' resignation. They both agree that their priority is paying the rent and electricity bills.

Aside from that, the family owes a sum of 12000 CZK to the municipality for the time they stayed at the public lodging house. They had been paying according to the installment calendar regularly until the moment when their rental agreement for a determinate period was changed by the local housing department to an indeterminate one. The determinate rental agreement would not be prolonged by the municipality unless they could show receipts of paying the debt gradually. With the new indeterminate agreement the family is not in danger of being moved out so easily anymore and so the money is being used for other things. It is presumed that the municipality will start claiming the rest of the debt through a court and an executor additionally and that the final sum will be many times higher than today's debt. A while ago Anna got a payment resolution from the court which orders her to pay 23 000 CZK for the electricity underpayments at the rent-dodgers' house.. Josef is convinced that the debts do not belong to them as many illegal occupants were connected to their power distribution system. He has sent a written refusal with the payment back to the court. Josef has got another debt of 10 000 CZK at the Health insurance company from when was not registered at the employment office or legally employed. He has to pay another 3 000 CZK for travelling without a ticket and not paying for the offence right away.

Josef and Anna owe money to several installment companies as well. They pay 800 CZK per month to the bank of Česká spořitelna for borrowing 10 000 CZK. Another 18 000 CZK has been borrowed from the Provident Financial, a company that provides quick loans with very high interests. For paying off those interests, they offer another "profitable" loan to the insolvent debtor, who is slowly pushed into the ambush of being up to their eyes in debt. The attraction of such loans lies in the seemingly easy conditions under which the company borrows quite a large amount of money (they do not require any confirmation about the borrower's wage or property). Unfortunately, later on, they use an intense pressure to draw their money back from the defaulter, using personal visits of hired thug debt enforcers In Anna and Josef's case, the female debt enforcer has not show up for a long time and so the family thinks that the eight year old debt has been erased and forgiven.

Another favorite way to get a desired or needed household device like a fridge or washing machine is to buy it on installment credit. If the product exceeds a certain value, somebody must be found to guarantee the payments in case of the purchaser's (customer's) insolvency. Josef claims, that being guarantors to each other within a family is nothing exceptional, in fact it would be strange refusing such requests from relatives. Anna has signed two installment credits as a guarantee to her cousin for 10 000 CZK. However right after the confirmation the cousin took the ordered goods and the installment payments were left for Anna. As she takes care of her two children and receives a pension for disability, she has no property or money to be seized and the court has ordered Anna to start paying for the purchased goods. Even over their large debts, Anna and Josef pay monthly only 1 800 CZK on their installments knowing that they have not got much money or property to be seized. It is clear though, that the growing amount of debts does not leave them calm especially when they get reminded of such by telephone or an official letter. Considering their family income, they always come to the conclusion that in their recent situation they have no money to pay the debts anyway even if they would want to.

## **B.4 Plans, Ambitions, Dreams**

Josef wishes to have a good job and to be able to work with an official employment agreement. In case of the opportunity of a legal job, he would not mind working anywhere, even at the morgue, he adds. He thinks the main reason for him being jobless is the fact that he is Romany. Josef's big dream is to have a small company for construction or demolition works, where he would employ workers, owe a car etc. He would always pay the workers on time and would never run away with the money as his employers often do. The biggest obstacle on his way to this dream is lack of money, that he cannot earn as nobody will give him a good job. Josef wants his three younger children to start and finish some kind of training school, Petr could be a waiter, he says. Anna's other cousin is a trained waiter and cook and he is a successful business man these days and owns a gas station. Josef would like to see Petr doing something similar. Simona should have a high school graduation and make a living by her head and not by her hands (manually) as Josef and Anna do. A social worker would be a good job for his daughter, reveals Josef. Answering my question as to whether he thinks it possible after finishing a special basic school, Josef thinks for a minute and then says that becoming a waitress or a cook would be fine with him as well.

Anna hopes the kids will have better lives than they do and will never find out what poverty means in reality. She looks forward to seeing her son come home from prison and take care of his wife and baby. When she finishes her maternity leave she would like to get a cleaning job at a school or in an office.

