

Vincze, Enikő (Ed.); Ban, Cornel (Ed.); Gog, Sorin (Ed.); Friberg, Jon Horgen (Ed.)

**Book**

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*Routledge Contemporary Russia and Eastern Europe Series*

# **THE POLITICAL ECONOMY OF EXTREME POVERTY IN EASTERN EUROPE**

**A COMPARATIVE HISTORICAL PERSPECTIVE  
OF ROMANIAN ROMA**

Edited by

Enikő Vincze, Cornel Ban, Sorin Gog and  
Jon Horgen Friberg



# The Political Economy of Extreme Poverty in Eastern Europe

This book examines the creation of extreme poverty in Eastern Europe, focusing on Romanian Roma, through a comparative historical perspective on its roots and the socio-economic and political mechanisms that have shaped it in labor, housing, and migration.

This interdisciplinary book explores the (re)production of extreme poverty among the Roma across different political economy regimes. Chapters engage in comparative historical analysis across several disciplines and integrate perspectives steeped at the national level of analysis with those dwelling intensively on a single context. Focusing on the processes of manufacturing poverty among Roma in Romania, the chapters cover empirical information about the historical transformations of the economic situation of the Roma in Romania from the 19th century to the present, about global, national, and local processes of industrialization, deindustrialization, and reindustrialization impacting poverty among the Roma in the past seven decades, and about Roma people's current labor positions, housing conditions, and migration practices in distinct geographies from Romania to Norway.

The book situates Roma poverty research in a Central and Eastern European context by highlighting its connections with analytical approaches to poverty and institutional policy visions about poverty eradication. It will be of interest to researchers studying Central and Eastern Europe, political economy of socialism, political economy of capitalist transformations, poverty studies, welfare and housing regimes studies, and labor and migration studies.

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A Comparative Historical Perspective of  
Romanian Roma

**Edited by Enikő Vincze, Cornel Ban,  
Sorin Gog and Jon Horgen Friberg**

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# Introduction

*Enikő Vincze, Sorin Gog, Cornel Ban, and  
Jon Horgen Friberg*

This book focuses on processes that have historically manufactured poverty among the Roma people in the multiethnic state of Romania. It aims to contribute to a better understanding of the historical roots of Roma impoverishment, the specific socio-economic and political mechanisms that have shaped it, and the ways in which Roma people in poverty have struggled to overcome their deprived labor and housing conditions.

The main distinction of our interdisciplinary volume is that it explores Roma impoverishment across different political economy regimes from historical, sociological, political economy, and anthropological perspectives. To do this, we trace the interconnected roles of material and nonmaterial factors in the production and reproduction of poverty among the Roma people from prewar capitalism to contemporary neoliberalism. As such, we engage in comparative historical analysis across several disciplines, which is an approach that, to our knowledge, has not been frequently employed in studies of Roma poverty in Central and Eastern Europe. In terms of empirics, the book proposes an integration of perspectives steeped in the national level of analysis with those focusing on a single context: the North-Western industrial town of Baia Mare, a setting we chose because it is representative of average development in Romania over the past 70 years.

Our collective volume demonstrates the manufactured nature of “Roma poverty” by guiding the reader through an analytical journey from a *long durée* explanation (in Chapter 1) through Chapters 2–7, which account for a series of economic, political, and ideological factors that pushed the Romanian Roma into severe forms of racialized poverty, to the last two chapters, which demonstrate how poverty among the Roma is reproduced in various geographies (through immigration in Norway, and throughout Central and Eastern Europe, via epistemic and policy fabrics).

## Research puzzle and argument

Romania is the EU member state that has the highest rate of poverty and social exclusion (approximately 35% of the total population, compared to the EU average of 21% – Eurostat, 2022). In this country, poverty among Roma people surpasses 80% (FRA, 2023). In 2019, the World Bank upgraded Romania to a high-income country group with a gross national income per capita of \$12,630 (which increased to \$15,660 in 2022). This was a macro development that took the country into the

final stages of OECD membership, but it did not translate into a drastic improvement in its relative performance on poverty and inequality. Romania continued to have the highest rate of in-work poverty (15.5%, compared to the EU-27 average of 8.2% in 2021) and the highest income quintile share ratio among the EU countries (7.17 compared to the EU-27 average of 4.97).

Even more strikingly, between 2007 and 2020, the prevalence of ultra-poverty<sup>1</sup> in Romania ranged between 7% and 2% (\$36,000 Purchasing Power Parity/(PPP) per capita income in 2021). Despite this significant drop, such levels of ultra-poverty make this country comparable to much poorer countries such as Bolivia (with a \$8,800 per capita income PPP in 2021) and Ecuador (with a \$11,700 per capita income PPP in 2021) (with the extreme poverty line being defined as subsistence of less than \$2.15 per day; World Bank 2023). In this Central and East European country, much of the poverty is concentrated among the Roma, an ethnic group that has been subjected to centuries-long racialization and racial oppression. Romania is not special with regard to Roma in poverty, though. Indeed, the poverty rates of Roma people are at similar levels in countries with much lower general poverty, such as Slovakia (see Chapter 5 in this volume). What socio-economic processes have enabled such a high extent of poverty in a European country that is counted as a high-income economy?

If poverty is to be mitigated by decent employment and redistribution, Romania would (theoretically) have enough resources to perform closer to its regional peers in this regard. After all, this country has been one of the most spectacular economic successes of the European Union since the Great Recession (Ban and Adascalitei, 2022). Indeed, during the past decade, Romania has converged with Hungary and Portugal on adjusted income levels, had some of the highest increases in wages, consumption, and exports in Europe, and is generally seen as a success story in terms of industrial upgrading (Ban, 2019). The country's export machine, which is largely powered by Western European value chains, has become more complex, upgrading Romania from the 46th position in the world in 2003 to the 26th in 2021, above Poland, Spain, and Canada. The share of high technology in Romania's exports is above the average of Southern Europe, Poland, or Slovakia and not far behind Austria and Denmark (Ban and Buciu, 2023). The fact that this country has the highest poverty rates in the European Union makes it an ideal case study for examining how mechanisms of manufacturing poverty thrive in uneven development settings.

The overall question this book is trying to answer is how poverty among Roma people in Romania has become so deeply entrenched. This research puzzle is simple, but the answer to it is not. First, we highlight the importance of having a long legacy of mass poverty that dogged the overwhelmingly rural periphery that Romania was before state socialism. For the Roma, this period included Europe's longest slavery (from the Middle Ages until the 1850s) and persistent racialization after its abolition (see Chapter 1 in this volume). Second, state socialism entailed a program for eradicating poverty and inequality, with remarkably positive results (including for the Roma people); however, many of our chapters highlight that even during this regime, the discrimination against the Roma persisted in terms



of education, housing, and labor placement. Third, the egalitarian legacy of state socialism in addressing poverty and endemic discrimination was rapidly obliterated by the transition to capitalism and later by the thorough institutionalization of a capitalist system managed through a neoliberal policy regime with low wages and thin safety nets by regional standards.

Indeed, during state socialism, much progress was made on decent labor and housing. These public goods depended on employment in the centrally planned state-owned firms and the public housing regime. However, since market reforms after 1990 destroyed this particular way of organizing the economy, which led to extensive bankruptcies, mass unemployment, housing privatization, fiscal crises, and inflation crises, the plight of the workers and ex-workers who relied on this system worsened quickly, with mass poverty affecting the largest part of the population in Central and Eastern Europe.

Since Roma workers were already under pressure during late socialism in terms of their access to adequate housing and vocational training and since they tended to live in male breadwinner family structures without a subsistence farming economy on which to fall back, the social devastation they experienced was much more drastic than in the case of Romanians (or local ethnic Hungarians). Subsequently, many of the Roma could not become homeowners via the right-to-buy measures passed by postsocialist governments. While international migration became a coping strategy for those dislocated by market reforms, for the Roma people, this option entailed more difficult migration pathways that did not provide an escape from utter destitution. Similarly, while social housing, education, and job programs could have helped avert extremely precarious housing situations and make continuous access to education and employment possible, this door was closed to many Roma people. Indeed, for reasons that we trace back to institutional racism, a poor safety net generated by neoliberal social policy, and the withdrawal of the state from the production of public housing (to enhance the housing market), extreme poverty has persisted among the Roma, even when an industrial boom in the 2010s and 2020s led to a tight labor market that, in theory, should have provided labor with leverage.

### **Relevance to the literature on postsocialist economic transformations and the Roma**

Political economic work on Romania's economic transformations has focused on the macro mechanisms that drive broad poverty trends: extensive deindustrialization starting in the 1990s, extremely poor state capacity, a very low government revenue-to-GDP ratio, an extremely underfunded social safety net, the near abandonment and poor targeting of affordable housing programs, and the devastation of collective bargaining institutions (Ban, 2016; Ban, Scheiring, and Vasile, 2021; Bohle and Greskovits, 2012; Vincze, 2015). However, this literature is ill-equipped to uncover the meso- and micro-level mechanisms that make poverty so extreme in Romania, a gap that we aim to address in this volume. Additionally, this literature does not explain why Romania's macroeconomy delivered such extreme statistics

on poverty in the 1990s compared with regional peers despite the country's relatively favorable position on foreign debt, level of industrialization, avoidance of early shock therapy, and other indicators that suggest mass immiseration. We address this gap by approaching the issue through the combined lenses of qualitative comparative political economy and historical and ethnographic work conducted in a spatially circumscribed field. Moreover, our book comparatively traces the mechanisms that drove the poverty of a large part of the Romanian Roma, who have nearly reached the same level as that of ultra-poverty in Romania as a whole during the past 35 years (UNDP, 2014).

At the same time, most of the literature on the Roma focuses on the cultural and political mechanisms of ethnic discrimination and racialization (Toma and Foszto, 2018; Vincze, 2014; Kóczé, 2021), securitization (van Baar, Ivasiuc, and Kreide, 2019), spatial segregation (Rochovská and Rusnáková, 2018), educational segregation (O'Hanlon, 2016), or specific bonding ties (Berki et al., 2017). In contrast, our book emphasizes a longitudinally and spatially comparative approach that delves deeply into the social and economic drivers of poverty. We follow the Roma as Romania's most extreme case of stigmatized poverty and ultra-poverty inherited from the past and reproduced until today inside Romania as well as onto migratory pathways, reaching as far as Norway. This approach enables us to add value to the literature by emphasizing the role of historical path dependencies and path-changing economic regime transformations in labor-management or housing policy choices under economic and political constraints that global transformations, such as the fragmentation of industrial activity by global value chains, have reshuffled.

*Longitudinally*, this book reconstructs the centuries-long roots of poverty among the Roma (Chapter 1) and compares the mechanisms of Roma impoverishment during three periods and their assorted growth regimes: state socialism with centrally planned consumption-led growth, postsocialist deindustrialization with capitalist consumption-led growth, and post-EU accession reindustrialization with export-led growth and insertion into the global trade of goods and services. To our knowledge, this is the first scholarly attempt to bring together sociologists, anthropologists, historians, and political economists in a joint endeavor to highlight how the economy and society of these three distinctive periods shape the current patterns of ultra-poverty among the Roma. Contrary to much conventional knowledge, we find that although the most comprehensive effort to mitigate historical "Roma poverty" was implemented under state socialism, its inclusion mechanisms have been deeply flawed and extensively riveted by discriminatory dynamics, including that between skilled (Romanian, Hungarian) and unskilled (Roma) laborers that the subsequent periods brought out to dramatic climax (Chapter 3). Similarly, the book finds that while globalized reindustrialization with export-led growth since the EU accession in 2007 led to an extensive decrease in poverty compared with the period of postsocialist deindustrialization, the persistence of high poverty among the Roma needs to be explained. Our volume demonstrates that the generators of this outcome can be found at the intersection of market-based and exclusionary housing regimes (Chapter 4), the racializing practices of both public authorities and private sector management, and the labor intensiveness of an export-oriented

manufacturing sector (Chapter 6) that competes on costs rather than quality and is loath to become embedded in progressive social strategies with costs for its bottom line.

*Spatially*, some contributions to the project follow the Roma into rural–urban and international migration. In these contributions, the book finds that while emigration has been emancipatory in material terms for ethnic Romanians and Hungarians from Romania largely due to their socialist era patterns of high domestic labor mobility, this has not always been the case for the Roma (Chapter 7). Furthermore, the book uses the most likely case method and closely examines how even one of Europe’s most generous welfare states (Norway) fails to break the mechanisms of segregation for the Roma that we see in Romania (Chapter 8). Indeed, the Norwegian state allows the Roma to fall through the cracks of its advanced welfare system, leaving the context of reception shaped by private charity, nongovernmental organizations, and the individual discretion of front-line workers in the welfare system.

This book suggests that global poverty manufacturing processes “go local”. Therefore, our analysis of labor, housing, and migration at the intersection of ethnographic, sociological, and historical reconstructions focused on a localized context can contribute to the international literature on such complex phenomena.

### **Theoretical contributions to the research on poverty among the Roma**

Our goal is not to write another book on “Roma poverty”. Instead, we aim to advocate for comparative approaches to explaining how poverty among the Roma is historically, politically, economically, and culturally manufactured by different development models, welfare/housing systems, and racialization processes under various political economy regimes in a semiperipheral country such as Romania.

The overall analytical approach of this volume does not fit into specific economic poverty theories, as they are differentiated by Davis and Sanchez-Martinez (2014). However, individual contributions are connected to these theories to different degrees. While none of us follow the neoclassical economic traditions that see supply side factors and individuals being ultimately responsible for poverty, Chapter 5 is inspired by a Keynesian perspective, viewing the demand side as critical in explaining poverty as mainly caused by two manifestations of skewed and income-uneven demand: unemployment and the poverty of safety nets (Pressman, 2014; Blyth, 2013; Chapter 5 in this volume). In contrast, Chapters 3, 4, 6, and 7 embrace views inspired by Marxist theories. These differ from both neoclassical and Keynesian perspectives because they emphasize the role of class, exploitation, and poverty in the functioning of capitalism. They focus on economic, social, and ideological processes of impoverishment. However, they are not like explanations that link poverty to social exclusion, which is understood as uneven access to societal resources without connections to class exploitation or capital accumulation. Although our approaches are diverse, we all share a distance with sociological approaches to poverty that center exclusively on the culture of poverty, social class, or welfare policies. As such, we explicitly avoid the “poverty paradigm”,

which conceals more than it reveals about the positionality of people in a political economy (Taylor et al., 2014).

Previously, scholars recognized the difficulty, if not impossibility, of integrating the poverty literature produced in different disciplines, countries, and times (Brady and Burton, 2019), with or without the ambition of defining how to reduce absolute or relative multidimensional poverty across continents in the case of different social categories, including working poor people, elderly individuals, and immigrants (Greve, 2019). In light of these comprehensive endeavors, we cannot state that our book as a whole carves an exclusive position in such a complex trans-disciplinary field. Overall, we contribute to the latter by expanding the theoretical and epistemological standpoints, which explain poverty as embedded in social, economic, and political processes, and critically interrogating the broader relations that set up the mechanisms producing poverty as an outcome (Das and Mishra, 2022).

Each chapter of our volume uses/discusses/enriches specific theories according to the purpose of their analysis, focusing on particular subjects linked to poverty, as described below. The historical roots of contemporary manifestations of poverty among the Roma are reconstructed from a *long-durée* perspective covering several centuries, combined with a territorial view on Roma impoverishment in Romanian countries and Transylvania before the First World War and in the new Romanian nation-state during the interwar period (Chapter 1). This volume contributes to theories about the global histories of labor and deindustrialization. It grounds the case of the Roma community in Baia Mare within a historical conversation about development and growth in (semi)peripheral economies and addresses how the increasing precarity of Roma communities is connected to the labor-management strategies implemented by the socialist government in the late 1960s and early 1970s (Chapter 2). Conversely, by connecting poverty to the literature on deindustrialization, Chapter 3 reveals that compared to socialist wage policies, which reduced inequalities among workers, the capitalist transformations that began in the 1990s amplified inequalities, generating a dramatic process of downward class mobility and immiseration via a new labor regime that particularly punished unskilled Roma workers.

Chapter 4 employs a Marxist perspective, particularly a historical materialist approach to racism and scholarship about the political economy of housing. It aims to highlight the historical specifics of interrelated Roma racialization and housing unevenness in a concrete urban space throughout state socialism and capitalist transformations in Romania. Appreciating the insights of the literature on social policy in which a diverse scholarly community has been debating the complex causalities of poverty, another contribution of this volume to theorizing is a plea for a more historical and macroeconomic look at poverty generators: the institutional and economic structures of growth regimes as they shift across time, external coercion and domestic macroeconomic choices (Chapter 5). Chapter 6 engages with the literature that highlights the inherent relationship between production and social reproduction, as well as recent debates on the role of temporality in the analysis of industrial labor. It focuses on the capitalist externalization of social reproduction

costs onto gendered and racialized workers in addition to social reproduction as an integral part of capital accumulation.

The characteristics of the transnational migration of the Roma are analyzed in this volume as part of the larger labor force that was mobilized, exploited, or dismissed by the interests of the political economy of the moment to show how culturalist and underclass-based explanations of “Roma migration” might be surpassed (Chapter 7). By connecting poverty to migration, another contribution of our volume shows not only how poverty can motivate intra-European migration but also how mobile poverty is addressed—or rather not addressed—in one of Europe’s most prosperous welfare states, namely, Norway, which has emerged as an important new destination since 2007 (Chapter 8).

Finally, our book reveals how an understanding of “Roma poverty” in Central and Eastern Europe is connected to general poverty theories (focusing on culturalist, functionalist, or structuralist explanations) and visions about eradicating poverty among the Roma promoted by international organizations and programs. It argues for a theory to inform policy interventions targeting the structural/systemic causes of “Roma poverty” in racial capitalism (Chapter 9).

As the above summaries reflect, our chapters offer a wide range of critical perspectives on the relations between economy, politics, and social relations. The book, as a whole, does not present a singular viewpoint on “Roma poverty” (in Romania) and its connections to labor, housing, or migration, and, it is not rooted in only one tradition of political economy or historical and sociological or anthropological analysis. The arguments presented in various chapters may engage critically with one another, for example, concerning how they scale the connections of the analyzed topics (labor, housing, migration) to larger issues or the similarities and differences between different political economy regimes, in particular state socialism and (neoliberal) capitalism, while addressing their impact on poverty among the Roma. Importantly, contradictions do not arise only from conceptual divergences but are part of complex empirical realities. Distinct analyses, due to their theoretical assumptions, methods used, or epistemological standpoints assumed, are differently equipped to observe and interpret the contradictory elements of the real world. The authors and editors deliberately decided to maintain the book’s analytical tension to ensure that the debates about the Roma in poverty continue and to reveal the complexity of this issue through various historical and comparative political economy perspectives.

Nevertheless, this volume does have a common position throughout the chapters: we recognize that “the Roma” are a diverse group scattered across different countries and continents, known by names such as Roma, Sinti, Kale, Gitano, Boyash/Rudari, Egyptians, and Travelers. Several chapters emphasize that even in the second-tier city of Baia Mare, where the fieldwork for the project titled “Precarious Labor and Peripheral Housing. The Socio-Economic Practices of Romanian Roma in the Context of Changing Industrial Relations and Uneven Territorial Development”(PRECWORK) was conducted, (described in the next section of the Introduction), the Roma were distinguished based on their traditional crafts, wealth, or level of assimilation. Rather than essentializing “Roma

poverty” or explaining it by a single set of factors (social versus cultural), the collective volume examines its systemic and historically produced nature. Although this idea is enacted to varying degrees in the individual chapters, the shared conceptual framework of this volume acknowledges that the poverty of Roma people is perpetuated by historically bound economic, social, and political factors that exploit, expropriate, and at times deny market access to their labor while dispossessing them of adequate housing conditions and engulfing them in racism. We emphasize that racism, which results in racial oppression, is institutional and structural. It associates the impoverished/exploited/dispossessed people who identify as Roma with supposedly eternal and universal biological or cultural characteristics, in addition to naturalizing the stigmatization of and the link between “the Roma” and “poverty”.

### **The joint research project beyond the collective volume**

This book is the outcome of a three-year-long research project titled *Precarious Labor and Peripheral Housing. The Socio-Economic Practices of Romanian Roma in the Context of Changing Industrial Relations and Uneven Territorial Development* (PRECWORK), which Norway Grants generously financed between 2020 and 2023. The main task of this project was to analyze the social and economic mechanisms of Roma impoverishment and engagement in the labor market, migration practices, and the formation of slums in postindustrial cities from a historical perspective. The research team was based on a Romanian and Norwegian partnership implemented by the Babeş-Bolyai University of Cluj-Napoca and the Fafo Institute for Labor and Social Research in Oslo. It included historians, sociologists, anthropologists, and political economists who articulated a comparative historical analysis of how various political economy regimes generated changing patterns of poverty among the Roma in Romania and Roma immigrants to Norway.

Our research started with an extensive focus on *socialist industrialization* and how Roma communities were drawn into the mining and nonferrous metal processing industries in Maramureş County. Socialist industrialization has generated massive economic development in the region and set in motion a process of internal migration from rural to urban areas, with significant consequences for transforming residents’ working and living conditions. Our goal was to comparatively analyze Roma and non-Roma workers in terms of housing and employment policies and explore the structural mechanisms that generated social marginality. Moreover, we examined how *the transition to capitalism* affected local industries and workers and how neo-developmental (1992–1996) and neoliberal (1996–2000 and 2004–2014) macroeconomic policies generated new social inequalities and landscapes of poverty. We investigated the impact of premature deindustrialization in the broader region and analyzed how widespread unemployment led to the rapid deterioration of the living and housing conditions of the Roma. Particular attention was given to the large Roma slums that emerged at the margins of the city and the failure of the local labor market, state welfare institutions, and social policies to prevent the reproduction of inhumane forms of extreme poverty.



Last but not least, after 2012, the region underwent a slight *reindustrialization* process, particularly in the furniture, electric components, and wood-processing sectors, which have drawn many Roma men and women back into industrial employment. We situated this process in the wider European context of value chain transformation and analyzed the impact of the transition from a manufacturing sector based on higher wage employment (mining and nonferrous processing activities) to one based on sectors demanding mainly inexpensive and low-skilled labor. Roma slums in several cities in Maramureș, as well as the precarious Roma living in surrounding villages as a reserve army of labor, have become an essential and valuable human resource for fast-growing companies that are among the most profitable in the region and whose export prowess reaches far into Italian, Swedish, or American manufacturing chains. Interestingly, their insertion into these global production chains at home has occurred at the same time as many Romanian Roma people have extended their livelihood strategies through international migration into diverse yet marginal occupational niches at the European level, whether as agricultural laborers in Italy and Spain or as informal street workers in Scandinavia.

This historical perspective of the PRECWORK project covering over seven decades of social and economic transformations (1948–2023) and their impact on Roma socio-economic practices offers a unique, in-depth view of how more extensive socio-economic mechanisms reproduce extreme forms of racialized poverty. We focused on one county (Maramureș) while connecting municipal and county development, labor, and housing policies to national political economies sustained by different state regimes acting in larger regional contexts (historically marked by changes from socialist Comecon to the capitalist Single European Market). This informed a complex understanding of the genealogy of Roma impoverishment and how it has become mobile poverty in migration to Western Europe, with Norway being our case study in this regard. Additionally, our volume includes two complementary studies that further expand the question of “Roma poverty” in time (following Roma impoverishment through a *long durée* perspective covering several centuries) and space (expanding the frames of poverty research from Romania to Central and Eastern Europe).

Methodologically, the PRECWORK project relied on extensive fieldwork research not only in several cities from Maramureș (Baia Mare, Baia Sprie, Sighetul Marmăției, Seini, Târgul Lăpuș, Borșa, Vișeu de Sus, Ulmeni, Șomcuta Mare, Cavnic) but also in many villages of the county where a significant Roma population lived. Overall, we have conducted over 200 in-depth interviews and oral histories with Roma, Romanian, and Hungarian workers or former workers on the main issues this book examines, as well as with former or current representatives of local and county public administration and companies. Within Romania, we focused primarily on Baia Mare because its economic story and current profile are typical of the country’s transformation from state socialism to an export-led capitalist growth regime. Baia Mare also has average social and economic development metrics, from GDP per capita to quality of life. Overall, it is an important manufacturing hub for the European furniture industry, with both IKEA and premium brands having extensive operations here.



We focused mainly on the Roma slums at the margins of Baia Mare and other zones of this city included in the Atlas of Urban Marginalized Areas from Romania (World Bank, 2014). To contextualize our ethnographic findings, we gathered sociological data regarding these areas through a statistically representative survey with 800 respondents. This has allowed us to perform a comparative analysis of the socio-economic conditions of Roma and non-Roma people and investigate the sociodemographic patterns, occupational history, and gender dimensions of poverty in detail. The data were triangulated with information regarding the local and regional economy (business revenues, production profile, managerial practices), which enabled us to reconstruct the particular type of economic growth and employment in the county of Maramureş. Significant resources have been allocated to gathering local, regional, and national archival materials. We collected a few thousand relevant files for understanding racialized poverty; these ranged from political party meetings, regional development plans, and local town hall minutes to economic surveys of industrialization and technical assessments of production processes.

The complex interdisciplinary approach presented above enables a novel perspective on the broader political economies and structural occupational structures that have shaped Roma's impoverishment. By giving voice in the book to both the scientific agreements and disagreements our collective research has produced, we open up a wider debate in Central and Eastern Europe on the role that historic racialization processes, socialist path dependencies, and capitalist structural reforms have played in the constitution of advanced forms of poverty in the region.

After discussing each chapter's inputs to theorizing on poverty in this Introduction, we turn to the presentation of their empirical contributions.

### **Empirical contributions to the study of the Roma in poverty**

As a whole, our empirical studies of Roma in poverty enrich the state of the art in two ways. Most importantly, this is the first volume in which a comparative historical and interdisciplinary study of the Roma people in poverty in Romania has been conducted. While these realities are covered from the 14th century to the present (Chapter 1), most chapters focus on developments since the middle of the 20th century (Chapters 2–8). Furthermore, this is the first analytical effort to examine the generators of poverty among the Roma by comparing global, national, and local processes of industrialization, deindustrialization, and reindustrialization in terms of how they shape Roma people's labor positions, housing conditions, and international migration practices. Additionally, Chapter 9 situates this volume in the broader "Roma poverty" research in Central and Eastern Europe by highlighting its connections with the general approaches to poverty and institutional visions about poverty eradication.

The first chapter ("On the fringes of mainstream: assessing the extreme poverty of the Roma people in Romania. A historical perspective", by Manuela Marin) uses a *long durée* perspective. This chapter shows how the period of slavery (and other unfree forms of labor) created the economic and social conditions for the Roma people's extreme poverty and how its legacy continued to influence their destinies

in the first half of the 20th century. Low levels of education, limited professional training, and restricted access to resources due to practicing unqualified or seasonal work contributed even more to the impoverishment of at least a part of the Roma population. Additionally, while the emergence of the national industry in the mid-19th century presented employment prospects for some Roma as industrial laborers, it stripped away their primary income source: traditional craftsmanship. Their artisan products could not compete with industrial goods in terms of quality and price. As a result, the shrinking market for Roma-produced commodities worsened their economic and social situation. This chapter also examines how Roma people's poverty gained a racial meaning during the interwar period. Romanian eugenicists reported that the Romani people were "born" criminals who needed to be removed and separated from the rest of society. This task was accomplished during World War II when the nomad Roma were deported to Transnistria on the unsound grounds of their associability, racial threat to the Romanian *neam* (ethnicity), and status as supposed carriers of diseases.

Chapter 2 ("Economic dependency, race, and industrial labor shifts in an East European (semi)periphery: the case of Roma in late socialist Romania" by Mara Mărginean) is based on archival documents and oral testimonies. It traces how the socialist state's increasing efforts to overcome its backwardness through resource extraction since the 1960s onward set in motion mechanisms that further exacerbated poverty within the Roma community in Baia Mare. This chapter briefly discusses the reasons for the socialist state's turn to resource extraction and highlights the complicated circumstances that brought Baia Mare to the forefront of the Romanian socialist growth regime. Then, it explains the conditions that led to a series of adjustments in labor market policy since the late 1960s, highlighting the key role of skills in reorienting labor solidarity in companies and outside mines. This chapter concludes with an overview of the processes that deepened the social and spatial marginalization of the unskilled Roma since the late 1960s and the subsequent mechanisms that further led to the racialization of unskillfulness. The analysis concludes with the potential contribution of linking Romanian labor-management policies of socialism and postsocialism for describing Roma impoverishment to the international literature about the global history of labor and deindustrialization.

Chapter 3, entitled "Premature deindustrialization and postsocialist Roma poverty: the political economy of unskilled labor", by Sorin Gog contributes to a political economy and comparative historical analysis of Roma poverty by focusing on the particular ways in which the Roma were inserted into socialist industries and the impact that capitalist and neoliberal policies had on unskilled labor in the first decade of transition. This chapter shows that the deindustrialization and restructuring of the local economy started with the first decade of postsocialism, which generated, on the one hand, structural unemployment among the Roma and, on the other hand, a racial divide in the employment structure. The Roma shifted from a predominantly professional occupation in the industry to one in agriculture, while Romanian and Hungarian workers moved toward the service sector. Relying on ethnographic and demographic data, this chapter contributes to

understanding how capitalist reforms brought into existence new class differences and generated new landscapes of poverty. It explains why most Roma consider that during the socialist period, they had access to much better living and working conditions than the ones they currently experience in the slums at the margins of a flourishing city.

Chapter 4 (“Roma racialization and housing unevenness in Romania across political economy regimes” by Enikő Vincze, Manuel Mireanu, and George Iulian Zamfir) demonstrates that, compared to the manifestations of racialization in state socialism, with the advancement of (housing) inequalities and playing a systemic role, anti-Roma racism is more severe and creates extremely deprived housing formations in capitalism. The authors connect and adapt existing political economy inquiries to the spatiotemporal context of their fieldwork in Baia Mare through interviews and the exploration of archival and current public administration documents and national legislation. The analysis illustrates systemic processes such as urban planning and urbanization, public and social housing production and distribution, demolitions, and evictions by depicting how they worked in time in a particular space. It tracks the housing relocations of the racialized Roma into, from, and back to one of the districts of this city, starting with the 1950s until the present. Named Vasile Alecsandri, a worker district created during state socialism, this area is still undervalued due to its association with the stigmatized old Roma neighborhood (called *Hatvan*), nowadays including a large informal settlement where impoverished Roma people currently live. This chapter concludes that the prevailing mode of production and associated ideologies reflected in state policies on housing, planning, territorial development, and employment determine Roma racialization and housing unevenness. The pre-existing racialization of a particular group of people also influences their territorial dispersal through housing arrangements, and subsequent racialization exacerbates the effects of their spatial relocation.

Chapter 5, “From the crisis of socialism to European integration: political (macro)economy and poverty in Romania (1990–2023)”, by Cornel Ban and Petre Buciu highlights the role of macroeconomic factors in shaping employment in a country in which, for a quarter century, the lack of adequate safety nets meant that losing one’s job meant a stark choice between migration and destitution. Specifically, the analysis focuses on the capacity of the state to deliver protection to labor against the dislocations of capitalist markets either by saving/fostering employment through economic growth or by providing adequate safety nets. The evidence suggests that successive Romanian governments that were struggling with the mixed legacy of state socialism adopted eclectic policies and radicalized neoliberal policies, which led to a lost decade for labor and poverty reduction in the 1990s. EU integration eventually enabled a stronger growth model whose superior macroperformance relative to that of the 1990s helped reduce poverty through more labor market demand; however, it remained dogged by thin safety nets and a state lacking both the resources and the political determination to calibrate its macroeconomic policy to address the difficult legacies of mass poverty. The chapter situates these national developments in the broader global and city economic history over nearly half a century (1981–2023).

Chapter 6, “The flexibility and mobility of labor, the temporality of industrial life, and the reproduction of poverty under capitalism” by Neda Deneva-Faje, traces the formation of a flexible industrial labor force in the reindustrializing city of Baia Mare and the effects of supply chain capitalism on poor local communities, their mobility, and social reproduction. It explores the productive and reproductive realms of reindustrialization, which give rise to multiple forms of labor flexibilization and the inherent condition of the relationship between capital and labor. This chapter argues that ultra-poverty is reproduced despite and alongside reindustrialization. Specifically, drawing on the case of the Romanian Roma in Baia Mare, it shows how industrial labor in supply chain East European factories offers precarious working and living conditions. The Roma work as industrial laborers with regular contracts and access to social benefits, but contrary to conventional expectations, this does not give them income stability, access to social benefits, or financial security in practice. Instead, workers often resort to time off for seasonal mobility to compensate for low wages and balance difficult physical conditions in factories. Thus, flexible labor arrangement and mobility emerge as a survival strategy, demonstrating how the local export-led growth model via largely multinationally owned factory economy operations offers unsustainable labor conditions.

Chapter 7, “Ethnicity matters: transnational labor migration in a Romanian postsocialist periphery”, by Gabriel Troc shows that the position occupied by the Roma in the labor force structure of socialism – especially in industry – was decisive for their lack of opportunities later and explains their comparative disadvantages in today’s transnational migration. Maramureş County and its capital, Baia Mare, provided the empirical material for testing due to the intensive industrialization process of the area during the socialist period and the evidence for the integration of the Roma into the industrial workforce of the time. The analyzed data—which consisted of in-depth interviews, life histories, surveys, and archival data—have been aggregated into a comparative perspective of the work and life trajectories of Roma and non-Roma along a historical trajectory that includes the years of socialist industrialization, the industrial decline period of the 1990s and the 2000s, and the reindustrialization period of the last decade. The study reveals that the Roma people were simultaneously more deeply proletarianized than the non-Roma people were during socialism and more marginally integrated into the industrial labor force structure. This twin constraint made them particularly vulnerable in postsocialism. After being fired in the first wave of layoffs after 1990, the Roma benefited less from the severance pay deals that Romanian or Hungarian workers obtained later. Similarly, their comparatively poorer access to stable jobs and stable incomes limited their access to social benefits in the socialist era, and many entered a state of chronic financial indebtedness that brought multiple problems associated with long-term poverty. These difficulties directly and negatively affected the migration outcomes of former Roma industrial workers and their descendants.

Chapter 8, “Migration and street work among marginalized Roma: from livelihood strategies in Romania to political realities in Norway” by Jon Horgen

Friberg, addresses migration as a response to poverty. Unlike the previous chapter, this chapter focuses on Roma migration to a particular receiving country, namely, Norway. This wealthy and relatively egalitarian welfare state in Europe's far north has emerged as an important new destination for the Romanian Roma after 2007, but with high thresholds in its tightly regulated, skill-intensive labor market, many have resorted to various forms of informal street work. This chapter's analysis shows how their migration is rooted in the marginalization of Romanian Roma communities in the postsocialist era while simultaneously being made possible through the mobilization of kinship and community-based networks. In Norway, many people live under harsh conditions, are severely exposed to harassment and abuse, have little or no protection from public authorities, and are largely dependent on private charities and NGOs. By analyzing Norway's policy responses to this new migration phenomenon, this chapter highlights the political system's almost complete inability and unwillingness to engage despite representing the most acute form of poverty in an otherwise wealthy and egalitarian welfare state.

The last chapter, "Poverty and the Roma as a lasting entanglement in Central and Eastern Europe" by Angéla Kóczé, reviews studies and documents that researched the poverty of Roma and cross-examines with broader political economy and its policy implications. Its argument is built on critical scholarship explaining that the racialized structural poverty of Roma has been accumulated over decades, and it hardly was ever mitigated by any developmental initiatives. The major developmental research and policy approach in the region centered around economic growth as the primary tool to improve economic progress and simultaneously reduce poverty. Three decades of research and policy implementation show that despite the economic growth, which has been achieved at the national and regional levels, it has not had a sizeable impact on reducing the percentage of people who are living in entrenched, extreme poverty. Scholars, including Nancy Fraser, advance our understanding of how neoliberal racial capitalism generates and reproduces inequalities, marginalization, and exclusion, thereby perpetually fostering and consolidating racialization (Fraser, 2016). She differs from the exploitation-centered conceptions of capitalism, which, according to her, "cannot explain its persistent entanglement with racial oppression". This nuanced approach helps us to understand the reproduction of extreme poverty in the era of neoliberal capitalism when "Roma inclusion" has been high on the developmental agenda.

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## Note

- 1 The term “ultra-poverty” was coined in the middle of the 1980s by Michael Lipton, referring to people who eat below 80% of their energy requirements despite spending at least 80% of their income on food (Lipton 1986, 1988). The statistics used here are based on income thresholds.

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# 1 On the fringes of mainstream

## Assessing the extreme poverty of the Roma people in Romania—A historical perspective

*Manuela Marin*

### Introduction

In his book on Roma people's history and culture, which was published in Paris in 1930, the Archimandrite and future Roma activist Calinic I. Popp-Șerboianu characterized the social situation of his peers during the interwar period as follows:

Freed from the slavery in which they had lived for centuries, the Gypsies found themselves at their sudden release completely disconcerted (...) Despite being free, poverty has imposed new servitudes on them, making them, with very few exceptions, true outcasts that everyone exploits or pushing them to resort to all means to carry out a better life.

(Popp-Șerboianu, 1930, p. 57)

This quote highlights three main developments that describe the Roma people's situation: slavery as the source of their extreme poverty, the perpetuation of poverty despite emancipation, and social marginalization due to their poverty.

My chapter addresses the subject of the Roma people's extreme poverty in current Romanian territories by examining its historical roots and structural determinants. In doing so, this chapter shows how the period of slavery (and other unfree forms of labor) created the economic and social conditions for their extreme impoverishment that were only partially overcome after their emancipation in the 19th century. Although progress toward their integration was made, extreme poverty relegated the Roma people to the spatial and symbolic periphery of Romanian society during the interwar period. Relatedly, this chapter demonstrates how Roma people's poverty became a concern for Romanian eugenicists. They saw the Romani people as "born" criminals who needed to be removed and separated from the rest of society. This task was accomplished in 1942 when the Romanian leadership decided to deport the nomadic Roma to Transnistria on the unsound grounds of their associability and their position as racial threats to the Romanian *neam* (ethnicity) and carriers of disease.

Finally, this chapter addresses the issue of Roma poverty from the perspective of *stigma*. According to Erwin Goffman (1963), stigma refers to "an attribute that is deeply discrediting" for an individual who comes to be seen by others as "a tainted discounted one". Stigmatization usually involves some dehumanization in which the stigmatized person is not fully accepted as human and consequently faces



various discriminatory practices (Goffman, 1963, pp. 3–7; Akkaya and Yılıgür, 2019, p. 223). Stigma usually operates in the social sphere, in which stereotyping produces socially shared representations that mistakenly associate an individual with negative characteristics. This situation results in prejudice and discrimination toward the stigmatized who is perceived as the ultimate “other” (Yang et al., 2007, pp. 1525–1527). As this chapter demonstrates, Roma people’s extreme poverty functioned as “the tribal stigma of race” (Goffman, 1963, p. 3) that increasingly associated Romani people with the negative stereotypes of being thieves, beggars, unemployed, or disease carriers.

## **The roots of the Roma people’s extreme poverty**

### ***Slavery in the Romanian principalities***

The presence of Roma people in current Romanian territories has been documented since the late 14th century. At that time, three Romanian political formations (including Wallachia, Moldavia, and Transylvania) had already been formed, and their appearance was related to the development of feudalism in the region. The political evolution of these formations followed distinct trajectories that would, in turn, structure their feudal social, economic, and political structures differently. Wallachia and Moldavia became principalities and struggled to maintain their independence and later autonomy from their more powerful neighbors (especially the Ottoman Empire and Poland). Transylvania achieved unity under Hungarian rule at the beginning of the 11th century and was a voivodeship that enjoyed considerable autonomy (Treptow, 1997, pp. 51–73).

The feudal structure of society encompassed mainly three categories, although there were others. The political leader (prince, voivode) and the aristocracy (called boyars in Moldova and Wallachia or noblemen in Transylvania) possessed large estates, while the most significant social stratum, was the peasants. Distinct groups also existed within the peasant class. The free peasants (*moşneni* in Wallachia or *răzeşi* in Moldavia) had their own piece of land (or *moşie*) but owed taxes to the state power. The dependent peasants, generally identified as serfs (*rumâni* in Wallachia, *vecini* in Moldavia, *iobagi* and *jeleri* in Transylvania), worked on the boyars’ estates and owed taxes to both the state and their feudal landlord (Treptow, 1997, pp. 76–78). Within the category of dependent peasantry were the so-called inhabitants (*lăcuiitori*), who were landless people and who were free from a judicial point of view (Olaru, 2013, p. 162). On the lowest rung of the dependent classes were the Roma slaves (or *robi*) in Wallachia and Moldavia. In Transylvania, the Roma people were assimilated into the larger class of the serfs.

In the Romanian Principalities (Wallachia, Moldavia), Roma slaves were divided according to their owners or masters. Thus, they were the property of the crown (prince), the monasteries, and the boyars (Potra, 1939, pp. 27–63). By the mid-15th century, their number increased to such an extent that the “Gypsy became synonymous with that of a slave” (Achim, 1998, p. 29). Only a tiny minority of the Roma slaves were sedentary, which meant that they lived on their masters’ estates. The rest of the Roma slaves were nomadic and seminomadic. They were not tied

to a given domain (as the Romanian serfs were) but to a particular owner to whom they paid fees or for whom they performed different tasks to freely roam the country during warm seasons (Achim, 1998, pp. 29–32).

Slavery implied a specific form of work organization and exploitation aimed at acquiring wealth and more resources for enslaved people's owners because the enslaved people performed specific tasks for their masters without being remunerated for their work (the case of sedentary Roma) and paid taxes without enjoying other privileges (the nomadic Roma). The sedentary Roma people were forced to work at the courts of the princes and boyars performing menial jobs as servants, cooks, grooms, herders, or craftsmen. A few Roma slaves also worked in the fields during the agricultural season. The monasteries' slaves, who were also sedentary, were used for agricultural labor or worked as servants or craftsmen (Achim, 1998, pp. 29–32). During the warm seasons, the (semi)nomadic Roma traveled and roamed the villages of a region and earned their living by practicing their crafts. They usually worked as blacksmiths, coppersmiths, ironsmiths, tinsmiths, locksmiths, weapon and tool-smiths, horseshoes-smiths, brick-makers, wood carvers, musicians, bear trainers, or gold washers. Roma nomads usually traveled in primitive carts covered with a quilt, "accompanied by herds of horses and horned cattle, as well as ox-drawn carts" (Filitti et al., 2004, p. 175). They would temporarily settle on the outskirts of villages and towns, offering their services and selling their manufactured products for money before moving on to the next locality (Engebrigtsen, 2017, p. 35; Achim, 2018, p. 73). The image of these temporary settlements was not favorable, as one could quickly notice their poverty and lack of means for a decent living. During the cold seasons, the Roma returned to their master's estate, where they lived until spring or summer. The living conditions were deplorable, as entire families lived in huts and dugouts dug into the ground without heating and ventilation and ate only food leftovers. Although they were impoverished, nomadic Roma slaves paid taxes to their owners to continue their peripatetic lifestyle and thus be able to earn a modest living (Achim, 1998, pp. 50–53).

The differences between Roma slaves and the remaining Romanian subjugated peasants (who lost their land to the local boyars) are evident if one considers several elements. The dependent peasants paid taxes as Roma slaves, but they worked for only a limited number of days and only in agriculture. The so-called inhabitants also had limited work obligations that were established based on an agreement between the peasants and the landlord on whose estate they made their living. Additionally, unlike the situation of Roma slaves, in which the entire family was at the disposal of the master, in the case of the dependent peasants, only the head of the family owed tithes duties to the feudal master. The situation of Roma slaves and dependent peasants contrasted with that of the free peasants, as the latter usually possessed a plot of land and, thus, had the means to earn their living. There were also cases in which these peasants lost their own land but preserved their freedom by working their master's land in exchange for a part of their agricultural product or the completion of various tasks (Constantinescu, 1988, pp. 411–415; Olaru, 2013, p. 162; Rezachevici, 2003, pp. 411–412).

