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Financial Literacy for the Roma

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## 1. Desk Analysis: Roma group in Bulgaria

Within the project Finally, a team of researchers from HESED, conducted a field research aimed at discovering personal finance management habits and consumption patterns of Roma adults in Fakulteta neighborhood in Sofia. Main aspects emerged from the research accentuate to the difficulties of the Roma people to find job, because of their low education, the inability to plan their expenses because of the unpredictability of their income, the need to find money cover the every-day needs of the family as well as on the strategies used to survive during the month or to find money in case of emergency. The report ends with suggestions for building the training program for improving the financial literacy of Roma.

### 1.1 Socio-economical characteristics of the Roma community in Bulgaria

Data from the National Statistical Institute from the population and housing census of 2011 show that the Roma ethnos remains the third largest ethnic group in Bulgaria. **325.343 persons**, i.e. **4.9%** of the Bulgarian citizens identified themselves as belonging to the Roma ethnicity (National statistics institute, 2011).

The census shows a persistent tendency part of the people, identified by the general population as Roma or Gipsy to identify themselves as Bulgarians, Turks, Romanians, etc. which is possibly due to the fact that the persons participating in the census have the right to define their ethnic background themselves or to refrain from indicating it.

The persons from the Roma ethnic group are distributed across all regions in the country. Their share of the population is biggest in the region of Montana (12.7%) and Sliven (11.8%), followed by the region of Dobrich (8.8%), Yambol (8.5%) against country average of 4.9%. Approximately half (55.4%) of the persons who identified themselves as belonging to the Roma ethnic group reside in the cities.

The age structure of the Roma population shows a distinctly manifested tendency – the relative share of the age groups decreases with the increase of the age: children in the age group 0 to 9 years constitute one fifth (20.8%) of all persons who identify themselves as Roma, the groups of 10-19 year-old and 20-29 year-old persons show equal relative shares of 18.3% each, 30-39 age group constitutes 15.2%; 40-49 age group 11.6%; 50-59 age group 8,7%; 60-69 age group 4,9%; 70-79 age group 1.9%; 80+ age group 0,4%.

## Housing conditions

The extent of urbanization varies among the different ethnic groups. Three quarters of persons identifying themselves as Bulgarians reside in the cities (77.5%), against half (55.4%) of those who identify themselves as Roma, and almost two fifths of the ones who identify themselves as Turks (37.6%). Table 1 presents data about the place of residence of the large ethnic communities.

**Table 1. Place of residence of the large ethnic communities (%)**

Settlement	Bulgarian			Turkish			Roma		
	1992	2001	2011*	1992	2001	2011*	1992	2001	2011*
Year									
City	71.6	73.5	77.5	31.6	37.0	37.6	52.3	53.8	55.4
Village	28.4	26.5	22.5	68.4	63.0	62.4	47.7	46.2	44.6

Source: National Statistical Institute (NSI) 1994, 2004, 2011

The growth of the urban Roma population is slightly slower and less expressed as compared to the one of the population of Bulgarian or Turkish ethnic origin.

The Roma is the only group where the share of children and young persons under 19 years living in the villages is higher than the relative share of the rural Roma population.

A serious problem facing the Roma is the increasing spatial isolation of their community. The concentration of Roma in isolated neighborhoods has increased during the last fifteen years both in the urban and rural areas. This concentration in separate neighborhoods usually results in the social isolation of their residents, deterioration of their living conditions, problems with the construction and maintenance of the infrastructure and cleanliness, transport problems and difficulties in service provision. One of the most serious consequences is the deterioration of the opportunities for the young generations to be prepared for involvement in the formal economy, hence the increasing difficulties they encounter in seeking and finding jobs.

Data of NSI from the last population and housing census of 2011 shows that the ethnic Bulgarians have an average of housing space of 23.2 m.sq. per person, while the Roma have only 10.6 m.sq.

A significant part of the Roma residing in the cities, inhabit overpopulated neighborhoods, frequently outside the regulated outskirts of the city, located at places that do not have water and sewer systems, or even if they have ones – they are in a very poor condition, where the electricity supply is quite often done illegally or is nonexistent at all. The rural areas in the country are in general with either underdeveloped sewer systems or none at all, which fact determines the much

worse housing conditions of the majority of Turks, Bulgarian Moslems and almost half of the Roma citizens. Two fifths of the Roma still live in houses without water supply, taking water from outside/street taps and wells, three fifths of the Roma houses are not connected to the central sewer system, and four fifths have no bathrooms inside.

## **Employment**

The Roma people are in a disadvantaged position in the national labor market as a result of the structural changes that have taken place in Bulgaria. The changes of the macroeconomic situation in the country have resulted in their exclusion from the labor market and in constantly persisting very high unemployment levels in their community, or employment in only very low-income jobs. They are less competitive in terms of qualification, education, social image of their labor status, and social capital.

During the communist regime all Bulgarian citizens were obliged to work, this was the official politic of the governing party. Officially there were not unemployed people and idlers were prosecuted by the law. Most of the Roma were employed in the industry and services. Since the beginning of 1990 we assist at a mass falling of Roma from the labor market – the big factories where Roma used to find their livelihoods have been closed. The second great wave of unemployment was in 1992, when were closed the state and cooperative owned farms and the land was returned to the former owners. In 2001, only 17.9% of the working Roma population, aged 16-59 years was employed (NSI 2004). According to the representative for all Bulgarians and Roma *Study of generation and gender (GGG)* in 2007 only 27 percent of Roma were employed in a permanent job (Vikat, et al., 2007). At the end of 2008 (the year of boom in foreign investment and construction in the country), the share of employed Roma permanent increases to 32.9%, and 14.5% more are engaged in temporary employment programs or seasonal and temporary work (according to the representative for the Roma in Bulgaria Research *Health and Roma: Analysis of the situation in Europe* (Fundacion Secretariado Gitano, 2009). After this year, Roma employment declined again. Poverty disproportionately affected more Roma households and was much deeper and longer in them, than in Bulgarians (Tomova, 2012).

NSI data from the population census of 2011 reveals persistently significant differences in the economic activeness of the large ethnic groups in the country. 53.5% of all ethnic Bulgarians above aged above 15 are economically active, compared to 45.4% of the Bulgarian Turks and only 38.8% of the Roma people, in spite of the fact that in this ethnic group with the youngest population the

share of students in the age group after 15 years is the smallest one, and so is the share of pensioners.

87.7% of the economically active persons among the Bulgarians are employed. Among the citizens of Turkish origin the employed are 74.3% of the economically active persons. Among the Roma population only 50.2% of the economically active persons are employed, that is 19.35% of all Roma aged 15 and more.

There are big social inequalities in the group of economically inactive persons. In the relatively smallest group of economically inactive persons – the one of ethnic Bulgarians – the pensioners constitute 68.1%, the students 14.7%, housewives 9.8% and 7.3% of this group were defined as “Others”.

Among the Bulgarian citizens of Turkish origin economically inactive are more than half of the persons above 15 years of age. Pensioners constitute 46.4% of them, students 12.6%, housewives 23.1% and others 17.9%.

Among the Roma population economically inactive are three fifths of the persons above 15 years (61.2%). The group of pensioners (the only ones who generate own income) is the smallest one just about 23.5% (14.4% of all Roma citizens at the age of 15 and more). The main reason lies in the age structure of the community, but also in the fact that many elderly Roma citizens who have been durably unemployed or have been employed in the informal sector have no pension insurance and do not meet the requirement for a definite number of years of service for pension. The share of students is extremely small (7.3%) of the economically inactive population, i.e. 4.4% of all Roma citizens above the age of 15. This low share of young people continuing their education after the age of 15 will determine the lower educational and qualification status of the Roma community in the long run, hence the greater share of persons unemployed and dropping out of the labour market in the decades to come. Housewives constitute a huge share (36.5%) of the economically inactive Roma population, i.e. 22.4% of all Roma above 15 years of age.