## B.5 Summary

In the passed years the income of Josef's family has been balancing on the edge of the living wage. Josef has been working occasionally and illegally for the last three years and the main source of regular family income are social benefits. However their amount is dependent on Josef's evidence at the employment office, children's school attendance,<sup>40</sup> or handing the confirmed number of people in the common household to the social department on time. Josef has not established a stable social net of possible employers who would offer him temporary jobs on a regular basis and when he finds a job as a digger at a construction company it is always a short term summer job handed to him through his relatives or friends. Josef is never sure of a promised wage for work he has done. Josef wants to have a stable full-time job that would enable him to sustain his whole family properly. Josef sees the reason of his unsuccessful job seeking in the lack of opportunities for unqualified workers and the presence of Ukrainian workers willing to work for less than the minimum wage. Even if Josef would manage to find a good full time job, he would be obliged to pay quite a big amount of money to cover the debts the family has collected throughout the years. Josef looks delighted while speaking of his dream job, but in reality he is rather passively expecting the work offers to come to him rather than to be the one who seeks them actively. The biggest goal he tries to achieve in the close future is to be accepted by the employment office again while remaining in his recent illegal demolition job or collecting iron waste.

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<sup>40</sup>When unexcused school absences of children reach a certain amount of hours, some of the family's social benefits may be cut down.

## C Zuzka

(interviewed by K. Hůlová)

### C.1 Introduction

I met Zuzka two years ago, when I had already worked a few months as a field social worker with her mother and sister concerning their difficult housing conditions. The very first contact with Zuzka's family was arranged by a local volunteer and founder of a small NGO specializing on Roma teenagers, focusing on summer camps and weekend for the kids. He worked with a few students endangered by drug use. When I first came to see Zuzka's mother, Dan had been working among this Prague quarter for over six years and was adopted by the family almost as their own son. This fact surely helped influenced the course and quality of the relationship between Zuzka and me. Through the precariousness and doubts in the beginning, I have been gradually accepted by the family and outside of official visits, I have started to receive invitations for weddings, funerals and christenings. Nowadays I consider Zuzka and her family to be my friends much more than my clients. Over and above, Zuzka has never been my client anyway.

Two interviews took place at Zuzka's apartment with her husband and their little daughter at home watching TV in the other room. Zuzka's husband did not interrupt us for the whole evening, claiming that "he will leave us alone so we can have a chat of our own.". The whole dialogue happened in a relaxed and open atmosphere and always had to be stopped because of time, not lack of topics.

The interview lasted 8 hours and Zuzka got 800 CZK as a reward. Hearing about the amount of money she would be paid, Zuzka swept her hand and smiled; "I would gladly talk to you till morning for free, you are welcome anytime."

### C.2 Family background

Zuzka is 25 years old, she was born and raised in the Prague quarter Smichov, and had a basic education. She is the oldest of four sisters and was the only one to attend a normal basic school. At the age of fourteen Zuzka got pregnant and that ended her plans to continue studying and go on to a training school. She says she had relatively good results at school, and remembers her Mom, who spoke Czech very well, reading books with her, helping with homework etc... In sixth grade she started studying on her own since she did not like getting bad grades and wanted good grades at the end of the school year. Her mother had always spoken Czech with the kids even though her knowledge of the Roma language was excellent and she had used it among her siblings and the rest of the family. Zuzka was the only Roma girl in the class and except for some disagreements at the beginning, she got along with the kids in her class very well. She never felt pushed away or neglected by her schoolmates because of her Gypsy origin.

Zuzka's mother was born in the Spiš region in Slovakia and came to Prague with her parents in 1965. She finished basic school and was accepted in a training school as a sales girl. During her last year of training, she did obligatory practice in a supermarket, where Zuzka's father had been working as a serviceman. She dropped out of school, became pregnant and got married. After several years of maternity leave and four children, she worked and still works as a cleaning lady.