Roma slaves differed from other categories of peasants, including the dependent ones, in terms of their lack of legal rights, which equaled their exclusion from the existing social order. An enslaved person's condition meant that he or she was the property of the slave owner. Consequently, the owners could do whatever they wished with them: they could sell them, give them away as donations, exchange them for other items or other enslaved people, or use them as payments for debts. The owners also sanctioned or could refuse the sanctioning of marriages between Roma slaves and between Roma slaves and Romanians. They could also forcibly separate slave couples and even separate slave children from their parents (Engebrigtsen, 2017, p. 34; Achim, 1998, p. 35, Potra, 1939, pp. 88–94).

The Roma slaves' situation did not change until the mid-19th century when slavery was abolished. In the meantime, the agrarian relations between the landlords and dependent peasants in the Romanian Principalities changed significantly. Serfdom was abolished in Wallachia in 1746 and in Moldavia in 1749, and the serfs became free, landless peasants from a judicial point of view. The peasants living on boyars' estates were transformed into a single category, corvee peasants or tenants (*clăcași*). *Clăcașii* were free persons but were economically dependent on the boyars. In exchange for the land they cultivated, the tenants owed the land master tithes, various labor rent amounts, and other taxes. They also had to pay taxes to the state (Hitchins, 1996, pp. 63–64; Olaru, 2013, pp. 161–180).

### *The emancipation of Roma slaves*

The social and economic modernization of Romanian society in the second part of the 19th century raised the issue of the abolition of Roma slavery. Gradually, Romanian society began to consider slavery a source of shame for the country and see the Roma people as human beings who deserved equal treatment and reparations for centuries of exploitation (Achim, 1998, pp. 92–102). The preoccupation with the Roma's fate led to an ambitious policy to sedentarize the nomadic and seminomadic Roma and transform them into agricultural workers (Achim, 2016, pp. 149–156). As aforementioned, the Roma slaves were allowed to travel around the country to practice their crafts in exchange for taxes paid to their masters.

As a result, the measures taken for their sedentarization were aimed not only at the small minority of the nomadic Roma but also at those Roma craftsmen who engaged in nomadism on a seasonal basis to earn a living and pay taxes. The transformation of the Roma people into agricultural workers came as a solution at hand that also responded to the increased need for the labor force in agriculture. During the 1830s, after the Ottoman commercial monopoly upon the Romanian Principalities ended, the two countries seized the opportunity to sell agricultural products on the international market. Consequently, more land was cultivated to increase the production and export of grains. With this evolution, new labor force inputs who could also be recruited from the ranks of Roma slaves were needed (Achim, 2018, p. 82). At the same time, the development of industry and manufacturing created new opportunities for Roma craftsmen to find employment in areas other than agriculture (Achim, 1998, p. 91).

The six emancipation laws for each category of Roma slaves from both Romanian Principalities (1843, 1844, 1847, 1855, and 1856) restored their judicial freedom and assimilated them to the category of corvee peasants (*clăcași*). According to official numbers, approximately 250,000 enslaved people were emancipated in the two principalities, corresponding to 7% of the total population (Achim, 2018, p. 73). The emancipated Roma received land from their former owners and were expected to settle on this land and become agricultural workers. As Viorel Achim noted, the emancipation laws paradoxically worsened the economic and social situation of the Roma people. Discrimination against the Roma did not end with these laws. Some boyars refused to give land to Roma peasants. Others gave them smaller lots than those allotted to the Romanian peasants or gave them a lot consisting of unproductive land. Nevertheless, formerly enslaved people were obliged to do the same work as Romanians but with fewer benefits and gains. The Roma's emancipation also meant that they joined the ranks of taxpayers. They had to pay taxes to the state, and in exchange for the land received from the landlord, the former slaves had to carry out corvees with the remaining peasants. As a result, many emancipated Roma refused to accept the land allotted to them and became agricultural. They continued their traditional crafts and worked as blacksmiths, spoon-makers, and brick-makers and, in some cases, resumed their seasonal migration. The Roma who accepted the condition of corvee peasants found it challenging to adapt to the sedentary and agricultural way of life (Achim, 2016, pp. 158–165).

Following the emancipation laws, the rural law of 1864 transformed the corvee peasants, including the Roma, into landowners. This situation paved the way for Roma people's sedentarization in rural areas at a time when the great majority of the population was concentrated in rural areas. According to the population census of 1912, 1,330,123 people lived in urban areas, while 5,904,787 resided in rural areas (*Serii istorice*, 2021, p. 12). The Roma people faced various experiences of sedentarization and integration. They settled on the margins of the villages or, in some cases, on a separate street or neighborhood. Entire villages of Roma people could be found near the monasteries or estates where their families were enslaved. Some of the former slaves became peasants and fully assimilated themselves into Romanian society. Others earned their living by practicing traditional occupations and providing goods to impoverished Romanian villagers. However, the capitalist modernization and industrialization of the country relegated the Roma and their crafts to a marginal position within Romanian society. As mass-produced and industrialized goods became available on the market, the Romani people lost their role and function in the economic and social system of the rural world. They supplemented their income by working as day laborers for the local villagers. The impoverishment and spatial marginalization within local communities enforced Roma people's social marginality (Engebrigtsen, 2017, pp. 36–37; Achim, 2018, pp. 112–120).

Moreover, the Roma people's participation in thefts and petty crimes further enhanced their social marginality and stigma. The country's industrialization attracted a growing number of people, including the Roma, to urban areas. They added to the existing Roma population, which consisted of the former slaves of the

boyars or religious institutions (monasteries, bishoprics, or metropolitan churches) who had remained in urban centers after the emancipation. The Roma people began to work as unqualified workers in construction, factories, and workshops and populated marginal neighborhoods or already existing high-density, low-income areas called *mahalas* (Achim, 2016, p. 165; Achim, 2018, p. 89).

Housing conditions elucidated the poverty of a part of the rural Roma population at the beginning of the 20th century. The Roma usually lived in tents or underground hovels in rural areas. However, life in underground hovels was not specific to the Romani people. The “condition of the peasant” survey in 1905 identified 42,907 hovels and 1,109,905 aboveground dwellings in the Romanian Kingdom. The hovel represented 3.8% of the inhabited households in the rural area. Of the 42,907 hovels, only 13,164 (30.68%) were registered as “Gypsy hovels” (Scraba, 1907, pp. 17–19). On the one hand, the low figure of “Gypsy hovels” must be connected to the number of Roma people in the total population who, at the moment of their emancipation, represented approximately 7% of the population of the Romanian Principalities.<sup>1</sup> On the other hand, the number might indicate that part of this population had integrated into mainstream society and, thus, changed its living conditions. According to the population census of 1912, 2% of the buildings in rural and urban areas were hovels (32,367 out of 1,489,700 recorded buildings). Ninety-five percent were located in rural areas, especially in villages inhabited by Tatars and Roma (in the southern part of the country). Consequently, living in huts became less common after 1905, and the great majority of peasant houses had two (over 45%) or three rooms (21%), sometimes with household annexes (Colescu, 1920, p. 20, p. 45). In his survey on the “hygiene of the Romanian peasant” at the end of the 19th century, Doctor Nicolae Manolescu identified the “Gypsy hovels” as “the primitive dwellings”: they had one room (the peasant hovel usually had two or more rooms), the walls were, in fact, the margins of the pit without any protective layers, and they not whitewashed (Manolescu, 1895, pp. 41–48; Bărbulescu, 2019, p. 74).

### *Roma serfs in Transylvania*

In Transylvania, the Roma people enjoyed a better situation than those living in the Romanian Principalities. This difference came from the region’s political status, which differed from that of Wallachia and Moldavia. Transylvania was an autonomous principality under Hungarian rule from the mid-16th century until the late 17th century when it became part of the Habsburg Empire. Following the conclusion of the Austro-Hungarian pact in 1867, Transylvania lost its autonomy and became politically and administratively incorporated into Hungary (Treptow, 1997, p. 184, pp. 337–338).

Since their arrival in the late 14th century, the Roma people became “royal serfs”. They depended directly on the king, who allowed them to travel around the region in exchange for paying some taxes and providing some service to the state. They were also exempted from military obligations (Achim, 1998, pp. 45–46). Additionally, the status of “royal serfs” assured them a better position than those

of *iobagi* and *jeleri*, the dependent peasants who worked on the state or private estates. The feudal obligations of *iobagi* included days of working on the master's estate, rents in kind, the tithe for the Catholic Church and the master, payment of taxes to the state and local authorities, public work, and military services. The *jeleri*'s obligations were reduced, as they owed rents in kind and paid taxes only to the master of the estate where they worked (Kovacs, 1973, pp. 9–12).

The Roma people's privileged position ended once the Habsburg Empire established its authority over Transylvania. Roma people accounted for 2–2.5% of the population of the Principality at that time. The reigns of Empress Maria Theresa (1740–1780) and her son, Emperor Joseph II (1780–1790), witnessed the first coherent policy for the Roma people in the empire (Achim, 1998, pp. 70–71). These measures constituted part of a more extensive reform program inspired by the rationalist ideals of the Enlightenment that aimed to modernize the institutional and political framework of the empire, as well as its economy. Following these reforms, the state would increase its control over the provinces at the expense of local nobility. The new legislation aimed to eliminate the arbitrary use of law and medieval anachronisms. Moreover, the reorganization of the economy was intended to produce a rational use of all resources (Gyémánt, 2010, pp. 222–223). The Roma people represented a resource that until then was undervalued and underused by the state. Empress Maria Theresa's measures regarding the Romani people did not apply to Transylvania, but her successor to the throne, Emperor Joseph II, added new requirements to the existing laws and extended their provisions to Transylvania.

The Habsburg policy aimed to assimilate the Roma into the empire's social structure. The authorities identified them as “new peasants” (*neo-rustici*, Neubauer) who had to pay taxes and perform military service. The sedentarization of the nomadic Roma became a priority. They were to be settled forcibly on a parcel of land and became agricultural as a precondition to their transition to a sedentary way of life. Consequently, nomadism and living in tents, as well as the ownership of horses to sell them, were strictly forbidden. Marriages between Roma were also outlawed. Another set of measures aimed at erasing the ethnic and cultural identity of the Romani people. The use of the Romanes language was punishable under the existing laws. The Roma people also had to adopt the clothing and language of the population in the villages where they settled. The number of Roma musicians was to be reduced to a minimum. Roma children were removed from their families and raised by non-Roma families and forced to attend school.

As Viorel Achim noted, the impact of these measures is difficult to assess because the census of 1780–1783 did not cover Transylvania. The fact that during the 19th century, the Imperial authorities periodically reintroduced measures to “civilize the Gypsies” highlights their partial failure. The reasons behind this result reside in the general political situation and the many problems that the sedentarization of the Roma posed for the local social and economic structure. After the death of Emperor Joseph II, the Roma people's situation was no longer of concern to the Imperial Court. As a result, the lack of continuation in applying the measures at least partially negated the results of the previous endeavors. Moreover,



the noblemen and peasants were not interested in the sedentarization of the Roma. The landlords had to provide land for the Roma people installed on their estates and sometimes pay for the schooling of Roma children. The peasants living on the respective estates resented the presence of Roma, with whom they had to share the already insufficient land available to them. A final explanation considers the reactions of the Roma people to these policies aimed at assimilating them into mainstream society. Possessing “a powerful sense of individuality”, some Roma people refused to settle down on an estate, become agricultural, and abandon their traditions and language. As in the case of the Roma in the Romanian Principalities, the officials ignored the basic fact that the Roma people were not accustomed to agricultural work for which they had no inclination or previous experience.

Furthermore, no measure was taken to integrate the Roma as craftsmen in rural communities or to use craftsmanship to ease their transition to a sedentary way of life and acceptance into the local society. However, the authorities’ measures and the general development of a society that offered fewer and fewer incentives to practice nomadism assured that at the beginning of the 19th century, only a minority of the Roma continued their nomadic lifestyles. Most of them transitioned to a sedentary way of life, working as farmers or craftsmen in local communities (Achim, 1998, pp. 43–44, pp. 69–77, pp. 132–137) and subsequently became assimilated into the larger category of serfs.

The agrarian reform of 1848, followed by the Imperial patents of 1853–1854 and 1880, abolished serfdom and transformed formerly dependent peasants, including the Roma, into small holders (Kovacs, 1973, pp. 62–175). However, most freed peasants remained to work as day laborers or tenants on the estates on which they had previously earned their living. As a result, between 1857 and 1870, the number of agricultural proletarians (day laborers and seasonal workers) increased by 55% (Lumperdean et al., 2010, p. 523), and the number of laborers and seasonal workers increased by 78%. The industrialization of Transylvania after 1849 created new opportunities for these day laborers and seasonal workers to find employment as unqualified workers in new factories or for the construction of railroads. These new workers began to settle at city peripheries (Balog, 2007, p. 204), which eventually evolved into low-income and highly populated areas called *mahalas*. Despite these transformations, the urban population represented only 12.5% of the population in 1910 compared to 1850, when 8.8% of people in Transylvania lived in urban areas (Bolovan, 2010, pp. 497–498).

“The Census of the Gypsies of 1893” provides a complete picture of the situation of the Roma people in Transylvania at the end of the 19th century. Their number increased from 3.8% (78,902) in 1850 to 4.67% (105,034) of the total population of Transylvania in 1893. A total of 97,235 (92.6%) were sedentary Roma, 5,925 (5.6%) were seminomadic Roma, and 1,874 (1.8%) were nomadic Roma. The sedentary Roma lived in 1,959 localities—1,095 (55.9%) lived together with the remaining villagers, 646 (33%) lived separately at the margins of localities, and 218 (11.10%) Roma houses were mingled with and separated from the houses of the majority of the population. A great majority of sedentary Roma (71%) lived in houses made of stone, wood, and adobe; 25,821 (26.5%) Roma lived in hovels and

huts; 1,662 (1.7%) lived in underground hovels; and only 622 (0.7%) lived in tents. A total of 2,040 sedentary Roma also owned a garden around their house. Illiteracy affected 95% of the sedentary Roma population, which was greater than the percentage of illiterate individuals in Transylvania (65.07%). A low level of education characterized the Roma people's occupational profile. A total of 39,428 persons were identified as day laborers in economic sectors other than agriculture, 366 as agricultural day laborers, 4,411 as householders, and 12,439 as craftsmen for the local rural community (blacksmiths, ironsmiths, brick-makers, shoes-makers, flayers, brush-makers, wood carvers, coppersmiths, horseshoes-smiths, chimney-sweepers). Additionally, 811 Roma practiced different forms of commerce. Only 33 persons were intellectuals or part of administrative staff. A total of 732 Roma were identified as beggars, 24 were fortune tellers, five practiced witchcrafts, and 19 indicated that theft was their primary source of income (Bolovan, 2000, pp. 243–260).

The census of 1893 also provided a detailed picture of the seminomadic and nomadic Roma properties. These categories did not include land used for agricultural purposes. Instead, the same categories of living places were found in both the seminomadic and nomadic Roma populations. Most seminomadic Roma resided in houses (2,693 or 45.45%) and hovels and huts (2,653 or 44.78%). The rest lived in underground hovels (329 or 5.55%), and only 250 (4.22%) lived in tents. In the case of the nomadic Roma, 14.78% (277) resided in houses, 26.04% (488) in hovels and huts, 23.75% (445) in underground hovels, and 35.43% (644) in tents. The seminomadic Roma people were identified in 677 localities, and the nomadic Roma were found in 162 other localities. The level of illiteracy among seminomadic Roma was 97.5%, and among nomadic Roma people, the illiteracy rate reached a record percentage of 99.35%. The occupational profile of (semi)nomadic Roma reflected their lack of formal education. A total of 1,196 seminomadic Roma and 165 nomadic Roma worked as day laborers in economic sectors other than agriculture, 33 seminomadic Roma and one nomadic Roma were agricultural day laborers, and 1,752 seminomadic Roma and 592 nomadic Roma were craftsmen for the local rural community (blacksmiths, ironsmiths, brick-makers, shoes-makers, flayers, brush-makers, wood carvers, coppersmiths, horseshoes-smiths, chimney-sweepers). Fifty-nine seminomadic Roma and 73 nomads practiced different commercial activities. Seventy Romani people were identified as beggars, seven were fortune tellers, five practiced witchcraft, and one person indicated that theft was their primary source of income. Ninety-one Romani people were beggars, 40 were fortune tellers, and two indicated that theft was their primary source of income (Rotaru et al., 2009, pp. 456–579).

The general conclusion of the census highlights the gradual integration of the Roma people, especially those already settled in rural areas and towns, into mainstream society. Some of them even managed to acquire land to cultivate it and thus earn their living; others had their own houses made of nonperishable construction materials. However, a close analysis of the data also reveals the extreme poverty in which some Roma people lived. Over 31% of the Roma lived in hovels, huts, underground hovels, and tents. A total of 2,040 or 2.09% of sedentary Roma had



parcels of land around their houses for agricultural purposes. The great majority of sedentary Roma and (semi)nomadic Roma people did not have land at a time when land was the primary source of income for the rest of the population. The percentage of illiteracy above that rate recorded in Transylvania pushed Roma people toward the position of unqualified workers, especially day laborers. Although most Roma lived in rural areas, only a minority worked in agriculture. One may hypothesize that day laborers who were not active in agriculture found employment in the emerging industry or construction sector, where they could also work on seasonal or permanent bases. As shown in the census results, most Roma continued to practice their traditional crafts and offered their services to local communities. The competition for industrial products of better quality and lower prices contributed even more to the impoverishment of Roma craftsmen. In fact, all over Transylvania, craftsmen lost their economic role within local communities as more industrialized products invaded the internal market and satisfied the needs of consumers (Balog, 2007, p. 208).

### **Roma people during the interwar period: integration, social marginality, emancipation, and racial guilt**

#### ***The Roma people and Romanian nationalism***

At the end of World War I, Romania found itself on the winning side. Consequently, at the Paris Peace Conference, the country was awarded enormous territories inhabited historically by Romanian majorities at the expense of former empires that crumbled at the war's end (Bessarabia from Russia, Bukovina from Austria, and Transylvania from Hungary). In 1918, all these provinces united with the Romanian Kingdom to form a state, Greater Romania (*România Mare*).

The new state faced the formidable task of national consolidation, which required administrative and legislative uniformization and addressing new social and cultural realities. Romania more than doubled its territory and population, and the new provinces included many minorities who "were more urban, more schooled, and more modern than the Romanians" (Livezeanu, 2000, p. 7). As a result, these minorities (especially Hungarians, Germans, and Jews) dominated the urban areas. They occupied critical positions in the local administration, as well as in political, economic, and cultural life. This situation contradicted the Romanian elites' ideal of the new state as "national". After 1918, Romanian nationalism envisaged a state belonging to the ethnic community of Romanians whose demographic majority would also be translated into predominance in critical positions within the state, economy, and cultural life. If Greater Romania were to be a "national" state, it had to promote and strengthen the position of ethnic Romanians in the administrative, social, economic, and cultural life of the country at the expense of unreliable minorities (Solonari, 2010, pp. 7–15; Livezeanu, 2000, pp. 4–20).

Given their marginal social, economic, and cultural status, the Romanian authorities did not target the Roma people in their attempts to reverse the influence of national minorities in favor of the Romanians. Thus, the Roma people found themselves in a peculiar situation. They were citizens of Greater Romania;

the population census of 1930 included them among the national minorities, and they spoke their own language (*Recensământ, 1930*, vol. II). However, they were not officially recognized as a national minority. The reluctance of the Romanian state to recognize the Roma as a national minority was based on its position within mainstream society. The legacy of slavery and other forms of unfree labor created and enforced Roma people's social and economic marginalization that survived their emancipation in the second part of the 19th century.

Consequently, for the Romanian authorities, the Roma people remained "a social category". Their continued marginality and extreme poverty obscured their ethnic identity (Matei, 2010, pp. 15–40; Achim, 1998, pp. 145–153) and challenged their "worth" as a national minority. Another explanation considers the lack of a kinstate that could intervene for the Romani people and politically pressure the Romanian state to acknowledge them as a national minority. Finally, the public image of the Roma was affected by the perpetuation of negative stereotypes, including "the thief", "the unsettled", "the diseases bearer", "the charlatan", or "the beggar" (Popescu, 2022), which continued to stigmatize them and justify their discrimination and exclusion. Additionally, while the Roma remained "invisible" to the Romanian authorities and nationalism (Achim, 1998, pp. 145–153; Matei, 2010, pp. 15–40; Solonari, 2010, pp. 264–265), their presence near local communities and the prospect of being assimilated into the Romanian majority created an "anxiety of proximity" (Thorne, 2012, pp. 4–23). The latter enforced Roma people's social marginality, included them in the eugenic debates about the country's future development, and explained the resurgence of "the Gypsy problem", followed by the deportation of the Roma people to Transnistria.

### ***Integration, social marginality, and emancipation of Roma people during interwar Romania***

Interwar Romania "presented striking contrasts of entrenched underdevelopment and burgeoning, if uneven, industrialization and urbanization" (Hitchins, 2014, p. 176). On the one hand, agriculture remained the cornerstone of the country's economy. According to the 1930 population census, 78.9% of the total population lived in the countryside, and 90.4% of the rural active population relied on agricultural activities as their primary source of income (Manuilă, 2010, p. 136; Hitchins, 2007, p. 338). On the other hand, the industrial sector expanded and thus partially met the demand for consumer goods. However, according to the same population census of 1930, only 9.5% of the population worked in industry and mining (Livezeanu, 2000, p. 9). At the same time, the urban population increased constantly during the interwar as cities extended their influence in organizing economic activities and people immigrated from the countryside. The newcomers were attracted by the opportunities for employment and better wages offered by the industry. Additionally, many peasants joined the ranks of townspeople by working in constructing railways and transportation or engaging in commerce with agricultural products and artisan goods. Bucharest, the administrative center of Greater Romania, experienced impressive population growth, from 382,000 in

1918 to 631,000 in 1930, due to the influx of the rural population to the ranks of its industrial working force (Hitchins, 2014, pp. 176–181; Hitchins, 2007, pp. 345–356). The movement of the population to urban areas was also the result of the increased impoverishment of the peasantry. The agrarian reforms introduced between 1918 and 1921 assured an enormous land transfer from large landowners to smallholders. As a result, nearly 6 million hectares were given to approximately 1,400,000 peasants. However, the agrarian reform produced mixed results. Many peasants' holdings were too small to be economically viable, and they were further divided through inheritance. The laws neither regulated peasants' access to pasturelands nor created favorable conditions for accessing agricultural credits for buying animals and modern agricultural tools. Consequently, some peasants were forced to sell their land and find employment in industry. Others supplemented their modest gains from working the land by practicing commerce, renting land from large landlords in exchange for money or a part of the crop, or simply working on large estates as day laborers. At the same time, agrarian reforms produced positive results in the rural world, such as an increase in per capita consumption of certain foods, improvements in the building of peasantry houses and annexes, and an increase in literacy among the rural population. Villages also became consumers of industrial goods. As of 1937, it was estimated that agriculture consumed 20–25% of the total industrial production (Hitchins, 2007, pp. 346–358, p. 362).

The Roma people's situation accurately mirrored the country's developmental contradictions and complex social and economic evolutions. In David Crowe's words, "The picture that emerged of Romanian Gypsies (...) was a mixture of significant social and economic change blended with a tendency to cling to old ways" (1996, pp. 127–128). According to the population census of 1930, the Roma people numbered 262,501 persons, or 1.5%, of the total population of Romania. The great majority of them, 221,726 (84.5% of the total population), lived in the countryside, while 40,775 (15.5% of the population) resided in cities (Manuilă, 1940, pp. 31–48).

During the interwar period, the Roma people's situation changed dramatically. The tendency toward sedentarization and assimilation from the end of the 19th century continued and even accelerated. The great majority of the Roma people settled in villages and cities across the country and assimilated themselves into local communities. According to the population census of 1930, only 0.6% of the persons who declared themselves of "Gypsy ethnicity" spoke Romanes as their native language (Manuilă, 1940, pp. 55–68). The rest of them spoke Romanian or Hungarian, depending on the local ethnic realities in the localities where the Roma people resided (Achim, 1998, p. 146). Among the Roma people, the experience of sedentarization varied. A minority fully integrated themselves into the local (rural) communities. Access to education and land ownership helped to close the gap between them and the locals (Potra, 1939, pp. 121–122; Mihail, 1933a, p. 22). A part of the settled Roma in the villages and Roma war veterans benefited from the provisions of the agrarian reforms of 1918–1921. They became smallholders like the remaining peasantry. The difficulties that undermined the economic rentability of the small holdings prompted some of the Roma to sell or rent the land.

Additionally, agriculture was not among the favorite occupations of the Roma people, as seen from the experience of previous attempts to sedentarize and integrate them into the mainstream (Achim, 1998, pp. 148–150; Chelcea, 1944, p. 104, p. 106). The “anxiety of proximity” took its toll on the settled Roma who worked the land. Low income, poor living conditions, and finally, historically attached stigmas that enforced negative stereotypes about them confined them to the periphery of settlements, where they lived on separate streets and in different neighborhoods (Thorne, 2012, pp. 25–37).

In urban areas, the Roma people lived in high-density, low-income areas called *mahalas*, also known as “*țigănie*” (Gypsy-like settlements), although they were not the only inhabitants of these marginal settlements (Sevastos, 1928, p. 1). Roma people leaving the countryside joined the existing Roma population. These local Roma were former slaves of the boyars or religious institutions (monasteries, bishoprics, or metropolitan churches) who had remained in urban centers after emancipation. Bucharest excelled not only in the number of *mahalas* (situated in the Tei, Floreasca, Colentina, Ferentari, and Rahova neighborhoods) but also in the number of Roma living within its administrative territory: 1.1% (or 6,795 persons) of the total population of Bucharest were Romani people (Platareanu, 1930, p. 3; Giurescu, 1966, p. 274; Majuru, 2003, p. 141; Achim, 1998, pp. 145–146). The Roma people (and other social marginals) lived near or inside the garbage pits around the infamous *mahalas*.

The country’s industrial development contributed to the decline of consumer demand for traditional craftsmanship products and thus deprived the Roma of their primary source of income. Industrial products surpassed the rudimentary objects produced by the Roma in quality and price. Consequently, the peasantry was more inclined to buy factory-made goods instead of those sold by Roma peddlers. As of 1937, the estimates showed that agriculture consumed 20–25% of industrial production (Hitchins, 2007, p. 362).

These economic developments resulted in a decrease in the number of wood carvers, tinsmiths, brush-makers, and sieve-makers. The train bears disappeared altogether as society raised concerns about the maltreatment of the animals. The gold washers shared the same fate as extracting gold from mines became the primary method of obtaining the ore. Roma musicians faced competition from technology (radios, gramophones) and modern orchestras. Roma artisans were forced to share the shrinking manufactured goods markets with Romanian and foreign craftsmen. Itinerant trade ceased to be Roma’s monopoly, as Romanians (especially peasants) also became involved in this economic activity to supplement their agricultural gains (Chelcea, 1944, pp. 143–149; Achim, 1998, p. 149; Thorne, 2012, p. 38).

The Roma people responded to this highly unfavorable economic context in various ways. They included different degrees of adaptation to the new conditions and clinging to the old ways of life and work. Most of them continued to work as craftsmen (blacksmiths, horseshoe-smiths, brick-makers, wood carvers, or brush-makers), offering their services to local communities. As the demand for wooden utensils declined, wood carvers diversified their sales to include brooms, spindles,

rakes, troughs, baskets, and distaffs and identified alternative ways to earn a living. Forced to abandon traditional crafts, some Roma took up menial jobs, such as daily laborers for their more affluent neighbors (Romanian and Saxons in Transylvania), as swineherds and cowherds in exchange for money or food. They also resorted to seasonal work and migrated during the summer for fieldwork. Some Roma supplemented their earnings by picking up and selling wild berries, mushrooms, nuts, and peanuts at fairs. Wood carvers in Transylvania were also involved in commercial activities. They traded pigs, carpets, and other small goods, including glassware, porcelain dishes, and soap. Their payments were in kind and clothes. The old clothes were then sold in the nearest city. In the rest of the country (Wallachia and Moldavia), wood carvers were reluctant to change their occupation, so their economic situation deteriorated irremediably (Chelcea, 1944, pp. 119–136).

In urban areas, the Roma people worked as musicians and street vendors selling newspapers; they also sold old clothes and manufactured goods or worked as shoemakers. Entire families of brick-makers were to be found near construction sites during summer (Caranache, 1933, p. 5). They also performed menial jobs, such as street sweepers. Roma women sold flowers, sunflower seeds, boiled corn, or popcorn. Some, especially women, practiced fortune telling or cast spells and charms (Munteanu, 1928a, p. 7). Those who were not employed rummaged through garbage pits or city trash, hoping to find something that could be sold, used, or eaten. Many of their earnings came from collecting recyclable materials, including paper, textiles, bones, and metals, sold to collectors (Bogza, 1934, pp. 6–8; Mihail, 1933b, p. 1). Others were involved in petty thefts or begging (Chelcea, 1944, pp. 112–114, pp. 140–141; Potra, 1939, pp. 122–123; Thorne, 2012, p. 39).

The living conditions of the Roma reflected, to a great extent, their extreme impoverishment. In mahalas, the living conditions were insalubrious: streets were “narrow and muddy”, full of dirt, garbage, and stray dogs. The houses were, in fact, primitive hovels, half-buried in the ground and made of the scraps found in the garbage pits (Rex, 1935a, p. 7; Rex, 1935b, p. 14; Sevastos, 1928, p. 1), or they lived in “tattered and parched tents” (Tik, 1929, p. 5). Poor sanitary conditions favored lice infestations and the excessive breeding of flies, cockroaches, and rats (Bogza, 1934, pp. 6–8). A portion of the urban Roma lived under the open sky, in hidden courtyards or sheltered by wooden porches or simple roofs that also housed their workshops (Mihail, 1933a, p. 22; Caranache, 1933, p. 5).

In the countryside, Roma people usually resided in primitive hovels made of earth and wood without windows or other lighting sources. A small minority of the Roma occupy “humble houses with or without an attic”, with no windows or light sources (Chelcea, 1944, pp. 156–158). Some Roma people who had transitioned to a sedentary lifestyle preserved as much as possible from their nomadic experience. In Porumbacu de Jos (Transylvania), the Roma people only bought land to install their tents. If they built houses, they would place the tents in them. Then, they returned to living in tents and housing their animals inside the houses. Clinging to the traditions was also evident in their occupational profile: men worked as coppersmiths, while women practiced fortune telling (Chelcea, 1944, pp. 164–165; Marinescu, 1938, p. 10; Munteanu, 1929, p. 10). The living conditions of sedentary

Roma in Transylvania were better than those in the rest of the country. They had already transitioned from huts to houses, and even the huts were whitewashed and had windows (Chelcea, 1944, p. 161).

The number of nomadic Roma decreased even more during the interwar period. They traveled around the country and earned a modest living by practicing traditional crafts, especially by working as coppersmiths, tinsmiths, ironsmiths, or fortune tellers. From the Romanian authorities' perspective, the peripatetic lifestyle was a relic of the forgotten times that needed to be eliminated because it did not fit the image of a modern and developed Romanian society. Consequently, the Roma people's wanderings were limited and eventually forbidden without official authorization. They were granted land to build houses and became agricultural workers to tie them to a place, but their transition to a sedentary existence was only a formality. Despite having a piece of land and a house on their names, the nomadic Roma did not renounce their lifestyle (Achim, 1998, pp. 152–153). As the case of Porumbacu de Jos has shown, the nomadic Roma cleverly combined the official requirements for sedentarization with remnants of their traditional way of life.

The decreasing demand for manufactured products also diminished the modest incomes of the nomadic Roma. Moreover, they did not benefit from the agrarian reform because they were not linked to a particular village (Achim, 1998, p. 149). In the past, the nomadic Roma survived in extreme poverty. They lived in tents made of "wood, canvas, fabric, and blankets bought from peasants or fairs". These tents were assembled directly on earth. Sometimes, the tent came on the top of the cart to shelter it from wind, rain, or sun. They could set up their camp only on the outskirts of the village or cities (Munteanu, 1928b, p. 8). There were also cases in which local communities opposed the settlement of the nomadic Roma. Concerns were voiced about their involvement in petty thefts or the distressing images of dirty and patched tents with horses and pigs grazing freely, which would bring shame to the village (Chelcea, 1944, p. 152, p. 162). As a result, the rural Gendarmerie used unrestrained force to apprehend the nomads "deemed dangerous to public safety" and expel them from the respective locality and county (Thorne, 2012, pp. 48–58).

During the interwar period, economic changes resulted in many people finding themselves in poverty. Among them, the Roma people occupied the lowest social position. Although progress was made toward their integration and assimilation, the Romani people could not overcome the legacy of slavery and other unfree forms of work that relegated them to the margins of Romanian society. The stigmas also enforced their social marginality. The modernization of the economy excluded an essential part of the Roma people. Their low level of education and lack of professional training pushed them toward menial jobs. Moreover, some of the Romanian population raised their education level and diversified their professional profile to include work in industry, public administration, commerce, or transportation (Georgescu, 2010, pp. 41–49); by comparison, a significant part of the Roma population continued to practice their traditional outdated crafts.



The Romani people's problematic situation concerned the emerging Roma emancipation movement. While there is no space to go into depth here, several key Roma organizations were formed during the interwar period. The key points of their public stances underlined the Roma people's backwardness and impoverishment, their high levels of illiteracy, and the discrimination that they faced from the rest of society. Traditional crafts that had lost their economic relevance within Romanian society were to be abandoned. Instead, education was the only means for younger generations to overcome the deep-rooted social marginality of their ethnic group (Matei, 2022, pp. 19–54; Negoï, 2023, pp. 53–79).

### *The Roma people in eugenic discourse*

The growing influence of the political extreme right led to the radicalization of eugenic ideas in 1930s Romania. Consequently, eugenicists began to consider the Romanian state and the nation (redefined as *neam* (ethnicity)) strictly in biological terms. If Greater Romania were to become a powerful state, it would have to adopt a new “population policy”. The main objectives of this policy were to protect the *neam* (ethnicity) from “hybridization” with inferior races and to adopt measures to separate Romanians from national minorities (Solonari, 2010, pp. 62–93). A detailed analysis of the eugenic ideas about the Roma people is beyond the scope of this chapter (Solonari, 2010, pp. 62–141; Negoï, 2023, pp. 79–109).

Consequently, I will limit the analysis to the main ideas that recast the Roma people's extreme poverty or associability as a racial problem. What specifically worried Romanian eugenicists and decision-makers during the 1930s and 1940s and accentuated their “anxiety of proximity” was the gradual integration of the Roma people into mainstream society. On the one hand, this integration undermined the ethnic homogenization of the Romanian state and, thus, doomed its perspective of becoming a powerful country. On the other hand, the mixing of Romanian and “Gypsy” blood endangered the purity of Romanian blood. This ensured the undesirable transmission of the allegedly “inferior Gypsy” genetic and social features to Romanians. The focus on blood as favoring the transmission of genetically conditioned social traits transformed Roma people into “born” criminals. Consequently, the Roma people's blood allegedly conditioned their “living in promiscuity” and “striving to appropriate the goods of others”<sup>2</sup> (Achim, 2004, vol. I, pp. 162–167; Chelcea, 1944, p. 21, pp. 44–45, pp. 79–80, pp. 95–96, p. 101). In other words, the Roma people's extreme poverty was the result of a genetic predisposition that made them prone to steal and cheat and eliminate their chances of departing from social and economic marginality.

### *Deportation to Transnistria*

These ideas were echoed among officials and particularly resonated with the authoritarian leader of Romania, Marshal Ion Antonescu, who bore the main responsibility for the deportation of the Roma (and Jews) to Transnistria in 1942. Ion Antonescu came to power in September 1940 in a highly complex context for the Romanian state. Within a few months, Romania lost significant parts of its territory—Bessarabia

and northern Bukovina—to the Soviet Union, the northern part of Transylvania to Hungary, and the southern part of the country (or the Cadrilater) to Bulgaria (Haynes, 2000, pp. 150–159). Given the general military context in which the victorious Nazi Germany controlled the whole of Europe, Romania had no other option but to strengthen even more its relations with Germany. On June 22, 1941, the Romanian Army joined forces with Nazi Germany in an attack against the Soviet Union. The attack was an opportunity to avenge the humiliation that Romania suffered at the hands of the Soviets when it was forced to cede Bessarabia and northern Bukovina during the previous summer and get back to those territories. After the liberation of these regions, Ion Antonescu decided to continue the war against the Soviet Union alongside Nazi Germany and crossed the Dniester River. Consequently, in October 1941, the Romanian Army occupied Transnistria, “the territory beyond the Dniester River” in southwestern Ukraine (Solonari, 2019, pp. 13–30). In the following months, this territory became the “dumping ground” for all ethnic “undesirables”, including Jews from Bessarabia and northern Bukovina and nomadic Roma from Romania (Solonari, 2010, pp. 200–221, p. 272). As there is no space to explore this subject in depth here, I only outline the main rationale behind Antonescu’s decision to deport the Roma to Transnistria.

Trained in the military, Antonescu saw cleanliness and order as signs of the health and civilization he wished for in Romania. From his perspective, the Roma people did not fit this vision of future Romania, which was purified of all “foreign” elements; they “earned their living without working” and lived in “infected slums inhabited by homeless people” around Bucharest (Ciucă et al., 1998, vol. II, p. 181). Moreover, they were “another big plague” whose actions Antonescu understood and described in military terms. He spoke about a planned and organized “invasion of Gypsies” from the suburbs to “penetrate Bucharest and invade all marketplaces” (Ciucă et al., 1998, vol. III, p. 94). The Romanian leader’s choice of military language emphasized the urgent need for an intervention. The Roma people allegedly waged a racial (and social) war against the *neam* (ethnicity) and country and threatened to undermine them from within. Consequently, they were “weak elements” (Ciucă et al., 1998, vol. II, p. 181), as they were living in cities, refusing to work, and being genetically conditioned to steal. The existence of “infective” Gypsy slumps or mahalas at the periphery of the cities deeply displeased the Romanian leader. Their existence exemplified the country’s backwardness, uncleanness, and, thus, uncivilization (Thorne, 2012, p. 109), and they substantiated the foreigners’ claim that all Romanians were Gypsies. In addition to the transfer of “inferior Gypsy” traits to the *neam* (ethnicity), the Roma people were blamed for the spread of STIs and other illnesses, including typhus, to the remaining population due to their lack of hygiene and refusal to comply with sanitary measures to stop the spread of epidemics. Consequently, Antonescu decided to solve the “Gypsy question” by ordering the deportation of nomadic Roma to Transnistria between May and October 1942 (Achim, 1998, pp. 167–188; Achim, 2004, vol I–II; Achim, 2015; Thorne, 2012, pp. 204–266; Kelso, 2010; Furtună, 2018; Negoï, 2023, pp. 110–260; Solonari, 2010, pp. 264–289). The official figures indicate that approximately 25,000 of 262,501 Roma were deported



to Transnistria in 1942. Of 25,000 deportees, it is estimated that 11,000 lost their lives in the deportation locations, while 14,000 survived in Transnistria. The first waves of deportation specifically targeted the category of nomadic Roma (Raport final, 2004, p. 240; Kelso, 2010, p. 48). However, the reasons for deportation combined social and racial arguments. As Benjamin Thorne observed, the Roma people constituted the only ethnic group targeted for deportation to Transnistria for the (presumed) guilt of begging, committing petty thefts, or not having a job, which could also have been a consequence of the difficult economic situation in which Romania found itself at that time (Thorne, 2012, pp. 151–152). The Romanian authorities ascribed certain “antisocial” behaviors or actions to the entire ethnic group of Roma people based on the pseudoscientific idea that they were genetically conditioned to become and act as criminals.

## Conclusion

This chapter has analyzed in *long durée* the historical roots of the Roma people’s extreme poverty in current Romanian territories. The period of slavery and other forms of unfree labor have been identified as the root cause of the impoverishment of the Romani people, whose legacy has survived long into the 20th century. Low levels of education, lack of professional training, and limited access to resources due to practicing unqualified or seasonal work contributed even more to the impoverishment of at least a part of the Romani population. Moreover, the development of the national industry since the mid-19th century not only created opportunities for many Roma to join the ranks of industrial workers but also deprived them of their main source of income: traditional crafts. Their artisan products could not compete with industrial products in terms of quality and price. As a result, the shrinking market for Roma-produced goods worsened their economic and social situation. Although a significant part of the Roma minority settled down and integrated into the mainstream, they were still marginal. Some lived on the margins of urban and rural settlements, on separate streets or in separate neighborhoods, in the so-called mahalas. They continued to practice their crafts even though the demand for artisan products steadily decreased. Others performed underpaid menial jobs or were forced to resort to petty crimes to survive in otherwise very difficult economic contexts. The situation of the nomadic Roma was even worse, as they exclusively depended on practicing crafts at a time when there was not much space left for their work and artisan products. The Roma people also bore the stigma of poverty, identifying them not only as “born” criminals but also as a “foreign” ethnic group that needed to be removed from Romanian society.

## Notes

- 1 Unfortunately, the subsequent censuses of 1899 and 1912 of the Romanian Kingdom did not detail the population’s ethnicity.
- 2 SANIC, fond Manuilă Sabin, file XII/48, f. 1 and file XII/209, folios 1–2.

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## 2 Economic dependency, race, and industrial labor shifts in an East European (semi)periphery

The case of the Roma in late socialist Romania

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### Introduction

Existing scholarly contributions offer relatively similar accounts of how the Romanian government treated the status of the Roma in the late socialist period. For example, researchers have shown that in November 1977, the Romanian head of state, Nicolae Ceaușescu, convened a conference call with local authorities and representatives of the Ministries of Labor, Health, and Interior, instructing them to find practical solutions to improve the socio-economic conditions of the Roma in Romania. In his address, Ceaușescu highlighted the unhygienic living conditions of many Roma individuals, who reportedly resided in makeshift shelters that were constructed from cardboard, earth, or planks and lacked proper ventilation and natural light. He also emphasized the generally low level of education among the Roma population, expressing concern about the limited prospects for improvement in the near future due to the alarming rate of school dropouts reported by numerous school officials across the country. The high incidence of social diseases, such as tuberculosis or parasitic infestations, as documented in annual medical statistics, was also identified as a source of concern. Equally troubling was the fact that many Roma individuals were unwilling to pursue gainful employment that was beneficial to society, instead choosing to beg or relocate from one region of the country to another.<sup>1</sup> Despite the conspicuous evidence of profound poverty within the Roma community, researchers have attributed Ceaușescu's intervention primarily to the outcomes of the May 1977 census. Published shortly before the teleconference, this census revealed that 227,000 Roma people resided in Romania, nearly four times the number recorded in the 1966 census. In this context, scholars concur that the teleconference predominantly reflected authorities' concerns regarding the potential social and economic repercussions of the swift expansion of the Roma population. These possible consequences included the likely proliferation of nomadic or seminomadic lifestyles, a surge in illiteracy and school dropouts, resistance to employment, and a practice of residing on the fringes of society beyond the confines sanctioned by the socialist state (Achim, 2004, 2019; Raț, 2022).

This prevailing scholarly view seems to have been primarily shaped by the limited availability of sources. The transcript of the telephone conference in which the socialist leader gave his speech was neither published nor kept in a Romanian

archive. Apart from a few references to the November 1977 meeting in reports and analyses from the Ministries of Labour, Health and Interior and the Committee for People's Council Affairs, contemporary sources offer no additional insights into the context, motivations, or objectives of the political leadership dealing with the precarious situation of the Roma at the time. Even less information about the conference call participants or the institutional actors and experts responsible for compiling the data on the Roma situation that allegedly justified Nicolae Ceaușescu's intervention is available. The archives contain approximately a dozen documents related to the 1977 events, which are accessible either in the holdings of the Central National Historical Archives in Bucharest or in those of the Archives of the National Council for the Study of Former Secret Police (Marin, 2017). Surprisingly, these documents show a very high degree of information similarity, with some reports containing identical wording. Apart from the scarcity of information, this fact highlights not only that the initiative regarding the Roma was abandoned at an early stage by the socialist regime but also that one of the main objectives of the state was to formulate public policy based on documents compiled by institutions rather than individuals. However, as Mihai Surdu convincingly explained, while the state often used such documents to legitimize its actions, "this blurring of an individual authorship (as if the texts were not written by a human hand) and the fact that policy literature appears under organizational auspices gave it a plus of objectivity and authority, although a minus of responsibility" (Surdu, 2016, p. 2).