The number of people durably falling off the labour market is the strongest indicator of the social-economic exclusion in Bulgaria after 1989.

### **Education**

Observations show slow improvement of the educational status of the Roma community during the last 20 years (see Table 2).

**Table 2. Level of education of the large ethnic communities (%)**

Education/ years	Bulgarians		Turks		Roma	
	2001 %	2011 %	2001 %	2011 %	2001 %	2011 %
Higher	19.2	25.6	2.4	4.9	0.2	0.5
Secondary	47.6	52.3	21.9	29.7	6.5	9.0
Basic	24.9	18.0	46.9	44.5	41.8	40.8
Primary	6.9	3.4	18.6	13.4	28.3	27.9
Uncompleted primary and illiterate/ non-attendance	1.4	0.9	10.2	7.5	23.2	21.8

Source: National Statistical Institute (NSI)

Another specificity of the group is that functional illiteracy is three times more frequent among Roma women than men. Women are the ones bringing up the children and their illiteracy or low educational level are of crucial importance for the educational aspirations and school success of the children.

The educational level of the three groups – Bulgarians, Turks and Roma – is being raised, but this change is notably weakest with the Roma community.

Part of the Roma children do not speak the official Bulgarian language well enough when enrolled in school, neither have they acquired the basic knowledge and skills needed to cope with the learning process. The socialization models in many Roma groups, particularly in neighborhoods with predominantly Roma population, create additional difficulties for the adaptation of the Roma children in school if they have not attended pre-school classes.

The patriarchal norms of excessive control of the behaviors of the girls and women in some Roma subgroups also make them early school leavers.

In spite of all difficulties encountered, the period 2001-2011 saw an increase of the number of young Roma citizens graduating from the higher educational institutes in the country, specializing or obtaining higher degree abroad. The successes in this respect are even higher than the ones recorded by NSI during the census, because many young people do not identify themselves as Roma after completing higher education.

Data from the census of 2011 shows that in spite of the increase of the share of Roma young people with higher education, the tendency of a great number of young Roma citizens remaining without appropriate education, dropping out of school at an early stage, or not enrolling in school

at all still remains. The situation varies across the different Roma subgroups, settlements and regions.

After the last census in 2011, NSI first reported “never attended school”, which shows that 1.2 percent of the population over seven years – about 81,000 people – have never been to school. Along with this 1.7 percent of the population of nine years and above are illiterate – over 112,000 people. Social causes are identified as the main reasons for this negative process. When addressing this challenge, efforts should be aimed at reducing the dropout rate from education, including ethnic minorities and vulnerable children with disabilities to quality education in mainstream education, and to encourage and develop educational opportunities for vulnerable groups.

## **1.2 National and local laws on minorities, with special attention to Roma community in Bulgaria**

In Bulgaria exists a National Roma Integration Strategy of the Republic of Bulgaria (2012-2020), which is a policy framework document, laying down the guidelines for the implementation of the social integration policy of the Roma people.

The National Roma Integration Strategy of the Republic of Bulgaria (2012-2020) is a strategic document, an expression of the political commitment of the Government to the European development of Bulgaria, in line with the National Reform Programme of the Republic of Bulgaria (2011-2015) and with the National Action Plan for the Decade of Roma Inclusion 2005-2015 initiative. It was drawn up in compliance with the strategic and operational national documents of the institutions responsible for its implementation (Ministry of Education, Youth and Science, Ministry of Health, Ministry of Regional Development and Public Works, Ministry of Labour and Social Policy, Ministry of Culture, Commission for Protection from Discrimination, etc.) in implementation of the national policy for raising the quality of life and ensuring equal opportunities for all Bulgarian citizens.

The Strategy meets the international standards of human rights and rights of persons belonging to minorities – International UN instruments –, tackling human rights, to which the Republic of Bulgaria is a signatory: International Covenant on Civil and Political Rights, 1966 (in effect for R. Bulgaria from 1970); International Covenant for Economic, Social and Cultural Rights, 1966 (in effect for R. Bulgaria from 1970); International Convention on the Elimination of All Forms of Racial Discrimination, 1966 (in effect for R. Bulgaria 1992); The Convention on the Elimination of



All Forms of Discrimination against Women, 1979 (in effect for R. Bulgaria 1982); Convention on the Rights of the Child, 1989 (in effect for R. Bulgaria 1991), etc.

The Strategy fits into the context of development of the European policies in the area of Roma integration, taking account of EU Framework for National Roma Integration Strategies up to 2020.

The operational implementation of the National Roma Integration Strategy of the Republic of Bulgaria (2012-2020) shall be carried out through the Action Plan (AP), to be implemented in two periods. The first period, 2012-2014, will be completed with the completion of the implementation of the National Action Plan for the international initiative Decade of Roma Inclusion, updated in 2011. An overall analysis of the implementation during this period will be performed in connection with its completion (2 February 2015).

The second period, 2014-2020, shall cover the next European Union programming period for the Operational Programmes to be implemented with the financial support and through the instruments of EU. An interim review/updating of the AP is foreseen for 2017 with a view to ensuring efficiency and sustainability of the measures.

The Strategy may be extended, complemented or modified after 2020, depending on the achieved results, the existing political, social and economic realities and new challenges.

### **1.3 Legal framework and existing policies for adult education of the Roma**

According to Article 53, paragraph 1 of the Constitution of the Republic of Bulgaria every citizen has the right to education. Paragraph 2 of the same Article of the Constitution states that schooling to 16 years of age is mandatory.

Framework Convention for the Protection of National Minorities in Bulgaria, in turn, regulates equal access to education at all levels for persons belonging to national minorities. The Framework program for equal integration of Roma in Bulgarian society which is an outcome of the dialogue between the Roma community and the Bulgarian government, contains the core principles of a comprehensive state strategy for accomplishment of real equality of the Roma people in Bulgaria. The basis of this framework document are the *Program For Equal Participation of Roma in the Public Life of Bulgaria* and the program documents of the government.

The main document that defines the educational policy of the government towards Roma is the *Framework Programme for Equal Integration of Roma in Bulgarian Society*, adopted by the Council of Ministers in April 1999. It has a section devoted to education, outlining four key issues to the education of Roma:

- Spatial segregation of Roma schools;
- Unjustified placement of Roma children in schools for children with special needs;
- Lack of education in the mother tongue.

### **Low educational status of the adult Roma population**

The Framework Programme sets out six strategic objectives: Desegregation of Roma schools; Elimination of the practice normally developed Roma children be transferred to specialized institutions; Counteract racism in the classroom; Provide training in mother tongue; Support for expanding opportunities for higher education for Roma;

### **National and local adult education programs, bodies, approaches**

In 2004 the European Council adopted the report *Education and Training 2010 - The success of the Lisbon strategy hinges on urgent reforms*.

The message of the report is that intense education reforms and targeted investments in lifelong learning are essential to achieve the common goal in the 2010 European Union to be “the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion”.

The European Council called on Member States to develop coherent national strategies for lifelong learning as an important contribution to achieving the ambitious common goal.

This National Strategy for Lifelong Learning for the 2008-2013 (Ministry of Education, Youth and Science, 2008) presents future policies for the development of lifelong learning in Bulgaria.

The aim of the strategy is to create opportunities for the citizens in the Republic of Bulgaria to expand their personal and professional knowledge, skills and abilities to improve their own well-being and competitiveness of national economy by:

- increasing the adaptability of each individual to economic and social change;
- encourage participation in all forms of lifelong learning for professional and personal development.