Zuzka's father was born in Prague, and attended a special school for pupils with mental or behavioral problems into which Roma children used to be enrolled. Most for his life he worked as a coalman. His father had always been the formal head of the family, however her mother had to be the one who took care of the children and the household and communicated with the institutions. After 1992 her father had lost his job and occasionally worked illegally. Zuzka's Mom sustained the family income and budget after that.

After losing his job, Zuzka's father started to drink more often and a few years after the revolution, the family got into a situation which Zuzka describes as poverty which her parents had never experienced before. Even during this difficult financial time, her father never signed into the register of the Employment office to get financial benefits from the social welfare system. This was partly caused by his fear to negotiate with any kind of institution, and partly by his dread to get caught doing illegal coal distribution. Out of all her parents' siblings, only her mother's youngest sister had finished her training as a sales girl. Unfortunately, she married a drug addict and because of that, she never felt she had any advantages because of her higher education. Neither did her relatives. One of her father's brothers passed an official test for plumbers before the revolution and now he makes a good living with a private plumbing business.

Zuzka is an outgoing, communicative woman perceived by her extended family as a single minded independent individual who slightly exceeds the traditional patterns and lifestyle of the Roma community. Her mother and sister make jokes sometimes that Zuzka is becoming a Czech woman, who gives thanks<sup>41</sup> for everything and serves napkins with the coffee cups. These non-Roma manners are judged mockingly on the outside, but when it comes to deeper and serious appraisal, they speak about Zuzka with a certain respect and pride. Zuzka considers herself to act stronger and less sensitive than she really is inside. In critical and stressed situations she has the ability to mobilize all her inner power and support her family and relatives. When her father died this winter, Zuzka was the one who arranged all necessities concerning the funeral matters including the finances and moral stability for the rest of the collapsed family members. As Zuzka was the oldest of four daughters, she always had to follow strict rules established by her mother, from helping in the kitchen with cooking and cleaning to looking after her younger sisters. She had to grow up fast and take on the responsibilities of her and her baby's life when she got pregnant as an eight grader.

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<sup>41</sup>It is not very common to use the expression thank you among Roma families.

Zuzka and Honza have two children, Martin (10) and Kristyna (4). Even though Honza (29) is according to Roma customs a formal head of the family, Zuzka takes care of the family budget and minds the savings, expenses and bills to be paid. She helps her son to earn good grades and reads books and draws with her daughter. Martin attends a basic school not specialized for Roma children, meaning that the requirements for pupils and the quality of education are of a higher standard compared to the basic school a few blocks away which proclaims to have a Roma friendly profile. Martin's school is attended only by couple of children from the local Roma community.

I have to point out, that looking after the homework and school preparations of the kids as well as supporting the children's intellectual development by reading books or playing games, is not very common among the Roma parents I work with. Zuzka is aware of that. She adds that devoting her energy to the kids is important for their success and prepares them for their future adult life. Many of her girlfriends do not understand such a parental approach towards the kids and often judge it as another attempt to act like a Czech woman. Reading books is considered to be a Czech custom as well. Zuzka likes to read and her favorites are the mysteries from A. Christie. Those books she borrows from the library and reads privately at home, where her husband has gotten used to this strange hobby of hers. Imagining opening a book sitting on the bench in the park with other Roma mothers and their children around, she bursts out laughing and shakes her head; "They would definitively think I have gone completely crazy!"

Her husband Honza has two brothers each of them having a different father. Honza's mother was not concerned about her son much and he was raised by his grandparents. His father never lived with them and according to Zuzka, Honza was missing a male authority and a strong hand. Up to now, Honza's mother and her sisters are infamous for their loud and rude manners at the institutions as well as among each other. This kind of behavior fulfils the Czech stereotypes about the Roma way of communication. Zuzka says, Honza's family is different from hers, though she shows decent respect towards her mother in law, as she kindly accepted Zuzka into her family without bossing her around, when they moved in with Honza. Zuzka did not have to go through any rough training concerning the family customs and traditions that many young brides need to pass before being considered good wives and daughters in law.