Undoubtedly, such scholarly contributions serve a valuable purpose in documenting the top-down policies of the socialist state toward the Roma and explaining the institutional mechanisms of central and local control authorities. However, the preference for political-centered approaches in analyzing social realities can lead to an account that is detached from the multitude of economic and social changes that fundamentally transformed Romania in the 1960s and 1970s, as if one community, social category, or ethnic group could exist in isolation from the broader social context. Since it is statistically impossible for the population of a particular group to almost quadruple within a decade, what exactly led to the Roma gaining greater visibility in the perception of the socialist state? Was this increase solely due to the improved methods of collecting and interpreting statistical data compared to previous censuses? Or was it the direct result of some complicated social and economic restructuring processes within Romanian society from the late 1960s onward, which finally revealed the growing wealth gap between a relatively affluent majority population and Roma communities trapped in extreme poverty?

For my contribution, I use the case of the city of Baia Mare to answer the above questions. Rather than utilizing a narrative that deals extensively with various aspects of Roma precarity, my chapter attempts to situate their everyday experiences within the broader framework of the social and economic functional logic of the late socialist state. I premise that in the late 1960s and early 1970s, when growth policies were being reconsidered because the industrial paradigm worldwide was increasingly eroding (Maier, 2010), the Bucharest authorities embarked on an ambitious economic program to narrow the development gap with the more advanced Western states. Self-identified as a developing country (Dragomir, 2023),

Romania imagined its path out of backwardness as a paradoxical encounter among the consolidation of traditional industries (mining, steel, machine-building, and petrochemistry), the intensive extraction of natural resources, and extended trade, financial, and technological cooperation with capitalist markets. In short, by the late 1960s, the regime had already embraced the idea that enhancing its growth project required performant technology and expertise (Dobos, 2018), which was unavailable in Romania at the time, and access to significant amounts of natural resources that would provide local industries with the necessary inexpensive raw materials. In the long run, it was expected that as the level of development increased, the need for natural resources would diminish. In the short run, this idea meant that the Romanian authorities would spare no effort to secure access to as many resources as possible, even if this meant extensive exploitation of the existing natural endowments up to the degree of complete subsoil depletion.

Numerous central and local institutions were responsible for implementing this vision by drawing up and implementing economic plans, building partnerships with international partners, promoting the exploitation of natural resources, and maintaining social balance within the population. However, the actions of the Romanian regime highlighted the heterogeneity of the socialist state, particularly the actions, policies, interests, and priorities of the various local and central actors involved in governance, who were often caught between the growth demands of the state and the chronicized scarcity of financial resources that escalated with the global crisis of the 1970s that spread across Eastern Europe (Kotkin, 2010).

Recent scholarly contributions have demonstrated that, more frequently than anticipated, the institutional tensions that emerged in the context of postwar industrialization opened up many opportunities for municipal and county authorities to adapt various industrial and territorial development projects according to the growth priorities of local communities (Mărginean, 2015; Cucu, 2019). While such data convincingly document the extent of bureaucratic bargaining that emerged due to the contradictory functioning of the planned economy and the unpredictability of county-wide financial allocations, little is known about how the regime's mobilization to accelerate the exploitation of natural resources from the second half of the 1960s onward affected local arrangements of industrialization and even less is known about its potential social impact. Baia Mare is an ideal place to further address this scientific gap. The significant reserves of nonferrous metals concentrated in the mines near the town made this industrial center one of the most important points in the socialist authorities' development program.

As I show in the following sections, the intensification of exploitation after 1965 required an increase in the number of skilled workers by more than 30%, which pressured local authorities to meet the needs of the mine administrations for the required labor force, both by building houses in the city and by providing significant financial resources to create jobs for the female workforce. While this growing official interest in boosting copper and lead mining empowered skilled workers and technical personnel and opened up employment opportunities for women, it also contributed to the marginalization of social groups whose integration into the workforce was already hampered by precarious education and skills, as in the case



of the Roma, who lived in poor, often unhealthy neighborhoods that were close to the city's industries (Cupcea, 2023).

To this end, my paper traces how the socialist state's increasing efforts to overcome its backwardness through resource extraction activated mechanisms that further exacerbated poverty at the other end of the social chain. This chapter briefly discusses the reasons for the socialist state's turn to resource extraction and highlights the complicated circumstances that brought Baia Mare to the forefront of the Romanian growth project. Then, this work explains the conditions that led to a series of adjustments in labor market policy since the late 1960s, highlighting the key role of skills in the reorientation of labor solidarity in companies and outside mines. This opened up a questioning space in which (Roma) unskillfulness became a powerful argument used by local authorities in the reallocation of municipal facilities such as quality housing, access to urban social infrastructure, or decent-paying jobs. Although such developments were mostly conjunctural and reflected pragmatic strategies applied under the pressure of the multiple constraints of resource exploitation, I argue that the shifts in the labor regime in Baia Mare in the late 1960s and early 1970s established a long-term process of social and spatial marginalization of unskillfulness, which took on racist connotations as the economic crisis of the 1980s expanded into dramatic postsocialist deindustrialization (see Chapters 3 and 4 in this volume). Examining the fate of the Roma from this perspective is fruitful not only for an in-depth account of the various changes at the micro level but also for a better understanding of the long-term social tensions that emerged under industrialization during state socialism.

### **Growth aspirations of a poor (semi)peripheral state**

Romania's backwardness was not news in the mid-1960s. Official statistics from the end of the Second World War convincingly demonstrate that the country lagged far behind the Western and Eastern European states (Montias, 1967). In short, more than 80% of the population lived in rural areas. In many villages, farmers struggled with inadequate and poor nutrition, coupled with high illiteracy and infant mortality rates, which are among the highest in Europe. These conditions were a direct result of the country's predominantly rural and insufficiently industrialized economy. Limited technological investment, fragmented land ownership, and the ineffective agrarian reform of 1921 all contributed to the maintenance of a subsistence economy. However, this poverty was not evenly distributed across the country. Given the higher degree of industrialization since the 19th century under Austria-Hungary, much of the population in the southern regions of Transylvania and Banat enjoyed a better standard of living (Chirot, 1978; Berend, 1996; Bottoni, 2018; Ban, 2020).

The immediate postwar period offered Romania an excellent opportunity to pursue a vision of growth that could have reduced the development gap and created the conditions for a fairer distribution of wealth. After 1948, the newly established communist regime adopted this vision, which had initially been formulated in the politically turbulent years following the peace agreement (Jowitt, 1971). Such a



strategy not only strengthened the legitimacy capital of the new government but also offered realistic arguments in its favor. At the time, Romania was the only country in the socialist bloc with sufficient natural resources to support a belief that it could achieve independence and relatively faster development than its neighbors (Montias, 1967). This assumption seems to have been confirmed. Within a very short period, extensive investment in heavy industry led to an unprecedented expansion of steel production, mining, and machine building (Grama, 2019; Cucu, 2019; Lazor and Murgescu, 2020). Although it had limited financial resources, the state also implemented various housing construction programs in major industrial centers to accommodate the workforce (Mărginean, 2015). Significant progress was made in improving literacy rates through the nationwide expansion of education networks for children and adults. Access to healthcare, particularly in rural areas, was improved, and social protection programs, including pensions, allowances, unemployment benefits, and healthcare, were introduced for many workers (Ban, 2014).

At the heart of this progress was a model of extensive economic growth (Ellman, 2014). For more than a decade, the regime relied on the large pool of unskilled and inexpensive labor released from rural areas after the collectivization of agriculture to meet the workers' requirements of the priority industries. By the mid-1960s, however, as the regime began to take stock of the progress that had been made in the first two decades of its rule, the limits of this growth strategy became increasingly apparent. Or, as Bogdan Murgescu convincingly explained, "The shift in the structure of the working population, with part of it moving from rural and domestic occupations to wage labor in industry and the service sector, is by definition an exhaustible resource for economic growth" (2010, pp. 340–341).

The goal of the reforms adopted in the late 1960s was to remedy precisely these deficits. The increasing opening of the Romanian economy to global markets in the preceding years played a crucial role in convincing political leaders in Bucharest of the importance of developing highly specialized industries, modernizing technology, introducing cutting-edge knowledge solutions, ensuring higher productivity in agriculture, promoting technical education at all levels, and training an increasingly flexible workforce (Granick, 1976). Certainly, the regime in Bucharest was not breaking new ground with this policy. Throughout the Eastern Bloc in the late 1960s and early 1970s, the socialist leadership made several attempts to revise economic policy to maximize activity at the corporate level. Agreements with major international financial organizations were followed by the opening of credit lines that allowed socialist states better access to advanced technologies and consumer goods for the population (Grama, 2020). Bilateral contracts with Western partners opened new markets for low-cost socialist products (Cucu, 2022). At the same time, legislative relaxation in the early 1970s opened the way for the establishment of joint ventures, facilitating the influx of Western capital and expertise into most Eastern European countries (Christian, Kott, and Matejka, 2018). This was complemented by the implementation of programs funded by the International Labor Organization to improve companies' technical skills and computerization (Mărginean, 2023).

Romania was unique because, instead of mobilizing all these resources to advance service industries, the regime in Bucharest opted to further expand traditional sectors such as steel production, mining, petrochemicals, and machine building. This strategy, which Besnik Pula aptly described as a form of “Stalinist globalization”, meant that “these expanded trade ties were not accompanied by significant institutional reform; in practice, they functioned as an alternative means to achieve the traditional goals of Stalinist industrialization” (Pula, 2018, p. 82). Unlike in the early post-World War II years, when much of the industrial growth was grounded in massive exports of raw materials and extensive use of unskilled inexpensive labor, starting in the mid-1960s, the regime in Bucharest imagined a path out of poverty in conjunction with a self-sufficient policy of exploiting and processing natural resources and the broader use of skilled workers.

The authorities were convinced that the chosen solution offered the best path for growth, so they soon embarked on a veritable hunt for natural resources. In endless meetings behind closed doors, political leaders instructed their subordinates to minimize the waste of raw materials and find solutions to reduce the cost of products destined for national and international markets. On the other hand, geologists and mining engineers were removed from their offices and sent on exploration tours across the country to find new deposits of rare metals, oil, or coal.<sup>2</sup> Progress was monitored in regular meetings, each of which led to sanctions being implemented, new targets being set, and cooperation between technocrats and politicians being strained. The entire territory of the country was quickly explored using prospective methods. The regional or district-level geological institutions created detailed records of available reserves, which were updated every few months.<sup>3</sup> However, contrary to the regime’s expectations, the mobilization of specialists revealed the depletion of the subsoil of natural resources rather than new rich deposits. Ongoing investigations also revealed that existing deposits fell significantly below the global average. For instance, in the case of copper or lead, the concentration of nonferrous metals barely surpassed 1.5% (Bulearcă, 2019, p. 59), while operational deposits in other major producing countries, such as Germany, the UK, or the United States, were at least twice as abundant (Mitchell, 1993, p. 460).

However, these deposits constituted only one aspect of the situation. The other facet involved the expenses associated with exploitation and processing, thereby impacting profitability over the medium and long term. Since Romania was experiencing an increasing demand for raw materials, the authorities made a pragmatic choice. Instead of solely targeting affluent deposits or investing substantial amounts in the import of costly raw materials, they decided to persist in exploiting each deposit as long as “the consumption of resources, semi-finished products, energy, and fuel from the respective activities, valued at market prices, would equate to the import purchase price of the corresponding ore or metal” (Bulearcă, 2019, p. 61).

The argument proposed here is that the decisions made by the Bucharest regime to continue exploiting certain deposits, provided that extraction and processing costs remained lower than prospective imports, ultimately increased the vulnerability of the extraction sector to fluctuations in the global commodities market. This uncertainty, which appeared to be of lesser consequence in the early

1970s when the regime possessed adequate liquidity to support the exploitation of poor ore deposits financially, eventually prompted a significant reassessment of exploitation strategies in the latter half of the decade as the economy began to contract. As a result, for most of the 1970s, the extraction industry worked under the sign of the provisional. Given that such exploitation required investment in technology and housing for the workforce, for which financial reserves were not always available, local authorities had to carefully ponder the allocations to social infrastructure and territorial development projects. As I show below, such aspects had significant implications. In Baia Mare, for instance, the uncertain long-term fate of the nonferrous industry grounded a set of measures that addressed the immediate skilled labor force and technological requirements of the extractive industries and opened the way for successive rearrangements of local growth projects.

### **Overcoming the impoverishment of copper mines**

When the communist regime officially embarked on a program of self-sufficiency in natural resources, the industrial administration in Baia Mare was well informed about the dwindling reserves of nonferrous metal ores in local mines. Reports from mine directors in the late 1950s warned that the concentrations of lead and copper in that part of the country were significantly declining yearly. For example, lead concentrations halved in less than a decade, dropping from almost 8% in 1955 to just over 4.3% in 1965.<sup>4</sup> As a result, local industrial management had to source ore from alternative producers in the Maramureș region, particularly from the Baia Borșa basin, which is located approximately 130 kilometers away on the opposite side of the Țibleș Mountains. However, the rising transportation costs, the lack of a connecting railroad between the two basins, the rudimentary road infrastructure of the time, and the generally inferior quality of the ore sourced from the more distant mines significantly reduced the profitability of such agreements. As one local official noted bitterly in the mid-1960s, much of the Baia Mare mining industry operated at a deficit for a considerable part of the postwar period.<sup>5</sup>

It seems that for a decade, or perhaps even longer, these issues did not carry much weight in the eyes of the communist regime. The enthusiasm that prevailed among many people in the immediate postwar years and the generally turbulent development of various Romanian industries in the 1950s drove exploitation almost by inertia due to the long mining tradition in the region. In the early 1950s, the regime provided some funds to purchase adequate mining equipment. At that time, much of the copper and lead was mined through narrow underground tunnels that were dug to access the areas with the highest concentration of deposits. As a rule, the quantities of ore extracted in this way remained small, while the total production of metals barely reached several thousand tons per year. Despite this rudimentary exploitation strategy, there was an optimistic expectation that the modernization of mining technology and workforce professionalization would eventually help Maramureș achieve its rightly deserved position in the Romanian industrial landscape.<sup>6</sup>

In the second half of the 1960s, when it seemed that this moment had finally arrived, the communist regime's growing interest in natural resources clearly signaled that the profitability of mining was unlikely to increase without a radical change in the philosophy of exploitation. As several reports from mine directors in the Baia Mare region convincingly demonstrated, ore exploitation had to change from quality to quantity. While the veins in the existing deposits became thinner and it was unlikely that new rich copper and lead deposits would be discovered in the area, it became essential to extend the galleries horizontally to exploit the less productive peripheral areas of the deposits and much greater depths. Expanding the mining area would further increase the quantity of ore mined from that point onward and change the mining techniques from narrow tunnels dug by humans to more extensive tunnels dug by machines.<sup>7</sup>

The path from project to reality was much more complicated than initially assumed. From the mine officials' perspective, an expansion of the mining area would have been feasible if they had had access to all the necessary human, financial, and technical resources. In the mid-1960s, the local mines partnered with the Institute of Geological Prospecting in Baia Mare, which began exploring the land, assessing the deposits, and drawing up a convincing intervention plan. Memoirs were sent to Bucharest, who informed key decision-makers about the technological requirements and costs of such modernization efforts. However, the greatest challenge for the local mining industry was unrelated to technical expertise or the financial generosity of the communist regime. Instead, the greatest challenge was that of finding qualified workers who were willing to take a job in one of the city's mines. In 1968, some mine directors advocated increasing the number of skilled workers by at least 150%.<sup>8</sup>

Up to this point, the local mining industry had been affected by an increase in turnover; authorities found themselves forced to acknowledge that labor productivity remained far below potential, that finished products were generally of poor quality, that the wastage of raw materials increased daily and that frequent blockages in the supply of raw materials had consequences far beyond Baia Mare.<sup>9</sup> Even when companies managed to hire the necessary workforce, the turnover rate rose sharply month after month. In the first half of 1967 alone, the city's mines employed 4,000 workers and lost 4,300. By the end of the same year, there would have been a deficit of over 1,000 workers, or approximately 10% of the required workforce. The workers increasingly developed negotiating skills, which they used to secure a more advantageous status inside the mine and benefits outside the gates. One issue they disliked was the level of pay. In the second half of the 1960s, the average salary in mining was approximately 1,470 lei per month, which was only slightly higher than the wages in other industries in the city, such as the chemical industry or machine building, although the work was more manageable and less dangerous. Workers were also reluctant to keep working in mining because of the lack of equipment and difficult working conditions at high temperatures, which often led to accidents.<sup>10</sup> When accidents occurred, the predominant image was workers being pulled out of the tunnels, "barely able to move, covered in dust and blood" as one former employee recalled.

In response to these facts, the regime took coherent actions to improve safety at the national level and used its authority to solve what appeared to be a systemic problem. However, as in other situations, the authorities prioritized addressing the consequences over the causes, which only complicated matters in the long run, as these measures ultimately established a dependency of the socialist state on skilled workers (Cook, 1993). Specifically, instead of admitting that remedying the decline of the Romanian industry was closely linked to a revision of personnel policy, the regime opted to reduce production costs in the industry, including by adjusting the level of labor income.

At that time, workers in Romania received either a fixed monthly income, regardless of productivity level (on a budget basis) (*munca în regie*, or a fixed monthly salary combined with a variable allowance that increased if production norms were exceeded (on a contract basis) (*munca în acord*). Most workers in heavy industry were paid on a contract basis. The socialist economic system usually sets targets based on the technological level of the enterprise at a given time and the professional qualifications of the workers. These targets were deliberately set far below the actual capacity of the enterprise to allow workers to supplement their otherwise inadequate income by constantly exceeding their contractual obligations. Because of this flexibility in determining workers' obligations, the targets were revised at long intervals and rarely in conjunction with the technological modernization of the company. This discrepancy between professional commitments and technical production possibilities created conditions in which experienced workers could perform well beyond the targets agreed upon by management. As a result, in the mid-1960s, most companies reported exceeding standards by up to 130%, which placed a considerable burden on the wage bill and, by implication, on the state budget.<sup>11</sup>

As a result, the wage system was revised to address this situation through a comprehensive nationwide restructuring of incomes, considering the industry's specificities and the intricacies of the work involved. The legal framework contained specific regulations tailored to each sector. For example, the new wage system in nonferrous metallurgy, which was introduced in 1969, allowed for an average salary increase of up to 9%. Furthermore, the new system introduced budgeting for most of the workforce, while work on a contract basis was permitted only in exceptional cases. At the same time, targets were recalibrated based on so-called scientific criteria. With these measures, the regime equalized the incomes of the different categories of workers in the Baia Mare mines, which reduced the attractiveness of underground work.

An extensive training program for the skilled workforce supplemented the revision of the salary system. The authorities hoped that this would not only create the conditions to meet the direct demands of the mine directors for an increase in the proportion of skilled workers but also ensure an increase in income for the workers by placing them in better-paid positions. In the Baia Mare mining network alone, it was estimated that the number of skilled workers rose from 9,260 in 1970 to 14,252 in 1972, with a further increase of up to 30% expected by 1985. The other mines in the nearby area also anticipated an increase in skilled workers of between 2,000

and 5,000 in the following years. A shift in the workforce structure reduced the total number of employees in the entire industrial center by several thousand and, at the same time, increased productivity.<sup>12</sup>

However, the implementation of this new vision revealed some flaws in the functioning of the mining industry, which were only exacerbated by the regime's goals to cut costs by any means necessary. In contrast to the desperate desire of mine management to increase the number of skilled workers, the government created a legal framework that prioritized training skilled workers who were already working in the mines at the expense of hiring new cohorts of workers. According to this measure for the "training of workers in socialist enterprises", more than 75% of the workers in Baia Mare were to be trained "under the direction of the direct supervisor", which would ultimately relativize the efficiency of the teaching process based on fore peoples' availability, motivation, and pedagogical skills.<sup>13</sup>

When the issue of skill finally appeared on decision-makers' agendas, costs were again an issue of concern. Typically, the increase in the number of skilled workers was to be achieved almost exclusively through on-the-job training and to a much lesser extent through the recruitment of graduates from vocational schools or industrial high schools; the training program followed the model of the interwar apprenticeship schools, which relied extensively on providing hands-on experience on the shop floor (Mărgineanu, 1943). However, less-than-satisfactory outcomes resulted from differing opinions on the appropriate approach to managing qualification programs. Due to ongoing mining delays and increasing labor turnover, many mine managers felt compelled to provide training without interrupting production. As a solution, they suggested that workers should continue their regular shifts at the mine during normal working hours and then attend skills training courses, but it became clear that the employees did not respond well to this approach. Most of these employees were commuters who lived in different villages near the mines in Baia Mare and were dependent on the transportation provided by the company. Despite the potential financial benefits of acquiring a new professional status, many workers refused training and opted to supplement their income through agricultural work in their home communities. In contrast, other workers expressed interest in various training programs offered by companies in Baia Mare but faced barriers due to a lack of formal education. The legislation mandated at least eight years of schooling for participation in such training programs, so these workers could not be involved.<sup>14</sup>

It seems that, apart from these problems, the mobilization efforts in the second half of the 1960s succeeded. Within a few years, copper and lead production more than tripled in almost all the mines in the Baia Mare region. This achievement is even more remarkable considering that the number of employees remained roughly the same during these years. By the early 1970s, the production growth rate plateaued, and the prospects of expanding operations beyond this level seemed rather unlikely despite the efforts that had previously been made. In 1972, the central authorities presented the concept of the global agreement system [*sistemul acordului global*] to the mine managers in Baia Mare for the first time. This



system envisaged tying the payment of salaries for a team of workers or even the collective of an entire department in an industrial company to the fulfillment of plan obligations. To incentivize employees, the new legislation increased remuneration for entire work teams depending on the extent to which they surpassed expectations. Conversely, penalties were established for teams that did not meet expectations; these usually involved salary deductions equal to a certain percentage of the unmet standards. Although the comprehensive contract was not to be introduced nationwide in Romanian companies until 1978, the trial of the system in the Baia Mare mining industry can be seen as a directive from the state to use legal mechanisms to force the workforce to overcome the seemingly apathetic state in which they had been for some time. One year later, in 1973, the regime passed a new wage law that provided a series of wage concessions for skilled workers. Or, as Nicolae Ceaușescu remarked, “The wage system should ensure a livelihood—[the law must] be designed in such a way that people know that it is about qualifications”.<sup>15</sup>

The global agreement and the changes to workforce wage laws were implemented to increase productivity by addressing previous provisions that strained relations between mine management and labor. However, these legislative changes ultimately led to a significant reshaping of labor relations that had profound social implications in the medium and long term. Under the new wage conditions, meeting the prescribed standards depended on the effectiveness of cooperation among the members of work teams.<sup>16</sup> Over time, professional relationships developed and were characterized by mutual trust, familiarity, and implicit agreements to delegate tasks, share tools, and help when needed. While many found this arrangement beneficial, newcomers faced challenges integrating into already established teams, especially when their lower skill level or lack of trust from colleagues was not well received by teams that relied on their fore people.<sup>17</sup>

Beyond the wage disparities and the tangible opportunities for workers in diverse categories to augment their earnings by surpassing production targets, alterations in the labor system resulted in a spatial distribution of skill levels within the urban center and the surrounding rural areas. For instance, in 1975, 4,250 out of 5,625 unskilled workers resided outside their workplace, in contrast with 7,400 out of 12,308 skilled workers.<sup>18</sup> While these statistics underscore the housing challenges that Baia Mare confronted after the onset of the postwar era, they also reveal local administration practices aimed at addressing the requests of the town’s industrial leaders for strategies to stabilize the skilled workforce. A document formulated in the early 1970s through collaboration with officials from Baia Mare’s mines outlined the criteria that prospective workers needed to meet to qualify for housing constructed with public funds and managed by municipal enterprises. Generally, these individuals had to have a larger family than the dwelling they occupied when applying for new housing, have no local relatives who could provide accommodations, and hold professional qualifications. The greater the level of professional training one held, the greater their likelihood of securing a prominent position on the housing allocation list and relocating to the city with their family.<sup>19</sup>

### **Racializing unskillfulness**

It is very unlikely that Head of State Nicolae Ceaușescu's proclamation that "skill is a way of life" went beyond the participants of the 1972 Politburo meeting. It is even less likely that the local administration in Baia Mare knew about it. Nevertheless, the acknowledgment at the upper echelons of the socialist state that professional status can influence social behaviors was intricately connected to the regime's broader concern for the populace's quality of life. Indeed, pragmatic considerations fueled the authorities' interest. During this period, it became increasingly clear that the socialist state's efforts to achieve economic growth in the previous decades had revealed the limitations of inexpensive labor resources. It also became clear that the first postwar generation had reached its potential for social mobility by the early 1970s. As sociologist Honoria Cazacu convincingly argued,

Each generation is endowed with a certain socio-occupational energy—shaped by the historical period in which it has developed and the environment in which it has lived—and as a collective, it cannot practically achieve more than the wave of its group drives it.

(Cazacu, 1972, p. 90)

More concretely, each of these processes can only produce a limited number of effects, and once that limit is reached, the process slows, as Cazacu noted, because the pool of potential individuals subject to mobility decreases.

The exemplary mobilization of workers in Baia Mare in the decades following the Second World War consisted, for example, of taking a job as an unskilled worker in one of the town's industrial plants and then improving their professional skills through various on-the-job qualification courses, trade courses or training programs in technical schools. Young men who came from the surrounding villages benefited first and foremost from the improvement in their status, precisely because there was "a free socio-professional space in which they could rise" (Cazacu, 1972, p. 87). For many, this new status meant a considerable qualitative leap in living standards, which improved even further with increasing professional experience and seniority in the industry. Since many of them had managed to secure a position in the new society, their children's generation could take a second step toward further technical education, and their grandchildren's generation could attend college.

For decades, when the regime prioritized economic growth above all else, the socialist state appeared largely unconcerned with the social implications of such transformations. However, by the mid-1960s, as the government sought to redirect industrialization efforts, it became increasingly apparent that social mobility had previously been heavily influenced by gender and ethnicity. Notably, most new hires were male and had mainly Romanian, Hungarian, and German backgrounds. However, in the case of women and the Roma, the two major social groups that had somehow been left out in the first phase of industrialization, the state pursued different strategies: it developed programs to integrate women into the industrial



labor market and set up mechanisms to push the Roma toward jobs as unskilled agricultural laborers. These different paths reflect the authorities' efforts to cope with the multitude of daily challenges and to contribute as much as possible to the dynamic life of the community.

For example, when the directors reviewed the staffing plans of the mines in Baia Mare, the information that the next period would bring, if not a reduction in the number of employees, at least a limitation of employment, caused great unrest. At meeting after meeting, district and municipal officials debated the so-called state of the city's labor force only to conclude that "there is dissatisfaction among wage earners and job seekers". At the district level, it was assumed that 47,100 able-bodied people, 36,000 of whom were women, needed employment. A local official noted,

If the same growth rate of industry and the same structure, the same birth rate is maintained under the conditions of the decline of the population employed in agriculture to about 20–25 percent, the available labor force will reach about 125,000 in 1990, of which 76,500 are women.

Beyond the overarching statistics, this reality already had dramatic facets. A mine director cited the instance of a woman who had threatened suicide in his office unless she received employment to support her family. Even women with jobs near the town's mines were not in favorable positions. According to a former worker at the Herja Mine, due to the highly challenging conditions of those times, she considered herself fortunate to have secured her first job as an unskilled laborer at age 16, even though it entailed pushing ore carts with bare hands in all weather conditions and seasons, even during the advanced stages of pregnancy. These conditions did not improve for several years. Female employment quotas were implemented in the early 1970s, complemented by training programs for women. However, only after a few light industries were established in the city did women gradually integrate into the labor market as unskilled workers, following the path that men had taken two decades earlier.<sup>20</sup>

For the Roma community, things were much more complicated. Their numbers were much smaller than those of the female population, and the Roma lived on the city's outskirts in less suitable buildings. In the first years after the establishment of the communist regime, some of them found employment as unskilled workers in the expanding industry, often as cleaners or porters. Others made a living in traditional professions, such as craftsmen or musicians.<sup>21</sup>

However, it seems that problems arose as early as the early 1960s, when expansion work began on the copper combine in the southern part of the city, beyond Pârâul Țiganilor (renamed Râul Craica in those years). It became clear that at least some of the members of the small Roma community living in the so-called Hotvon neighborhood (a Hungarian term for 60 Gypsy houses) had problems with social behavior and compliance with the legal norms of the state. The related incidents included break-ins on the grounds of the industrial plant or the theft of building materials and spare parts.<sup>22</sup>

Against the backdrop of increasing tensions within the socialist state that were related to the imperative of industrial development, the acute crisis of housing shortages, and the escalating demand for jobs, the clustering of an ethnically challenging community close to the city posed an additional problem that the authorities sought to address with the means at their disposal. Shortly afterward, the militia—which was the official term for formal police under socialism—intensified its raids in the Roma communities and collected information about their way of life, occupations, and family structures. This may have been influenced by skepticism about the central authorities' effectiveness in handling such problems, especially considering the 1966 census, which revealed the officially lowest number of Roma in Romania at any given time. As a result, in the second half of the 1960s, various reports on Roma living conditions landed on the desks of the central authorities; much of the information was compiled based on militia data aggregated nationally. Since no progress had been noticed, by 1972, officials from the Ministry of the Interior presented much more comprehensive data, not only on the daily lives of the Roma but also on the existence of communities that were larger than initially known.<sup>23</sup>

This form of communication between local authorities and central-level officials on the Roma issue illustrates the efforts of the institutions to inform their superiors in Bucharest about the challenges they faced. However, as the complaints piled up on the desks of the central authorities, it became increasingly clear that the situation was far more complicated. For example, when another report on the socio-economic situation of the Roma landed on the desks of the central authorities in the spring of 1977, Iosif Uglar, the then-chairperson of the Committee for the Problems of the People's Councils, made the following brief note in a corner of the document before passing it on to his subordinates: "I do not know if it is a good idea to involve us in such commissions. Analyze and make suggestions".<sup>24</sup> His reservations about the appropriateness of a top-down intervention reflected years of experience in the local administration of a socialist state. Born in Baia Mare in 1920, Uglar joined the Communist Party in 1945 and remained loyal until 1989. Although he was a carpenter by trade, he attended courses at the Ștefan Gheorghiu Academy of the Romanian Communist Party and the Academy of Economic Studies before obtaining his doctorate from the Higher Party School in Moscow. For more than two decades, between 1952 and 1974, he was the First Secretary of the Maramureș region (and of the county since 1968). He was later promoted to various important administrative positions in the central apparatus of the Romanian state (Ionel, 2004, pp. 595–596).

Despite the numerous economic and social successes achieved in Maramureș under Uglar's leadership, the county stood out in 1977 for its inefficiency in dealing with the situation of the Roma. As stated in a 1976 summary by the National Demographic Commission, Maramureș had the highest number of Roma "who can work but are not engaged in any activity useful to society". In the militia summaries from the same period, 10,043 Roma people were mentioned as living in the district, more than three times as many as in the official census data, which mentioned only 2,942.<sup>25</sup> Maramureș was also one of the counties where contrary to President Nicolae Ceaușescu's recommendations during the telephone conference

in November 1977, no committees for Roma issues were ever established. As a rule, Roma issues remained a topic of discussion within the grassroots organizations of the Romanian Communist Party (*organizații de bază ale Partidului Comunist Român*) in the Baia Mare districts where they lived. They were only rarely raised to the attention of the higher political authority at the municipal or county level. To this end, Uglar's reservation about the appropriateness of a top-down intervention regarding the Roma undoubtedly reflected his involvement in handling local social developments under the pressure of industrial growth. In the medium and long term, the central authorities' disengagement from the idea of a national-led intervention project sent a strong signal to the local decision-makers that the issue would remain in their hands. As a result, approaches to Roma integration varied from one county to another, depending on the availability and commitment of county and municipal officials across the country.<sup>26</sup>

Baia Mare perfectly illustrates the results of the devolution of decision-making power from the central to the local level and how this devolution is intertwined with larger economic growth projects. In contrast to Czechoslovakia, which had already adopted a program to integrate the Roma into the national industry in skilled occupations in the 1960s, Romania chose to relegate the Roma to agriculture or animal husbandry jobs. Since these jobs required no special skills, the regime sought to use the Roma as inexpensive labor to compensate for the shortage of workers in Romanian villages, which were increasingly depopulated due to the sizeable rural-to-urban migration following the completion of collectivization (Kideckel, 1993). This dynamic is well documented in the case of Baia Mare, where most of the Roma population settled in the city's suburbs in much larger numbers than in the city itself.<sup>27</sup>

Many of these developments were a direct result of the local authorities' measures to distribute jobs and housing, which limited the opportunities for the Roma to settle in the city and eventually led to a racialization of unskillfulness on the outskirts of Baia Mare (see Table 2.1). Such spatial reallocations were also facilitated by a series of racializing measures that the municipal authorities in Baia Mare employed during the late socialist period. As Eniko Vincze's contribution to this volume shows, these contributions became apparent only as late socialism's systematization project unfolded and then gained public visibility in the postsocialist

Table 2.1 Census data regarding Roma

	1930	1956	1966	1977	1992
Baia Mare	164	22	88	465	1969
Baia Sprie	64	63	—	184	391
Copalnic Mănăstur	54	140	85	254	196
Satulung	88	10	152	331	563
Săcălășeni	42	179	167	241	485
Ulmeni	225	365	17	473	730

Source: *Populația pe naționalități la recensămintele din perioada 1930–1992: Date reconstituite* (București: INST, 1994).

years. However, these restrictive top-down procedures did not completely prevent any possibility of social mobility for the Roma. In contrast, some managed to exploit the opportunities offered by nearby industrial plants and create a life for themselves as integrated members of the industrial community of Baia Mare (Gog in this volume), credibly documenting the multiplicity of shifts, transformations, and possibilities that the heterogeneity of the late socialist state made probable.

## **Conclusion**

This chapter has traced how the reassessment of Romanian growth policies in the late 1960s and early 1970s led to numerous social restructurings within the local industrial community in Baia Mare. At the heart of the socialist state's actions, there was a growing interest in the extraction of raw materials, which placed the nonferrous metal mines in the town at the center of the project. I demonstrate that as the regime's need for ore increased, so did the demand for skilled labor. Under these circumstances, various policy initiatives aimed to strengthen the decision-making autonomy of regional and local bureaucracies, particularly regarding personnel policies, the management of production relations, and the development of social infrastructure within local industries, including housing, schools, hospitals, and recreation centers. Many of these efforts were similar to those pursued in capitalist economies regarding labor flexibility and territorial development. However, in contrast to Western European approaches, Romania's focus on resource extraction led to a reconfiguration of the relationships among political power, technocracy, labor, and industrial localization. Specifically, Baia Mare played a role in the plans of the socialist regime as long as the exploitation of nonferrous ores remained profitable. However, when the 1980s crisis developed, Baia Mare's share of national copper production decreased drastically. This was a consequence of the fact that by the late 1970s, the regime started exploiting the significant reserves of copper, lead, and zinc in Roșia Poieni, a mining center in the Apuseni Mountains approximately 250 km south of Baia Mare. Unlike the mines in Maramureș, the reserves of which were concentrated in veins that required underground mining via tunnels and sophisticated technologies, the deposits in Roșia Poieni were widely dispersed, which facilitated exploration through less expensive surface mining.

Therefore, my contribution builds on this dynamic to highlight the conditions that led to the vulnerability of the unskilled labor force, particularly the Roma. In this sense, it is argued here that growing pressure from Bucharest officials on industrial management in Baia Mare to increase the profitability of nonferrous metallurgy in the region in the late 1960s and early 1970s contributed (in)directly to various (re)spatializations of unskillfulness within the urban area that would soon take a racialized turn. While this dynamic increased the legibility of the Roma population in the eyes of the municipal authorities, it also created conditions that would contribute to the deepening of the wealth gap between the majority population and the Roma population in the medium and long term. To this end, my paper historically grounds the increasing precarity of Roma communities in Baia Mare, which became visible in the postsocialist period, to the labor-management

strategies implemented by the socialist government in the late 1960s and early 1970s as part of a general effort to revise the paradigm of post-World War II industrialization. From this perspective, the case of the Roma community in Baia Mare is significant for obtaining a more nuanced understanding of the global history of labor and deindustrialization and facilitates a better understanding of the long-term social changes detailed in the other contributions to this volume.

## Notes

- 1 Romanian National Central Archives in Bucharest (hereafter SANIC), Comitetul pentru Problemele Consiliilor Populare – Direcția de Administrare, Control și Administrație Locală de Stat, file 13/1977: 4–23.
- 2 SJAN-MM, PCR MM, file 3/1971: 110–115.
- 3 SANIC, CC al PCR-Cancelarie, file 72/1969.
- 4 AREMIN Baia Mare, 7/1972: 68–90.
- 5 AREMIN Baia Mare, 7/1972: 85.
- 6 AREMIN Baia Mare, 564/1975 (Informări, note, rapoarte ale COM și Biroul Executiv).
- 7 AREMIN Baia Mare, 45/1967–1969.
- 8 AREMIN Baia Mare, file 42/1974 (Plan de școlarizare): 34.
- 9 AREMIN Baia Mare, file 42/1967.
- 10 AREMIN Baia Mare, file 44/1967.
- 11 SANIC, CC al PCR – Cancelarie, file 57/1969.
- 12 AREMIN Baia Mare, file 20/1971.
- 13 SANIC, CC al PCR – Cancelarie, file 12/1971.
- 14 AREMIN Baia Mare, file 61/1973.
- 15 SANIC, CC al PCR – Cancelarie, file 68/1972.
- 16 SJAN-MM, PCR Maramures, file 18/1971: 73–80.
- 17 AREMIN Baia Mare, file 43/1973.
- 18 AREMIN Baia Mare, file 61/1973.
- 19 SJAN-MM, PCR Maramures, file 10/1971: 97–110.
- 20 AREMIN, file 61/1973. In the first quarter of 1973 alone, 4,000 women from Baia Mare reportedly submitted job applications, the highest number compared to other localities in the country. In official statistics, unemployment was disguised under the category of “un-employed working-age population” [populație în vârstă de muncă neocupată]. This included several categories of people, such as noncollectivized peasants, young recruits in compulsory military service, housewives, people who did not show their desire to work, Roma who practiced independent activities, and the unemployed. However, despite the efforts of the authorities to increase the employability rate of the population, the number of the “un-employed” increased from 1.266 million in 1950 to 1.715 million in 1989. See Ionete, 1993, p. 55.
- 21 SJAN-MM, PCR Maramures, file 5/1972: 42–45.
- 22 ACNSAS, Documentar, file 6377/1-4 and file 6351/1–2.
- 23 SANIC, Comitetul pentru problemele Consiliilor Populare – Oficiul Juridic, file 33/1967: 195–201; and CC al PCR – Organizatorica, file 19/1972.
- 24 SANIC, Comitetul pentru problemele Consiliilor Populare – Direcția de Administrare, Control și Administrație Locală de Stat, file 13/1977: 1.
- 25 SANIC, CC al PCR - Organizatorică, file 19/1972.
- 26 SANIC, Comitetul pentru problemele Consiliilor Populare – Direcția de Administrare, Control și Administrație Locală de Stat, file 86/1983.
- 27 On Romanian authorities’ view on the integration of the Roma in industrial labor see also: SANIC, CC al PCR – Cancelarie, file 37/1980: 45–50.

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### 3 Premature deindustrialization and postsocialist Roma poverty

#### The political economy of unskilled labor

*Sorin Gog*

#### Introduction

This chapter focuses on the impact of the transition from socialism to capitalism on Roma workers and the role of premature deindustrialization in generating new landscapes of poverty. By focusing on the political economy of industrial employment of skilled and unskilled labor (Rodrik, 2016; Kunst, 2019; Aiginger and Rodrik, 2020), I argue from a perspective of labor history (Grama, 2018 Musić, 2021; Cucu, 2022) and vocational educational policies (Scepanovic 2020; Köpeczi, Bócz and Bükki, 2006) that we need to move away from a culturalist explanation of Roma poverty to one that can account for the racialized patterns of occupational structures. The main argument of this chapter is that the neoliberal reforms and economic restructuring that occurred in the 1990s (Bohle and Greskovits, 2012; Ban, 2016; Gabor, 2015), which generated a vast premature deindustrialization (Chivu, Ciutacu and Georgescu, 2017), had important consequences for the reconfiguration of the Romanian social division of labor. Given the ever-growing social inequalities created by the capitalist transformation in Romania, how did the socialist differences between low-skilled and high-skilled labor formations impact the way in which poverty was constituted?

This analysis begins with a focus on how the socialist mode of production dealt with precarious people and assimilated the Roma into emerging socialist industries. The Roma were almost completely excluded from the vast networks of professional educational establishments set up by the Communist planners, so they were hired predominantly as unskilled workers. New socialist educational hubs were created to train a professionalized workforce for new industries and convert peasant children into a fully fledged urban proletariat. These hubs were very important because they effectively transferred material and social wealth to poor people and produced social mobility that was unprecedented in the history of Romania. However, the Roma were almost shut-out from these class-formation processes.

Although this mode of integrating the Roma was problematic, the socialist policy of full employment generated a mechanism of economic and social well-being in which wage labor facilitated access to affordable housing, food, medical care, recreation, and basic services. With the collapse of mining-related industries in the 1990s, as a result of capitalist privatizations and neoliberal reforms, the living



conditions of the Roma deteriorated dramatically, and a severe form of downward class mobility developed. In this context of capitalist transformations, Roma unskilled workers were among the first to become unemployed. During the socialist period, many Roma families relied on one wage (usually that of the husband) because of Communist pro-natalist policies that financially incentivized large families through consistent child allowances. As a result, many Roma families opted for mothers to engage in domestic activity instead of pursuing a professional career. This made it more difficult for Roma families to survive during the early stages of capitalist transformation, so gradually, as they lost their jobs, this was followed by the loss of their homes and a rapid deterioration of living standards.

My paper attempts to reconstruct the social history of the downward class mobility of the Roma produced by deindustrialization and life inside racialized postsocialist ghettos and peripheries.<sup>1</sup> These spaces have multiple overlapping genealogies: they include the Roma workers who were active in these industries, their families who were born and lived in these spaces up to the second and third generations, the Roma who were active in rural areas as agriculture workers, the Roma who were displaced by eviction policies, and the Roma who were not part of the active population (pensioners, unpaid domestic workers, people supported by others, etc.). This paper focuses on a particular Roma group (55+ years old) that worked during the socialist period in one of the local industries and attempts to reconstruct their social history. Since many of these people died due to lower life expectancy among the poor Roma, they are not representative of the current constitution of the ghettos and peripheries. Currently, ghettos are composed of young people, more than 50% of whom were born after 1989 (Craica and Pirita ghetto), but this also needs to be understood in the context of premature deindustrialization.

This chapter relies on an ethnography<sup>2</sup> of Roma settlements in Baia Mare, the surrounding villages, and smaller cities from the entire county of Maramureş. The research mostly focused on Roma workers in socialist industries who were at least 55 years of age at the time of the interviews and had work experience during both the socialist and capitalist periods. To contextualize these interviews and ethnographic materials, I used statistical data from the survey that the PRECWORK team conducted in Baia Mare and demographic data from various censuses regarding the transformation of the occupational structure during the transition from socialism to capitalism.