### **Best practices, conclusions and suggestions of adult education programs**

Under the National Strategy for Lifelong Learning, the Foundation “Roma” - Plovdiv, implemented two projects for adult education of Roma in Bulgaria.

The first project is called “Second Chance” and was implemented between 2002 and 2009 year. It was funded through the Association of German Adult Education at the Institute for International Cooperation. The school “Second Chance”, which was founded in 2002 by a coalition of civil society organizations in Stolipinovo, is the first from such type in Eastern Europe. It gives Roma

adults a chance to learn and develop, acquisitions of communication and social skills, and enable real opportunity for successful integration into the larger community. The school offers training for secondary education, literacy courses and social adaptation. As a result from the project, a modern facility for adult education is constructed. As well, teachers are trained in methods of teaching adults. 22 students have completed primary education, and 54 secondary education. 420 Roma were literate in basic skills in reading and writing. 34 students have received professional training, and training for social orientation has received 54 students. Project is multiplied in other municipalities as Sofia, Kyustendil, Breznik.

The second project that works on Foundation "Roma" - Plovdiv for adult Roma education is funded by the Roma Education Fund in Budapest (BU 095). The project is carried out between 2006 and 2007 year. The project provided advisory classes for students from 9th to 12th grade, studying in individual training. Self-study is assisted and supported for exam sessions on specific subjects. Social and communication skills are also trained and supported. As a result from the project, 36 student (18 and 18 from Plovdiv) successfully completed their secondary education. 13 students have successfully taken their matriculation exams, and 18 students successfully start working.

Another foundation in Bulgaria that works on a project related to the financial education of Roma adults is Habitat for Humanity Bulgaria. The *Home improvements for low-income families and families at risk* program, in which Habitat for Humanity Bulgaria works since 2008, is designed for a wide audience, including Roma, and is adapted for families who are not with higher education. The training program is funded from several sources: CITI Group Foundation, Program *Empowering the Powerless in times of crisis* of the Open Society Institute and the Trust for Civil Society in Central and Eastern Europe.

"Plan your future" is a training module which helps to provide basic knowledge about financial planning of the family budget. The educational package "Plan your future" was developed by Microfinance Center (MFC), tested first in Poland and then adapted to the financial and educational needs of low-income people in Bulgaria and other countries in transition. The course aims to provide practical skills for families from the local community, with which they deal with real life situations and to overcome difficulties in times of crisis. Participants learn how to plan their future income and expenses, how to reduce unnecessary costs, how to save and how to effectively borrow and manage loans wisely.

The trainings are one or two days and are held in groups of 15-20 people. The participants work in small groups and develop their cases, using them as an illustration of the crossing through the

material. In the process of learning, interactive teaching methods are used, that ensure the active participation of all trainees: brainstorming, discussions, small group presentations to the group and others.

As a result of the project, so far 35 trainings are conducted in various cities across the country, and 509 people are trained, aged 14 to 65 years old. Trainings were held in the following cities: Razgrad, Vratza, Sliven, Blagoevgrad, Smolyan, Pamukchii (Stara Zagora), Sofia, Dupnitsa, Pleven, Lom, District Kyustendil, Aytos, Silistra, Rakitovo.

Some of the most important outcomes of this program were related to behavioral change of the trainees regarding:

- Repayments & borrowing. Most of the participants continued paying regularly their monthly installments or improved their repayments. 30% of the participants are intending to borrow in the near future and 67% of them already have loans.
- Savings. The participants are much more financially aware. Before the FE training 45% of the participants were focused on saving for short-term goals and for covering their everyday expenses, while after the seminar the positive movement is towards saving for more substantial and significant goals e.g. for renovation or for buying a new house (46%), for education of themselves or their children (37%), for a pension (8%) or for unexpected and unpredictable events (37%).
- Budgeting and money management. The evaluation results show that those who have attended the trainings are much more conscious about the money flow, about their incomes and expenses.

To the question “For what period of time do you plan/intend to plan for your family budget?” before the training 54% of the participants answered that they plan day by day, for a week or for a month. After the workshop 46% of the participants answered that they will start planning for a longer period of time: six months, one year or longer.

After the training 48% of the trainees stated that they will start saving for significant life-cycle events well in advance and 41% will start saving small cash for emergency events (the so called “safety cushion” or “emergency fund”).

Most of the participants before the workshop answered that the most important for the success of the saving is the availability of enough family income. Whereas after the training 25% answered that the most important is the well-defined financial goal, and 69% answered that the self-discipline is crucial.

## 2. Description of local methodology

### **The chosen context and community: Fakulteta**

Fakulteta neighborhood is the biggest Roma neighborhood in Sofia, and the second biggest in Bulgaria. Unofficially between 35,000 and 45,000 people live in the neighborhood. In Fakulteta, the old communist system of housing, employment and schooling-for-all has been replaced with dilapidated and illegal housing, 70 % unemployment rate, and the worst schooling facilities in the capital.

HESED develops health and social programs in the neighborhood the last 12 years. Roma community developed trust and appreciation of the work of HESED staff due to the high quality community-based services and the mediation of Roma outreach workers, which is one of the main reasons for choosing this context.

### **Participants recruitment and selection**

The participants in the focus groups were selected with regard of their experience with service providing for Roma people in the neighborhood.

The first focus group was carried out in June in Sofia, seven professionals participated actively in the discussion: a trainer in financial literacy (2), a financial consultant, a Roma health mediator, a GP (general practitioner), Roma outreach worker, a merchant.

The second focus group was carried out in September in Sofia, with the participation of 6 professionals, providing services to Roma community: 2 trainer in financial literacy, 2 social workers, Roma community mediator, a chair of NGO. Two of the professionals participated in both of the focus groups.

The participants in the individual interviews, all of them urban area residents, were recruited by the outreach workers of HESED. The selection criteria were defined according to the specific goals of the survey: sex, age, marital status and employment status, and correspond to the main consideration of the research team that those are the factors determining the way that the people from the community manage their money.

The research team was composed by professionals with reach experience in social research in Roma community: three psychologists and a social worker. The outreach workers of HESED were involved to recruit participants who meet the research criteria.

### **The focus groups**

*First focus group (BG-FG-1):* The researchers reported that before the start of the focus group participants were tense, after the explanation why they are invited and what they shall discuss,

they were completely calm. The participants focused easily on the topics and shared precise and useful information. Discussions were raised about the topics related to the priorities of the family budget and the Roma moneylenders.

*Second focus group (BG-FG-2):* The participants focused easily on the topics and shared precise and useful information. The discussions raised about the topics related to the priorities of the family budget and the Roma moneylenders.

**The interviews**

The atmosphere during the interviews is reported to be confident and friendly (average duration time about 40 minutes). Only one of the participants refused to be tape-recorded, because “the money is private business”. And another one was hesitating giving his consent because of the illegal business he is running. The only disturbing point, reported by the interviewers was the issue about usury, which made the participants suspicious and prudent when answering the questions. Besides some of the participants found difficulties in giving specific numbers while talking about the expenses of the family. The explanation that they gave was that another member of the family is taking care of the groceries and they do not have information regarding it.

*Description of the individual interviews sample:* 20 interviewees took part in the survey: ten from each sex, all of them residents of the biggest Roma neighborhood in Sofia-city. The youngest participant is an 18 years-old, unemployed girl, and the oldest one is a 35 years-old employed woman.

	<b>Male</b>	<b>Female</b>
age	20-35	18-35

*Level of education:* from all the male participants, only one has finished his high school education, one interrupted is high school education years ago, but is studying now to finish it, six of them finished secondary school, and two of them didn’t finish even the primary school.