Honza is the oldest of three brothers with basic education from a special school. He had started at a training school for house painters but dropped out of it and never finished. During his adolescent years he joined a group of youngsters and together they committed a few crimes, mostly thievery. Living on the same street as Zuzka he met her when he was eighteen. After half a year of begging and courting her Zuzka finally agreed to go out with him. "He had just kept on begging me with tears to be his girlfriend and I had given in. It took me some time to fall in love with him." In her family's opinion Zuzka could find herself a better guy. Her mother complained about Honza because of his mother's fickleness and careless attitude towards her sons. Finally

though she accepted Honza as her daughter's boyfriend. Becoming pregnant after six months of their relationship was a huge disgrace, says Zuzka. She finished her last year of school ashamed of her growing belly. Honza was her first boyfriend. The pregnancy was a shock for her whole family at the beginning. Zuzka alone had been thinking about an abortion, she wanted to go on with studying and experiencing more in her life before having a baby. Her Mom however, after thinking the whole situation over, had decided that Zuzka would keep the baby, and that was it.

After their son Martin was born, the court immediately commended him to the care of her mother because of Zuzka's age. For the first six months Zuzka stayed at home with her parents, later on she moved with Martin to Honza's family flat, where they had their own room. Zuzka's mother had been formally on maternity leave with her grandson but most of the time Zuzka took care of her son by herself. Her parents babysat only when Zuzka had to work. Shortly after the childbirth, she found a summer job at the local grocery store and in another two months she started to work part time in a cleaning company where she works today.

When Zuzka turned eighteen she had asked the court to consign Martin to her and shortly after that she and Honza got married. At that time the young couple was not receiving any financial support from their parents and managed to earn money themselves. In 1999 they got an old flat before restoration by the municipality. They got a chance to live on their own and at their own expense they have renovated the place step by step. In 2002 the municipality offered to buy the apartment for a favorable price and the flat is now their private property. Today their two-room flat is furnished modernly way with many electrical appliances and kitchen equipment bought on hire. Zuzka admits she likes to have nice and graded quality goods and doesn't mind paying a few thousand crowns of monthly installments.

Their daughter Kristyna was born in 2000. Zuzka worked until the eighth month of her pregnancy and went back to work two weeks after her birth. When Zuzka was at work, her youngest sister Miša took care of Kristyna. Zuzka says that Kristyna had been planned and they want no more children for now, unless they change their apartment for a bigger one. In terms of family planning she takes contraception pills which is quite rare among her female relatives and friends. Even though she and Honza have decided not to have another child for now, Zuzka is the one who has the veto power and the last say. According to her words she had always been trying to guide Honza to a lifestyle different from the one he was used to in his mother's family.

It could be stated that Zuzka started a journey towards an integration with the Czech society, on which she must face all kinds of stereotypes and misunderstandings from her husband, her family and also from the non-Roma environment, where she tries to succeed. Honza grew up in a basically disfunctional family where, however, the traditional role of man and woman or husband and wife was still very much kept alive. At the same time, he was raised in a family atmosphere, where the strict line between "we" and "us" meaning the Roma and non-Roma worlds had been perceived very intensely

and there was a strong mistrust and distance towards the non-Roma environment. Oppositely, Zuzka, who was used to being around the Czech kids since her first grade, was not familiar with such an approach and had no difficulties in understanding and adopting the Czech system of values. Zuzka claims, that she wishes Honza would act a little less like a gypsy man and a little more like a Czech man. Specifically she mentions Honza's pathological jealousy, when he dares to blow off and shout at Zuzka in front of the children for her coming home ten minutes late or his disability to negotiate with the Czech clerks in all kinds of institutions.

Zuzka states that after ten years of living together, Honza has changed a lot. At the beginning of their relationship, he had to promise Zuzka he would quit fooling around and hanging out in the streets. He agreed, but later on he had to bear full responsibility for the consequences of his criminal acts during his wild days. Honza was sentenced to spend 8 months in prison for the act of thievery. For a while he did not pick up the court citation from the post office, then for a few years he and Zuzka paid bribes to a doctor to confirm that he was unable to get imprisoned because of his bad health condition. At that time, Zuzka was pregnant with her second child. One month before Kristyna was born, Honza was forced to go to the police office because of his car registration. He got arrested and was sent to Vinařice penitentiary. Zuzka had to take care of a newborn daughter and a five year old son on her own. Her parents supported her financially and her sisters babysat during the time Zuzka had to work.