### **Premature deindustrialization and the issue of a low-skilled labor force**

Cycles of industrialization and deindustrialization have been a recurring pattern of capitalist development in many parts of the world (Tilly, 1981, 1983; Brady and Denniston, 2006; Strangleman, Rhodes and Linkon, 2013). In advanced developed countries, a shift to tertiary services and a process of complexification of work skills required by new economies have furthered deindustrialization (Tregenna, 2011). Postindustrial societies have employed global markets to outsource labor-intensive industries and develop high-value-added service industries centered on knowledge production, information technologies, and R&D product development (Cucca and

Ranci, 2016; Shaw, 2001; Steffen et al., 2015). Thus, deindustrialization has been an important component of advanced postindustrial economies, and it has manifested itself in the gradual decline of the industrial workforce in terms of the total number of employees and share of manufacturing in the total local economy. In his comprehensive study of deindustrialization, Rodrik (2016, 2017) demonstrates how this process is embedded very differently in developed and developing countries (see also Baccaro, Blyth, and Pontusson, 2022). Due to technological innovations and labor productivity, advanced economies have managed to maintain a constant net output of manufacturing value added (MVA) in the total GDP, despite the ongoing process of deindustrialization and a declining share of employees in the manufacturing sector (Aiginger and Rodrik, 2020; Rodrik, 2016, p. 2). Developing countries experience deindustrialization very differently: this not only occurs at a faster pace than in developed countries and generates a collapse of the manufacturing sector but also leads to an erosion of MVA (Andreoni and Tregenna, 2018; Rodrik, 2018). Thus, in these countries, deindustrialization is not generated by retechnologization and automatization processes; rather, it is an effect of how these countries have opened themselves to global markets and thus absorbed the shocks and fluctuations in the world prices of manufacturers (Rodrik, 2016, p. 3). In the context of the gradual erosion of the welfare state, this has severe consequences for workers.

By analyzing the global trends of deindustrialization, Rodrik highlights the important role of the exporting of complex manufacturing in predicting the type of deindustrialization in each set of countries. By opening themselves to world markets without operating internal technological innovations, developing economies suffer what he calls **premature deindustrialization** (Rodrik, 2017). This is usually generated by neoliberal policies that focus on the liberalization of trade and deregulatory financial policies, which seek to integrate local economies into global capitalist structures (Tregenna, 2016, p. 720). Because of the wide economic asymmetries between countries, these policies usually have opposite effects. Increasing global competition from China has also played a very important role in advancing premature deindustrialization (Tregenna, 2011, p. 720). This has also occurred in Central and Eastern Europe, where dramatic patterns of premature deindustrialization can be observed during the 1990s due to structural reforms and austerity policies (Reinert and Kattel, 2007). Premature deindustrialization is relevant because it reduces economic growth (Tregenna, 2016) and dislocates the manufacturing sector that contributes to **unconditional economic convergence** (Rodrik, 2016, p. 28). This sector is essential for technological transfers, productivity increases, higher wages, integration into regional economies, and the consolidation of well-fared provisions and democratic practices (Rodrik, 2013, 2016). Premature deindustrialization fosters inequality (Grabowski, 2017) and negatively impacts women's employment (Greenstein and Anderson, 2017).

Relying on the World Input–Output Database (which also includes Romania), Rodrik (2016) demonstrates the dramatic impact of that deindustrialization on a particular group of the industrial workforce, namely, **low-skilled workers**. If we look globally at the evolution of capitalist deindustrialization and assess its impact on advanced postindustrial societies and developing countries, then one of the

main effects is the massive release of low-skilled workers from industrial production. This is also consistent with Kunst's (2019) research, which demonstrates how premature industrialization has affected unskilled labor to a much wider extent. More specifically, it has impacted basic occupations, machine operators, and other professional categories with a minimum level of formal education. Kunst argues that this process has not been as widespread in low-income countries, where low-skilled workers are still needed for production, as in middle- and high-income economies. Thus, in his analysis, he can highlight the dynamics of occupational employment in each type of these countries and the way in which this is connected with different patterns of deindustrialization (Kunst, 2019, p. 28).

According to World Bank reports, Romania was already a middle-income country during the 1990s and became an upper-middle-income economy during the mid-2000s.<sup>3</sup> The dramatic collapse of industrial production that occurred during the 1990s cannot be attributed to a lack of technological innovation but rather to a premature opening of the economy to capitalism, either in the form of price liberalization, privatization, dislocation of the integrated chains of production, or dissolution of state coordination. After 1996, this opening to capitalism became more radical due to the structural neoliberal reforms implemented in Romania during this period. Bohle and Greskovits (2012, pp. 44–51) note that in terms of existing complex industries, Central and Eastern European countries started at similar levels, but during the 1990s, Romania, Bulgaria, and the Baltic states experienced dramatic decreases in complex manufacturing production and exports. Romania gradually became a semi-peripheral economy compared to the Visegrad countries and Slovenia, which managed to implement industrial policies that enabled development paths toward more complex economies (Bohle and Greskovits, 2012, p. 47; Ban and Adascalitei, 2022).

Deindustrialization also had an immense impact on the dislocation of the qualified workforce in Romania. According to estimations, the collapse of industrial production led to the loss of approximately 2.5 million jobs in various industries in the first 15 years of transition (Chivu, Ciutacu, and Georgescu, 2017, p. 105). Not only were material technologies lost, but also vital human resources, including technical knowledge, skills, and work competencies. The implementation of shock therapies after 1996 caused severe turbulence, and this did not allow sufficient time for the development of alternative industries that could enhance economic growth by employing this now redundant but highly qualified workforce. Instead of reindustrialization, the opening of European borders led to a major flux of Romanian migration from the mid-2000s to the West, where the majority of them had to work low-skill jobs that did not make use of the complex technical qualifications that Romanian workers had (Chivu, Ciutacu, and Georgescu, 2017, p. 105).

Deindustrialization impacted not only the high-skilled labor force but also the low-skilled labor force. Compared to other Central and Eastern European countries, Romania had one of the largest shares of low-skilled persons engaged in industry and has experienced the greatest decline in total employment in this socio-professional segment. Only Slovenia experienced a similar process between 1995 and 2009, but the share of low-skilled labor in industries was, in this case, much lower at the beginning of the 1990s (Figure 3.1).



If the skilled labor force underwent a vast process of downward class mobility, how did deindustrialization impact the low-skilled workforce? Most labor histories generally focus on high-skilled labor and emphasize how Romania lost one of its most valuable human resources during the postsocialist transition (Georgescu, 2018, 2021). These studies indicate that both brain and skill drain had long-lasting negative impacts on relaunching the Romanian economy through high value-added industrial production (Petroff, 2016; Ionescu, 2015; Mereuta, 2013). The literature has not thoroughly examined the impact of deindustrialization on the low-skilled workforce and its role in creating large class differences and peripheral spaces of poverty. The main argument of this chapter is that Roma marginality must also be linked to a wider labor history that interrogates the political economy of low-skilled labor in the context of socialist industrialization and the devastating effects of capitalist deindustrialization on vulnerable categories. The next section traces the modes in which industrialization contributed to the formation of specific Roma patterns of occupational structures and focuses on the specific social and wage policies that prevented the creation of large class differences.<sup>4</sup> This section aims to explain the occupational differences that existed at the beginning of the 1990s and the divergent social and economic trajectories that resulted after the implementation of a new capitalist political economy.

### **The patterns of Roma insertion in socialist industrial labor**

Recent labor histories of real-existing socialism in Central and Eastern Europe (Grama, 2018; Cucu, 2022; Musić, 2021; Pittaway, 2012) have contributed to a better understanding of the economic and social dynamics of these societies and have generated relevant critical knowledge and understanding of that period that challenges the anti-Communist essentialism, which has largely informed social sciences in the region. Unfortunately, the field of Roma studies has rarely employed this approach and operates largely in a culturalist framework of explaining poverty. The following section aims to connect contemporary Roma marginality and peripheralization of poverty to capitalist dynamics of occupational structures and the way these were shaped during the socialist period.

My research in Baia Mare revealed that the Roma had a very distinct pattern of insertion into socialist industries compared to non-Roma, and this significantly impacts the way in which we explain the genealogies of racialized peripheries and ghetto formation. Analyzing the ways in which various communities were drawn into the process of industrialization is important for understanding the social outcomes generated by professional socialization and for contextualizing real-existing socialism and its policies of social equality.

Based on the collected life stories I gathered during fieldwork, I identified two main avenues of inserting workers into industrial environments. The first avenue is through social planning and industrial social design, which is based on an extensive professional qualification program. The other avenue leads directly through the employment of an unqualified workforce in industrial sectors that require hard physical labor or jobs that are considered socially inferior (cleaning, digging,

Table 3.1 Ethnic distribution of workers according to professions

<i>Ethnicity</i>	<i>Total population (%)</i>	<i>Romanian (%)</i>	<i>Hungarian (%)</i>	<i>Roma (%)</i>
<b>High public administration</b>	1.57	1.60	1.31	0.45
<b>Specialists/Intellectuals</b>	5.87	6.03	4.42	0.10
<b>Technicians</b>	10.23	10.40	9.70	0.91
<b>Public servants</b>	4.73	4.79	4.64	1.04
<b>Workers in the service sector</b>	5.07	5.07	5.77	1.78
<b>Agriculture</b>	18.51	18.99	11.18	22.59
<b>Craftsmen and skilled workers</b>	27.11	26.60	35.42	21.40
<b>Machine operators</b>	15.29	15.42	14.83	8.84
<b>Unskilled workers</b>	6.32	6.01	7.25	24.89
<b>Army</b>	0.88	0.90	0.68	0.60
<b>Undeclared</b>	0.02	0.02	0.02	0.10

*Source:* Author's own computation based on Census 1992, Vol. 4 Table 14, excluding the people looking for their first job or with a profession.

heavy-duty handling, etc.). The overwhelming majority of the Roma I interviewed in Maramureş were inserted into socialist industries through the second avenue and not the first. Once hired, they started as unskilled workers, and in some cases, they managed to become miner helpers, locksmiths, or other low-skilled professional workers who were integrated into the existing industries through in-house work qualification programs. The majority of Roma workers remained unskilled or low-skilled throughout the socialist period and developed a professional trajectory that entailed mainly manual work. We rarely encounter Roma electricians, welders, auto mechanics, tailors, or people active in retail. This has very important consequences for their position within the social division of labor within socialist industries and for how this position was restructured during the capitalist reforms of the 1990s.

The last published socialist census of 1977 does not contain the occupational structure of the various ethnic groups, but in 1992, at the beginning of the capitalist period, we know that the occupational structure of the Roma was very different from that of non-Roma across the nation (Table 3.1). The Roma were overrepresented in the professional category of **agriculture workers** (22.59% compared to 18.51% of the national average) and **unqualified workers** (24.89% compared to 6.32% of the national average). The Roma were significantly underrepresented in the service, public, education, and research sectors or in other jobs that required tertiary degrees. There was also a significant difference in the industry sectors, especially in skilled professions such as technicians (0.91% compared to 10.23% of the national average), craftspeople, and machine operators. Nevertheless, most importantly, with regard to craftsmen and skilled workers (21.40% compared to 27.11%, the national average) and machine operators (8.84% compared to 15.29%,

the national average), we can clearly see that the Roma tended to occupy distinct patterns of professions that were usually low skilled where they were overrepresented: construction workers, plasterers, casters, glass workers, and ceramic workers (Census of 1992, Vol. 4 Table 14). Even regarding other skilled professions based on operating machines, we tend to find Roma not in complex branches but rather in those that require the handling of raw materials or industrial outputs.

During the socialist period, these different employment paths did not make such a large difference in income because there was no large wage gap between high-skilled and low-skilled workers (see Figure 3.2). This also explains the lack of a large incentive for unqualified workers to obtain professional qualifications inside the industry in which they were hired. The Roma workers from Maramureș also perceived the socialist period as one in which there were no significant differences between them and non-Roma workers regarding how forepersons treated them and organized work. The former Roma workers we interviewed said that they received the same type of treatment because what mattered, according to them, was the way one would fulfill their job duties and not their ethnic belonging.

Social differentiation in wages was relatively low in socialist Romania because an active wage policy had been implemented to soften class differences. This process of work solidarity started with the wage reform of 1957, which aimed to implement a more redistributive system of work and payment allocation between senior skilled workers and junior workers (Grama, 2018, p. 242). During the 1960s and 1970s, this wage reform led to a more egalitarian distribution of income; over 60% of all Romanian employees in the state sector earned between 1300 and 2,000 lei, and an additional 25% earned between 2,000 and 2,500 lei as of 1975 (income table in Grama, 2018, p. 255).

Among the workers, miners were well-paid and were regarded as one of the most important segments of the working class. In Baia Mare, many Roma who were integrated into local industries worked as unskilled miners (helpers and loaders), so they were paid better than average unskilled workers. The data available at the national level for the hourly wage of a miner (skilled labor) and an underground helper/loader (unskilled labor) reveal that during the socialist period, the difference between the two professional categories was not large. An underground helper would receive approximately 90% of the hourly wage of a miner. During the 1990s, this situation started to diverge, especially after 1996, when one of the most brutal waves of neoliberal policies hit the industrial sector. By the 2000s, an underground helper received approximately 40% of the miner's wage. The idea of a meritocratic remuneration system increasingly influenced the Romanian capitalist managerial imaginary and replaced the socialist progressive wage system aimed at equalizing social welfare and the structures of opportunities.

Another important issue related to the skill level of the workforce is the professional education system, which functioned during the socialist period in Romania and to which most Roma had limited access. This issue is very important because the educational system plays an important role in class formation. Additionally, this is relevant because the capitalist period gradually embedded education in a meritocratic and competitive wage system, which made certain job positions increasingly

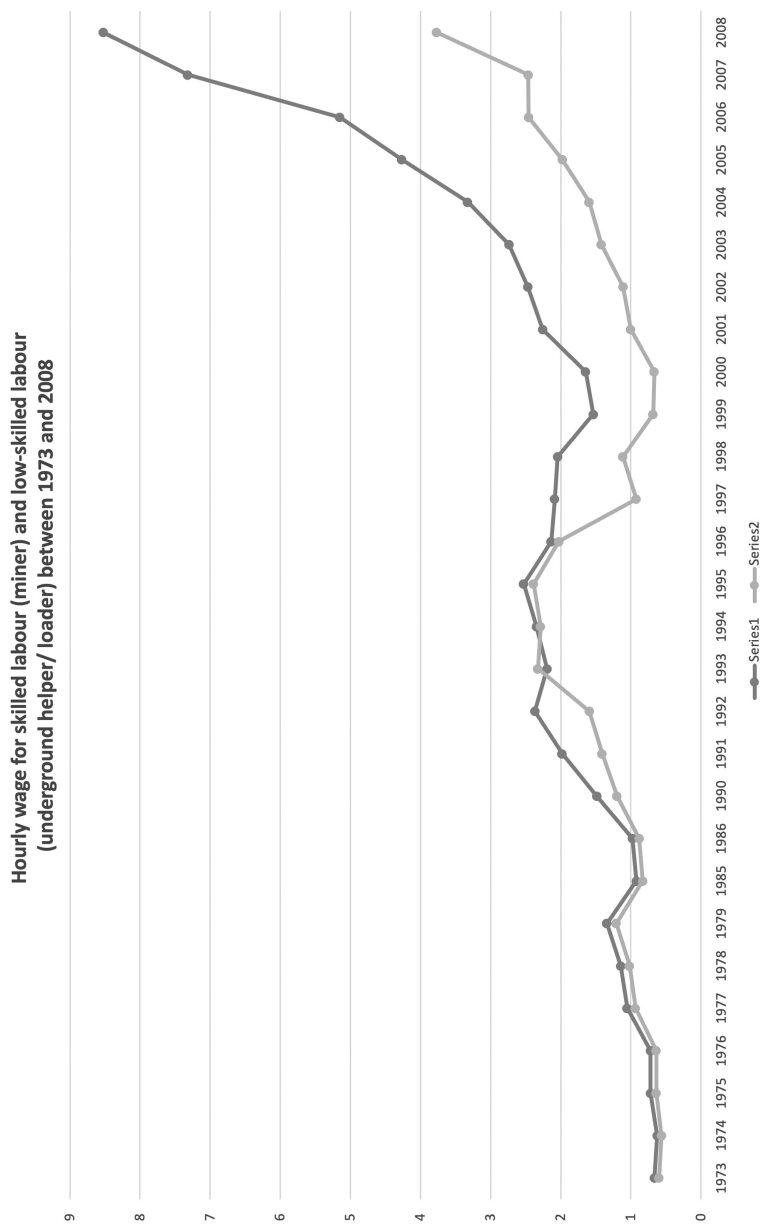


Figure 3.2 Hourly wage for skilled and low-skilled labor, 1973–2008, Romania. Source: author's own computation based on Occupational Wages around the World (OWW) Database.



available to specific categories of people who had formal education. Our ethnographic data reveal that the Roma from Maramureş were not inserted into local industries through the educational-professional path on which many Romanians and Hungarians embarked during the vast internal migration process from rural to urbanized industrial areas. We again lack data on education at the level of each ethnic group during the late period of socialism, but in 1992, if we consider the last graduation level of older respondents (many of whom received their degrees during the socialist period), we can see tremendous ethnic inequalities. A large segment of the Roma population remained uneducated (25.13% did not graduate from any type of school, compared to the national average of 4.25%), but what is even more important for the argument of this paper is that Roma education usually stopped at the primary level (1st to 8th grade). The Roma were severely underrepresented in the secondary educational system (professional schools, high schools, and post-high schools): 6% of the Roma obtained this level of education compared to the national average of 34.52%. This again demonstrates that Roma workers were not merely less skilled than non-Roma workers; even when they occupied skilled positions, this was done not through formal education but through a short professional qualification program on the job. Regarding university degrees, the Roma were almost completely excluded from this level of education (own computation based on Census, 1992, Vol. 4 Table 9).

The socialist professional educational system was coupled directly or indirectly with various factories and industries that were planned to be developed in certain cities (Cucu, 2022, p. 138), as was the case with many other Central and Eastern European countries. Graduation from these schools was usually accompanied by a job assignment in the industry based on the acquired professional certification. A planning policy at the county level mandated the creation of new educational facilities and connected them with emerging industrial plants. Because of these policies, a highly qualified workforce was formed in Romania and other Central and Eastern Europe countries (Scepanovic, 2020, p. 406; Köpeczi, Bócz and Bükki, 2006, p. 10). Additionally, capitalist foreign investors relocated to Central and Eastern Europe because they could find high rates of vocational trained workers at low-cost wages (Scepanovic, 2020).

My ethnography demonstrates that after the Roma were hired into the industries, workers could undergo professionalization upgrades, allowing them to transition from unskilled to skilled workers. This was an open possibility in many socialist work environments, but as some of the Roma workers interviewed remembered, the professional qualification performed there was rather a formal activity. The interviews I conducted reveal that the Roma sometimes refused such professional qualification classes because that would have meant more responsibility for them, and the job would have become too stressful (hysteresis, Bourdieu, 1988). The Roma who underwent such professionalization courses discussed the formal character of these classes, as well as their short duration and lenience regarding theoretical aspects and emphasis on the professional skills they already acquired at their workplace. This did not generate a significant professional formation of workers but formally recognized something that already existed. These shortcuts could

not substitute for the effects of a full professional school, which had an important formative impact both in terms of social and professional abilities and, most of all, in terms of the occupied position in socialist industries.

In the long term, this generated a structural differentiation between the Roma and the non-Roma, which was further illuminated by the radical capitalist and neoliberal reforms that occurred during the late 1990s. This does not mean that socialism created the potential for such major displacements to occur during the capitalist period, as the opposite is true. The specific type of socialist development meant that economic growth was distributed more equally among workers and that the integration of the Roma into the socialist economy continued to grow during the socialist period even at a much slower pace than that of the Romanian, Hungarian, and German ethnic groups. Importantly, this leveling of class differences between the Roma and non-Roma was not generated through substantial educational and professional qualification policies but rather through remarkable redistributive wage, social, and housing policies that sought to equalize the income and structures of workers' opportunities. With the transition to capitalism, these progressive policies were abolished, and a dramatic process of class differentiation began. The following section explains why we need to link capitalist reforms and deindustrialization with the implementation of a new political economy of differentiation between skilled and unskilled work to understand Roma poverty.

### **Deindustrialization in Romania and the great racial divide**

The neoliberal policies implemented during the 1990s had a long-lasting impact on the Romanian industries (Voinea et al., 2018; Bohle and Greskovits, 2012; Gabor, 2015, p. 105). In the first 15 years of transition, more than 7,000 companies were privatized through various strategies. Even if the privatized companies were not large (with over 1,000 workers), it is important to point out that over 34% of employees were working in a private or private majority enterprise by 1997. By 2000, this was the case for more than 50% of workers, but this reflects only part of the story. The privatization attempt was a major catastrophe: almost 80% of these companies gradually ceased to function (Chivu, Ciutacu, and Georgescu, 2017, p. 60). Analyzing the relationship between economic growth during the postsocialist period and the index of consumer and industrial prices, Chivu, Ciutacu, and Georgescu (2017, p. 61) conclude that Romanian industries underwent a severe devaluation process that structurally dislocated industrial production and made them easy prey for scrap iron sellers. Notably, the scrap iron share in total steel production grew in Romania from 4.1% in the 1990s to 54% in 2015. A large share of the privatized industries became eventually scrap iron for internal use and export, while the land was gradually transformed into valuable real estate (Ciutacu and Chivu, 2015; Vincze, 2023).

The industry share in the economy diminished severely (from 47% in 1990 to 26% in 2014), which dramatically impacted Romania's unemployment rates. By 2015, the privatization process managed to transfer the majority of public assets into private hands: over 98% of all manufacturing industrial companies had the majority of shares in private property (Chivu, Ciutacu, and Georgescu, 2017, p.

64). Additionally, this process of privatization enabled transnational capital to gradually take control of the economy through foreign direct investment. At the beginning of the 1990s, transnational capital represented 9% of companies, but by 2016, it reached 48% (Georgescu, 2018, p. 885; Gabor, 2015, p. 121).

The privatization strategies that were implemented were so inefficient that it took almost 15 years for the national economy to reach the same level of GDP as the one existing at the end of socialism in 1989. This directly impacted the living conditions of industrial workers; wages did not return to the 1989 level until 2007 (Georgescu, 2021, p. 5). The mining industry and ferrous and nonferrous metal production (from Baia Mare included) were particularly affected by deindustrialization (Chivu, Ciutacu, and Georgescu, 2017, p. 105). In 2008, at the national level, this sector represented only approximately 1.5% of the production at the end of socialism (100%). Similarly, the production of the textile industry decreased by 2008 to 33.6% of the one existing at the end of socialism (Chivu, Ciutacu, and Georgescu 2017, p. 202). With few exceptions, many industrial branches of the Romanian economy struggled in the first decade of postsocialism and experienced a severe breakdown of industrial production. However, the various industrial sectors and socio-economic professional categories were affected differently. In 1992, the largest category consisted of waged laborers (4.6 million out of the approximately 10 million individuals representing the occupied population). The first two years of transition were already turbulent, even if not as turbulent as the end of the 1990s, and unemployment had already started to affect various types of professional categories. The new economic landscape particularly affected unskilled labor in the industries. As shown in the table below (Table 3.2), unemployment was already higher in this professional category, especially in the urban areas. Similarly, high numbers can be observed among the waged laborers in agriculture (8.32%), but they constitute numerically only a small share of the total working population (436,000).

During the first decade of capitalist transition and the subsequent deindustrialization, one of the most important **racialized divides** occurred in Romanian society. Deindustrialization affected all ethnic groups tremendously, but they recovered from this economic shock very differently. Throughout this decade, the employment structure in the various branches and subbranches of the economy was profoundly altered. Among the Romanian and Hungarian ethnic groups, employment gradually shifted from the extractive and processing industries to the service sector. In the case of Roma groups, mobilization took a very different shape, namely, from industry to agriculture. This significant shift can be observed not only in employment numbers in branches of the economy but also in how the professional structure of the three ethnic groups was altered in the first decade of capitalism (Appendix 3.1). The main argument of this section is that capitalism applied a new political economy of work to the already existing divisions in the professional structure of the economy between skilled and unskilled labor. This new political economy of labor rearranged the positions of unskilled laborers in the total social division of work in a ‘market-efficient’ manner, and it gradually implemented differentiating wage policies to reward skilled labor over unskilled labor.

Table 3.2 Unemployment in 1992 among skilled and unskilled labor

	<i>Skilled waged laborer and machine operator</i>	<i>Unskilled waged laborer</i>	<i>Combined (skilled and unskilled laborer)</i>
Unemployment in professional category <b>(Total)</b>	5%	7.59%	5.34%
Unemployment in professional category <b>(Urban)</b>	4.27%	8.06%	4.71%
Unemployment in professional category <b>(Rural)</b>	6.42%	6.97%	6.51%

Therefore, in the first decade of capitalism, a dramatic racialized divergent path took shape in Romania, which shifted the professional position of the Roma from one that was overwhelmingly engaged in industry to one that was centered in agriculture. With all its shortcomings, the end of socialism implemented not only a more egalitarian wage system but also a more egalitarian professional distribution system. Even if the Roma were mostly hired as unskilled laborers (with almost similar wages as skilled laborers) and even if they worked in specific sectors of industries (those that usually required hard manual labor), this was still a very different situation than the one encountered at the end of the first decade of capitalism when work started to generally take place in agriculture. The first decade of capitalism (1990–2000) did not cause any significant changes in modernizing the mechanical infrastructure of agricultural production. The state-owned agricultural enterprises collapsed or were privatized, which meant that they depended to a great extent on manual labor. Roma provided this manual labor in great supply.

By 2002, the racialized patterns of poverty were already very visible. The unemployment rate reached (according to the census methodology) 11.75% in the general population, but among the Roma, it was much higher—28.48% (Census of 2002, Vol. 4, Table 19). Essentially, almost one-third of the active Roma population was unemployed. Given the particular family structure of the Roma population, which was rather dependent on one wage-earner, and given the size of the Roma household, in which many more people were dependent on this one wage than in non-Roma families, this high unemployment rate was catastrophic, especially in the context of the gradual dissolution of socialist welfare policies.

### **Deindustrialization and the emergence of ultra-poverty landscapes in Baia Mare**

All these structural transformations had an important effect on the economy of Baia Mare and how the new landscapes of poverty emerged at the margins of the city. The first two decades of deindustrialization tremendously impacted Roma workers and contributed significantly to their downward class mobility. During

the socialist period, there were racialized pockets of poverty in the city as well, but nothing of the scale and magnitude that took place during the postsocialist period. My ethnographic research has revealed that the living standards of the Roma deteriorated rapidly, and many Roma workers experienced dramatic forms of poverty. Although they were once proud members of the working class and benefitted from the social and economic security that was embedded in their industrial employment, they were gradually sliding into extreme forms of poverty. Why did these processes affect Roma families more than they affected Romanian and Hungarian families in the city of Baia Mare?

Institutionalized racism played an important role in the peripheralization of the Roma during the postsocialist period, but the gradual institutionalization of a competitive capitalist society and the dislocation of the welfare state had an equally important role (see the chapter by Enikő Vincze, Manuel Mireanu, and George Iulian Zamfir). This first became visible when the politics of full employment was replaced with productivity standards, cost efficiency, and the elimination of redundancies in personnel. According to some managers in Baia Mare whom I interviewed, Roma workers were among the first to be unemployed because high-skilled workers were more valuable than low-skilled workers from a managerial point of view. Starting in 1996, when a liberal right-wing coalition won the elections and started implementing the shock therapies recommended by the World Bank and IMF, the local industry was particularly affected. Over 19,000 workers lost their jobs in the short span of four years in Baia Mare (Table 3.3).

During this period, the local companies from Baia Mare experienced a general incapacity to self-finance investments in their economic activity (Planul Local de dezvoltare durabilă a municipiului Baia Mare, 2002, p. 32). This was generally felt in all branches of the local economy but was very critical in agriculture and industry. In 1996, the industrial sector was one of the least profitable in terms of the yearly net profit per employee ratio. This number was 1,077 (thousand) lei per employee compared to 4,950 (thousand) lei per employee in the service sector. Thus, these companies faced constant pressure to make cuts. Economic restructuring occurred in the following years as well. By 2005, the number of employees in the industrial sector in Baia Mare had decreased to approximately 24,000 by 2010, approximately 17,000 workers remained.

*Table 3.3* Number of employees in selected economic sectors—1996–2000

	1996	1997	1998	1999	2000
Agriculture	3,202	1,633	777	802	600
Industry	56,171	53,142	44,328	40,001	37,018
Construction	6,203	5,732	6,399	4,266	3,800
Commerce	8,101	8,779	9,005	8,312	8,967
Services	4,741	2,757	2,813	2,114	2,714
Tourism	421	428	194	316	361

*Source:* Planul Local de Dezvoltare Durabilă a Municipiului Baia Mare 2002.

In just ten years (1996–2005), the industrial sector decreased by more than 30,000 employees. My ethnographic data show that this had a devastating impact on families from Baia Mare, but it affected Roma families more. Whereas Romanian and Hungarian working families relied on two incomes (with both spouses being employed) in the case of Roma families, our ethnographic fieldwork revealed that usually only one family member worked. This meant that when Roma men lost their jobs, the entire family lost their source of income.

Even if unemployment would not have affected Roma families, the high inflation rate and increasing living costs during the 1990s led to unprecedented situations in which purchasing basic foods became increasingly difficult, as noted by my respondents. In the last part of the socialist period, food was already scarce, but compared to what followed, the early postsocialist period was remembered as a time when abundant food sources existed for most workers. Roma miners, for example, had access to rich daily meals and substantial wages that allowed them to purchase basic supplies in sufficient quantities to make a decent living. Compared to other jobs, positions in the mining industry were well paid, and access to city infrastructure made living there much easier than in small cities and villages in the county of Maramureș. Nevertheless, even here, the Roma, who had wage positions in the industry, remembered the socialist period as one that was incomparably better than what came after. The wage and the child allowance they received enabled them to have what they considered a very good living. This was no longer possible during the 1990s. While conducting fieldwork, we heard many stories of how the respondents' entire families went to bed without anything to eat. Not being able to provide for their children was one of the most brutal experiences they recalled regarding postsocialist transition, which the Roma sometimes emphatically called 'democracy'.

According to my interviews, the postsocialist transformations also changed how the Roma experienced the city. If, during the Communist period, they had access to central socialization spaces (restaurants, bars, movies, etc.), this was not the case afterward. The commodification of most of these spaces meant that access to them was increasingly structured by enfolded the social stratification of the city. This set in motion a gradual process of marginalization of the Roma and pushed them toward the periphery of the city. Racism played a role in this, but the most important factor was the way in which class differences were inscribed into spaces based on consumption and purchasing power. If, during the socialist period, these central spaces were remembered as the result of a social modernizing project made possible by industrialization to which the entire working class has access, during the postsocialist period, they became increasingly remote in terms of their social representations and are now experienced as being economically inaccessible. These people's lives now mostly unfolded in their local neighborhoods, which has also led to severe social status degradation.

Because of rising living costs and unemployment, many Roma workers were forced to sell their apartments. During the ethnographic fieldwork, we encountered recurrent stories about Roma who had an apartment during the socialist period and were forced by the new economic circumstances to sell it to survive in the new capitalist society. Most of these situations are related to unemployment and the inability

to pay for utility and living costs. There were also situations in which they were forced to take an informal loan to make ends meet, and because they could not repay the loan, they were forced to sell their apartments. I also encountered situations during the fieldwork in which they wanted to make use of the new entrepreneurial economy and invest money in small enterprises, but these efforts went horribly wrong. The decision to move to rural areas or the fields at the margins of the city must also be understood as a way to have access to cheaper food: growing pigs, chickens, etc. During the 1990s, when the ghetto of Craica emerged, these spaces were imagined by the Roma who moved there as a sort of village extension of the city. Thus, in the first settlements, there were brick houses that were in much better shape than the ones that followed, which were basically improvised huts. Later, these spaces gradually accumulated a vast number of people who experienced extreme poverty and could not afford to live in socialist apartments or in the houses they had in rural areas of Maramureş County. Overall, 90% of the people living in the two main slums of Baia Mare moved there after 1989, when the transition to capitalism began (Table 3.4).

We know from archival research that racial discrimination of poverty existed during the socialist period as well. For example, we discovered that in 1980, the authorities were concerned with “Gypsy” illegal settlements, and they mentioned plans for the demolition and resettlement of these Roma in their place of origin. This is not an exceptional case because the Party leaders from Baia Mare referenced a plan that existed at the county level to address the ‘Gypsy’ situation. This highlights that during the socialist period, some Roma were not integrated into the work-welfare system that the socialist authorities established (see Chapter 4).

The deputy vice president presents the ongoing action related to Gypsies; action initiated by the County Party Committee. A measure plan was created, which will be completed with indications received from secretary B. Our task is to index the houses that could be inhabited by Gypsies, generally unhealthy spaces, barracks that were planned to be demolished, and personal property houses that were left by the owners and are inhabitable, which are rented by Gypsies. The program based on which we will act will be centralized by May 20, 1980.

(Work meeting of the city Party committee  
from Baia Mare, May 17, 1980)

Despite this, we should keep in mind the order of scale. During the socialist period, the extreme forms of poverty existing among the Roma were understood by public authorities as an unwillingness to integrate into the existing socialist system.

Table 3.4 Period of moving to the ghettos

	<i>Craica Ghetto</i>	<i>Pirita Ghetto</i>
Before 1989	3.60%	5.1%
After 1989	96.40%	94.9%
Total	100%	100%



This does not refer to the entire Roma population but to the segment not entering socialist production. In other words, the authorities took issue with the faction of the inactive Roma population, not with the Roma population per se. By 1980, an important segment of the Roma population was part of the industrial workforce, and our extensive interviews with these socialist workers revealed that they were very satisfied with the jobs, housing, and standard of living that industrialization made possible. They are also aware that a segment of the Roma population lives in extreme poverty in devastated buildings, but they refer to it as a very small minority. Even if the socialist state authorities addressed these extreme forms of poverty in a very brutal and racialized manner, the plan was still to integrate them into the industrialized wage labor to enable social mobility and welfare provisions. In comparison, the racialized capitalist regime of dealing with extreme poverty generated a social catastrophe that had severe consequences for the Roma both in terms of scale and depth in the first two decades of transition.

## **Conclusion**

This chapter has focused on the political economy of unskilled labor and its role in the formation of landscapes of poverty during the transition from socialism to capitalism in Baia Mare. The main argument of the chapter was that the way in which the Roma were inserted into socialist industries had important consequences for how they exited these industries in the early 1990s when capitalist reforms generated new economic and societal arrangements in terms of how workers were situated in real-existing divisions of labor. I attempted to identify the structural differences in terms of employment between the Roma and non-Roma that were generated by socialist industrial policies. The capitalist transformations operated with these differences in a new way and set in motion an economic and political engine that dramatically amplified class differences and inequalities, pushing many Roma into poverty. By emphasizing the political economy that underlines how skilled and unskilled labor are related to each other through wage and welfare policies, I seek to emphasize the importance of political and economic explanations of the racialization of poverty over the dominant culturalist ones that are prevalent in this field of study. This approach has to include an interrogation of the professional trajectories of Roma and non-Roma and the ways in which they were embedded in economic arrangements. Capitalism inaugurated the implementation of a profit-based meritocratic system of differentiating between valuable and nonvaluable labor, and people were eliminated to reduce costs and become market-efficient during the 1990s. This avenue of research needs to be further explored.

First, in terms of how the unemployment process is implemented and the claim of some postsocialist managers that in the early 1990s, the rational approach of letting people go within a postsocialist enterprise operating in a capitalist environment was to start with unskilled and low-skilled workers and not with skilled workers. This had a direct impact on Roma workers given their occupational structure. Unemployment is



important for explaining social marginality, but what is even more important is when this process occurs. Losing one's job during periods of high inflation, when prices were exploding, was particularly difficult for the Roma. During the 1990s, when several of the Roma workers lost their jobs, the inflation rate skyrocketed to astronomical numbers. In 1993, this percentage was 256%; it decreased to 154% in 1997 and stabilized at 45% at the end of the decade (Banca Națională a României, 2001, p. 15). Being left without a job during these years affected everyone dramatically.

Second, the mode in which the Roma were integrated into socialist industries is relevant because it also reveals the incapacity of occupying supervisory positions and the impact this has on the social networks of the Roma. The very few Roma that occupied such supervisory positions today have good networks, including connections in local administrations, and can mobilize various forms of social and material resources. Socialist education seems to be an important factor for understanding postsocialist trajectories, and the lack of education created not only economic but also social difficulties for the Roma in an increasingly competitive and self-centered capitalist society. We should not forget that classism often disguises itself as racism.

Third, it is relevant because it elucidates the professional skills they have acquired during their adult lifespan and the types of jobs available after 1989, when the egalitarian wage policy was canceled while the welfare state was being dismantled. The Roma had more difficulties finding work in the first decade of postsocialism after they lost their jobs. This was not only related to growing racism and anti-Gypsism but also to long-lasting structural differences in terms of professional socialization during the socialist period. The new political economy of capitalism reworked these structural differences between skilled and unskilled labor in a new way and produced correspondingly high unemployment among the Roma. Unemployment during the 1990s is relevant for understanding racialized poverty not only in terms of how it contributed to accelerated downward class mobility but also in terms of the way this is projected in the future as a result of the pension they will later receive, which depends on the number of years of contribution. By 2000, the life expectancy rate in Maramureș was 65.51 years for men and 72.77 years for women, but Roma live on average six years less than the rest of the population in Romania (Anan et al., 2014, p. 18). Given the extreme poverty existing in the city peripheries and ghettos, we can expect this to be even lower. A person born in the 1950s and entering the workforce in the 1970s managed to accumulate only approximately 20–25 years of work before the great layoffs occurred in the 1990s. This means that many lacked the necessary work years to receive a good pension when they reached retirement age.

By highlighting the professional and educational path dependencies created during the socialist period, I problematize the incomplete social and economic inclusion of the Roma in the socialist economy and society. The integration of the Roma did not take place in a substantial manner because class differences were not addressed at their very roots. Unlike the majority of Romanians and Hungarians who were drawn from rural areas into the industrialization process through an educational and professional recruitment policy that contributed tremendously to class

formation and mediated substantial material and social transfers, the Roma were inserted into socialist industries as unskilled and low-skilled labor. Nevertheless, the socialist political economy addressed these class differences through progressive wage and welfare policies. Waged labor made affordable housing and a decent standard of living available to the Roma population in most cases. Industrialization is important in this wider argument because, as Rodrik (2013, 2014) notes, this economic sector plays a fundamental role in producing unconditional economic convergence, the integration of unskilled workers, the expansion of social welfare, democratic politics, and emancipatory social and economic policies (due to unionization), even in capitalist societies (Rodrik, 2016, p. 29). The political economy of capitalism and premature deindustrialization has instituted new class differences and has dislocated both progressive wage and welfare policies. This has significantly amplified structural racial inequalities and has contributed to the formation of new landscapes of poverty. Highlighting preexisting structural differences during socialism should not make us lose focus on the destructive impact that capitalist and neoliberal policies have had on the Roma in the past three decades. Real-existing socialism had structural flaws in integrating the Roma, but capitalist transformations only amplified these issues by dismantling progressive policies centered on equalitarian wage policies and workers' social welfare.

## Notes

- 1 I use the term 'ghettos' to refer to segregated and racialized spaces at the margin of the city that are usually constituted by improvised (cardboard) shacks and are officially disconnected from the city's infrastructure (inner roads, water, gas, electricity). These settlements are considered illegal by the local authorities, and the Roma living in these spaces are constantly threatened with eviction. People inhabiting these spaces are marked by forms of poverty. I use the term 'peripheries' to refer to sections of former socialist neighborhoods or villages that live in extreme poverty. These spaces are usually composed of apartments in flats or houses that have access to the city's infrastructure. Even if people living in these spaces have a difficult time paying for utilities, economically and socially they are in a slightly better position than the Roma living in ghettos.
- 2 The team that conducted interviews related to the impact of industrialization and deindustrialization of precarious workers consisted of Sorin Gog, Denisa Ursu, Cristina Badita, and Alexandru Burlacu. I am indebted to the work done by all of the members of the 'Precarious labor and peripheral housing' research team. The ethnographic materials used in this chapter are based on my own fieldwork in Maramureş, and I am responsible for the scientific accuracy and shortcomings of the argument presented here.
- 3 <https://blogs.worldbank.org/opendata/new-world-bank-country-classifications-income-level-2022-2023>.
- 4 Classes did not exist officially during the socialist period, and the social policies that were implemented aimed at canceling systemic large inequalities. Despite the fact that the Communist Party proclaimed the achievement of a classless society, class differences still persisted during the socialist period. For example, there were clear gaps between industrial workers and peasants active in the agriculture economy, not only in terms of income but also in terms of the resources and social infrastructure to which they had access.

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Hungarian 2022	2,22	14,99	6,60	4,83	17,88	7,79	23,02 + 22,68	10,14	
Roma 1992 *	0,54	0,12	1,10	1,26	2,15	27,31	25,87	30,09	0,73
Roma 2002	1,50	0,33	1,13	0,50	4,02	41,16	15,13	31,54	0,32
Roma 2011	0,20	1,43	3,80	0,67	8,29	35,06	13,55	29,10	
Roma 2022	0,25	1,85	1,31	1,49	11,71	10,85	14,41 + 58,13	46,08	

\* For 1992 the Census data for this table was computed based on active population not on occupied population as in 2002, 2011 and 2022. This means that the total number of working population includes in 1992 also the unemployed and the people coming out of educational system looking for the first job. In order to standardize comparison, we can subtract the last category, but we cannot subtract from the total number the unemployed. Nevertheless, this is relevant because it gives us a figure of how the occupational structure looked in 1991, when the data was collected before the unemployment for that year took place.

## 4 Roma racialization and housing unevenness in Romania across political economy regimes

*Enikő Vincze, Manuel Mireanu, and George Iulian Zamfir*

### **Aims, methods, and theoretical contributions**

Our chapter examines Roma racialization and its shifting roles in the transforming political economy regimes in Romania from a Marxist perspective. It explores this subject in its interdependence with housing unevenness. We define racialization as a process that renders Roma people subhuman, justifies their deep-seated structural discrimination and oppression (Kóczé, 2021), and is embedded in the historically changing modes of production. The paper considers housing as a constitutive feature of political economy regimes and addresses its unevenness as a process of unequal distribution of dwellings in space and across socio-economic groups (Vincze and Zamfir, 2019). We demonstrate that, compared to the manifestations of racialization in state socialism, with the advancement of (housing) inequalities and playing a systemic role, anti-Roma racism is more severe and creates extreme housing formations in capitalism.

We contend that the spatial distribution of people through housing policies and racialization are mutually reinforcing and embedded in labor relations. The prevailing mode of production and associated ideologies reflected in state policies on housing, planning, territorial development, and employment determine Roma racialization and housing unevenness. The preexisting racialization of a particular group of people also influences their territorial dispersal through housing arrangements, and subsequent racialization exacerbates the effects of their spatial relocation.