Only one of the female participants finished high school. One of them started but interrupted the education in the middle, four of them finished secondary school, and two finished primary school. There is no information about the educational level of two of the participants.

*Employment status (occupation):* most of the male participants are self-employed, one is running an illegal business (a usurer), one works in a NGO, 2 are unemployed (collecting materials for recycling from the garbage), and one works in a big super market: a full time job employee.

Five of the women are unemployed, one of them is involved in medical research for a fee. The working women are hygienists, three of them have legal contract, two are full time workers, one is part time worker, and one works illegally.

### **3. Results: main aspects emerged from the research**

#### **3.1 Income sources**

The income sources refer to the different ways that the participants are making their money. The main topics are: regular income, which is predictable and covers the basic needs of the family, such as food, electricity and water. Usually this income is received in monthly basis such as salary, the salary of the partner, pensions and social support, children allowances, income from legal business.

The second big topic related to this category is the irregular income, including seasonal work, fees, money from recycling waste, rents or other income which is not coming to the budget of the family regularly.

Three of the participants report that they do not have any regular income but the social support and children allowances. One of them is planning to find a job, and she is currently involved in medical research for fee. The other two are not planning to look for regular income. The total number of social support beneficiaries of social support is seven.

Eight of the participants report that the monthly income is unpredictable for them (BG-I-01M28, BG-I-02M34, BG-I-12M28, BG-I-11M20, BG-I-03F26, BG-I-05M26, BG-I-16F27, BG-I-18M24, BG-I-20F31). The first one is running a flow shop business (BG-I-01M28), the second a taxi driver who explained that his income is depending on the season: usually he makes more money at wintertime (BG-I-02M34). BG-I-12M28 is a usurer and his business depends on the market. Nevertheless he defines the income from his illegal business as a regular one. He is the one who declared the highest income from all the participants: average 1700 BGN (870 € more or less) per month (2900 BGN = 1480 € the highest and 1000 = 500 € lowest). His family benefits children allowances as well. The lowest income in the sample is reported by an unemployed, young men, who works with a horse and a wagon together with a friend of his. He reports that his daily income is between 2-10 BGN (1-5 €) (BG-I-11M20).

Some of the interviewees are unemployed women (BG-I-03F26, BG-I-05M26, BG-I-16F27). One interviewee reports not having her own income and being totally dependent from her parents (BG-I-10F18).

As it can be seen from the answers of the participants the self-employed men, declare the highest income comparing to all the others: over a 1000 BGN. After them are the men who are working a full time job, with contract (up to 600 BGN).

In general the income of the women is lower than the one declared by the men. The working women receive up to 310 BGN (158 €), which is the minimal working salary in Bulgaria. The one who is a part-time worker receives 160 BGN.

A very simple calculation of the income of the participants shows that the income of the unemployed man is close to the income of the women employed with part-time contracts, the difference between them is that the income of the man is not regular. This is an expected outcome of the research, having in mind that women are less paid in Bulgaria in general. On the other hand the minimal salary in the country is so low that it hardly covers the basic needs of the workers. A recent research shows that the number of the “working poor people” dramatically increases at it’s not only describing the situation in the Roma community, but in the Bulgarian society as a whole.

Recent syndicate’s data shows that the average amount of money needed for a family with 4 members (2 adults and 2 children) to meet their needs for food, education, vacation, health etc. is 2254 BGN (1150 €) per month (563 BGN per family member). This shows that the working interviewees are categorically proven belonging to the category of the “working poor”, which raises the question of their motivation to participate in the labor market and besides clarifies the one of the crucial reasons of the exclusion of the Roma from it during the recent years.

Several strategies used by the Roma families could be defined according to the statements of the participants in the research. The most common one is the common family budget. In general the participants report that the income of all the family members is forming the family budget. The accumulation of common budgets is seen as a strategy for surviving from the social workers working with the community:

*They can always count on support from the Roma community and their families in crisis and need of money. The community is very strong and cohesive in such cases. (BG-FG-2)*



There are differences between the families concerning the decision makers and the spending priorities.

In some of the families the males have a decisive role for the prioritizing the spending.

*Everybody is giving all the money for the family budget. All together decide how to use the money but me and my father decide about the business. (BG-I-01M28)*

Another statement in this direction is given by another interviewee:

*My parents and me and my wife we calculate all the incomes together. Usually I make the decision about the expenses. (BG-I-02M34)*

One girl reports that

*The family discuss how to spend the money, but the final decision is on the father. (BG-I-17F18)*

There are families where the older women has the leading role, and is the one who decides how to spend the money:

*The mother is the head of the family and she decides how to spend the money. (BG-I-04F25)*

Another young man states:

*I give the money to my mother, she takes the decision how to spend the money. (BG-I-14M25)*

The same observations are reported from the participants in the focus group:

*The money stays in the family. Money is spent in the family and only for the family; people do not lend them to strangers. Money is spent mostly for utilities, medicines and food. The priorities in the allocation of the family budget are: back loans, paying bills and what are left is for food. (BG-FG- 1)*

One of the most common strategies used from Roma for surviving is buying groceries on credit from the local mini-markets:

*In retail outlets (shops, markets, restaurants etc.) people work with people who know each other, so that they can be trusted, that they will return the money they borrow. I.e., people collect items on credit only to customers who can guarantee that they will be returned at the end of the month. Thus they operate smoothly. Money is not given to random people. Fakulteta neighborhood district is a relatively closed community where everybody knows everybody. (BG-FG-1)*

Usually the guarantee given by the clients is the debit card from the bank, with the account where they receive their salaries, social and children allowances. Sometimes the ID card is given as a guarantee for the traders.

Another specific feature is the ability of the Roma to activate external resources to achieve their financial goals:

*The Roma are finding ways to activate external (not own) resources in very difficult situations. They always find support organizations or at least take money from lenders.*

*For them the rule when they need money is, "there is no way, that there is no way!".*

*(BG-FG-2)*

Another strategy pointed out by the professionals is the ability of the people in the community to prioritize their expenses according to their traditional values:

*When they need, they could prioritize spending. Their basic needs are for food and medicine, especially in the poorest Roma. They care about their children's health first.*

*They do not pay for utilities. (BG-FG-2)*

The professionals also accentuate on the fact that the Roma are well informed about all the financial resources out of the families that they can have access to, especially the financial support from the welfare system and the local authorities:

*They are informed of any opportunity for financial support. It comes to support for social assistance to Roma by the "social welfare" and "Child Protection" directorates.*

*(BG-FG-2)*

Even some of the statements could be defined as judgmental or even stereotypic:

*Roma people (especially the poor) fail to allocate the priorities for spending money.*

*They spend more for alcohol, tobacco, gambling. They take spontaneous (emotional) decisions to spend money. They often spend more than they earn, but earnings are volatile and uncertain. The income is not sufficient for planning and saving. (BG-FG-1)*

They give an interesting observations of the ability of some of the community members to deal with their limited financial resources.

Another statement which confirms this observation and is giving interesting direction of the planning of the training tool is:

*They allocate their money to the pleasure principle, not reasonable and rational. They spend indiscriminately. They cannot plan their finances. They thought day to day. They*

*spend 1 week earnings and starve the remaining three weeks. Lack of skills for planning budget. The funds are raised on a daily basis. (BG-FG-2)*

Two valuable conclusions based on those statements could be drawn:

1. unpredictability of the income. Most of the information extracted by the interviewees' narrative also confirms the unpredictability of the income even of the Roma families with higher income.
2. The interviewees also confirm that they plan their budget day by day and often they are in a situation of emergency, when they need to find money to cover unexpected, but important needs such as health emergencies.