Sister Karolina is a year younger than Zuzka. Unlike Zuzka she attended a special basic school and then a family school for nursing and housekeeping for a year. Instead of finishing the school, she got pregnant at the age of sixteen. Her mother and father did not like her boyfriend at all and decided she would get an abortion. Vlado, her boyfriend, was a well known rowdy boy who grew up in detention houses for delinquents but Karolina wanted to stay with him. A year later she got pregnant again and her parents were compelled to agree with their marriage. Gradually they have had three children and recently Karolina is on maternity leave with the youngest three month old son. Vlado works illegally as an unqualified construction worker mostly digging holes for pipelines and cables. Karolina and Vlado have very low ability to manage and control their family income. That means they constantly find them selves without money every month. On a regular basis they are being subsidized by Zuzka and her mother. Often Karolina pays the rent with the last money she has and goes to her mother to get food for the kids.

Another sister Lenka is 21 and after finishing a special basic school she started training as a waitress. She left during the first year of school and joined her mother at the cleaning company. For the following two years she got a job as a sales girl in the supermarket Delvita. Lenka started experimenting with drugs when she was sixteen. While she was registered at the employment office, she had gone through a retraining programme for sales girls but has not found herself a job since. She met her recent boyfriend two years ago. At that time, he was working in a restaurant as he had

finished training for waiters. They both started taking hard drugs regularly and now they are using them intravenously. Lenka is in her eighth month of pregnancy, which she learned about only at the end of the second trimester. She has been using heroin steadily for her whole gestation period.

The youngest sister Míša finished special basic school at the age of fifteen and refused to continue with any school at all. Occasionally she had a short term summer jobs, though mostly she babysat her sisters' children so they could go to work. She started taking hard drugs when she was just thirteen together with her boyfriend who had a training as a house painter from his stay in a delinquent house. At seventeen Míša got pregnant and for part of her pregnancy she was in a diagnostic institution for young girls with educational problems, thanks to the foresight of a local NGO, curators and Míša's parents. That way she was kept away from drugs for a while. Her son was born in good health and with minimal withdrawal symptoms. He was immediately consigned to the care of Míša's mother. Zuzka adds, that even Lenka and Míša have different personalities, they both joined a bad crowd during their teenage years and started drug experiments out of boredom. Zuzka realizes, that her mother was less strict on both of them and they got away with many things. Furthermore Míša was her father's favourite and he spoiled her a lot.

When judging the family social status among the Roma community in this Prague quarter, Zuzka considers the fact that drug addiction of children is not a measure. Drugs are present in almost every family nowadays - the "better" and the "worse". She realizes, that because of her early motherhood she had to become mature and responsible very soon but on the other hand, she at least had no time to be bored. At the same time, during her younger years drugs were not so easy to buy as they are today.

### **C.3 Occupational Anamnesis**

Zuzka started to work at the age of sixteen as a part time cleaner in a cleaning company called KAS, which provides a cleaning service for schools and offices. After two years the company has offered Zuzka a full time job and still employs her today. She cleans up a few offices and one school which takes about 9 working hours per day. Her monthly net salary is 11,000 CZK. She found the job through her mother in law and the company employs other Roma women as well. Zuzka has a good relationship with her boss and she has never felt discriminated or controlled by her employer because of the fact she is Romany. It depends on each individual and how hard he works. During the nine year lasting employment Zuzka has been on a sick leave only once. This summer she decided to take a seven-day vacation and be home with her kids. Her boss makes no differences between Roma or Czech, the quality of cleaning is all that matters to her, says Zuzka. Not even at the beginning did Zuzka feel discriminated against. She believes her employer trusts her and never checks the cleaned rooms after her. Zuzka has a legal working agreement signed with the company and before Christmas she gets

paid an extra bonus for doing a good job throughout the year. Honza has a legal part time agreement with the company as well which means he is paid social and health insurance by the company while the job alone is being done by Zuzka. Monthly she earns 4,500 CZK extra.