In the endeavor to question racialization and housing unevenness in the larger regime, we employ a historical materialist approach to racism (Nikolinakos, 1973; Weaver, 1978; Leiman, 1987; Camfield, 2016) and scholarship about the political economy of housing (Aalbers and Cristophers, 2014; Jacobs et al., 2022). We connect and adapt these inquiries to the spatiotemporal context of our fieldwork and contribute to further advancing their theories by highlighting the specifics of interrelated Roma racialization and housing unevenness. This approach is novel for housing and Roma-related research in Central and Eastern Europe. Existing investigations around these matters deal with “the wrongs” of the state socialist housing system and do not discuss the impact of housing policies on the Roma (Szelényi, 1983; Zaniewski, 1989; Hegedüs and Tosics, 1992; Renaud, 1996; Tsenkova, 2009; Zahariade, 2011; Iuga, 2016); or they critically tackle Roma marginalization, housing exclusion, and racism in contemporary Central and Eastern Europe



without a systemic critique of capitalism (Berescu, Petrovici, and Teller, 2013; Szalai and Zentai, 2014; Crețan et al., 2022; Mireanu, 2019, 2021). Some studies highlight the connections between racialization, housing dispossession, and neoliberal governance (Picker, 2017; Lancione, 2018) or racialized labor and ghettoized residential spaces (Vincze et al., 2018) in East European cities, while others stress the role of the postsocialist state in primitive capital accumulation via gentrification (Chelcea, 2006) or make a historical reconstruction of the racial dispossession of Roma in Bucharest through urban plans (Lancione, 2022). We advance from existing literature by critically addressing the relationship between Roma racialization and housing unevenness at the juncture of state socialism and capitalism. Our analysis illustrates systemic processes by depicting how they worked in a particular spatiotemporal instance. We track the housing relocations of the racialized Roma into, from, and back to one of the districts of Baia Mare over several decades. Named Vasile Alecsandri, this area is still undervalued due to its association with the old Roma neighborhood, Hatvan.

Baia Mare is a third-tier city in Romania's North–West Development Region that underwent ambitious mining-related socialist economic development. The intense construction of new residential units responded to the needs of people attracted to the town by socialist industrialization, resulting in a population increase from approximately 21,000 in 1948 to over 35,000 in 1956, 64,000 in 1966, and 100,000 in 1977, reaching 149,205 persons in 1992 (Vischi, 2020). Following the national administrative reorganization in 1968, architects created a new systematization and urbanization plan for the spatial development of Baia Mare. Most of this plan was implemented before 1989 in various stages, including the construction of 400 blocks in the town between 1950 and 1975 (*Consiliul Județean Maramureș*, 1975). Vasile Alecsandri, the area of our case study, was among the last districts built in the late 1970s and 1980s. The capitalist deindustrialization of the city induced by the privatization of state-owned industrial companies (Vincze, 2023d) had effects in the 2000s. The subsequent decades were marked by a serious decline in the population with domicile in Baia Mare (from 156,870 in 2000 to approximately 143,000 in 2021) as well as in the total residential units built from personal and state funds: while between 1975 and 1990, residential units doubled to 51,902; in the subsequent 30 years, they only increased by approximately 7,000.

Even if we focus on Baia Mare, the analysis does not provide an ethnographic account of its housing unevenness or Roma communities. However, we rely on qualitative fieldwork conducted in the city and some of its surroundings in 2021 and 2022. To learn about housing production and distribution in state socialism and capitalism, we conducted interviews and informal discussions with 20 people from various institutions, including current and former public administration and urban planning employees, Roma NGOs, and experts at local and county-level public authorities, people active in cultural and media organizations, as well as managers at private companies. Furthermore, to uncover the long-term causes and manifestations of housing unevenness affecting the Roma in Baia Mare, we chose to talk to people currently living in various deprived housing areas. We spoke with 13 Roma and one Romanian tenant in social housing blocks, 12 Roma living in informal

settlements, and nine Roma flat owners in blocks with reduced comfort. The interviewees shared their experiences of how they were affected by and treated under housing measures before and after 1990, for example, how they were differentiated from the rest of the population to various extents in the two periods.

Our team conducted archival research from 1950 to 1989, which complemented the information obtained from interviews. We found relevant documents from the County Design Centre at the People's Council of Maramureș County, the Executive Committee of Baia Mare People's Council, the People's Council of Maramureș Region, and the Municipal Committee of the Romanian Communist Party. We accessed these materials at the Maramureș County Services of National Archives (SJAN Mm) and the Baia Mare City Hall Archive (APMBM). To understand the post-1990 period, we studied local council decisions and requested documents from the Baia Mare town hall regarding its social and state-owned housing stock. In these papers, we looked mostly for information about changes in the Vasile Alecsandri district since interviewees mentioned this area regarding Roma housing. Besides the locally embedded empirical data, we analyzed national legislation on housing, territorial development, and the Roma. Additionally, we used secondary statistics about the housing stock at different scales and housing-related figures from the survey conducted by the PRECWORK project in Baia Mare. Our analysis considers both the local and national context to contribute to a theoretical explanatory framework that links investigations into housing unevenness and racialization through a historical political economy perspective.

The chapter is organized into five sections which move progressively from the national to the local level, culminating in a conclusion. The first and second sections examine the political economy of Roma racialization and housing in Romania, charting their evolution through state socialism and capitalism. The subsequent three sections focus on an analysis of the changing built environment in one of Baia Mare's neighborhoods, known as Hatvan, Cărmădarilor, and Vasile Alecsandri, and the recurrent displacements of the Roma people associated with this district from 1950 to the present. We provide a historical portrait of this micro area in the context of the macro processes that have shaped it, reflecting the city's economic trajectory from socialist industrialization to capitalist de- and reindustrialization. The chapter concludes by offering a theoretical contribution to political economy theories of racialization and housing. We explore the continuities and differences between Roma racialization in state socialism and capitalism, synthesizing our findings regarding how this operates in relation to housing unevenness and labor, both at a systemic level and in the specific context of Baia Mare.

### **Roma racialization in Romania: a historical process**

Racialization has historically taken on specific forms and is enacted through various social processes worldwide (Camfield, 2016, p. 42). While racialization existed in pre- or noncapitalist societies, in capitalism, it functions as a social mechanism serving the economic necessities of the overall system (Nikolinakos, 1973, p. 367). The racialization of the Roma in Romania is no exception to these rules.

We emphasize how racialization operated during state socialism, dealing with past mechanisms of distinction and inequalities, and how it continues functioning in capitalism. Along with class exploitation, racial oppression is a core endemic feature of capitalism (Camfield, 2016, pp. 45–47).

To illustrate the historical formation of Roma racialization, it is insufficient to begin its discussion with state socialism. Even if space is limited, we must briefly address how the racialized distribution of resources positioned the Roma in Romania for centuries (see details in Chapter 1 of the volume). The pre-World War II feudal and capitalist mode of production in the Romanian countries (Moldova and Țara Românească) enslaved the Roma for five centuries until their final emancipation in 1856 (Achim, 1998; Furtună, 2019) and associated them with an inferior social category dependent on their masters. In Transylvania, part of the Habsburg Empire, making the Traveler Roma settle was a major concern in the 18th century. To promote their assimilation, the Roma people were supposed to be named “new Hungarians” or “new peasants” (Pálffy, 2022). The need to create specific educational and cultural institutions where the Roma could nurture their identity in parallel with addressing the problems of those who still practiced nomadism, such as illiteracy, lack of hygiene, and proper housing, was mentioned by one of the first Roma associations created in Romania in 1933 (Asociația Pro Roma website). The fascist Romanian regime defined the Roma as an inferior race and considered their assimilation a risk to the racial purity of the Romanians. Between 1942 and 1943, the Romanian authorities deported 25,000 Roma in several waves to Transnistria, a phenomenon called Porajmos, the Roma Holocaust (Achim, 2002; Furtună, Grigore and Neacșu, 2012; Solonari, 2013; Matei, 2022).

State socialism that emerged after World War II in a country with a very low level of urbanization (in 1946, 77% of Romania’s population lived in rural areas; INS, 2021, pp. 32–33) implemented a large-scale modernization project via industrialization. This project was challenged, among other things, by inherited racialized inequalities across the country. The socialist system included serious planning for everything, and in the case of the Roma population, it documented their socio-economic situation to elaborate a plan for their “integration”, i.e., transformation into factory workers. In 1952, in its first study of this kind, the State Secretary of Nationalities noted that the employed Roma (*încadrați în producție*) “lived on the margins of the localities where they were kept by the discriminatory practices of the bourgeois-landlord regime” (quoted by Marin, 2017, p. 113); however, their conditions started to improve (ibid, pp. 122–123). The investigation revealed that the old issue of the Traveler Roma persisted in the country and included a recognition of the system’s weakness in addressing this problem: “the nomad or semi-nomad gypsies” (ibid, pp. 113) who practiced their traditional crafts “did not enjoy enough patience from the authorities, and the class enemy pushed the ideas of anti-gypsyism so they tended to self-isolate and did not trust the regime” (ibid, p. 129).

A similar study from 1977 and a Note from 1978 observed that the problem of (semi)nomad Roma was not solved over two decades, and even more, poverty prevailed among the settled Roma due to illiteracy that made it impossible for them to obtain qualified jobs (Note, p. 24). The reports highlighted that “social parasitism”

became a problem because the Roma, who refused employment as a contribution to society, gained state benefits (*ibid.*, p. 26). The persistence of inadequate hygienic-sanitary conditions and the refusal of vaccination and medical control resulted in high levels of child mortality and widespread infections in the communities (*ibid.*, p. 25). The social programs identified to solve these issues also had a civilizational tendency: “social backwardness”, such as nomadism, poverty, or life lived outside the legal frames of the state, was incompatible with the socialist society (*ibid.*, p. 27) undergoing modernization. Documents from the 1970s show that, in the Party’s words, “integrating” the approximately 68,000 (semi)nomad Roma across the country was supposed to be the responsibility of the local state apparatus (Note, 1978, p. 1). The suggested measures included the demolition of insalubrious housing, the control of those who did not respect the norms of cohabitation, the allocation of land and loans for new dwellings in personal property or flats in state-owned blocks, and the relocation of all the Roma who did not have jobs in a city to their locality of origin (Studiu, 1977, p. 7).

The Roma population continued to be racialized during state socialism due to the belief that nomadism hindered their integration into the socialist labor market and housing arrangements. These issues were rooted in their past inferiorized positions, being oppressed, exploited, or exterminated in former regimes. Although the studies mentioned earlier acknowledged these legacies, they failed to recognize that socialism perpetuated their inferior position by denying their recognition as national minorities, which other historical minorities in Romania received. Roma scholar and activist Nicolae Gheorghe argued that this must have been necessary for successful interventions to improve their socio-economic conditions (Marin, 2017, pp. 34–35). The failure of social programs to address long-standing issues and the incomplete Roma proletarianization as part of the unfinished socialist project resulted in the persistence of Roma racialization. The aforementioned documents reinforced the notion that nomadic Roma were inherently different from other urban laborers. However, for assimilated Roma, racial identification did not pose a barrier to accessing stable jobs in state enterprises or affordable housing in socially and ethnically mixed city districts.

Post-1990 Romanian capitalism began with a severe economic crisis and continued with implementing a neoliberal project for economic and state restructuring. The unresolved goal of eliminating historical Roma nomadism, poverty, and racialization led to new forms of anti-Roma racism when capitalist class relations were forming. Paradoxically, this happened at a time when the Roma were finally recognized as an ethnic minority with cultural rights, and a fragmented Roma elite emerged, with some advocating for cultural recognition, others for social inclusion, and still others seeking to use the Roma as a source for development rather than as a social problem. In the current capitalist context, a racialized reserve army of labor needs to be maintained to keep wages low and to perpetuate divisions within the labor classes to prevent their collective struggle against exploitation. Anti-Roma racism has become more severe than the socialist form of racialization in two ways: first, it plays an economic role in reproducing the capitalist system; and second, it has acquired political significance. As a result, despite internal stratification within the Roma population, racism now targets “the Roma” as a group that supposedly shares biological characteristics and cultural heritage, which they seek to preserve rather than assimilate into mainstream society.

### **The changing political economy of housing from state socialism to capitalism**

Aalbers and Cristophers (2014) recognize the “increasing centrality of housing to the political economy of advanced capitalist societies in much more than a production-related sense” (p. 374). They interrogate the role of housing concerning capital as a process of circulation, social relations, and ideology. We suggest expanding the political economy perspective on housing to include state socialism.

Since Romania underwent two systemic transformations after World War II, from liberal capitalism to state socialism and from state socialism to neoliberal capitalism, it is an ideal case for illustrating subsequent changes in the country’s housing regimes. Housing regimes play a central role in political economy alterations, and the organization of housing production, exchange, and consumption differs significantly between the regimes due to their radically distinct goals.

Under state socialism, economic production in state/public/social property was organized to facilitate the centralization of surplus value created by the labor force and the benefits provided by the enterprises, along with the coordinated redistribution of these resources. This approach ensured further economic development via the accumulation fund and the collective consumption goods via the social consumption fund (Vincze, 2023b). The government allocated significant public resources to housing construction and maintenance within a planned and coordinated vertical and horizontal network of institutions and companies nationwide (Zamfir, 2023). This period was marked by Romania’s socialist modernization project, with industrialization and urbanization at its core (as data shows in Sandu, 1992; Constantinescu, 2000). The entirely restructured state institutions planned and executed a centrally coordinated economy and territorial development. As a result of these transformations, the country’s urban population increased from 23% in 1946 to 52.8% in 1989 (INS, 2021, pp. 32–33). This required the reconstruction of existing cities and the creation of new towns across the country, providing basic urban infrastructure (electricity, running water, sewage, and sanitation systems) and housing for the labor force engaged in the new socialist economy. Between 1951 and 1989, the state built 2,984,083 residential units in Romania (Anuarul Statistic al României, 1990, p. 520), mostly in enlarged old cities or new towns and some in rural areas targeted with urbanization measures. The state-funded buildings formed 54% of the new residential units built in this period and a much higher percentage between 1971–1980 (80%) and 1981–1989 (93%).

In the socialist system, a mixed property regime was installed to address the housing shortage (Vincze, 2022). Nationwide, 70% of the total housing stock was in personal property controlled by the state; however, in cities, the percentage of public housing was 50–60%. For the newly acquired housing units in personal property, if needed, the state offered financial support through inexpensive credit via its Savings Bank. The mixed housing regime ensured the extended reproduction of society as a whole and the reproduction of the labor force needed for further economic production despite the low returns from the public rental or sale of the housing units constructed by the state. In state socialism, housing was considered

a public investment in a collective consumption good without which the system could not function (Vincze, 2023b). Nevertheless, keeping pace with the speed of industrialization affected the standards of the new flats. The lowest grade was workers' dormitories (considered temporary accommodations for village commuters), followed by low-comfort flats and high-quality residences. The block apartments differed in terms of square meters, kitchen and bathroom equipment, and the quality of construction materials and interior finishings. However, the city districts integrated the different types of blocks so each dweller could benefit from the social infrastructure planned to serve the neighborhood's social, cultural, and consumption needs.

In contrast to state socialism, the systemic goal of capitalism is to ensure continuous capital accumulation by exploiting the labor force and people's housing needs (Wright, 2000; Soederberg, 2018; Desmond and Wilmers, 2019), transforming urbanization and the built environment (Harvey, 1985, 2004, 2005), urban re-development (Gotham, 2001), and restructuring (Brenner and Theodor, 2002) into a sphere of capital accumulation. The support that various state policies offer for the private sector (via subventions, tax incentives, and governmental programs) is directed toward investments that create profit within the boundaries of a country or across national territories. Romanian scholars describe critically the capitalist transformation of the country, including state and economic restructuring (Chelcea and Druță, 2016; Poenaru, 2017; Rogozanu and Poenaru, 2014; Cistelean, 2019) and the housing system (Vincze and Florea, 2020; Florea et al., 2022; Florea and Dumitriu, 2022). Starting with the 1990s, state policies supported the formation of the market economy, among others, by reconfiguring the housing market from state-controlled to unregulated. The first step in creating this market was privatizing the old state-owned housing stock via right-to-buy and retrocession laws. This intervention was paralleled by the state's withdrawal from public housing production. During the 2000s, the state enabled the creation of the private banking system, profit-oriented mortgage schemes, and new financial institutions and instruments (Florea and Vincze, 2024). As a result, 98% of current housing units in Romania are on private property. Access to housing occurs almost exclusively through the unregulated market, and in addition to being transformed into a commodity, it has become a favored asset for financial investments.

In the next three sections of our chapter, we examine the historically specific forms of Roma racialization enacted from the 1950s until today through housing measures in one of Baia Mare's districts.

### **Roma racialization in the context of socialist urbanization**

The local authorities' perception of the Roma from Hatvan, Baia Mare, changed between the 1950s and 1970s from being approached as a social problem to being declared illegal. These perceptions were not about the socialist ideology being racist, but rather—inspired by the racialized visions about the Roma inherited from the past—they have been fabricated as additional, racialized justification for



eradicating poor Roma houses classified as illegal by the new urbanistic regulations. However, the need for land suitable for workers' neighborhoods with new social infrastructure was the main reason for demolishing former family houses. Over four decades, thousands of four- and ten-story blocks appeared across the city. The process started in a semicentral area in the 1950s with a small-scale neighborhood called Lenin with soviet style architecture and continued with the Săsar neighborhood erected in the 1960s, in the north, with less valuable constructions and a marshy flat terrain. In the 1970s and 1980s, these developments were followed by construction in the Progresul, Republicii, Gării, Vasile Alecsandri, and Decebal/Traian districts (Ștef, 2016).

### ***Early socialist planning***

During the 1950s, in Romania, the urban design system was highly centralized, with a few regional centers across the country (Iuga, 2016). In Baia Mare, urban planning had to address the economic project of transforming the town into an industrial pole of northern Transylvania centered around mining and mining-related state enterprises. The planners concentrated on the urban fringes,<sup>1</sup> leaving the Old Town untouched. They sought spaces to construct workers' districts, providing housing, social and cultural infrastructure, and public urban services for the thousands of new laborers expected to move to the city.

The early systematization plan was developed in two stages; the first was drafted between 1957 and 1959,<sup>2</sup> and the second was designed in 1962.<sup>3</sup> During their later implementation, the local and national administrations were concerned with the so-called "construction discipline" (*disciplina în construcții*),<sup>4</sup> ensuring everyone respected the rules. Territorially, the town was to be divided into functional areas.<sup>5</sup> There was a plan to develop the industrial belt further in the east, where the old heavy industry had been active for decades. A new industrial zone was also projected in the west, near the airport, destined for light industry (textile, ceramics). There was a project for green space, an uninhabited territory of vegetation meant to reduce industrial pollution.

A 1960 plan foresaw that, by 1965, the local authorities had to build 4,700 new apartments.<sup>6</sup> It was a frenzy of rational planning, taming the territory, getting rid of the old, and making a new world. In 1962, the by-then secretary of the Romanian Communist Party stated that, across the country, the new urban spaces were supposed to combat "the anarchical sprawl that happened during the previous regime" and "the contrast between center and periphery" (Stroe, 2015, p. 97). Alongside its progressive idealism, this view contained ideas about how the new urban order should be enforced through disciplining practices. The quartering of the territory meant that the state would not only manage and build new infrastructure and housing but also closely supervise any civil construction; it would also ensure that there were no deviations from the overarching compulsory vision of urbanity.<sup>7</sup>

We do not assert that urban development based on a vision and set of rules was a dictatorial socialist practice (or an exception to how modern urban planning happened in other countries). Nor do we suggest that socialist spatial planning was



conceived as a tool for anti-Roma racism. In what follows, we describe how the official perception of the Roma inhabitants of Hatvan changed as the neighborhood was planned to undergo major urbanistic transformations.

### *The racialization of Hatvan, the Roma neighborhood*

The name Hatvan entered the official language when it was already pointed out by an ancient pejorative term. In 1951, while answering a questionnaire made by the Institute for Construction and Urbanism about the pits caused by brick-making, the clerk of the local administration jotted on the draft this word for territories inhabited by Roma people: *figănie* (Gypsyhood)<sup>8</sup>. Since this was something that deviated from the official socialist anti-racist stance, the racial slur was removed in the final typewritten version, and the same question was answered with the claim that such pits existed only in Hatvan.<sup>9</sup> This erasure reflects the substitution of a pejorative term with the name Hatvan, an orientation that marked the territory's stigma from the start: Hatvan was and remained the place where the Roma people lived.

The early socialist city planners recognized that the area had many forms of deprivation, such as poor housing stock, lack of electricity, water, and social and cultural infrastructure.<sup>10</sup> Doctors refused to practice there, the only school in the area was too small for the neighborhood's children,<sup>11</sup> and the water sources did not function properly.<sup>12</sup> Hatvan was a marginal space that the city had yet to contain. It was considered a distressing "inheritance of the past".<sup>13</sup> Because systematization implied a focus on the peripheries, the area became a challenge that the authorities urgently needed to address. The local administration planned to uplift its inhabitants' social and economic conditions through investment in infrastructure projects, such as paving roads or introducing electricity. During the first half of the 1960s, the systematization plans in Baia Mare did not include Hatvan, probably because city development planners did not need this territory since the new socialist districts were erected in other areas. They mentioned it as a neighborhood with "mediocre" single-storied houses.<sup>14</sup> It looked more like a slum—dilapidated and disorganized—than a neighborhood fit for the new Baia Mare.

Based on the analysis of institutional discourses, we can observe a gradual shift in this perception by the middle of the 1960s. Voices from the local administration increasingly called for coercive measures at the city's peripheries to impose the "construction discipline". For example, in 1965, someone demanded the punishment of "citizens from the periphery, who build houses without permits".<sup>15</sup> In December 1966, the local council decided to look into the housing situation in Hatvan and to "move the inadequate houses" to a different area.<sup>16</sup> In 1970, the council demanded that a "census of improvised houses" be conducted there.<sup>17</sup> Thus, gradually, the neighborhood and its inhabitants were no longer regarded as poor people who needed social assistance but as culprits with destructive and illegal behavior. The Roma people who built shacks in the area without permits became increasingly singled out by the institutions responsible for enforcing the "construction discipline" while emphasizing their ethnicity.<sup>18</sup> This way, the local authorities could have also responded to the central government's calls to solve "the Roma question" in their locality (Note, 1978).

We found documents where the authorities mentioned Hatvan as an area with frequent turbulence and brawls.<sup>19</sup> In the 1970s, the problems associated with it were aggravated because several Roma people from neighboring villages were displaced by floods and started to build illegal shacks in its proximity. At this point, the issue of illicit constructions that did not respect urban planning norms and the increase in the number of people without proper jobs in the city who were perceived as potential criminals endangering the city's order could be more closely connected to the need to systematize the area. First, this entailed asserting a strong legal posture vis-à-vis people's activities in Hatvan.<sup>20</sup> This idea could have subsequently developed and been added to the reasons for demolishing the slum-like neighborhood. The latter, viewed from a larger perspective of urban development at those times, not only diverged from an ideal urban lifestyle but also needed to disappear to make space for a new district with blocks. The creation of such a new urban area implied demolitions that, in turn, necessitated evictions, while the regime offered flats to the evictees in the new blocks of the Vasile Alecsandri district.

#### *Relocation to blocks and a special project for the Roma*

Construction techniques and institutional planning matured in the 1970s. The quality of the blocks gradually improved, with more spacious and better-equipped flats built in the 1980s, particularly in the city center. Some of the projects surrounding Mara Park received national awards for design. Nevertheless, if it foresaw a failure to achieve the building plans, the Maramureș Construction Trust erected blocks with smaller apartments. Blocks in the semicentral area of Jupiter-Saturn-Uranus are materializations of that practice. Altogether, the number of flats in Baia Mare increased from approximately 12,000 to 40,000 in 1989.

In the 1980s, we almost called for people, “come to Baia Mare, we have available housing” and they moved from low comfort apartments located at the city peripheries in the center or wherever [...] and at the periphery we gave to those rather unqualified workers or to a Roma who was a bit more civilized... because we had those as well, driver, tractor operator, with family and children.

(WP3.V-Z.23. C.N., employee at Construction Trust, interview by Enikő Vincze and George Iulian Zamfir, September 2021)

For the former Hatvan inhabitants who relocated to blocks, it was difficult to adjust to the new housing conditions because they could no longer use their main means of livelihood. When cut off from their previous social reproduction spaces and strategies, residents enacted spatial agency (Gotham, 2003). The local authorities might have declared them unfitting when they could not solve the contradictions between large-scale urbanization and preurban sources of income.

The problem was that many kept horses and pigs there, like in the country, or as they used to do at home in Hatvan. They walked on the ramp, walked for bottles and jars, washed them, sold the plastic bottles, and made some income. ... Others were allowed to make bricks near the new blocks, where Craica is

today, even if they had a job in a factory. They went with a cart to sell the bricks in the city and nearby villages. That's why they needed horses and wagons.

(WP3.V.46. A.L., Roma woman, 64 years old, Craica,  
interview by Enikő Vincze, September 2021)

The Roma from Hatvan were relocated in several waves from the late 1970s until the end of the 1980s.

*Masking systemic problems through racialized tactics*

In 1975, the Cărămidarilor district (named the brickmakers' following the major Roma craft from the area) was projected to include five blocks with 680 low-comfort apartments. Two blocks from Melodieii Street were provided to the expropriated Roma when their homes were demolished in the old Hatvan. The subsequent 1977 area plan proposed the construction of 35 blocks of four, six, or ten floors and social infrastructure (kindergarten, school, shops, and spaces for entertainment) in the Vasile Alecsandri neighborhood. In 1979, the plan was to build 1,046 apartments (of which 337 were to be sold), and in 1981, the municipality projected the construction of 2,800 new flats in this district.

A few years after expropriation and relocation, it became clear that the policy was mismatched. Many disgruntled people had problems paying rent and utilities. In an attempt to solve this problem, planners and public administrators rendered it a civilizational issue: according to them, Roma were simply unprepared to live in apartments with central heating. The plan proposed at the local level and approved by the central government consisted of four blocks with 227 apartments on Arieșului Street in an area separated from the rest of the neighborhood by a boulevard.

Those blocks on Melodieii used to belong to the town hall, and if you didn't pay, you were penalized or kicked out at some point. *T\*\*\*\*ii* (Gypsies) on Melodieii didn't want to pay, or some couldn't. Then they were put in the blocks on Arieșului, which looked like they were from the countryside, where they heated water on a wood fire. There were no more problems paying for the heating in the block than in the other blocks in the city.

(WP3.V.46.A.L.)

Later, Roma from other parts of the city were also relocated to Arieșului. This practice was conveyed in the 1984 decision to repair blocks on streets predominantly inhabited by them (Melodieii, Rapsodieii, Ghiocilor, Enescu, Neptun, Saturn, Uranus, Filaturii) scattered across several neighborhoods to ensure a good transition for new renters. In 1988, the municipal housing company offered a deal to the factories: in return for financial support, some of the apartments of the renovated blocks were to be allocated for their workforce. Three blocks on Arieșului were included, along with four other blocks in Vasile Alecsandri district. As the project was stalling, in 1989, the municipality approved a plan with 14 measures. This plan included details regarding funding requirements and the concrete phases of

repair. The last point reiterated the need to secure the buildings with metal sheets to prevent abusive entry. In 1989, an office proposed the accommodation to Arieşului blocks of 20 tenants nominated by the tenants' association of Jupiter 2 because they were debtors or had deteriorated the apartments. The document<sup>21</sup> reveals that rehousing schemes had operated throughout the decade. Moreover, the assemblage of a special coalition for repairing deteriorated blocks indicates that state funding for repairs was insufficient.

*Communal taxes as a city-wide problem and shaming Roma as culprits*

Utility costs for residents of blocks increased in 1982, compounding an enormous local problem: the accumulation of debts. This was a key issue for the whole city. In 1983, Maramureş County ranked first in debts nationwide. In November 1982, its tenant associations owed 7.5 million lei, while all 40 counties in Romania owed 77.2 million. In Baia Mare, there was a total of 2,235 debtors. This problem was debated at a County Council meeting.<sup>22</sup> The president's remark at the same meeting is suggestive of how, instead of tackling the situation as a general issue, he tried to offer a racializing explanation for its occurrence:

Why did you place all the țigăni (Gypsies) in a single block and not one-two per stairway so that other tenants could discipline them?

In 1988, an internal municipal report<sup>23</sup> showed that tenant associations had outstanding debts of approximately 15 million lei. As the nationally imposed austerity measures started in the early 1980s and heavily intensified throughout the decade, they must be considered in analyzing these problems. To maintain sovereignty by repaying foreign bank loans, taken out with high interest rates in the late 1970s for industrial modernization (Ban, 2012), the government enacted war-time-like restrictions related to household consumption of basic goods such as natural gas and electricity to ramp up export-oriented industrial production. Decree 240/1982 raised prices for electricity and gas for households and steered the national energy sector on coal-based production as an endogenous solution to exogenous factors such as oil shocks.

To conclude on Roma racialization during state socialism, one must note that the system could not afford not to include the country's whole population, as well as the Roma, in the massive economic restructuring of the country. Therefore, the interest of the state to eliminate the historical anti-Roma racism that could have impeded the fulfillment of this aim was a structural objective of the regime. The transformation of Hatvan into Vasile Alecsandri unfolded at the intersection of extended socialist urbanization, a partially failed proletarianization of the Roma population, and pressing statewide austerity measures. At this juncture, the subsequent relocation of the Roma in Baia Mare constituted a contradictory response of the local authorities to a very complex challenge. On the one hand, it reflected how far the normative vision of socialism could mitigate the impact of racialized inequalities inherited from the past and the anti-Roma racism of individuals. On the

other hand, under the pressure of reduced welfare state support to cover the losses with the utility debts, the authorities invested in building new blocks where they hoped to contain old social reproduction practices better.

During the post-1990 capitalist transformations of Romania, anti-Roma racism exploded. Further on, the new regime needed a racialized reserve army of labor and the expulsion of impoverished Roma to destitute informal settlements or stigmatized social housing where their cheap labor force could be reproduced at low costs.

### **Extreme forms of Roma racialization in capitalism**

Privatizing housing, shutting down the state-owned industries, and deregulating spatial development worsened socio-territorial inequalities throughout Romania, leading to unjust urban formations. The Atlas of Marginalized Urban Areas in Romania (World Bank, 2014) indicated that about 40% of people living in zones with disadvantages in employment, housing, and human capital in Baia Mare were ethnic Roma. In our survey of 800 persons from these areas (including 360 self-identified Roma), we found that 63% of the victims of evictions were Roma (PRECWORK, 2023, pp. 62–76). Among all the respondents, the Roma were over-represented among people living in informal settlements (77%, compared to 16% Romanians and 7% Hungarians) or public housing, including the social housing blocks (61%, compared to 23% Romanians and 16% Hungarians).

Since the 1990s, the eviction of Roma from state-owned blocks in Baia Mare led to the enlargement of informal settlements undergoing ghettoization in parallel with how their inhabitants were perceived as “unhouseables” in civilized residences (Vincze, 2023c). By the mid-2010s, impoverished Roma began to be enclaved in stigmatized and surveilled social housing blocks as a racialized surplus population was formed in the housing–labor nexus (Vincze, 2023a). The two examples described below illustrate these processes and show that institutional procedures always included measures regarding the buildings and the governance of their dwellers. These examples reflect that urban housing policies serving privatization, when targeted at the city’s poorest population, have increasingly taken on a more pronounced policing character and have been moments of intensified racialization. Such policies were created by the dualist public housing system resulting from capitalist transformations, which rendered low-income people disposable and expelled them to the fringes of society.

#### ***The ghettoization of the “unhouseables”***

The first example discussed relates to two blocks of flats on Melodieii Street in the Vasile Alecsandri district. These four-story buildings resulted from renovating and restructuring the former blocks of low comfort built in the middle of the 1970s. According to official municipality records (Information Notice, 2022), during the 1980s, these buildings were inhabited mostly by Roma, supposedly the families whose houses were demolished from the old Hatvan and later subjected to group relocation to Arieșului Street.

In the 1990s, the blocks on Melodieii Street were disconnected from utilities and declared devastated, being occupied only without contracts. During the 2000s, one of these blocks, Melodieii 4, was superficially repaired, and tenants evicted from several other city locations who agreed to live in deprived conditions were allowed to move in. In 2014, this building was restructured, renovated, and transformed into a so-called state-owned block (*bloc de locuințe fond de state*), while its former Roma dwellers were evicted. They had no choice but to move into informal settlements without being offered alternative housing. Some groups settled in the nearby Craica area, and others in the more distant Remiza Gării zone.

This obsession with renovation is the easiest way to put a Roma on the road. And to keep us stressed and always insecure. They moved us from Arieșului in 1992, and we were taken first to Melodieii, then to Uranus, and in 2000, back again to Melodieii 4. The block was empty. I stayed there for five years. It was so deprived; everyone repaired what they could and put in windows, doors, and showers. When this block went into renovation, the City Hall kicked us out, and we could never move back. Some of us had signed protocols, but of the 100 families that stayed there before, I do not know anyone who returned. They gave the renovated apartments to others.

(WP3.V.49. L.B., Roma man, 65, Remiza Gării, interview by Enikő Vincze, October 2021)

The new tenants of the restructured block were Romanians and Hungarians, among whom were employees of public institutions, including the town hall. The Heritage Directorate of the City Hall administers Melodieii 4 alongside the Uranus 2 block (with similar status) and 173 other apartments in collective houses or blocks scattered around the city. The latter still might be sold or restituted. The other block, Melodieii 2, underwent the same history until the middle of the 1990s when it was transformed into a Social and Economic Development Center, rented by the municipality to a foundation until 2013. In 2015, the building was intended to become a social housing block (*bloc de locuințe sociale*), and it was given for administration to the municipal Directorate of Social Work.

The above decision leads us to our second example. At the time of our fieldwork, hundreds of Roma continued living under inadequate conditions in the city's informal settlements, while the apartments of Melodieii 2 were still under renovation after seven years. According to official records (Fact sheet, 2022), the Baia Mare social housing stock comprises blocks located on Horea 46A and 46B, Luminișului 13 and 13A in the east industrial area, and Grănicerilor 116 in the Vasile Alecsandri neighborhood, totaling 557 apartments. These blocks were workers' hostels that their dwellers abandoned after the factories were privatized and closed. Most of the current tenants of these blocks are Roma. Since 2015, the municipality has given these buildings to the Social Work Directorate's administration, arguing that their tenants are beneficiaries of social services. They have separate regulations from the rules of the state-owned blocks and are allocated to different lists based on distinct criteria. The contracts for social housing blocks are only signed with the renters

for six to twelve months (compared to the usual five years), and the tenants are periodically removed through renovations without being provided with alternative housing by the municipality. Residents who have complaints against them or are in arrears lose their right to renew their contracts, and frequent police raids and video cameras surveil the dwellers of these blocks.

### *The dualist public housing system and the racialization of social housing*

The histories of administrative measures described above reflect that the Baia Mare town hall created some social housing enclaves for vulnerable groups by excluding them from other forms of public housing. Therefore, social housing was stigmatized as a residence allotted to the very poor Roma and associated with dangerous behavior that assumedly threatened the well-being of the civilized majority.

To explain why this could happen, we must consider the broader context of Romania's public and social housing policies, which have created a dualist public housing sector since 1996 (Vincze, 2023c). One of the components of this sector is commodifiable, including the state-owned housing stock inherited from state socialism and the newly constructed National Housing Agency blocks. These units can be sold to their tenants under the right-to-buy laws from the early 1990s and Law 152/1998. The other dualist public housing sector component is newly constructed social housing. This stock cannot be sold, and local public authorities must provide it based on Law 114/1996 while they enjoy autonomy over defining the allocation criteria. Another systemic problem created by the current Romanian housing policy is the lack of coherence between the right to access social housing for those whose income is below the national average (defined in the housing law) and the rights of vulnerable groups, specifically, the obligation of the Local Councils to provide them adequate homes (according to social legislation).

Due to the confusing nature of the Romanian housing system, while local authorities must adhere to national legislation, they can conduct diverse experiments. Under conditions of radical shrinkage of all components of the public housing stock (see Table 4.1), each municipality, Baia Mare being no exception, implemented specific practices for managing this shrinkage. The latter is the biggest structural problem of the Romanian housing sector, within which all sorts of exclusionary and stigmatizing administrative procedures happen.

The political decision to keep the public housing sector underdeveloped was not made by the Romanian Government only. The European Commission, through its Stability and Growth Pact and Competition Law, continues implementing economic policies that prevent member states from investing public money in public housing (Vincze and Betavatz, 2023) and promote social housing measures that lead to their residualization, conceived to target only the very poor (Angel, 2023 Malpass and Murie, 1982).

After 1990, no new social housing blocks were built in Baia Mare from the public budget. The existing state-owned and social housing units resulted from the renovation of old buildings constructed during state socialism. Their frequent repairs and the City Hall announcing the number of resulting public flats suggested



Table 4.1 The existing public housing stock between 1990 and 2022 at different territorial levels

<i>Administrative territorial units</i>	<i>1990</i>	<i>2000</i>	<i>2011</i>	<i>2022</i>
Romania	2,615,301	379,965	98,263	119,562
Maramureş County	53,952	7,265	1,800	1,895
Baia Mare	28,300	3,133	806	806

Source: National Statistical Institute, Tempo online, accessed October 27, 2023.

that the municipality had a growing stock of these homes despite not constructing any new residences. Additionally, the municipality stigmatized social housing and its renters over the last three decades. Therefore, the visible need for social housing decreased as people gave up demanding it due to their absence and stigma. The Baia Mare town hall took this method to the extreme in 2015 when it separated the social housing blocks from the rest of the public housing stock and allocated them to vulnerable Roma. It transformed social housing into “a ‘safety net’ for those who cannot obtain suitable housing in the private sector due to poverty, age, or infirmity” (Malpass and Murie, 1982, p. 174). In parallel, it implemented measures that led to “the disproportionate concentration and containment of racialized bodies in urban spaces of impoverishment and surveillance” (Roy, 2019, p. 227).

## Conclusion

Romania’s historical evolution “reflected the peripheralization of the Central and Eastern Europe region until the 1800s (or even later)”, which afterward “has shown signs of reaching the semi-periphery” (Kennedy and Smith, 1989, p. 616). The socialist plan of massive industrialization, urbanization, and public housing construction was a 20th-century developmentalist project to modernize the rural country. Romania’s capitalist transformation since the 1990s reinforced its semiperipheral status in the global economy, providing a cheap labor force and opportunities for capital investments. When addressing Roma racialization, one must place this phenomenon in these larger changing contexts.

Looking for a theory of racialization, we searched for an approach that “starts from the concrete historical work which racism accomplishes under specific historical conditions, as a set of economic, political and ideological practices, concretely articulated with other practices in a social formation” (Hall, 1980, p. 338). We found the needed perspective in a materialist theory of racism, and, while adapting it to our empirical research conducted in Baia Mare and Romania, we connected it to a Marxist approach to housing. This is how the chapter also argues for the possibility of using the latter in connection to the subject of racialization. Our contribution to theorizing highlights the historical specificities of Roma racialization throughout state socialism and capitalism by questioning its role in the entire system and its mutually reinforcing relation with housing unevenness and people’s labor position.

We agree that racialization is about how persons and social relations acquire racial connotations, i.e., meanings assigned to human bodies and bloodlines (Taylor, 2009, p. 185), or how differences are regarded as innate and unchangeable. Racialization is enacted through racial oppression, which is a set of social relations that exist within and through racism (Camfield, 2016, pp. 50–51). Racial oppression is not a byproduct of class exploitation (and, thus, can be present in societies without class exploitation), but in class-based societies, the two operate simultaneously while mutually mediating each other (ibid, p. 50). Our investigation of Roma racialization in different political economy regimes in Romania indicates that its historical forms were influenced by previous racialized structures and determined by the prevailing mode of production. While people's housing and labor status played a key role in enacting Roma racialization in both state socialism and capitalism, it had distinct manifestations in their contexts, which we described in our chapter, enriching existing studies on these matters.

Within the socialist mode of production without exploitation, housing rights were provided through universal labor rights, and the use value of homes prevailed over their exchange value. People's employment entitled them to be provided with a home at an affordable price compared to their income. The state used surplus value created by the labor force to finance the production of collective consumption goods, including housing, as an instrument of social reproduction. In state socialism, racialization existed in a form in which the nonassimilated Roma, who could not adapt to the norms of cohabitation, were treated not as subhumans or lesser humans but as an inferior labor force. It was thought that with state support, they could evolve to perform useful work for society once they left behind their traditional means of subsistence. The regime aimed to change the historically disempowered and racialized Roma into factory workers and block tenants. State socialism as a system did not need racism to function but used racialization (and other forms of control) to act through special measures on its inferiorized groups.

In the capitalist mode of production based on class exploitation, neither the state nor the capital assumes responsibility for providing proper housing for the labor force. Housing is accessible on the unregulated market. Capital exploits labor and housing needs by appropriating the surplus value created by workers and the profit extracted from the exchange value of dwellings. Additionally, capitalism is constituted by the histories of racialized structures, so it does not simply create an ideology of racism (Rajaram, 2018, p. 629). In this system, racialization both facilitates racial oppression and is used as an ideological explanation and moral justification for the inequalities between the Roma and the non-Roma. It appeals to the supposed biological features of the Roma to naturalize the exploitative and oppressive socio-economic relations that engendered them. Racialization creates people who are replaceable in the labor market and redundant from the point of view of the housing market and tries to justify why poverty and deprivation are personal failures linked to one's biology or culture. It dispossesses the Roma surplus population of their humanhood.

Through the case of Baia Mare, we have demonstrated that the creation of "The Roma" as an unfitting other was facilitated by housing measures that distributed

them across the urban space and by racial differentiations underlying their dispossession. In early stage socialism, the authorities defined the Roma from Hatvan as social and legal problems that must be solved in parallel with the effort to build new urban infrastructure, including blocks of flats. The consolidated but cracking socialist regime of the 1980s stigmatized the indebted Roma as a group unable to make a “civilized” living in the blocks to which they had been assigned. Under capitalism, they were turned into disposable people pushed to deprived urban peripheries.

As housing unevenness and socio-economic inequalities deepened across changing regimes, Roma racialization intensified and became systemic. During state socialism, people whose homes were demolished as part of the city’s socialist systematization were compensated with a flat (even if low quality). The Roma evicted from these flats where they could not pay for the costs or adjust their traditional means of subsistence were allocated an alternative home (even if at the margins of the socialist city and without central heating). In contrast, in capitalism, the evictees found refuge in disinvested informal settlements, and the very poor became surveilled in the stigmatized social housing blocks of the city. Many Roma who lived in the deprived Hatvan neighborhood before its transformation into the Vasile Alecsandri district, after a quarter-century-long troubled career as block tenants on Melodieii and Arieșului streets, ended up in informal settlements (including Craica from the same district). Today, their housing conditions reveal social and legal issues similar to pre-socialist times, while their racialized bodies are exploited as a replaceable labor force in the capitalist economy.

## Notes

- 1 Minutes, SJAN Mm, file 1/1951/735, 3.
- 2 Systematization scheme of Baia Mare, project 2253, SJAN Mm, 1/1959/735, 113–119.
- 3 Report regarding ISCAS project, SJAN Mm, 1/1962/735, 98–99.
- 4 Report regarding Systematization, Baia Mare Local Council Archive, APMBM, 4/1956, 6.
- 5 Notice regarding the systematization plan, SJAN Mm, 9/1964/735, 1–3.
- 6 Observations regarding the systematization plan, SJAN Mm, 9/1964/735, 2.
- 7 Report regarding Urban Systematization, SJAN Mm, 4/1964/735, 15.
- 8 Survey for the Plan of Baia Mare, SJAN Mm, 1/1951/735, 4.
- 9 Answers to the Survey, SJAN Mm, 1/1951/735, 3.
- 10 Minutes, SJAN Mm, 2/1956/929, 138–139.
- 11 Meeting notes, APMBM, 4/1956/secretariat, 2.
- 12 Meeting notes, APMBM, 4/1956/secretariat, 3.
- 13 Minutes, SJAN Mm, 2/1956/929, 139.
- 14 Report regarding the city’s territorial distribution, SJAN Mm, 4/1964/735, 24.
- 15 Minutes, SJAN Mm, 2/1956/929, 151.
- 16 Decision, APMBM, 14/1967/secretariat, 36.
- 17 Work Plan, APMBM, 21/1970/secretariat, 121.
- 18 Report, BMLCA, 14/1967/secretariat, p. 93; Report, APMBM, 61/1968/secretariat, 123.
- 19 Minutes, April 23, 1963, SJAN Mm, 3/1963/929, 5; Report, answering a citizen’s letter regarding crime in Hatvan, APMBM, 13/1973.