One of the participants in the focus group succeeded to conclude with two sentences the strategies used, and the most important items of the family budgets:

*Most people know on what financial support they can rely. They work for less money, but manage to save despite of the low incomes. The woman is "cash-box" at home by spreading the money for the children for school, food and medicine. (BG-FG-1)*

### **3.2 Consumption**

*Food:* the main categories of expenses are bills and food. The average amount of money spent on food by the families is 200 BGN (102 €). This amount does not include the expenses for alcohol and cigarettes. One of the participants reports expenses for groceries for his family (a wife and a child) 50-60 per month, which is hardly enough for surviving. One of the unemployed women, married to unemployed men reports that all the daily income, from collecting waste for recycling of the family is spent on food. One woman reports that she is taking food for her children from the children's kitchen in the neighborhood 13,50 BGN per month for one meal/day (BG-I-03F26).

Only two participants report helping the family budget with household production, an interesting detail is that they are those who report highest income in the sample. They have allotments in which they grow vegetables (BG-I-01M28, BG-I-02M34). The oldest members of the family are taking care of these gardens and this is a hobby for them they do not do it for financial reasons. There is no information about the value of the production and how it helps the family budget, but considering the expenses they report, 500 BGN (BG-I-01M28) and 200 BGN for seeds and other materials yearly (BG-I-02M34), not many families in the neighborhood could afford to keep it. One of the participants reports paying rent for the horse he uses to "work", but he did not report how much exactly he pays (BG-I-11M20).

*Eating out:* only four of the participants declare having regular expenses for eating out. The participants with high income report eating out 3-4 times per month and they spend 80-100 BGN on this. Four of the participants report eating out “rarely”.

One of the working men is having food every day at work (3-4 BGN/daily), and those expenses are not calculated with the other expenses for food of his family, neither with his monthly income (BG-I-14M25).

*Alcohol and cigarettes:* six of the male participants report having expenses for alcohol and cigarettes average amount is 100 BGN, mostly for beer. Only two women report having daily expenses for cigarettes: 5 BGN.

The participants in the focus group describe different situation concerning this issue:

*Roma people (especially the poor) fail to allocate the priorities for spending money.*

*They spend more for alcohol, tobacco, gambling. (BG-FG-1)*

Smoking is very common in the neighborhood. Our observations show that the children in the neighborhood start smoking at the age of 10. Even if the smokers are not buying cigarettes with banderol, which reduces the price for package, and the quality of the product, this harmful habit forms a large share of the daily expenses of the smokers.

### **Housing and equipment**

*Rent:* none of the participants is paying rent for the house they live in. None of the interviewees is paying rent for his house, one of the participants is paying a credit (easy credit) for the house – 100 BGN per week. Some of the interviewees live in their own houses or in the house of their parents or relatives. The big family shares the same house but each couple (and their children) has a separate room. Some of them, who can afford it, build a new house in the yard of the family house:

*I built the house alone without the financial support of relatives or close relations. Most of my money is invested in the house. In the moment we buy furniture and technical staff. (BG-I-12M28)*

Most of those buildings are illegal.

Building without permission from the municipal authorities on land – property of the state or of the municipality, as well as on land owned by third parties – is a common practice. The constructions in some cases sharply contradict to the regulations, some of the buildings are illegal, but also dangerous for the health and the life of the inhabitants. The building is done

spontaneously and its presence is an obstacle for further implementation of public works in the neighborhood.

*The house I built alone using materials that I found at the garbage – second hand. (BG-I-11M20)*

He lives there with his wife and 2 children.

Most of the participants report that they pay only bills for electricity, the water they use they do not pay and they do not report those unpaid bills as debts, because they do not intend to pay them. Collecting money from the clients in the neighborhood is a problem for the water company who alarms that the people from the neighborhood owe 800,000 BGN for water. Some of them are not paying for 10 years, and have generated bills over 5000 BGN per household (Trud, 2013 October 9).

One of the interviewees reports very high expenses for electricity per month (330 BGN), which is a very high expense and even sounds unreasonable. The average amount of money the families pay for bills is 150-200 BGN monthly. Some of the interviewees report different expenses depending on the season: 300 BGN in the summer and 500 BNG in the winter (BG-I-02M34). One young men whose salary is the only financial source of the family, after the unexpected death of his father, expressed his worries about the coming winter, and the expenses for warming the house that he is not able to plan, and to cover (BG-I-14M25).

*Maintenance:* all the households, even the poorest ones, are reporting expenses for the maintenance of the house. The amount of money they spend for this item depends on the income of the family. The ones with the biggest income report yearly expenses approximately 1000/1200 BGN (BG-I-12M28, BG-I-13M23, BG-I-19M27). Those with middle income, report average expenses approximately 200-500 BGN per year.

*Furniture and equipment:* 4 of the interviewees report having expenses for furniture and equipment (BG-I-01M28, BG-I-02M34, BG-I-11M20, BG-I-13M23). They point out that the average money they spend for furniture is 1000 BGN per 2-3 years. The families with biggest budgets can afford to pay this amount money each year (BG-I-12M28, BG-I-13M23).

*Technology:* only one of the interviewees reports having regular expenses on technology (BG-I-13M23), for all the other participants those expenses are not regular and planned. One of the interviewees reports paying a loan for a computer and a cell phone (BG-I-14M25).

The professionals from the focus group point out that there is a specific expenses pattern describing the different generations of Roma. One of the participants in the first focus group describes the situation with the priorities of the young people:

*Young people spend a lot to buy techniques. They live by the principle “do not give me brains, but money”. The technique relies on turn to pawnbrokers for money they also have expenses for going out for disco or other entertainment with friends. (BG-FG-1)*

The youngest interviewees in the sample also report regular weekly expenses for going out with friends (BG-I-10F18, BG-I-14M25, BG-I-17F18, BG-I-11M20), which is not reported by the older interviewees.

#### *Other expenses*

*Communication:* most of the participants report that they have expenses for communication – nine for phones, six of them are paying regularly for internet. A common practice is the use of vouchers for the cell phones (five from the participants), because you can use them when you can afford to pay.

*Clothing:* the expenses about buying clothes are not regular. The families buy clothes 2-3 times a year, and most of the expenses in this category are spent for the children (BG-I-02-M-34, BG-I-11M20, BG-I-13M23, BG-I-12M28, BG-I-06F24, BG-I-08F35, BG-I-16F27, BG-I-18M24).

Most of the men with regular income declare that the children allowances are spent for the needs of the children only. For the families with irregular income this item together with the social support covers the basic needs of the household.

Two of the single participants report having expenses for clothes on their own. The boy is buying cloths 2-3 times a year (BG-I-14M25), he is earning his money alone. The single girl is totally dependent from her parents, but she reports buying cloths every month. (BG-I-10F18)

*Health:* the expenses for medicines represent one of the biggest shares in the family budget, but those expenses are not planned either. Most of the interviewees report expenses on medicines for the children (BG-I-01M28, BG-I-02M34, BG-I-03F26, BG-I-05M26, BG-I-11M20, BG-I-12M28, BG-I-13M23, BG-I-16F27, BG-I-18M24)

*For the antibiotics for the children we borrow the money from my parents and usually we do not give them back. (BG-I-09F29)*

The expenses for health are not planned, and the families are trying to find money in situations of need. Only one interviewee reports planning expenses for the needs of the oldest members of the

family, he reports also having expenses for emergency cases – approximately 500 BGN per year (BG-I-01M28).