She also cleans the flat of a young couple - a Slovak woman married to an English man. The woman has asked Zuzka to do the housekeeping for them when she saw her cleaning the office she worked at. At the beginning she did not want to leave Zuzka in the flat alone, but when she learned that Zuzka is reliable and honest, she offered Zuzka her own keys. For the house cleaning, Zuzka gets 118 CZK per hour and she works for about ten hours every week. Monthly she is paid 4,500 CZK.

Two years ago she had a sideline job in another cleaning company. Doing the cleaning at the Ministry of Education was, according to Zuzka, not paid enough and the boss had been sending controllers to check their work. The company was less creditable in general. For two hours of cleaning per day Zuzka got 2800 CZK per month. This company employed Zuzka's mother for quite a while. After four years of having a stable job, her mother bruised a knee and had to stay at home for a few weeks. The company announced through a telephone call that they had to fire her because of her temporary work disability. Zuzka decided some time ago to quit this job. After a whole day of working hard she was coming home at eight o'clock in the evening exhausted and unable not take care of her kids and the household as she would like to. She cooked dinner in a hurry, went over the son's homework, read a good night story and fell asleep. Even after quitting this job, Zuzka's day looks quite hectic.

She wakes up at three in the morning and leaves for the first shift of cleaning offices. She returns home, makes breakfast for the kids and sends her son to school. If she is not cleaning the flat of the Slovak woman, she stays home till noon and has time to play with Kristyna and take care of her own housekeeping. If not, she takes Kristyna to her mother's place. She starts her second shift for KAS at one in the afternoon cleaning and washing the classrooms and hallways at school until 6 pm. Until recently she had been going straight to the Ministry of Education, where she had been cleaning up until eight in the evening. Zuzka's monthly wage is now 20,000 CZK.

Zuzka says she has never felt discrimination or unprofessionalism from her employers. The only exception was the aforementioned summer job at the local grocery store. The head of the store and the staff had been giving her a hard time and they had blamed her for every mistake or problem that appeared. This was a long time ago though. If she loses her job now she is afraid she would not be able to find another one easily. Primarily because of the fact that she is Roma and being markedly (clearly) recognized. People shopping keep their distance at the stores, there are judging looks of passers-by or indignant passengers holding their purses tight on the tram - those are the scenes of Zuzka's every day reality. She says she minds and notices such manners much more now that she has kids. Before she would stand in a tram or a supermarket being humiliated by the staring Czechs and their remarks just on her own. She got used to it after some

time. Now with the kids it is different. Zuzka wishes to protect them from the prejudice and neglect and does not want them to realize so early that they are considered so much different, so much worse in the eyes of the Czech people. With an inferiority complex at their roots it is much more difficult to stand up in the world, adds Zuzka.

After Honza left his training after the first year, he had found himself a job in a printing office, where his mother was employed at the time. Shortly after he went to work in a faculty hospital in Motol - washing dishes in the kitchen. The monthly salary was better and he could provide for the family quite well. After several years he had started delivering coal with his father in law for the coal cellars. They even purchased a small AVIA truck after the revolution. Honza still makes his living as a coal man today. He distributes a coal to the customers together with one of the brothers of Honza's father in law. His work is illegal and his wage per month is 20,000 to 25,000 CZK. The family income per month is 42,000 CZK.

The flat Zuzka and Honza live in was bought from the municipality in 2002 for 150,000 CZK. To be able to purchase such a realty, they had to get an installment credit for 50,000 CZK which they are paying back by regular payments of 800 crowns per month. A year later they borrowed another 50,000 CZK from the bank to build a bathroom and they pay back 800 CZK per month for this. They pay monthly a contribution of 1 800 CZK to the reconstruction fund, for gas and electricity consumption pay 2,000 crowns per month. The phone bill is about 1,500 CZK every month.