- 20 Regarding such illegal buildings, in 1970, the vice president of the local council argued that “the situation in Hatvan should not be legalized” and recommended “the systematization of this neighborhood and the obligation to move out” so that “they would respect the law”. Quoted in Minutes, SJAN Mm, 2/1970/930, 14.
- 21 List of documents for the meeting of the Permanent Office; Sector of systematization, architecture, and control of discipline in construction, 1989.
- 22 Minutes No. 660/1983, Executive Committee of the People’s Council of Maramureș County.
- 23 Communication to the Executive Committee of the People’s Council of Baia Mare by vice president, February 22, 1988.

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## 5 The Political (macro) economy of poverty in Romania (1990–2023)

*Cornel Ban and Petre Buciu*

### Introduction

Romania has been recently one of the most spectacular successes of catch-up growth in Europe. The country has gone from economic devastation and lagging severely behind other Central and Eastern European countries to a growth momentum that landed it in the club of high-income countries, with a long consumption *and* export boom powering average incomes upwards (Ban and Adăscăliței, 2022). There is a distinctively regressive downside to this growth story, however, with Romania registering Europe’s most extreme poverty numbers on average. The evidence analyzed in this chapter suggests that this has been the result of the transition to capitalism in the particular context of a state socialist economy deprived of access to international financial markets and made fragile by highly integrated industrial operations that were particularly ill-adjusted to the end of centrally planned coordination. Eclectic market reforms in the context of international policy conditionality, followed by a particularly disembodied form of neoliberalism, led to deep recessions, inflationary crises, premature deindustrialization, and massive job losses. Together, these created mass poverty, a scourge tempered only by Romania’s EU integration, a process that nevertheless failed to adequately address the poor capabilities of the Romanian state and society to deal with the country’s enduring high poverty and deprivation levels, particularly among Roma communities.

Thus, while poverty has declined in Romania since EU membership (the \$6.85 a day category declined from 27.8% in 2015 to 10.7% in 2020),<sup>1</sup> it remains the highest in the EU and almost twice as high as in Poland. The population at risk of poverty in 2020 was 23%, the highest in Europe after Bulgaria. Next to high-growth cities like Cluj and Bucharest lie rural areas where 61% of people in “occupied but not employed” status are at risk of poverty (versus 30% in Poland and 22% in the European Union on average). Tragically, 1.5 million Romanians earn less than €5 a day and make up half of this category of poverty for all of the European Union. According to the UNICEF, as late as 2022, 56,960 Romanian children lived in extreme poverty.<sup>2</sup> Extreme poverty figures, albeit on a steep decline, have been far above Central and Eastern European states for decades (Emigh et al., 2018) and, most intriguingly, remain comparable to those of low income countries in Latin America.<sup>3</sup> In comparative

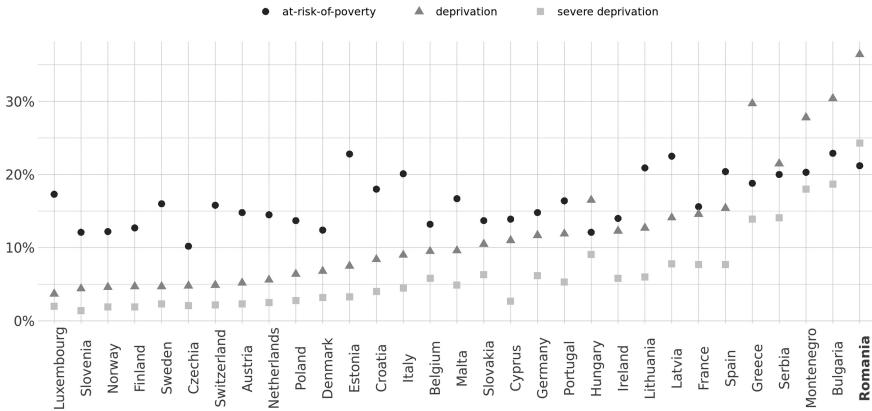
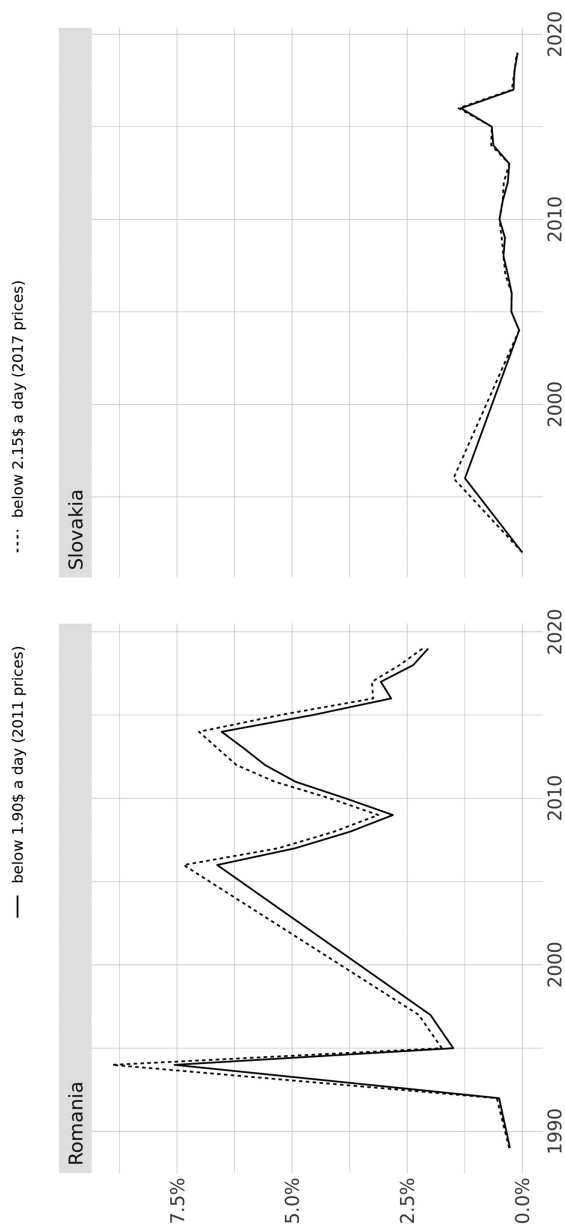


Figure 5.1 Population at risk of poverty, in material deprivation and in severe material deprivation.

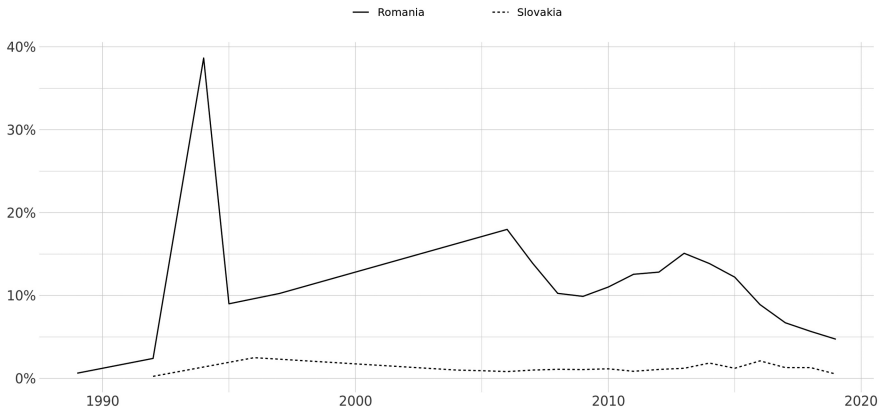
terms, Romania stands out in poverty, material deprivation, and severe material deprivation (Figure 5.1) and the survey of the EU Agency for Fundamental Rights captures the harsh experienced realities of racialized exclusion that many Roma still experience in Romania.<sup>4</sup>

Leaving aside issues with measuring poverty in a country with a high degree of informal labor in the rural areas (Raț, Tobias, and Veres, 2015) where roughly two-thirds of poverty is concentrated, these figures are dispiriting. Yet a rich literature has documented the statistical reality of poverty well before EU membership (Zamfir and Mărgineanu, 2001; Rotariu and Popescu, 1999; Gatti, 2003; Turnock, 2005; O'Neill, 2010; Molnar, 2013; Popescu, Ivan and Raț, 2016; Stănculescu and Pop 2017; Anghel and Alexandrescu, 2023). It was in the 1990s—the period stretching from the first post-Communist government to the early 2000s, when Romania finally became part of the EU enlargement process—when Romania's extremely frustrating record on poverty and extreme poverty became entrenched (Figures 5.1, 5.2.1, 5.2.2, 5.3). This chapter revisits the macroeconomic situation characterizing Romania during these years to take a closer look at the factors that shaped most decisively these structural patterns at the national level, with the shadow case of a representative country (Maramureș) and city (Baia Mare) in the background. As such, the macro-view proposed herein entails generalizations that are subject to refinements and corrections from the meso-level and micro-level chapters of this volume.

To be clear, like everywhere in the region, poverty and extreme poverty became notable phenomena when socialism was abandoned in favor of a transition to capitalism. No socialist country that moved towards capitalism was spared this scourge (Ghodsee and Orenstein, 2021). Yet this scourge affected countries very unevenly and one wonders why Romania's poverty problem has been so extreme in this



*Figure 5.2.1* Share of population living in extreme poverty: 2011 vs 2017. Source: World Bank, available at <https://ourworldindata.org/from-1-90-to-2-15-a-day-the-updated-international-poverty-line>.



*Figure 5.2.2* Share of population living on less than \$3.65 per day. 1989 to 2019. Source: World Bank, available at <https://ourworldindata.org/from-1-90-to-2-15-a-day-the-updated-international-poverty-line>.

regional comparison given that the neoliberal transition was implemented more selectively and gradually than in peer countries (Ban, 2016). Romania's situation looks unfavorable when we look across different thresholds and different countries, resembling poorer non-EU member states from South-Eastern Europe (Figure 5.3). In short, Romania spent its transition and EU accession with mass poverty and very extreme poverty, neither of which were present in other transition countries that resemble Romania on basic parameters.

Overall, the political economy of Romanian capitalism has been such that even with formal waged employment, a percentage of people that was several times higher than the share of the unemployed were still poor for a long time during the 2000s. At the end of the day, with woefully inadequate social transfers, the Romanian political economy meant mass poverty until European integration brought about a significant reduction of poverty to levels that remain high by regional standards but are much lower than during the grim 1990s and early 2000s. Many of the chapters in this book, and particularly Sorin Gog's, show that in this immiserating transformation, large parts of the Roma community that had been integrated to some extent into the modernity of communist industrialization and housing had been relegated to extremely deprived living conditions during the transition to capitalism and after capitalism became the only game in town.

While mass poverty at the national level shrunk dramatically, particularly after EU membership (Figure 5.2.1 and Figure 5.2.2), the ultra-poverty of many such Roma communities remained, with immiserated living conditions that have no counterpart in the EU. For such communities as well as for larger publics during the 1990s, the transition to capitalism has been a manifest socio-economic calamity. Orenstein and Ghodee's (2021) painstakingly documented "disaster capitalism" and its attending social catastrophe found in Romania a particularly devastated host. For the Roma communities evicted from their industrial jobs and socialist

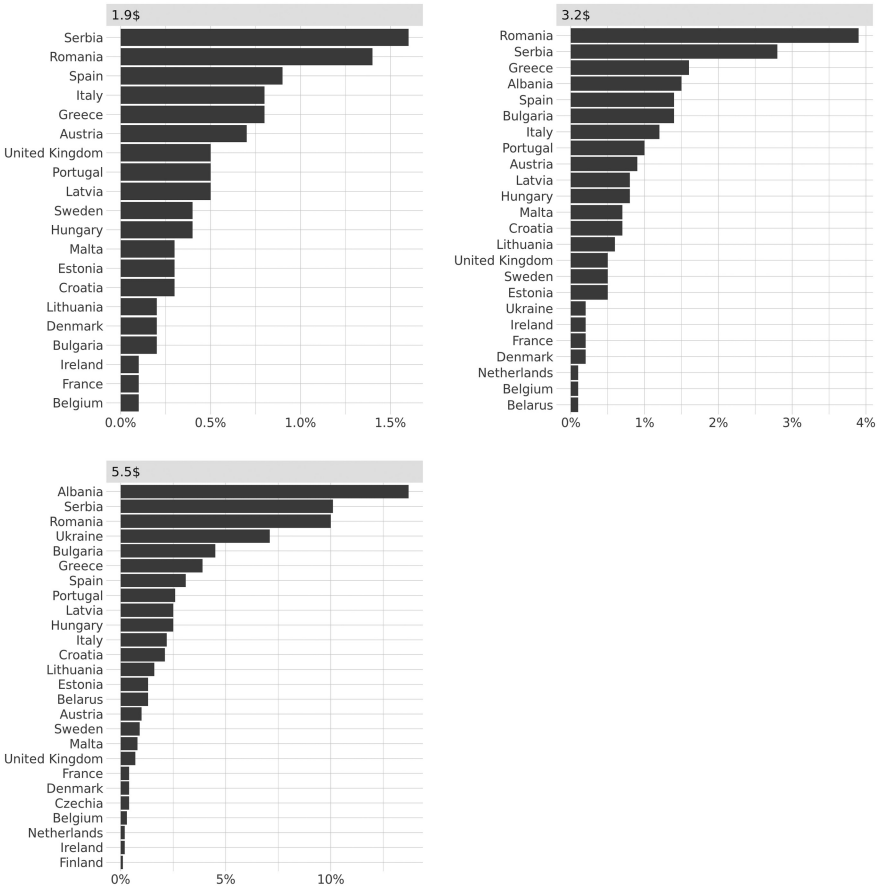


Figure 5.3 Poverty headcount ratios 2020.

era blocs, the promises of “transition” remain elusive to this day. While socialist planners did try to ameliorate the historically deprived living conditions of large segments of the Roma community, with often remarkable results (see Chapters 3 and 4), under liberal democracy, no attempts of similar magnitude (in employment or housing) have been made and the prospects of such attempts emerging looking dim at the moment of writing. As Figure 5.4 shows, even as mass poverty has disappeared, extreme poverty has returned to haunt the boom.

When explaining Romania’s outlier poverty numbers in the Central and Eastern European context, some scholars have dwelled on the role of a radicalized version of US-style neoliberalism in policy circles (Dale and Fabry, 2018) with Romania having a particularly extreme radicalization of the neoliberal agenda (Ban, 2016). However, this radicalization occurred only after the late 1990s, with the governments of the early 1990s adopting a more eclectic approach to economic policy

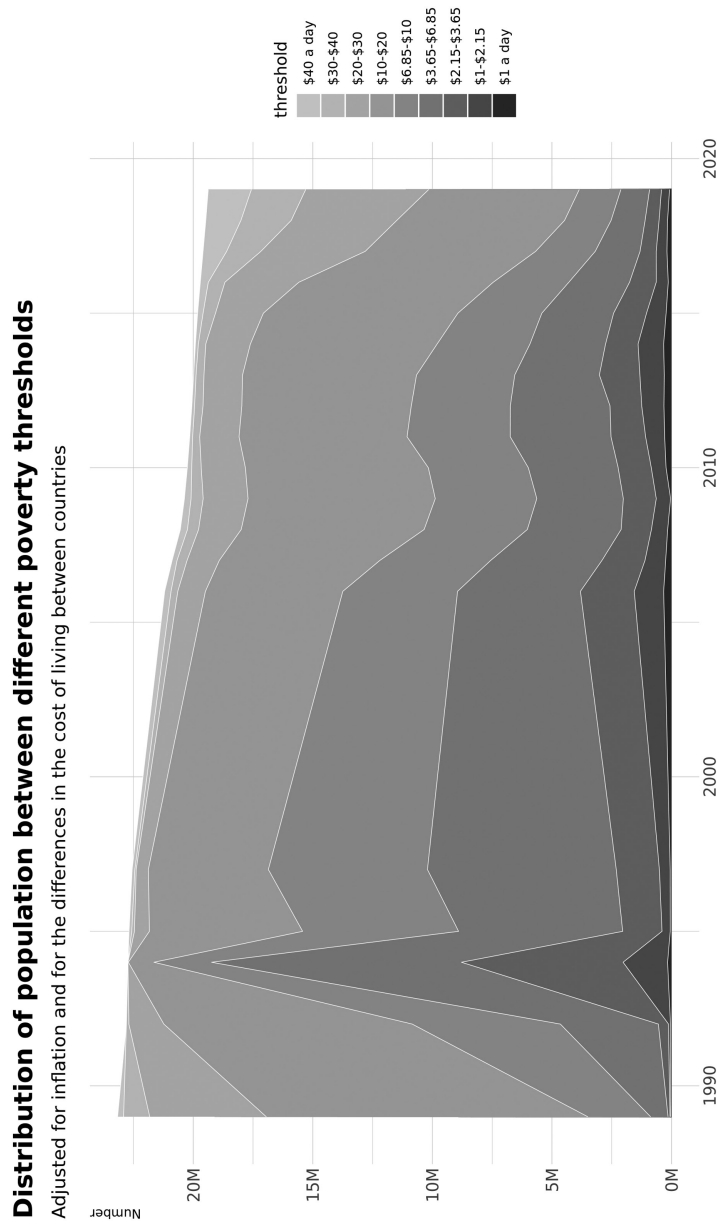


Figure 5.4 Poverty and distribution (1990–2020).

(Gabor, 2015 Ban, 2016). Or, as this chapter shows, the largest spikes in poverty, far in excess of the typical experience in the region, took place under the control of governments whose eclectic political economy choices had very few neoliberal elements (Ban, 2016).

Also, while it is tempting to blame this outcome on delayed urbanization or the share of the Roma population in total, simple comparisons suggest that it is not as simple as that. Slovakia had poverty levels that in all metrics were several times lower than Romania's throughout the 1990s and 2000s, despite resembling Romania in having around 65% rural population in 1960, around 45% in the 1990s, and the same share of Roma in the total population (9%). In the 1990s, when 8–10% of Romanians lived in extreme poverty and 20–35% lived at a poverty level specific to lower-income countries, in Slovakia the corresponding numbers were slightly above 1% and 2% respectively. To take a contemporary statistic, in 2019 while 20% of Romanians lived on less than \$10 a day, 5% of Slovaks lived on less than \$10 a day despite Romania being not far behind Slovakia in GDP per capita (Figures 5.2.1 and 5.2.2).<sup>5</sup> Romania resembles Slovakia in one way, however: widespread racialized practices that resulted in a high percentage of Roma being at risk of poverty by 2020—78% in Romania and 81% in Slovakia. Finally, delayed neoliberal “big bang” reforms don't explain the differences either, with both Romania and Slovakia opting for eclectic gradualism in their approach to the capitalist transition (Fisher et al., 2007).

One of the key contributions of this chapter is to show that this macro-policy eclecticism, while concerned with the social costs of market reforms and looking for a way out of the conventional shock therapy-gradualism dilemma, was nevertheless weak on three fronts: a particularly fragile socialist economy for whom the sudden dismantlement of planning in early 1990 was a devastating blow; the subordination of unemployment support policies to policies aiming to save employment in large state firms; and the harsh monetary austerity policies enforced by a central bank backed by an IMF who was then completely committed to a diagnosis of Romania's economic ills that was steeped in the “excess demand” narrative (Gabor, 2015).

As one of the most celebrated collective empirical accounts of the East European welfare states has emphasized, in Central and Eastern Europe,

early fears that crisis and economic reform would strip away basic social entitlements have clearly been moderated and nuanced (...) the ‘modal pattern’ of social policy in Eastern Europe after the transition is by no means an Anglo-Saxon or liberal one; rather it is a hybrid that includes not only liberal principles, but also social democratic, conservative and even some communist elements.

(Haggard and Kaufman, 2009, p. 227)

While this is true of Romania as well, the weak emphasis on the social-democratic and communist elements has been evident, leaving those displaced by market capitalism to rely on very thin safety nets that provided little protection from their hardship.



As such, with the benefit of hindsight, Romania's poverty exceptionalism needs to be judged not in abstract, or as a mechanistic appendage to a seamless story about the triumph of capitalism and neoliberalism. Instead, the chapter makes the case for disentangling from the complex tapestry of the transition the main political economy drivers shaping macroeconomic decisions with a large impact on poverty. In a broader sense, this chapter appreciates the insights of the literature on social policy where a diverse scholarly community has been debating the complex causalities of poverty, from semi-successful mass urbanization during socialism to weak institutions and going through racialization and extremely underfunded safety nets. Its contribution in this regard is a plea for a more historical and macroeconomic look at poverty's generators, with a heightened emphasis on macroeconomic factors shaping employment in a country in which the lack of adequate safety nets meant losing one's job led to a choice between migration and destitution.

Temporally, the emphasis in this paper falls on how Romania's economic transformation towards capitalism during the 1990s manufactured the country's high poverty. The choice for this emphasis is based on the findings of the other chapters in the book that trace the extreme exclusion experienced by the Roma to the tragic political economy conditions of the 1990s. The role of this chapter is to provide the macro-picture for these transformations and trace the macro-mechanisms that give Romania levels of ultra-poverty that are peculiar for the high-income country that it is today. To make this argument, this chapter focuses on the central government's policies and, for more concreteness, situates the effects of those policies in a standard industrial town in Northern Romania (Baia Mare) and Maramureş County more generally.

The chapter is based on interviews with policy elites carried by the author, interviews with policy elites published in the media or interview books, official statistics, government reports, and media coverage of the events.

### **Poverty and the crisis of late socialism**

Without a doubt, had communism not collapsed in Eastern Europe in 1989, mass poverty and high extreme poverty would not have been a real Romanian phenomenon during the 1990s and early 2000s. All international statistics show that in early 1990 poverty was extremely low in the Central and Eastern Europe region (see Ghodsee and Orenstein, 2021 for a systematic overview). Yet communism *did* collapse and did so following one of the region's most courageous mass social movements that in the Romanian case faced bloody state repression (Siani-Davies, 2004). It soon became apparent to everyone involved in socio-economic decisions, that the political economy inherited from Ceauşescu's regime was particularly brittle. This was due to self-destructive debt management choices that in turn had created a financially and technologically fragile political economy whose extreme levels of concentration made even mild liberalization trigger recessionary and inflationary dynamics that were deeper than in other Central and Eastern European countries.

It is true that Romanian socialism left usable legacies for capitalist development. The country had a large labor force with a favorable skill-pay ratio, with wages at 7% of the German level, an education system requiring at least ten years of schooling, and an extensive network of vocational schools supplying a large army of skilled and semi-skilled industrial workers. Hundreds of industrial research institutes provided a large pool of highly skilled technical personnel and the university system churned out large numbers of engineers (Radosevic, 2004). Far from being all obsolete, a large part of the industrial base was built with Western technology that in 1989 was between eight and 15 years old (Ban, 2014). Yet the good legacies of this political economy were accompanied by structural weaknesses that wrecked Romania more than its North-Western neighbors once the political decision to transition from a centrally planned economy to a market economy was adopted.

First, the centrally planned system had already reduced its prospects for constant labor supply. Even without regime change, this system would have had problems fulfilling its promises of full employment because the socialist industrial economy had stopped growing during the final years of the communist regime, with growth rates going down to -0.5% in 1988 and -5.8% in 1989. The late communist recession can be explained in part by the collapse of domestic demand during the extreme austerity of the 1980s when the country experienced a sovereign debt default followed by a harsh austerity program supported by the IMF (Gabor, 2015). Yet even after the government stopped working with the IMF in 1986, austerity not only continued, but became harsher, with extreme energy, medicine, and food deprivations wrecking living standards. The decision for harsher austerity was not the result of external pressures (the government even stopped sharing data with the IMF) but rather a domestic political decision to unplug the socialist growth model in Romania from Western financial and industrial influence (Ban, 2012). In addition to curtailing even the most basic consumption (energy, food), austerity and supply-side “reforms” also eroded the health of socialist industry more than in neighboring countries. At the meso-level of analysis, hard currency hoarding by the state debt management apparatus massively reduced foreign technological upgrading. This left many state owned enterprises with input shortages, aging equipment and spare parts that had to be domestically designed and manufactured overnight, leading to productivity losses (Ben-Ner and Montias, 1991; Mihaly, 2023). As extensive as it was, the domestic research and development infrastructure under Romania’s late communism could not fully supplant foreign upgrading. As Mihaly (2023) showed,

R&D facilities were insulated from market-based innovation and competition, especially during the isolationist period of the 1980s when import substitution increased. This meant that mono-industrial regions (...) were even less likely to develop post-socialist technological capabilities. Capital controls also insulated them from market demands.

(Mihaly, 2023, p. 2020)

All this led to decreasing quality in industrial output and deep discounts on the price of exports. Upgrading in 1990 required foreign exchange reserves, which had been depleted to a bare minimum. When the Eastern Bloc's trade system was terminated, Romanian manufacturing exports by many firms, already struggling with the worsening technological obsolescence created by austerity, had particular difficulties adapting to other markets (Ban, 2014). Furthermore, socialist enterprises' profits were routinely appropriated, making them borrow money from state banks or simply delay payments inter-enterprise debt. Since investment declined from 35% in 1980 to under 30% in 1989, this led to unpaid debts of close to 40% of GDP (Demekas and Khan, 1991, p. 14). Indeed, the state of the manufacturing sector was such that before *any* market reforms were adopted (January and February 1990), industrial production was down 20% below the corresponding months of 1989, with the same contraction valid for the rest of the year (Demekas and Khan, 1991, p. 18). In short, the country's large industrial base lost its growth drive, with unserviceable debt a systemic feature of the economy. Had communism survived, if the case of communist China is any indicator (Weber, 2021), its employment machine would have had to be reformed anyway in these conditions.

Second, if socialist growth demanded imports of technological inputs, the hard currency needed to buy it was minimal in 1989: a little over \$100 million, a figure that contrasted with the much larger reserves of neighboring states (Ban, 2012).<sup>6</sup> Furthermore, access to international private capital was basically blocked, the result of Ceaușescu's Romania announcing its boycott of international bond markets and paying the debt ahead of schedule, a singular event in debt management history according to the massive survey of Reinhart and Rogoff (2010). Indeed, Romania's potential creditors saw the country's self-exclusion from international finance as a source of risk that far outweighed the benefits of lending to a zero debt country.<sup>7</sup> This socialist legacy meant that the private international financing of the Romanian government did not become available to Romania until 1993. IMF loans did not arrive throughout 1990 because of the same problem.<sup>8</sup>

Fourth, the legacy of the former regime's debt policy was further worsened by geopolitical events. In 1991 almost \$3 billion was lost as a result of the Gulf War and Iraq's decision to renege on its financial and trade obligations with Romania.<sup>9</sup> This amount was 3,000 times larger than the country's foreign exchange reserve in 1991. The embargo decided against Serbia in 1992 cost another \$3 billion (Ban, 2014). These amounts were considerable given the fact that Romania needed less than \$1 billion to completely right its balance of trade in 1990. The shortage of foreign exchange left SOEs unable to upgrade their production technologies even after enterprise profit confiscation practices disappeared with the planning apparatus' extinction. To top it off, SOEs had no access to foreign credit either, which means that they could not find even loans for their survival, let alone investments. Starved of the automatic extension of credit through central planning, SOEs were primed to adjust through massive lay-offs once the planning was abolished in January 1990. Since access to many social services was tied to the job under socialism and since social benefit levels after 1990 were not set at livable levels, this would contribute to skyrocketing unemployment levels.

Fifth, high-employment firms dominated the labor market to a much greater extent than in the rest of the region. Overall, “SOEs were organized in sectoral clusters with strict vertical integration that increased sectoral vulnerability: once a link in the chain was privatized, regional supply chains could collapse” (Mihaly, 2023, p. 2020). Although it is a banal fact, it is nevertheless important to remind the reader that Romania’s socialist republic designed this high level of vertical integration with a particular brand of industrially ambitious socialism in mind, not with a view to capitalism. Furthermore, until the late 1980s, this system did deliver some of the strongest growth rates in Europe. Yet once its political and administrative underpinnings were politically wiped out in 1989, this ultra-centralized economic structure was highly fragile.

Thus, in 1990 Romania had 1,000 firms with more than 1,000 employees, providing jobs for 85% of industrial workers and supplying 85% of all industrial output. By contrast, firms with less than 500 workers accounted for 4% of total output and 6% of total industrial output (Ban, 2014). This was an extraordinarily large degree of SOE concentration and as a result, breaking down large vertically integrated SOEs into autonomous units was bound to be very costly. Once planning was dismantled by the provisional government, information and transaction costs for these firms would skyrocket, devastating their strategies and supply chains (Ban, 2014). Furthermore, even after the government wiped clean all SOE debt inherited from socialism, the liberalization of 50% of prices in late 1990 and the imposition of basic financial discipline (corporate income taxes, ban on bank loans to loss-making activities, subsidies targeted only at SOEs with clear restructuring plans) after the banks themselves became more autonomous meant that unemployment would be inevitable. Counterfactually, many of these companies were perhaps strong enough to survive if they remained vertically integrated in a planning mechanism, a state-owned financial sector with a developmentalist mandate and a multi-price system, as in China (Weber, 2021). But domestic and international political reasons detailed in the rich literature on the East European transition, this option was not realistically available in Romania at the time.

Finally, scarce fiscal resources could not be politically prioritized to boost SOE investment with a view to saving employment. In the 1980s Ceausescu’s regime had compressed household consumption of basic goods (food, energy, transport) to nearly wartime levels for almost a decade and therefore the government faced much more severe challenges to compress consumption even further with a “big bang” or “shock therapy” macroeconomic adjustment strategy. Therefore, labor pressure led the provisional government to fund large wage rises paid from the already damaged state’s investment funds and to divert cheap energy away from SOEs and toward households. The attending costs therefore subject the state’s fiscal resources and the SOEs investment prospects to even more pressures.

In short, the economic problems of late socialism were as important as its modernization achievements in what had been a predominantly agricultural economy before 1950. But by themselves, these problems did not translate into mass poverty until this highly entrained and centralized economic structure was subject to decentralization and market reforms (albeit not to the privatization of large firms) during

the early 1990s. As the next section shows, the market reforms that were eventually adopted were riveted with these inherited tensions of the late socialist economy as well as with very particular ideas about how to deal with the social costs of the transition to capitalism.

### **Macro reforms and poverty during the early transition to capitalism (1990–1992)**

There was a consensus across the Romanian political spectrum in early 1990 that the centrally planned and relatively closed socialist economy should be replaced with a market economy to be integrated more liberally into the world capitalist economy. Yet while the 1990–1992 internally divided governments agreed on the imperative of transition towards a market economy, they were not typical manifestations of transition neoliberalism. Indeed, they espoused an eclectic program mixing neoliberal gradualism and neodevelopmental ideas about market reforms (Ban, 2016). Their policies attacked an economic legacy of Romanian socialism that was so fragile that it took a combination of relatively basic market reforms to put the economy on the path to capitalism (price liberalization, end of central planning, the decentralization of vertically integrated firms competing with each other) to create massive social dislocations leading to mass poverty.

Indeed, rather than proceed with Polish-style “shock therapy” or even with the more “gradualist” Hungarian or Czechoslovak reforms, the 1990–1992 provisional government of Romania adopted instead a limited liberalization program. Its long-term goal was certainly capitalism, albeit one based on mixed ownership and extensive *dirijisme* (Ban, 2014). Still, in the absence of access to investment and planned coordination between state-owned firms, these basic market reforms had a devastating social impact, leading to mass poverty through three interlocked channels: very high inflation, high unemployment, and thin safety nets.

Specifically, the sudden shutdown of the central planning commission in January 1990 and of its territorial units (*centrale*) in late 1990 combined with price liberalization and the dismantlement of vertically integrated firms into competing SOEs in mid-1990 effectively dismantled the decades-old coordination systems between the state, banks, and SOEs. The harsh reality was one of a market economy without adequate access to credit, managers versed in market exchange, or stable supply chain relationships. As Mihaly found out (2023, p. 2020), “Without price controls, balancing payments required financial administration of taxes, material inputs, and energy costs ... market liberalization also meant that production and retail costs increased significantly”. In effect, SOEs with oligopolistic positions simply jacked up the prices for the downstream SOEs, turbocharging inflation, chain insolvencies, unemployment, and, eventually, poverty (Ban, 2014).

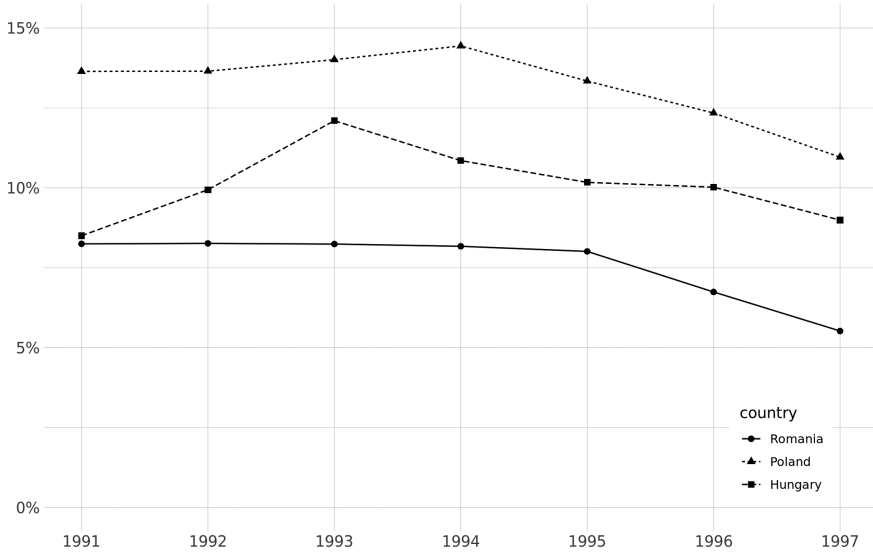
Perhaps the situation would have been less challenging had it not been for the lack of fiscal and financial resources to prop up investment in the state-owned industrial sector long enough to create market economy institutions and a management class able to safely land SOEs in a space with less social disruption. In 1990, expansionary monetary and fiscal policies were adopted to deliver wage increases,

wipe out SOE debt to the tune of a third of GDP, and increase benefits. But, given that fiscal resources were overwhelmingly derived from SOEs, the shrinkage of the industry by 20% in 1990 as a result of the transformations outlined above meant that by the end of 1990, the government ran out of money and called the IMF to provide fiscal assistance. Unlike in China, where the transformation was buffered by a reformed planning apparatus and massive international (including diasporic) investment (Ye, 2014; Weber, 2021), the coordination, the money and the entrepreneurship to buffer the shock were not available in Romania at that pivotal moment.

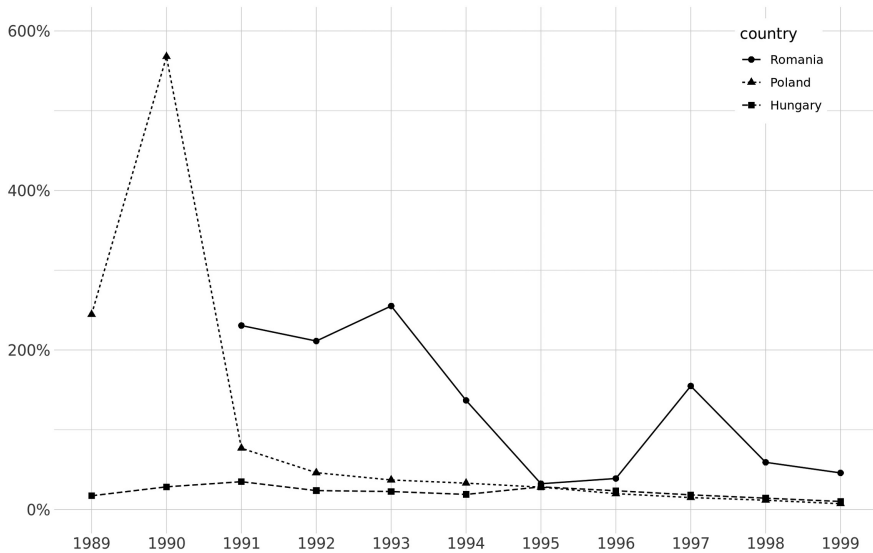
When the money eventually came, they were only for the balance of payments needs, coming at the cost of pro-cyclical IMF policy conditions that worsened the crisis. The IMF-supported stabilization program adopted in 1991 drastically tightened fiscal and monetary policy to reduce aggregate demand based on the argument that demand was already too high and the biggest problem was the protection of employment via protection for large SOEs (Hunya, 1998; Gabor, 2015). Elsewhere (Ban, 2014), I showed that these measures led to extensive losses for SOEs, with the state-owned industrial sector shrinking by a further 20% in 1991 even as private-sector manufacturing failed to emerge. Output fell by 14% in 1991 and 10% in 1992. With this came unemployment and wage cuts. The unemployment rate tripled to around 10%, and the inflation rate grew from 37% before the implementation of the IMF stabilization package to over 200% after the implementation. By 1992, most of the population lived on less than \$3.65 a day, a dramatic spike relative to early 1990. These were levels of social collapse that exceeded the full neoliberal reforms of 1997–1998.

By itself, however, the spike in unemployment does not explain mass poverty. As Figures 5.5.1 and 5.5.2 show, Romanian unemployment during this period was at the level of regional peers with much lower levels of poverty. The difference was ultimately made by higher and more persistent inflation (three years above 200%) plus weak safety nets for the unemployed: at the end of 1991, the Roman government left the unemployment insurance budget in a surplus while cutting spending for other social services that had already been starved of cash for a decade already by the austerity of late socialism.

Lacking a well-functioning banking system and international investment flows, the government tried to rekindle employment demand by doing more to attract foreign capital. Thus, in the winter of 1991, the Roman government announced the end of the dual exchange rate regime and the convertibility of the national currency (the Leu). Yet their enthusiasm for unconditional convertibility was tempered by central bank and finance economists who argued that since the country was basically out of foreign reserves, the measure could only be passed if the hard currency gains of exporting SOEs were expropriated. Despite generous tax incentives, unlike in Central and Eastern Europe where multinational firms began to hire large numbers of those laid off by state firms, no major foreign investor came to Romania during this period. By 1992, total foreign direct investment (FDI) was in the tens of millions, a fraction of the value of the foreign capital invested in neighboring Hungary<sup>10</sup> and the average foreign company had less than \$50,000 in capital.<sup>11</sup>



*Figure 5.5.1* Unemployment rate, 1991 to 1997.



*Figure 5.5.2* Inflation of consumer prices, 1989 to 1999.

Under the provisional government led by Theodor Stolojan, the former Finance Minister of the Roman government,<sup>12</sup> the government pivoted from investment to macro-stabilization: it raised interest rates above inflation, devalued currency, deepened fiscal austerity, and appropriated SOE foreign exchange reserves (which



bolstered the government's resources but completely destabilized the investment plans that SOEs may have had). Facing constrained demand (with mass poverty exploding, this was hardly surprising), and without their forex profits, even the most internationally competitive SOEs became unable to invest in upgrading, leading to losses of international market share and dramatic shifts in the level of complexity of Romanian exports (Ban, 2019). With this came a declining capacity to save jobs and pay decent wages. Furthermore, large loss-making SOEs ended up demanding subsidies and failed to pay taxes, with the result being that state revenues collapsed from 52% of GDP in 1989 to no less than 34% two years later, with asset stripping and mismanagement dealing further blows (Ban, 2014). The fiscal situation was so challenging that the state became more exposed to pro-cyclical IMF policies and faced severe limits to the financing of basic services that could arrest the exploding poverty figures.

During these first three years of transition dealing with poverty entailed saving employment in large SOEs only, and not also creating a safety net for those left in poverty. Indeed, given the hyper-centralization of the industry, the support for large SOEs that ensured employment for 30% of the labor force made sense, especially in a country with mobilized labor and almost a decade of very harsh deprivations (Kideckel, 1999; Ciobanu, 2009).<sup>13</sup> Spectacular episodes of industrial action increased the costs of government plans to shut down inefficient large firms with the result that state firms were relatively slower in shedding labor compared to neighboring countries. Consequently, the two governments temporized on imposing market disciplines, and avoided privatizing large state enterprises while letting smaller SOEs go extinct (Earle and Telegdy, 1998), which in effect destroyed a large number of jobs in that economic space. Largely excluded from access to subsidies and credit (the banks were state-owned and highly risk-averse given the massive uncertainties and lack of staff experience with assessing risk), SMEs (most of them state-owned) experienced extremely high levels of bankruptcy, with the result being more unemployment. To counter these effects, unemployment benefits were eventually introduced in 1991 and were based, at least to some degree, on earnings and contributions. Yet given the collapse in state revenues (from 52% of GDP in 1989 to 34% at the end of 1992), these were not tied to inflation, which reached over 200% and thus extensively reduced their purchase power (Figures 5.2.1 and 5.2.2).

To slow down the increase in inequality, personal income tax was steeply progressive, with tax brackets ranging between 6% and 45%. Yet although inequality shot up from a Gini coefficient of 31 in 1990 to 37 in 1995, only half the percentage of the population had sufficient food and clothing (Ghodsee and Oreinstein, 2021, pp. 38–41). Therefore, the possibility of extracting a progressive income tax was slim even if the state had been stronger.

Overall, the 1990–1992 period was an unparalleled recession. While all of World War II destroyed 34% of Romania's GDP, between 1990–1992 the figure went up by 30%. By the end of 1992, the unemployment rate climbed to 9.2% (almost a million people), with the heaviest burden pressing on those younger than 30, whose unemployment rate was at 62%. The Roma were particularly badly hit,

Source: World Bank Poverty and Inequality Platform  
(2022)

THRESHOLD	1989	1992
<b>Above \$40</b>	249,536	228
<b>\$30-\$40</b>	1,090,000	103,280
<b>\$20-\$30</b>	4,880,000	1,460,000
<b>\$10-\$20</b>	13,450,000	10,380,000
<b>\$6.85-\$10</b>	2,620,000	6,200,000
<b>\$3.65-\$6.85</b>	727,891	4,100,000
<b>\$2.15-\$3.65</b>	79,150	422,856
<b>\$1-\$2.15</b>	28,267	83,458
<b>Below \$1</b>	37,651	42,618
Population —	23,162,495	22,792,440

*Figure 5.6* Distribution of population between different poverty thresholds, Romania, 1989 to 2019. Source: World Bank Poverty and Inequality Platform (2022). This data is adjusted for inflation and for differences in the cost of living between countries.

as most Roma industrial working families were male breadwinner families who depended on mostly unskilled labor and enterprise-provided housing (see Chapter 3 in this volume). Purchase power was halved relative to 1990 and exports were down by almost 50%, with billions of dollars lost as a result of the embargo on Yugoslavia alone.<sup>14</sup> Most importantly, as Figure 5.6 shows, the income of millions moved below the \$6.85 a day limit. The 1992–1996 government brought in a less market-oriented regime that arrested output decline yet did not establish strong foundations for a significant improvement in incomes: investment, productivity gains, and a robust social safety net.

### **The neo-developmental tilt of a weak state (1992–1996)**

Poverty alleviation by saving large SOEs and arresting the deep recessionary dynamics informed the approach employed by the government of 1992–1996.

To some extent, this project worked and economic recovery helped reduce poverty (Figures 5.2.1 and 5.2.2). Yet the project was riveted with contradictions that undermined its ambitions and eventually spelled its doom. Indeed, the Vacaroiu government (1992–1996) sought a third way between neoliberal orthodoxy and a dirigiste developmental state, with an emphasis on the latter. In late 1992, the program of the new cabinet dramatically announced that “the state was back”. Its main argument was that the structural bottlenecks inherited from the socialist economy and the recession could not be solved by liberal economic reforms.<sup>15</sup> The main thrust was a balance between macroeconomic stabilization, trade liberalization, and employment maintenance, with a clear preference for reducing unemployment rather than inflation.<sup>16</sup>

At the request of the IMF, fiscal policy was tightened until macro-stabilization was definitively achieved in 1994 and a functioning foreign exchange market was implemented. Until 1993, interest rates hardly mattered for the decisions of economic management, and in 1993, the government began to adopt real positive interest rates. Aided by positive interest rates, tight monetary policy reduced inflation from over 200% in 1992 to 50% in 1994. Macroeconomic stabilization facilitated favorable credit ratings from major international agencies<sup>17</sup> and Romania’s reentry into international private financial markets in 1995 through a series of syndicated loans, facilitated much higher levels of international investment than in 1990–1992. Trade and current account balances improved dramatically. Significantly, the shrinking of inflation stabilized purchase power for low earners and thus helped reduce poverty.