*Schooling:* six of the participants report expenses for schooling (BG-I-01M28, BG-I-02M34, BG-I-12M28, BG-I-07F27, BG-I-08F35, BG-I-20F31). They include the expenses for textbooks and materials (BG-I-12M28, BG-I-07F27), as well as the daily spending money for the children (BG-I-08F35). Two of them report paying private lessons for the children (BG-I-01M28, BG-I-02M34).

*Travel and transportation:* seven from the men have regular car expenses (BG-I-01M28, BG-I-02M34, BG-I-12M28, BG-I-13M23, BG-I-14M25, BG-I-15M32, BG-I-18M24). The main categories are insurance, maintenance and fuel. The average amount of money the families spend for maintaining the family car is 150 BGN per year. Depending of the frequency they use the car the expenses for the fuel varies: from 20 BGN daily (BG-I-12M28), to 50 BGN monthly (BG-I-14M25). The taxi driver reports monthly expenses for fuel approximately 800 BGN (BG-I-02M34).

Two of the working women (BG-I-07F27, BG-I-09F29) and one of the working men (BG-I-14M25) report having expenses for public transportation (BG-I-07F27, BG-I-09F29). There is one man who reports expenses monthly travel expenses for his wife for going to work (BG-I-02M34).

One of the interviewed women reports that her husband is using his personal car to drive people from the neighborhood to the town, when he is going to work, and this way he covers his expenses and earns some additional money (BG-I-09F29).

*Vacation:* three of the participants report having expenses on family vacations. Two of them (BG-I-02M34, BG-I-13M23) are going regularly (every year) to a sea vacation. This costs them approximately 1000 BGN per year. The third one is going together with her family to a mountain vacation every year (BG-I-06F24). This expense is approximately 450 BNG yearly.

*Entertainment:* four from the interviewees report having regular expenses on entertainment (BG-I-11M20, BG-I-14M25, BG-I-06F24, BG-I-10F18). One of the interviewed women reports going out regularly – every Sunday, with the family. She explains that they buy ice-cream for the children, small presents, they visit the zoo, or other entertainment for the children. This family tradition costs 50 BGN weekly. (BG-I-06F24).

One of the men reports going out with friends – to a disco club, every week –, which costs him 50 BGN per month (BG-I-11M20).

Two single participants also report having expenses for entertainment. The man is going out with his girlfriend and with friends once a week. It costs him 25-30 BGN per month. He explained that after the death of his father he do not visit disco clubs because he is mourning, and because of the

budget limitations (BG-I-14M25). One single girl reports 20 BGN daily expenses for entertainment (including the money for cigarettes) (BG-I-10F18).

One of the participants report that a member of the family is gambling

*But not regularly and not for big money. (BG-I-01M28)*

Another shares his opinion and his experience with the gambling:

*I do not gamble... Anymore. Some of my friends go to the casinos in the centre. Usually they lose money – you know the game – firstly you win and then you cannot control yourself. The stakes and loses are high. I do not know how high. (BG-I-02M34)*

*Festivities or other “special occasions”*: half of the participants report having expenses for festive and other special occasions (BG-I-02M34, BG-I-05M26, BG-I-14M25, BG-I-04F25, BG-I-06F24, BG-I-07F27, BG-I-08F35, BG-I-16F27, BG-I-18M24, BG-I-19M27). Spending money for social events is a very important part of the culture of the Roma community. The weddings and the other family celebrations are the core of the social life in a traditionally community organized society as Roma. The professionals who work with the community describe it as expense with ultimate importance for each community member:

*Roma people spend money on lavish celebrations – weddings, proms, birthdays. Wedding should be lavish; all people from the neighborhood are invited. “Marriage is an investment.” Given money for it must be retrieved from the visitors. (BG-I-FG-1)*

One young men reports 1500 BGN expenses for his father’s funeral:

*The expenses for my fathers’ funeral were covered by his employer. Indeed they paid the salaries that he didn’t receive for 3-4 months. This is the reality in this country – you are working to pay your own funeral. (BG-I-14M25)*

There is one participant who reports 500 BGN yearly expenses for festive and special occasions (BG-I-01M28). Most of the interviewees report two kinds of expenses related to this item: weddings and other family occasions. For wedding the families pay 50-60 BGN (BG-I-05M26, BG-I-04F25, BG-I-06F24, BG-I-09F29), for other occasions 20-30 BGN.

One of the interviewed women divided the expenses on two groups – occasions with close relatives (30-40 BGN) and occasions with other relatives (10-20 BGN), (BG-I-04F25).

### **3.3 Representation of economic success**

The representation of economic success, shared by the participants is very common. The show-off of the success is an essential element of this representation, and the core elements of it are: the



big house, the expensive car, and expensive clothes (BG-I-01M28, BG-I-11M20, BG-I-12M28, BG-I-14M25). The success is related with the better quality of life.

*Rich is the man who has a big house, at least three levels, to have a car, a big one; everybody to know him. (BG-I-01M28)*

*Rich is a man who has everything, cars, big house, clothes, nice phone. Person who lives in a small house and has no car is poor. (BG-I-16F27)*

*Rich man is the one with a nice car, a house for 100,000 BGN, nice phone and expensive clock. The rich man has money and does not work. (BG-I-17F18)*

*The rich man has a nice car to show-off, a nice house in a good neighborhood, expensive clothes, jewelry, and smart phones and travels a lot around the world. (BG-I-19M27)*

*A rich man – everything is OK, he has enough money, big house with furniture, don't show his gold. (BG-I-03F26)*

There is a difference between the representation of the rich and the successful person. For some of the interviewees, mostly women, the success means having a good educational background and a good job (BG-I-06F24, BG-I-04F25).

*Success means to be educated, to have a house and family. To have a private business, to have future. (BG-I-06F24)*

*A successful man is the one with diploma... if had money I would invest in the education to my son, to give him future. (BG-I-04F25)*

*A successful woman is to be educated, to be healthy and clean, to work, to trust her "husband", to take care for the kids. (BG-I-03F26)*

The gender differences are probably corresponding with the different values of the different sexes: the males are directed to financial achievements and prosperity; the women are looking for security and for financial stability. Those different motivators are related with different coping strategies: the males are oriented to develop successful business and to be independent entrepreneurs while the women are oriented towards finding a permanent job which could guarantee regular and predictable income. Another possible explanation of those differences is the early drop out from the educational system of some of the women because of early marriages. The educated woman is associated in the community with independence or/and better opportunities for marriage or at least she could have the right to choose the husband.

Besides traditionally the role of the woman is related with the role of the house wife and a mother. The representation for successful Roma woman is related with successfully implementation of those traditional roles:

*Yes, of course women could be rich; they are rich with their families. (BG-I-02M34)*

Another popular representation is that a woman could not be wealthy without the support of her family (parents), or if she is not married to a rich man. One of the interviewees reveals the very limited options for a woman in the neighborhood to gain her own money:

*Is it possible a woman to be rich?*

*BG-I-01M28: If her parents or her husband are rich – yes. Otherwise – I don't know a Roma woman who is rich. Or she should be a whore.*

*How come?*

*BG-I-01M28: There are no other money sources for the women here.*

### **3.4 Savings and investments, credit (formal or informal)**

*Savings*: the idea about saving is to “spend less” as one of the women said:

*We save when we do not spend so much. (BG-I-08F35)*

Only one man reports that he succeed to save some money – because he invest them back to his coffee place business (BG-I-06F24). Those of the interviewees report saving money for things they need at home or for unexpected situations, the concept of “saving” is not related with the future wellbeing or security in the future.