Zuzka and Honza have several other loans and hire purchases, which they are paying by installments. They have purchased a car in 2000 on installment credit but it was quickly stolen on the street. The loan was 45,000 CZK and the final amount they have to pay back is 75,000 CZK. Their monthly installment payment is 1,400 CZK. From the Czech Saving Bank (Eeská spooitelna) they have borrowed 80.000 crowns to buy a new kitchen. Their monthly payment is 2,300 CZK and the final sum they have to give back is 110,000 CZK. The Cetelem company which specializes in hire purchases offered them a TV (home cinema) for 40,000 CZK which means paying 2,000 CZK every month. All the installments mentioned above make together a sum of 10,300 CZK that has to be paid on regular basis each month. Besides Honza has a dept at the health insurance company which amounts about 30,000 crowns which has to be paid off since it grows immensely every day by the charge of a delay (penalties).

Their whole family, including children, has a saving account at the building and loan association where Zuzka sends 3,000 CZK every month. In spite of having financial obligations to many installment and loan companies, she always pays the specified sums of money on time thanks to the stable and sufficient monthly income and her ability to manage the family cash flow. After defraying all the claims and bills she still manages to put a certain amount into a savings account and keeps it for emergencies or unexpected expenses.

## C.4 Plans, dreams, ambitions

The first thing that pops in Zuzka's head is having a bigger flat, where the whole family could fit more comfortably. Getting more life space, she and Honza could start thinking of having another baby perhaps. She wishes that her mother would not have to worry about much and be well. She also prays for her two "little" sisters to quit taking drugs. Sometimes she wishes to find a different job so she would not have to clean up all the time. It gets on her nerves from time to time but on the other hand she has her peace and time on her own and does not have to be stressed with learning something new. Some time ago Zuzka got an offer from the local small NGO which focuses on social work with youngsters in danger of crime and drug abuse including young Roma mothers. She would work as a field social worker in the families. She is still thinking it over. It is definitely a challenge for her but on the contrary she feels old to start learning new things and is afraid of failure. Plus she is worried Honza would not be very happy about her new job. Such a job requires attending a special training course for several days. Zuzka cannot imagine Honza taking care of the kids during that time and supporting her in her new education. He would probably be scared that men at the course would try seduce her. Zuzka takes a long breath and thinks hard. Then she reveals her thoughts- she wishes that Honza would change. That he would not make the tiresome jealousy scenes in front of the children and act more like the Czech men do. Finally she hopes her children will have good results at school and got at least a high school graduation, maybe even university. She dreams away for a while and expresses her idea spontaneously - Martin could become a doctor. She would be happy if her kids could lead a better life than she does and did not have to work manually to make their living.

## C.5 Summary

Zuzka is a young ambitious woman, who, despite her early parenthood, basic education and prejudice from both directions- the major Czech society and her own community (extended family), tries to follow her goal persistently. Her goal is to live a life of a middle class member and at the same time be faithful to her family and her roots. Her path toward the integration into the major society is not elementary at all. From a physically demanding job and caring of her children and household to the often heard strictures and taunts from Czechs and Romas; for some Romanies she is a gypsy girl playing a Czech, for the Czechs she is anonymous gypsy girl with the stigma of a nomad or a thief. Zuzka has a long term, stable, legal job where from morning to evening she cleans offices, schools, flats. She rarely takes any vacation or days off, rather accepting any extra part-time job. Zuzka's employer considers her to be a reliable and honest employee. Even though she thinks about a more interesting job now and then, she hopes she will be able to keep her job for a long time. She is afraid that losing this

job now would give her a hard time while looking for some other legal work to do. Zuzka and her husband have got a few installment credits and hire purchases, which they have been paying regularly. They are entirely free and without any problem using services offered by official financial institutions such as banks or savings associations. Her biggest wish is for her children to have a good education and that they find a good job afterward. Secretly, in her heart she wishes her husband would change and become a bit more a Czech than a Romany.

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