At the same time, the Vacaroiu government stepped outside macroeconomic orthodoxy when it diagnosed the post-communist recession in demand-side factors and structural bottlenecks that would be eliminated not through market reforms, but through demand-side policies. Thus, the state’s investment as a percentage of GDP nearly doubled relative to 1992, and a multi-faceted price system (rather than across-the-board liberalization) was used to protect vertically integrated industrial structures inherited from socialism that could not take the shock of market-clearing prices on energy and raw materials (Mihaly, 2023). In an attempt to bolster demand, the government increased public procurement of domestically produced industrial goods and automatically indexed the minimum wage.

Structurally, this government maintained the state-led and state-owned core of the economy. As late as 1994, the state owned 90% of economic assets and almost all the banks and industrial firms. The state kept ownership of over 51% of the shares in large SOEs, with the rest of the shares being dispersed as private and/or unsellable property.<sup>18</sup> While not opposed to privatization per se, the government rejected the view that private ownership for all state firms was an appropriate strategy in the long term.<sup>19</sup> Their ambitions to privatize were modest as they wanted an economy with state-owned industrial champions ensuring full employment and in competition with new companies set up by foreign investors. Ministers reasoned that since 15% of the GDP and over a million jobs were concentrated in subsidized state enterprises, a neoliberal transition strategy entailed not only prohibitive social

costs but also a major self-defeating cut in aggregate demand and the weakening of the country's export capacity.<sup>20</sup>

Despite state firms accounting for over 84% of total employment by 1997, the contribution of private capital to GDP doubled, so that in 1996, private firms accounted for the majority of GDP. However, slow privatization gave the private sector only 27% of the labor force and 7.5% of the value of state capital. This consolidation of private investors did not alter the industrial landscape much, though: in late 1996 the share of the private sector in industrial production was only 24% and remained concentrated in the small and medium firms of light industry (food processing, textiles, and furniture).<sup>21</sup>

Unlike other post-Communist governments, the Vacaroïu government did not try hard to act against labor union resistance to privatization, particularly where foreign investors were concerned. Against neoliberal prescriptions, the governments defended the subsidization of basic needs (heating, electricity, drugs), the "social clauses" in the adoption of the VAT,<sup>22</sup> and the universal character of health, education, and pensions.<sup>23</sup> All this contributed to reducing mass poverty in an environment of economic recovery overall. As Figure 5.4 shows, millions were lifted from utter destitution between 1994 and 1995, with data looking similar for 1996 (Figure 5.4).

The IMF and the liberal opposition reckoned that this heterodox tilt in Romanian transition economics was unsustainable as it was based on external borrowing and inflationary risks that threatened to lead Romania towards the economic disaster of Bulgaria and away from the gleaming success of Central and Eastern Europe. In 1996, two years after establishing a foreign exchange interbank market, the

Source: World Bank Poverty and Inequality Platform  
(2022)

	THRESHOLD	1994	1995
	<b>Above \$10</b>	1,090,000	7,260,000
	<b>\$6.85-\$10</b>	2,410,000	6,520,000
	<b>\$3.65-\$6.85</b>	10,450,000	6,860,000
	<b>\$2.15-\$3.65</b>	6,760,000	1,640,000
	<b>Below \$2.15</b>	2,020,000	396,654
Population	—	22,730,000	22,676,654

Figure 5.7 Poverty at different thresholds, 1994 and 1995. Source: <https://ourworldindata.org/grapher/distribution-of-population-poverty-thresholds?time=1992..1997&country=~ROU>.

government introduced substantial controls (licensing, exchange curbs), leading to the IMF's suspension of financial assistance in 1996. The macro-stabilization program was losing steam, a wide gulf appeared between an overvalued official parity and private exchange bureau rates, and inflation in 1996 was still high (57%). The growth rates were as high as in Central and Eastern Europe and job destruction was less dramatic in Romania than there. Similarly, industrial output grew by 9.4% and 6.3% in 1995 and 1996, respectively, and there were some increases in exports and household consumption. Yet the highest export growth was in low-valued added sectors (textiles accounting for 28% of the total and steel accounting for 15% of the total), a signal that the growth spurt was on fragile foundations in the medium term. The 1992–1996 policy hybrid left behind only a minimal social welfare state (called “residual” by scholars) and systemic inattention to extreme and racialized poverty even as the job market had been further harmed, with the employment rate falling from 79% in 1992 to 70% in 1990 (Demekas and Khan 1991).

Most importantly, however, for all its failure to find a feasible compromise between external neoliberalism and domestic aspirations to neoliberalism, this government was the first after 1990 to manage to bring down poverty, and by quite a lot. As Figures 5.2.1 and 5.2.2 show, by 1996, the number of people living on less than \$6.85 a day dropped by nearly 8 million people from its peak in 1992.

In Baia Mare and the Maramureș County as a whole, the trends mirrored national ones. A large number of SMEs vanished very early in 1991–1992, with few records left of their existence.<sup>24</sup> The decline of mining and copper smelting seemed unstoppable. Indeed, while the government's policy was to prolong the life of Maramureș' mining economy as much as possible, by 1994 the unions were told by the government that the sector was doomed (Mihaly and Foldes, 2023). Overall, though, the employment rate fell from 83.1% in 1990 to 72.6% in 1996 (Camera de Comerț și Industrie Maramureș, 2021), largely in line with the average of the national contraction. These were tragic losses, particularly for Roma families who were already made vulnerable by male breadwinner family types and the failure of the socialist vocational education system to have the Roma become part of the skilled working class cohorts that the many vocational schools of Baia Mare attached to the local manufacturing sector churned out every year (see Chapter 3). The unskilled Roma factory workers were amongst the first to be laid off, which in effect entailed their families defaulting on their utilities, which eventually led to eviction and a life of extreme destitution in the informal settlements that emerged next to the industrial districts (see Chapters 3 and 4). For them, the transition to capitalism had no redeeming features. The years to come, however, showed that things could be much worse.

### **The triumph of neoliberal transition economics (1996–2000)**

After 1996, a political shift to the right ushered in an economically liberal change in Romania's political economy. The neoliberal breakthrough undertaken by a new center-right government (1996–2000) led to a second transformative recession and deindustrialization, with extremely deleterious effects on poverty. The

new economic team acted quickly with their “shock therapy” program designed with the IMF and Leszek Balcerowicz, the very “father” of Polish “shock therapy” (Pop-Eleches, 2001, p. 228). According to *The Economist*, this was the most radical shock therapy package tried anywhere in the region (EIU, 1997). Its main thrust was a dramatic squeeze of credit combined with drastic austerity measures and extensive structural reforms. The package had four priority areas: (1) a massive clampdown on subsidies for restructuring public companies by shifting preferential credit from the central bank’s balance sheet to the government’s, (2) refraining from any exchange rate market interventions, (3) the closing of all public companies deemed unviable and the privatization of state-owned banks, and (4) the shifting of government’s financing of budget deficits to market-based instruments to subject fiscal policy to the vote of sovereign bond investors (Gabor, 2015).

The effects of the Romanian shock therapy were devastating: total credit fell by more than 50% and multiple exchange rates were terminated and replaced with a float. The government halved spending on public services from already low levels, which further fed the already powerful engines manufacturing poverty. Completed price liberalization, extensive wage devaluation, termination of export and import quotas, and reduced tariffs on imports of agricultural and industrial products have all pressed hard on firms and employees. A big chunk of the country’s industrial base was simply liquidated. In effect, the government sold almost 40% of its enterprises for a paltry \$2.1 billion.

Shock therapy sent the economy into a prolonged tailspin that triggered not just a social tragedy, but also a macroeconomic crisis that was less dramatic than in 1990–1992 but nevertheless occurred just as other Central and Eastern European economies were growing at a steady pace. In a second wave of deindustrialization, industrial output by 2000 fell by 20% relative to 1996, shifting the country’s trade profile towards lower value added exports. In an economy where employment was extremely tied to manufacturing, the results were dramatic, with the unemployed seeing a doubling of the poverty rate (Tesliuc, Pop, and Tesliuc, 2001, p. 50). As Figures 5.2.1 and 5.2.2 show, poverty and extreme poverty saw a dramatic spike again, closer to the levels saw in the early 1990s. Between 1996 and 1997 alone, the number of people living on less than \$6.85 a day increased by nearly 7 million in a total population of 21 million, the second largest spike since 1991. As Figure 5.8 shows, millions returned to poverty across all benchmarks, with extreme poverty at \$2.15 dollars a day seeing a threefold increase between 1997 and 2000. This is in sharp contrast to the 1994–1996 period, when the number of people in extreme poverty shrunk nearly five times. The fact that the country acquired more conventional institutions of social security during this period did not seem to matter that much.

A sudden reduction of import duties on food led many large state farms to file for bankruptcy, sending already poor farm workers into deeper destitution. As privately owned subsistence farms failed to spontaneously increase their productivity and foreign capital did not rush in to establish large agribusiness, the result was an immediate collapse of agricultural output and a permanent balance of trade deficit

Source: World Bank Poverty and Inequality Platform  
(2022)

THRESHOLD	1997	2000
<b>Above \$10</b>	5,700,000	1,740,000
<b>\$6.85-\$10</b>	6,650,000	3,890,000
<b>\$3.65-\$6.85</b>	7,890,000	10,540,000
<b>\$2.15-\$3.65</b>	1,800,000	4,880,000
<b>Below \$2.15</b>	507,220	1,400,000
Population —	22,547,220	22,450,000

*Figure 5.8* Poverty at different thresholds, 1997 and 2000.

for agriculture. In the absence of viable welfare or employment options, over 60% of the unemployed became subsistence farmers in rural pockets of poverty where austerity was reducing basic services to a shade of their past. This phenomenon was so extreme that it led to the first urban-rural migration in Europe’s postwar history (Cosma, Ban and Gabor, 2020). For all the privatization efforts, the per capita inflows of FDI remained six times below Hungary’s.<sup>25</sup> Similarly, the overall level of state transfers was (and remains) lower in Romania than in Visegrad (Raț, 2006, pp. 118–119).

In Maramureș County, the employment rate fell from 72.6% in 1996 to 66.9% in 2000 (Camera de Comerț și Industrie Maramureș, 2023), a 7.8% decrease. This was harsh but lower than the 11.8% decrease in 1992–1996. The biggest victim was the mining sector, Maramureș’ main economic pillar. As Mihaly and Foldes (2023) show,

During the early 1980s, it employed approximately 40 thousand employees, producing large quantities of gold ingots (reportedly 10 tons per year according to *Gazeta de Maramureș*, 2022) for the national reserve (evaluated at 105 tons) and covering approximately 75% of Romania’s copper and lead supply. Remin’s annual output consisted of 6 million tons of ore, processed into 25 thousand tons of lead, 44 thousand zinc and 19.5 thousand copper (...). In 1997, circa 26 thousand miners were dismissed by a government decree (ruling 22/1997). They received compensation, a significant sum for the period’s income levels. However, considering the enterprise also had roughly €20 million-worth of debt, the remaining 11 thousand employees were targeted by future downsizing measures.



Although the largest employer (the heir firm of the socialist mining company) entered into a joint venture with an Australian-owned gold mining company, a catastrophic cyanide spill doomed the company in the 2000s, and the business folded. Just like in the rest of the country, the 1996–2000 period left behind an even more damaged social support structure and labor market, with poverty figures growing even further. The following chapters present in detail how this unraveling was particularly harsh on Roma workers and families against a background of racialized barriers to entry for Roma men and women in the labor markets of Romanian capitalism.

### **Poverty in the age of European integration**

What saved the neoliberal project from implosion was the beginning of Romania's EU integration in the 2000s and the de-radicalization of the neoliberal philosophy behind economic reforms brought about by the center-left government of Adrian Nastase (2000–2004). The adoption of EU-mandated economic institutions, the privatizations of the “pearls of the crown” (banks, utilities, energy, large manufacturing), and the business confidence brought about by the expected membership combined to attract over \$100 billion in the Romanian economy. While the massive inflows of speculative financial investment paved the way for a financial crisis, the bulge in industrial investment and EU public investment in infrastructure quadrupled the country's exports and arrested the process of deindustrialization (Pula, 2020). Over the next 20 years, the Romanian economy experienced a quick recovery. Even without a strong welfare state (as Figure 5.9 shows, social transfers are so low they have a very weak impact on poverty) and poor redistribution via taxation, the country experienced a dramatic reduction in poverty after the initial spike in the share of the population judged to be at risk of poverty during the first half of the 2000s.

But even as the overwhelming majority now have much higher incomes than when the country joined the EU in 2007, Figure 5.8 shows that the number of people in extreme poverty (less than \$2.15 a day) increased three times. The country's chronic social deficit in terms of thin safety nets had the last word, leaving the destitute to fend for themselves. Many of the victims of this system are in the deprived areas of Baia Mare that I saw in my fieldwork, where housing and health conditions are simply shocking and whose prospects look grimmer still.

Otherwise, European integration performed better for other popular sectors. By achieving growth rates higher than those of the trailblazers of liberalization (Poland, Hungary, and the Czech Republic) throughout the 2000s, Romania's dependent market economy model seemed vindicated to some extent. For employment, most importantly, the advantages were late to appear, with the employment rate falling by 9% between 2000 and 2008, more than during the 1996–2000 neoliberal experiment but less than during the 1992–1996 heterodoxy. Still, under the Tariceanu and Boc governments (2005–2011) the neoliberal transformation of Romania veered away from the “embedded neoliberalism” of Central and Eastern

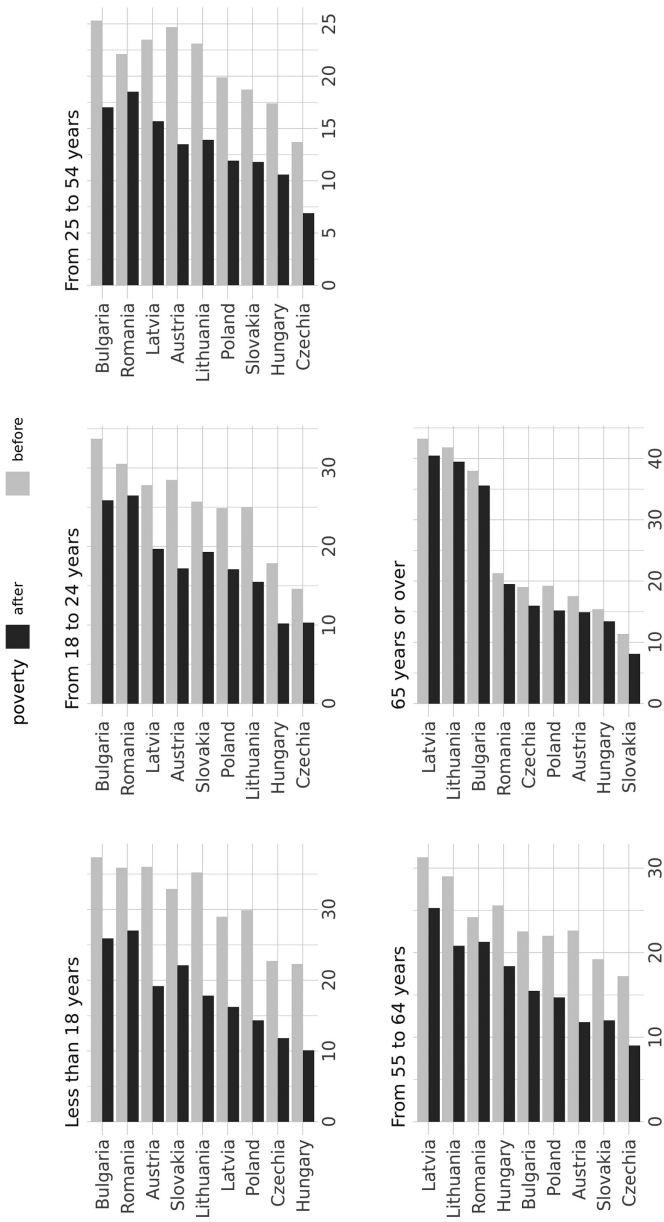


Figure 5.9 A risk of poverty rate before and after social transfers.

Source: World Bank Poverty and Inequality Platform  
(2022)

THRESHOLD	2007	2019
<b>Above \$10</b>	6,410,000	15,510,000
<b>\$6.85-\$10</b>	5,970,000	1,740,000
<b>\$3.65-\$6.85</b>	6,710,000	1,200,000
<b>\$2.15-\$3.65</b>	1,620,000	496,220
<b>Below \$2.15</b>	179,805	419,217
Population —	20,889,805	19,365,437

*Figure 5.10* Poverty at different thresholds, 2007 and 2019.

Europe and grew in the direction of the libertarian experimentalism pioneered by the Baltic countries in the late 1990s, a choice that froze into place the possibilities of dealing with the poverty question. Moreover, by shrinking capital inflows and external demand while compressing domestic demand, the Great Recession that began in 2008 called this model into and left policymakers without robust means of intervention, curbing, yet again, the possibilities of a more socially embedded neoliberalism, like in the Central and Eastern European countries (Bargaoanu and Radu, 2019; Ban, 2016) even as the crisis did not break the resilience of the political center (Borbath, 2021).

It is fair to say that after yet another (the third) punitive austerity in 2009–2011, when the employment rate contracted by almost 4% between 2008 and 2010, and poverty spiked again, the long 1990s eventually began to come to a close when Romania’s boom began in 2012–2013. For the first time, almost all social indicators, from mortality to unemployment, from private consumption to poverty and wages began to improve markedly, albeit unevenly, as they did elsewhere in the region. Nationally, severe material deprivation for adults went down from 50% in 2007 to 29% in 2022 (it is 32% in Greece, 16% in Spain, and 9% in Poland). The share of households unable to pay for their needs went down from 36% in 2012 to 24% in 2020. Life expectancy increased by four years, and the share of the population at risk of poverty and social exclusion fell from 43% in 2017 to 32% in 2023.

The most transformative event in the employment-based Romanian anti-poverty policy was the extensive incorporation of Romania in global value chains during this period. For a political economy whose transition economics and weak fiscal

state locked in the region's lowest social spending, this proved to be an important lever in cutting poverty (Figures 5.1, 5.2.1, 5.2.2, 5.3). Indeed, the massive flow of West European industrial and service sector capital led to the reindustrialization of whole regions devastated by the political economy of the long 1990s described in this paper. These flows were enabled by cost competition, particularly in the automotive industry (Adascalitei and Guga, 2020) and reflected an adaptation response of West European firms to the Asia (and largely China) challenge by shifting much more of their manufacturing base eastwards (Vukov, 2020; Adascalitei and Guga, 2020; Ban and Adascalitei, 2022; Ban and Volintiru, 2021). With the labor markets of the Central and Eastern European states operating at full capacity, Romania was the only lower-cost large destination available inside the European Union. Given the large outmigration flows triggered by previous transformations, this increased demand for labor, leading to the paradoxical situation in which labor shortages replaced insufficient labor demand as the most pressing policy issue (Ban, 2019; see Chapter 3).

Over the following decade, even as fiscal policy was overall expansionary, the exports of increasingly complex goods and services produced within the structures of dependent assembly platforms (Ban, 2019) replaced domestic consumption as the main contributor to the growth rate (Baccaro and Hadziabdic, 2023). As investment kept pouring in and minimum wages were raised repeatedly (Kahanova and Kirov, 2021), wages and domestic consumption began to go up so that by 2022, the number of people on permanent labor contracts considered poor was only 5% (compared to 4% in Sweden and 7% in Spain). Contrary to expectations, between 2014 and 2019 Romania was the country with the highest increase in both wages and wage-led consumption in the European Union (Ban and Rusu, 2020). Hostile to labor organization and collective bargaining as the Romanian industrial relations were, in this environment union strategies could successfully extract higher wages at the level of key export firms in particular (Adascalitei and Guga, 2020).

Even as the racialized anti-poor rhetoric of liberal parties increased, the tight labor market meant that governments felt compelled to unilaterally and repeatedly increase the minimum wage with which over a third of the laborers were paid (Ban, 2019). When combined with the remittance economy this has led to an extensive reduction of in-work poverty in Romania despite housing policy and a tax system that favored higher income earners (Cosma, Ban and Gabor, 2020). In contrast, in the less fortunate parts of the labor market where such policy did not reach (informally remunerated occupied workers), poverty remained staggering and magnified by racialized spatialization (Vincze and Raț, 2013; Vincze et al., 2018) in "bare peripheries" (Raț, 2013).

The second transformation was Romania's incorporation into the European Union's public investment machine via the every growing capacity of the country to absorb ever-increasing EU funds even as its macroeconomic regime did not conform to neoliberal strictures (Ban and Volintiru, 2021). This amounted to a permanent fiscal stimulus of ample proportions, something that would have been sheer fantasy for the governments of the long 1990s. For labor, this meant higher wages as a result of more demand for workers in public works of unprecedented size as well as ample opportunities to supplement agricultural incomes with EU subsidies.

In Maramureş, where a reindustrialization process in began in force, powered by both domestic and multinational investment in manufacturing (Mihaly and Foldes, 2023), the employment rate grew by nearly 15% between 2010 and 2020, a remarkable boom that was nevertheless below the national average of nearly 17% (Mihaly and Foldes, 2023). Most jobs and most business turnover were concentrated in the furniture sector (12,000 workers and a \$537 million business turnover), electric engines (2,500 workers and a \$267 million business turnover), and aircraft parts (1,900 workers and a \$97 million turnover), lending Maramureş a different profile than the old mining and copper smelting town of the communist and post-Communist transition decades (CCIM, 2021). Facing labor shortages amplified by migration (see Chapter 7), firms have built vast bus transportation networks

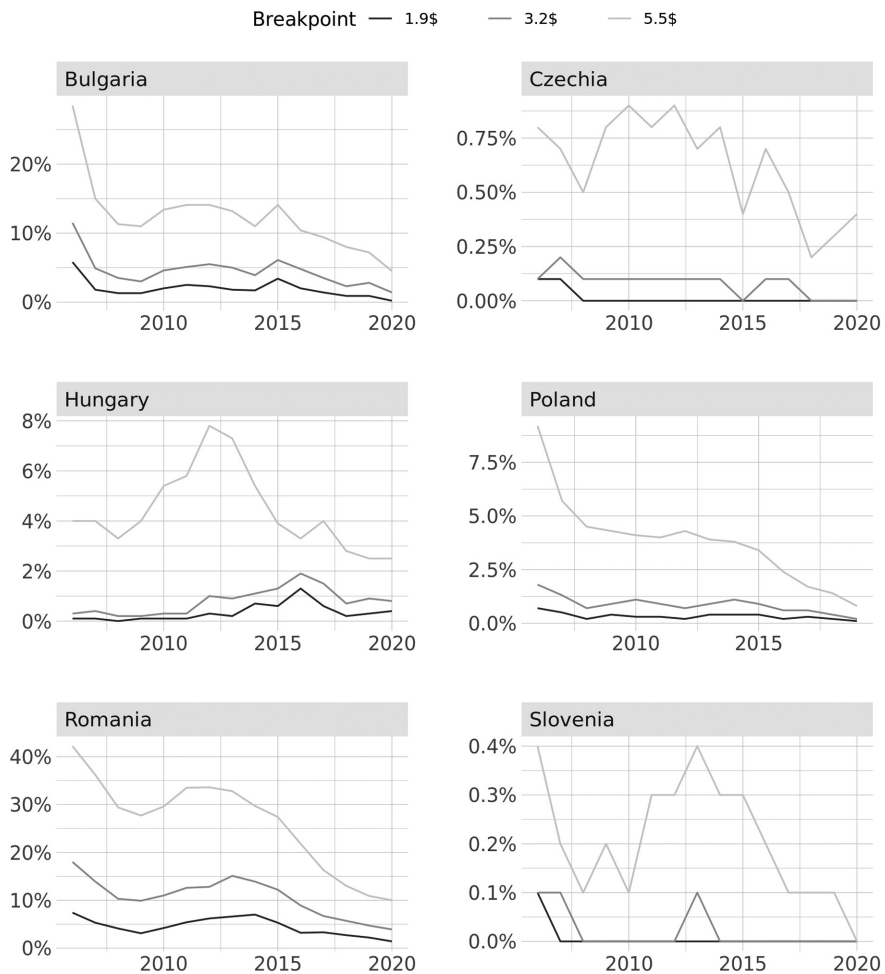


Figure 5.11 Poverty headcount ratios.

reaching far into the countryside, where the minimum wage plus benefits of the unskilled workers goes further than in Baia Mare due to their inherited homes and small subsistence farms that complement factory wages.<sup>26</sup> Furthermore, as the Gog and Deneva chapters show, furniture giant Aramis churns out IKEA furniture by flexibly employing Roma labor from the extremely deprived residential areas of Baia Mare, in yet another demonstration of the misalignment between capitalist economic growth and the plight of the most precarious forms of labor.

Still, poverty remains high in Romania despite significant progress in recent years. It is still double the rate of Bulgaria for the breakpoint of \$5.50 a day.

## **Conclusion**

What explains the outlier position of Romania in Europe's poverty statistics? For a while, it was easy to attribute it to the country's poor recovery from the "disaster capitalism" that followed the political and economic end of state socialism in 1989. Undoubtedly, the dramatic collapse of the country's industrial and agricultural output combined with the dearth of fiscal resources to finance a safety net goes a long way to explaining the explosion of poverty in the early 1990s, when more than half of the population was technically poor. This chapter probes the causal mechanisms of this collapse and highlights the role of (1) the transition to capitalism taking place inside the legacies of a particular version of state socialism adopted by Romania as the 80s drew to a close, (2) the economic policy contradictions ruling the growth regime of the early transition, and (3) the institutionalization of a radicalized neo-liberal policy regime that marginalized poverty reduction in any meaningful sense. This third feature endured well into the EU accession and membership period when mass poverty was eventually reduced to the lowest levels through two investment-led economic booms yet without the elimination of extreme poverty and with a population at risk of poverty and in material deprivation still highest in Europe across most categories. Economic growth and EU integration, it turned out, may at most be a necessary condition of poverty alleviation, not a sufficient one. In Baia Mare, a county in the least deprived regions of Romania endowed with an export manufacturing sector well inserted in multinational value chains, these phenomena see some of the most dramatic manifestations in the country.

To this day, the state and local authorities do not show an appetite for systemic answers to the persistence of poverty and extreme poverty, especially for Roma in poverty. The state's fiscal weakness (Ban and Rusu, 2020; Ban and Buciu, 2023) and reluctance to address this problem on political grounds reflecting business interests (Ban 2023; ) are unpromising harbingers of the things to come. Consequently, all that there is in store for the ultra-poor immiserated by the neoliberalism of the long 1990s seems to be a choice between emigration in generally low paying jobs (Cosma, Ban and Gabor, 2020; see Chapters 7, 3 and 6) or survival on informal work or the woefully underfunded, unsystematic, and poorly designed anti-poverty programs funded by the Romanian authorities and the European Union. Given the economically progressive social values of the Romanian population that recent surveys show, this political status quo should be seen as without popular support (Badescu, Gog and Tufis, 2022).

As many chapters of our volume show, the Roma disproportionately inhabit these interstitial spaces of the Romanian economy. This has tragic economic consequences for their life conditions (Roma at risk of poverty rate was 78% in 2020),<sup>27</sup> amplified by extreme forms of class oppression and institutional racism buffered, at most, by creative assertions of agency and autonomy against all odds (Pulay, 2023). Without a doubt, the socialist era was the objectively superior experience for the communities living in the distressingly deprived areas we have seen in Baia Mare, often right next to shiny assembly lines and shopping malls of the country's intensely internationalized economy and consumer society.

## Notes

- 1 <https://www.worldbank.org/en/news/press-release/2020/10/20/1-in-6-children-lives-in-extreme-poverty-world-bank-unicef-analysis-shows>.
- 2 <https://www.unicef.org/romania/press-releases/children-bearing-brunt-stalled-progress-extreme-poverty-reduction-worldwide-unicef>.
- 3 These social statistics are available at <https://monitorsocial.ro>.
- 4 <https://fra.europa.eu/en/publication/2023/roma-survey-2021-technical-report>.
- 5 <https://ourworldindata.org/grapher/share-living-on-less-than-10-marimekko?country=ROU~SVK>.
- 6 Author interview with ex-premier Petre Roman (July 2006).
- 7 Interview with BNR director Mugur Isarescu, *Adevarul*, October 21, 1990.
- 8 *Adevarul*, September 21, 1990.
- 9 Comisia Nationala de Prognoza, 1990.
- 10 Statement by J. P. Seroussi, chairman of the Foreign Investors' Association, *Adevarul*, November 30, 1993.
- 11 *Adevarul*, January 16, 1993. Also, in January 1992 only 20 foreign companies had capital ranging between \$1 and \$45 million. *Adevarul*, February 13, 1993.
- 12 Dijmarescu, "Limite si alternative ale tranzitiei," *Oeconomica* 1993: 10.
- 13 Eugen Dijmarescu, minister for economic strategy, *Adevarul*, October 24, 1990; interview with labor minister Catalin Zamfir, *Adevarul*, April 10, 1991.
- 14 Yugoslavia had been a main supplier of cheap metals for Romania. *Adevarul*, August 23, 1993.
- 15 *Adevarul*, February 22, 1993.
- 16 *Adevarul* on September 16, 1992.
- 17 In 1995, Romania was rated BB+ by JCRA and BB—by the big Western credit rating agencies. According to Daianu, these inflows fended off a major balance-of-payment crisis in 1996 (Daianu 199: 14 ft 41).
- 18 Case-by-case sales of large blocks of shares were the least used means of privatization, with foreign investors buying only 0.8% of state shares by 1997.
- 19 Interview with Misu Negritoiu, Presidential economic advisor, *Adevarul*, January 19, 1993.
- 20 The government program of the Vacaroiu cabinet, *Adevarul*, November 14, 1992.
- 21 Author interview with Nicolae Vacaroiu, January 12, 2009.
- 22 When the Vacaroiu government adopted the VAT in 1993, it took Sweden as an example in instituting very low tax levels on food,
- 23 *Adevarul*, December 9, 1992.
- 24 Author interview with Maramures Chamber of Commerce staff, January 2021.
- 25 Foreign direct investment – EBRD Transition Report 2001, Table A.3.9., p. 68.
- 26 Author interview with Chamber of Commerce staff, January 2021.
- 27 <https://fra.europa.eu/en/publication/2023/roma-survey-2021-technical-report>, page 25.



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## 6    **The flexibility and mobility of labor, the temporality of industrial life, and the reproduction of poverty under capitalism**

*Neda Deneva-Faje*

### **Introduction**

This chapter traces the formation of a flexible industrial labor force in a reindustrializing region in Romania and the effects of supply chain capitalism on poor local communities, their mobility, and their social reproduction. It explores the productive and reproductive realms of reindustrialization, which have given rise to multiple forms of labor flexibilization and circulation. This chapter argues against the linear global industrial development narratives that frame industrial work as ‘better work’ and as the unidirectional endpoint of the progression from informal to formal and stable work. Instead, it argues that extreme poverty exists and thrives alongside and because of reindustrialization. The mass availability of formal and seemingly stable industrial work is not a sufficient condition for solving the reality of living in ultra-poverty for the Roma in Baia Mare. To fully grasp this, we need to focus on the intertwined rhythms and necessities of industrial production and social reproduction simultaneously. Therefore, we need to analyze how working conditions are intertwined with living conditions, care arrangements, and responsibilities, as well as individuals’ life courses. To do this, we need a temporal perspective that accounts for the pre- and afterlife of industrial labor, as well as the synchronic circumstances that shape it.

Drawing upon extensive research into the living and working conditions of Roma workers in the industrial complex in and around Baia Mare, this chapter traces the conditions and pace of social reproduction intertwined with the temporality and demands of industrial labor to demonstrate how ultra-poverty is reproduced under the conditions of global industrial capitalism. Specifically, this chapter examines how industrial labor is made flexible by the needs of social reproduction and how it intersects with mobility and seasonal work. It shows how labor flexibility is not a tolerated exception but rather an inherent condition of the relationship between capital and labor. Next, I analyze the context in which this unfolds, focusing on the context of social reproduction: housing conditions and intergenerational care arrangements. Then, I examine how seasonal and migrant work interrupts the rhythms of industrial work and what arrangements are needed. This chapter concludes with an overview of the ways in which the rhythms of social reproduction and industrial work underpin the reproduction of ultra-poverty.

***A vignette: Robi***

Robi was taking me through one of the Roma neighborhoods in Baia Mare, along the small, dusty roads in between the hut-like houses, to introduce me to friends and neighbors who work at the largest local furniture factory. He was a social mediator working for the municipality who lived in the neighborhood and, as such, agreed to help me enter the neighborhood. He suddenly stopped and said, “You should start your research with me, really! I’m going to start working again for Aramis in three days. I can tell you all about it!” This was surprising to hear because Robi had a high school education and was one of the very few who had worked outside the industrial sector. Aramis, I was told, was for people with lower or no educational degree who could not find other jobs and resorted to intensive physical labor with a six-day working week and rotating night shifts at this factory. Aramis is the largest factory in the region, with more than 5,000 workers who are hired from all backgrounds, with all skills, and at all educational levels. However, Robi had the chance to work for the municipality and be spared hard labor. In addition, it was the third week of the month, a strange time to start working. And yet, he was going to start next Monday. He explained that he had worked there before, they knew him already, the money was regular and predictable, and he had had enough of the insecurity that came with working on projects for the municipality. I asked if he already had a contract with Aramis. Apparently, he did not need to. He would just go to the gate on Monday, and together with many others, he would announce to HR that he wanted to be hired again. He had done this a few times before, so he was confident that he would get a position in one of the sections. Indeed, Robi was one of the close to 50 people at the gate on Monday. HR personnel came out and pointed at certain people to call them in. Apparently, this occurred every Monday and Thursday. People just went there and obtained a job unless they had already worked there before and performed poorly. Since Robi had worked there before, HR recognized him and called him right away. He had his contract drawn at noon and started the next day.

This routine ‘gate hiring’ turned out to be quite exemplary for the way labor was organized in this industrial sector. People were hired easily and continuously. However, the flux was both ways, since workers also interrupted their contracts and took long breaks or even quit quite often, only to return to the factory a few months later. While Robi took a break to work as a social mediator, others worked as seasonal workers in the region or migrated for several months abroad. Upon their return, they simply went to the gates of Aramis on Monday or Thursday and obtained a job.

The described practice of combining flexible industrial labor with other jobs—including migrating abroad for seasonal work—was quite widespread not only in Aramis but also in other factories in the region. The industries provide a minimum, or slightly higher than the minimum, salary and security. These are all formal positions, with labor contracts and social security, but the income is far from sufficient for certain categories of workers. Workers’ financial needs vary depending on their specific social reproduction requirements, life strages, housing

and family situations, and whether they live in urban or rural areas. Depending on different social reproduction needs, workers with a particular position in the life course, housing and family arrangements, and locality (urban or rural) have different financial needs. For many, the way to earn a living income is to combine industrial labor with other forms of income generation.

The flexibility of local labor arrangements is part of a process that combines economic logic with social reproduction needs, industrial supply chain logic, and a mutual dependence of industry on inexpensive labor and workers on available secure jobs. Looking closely at the interplay of industrial needs and workers' social reproductive necessities allows us to see labor flexibility as a mutual arrangement rather than an imposed practice from the industry. In this social practice, both employers and workers dynamically adapt to each other to make this process possible. This allows workers to supplement their income while not moving permanently or long-term and still having a secure job always available. At the same time, it allows factories to keep wages low and working conditions intensive while allowing workers to 'take a break' only to come back later. Labor flexibility, in this case, is not imposed or required by factories it is not a necessary condition for the industrial process. Instead, I argue that it is accepted by factories and adopted as a strategy to keep labor available through rotation while keeping wages low. Factories need a reliable and permanent labor force for the industrial process to keep going. They impose various rules to control workers and ensure their consistency. The regime of work—with a six-day working week, night shifts, and other exhausting practices discussed below—develops in parallel to a flexible arrangement to let workers come and go. In this chapter, I analyze this paradox of control and flexibility, which develop simultaneously.

In this sense, flexibility is a double strategy. The industry in Baia Mare needs a stable flow of reliable labor. It does not require, as in other contexts, the flexibility of workers to adapt to the unstable rhythms of demand and production, which in turn creates precarious labor conditions and is often linked to informal arrangements (e.g., Hann and Parry, 2018), labor fragmentation, dispossession, and the production of difference (Kasimir and Carbonella, 2014). The working conditions offered by the factories are not inherently precarious. The industry needs a constant and stable workforce and offers formal permanent labor contracts. The big factories, like the one discussed here, in particular, have a constant flow of orders, which guarantees their constant need for workers. Unlike some of the smaller factories, they do not need to lay off workers and scale down periodically. The formal permanent contracts offered and the salary in 2021, which, together with the bonuses (2,200–2,500 lei), is 40% above the net minimum salary (1,600 lei). For non-Roma workers interviewed in this project, these working conditions are satisfactory. For the Roma workers who live in the city's impoverished slum-like neighborhoods, however, the preexisting social reproduction context makes the working conditions insufficient to survive. As the empirical evidence below will show, under current structural conditions and the imperative of social reproduction, workers must adopt flexible strategies to survive. Labor flexibility is their strategy for navigating the world of physical exhaustion, inadequate pay, and oppressive living conditions. In what follows, I will illustrate this argument of duality by introducing an analysis of temporality and social reproduction.

Methodologically, this chapter is based on material that was collected using qualitative methods.<sup>1</sup> The empirical research was conducted between 2021 and 2022 within the framework of the PRECWORK project “Precarious labor and peripheral housing. The socio-economic practices of Romanian Roma in the context of changing industrial relations and uneven territorial development”. It involved more than 70 interviews with Roma and non-Roma industrial workers from the city of Baia Mare and the neighboring villages from which the workers commuted were conducted. We also conducted 12 interviews with managers and human resource managers of factories in the region, local government experts, and NGO representatives. I recount the stories of industrial workers in Baia Mare as told by our respondents during the interviews. We conducted interviews in three Roma neighborhoods in Baia Mare and in four neighboring villages from which people commute to the factories in the city. We spoke to both men and women and people of different ages. The information on labor conditions, pay, work distribution, flexible labor practices, social security, etc., was saturated in the qualitative interviews we conducted and triangulated with interviews with HR and managers in some of the factories and with expert interviews. In addition to conducting the interviews, we analyzed national, regional, and local policies and local government projects and initiatives, particularly in the areas of housing, industrial development, and education, with a focus on the Roma in the region. We also analyzed secondary quantitative sources on education, housing, labor, and social security over the last 15 years, which helped us draw a fuller picture of the conditions and confirmed data from the qualitative. Finally, we used data from a survey conducted in the framework of the project, which highlighted labor patterns, observed also in the qualitative data (more information is available in the introduction of this volume).

### **Social reproduction and the temporality of industrial labor**

The history of industrial work in Romania can be described through discontinuity. The transition to a postsocialist society led to the dismantling of the industrial working class and the idealization of socialism as the golden age for industrial workers. As a result, workers became vulnerable and precarious after 1990 and lost their status as valuable citizens (Cucu, 2022; Szabó, 2018). The position of the Roma in this context is varied. While some remained outside of the system of organized industrial labor, others became proletarianized and incorporated into the mines and factories.

Recently, the Romanian industries have been affected by the current global capitalist system, which relies on offshoring and moving capital to less expensive and more easily disciplined labor. As a result, new industrial labor is constantly at risk of becoming more precarious (Miszczyński, 2020; Adascalitei and Guga, 2018). Laborers, who mostly work for foreign companies, remain underqualified and low-skilled even in the long term. The state’s fiscal policies aimed at attracting foreign capital have resulted in capital seeking the least expensive labor rather than the most qualified. This has led to a lack of funds for investing in worker qualifications or research and development (Guga, 2020).



Widespread reindustrialization in different regions has been accompanied by a process of the decasualization or regularization of the workforce. This move is not uncommon in other contexts of the Global South (Hann and Parry, 2018). It is a move to produce predictable, tractable workers and thus to subjugate labor (Cooper, 1992). At the same time, as this chapter shows, the regularization and formalization of labor relations do not result in a permanent, stable, and fully controlled workforce. The fractured rhythm of workers constantly leaving and returning represents a variant of employment relations in which employers and workers dance a dance of interdependence in which contracts are flexibly interrupted and renewed.

Recent texts on the anthropology of labor have progressed beyond devoting ethnographic attention solely to the factory shopfloor (Hann and Parry, 2018; Kashmir and Carbonella, 2014; Kofti, 2023; Strümpell and Hoffmann, 2023). Workers' salaried work is just one aspect of their lives that makes them part of capitalism. Harvey and Krohn-Hansen (2018) broaden their investigation of work relations to include kinship, personhood, affect, politics, and sociality, all of which are part of the framework of capitalist value creation. Job stability does not necessarily equate to financial stability, particularly for factory workers. This can lead to precarious situations at both the individual and household levels (Kofti, 2018; Mollona, 2009; Smart and Smart, 2006; De Neve, 2008; Narotzky and Smith, 2006; Pine, 2001; Strümpell, 2018). The process of producing disciplined, high-achieving workers involves families that support them and introduces hierarchies and fragmentation within households and across gender and generations. The social spaces of the factory, the family, and the neighborhoods are intertwined, while the survival of households depends on accessing resources from formal and informal labor, welfare, and the wider community (Mollona, 2005).

The interplay between social reproduction and industrial labor has been a focal point of scholarly debate, particularly within feminist political economy and labor studies. Over the past decade, this discourse has increasingly scrutinized how capitalist economies hinge on the gendered and racialized division of labor, underscoring the intrinsic link between the production of goods and the reproduction of labor power. Conceptualizing social reproduction as encompassing a wider array of activities beyond domestic labor, including education, health care, and community care, further advances the discussion to a more holistic understanding of the role of the reproduction of labor power and its centrality to capitalist economies (Bhattacharya, 2017). This chapter builds upon the extensive literature that highlights the inherent relationship between production and social reproduction (Baglioni et al., 2022; Helms and Cumbers, 2006; Neethi, 2012; Patnaik, 2020; Pattenden, 2018). It further reveals the capitalist externalization of social reproduction costs to gendered and racialized workers (Dunaway, 2013; Mezzadri, 2016, 2019; O'Laughlin, 2013). It further accounts for the inseparability of production and social reproduction as visible through a focus on the everyday (Elias and Rai 2018, Mezzadri et al. 2022). According to this approach, social reproduction is an integral part of capital accumulation rather than a realm that is separate from production.

To fully grasp the interplay between industrial labor and social reproduction, Mezzadri and Majumder (2022) introduce the notion of temporality in the analysis of industrial labor. They question the linearity and teleological assumption of a stagist progress toward industrialization, in which formal industrial work is the ‘best work’ to which poor people can aspire. ‘The teleology of progress’ approach (Li, 2017) dismisses labor concerns and working poverty as merely temporary problems that will be resolved through the formalization of work and improving working conditions. However, this approach overlooks the significance of time as an analytical dimension and limits our comprehension of working poverty, especially its gender-specific aspects and its simultaneous formation through both production and reproduction.

In the following sections, I retell the story of reindustrialization and the incorporation of the poor Roma of Baia Mare into industrial labor by focusing on the specific conditions of working and living, the interdependencies within households and between generations, and the pre- and afterlife of industrial work. Only by understanding the complex interplay between production and social reproduction through adopting a temporal view of industrial labor can we begin to comprehend the underlying processes that perpetuate extreme poverty in Baia Mare.