*Credits*: it is not very clear what the interviewees mean when they report “paying credit” – to a bank or to companies for easy credit. Anyhow only one of the interviewees reports paying a credit for a house. He pays 100 BGN per week (BG-I-12M28.) One of the interviewed women reports having difficulties with paying a credit (BG-I-04F25). Another one took easy credit but she found out that the interest is too high and she would not do it again (BG-I-08F35).

6 of the interviewees report borrowing money, if needed from relatives, usurers or other people in the neighborhood (BG-I-01M28, BG-I-02M34, BG-I-13M23, BG-I-04F25, BG-I-07F27, BG-I-09F29). One woman explained that if they need money, her husband is taking in advance from his employer 300-400 BGN, and after he pays them back from his salary – monthly installment payments.

Two of the interviewees report that they buy stocks by installments – technical devices and furniture (BG-I-14M25, BG-I-10F18).

*Investments:* only three of the interviewees report having idea for an investment, all of them are men. The first one explained that he tries to invest money in gold (BG-I-11M20), another one reports that he invested the biggest part of his money in the building of the house and furnishing it (BG-I-12M28), a taxi driver stated that his car is his investment (BG-I-02M34). None of the women reports savings and financial planning for the future. Women explain that all free money is spent for renovation of the house, and “things we need at home” (BG-I-07F27, BG-I-10F18).

*Usurers:* Borrowing money from usurers is a men’s strategy for finding money (BG-I-01M28, BG-I-11M20, BG-I-12M28, BG-I-06F24):

*Usually I borrow money from my friends and I always pay them back. Usury is very popular here, of course. (BG-I-01M28)*

*I take 2 to 50 BGN from usurers, and I pay them back on time. Because the interest is too high – 50% per day... The usury is an unfair business, but a useful one. (BG-I-11M20)*

When they need money women are more likely to borrow money from relatives (BG-I-04F25, BG-I-07F27). It is a common practice to lend money to relatives and friends – usually small money for short terms. (BG-I-14M25, BG-I-01M28, BG-I-02M34, BG-I-12M28, BG-I-13M23, BG-I-16F27, BG-I-18M24).

The professionals describe different generational patterns towards the usury within the community:

*The younger 30-40 years-old and more educated are more reasonable. They do not take money from pawnbrokers against high interest. Loan sharks do not negotiate. They (the moneylenders, rich) set rules for others, because the others are afraid to impose their demands. They take a 60% interest per month. Young Roma reasonably thinks about the future and the separation from the old (for weddings) and there is solidarity in the family. Family helps with financial difficulties. (BG-FG-1)*

### **3.5 Relationship with banks, services and aid for financial management**

Most of male interviewees do not trust the banks (BG-I-01M28, BG-I-02M34, BG-I-11M20, BG-I-14M25, BG-I-17F18, BG-I-19M27). This negative attitude is typical for the Bulgarian society as a whole not only for the Roma community. This mistrust is a logical consequence of the economic collapse in 1996, when 17 banks bankrupted, and most of the Bulgarians lost their savings thus the trust in the bank system. The gap is even deeper for the Roma community because of their

limited access to bank services. Most of the statements of the interviewees show their prejudices for the bank system, not their experience with banks:

*It is too difficult. I have never tried to get a bank credit – they do not give money to us, the Gypsies. They do not believe to us that we will give back the money. This is why I have borrowed money from Roma people, rich people. I have heard that they were bad to other people who did not give the money back on time. But they were good to me. (BG-I-01M28)*

Banks are generally inaccessible for the Roma. Precondition for granting credit is an employment contract which makes them not suitable for the bank credit conditions for two reasons: working legally with an employment contract is not a common practice in the community, even those who meet this criterion receive very low salaries, and they are not attractive clients for the banks. The professionals also point out that some of the Roma borrow more money than they can afford to pay back and then they are not able to return them:

*They borrow loans from banks, which are difficult return. So they “burned” into bank loans. (BG-FG-2).*

Another problem for some of the Roma is that the communication with the credit institutions is written and some of them have problems with reading because of their poor literacy. Another problem could be that the documentation is difficult to understand even for well educated people and they need a financial or legal consultant to explain them the contract conditions of the credit institution in order to protect their legal rights:

*I do not have enough incomes to save, and I do not believe in banks, they only steal. My taxi – the car – is the investment, I pay the loan for it, the maintenance, everything, but I want to stop this business, it is not profitable anymore. ...I have never tried to apply for a bank credit – the documentation and the procedures are too complicated and the banks do not give credits especially to Roma. Even if I had all the documents, they will refuse me, yes – I am sure. Usually I borrow money to my friends and I always pay them back. (BG-I-02M34)*

The interviewee with the highest education in the sample also reports his mistrust in the banks, but in his case it's based on his bad experience:

*I would not save money in the bank I would've kept the money at home. I do not have confidence in banks, because before we had a bank card from which someone, I do not know who, withdraw money. After great quarrels, the bank recovered the money, but I*

*do not trust them anymore. Besides my father had some money in the bank a second pension, after he passed away, it appears that some of the money vanished from his bank account and the explanation that they gave was: "the State has taken IT". This seemed very strange to me. (BG-I-14M25)*

The problem with the documentation is not only relevant for the banks but also about the companies for easy credits. Another problem reported by the interviewees is that the payments for the easy credit companies are on weekly basis, and the salaries are paid once a month, which is a big challenge for the planning and usually they fail with it.

One of the good practices in the neighborhood is Roma people are looking for interest-free loans from NGOs. According to Habitat 39 families are currently in the program for renovation of their houses. The credits are between 500 to 1000 BGN, the families pay equal payments every month. The conditions that the families have to meet are: proven income, having children, need for renovation of the house besides they have to be residents of the neighborhood. Some of the beneficiaries of the program have problems with returning their credits.

Nevertheless one of the male participants declares if he needs money he prefers to take them from a bank, because the conditions are better (BG-I-05M26). Some women declare that if they had money they would invest them in a bank (BG-I-06F24, BG-I-07F27). One even declares that if she had the opportunity in the future she would take a loan to buy an apartment down town for her children (BG-I-06F24). This could be an optimistic sign that the raising of the knowledge about the bank institutions and procedures could raise the awareness and the level of trust for them.

### **3.6 Future planning of the interviewee**

The future planning is more like dreaming for the future than planning specific steps for changes or achievements:

*If I had money, I would build a house for my parents, I would make a splendid wedding for my daughter and I would start a new business – producing banitsa and other fast food. Or I would emigrate somewhere in Europe with my family. (BG-I-01M28)*

*If I had a lot of money, I would start a new business, trade may be. For my children... I want to move them away from this neighborhood, this environment damages them. Even if I had a lot of money, first of all I will buy an apartment in another neighborhood among Bulgarians. I prefer for my children this environment, I am sure that all my family will feel better among Bulgarians. (BG-I-02M34)*

*Would like to buy a horse and wagon, to have pigs. (BG-I-11M20)*

*In the future I would like to have a hairdressing salon that my parents will open for me.  
(BG-I-10F18)*

Only two interviewees report that they are planning to finish high school education in order to be able to find better job, and they are doing steps in this direction (BG-I-02M34, BG-I-04F25):

*I would like to start a new business. I was trader before, I will think up something else soon, just to finish my education, I study in the evenings for high school degree. I still do not have any idea what kind of business I will start..., my friends are abroad and are very satisfied with their work there – mostly builders, but they could even send money to their families here. (BG-I-02M34)*

Four of the participants would like to change their jobs or to find additional income sources (BG-I-14M25, BG-I-03F26, BG-I-07F27, BG-I-08F35).

Some of the interviewees plan to develop what they already achieved:

*My husband wants to have another car and to hire a driver to work for him. (BG-I-06F24)*

*In the future I would like to develop and legalize my business. (BG-I-12M28)*

One of the interviewees declares that he would like to learn to better plan his expenses:

*To better plan my expenses, to be more clever. (BG-I-05M26).*

There are few participants who express worries about the future (BG-I-01M28, BG-I-13M23, BG-I-14M25). Most of the participants declare that they are worried about the future because it seems unpredictable for them, or because they do not see nothing good to come. The self-employed interviewees are concerned about the reduced solvency of their clients:

*I do not see anything good for the future – people are getting poorer and poorer, they do not buy flowers even for 8th of March – my wife is in the shop this morning, she has sold only two bouquets for 3 hours. Nothing, people are so unhappy and sick. If I could change something – I would change the country, some of my friends emigrated in Spain; even now they are better there. (BG-I-01M28).*

The taxi drivers are concerned about the raising price of the fuel also.

One of the interviewees describes a panic attack because of his anxiety for the future, after he became the only financial source for his family after the unexpected death of his father:

*I'm worried how will I succeed to earn enough money to support my mother. I'm very anxious and even once collapsed at work. (BG-I-14M25)*

## 4. Conclusions and recommendations

### Main conclusions

The results from the focus groups and the individual interviews accentuate to the difficulties of the Roma people to find job, because of their low education, the inability to plan their expenses because of the unpredictability of their income, the need to find money to meet the every-day needs of the family as well as on the strategies used to survive during the month or to find money in case of emergency.

*Income sources:* the overall impression from the statements of the interviewees and the participants in the FG is that their income of is unpredictable – no matter if they have high or very low income.

Those of the participants who have predicable/regular income are working for the minimum salary or their income is close to it. This is probably a result of the low level of education of the workers, and thus limited access to the labor market, not necessarily a result of direct discrimination. For the rest of the participants, the predictable income comes by the social support or children allowances.

A disturbing fact is that the income of the unemployed man is close to the income of the employed part-time working women (even a full-time working women), which raises the question for the working motivation within the community. Another concern in this direction is that statutory wage for low qualified services, which are usually delivered by Roma is so low, that it hardly covers the basics of the individual, and is not sufficient for covering the needs of a family. Most of the working Roma belong to the category: “working poor”. For this reason some of the Roma prefer to stay home and to live from social allowances and illegal employment or to find other way for earning money than to work for minimum wage.

The most common strategy for surviving for the families is to share a mutual budget to which each one of the large family contributes with his/her own income, including the children (children allowances). Others are buying on credit from the local glossary shops, mobilizing all the resources within the community and out of it (welfare services, local authorities) to accumulate some income to cover the basic needs of the family.

*Consumption:* most of the participants are focused on covering their everyday expenses – bills and food. Eating out is not a common practice amount the participants. An important item in the budget is the expenses for the car, for those who have it. A big share of the expenses is spent for the children and their needs – cloths, shoes, medicines, education, and small presents. The

participants with higher income are aware of their children's education and have expenses for private lessons and support.

Even if none of the participants is not paying rent for his house, the maintenance of the home has an important share in the budget, depending on the income of the family members.

Traditionally the expenses for festivities or other "special occasions", have also a significant share of the expenses, but they are not planned and this is the most common reason for borrowing.

*Representation of economic success:* the general representation for rich men is: one who has money, cars and big house. Some of the women accentuate on the need for education and the perspective that it gives for finding a better job. Leaving the neighborhood is one of the signs for financial prosperity of the family.

*Savings and investments, credit (formal or informal):* it seems that from the point of view of the participants the concept "saving money" means "spending less" and is not related with financial stability in the future. They are more focused on saving for short-term goals and for covering their everyday expenses, without clear vision for the future, and goal oriented financial planning.

Only few of the participants shared information about investments, but their understanding for investment is "investing in the house", "in the business – flower shop", "taxi car", or buying gold). The understanding of investments is not connected with the representation for future well-being and prosperity of the family.

Good practices are the free loans provided by NGOs. Money is given against bail and simple business plan to improve living conditions, this limits the range of people who would take unscheduled loan for other occasions. These NGOs offer advice on planning costs and their gradual return.

*Relationship with banks, services and aid for financial management:* most of the participants does not trust the banks, because of previous bad experience or because community prejudices. The other reason is the understanding that banks do not give money to Roma, because they are not reliable clients.

*Future planning of the interviewee:* there is no vision nether strategy for establishing financial stability of the families. The most common practice in case of emergency or other financial need is borrowing money from relatives, friends or usurers/lenders. Women tend to lend money from relatives and close friends, the men from usurers.

Planning the future looks more like dreaming about the future than making steps on reaching concrete goal.



## **Recommendations**

When introducing a financial literacy programs, there should be a preliminary outreach work, focused on motivating the individuals for participating in the training. Motivational interviews should be applied during the recruitment phase, in order to help the candidates see the benefits from the program for them and for their families. The motivational work includes one or more meetings with the candidate anticipating his/her involvement of the program. During these meetings the goal of the programs should be clearly justified and the candidate should identify the topics and the skills that he/she would acquire during the training and how it would potentially influence his/her welfare.

The way in which the information would be presented is a focal point because it affects the efficiency of the communication between the trainers and the Roma learners and their motivation to attend the program until the end. The material should be presented in a way which is easy to understand and with very clear practical application in their everyday life.

This recommendation is also related to the low threshold of Roma education. Language competences of the target group (especially reading and writing) must be taken under consideration. For example some of the trainees could have problems in reading and understanding the training materials. One recommendation could be to include visual stimulation as training tools, such as educational movies or painted stories. Using an easy to understand language instead of economic concepts is crucial for the success of the training program.

The financial literacy program should be linked to the other aspects of the Roma families' life and with other programs and services: family planning, child development, interest free loans. For example, the dependence of the family budget from the children allowances should be recognized by the trainees as a problem, not as a solution for the financial well-being of the family. An important point is that the number of children in long term planning makes the poverty deeper even if it's seem to be an easy short-term solution.

In order to achieve the expected results, the training course on financial management should be presented through empirical examples, based on personal experience, and connected to their way of living and traditional values and practices.

The training course should take place in the neighborhood in order to make it easy to reach, to facilitate the participation, and to reduce the excuses not to attend or to miss the classes.

The financial literacy program should be linked with motivation for work.

Suggestions for training topics:

1. Planning and increasing the income.

*This topic is related with the individual capacity of each one of the participants to explore his/her sources of income and the resources he/she has but does not use because of any reason. Each one of the participants will identify with the help of the trainer the zone of his/her proximal development and will make a plan how to achieve it.*

2. See what your money goes for!

*One very simple experiment shows that when asked to make a list of the spending for the last day/week most of the people are surprised by the way they have spent the money and declare that they would change it, if they had the chance to. This topic aims to lead the participants to the insights of the important priorities and to make them think about the expenses they can give up or reduce in order to meet more important individual or family needs.*

3. Prioritize you expenses: what is really important to buy, and what you can save money for!

*The topic is related with exploring the values of the participants and their reasons to trigger a purchase. Each one of the participants will be challenged to make different choices in order to settle his/her priorities and to realize what the motivators of his/her consumption behavior are.*

4. Strategies for saving money: use a second hand, use and give back!

*Different strategies for saving money will be discussed. The participants will share their own experience and will get some new ideas from the group and from the trainers how to manage the money in order to be able to save some.*

5. Financial institutions and how to build relationships with them

*Each one of the participants will learn few easy rules how to assess the risk of individual loans and/or credit. A discussion about reading the documents before signing the contract will be made as well about the potential risk of insolvency and inability to pay back the debts. The participants will learn who to address when they need expert help to understand the contracting conditions and what would be the consequences if a contract, already signed by them, is not respected.*

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