## **The reinvented industrial complex**

### ***Factories in Baia Mare***

During socialism, the Maramureş region had several integrated production chains, including mining, metal extraction and processing, tool and machine manufacturing, cotton mills and textile industries, sawmills, timber production and furniture manufacturing, and power plants and steam factories using wood residues. Maramureş, and Baia Mare, in particular, have a long-standing mining history specializing in non-ferrous metals. The mining industry flourished, supported by the socialist state, and became the country’s leading economic actor until the fall of socialism in 1989. The industrial complex of Baia Mare has flourished in recent decades after a period of deindustrialization. In the early 1990s, after the collapse of state socialism, production chains were dismantled, and most factories went bankrupt and closed. By the mid-2000s, all mines and mining enterprises had been shut down. This led to major labor shedding, several waves of large-scale unemployment, mass outmigration, and a general loss of livelihood for large groups of people in the region. This process, together with the dismantling of welfare and social housing policies, simultaneously created small pockets of ghetto-like neighborhoods in the city of Baia Mare and its outskirts that were populated by the Roma (see Vincze, 2023; Chapter 3 and Chapter 4).

While most former factories were dismantled, some industrial units survived by transforming themselves and integrating into the global chains of production. They ceased to produce complex high-added value and re-specialized in minimal processing of raw materials or in the global supply chain production of elements and products. The county follows the trend of neighboring regions (except Cluj)

in terms of low research and development capabilities which also results in its low and medium complexity production profile. The region of Maramureș stands out against the national level as a dedicated furniture production hub, which is a low complexity sector according to Eurostat. The current industrial complex in the region continues to build on this line of production, focusing on furniture production, contract or toll manufacturing in the clothing and shoe industry, and aviation and electric parts factories. All these are part of global supply chains, producing simple products and operating machines that require little skilled knowledge (for more details, see Mihály and Földes, 2024).

The reindustrialization success of Maramureș can be attributed less to local development and local partnership and more to multinational companies outsourcing and seeking optimal cost-competitiveness and location advantages. Minimal integration into the local economy and limited investment in technological development and skill development result in a demand for a large pool of low-skilled and inexpensive workers even when they actually have higher qualifications and skills (Mihály and Földes, 2024).

Drawing upon our interviews with HR managers, workers, and other experts and cross-referencing our findings with those of the other researchers in the project, we could paint a picture of the way the sectors are structured. The production processes are simplified and rely on manual labor to save on machines and research and development. Differences between different sectors are also reflected in the labor demand and workers' profiles. The furniture sector is the largest sector, employing more than 12,000 workers in predominantly low-skilled jobs. Most of the Roma from the region are employed in this sector. The electric and aviation parts production sectors employ another 4,500 workers in total, requiring a slightly higher level of education and skill. The sewing sector and other smaller factories for wood-processing and flooring production also require machine operation skills and at least secondary education (Mihály and Földes, 2024 and own data collection).

Although, as a whole, the industry sector in the region relies on low-skilled workers with little or no education, there are variations among the types of employees that each company needs. Furniture factories rely predominantly on low-skilled workers with little or no education. The practice of flexible employment and intermittent mobility of labor is most common in these factories. In the following sections, I will focus on the working conditions and arrangements, the interplay with living conditions, and the social reproduction rhythms of the workers in the furniture factories, specifically those in the largest factory in the region—Aramis.

### ***Industrial work and labor conditions***

Aramis is the largest factory in the region. In this chapter, I focus primarily on workers employed at Aramis, which is the most representative case of flexible labor arrangements and the main factory employing the Roma for low-skilled work. Aramis is also one of the first 'new' factories in the region, as it was established in

1995 and was not a direct successor of the old industries. For more than 20 years, it has been working as an outsourced factory for IKEA to produce sofas. Currently, Aramis employs more than 5,000 workers. Workers are mostly engaged in physically intensive, low-skilled work. A small number of employees are skilled or managerial staff. The skilled workers are mechanics or engineers who are responsible for the machines. The rest of the workers are low-skilled, with little or no education (primary) and no additional qualifications.

The labor process is divided into sections in which different parts of the sofas are produced or assembled. Some sections require harder physical labor, while others—such as the gluing or the tapestry and tacking section—are less physically intensive but present other hazards (e.g., the glue and dust residues in the air or the tacking risks). This also results in a tendency for a gendered division of labor in the different sections.

There are three shifts continuously and a six-day working week. Most workers cannot opt out of the night shift, and everyone has to rotate through it. The only exceptions are mothers of young children under two years old or minors under 18 who do not perform night shifts. The conditions of rotating through all three shifts on a weekly basis make the work more tiring and challenging for some of the workers. Their bodies become exhausted, and medical conditions such as varicose veins occur. At the same time, especially for women, daily chores related to reproductive labor are more difficult after a night shift and result in extra exhaustion. The impossibility of opting out of night shifts is often considered a reason for taking longer breaks from contracts. Most workers work eight-hour shifts, six days a week. Working a six-day working week, including Saturdays, is not mandatory, but workers only receive lunch tickets for the five-day week if they work uninterrupted for the whole week, including on Saturday. This means, in practice, that the daily food-bonus is tied to a six-day working week. Our interviews showed that almost everyone aims to work six days a week without interruptions in order to receive a bonus. Without the bonus, the salary goes down closer to the minimum salary.

All work is formal with full-time regular contracts. Workers sign regular working contracts, usually with the minimum salary. In addition, they receive extra bonuses, which raise the salary to approximately 2,200 lei per month (approximately €450). For comparison, the average salary in Romania was 3,879 lei (€700) in 2021 and 4,398 lei (880 euro) in 2022.<sup>2</sup> With a net minimum wage of 1,386 lei in 2021, and 1,524 lei in 2022,<sup>3</sup> the net income of a worker together with the bonuses would be about 40% or more above the minimum salary. Our interviews with workers and HR managers in other sectors (for example, the sewing factories or the garbage company Drusal) showed that these jobs offer better monthly incomes compared to other types of employment available for low-skilled workers, particularly for people from the Roma ethnic background in the region. The bonuses, however, can only be ‘earned’ if one works six days a week and does not take vacation or sick leave. The food coupons are for five working days, from Monday to Friday, but are only given out on Saturdays. While it is not mandatory to work on Saturday, not going would mean losing the bonus. There are also bonuses for quality and quantity of work, which are noted at the end of each shift, but to reach the

monthly quota, one should not skip days. Effectively, the full net salary can only be achieved by working overtime continuously and not calling in sick.<sup>4</sup>

A full-fledged working contract in factories implies paying income tax and full social benefit contributions, which in turn provides access to free health care, unemployment, maternity leave, and eventually retirement. This is all true on paper. In reality, the workers we interviewed never used any of the social benefits to which they are entitled during their periods of employment and can rarely enjoy post-employment benefits such as retirement.

Access to unemployment benefits are guaranteed on paper, but none of the people interviewed ever benefitted from it. The understanding is that they work until they can, leave as migrants for certain periods, and return, and overall would interrupt their working lives in Aramis for other arrangements at least once a year. This practice in itself makes the use of unemployment money impossible. In terms of health insurance, sick leave is only taken as a last resort due to the link between continuous work and bonuses. Other public health services are not used during the working lives of the Roma people we interviewed. When people become sick, they stop working and subsequently, lose their rights to healthcare. Maternity leave for women is usually not relevant because they only start their employment trajectory after they have had several children. Finally, pensions are also not used, despite the fact that these people could qualify eventually. This has to do with the social security code on pensions. With a minimum of 15 years of service and a minimum retirement age of 62 for women and 65 for men, most people do not qualify.<sup>5</sup> By the time they stop working at Aramis, retirement is hardly ever reached because workers leave after a maximum of 17–18 years. Most of our respondents stopped working after about ten years of formal employment without having reached the necessary length of service or age.

### *The industrial workers*

The industries in Baia Mare employ a large number of local people living in and around the city. Some commute from other villages and smaller towns as far as 60 kilometers with special transport provided by the companies (see also Ferent, 2024). Overall, the ethnicity of workers in the industrial complex of Baia Mare is diverse, and Roma workers are predominantly working in low-skilled jobs and mainly in the largest factory, Aramis. The rest of the factories in the region predominantly hire Romanian and Hungarian workers. Most of the work in these factories, ranging from furniture, aviation, and electric parts, to sewing smaller factories, is categorized as low-skilled and paid as such. However, the production processes are organized differently in the different factories in the region. Thus, as our interviews suggest, a furniture factory like Italsofa might require more complex following of written instructions, filling out forms, and handling machines, as compared to the labor process in Aramis. Therefore, based on the complexity of the tasks, most factories have introduced a requirement of a minimum of eight or ten years of education. Aramis is the only exception, where there is no requirement for any level of education to be employed.

The Roma currently employed at Aramis tend to have less (less than eight years) or no education. To some extent, this is also age-dependent. The generation educated during late socialism reached at least primary education (eight grades). Education of the Roma after the fall of socialism deteriorated, and the generations educated in the 1990s and later often had no completed educational level or just one or two grades of education and sometimes were not even literate (Surdu, 2002). The more recent generations have had higher numbers of primary school graduates, which was also reflected in our qualitative sample. This clearly reflects the changes in the educational system and especially the more recent efforts toward Roma integration through education and the special efforts of local NGOs in this direction.

Education is a key distributive point of entry into work. Aramis is the only large factory that hires people with no or lower than primary education. This means that the labor force is organized by qualification and formal certification, which overlap with ethnic background. In Aramis, for example, the Roma represent a very large share of low-skilled workers. The tasks do not require special skills that are previously learned (the skills can be learned on the job) and do not require skills beyond basic alphabetization. Aramis is the only factory that does not require a formal primary school diploma and organizes its workforce accordingly. It is also the largest employer in the region, with more than 5,000 employees and a constant rotation of workers. Other factories in the furniture, wood-processing, and textile sectors, like Italsofa, Karelia, and TechTex, also hire workers from Roma backgrounds and low-skilled workers from other ethnic backgrounds. However, they insist on at least a primary education level, which limits the pool of labor that is available to them.

The fact that Aramis is the only factory open to recruiting workers with little or no education means that it is the main industrial employer of Roma workers from the poorest neighborhoods. This was reflected in the survey conducted as part of the project, in which Aramis was the most common current employer, reported by 36% of the Roma in the sample, followed by Drusal (the waste-management company), with 18%. This dependence on Aramis has created favorable conditions for control and exploitation. This is most evident in the imposition of specific working conditions, such as three shifts, one of which is the night shift, the six-day working week, the hard physical labor, and the distribution of work, to name but a few. With no real full-time alternative, workers cannot choose to work less, not to do night shifts, or to negotiate conditions in general. The only solution is migration or temporary seasonal work. In this sense, their exploitability is conditioned by the way the regional industry is structured, with only a few larger employers hiring Roma with low levels of education and who are considered low-skilled.

At the same time, as the largest factory in the region, Aramis employs four times more workers than the next largest factory, Italsofa (see Mihály and Földes, 2024). This makes it dependent on the existence of a large, steady, and available pool of workers. However, the large population of Baia Mare does not offer a sufficiently steady labor force on this scale due to both internal and transnational migration and

the general decrease in the population of working age in the region. This relationship of mutual dependency between workers and capital is the foundation for the inventive regimes of flexibility of labor that take place, to which I will return in a moment.

### **Time-out, time-off, time after**

Industrial work is not a lifelong employment solution for the Roma in Baia Mare. As has been shown elsewhere (Mezzadri and Majumder, 2022), industrial work is not the ‘better work’ that, once available in a region, becomes the main and only employment for low-skilled workers. The rhythms and cycles of entry and exit from industrial work depend on working conditions, housing, and living arrangements outside the factory, as well as domestic and family care responsibilities. They are linked to the body, to care relations, and to financial responsibilities. If we look only at local working conditions, we see full-time jobs with formal employment, benefits, security, and stability for a wage above the minimum wage. However, this picture is a snapshot in time. The workers currently working at Aramis are indeed employed under these conditions. However, to understand the reality of their lives and to explain the reproduction of poverty, we need to take a temporal perspective. Examining the life course of industrial workers and the cycles of industrial work, the ruptures and pauses, and the length of working life in industry are crucial for understanding the impact of reindustrialization on racialized poverty.

### ***The pre- and afterlife of industrial labor: late start and early exit***

While Aramis hires from all age groups, including underaged individuals (16- to 18-year-olds), there is a general tendency for the workforce to be predominantly young. Labor in Aramis is organized in a very physically intensive way. Sheer physical force is used to lift sofas and other heavy elements, and much of the labor is purely manual, even in sectors and tasks that could be replaced by machines.<sup>6</sup> The harsh physical conditions also include regular night shifts, long hours of standing, and exposure to dust, glue, and other harmful substances. As a result, workers’ bodies wear out and become exhausted and sick, and they quit or have to retire due to illness. Our interviews revealed a long list of different physical challenges and sicknesses, which made it impossible for Roma workers to continue working in the conditions and rhythms of Aramis. Even without any particular sickness, the physical harshness of the work makes it impossible for people above a certain age to tolerate it. Our interviewees argued that it is impossible to work continuously under such conditions for longer than 20 years. However, most had to stop after 15 to 18 years.

“The body gives up on you”, one 44-year-old woman said. She quit Aramis after 15 years. She could not stand, her legs were swollen, and she was tired constantly. She was not diagnosed with any particular condition that would prevent her from working and did not receive sick leave or pensions due to illness, but she could not continue working at Aramis. She explained,



I couldn't sleep anymore, I could feel my legs and arms hurting during the night, I was constantly exhausted and falling asleep on the workplace. I started making mistakes. And I couldn't take sick leave, because you know how they pay you the bonus if you work non-stop. So, in the end, I just had to quit.

(F, 44, Remiza Garii)

Another woman developed a heart condition and had untreated high blood pressure at the age of 50. She had to stop working after 18 years at Aramis. She did not go to see a doctor once during this whole period for the same reasons as above. However, she started fainting at work. Therefore, she decided to quit and look for something else. Relying on health insurance and access to health care that go with a formal contract is not an entitlement used in practice due to the restrictive conditions of pay and work schedules, as reported in many of our interviews. Workers would usually receive a checkup when their condition was already so serious that it would not allow them to go to work. Early exit, before retirement age, affects both men and women. Many of the men in their late 40s and 50s also had already stopped working at Aramis for similar reasons related to their health.

The nature of the work and the working conditions are not the only reasons for this early exit. The overall poorer health and shorter life expectancy of poor Roma in Baia Mare contribute to this.<sup>7</sup> The limited access to health care in the past, especially related to informal employment, the fact that workers are discouraged from taking sick leave, the lack of trust in the medical system, and the lack of preventive medicine in place all contribute to the early onset of chronic disease and other severe health conditions. The poor urban living conditions in general, with precarious and overcrowded housing, no sewerage, limited heating, no access to running and clean water, etc., also contribute to the poor physical health of the Roma workers (also see Chapter 4). This, in turn, contributes to poor health outcomes and, by extension, to early exit.

While early exit is typical of both men and women, gender does play a role in the 'delayed' start, interruptions, and overall length of employment. Women had shorter working lives in industry than men. One reason is the 'delayed' start, which is due to reproductive reasons. With an early first birth age, the Roma women in the neighborhoods and villages we studied tended to give birth to on average two or more children before they started full-time employment. Thus, most women started working in the factory after they reached 25 years old or older. In the meantime, they relied on small benefits from the state for maternity and child-rearing but did not enjoy maternity benefits based on prior employment and salary.

Entering the industrial labor force at 25 years old, with children at home, meant constant double shifts at home and in the factory, which took an additional toll on their health. Many women reported that they had to stop working at Aramis long before retirement age. The hard physical conditions, the night shifts, and the six-day labor week exhausted their bodies even more than the male bodies, they claimed. They start developing various diseases such as heart conditions, diabetes, and problems with their legs and lower back. The combination of "late start"

and “early exit” means that many women worked for approximately 15 years in Aramis. The remaining years of their working lives were either maternity or unemployed due to sickness or engaged in informal employment.

Social relations and responsibilities outside the factory are another dimension that defines early exits. In addition to poor health, taking over care responsibilities for elderly and sick relatives or for grandchildren was an additional reason for women to quit the factory. Many of them, if their health allowed it, found alternative jobs as day laborers in agriculture. However, their main focus was on social reproduction through providing care for other family members. The intensive cycles of industrial labor would not allow them to combine both. As one of the women in her early 50s told us, “I can’t work three shifts, six days a week, and be available at home to help with the grandkids. And my husband is sick, so I should help him as well. Now we don’t have money, but at least I’m there to help them all” (F, 52, Craica).

The predominance of young and healthy workers in Aramis is due to the short span of industrial working lives. Without having conducted a representative survey to confirm this, our interviews with Roma and non-Roma workers showed that Romanian and Hungarian workers who lived in better housing conditions and had fewer preexisting health conditions could work until later in industrial settings. Some of them also moved between different factories, alternating between the harsh physical conditions in Aramis and lighter jobs in some of the other factories. This made their working and salaried lives longer in comparison. For the majority of the Roma, the period of work in Aramis was their main employment history. As demonstrated above, the period of employment was not long enough to qualify them for early retirement even for the minimum pension. This length of industrial labor and the lack of other opportunities for proper formal employment had an effect on their income and health. Thus, we can argue that the cycle of industrial labor is defined by race, class, and gender. Moreover, the availability of formal and secure employment is not sufficient for breaking the cycle of poverty.

### *Flexibility of labor and mobility of workers*

Flexible labor arrangements are the other rupture in the cycle of industrial labor. The flexibility of the labor force is a key arrangement for the industries in Baia Mare and is advantageous for both sides. This is most salient at Aramis but is also present in some of the other factories, especially for low-skilled workers. Even though all employees are formally employed on full-time work contracts, the dynamics for some of the employees resemble an informal day or weekly job, where workers and employers do not have long-term arrangements with each other. As in the case of Robi, from the beginning of this chapter, many workers at Aramis worked in shorter periods and then took time off from the factory to work elsewhere, either around Baia Mare or abroad. Later, they returned and were rehired at the factory.

One way to do this administratively was to use a trial contract (*contract de proba*) continuously. All contracts have a three-month probation period (the usual for the country) during which both the employer and the employee can terminate

the contract without notice. There is much flux in the labor force in Aramis. Workers tend to leave before the three-month trial period is over, only to return later to be re-employed. However, until 2011, there was a restriction on the number of people who could be hired on a trial contract, but the changes in the Labor Code since have allowed for an infinite number of people to be subsequently hired in the same position on a trial contract. This strategy was widely used by both the workers and the employer.

The trope that we kept hearing from the workers was as follows: “One can always quit Aramis and one can always be hired back in Aramis. It’s enough to want to work, and you will be hired”. After a break, people continued to gather at the gates twice a week, looking for work. Most of them reported that they actually expected to obtain a job. It seemed that there were always new jobs available at Aramis. Only people who had committed an offense, such as being unruly or not coming to work consistently, were not rehired. The HR department quickly opened new contracts, and within a day, the workers returned, were assigned to a shift, and were usually given their old jobs. To maintain the flexibility of the contract, some workers broke their contract just a few days before the end of the probationary period and then signed a new contract a week later. The reason to do this was to be able to interrupt a contract and take a period of leave at any given moment without notice. A permanent contract after the trial has ended would entail a month’s notice. For many of our respondents, this was not a good option because they would decide to quit from one day to the next, either because they felt their bodies needed a break or because they had a seasonal job as migrants and had to start immediately. It is even more telling that sick workers with health problems pertaining to their legs, heart, or diabetes would not seek medical help and sick leave but instead chose to interrupt their contract to take a break. This has to do with the lack of trust in the healthcare system and state institutions as a whole but is a theme for a next paper.

Others took time off or unpaid leave. The HR department tolerated this practice until they actually had to interrupt it for a longer period of time. In this way, the flexibility scheme could be reproduced repeatedly.

Some workers preferred to leave the industrial job and work as seasonal workers either abroad or in the region of Baia Mare, which usually happened during the summer months. These workers would announce this to HR, arrange their documents, and leave. Our interviews showed that everyone who quit in this way was convinced that they would be welcomed upon their return after a few months or weeks. Indeed, the practice proved this right. This is an arrangement that worked both for the workers and for the factory and was made possible on both sides. For workers, there were two key reasons for these interruptions. First, engaging in transnational migration for seasonal work abroad would give them the opportunity to generate a much higher income in the active season. Italy, Austria, and even Spain were given as examples of destinations where they had gone for up to four months to work in agriculture. At the same time, keeping their job at Aramis for the winter months meant that they had a year-round income and some form of employment security and formal employment. Temporary transnational migration, however, was the only strategy for generating a higher income. For the younger

generation, this was related to consumption needs and plans to ‘get married’ and save for a wedding. For the middle generation, this was used for repaying debts (Delibas, 2024) and investments in housing renovations. The sheer income from the factory salary would never be enough to put money aside for any additional needs. As one of our respondents explained,

You have to go if you want to do anything extra. The salary is enough only for the day-to-day expenses. It’s not bad, but it only works if you already have a proper house, etc. But even when you want to buy a new phone, you can’t without going to work for a bit abroad.

(M, 25, Craica)

One of the reasons, however, that the salary was not enough for anything beyond daily needs was not simply individual expenses. In most households, only one family member was working full-time in the industry. As a result of the shorter time of industrial life, due to reproductive and health reasons, households often had to rely on one sole income. Despite the fact that, as shown above, income is usually above the minimum wage, it would be highly insufficient to sustain several family members. Therefore, breaks for seasonal migration were necessary to supplement this household income. The second reason for the flexible labor arrangements was physical exhaustion. For some of the workers, especially those above 40, taking a few months off in the summer to work as day laborers in agriculture in Baia Mare or as street performers or beggars in migration, was a strategy for taking a rest from physically demanding industrial work and night shifts. This strategy for interrupting the demanding industrial cycle allowed some of the workers to return to work for another few years.

Both strategies of flexible labor arrangements make it possible for workers to reproduce their own lives economically and physically. Intermittent mobility or seasonal work, then, are mechanisms for making industrial labor bearable. Temporary migration allows both men and women to remain long-term in Baia Mare and continue working in the industry.

While age and gender differences conditioned different motivations, the practice of time-off through short-term mobility and subsequent return to the factory was the same for the Roma workers from Baia Mare. However, differences were observed depending on ethnicity and locality. Non-Roma workers engaged in flexible labor arrangements and labor mobility much more rarely, if at all, and not as a regular arrangement. Similarly, the Roma workers at Aramis commuting from neighboring villages that we interviewed were much less prone to take time-off for mobility or, indeed, for taking a break. One of the reasons was the more appropriate housing in rural areas and the greater availability of water, electricity, and land for extra subsistence farming. Compared to the ghetto-like neighborhoods like Craica and Remiza Garii, where we conducted our interviews in the urban part of Baia Mare, the rural areas offered much more reliable housing, with access to water through wells, small patches of land, etc. In some of the villages, the mayors made arrangements for the initially irregularly built Roma houses to be regularized

and included in the village territory. Thus, housing and living conditions, in general, are major factors in how labor is organized in factories. As described more eloquently in other chapters of this volume, housing, and race have been closely intertwined in the transformations that took place over the last three decades. Thus, the flexibility of labor and the mobility of workers are intersectionally conditioned by class and ethnicity.

These flexible labor arrangements are also beneficial for capital. Making allowances for workers to leave for short periods without punishing them guarantees their return. This ensures a permanent supply of labor, although it is in flux. The interchangeability of workers in work tasks makes it easier to handle the flux and constant flow. At the same time, the possibility of resting or making additional money for workers allows Aramis to keep salaries at the minimum level and to keep their employees available in the long run. This arrangement could be observed in other factories, as we have observed in interviews with other workers (for example, in some of the sewing factories and the other industries), but not on such a large scale as in Aramis.

Keeping wages at a minimum allows Baia Mare's industries to be competitive in the supply chain landscape. At the same time, allowing the workforce to be flexible and to compensate for the low income by working elsewhere or taking time off is a strategy to keep the workforce available without investing in workers. Skills and qualifications are not valued in the industry. Only a few small factories need skilled workers. The rest need pure physical labor. This makes workers interchangeable and easily disposable. This is also one of the arguments given by managers and owners for the low wages that the workers receive. Labor flexibility, unlike cheap labor, is not a prerequisite for industry to function as it does. Flexibility is what keeps workers in the industry while they supplement their income and take care of their bodies while working elsewhere. For this strategy to work, capital needs a sufficiently large pool of available workers who are interchangeable, who do not migrate permanently, and who are available for work at all times.

The flexibility of work, chosen by many workers as a survival strategy, also invites us to rethink their role in the reproduction of neoliberal subjectivity. Finding solutions to exhaustion and insufficient income through flexible work arrangements positions them as the 'perfect neoliberal subject' (according to classic definitions by Foucault (2008)), and they become entrepreneurial and self-managing and are characterized by self-responsibility, agency, and initiative in this reading. In the case of industrial work in Baia Mare, the workers themselves demand precarious arrangements such as continuous probationary contracts to have the flexibility to work elsewhere. There is no reliance on the employer or the state, and there is no negotiation or attempt to mobilize for better working conditions. In this sense, the intersection between stable but unfavorable working conditions and wages and the demands of social reproduction leads to the production of ideal neoliberal subjects who try to resolve their situation by adopting a style of neoliberal subjectivity that spirals down into more insecurity and precarity.

## Conclusion

The case of the Roma in Baia Mare serves as a poignant example of how economic, social, and temporal dynamics intertwine to perpetuate the reproduction of poverty in capitalist societies. An examination of Roma communities' engagement with industrial labor in Baia Mare, Romania, reveals the multifaceted challenges posed by the interplay between production and social reproduction under the pressures of supply chain capitalism. This calls for a re-evaluation of how labor flexibility and mobility are not only economic strategies but also critical factors in the ongoing struggle for social reproduction and survival. To understand this, we need a more nuanced perspective of the social and temporal dimensions of industrial work. Despite formal employment structures that promise stability, a fair income, and social benefits, the reality for Roma workers is that they are disrupted and interrupted by cycles of industrial work. Late starts and early exits, combined with flexible work arrangements for seasonal migration to supplement inadequate incomes, mean that most people are engaged in industrial work for only a fraction of their working lives. Thus, the seemingly improved working conditions that industrialization offers impoverished workers need to be contextualized through an analysis of gendered and racialized landscapes. This chapter challenges the optimistic narratives of industrial work as a pathway out of poverty, instead showing how such employment models often perpetuate cycles of ultra-poverty among marginalized populations. The findings highlight the importance of critically assessing the impact of reindustrialization and labor flexibility within the broader socio-economic context.

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## Notes

- 1 The data collection was conducted by Raluca Perneș, Andreea Ferent, Denisa Duma, and myself. We also conducted interviews together with Ionuț Földes.
- 2 <https://www.statista.com/statistics/1261244/romania-average-net-monthly-salary/>.
- 3 <https://www.statista.com/statistics/1197444/romania-net-minimum-wage/>.
- 4 The sewing factories, which employ mainly women who work in one or two shifts, without night shifts, only pay the minimum salary, for example, with no extra bonuses. Until a few years ago both construction work and seasonal agricultural work used to be informal. With the introduction of the zero-hours *zilier* contract, this is starting to change, but these jobs do not offer consistent access to social security.
- 5 <https://www.cnpp.ro/pensii>.
- 6 For comparison, Italsofa, the second largest furniture factory in the region is more technologically advanced and uses more complex machines and processes. For that reason, the middle managers we interviewed claim that they cannot hire workers without secondary education, which in turn means that most of the Roma cannot get a job there.
- 7 [https://fra.europa.eu/sites/default/files/fra\\_uploads/pr-2020-roma-travellers\\_ro.pdf](https://fra.europa.eu/sites/default/files/fra_uploads/pr-2020-roma-travellers_ro.pdf).



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## 7 Ethnicity matters

### Transnational labor migration in a Romanian postsocialist periphery

*Gabriel Troc*

#### Introduction

A substantial body of literature has highlighted the difference in labor migration outcomes for Roma compared to non-Roma in Central and Eastern European countries (Vincze et al., 2013; Agoni, 2015; Anghel, 2016; Durst, 2018; Piemontese et al., 2018; Toma and Foszto, 2018; Greenfield and Daglyte, 2018; Daniele et al., 2018). Many case studies reveal the situation of Roma, who lag behind other migrants in terms of improving their accommodations, work skills, job stability, income levels, and general quality of life, both abroad and in their country of origin. While explanations vary, most of these studies provide contextual explanations that emphasize cultural factors and focus on short-term processes.

This chapter takes a longer and more granular view at the same time. Its starting point is that, in many cases, socialist industrialization entailed the training, in a short period, of an industrial workforce from a predominantly rural and poorly educated population, a process that was also seen as the path to social emancipation. The inclusion of Roma in this workforce was an integral part of this strategy and was ideologically justified as finally solving “the Gypsy problem” (Stewart, 1979, p. 5; Barany, 2002, p. 114). This chapter asks: Were there differences in the ways of inserting Roma and non-Roma into the industrial workforce? And if so, did these different modes of insertion influence the subsequent trajectory of Roma life and work in postsocialism, as well as their poorer performance in transnational migration? As such, the chapter addresses a significant gap: the long-term consequences of this insertion for Roma’s later labor trajectories have been understudied to date. The upshot is a different explanation for the difference in Roma/non-Roma labor migration outcomes.

The analysis presented herein looks at the situation of the Roma in this area as part of a larger landscape of historical change by investigating three periods of economic and social transformation: socialist industrialization, post-1990 deindustrialization, and the recent reindustrialization of the area. The aim is to understand how the situation of the Roma compares in each period. The central hypothesis being tested is that the position occupied by Roma in the labor force structure of socialism was decisive for their (lack of) opportunities later and largely explains their comparative disadvantages in current transnational migration.

Looking for a relevant area that exemplifies and provides the empirical material for the focus of this investigation, we found in Maramureş County and its capital, Baia Mare, the two conditions necessary for testing the research hypotheses: a process of intensive industrialization during the socialist period and evidence for the integration of Roma into the industrial workforce of the time.

The added value of my approach consists in avoiding culturalist explanations that often lead to the projection of an “exceptionalism” of the Roma, or to seeing the current disadvantaged Roma groups as an “underclass”, or as a special category of vulnerable people (Palmer, 2014), but as part of the larger labor force of the area that was mobilized, exploited, or dismissed and disregarded according to the needs of the political economy of the moment.

The empirical material consists of in-depth interviews, life histories, surveys, and archival data and was collected and analyzed to provide a comparative perspective of Roma versus non-Roma labor trajectories across the three periods. Our narrative thread runs regressively from the current state of labor migration to the past states of labor mobility and employment status of the two groups.

### **The case of Baia Mare and Maramureş County**

Our case is interesting and relevant for several reasons. First, the county has always been a periphery from the Austro-Hungarian Empire through the interwar Great Romania and the Socialist Republic to the current world capitalist system. As such, various centers have treated this county mostly as a place for surplus extraction, which has determined the long-term fate of its inhabitants, as seen in other comparable cases in the EU or elsewhere. Second, the county went through intensive industrial development in the 1960s and 1970s, mainly around the extractive industry in Baia Mare and the mining towns, followed by an equally considerable decline after the fall of socialism. Consequently, our case elucidates a less researched topic, namely, the place of the Roma in the larger process of creating factory workers and city dwellers from a largely peasant population under socialism, as well as what happened to them later. Third, Baia Mare did not find a postsocialist development solution, relying on the service sector and creative industries, as did other successful Central and Eastern European cities (Cluj-Napoca, Leipzig, Krakow, etc.).

Instead, seeking to tap into its reservoir of potential factory workers, the city supported brownfield and greenfield investments in manufacturing industries, mostly represented by foreign companies seeking public subsidies and low wages, but the results were not satisfactory (See Chapter 5). In fact, the category of the working poor, which included many Roma, expanded. Fourth, even if Maramureş County is part of the second most developed region of Romania (Northwest), it lags behind the level of the region: while the region’s GDP per capita increased from 24% of the EU average in 2000 to 41% in 2009, at the county level, it increased from 18% to 31% (Benedek and Veress, 2013, p. 89), serving as an example of uneven neoliberal development. With GDP per capita still only 36% of the EU-28 average in 2016, the county is recorded as one of the poorest areas in the EU (SDD MM, 2016, p. 21). However, if we examine

the indicators of sustainable county development, we notice that Maramureș is not among the poor counties (Benedek et al., 2021). Many parameters (such as access to central heating, bath, water closet, finished dwellings, living floor/person, housing density, etc.) indicate a lifestyle that depends on constant financial resources. As we know from various secondary data as well as our empirical evidence, most of these resources come from working abroad (the county housing stock increased by 10% between 2010 and 2016, mainly due to remittances. SDD MM, 2016: 26, 44. See also Anghel, 2013). In summary, our case is interesting because it portrays the Roma in a broader historical framework, highlighting the contrast between their opportunities and strains over a long period of social change and those of non-Roma. The main aim of this study is to unravel the historical and structural causes that explain their current situation in Baia Mare and particularly their less successful trajectory in the larger labor market that has been made available to Central and Eastern European citizens through transnational migration.

### **Previous research and theoretical perspectives**

Recent studies on Roma cross-border mobility clarify the different sides of this issue, such as the construction of the “Roma migrant” as a racialized and homogenized political category in the European Union, the racial profiling of Roma during border screening, everyday racism in the practice of welfare state actors dealing with Roma migrants or changes in ethnic relations in sending communities as a result of migration and others (Nagy and Durst, 2018). This new literature highlights the diversity and heterogeneity of groups identified as Roma and the variety and context-dependence of their mobility strategies, challenging various homogenizing representations of “Roma migration”. These studies also clarify that, regardless of the migration regime, Roma are subject to discriminatory practices and techniques that diminish their chances of benefiting from migration. We further examine these studies of interest that explicitly investigate the Roma as cross-border workers.

In her ethnographic research on the transnational migration of Roma from the Northern Hungarian Region to England and Canada, Durst (2018) emphasizes the two tracks that her subjects face: “getting by” or “getting ahead”. With no chance of social mobility at home, these former socialist workers were forced to seek betterment of life through cross-border spatial movement. Abroad, they manage to obtain menial jobs in services or factories or engage in casual work to supplement the social benefits of asylum seekers by actively exploiting the information available in their kinship networks. If the results are perceived as positive compared to the situation at home of “racial gridlock”, they generally only manage to “get by” due to the lack of upward mobility caused by the lack of language or hidden racism.

Piemontese et al. (2018) engage with the current idea that formal qualifications lead to upwardly mobile careers, testing it on a group of young Romanian Roma migrants in Spain. They found that these migrants’ families’ hardships (low incomes, poor housing, cycles of evictions, etc.) conflict with the consistent educational

trajectory of young people, discouraging school enrollment and promoting school changes and temporary withdrawals, which affect their school outcomes. Upon returning to Romania, they face bureaucratic impediments in validating their previous academic path, which also contributes to interruptions in education. In contrast, their nonmigrating peers may benefit from more consistent educational paths, supplementing compulsory education, which, in a favorable context, could provide entry into secure positions in the labor market. Thus, the cross-border mobility of Roma is not an asset when considered through the lens of young Roma, who are assumed to capitalize on education abroad for better social mobility at home.

Revealing how few studies have examined the effects of Roma migration in countries of origin, Toma and Fosztó (2018) analyze the interaction between spatial mobility and changes in social distance between ethnic groups in two rural communities in Transylvania. One of their main findings is that reaping the benefits of migration can be difficult for returnees, even under favorable structural conditions. Even when housing segregation is lessened, for example, with “migration houses” built by Roma in non-Roma residential proximity, the economically successful Roma may still face the stigmatizing attitudes that have historically been applied to the entire group. In other words, the Roma cannot fully exploit the potential of cross-border work because of the way local social relations were previously played out. While the labor migration of all ethnic groups stimulated a strong process of modernization in both localities, ethnic social distances did not necessarily diminish, with Roma social and residential segregation persisting to varying degrees, even when migrants were economically successful.

Similarly, Anghel analyzes migration from a hierarchical, multiethnic community from Transylvania (Anghel, 2016), focusing on how different ethnic groups (Hungarian, Romanian, Roma) are differently involved in migration relative to their own social capital. While migration became the main mechanism for climbing the social status system within each group, it did not ultimately change the local ethnic hierarchy. Even though some of the Roma became richer, their position in the local social order did not change.

In the same vein, my study of a group of Ursari Roma from southern Romania demonstrates that their labor migration to Spain resulted in a significant geographic and social repositioning of these Roma within the villages (Troc, 2012). The transformation of successful economic migration into massive housing improvement and resettlement at home was still plagued by various practices of the non-Roma majority in power, such as the additional tax on construction materials and labor and construction licensing denied or targeted with specially designed property taxes on their newly built homes—all practices limiting the benefits of migration.

At the other end of the migration route, Agoni (2015) addresses the situation of Romanian Roma migrants in Milan. These migrants, who become subjects of policies based on homogenizing categorization (“Roma”, “nomads”), are consequently identified as a “social problem” and as “marginal subjects” who need special attention, which increases their discrimination and diminishes their chances of benefiting from opportunities in the Italian labor market to the same extent as other Romanian citizens.

While all of these studies have revealed a pattern of diminishing outcomes of work abroad for the Roma population, this should not obscure ongoing changes. As Toma et al. (2018) observe, the status of groups involved in migration is changing, and the ethnic landscape is often reshaped in some localities, especially rural ones, as a result of improving Roma households. Notably, these studies include a common effort, which is of great interest to me as well, to not deprive the subjects of their agency (Daniele et al., 2018) or hide the heterogeneity of the cases when looking for common patterns and structural explanations.

This chapter aims to contribute to this debate by adding a long-term historical dimension to the trajectories of some Roma as workers from the industrialization of socialism to their current incorporation into the global workforce, a time span on which few studies have focused. Theoretically framed in transnational migration studies, development studies, and Marxist studies, my investigation aligns with the recent course of explaining Roma migration by engaging different theoretical models and concepts (Toma et al., 2018). Among these, I found the concept of proletarianization, from the Marxist repertoire, to be particularly useful, as it could be fruitfully connected to concepts such as the precariat and to theoretical issues such as mobility and social change, and transnational spaces from the theoretical stock of transnationalism.

Schiller and Feist recently reaffirmed that migration is an integral part of the process of social transformation but that this process should be connected to the recent emergence of a new global regime of labor exploitation, which does not always have positive outcomes for workers, as it is widely assumed in migration studies (Schiller and Feist, 2010, pp. 12–13). Seiger et al. also observe that new labor mobilities are consistent with neoliberal labor regimes and their need for flexible, docile, and extensible labor. Issues such as “social identity, social recognition or discrimination determine whether transnational mobility leads to labor market entrapment or potential stepping-stones for individuals” (Seiger et al., 2020, p. 14). Pries defines transnational local spaces as “pluri-local frames of reference which structure everyday practices, social positions, biographical employment projects, and human identities, and simultaneously exists above and beyond the social context of national societies” (Pries, 2001, p. 23). There is evidence that labor migrants who create these transnational spaces are more likely to be economically successful and stimulate development in their home locality. “Their activities include community-to-community transfers, identity-building, lobbying in current homeland on issues related to the original homeland, trade and investment with the homeland, and payment of taxes in the homeland” (Vertovec, 2009, p. 112). Involved along these concepts, proletarianization could capture, in my view, alongside ethnicity and race, precisely these contrasting facets of the present labor migration in the neoliberal context, which may produce very different results for different groups, depending on their position on the labor market before migration.

In its classical sense, proletarianization is seen as the result of primitive capital accumulation, understood as the historical process of divorcing producers from the means of production. It reflects the condition of the producer who is freed from a previous bond (originally feudal) and dispossessed of his direct access to the means of

production, thus being both free and constrained to work for a wage within a capitalist organization of production (Marx, 1990). Although less common in the analyses of the 1980s and 1990s, proletarianization has been reconsidered more recently as a useful conceptual tool for understanding the changes brought about by the neoliberal turn (Brass, 2015; Gerber, 2014; Palmer 2014; Petrovici, 2013). Reelaborated as “de-proletarianization”, “re-proletarianization”, “temporary or incomplete proletarianization”, it addresses neoliberal changes related to wage labor, free and forced labor, the deprivation of direct means of subsistence, the spatial and social dislocation of the labor force, and the lack of control over work processes (Troc, 2016). Central to proletarianization is dispossession. We will comparatively analyze how the Roma and non-Roma were differently dispossessed during the socialist industrialization of crucial resources (while they were given access to others) and how depriving the Roma of their previous geographic and occupational mobility influenced subsequent chances of successful labor migration.

### **Methods and data**

This case study is the result of my long-term engagement with various migrants in Maramureş County, as well as a smaller project focused specifically on precarious work practices and peripheral housing and migration patterns of Roma in Baia Mare (see this volume’s introduction). In this project, I coordinated the migration practices team, and we used various methods of data collection, including limited ethnography in Roma communities, the application of semi-structured interviews, and the collection of migration-focused life stories. My earlier engagement resulted in a qualitative database of more than 80 interviews with migrants from urban and rural areas of the county, both Roma and non-Roma, while the subsequent project produced 19 interviews with Roma migrants and 29 interviews and life stories with non-Roma migrants. Limited ethnography was carried out in the largest Roma shanty town in Baia Mare (Craica), while interviews with Roma were also carried out in another poor Roma settlement (Pirita), as well as in two ethnically mixed Roma/non-Roma districts (Fernezii, Garii)<sup>1</sup>. The level of labor migration from Baia Mare was assessed by the project’s own survey, while various data regarding the making of the industrial laborer during socialism included a mix of data sources, especially interviews with former workers, archival research, and statistical yearbooks. My previous engagement with county-level labor migration allowed me to deeply contextualize Roma migration against highly successful non-Roma migration, including highly mobile rural people, to comparatively understand the structural limitations of Roma migration.

I will further develop the argument as follows: to evaluate the local migration of the Roma, I begin by outlining a general picture of migration from Maramureş. Next, I provide a comparative picture of Roma non-Roma labor mobility abroad since the 1990s. Later, I will delve deeper into the socialist period to clarify how the local working class that was needed in industrialization was created. Finally, I will analyze the different ways in which the Roma were integrated into the new



working class at that time, with long-term consequences for their occupational and geographical mobility.

### **Romanian migration in a local context**

With a total of approximately 3 million citizens abroad, Romania is one of the European countries with the highest proportions of transnational migration for work. The vast majority of these migrants left Romania after 1990. As Horvath explained, the emigration potential of Romanian society became evident starting in the last decade of the communist regime when an increasing number of Romanian citizens applied for political asylum in Western countries (Horvath, 2012). The country's high level of international migration can be partly explained by the demographic structure of the population and thus the potential labor force: aggressive pro-natalist policies starting in 1966 (Kligman, 1998) resulted in a larger population of young people who were about to become sociologically adults in the mid-1990s. The economic decline of the 1980s has already shown that their future labor socialization within the country will not be possible in the next decade (Horvath, 2012, p. 204).

Although a growing body of literature is investigating migration at the country level (Anghel et al., 2016, providing one of the most comprehensive syntheses), this phenomenon has been poorly documented at the level of Maramureș County. The few published studies (mostly based on qualitative research) address the mining towns and villages of historical Maramureș and, less, Baia Mare.

Boswell and Ciobanu (2009) analyzed the migration from the mining town of Borșa to Italy and the UK, which was triggered by the closure of the mine in 1997. They observed two different relationships between migrants and their home community, arguing that different conditions for social inclusion through work (unregulated in Italy versus state-supervised in the UK) lead those migrating to Italy to maintain community ties, while those who migrate to the UK tend to have a more individualistic approach.

Considering changes in migration patterns in historical Maramureș, Boar (2005) described the old practice of seasonal internal migration of peasants. He rightly notes that mapping migration in the area is particularly difficult, while in official data, permanent internal and international migration are recorded together and, overall, are massively underreported. Boar tried to overcome this shortcoming by providing migration data from only two localities, Bârsana and Săpânta. His data demonstrated that international migration had become a relevant phenomenon in both communities and that most migrants had not been previously employed internally. However, the source of the data is poorly explained.

Muica and Turnock (2000) provide a useful analysis of the economic development of Maramureș County over a century. They clarify how the Baia Mare area (with surrounding mines), especially during the socialist period, attracted peasants from all over the county who were to be transformed into industrial workers (the population of the area increased from 35.3% of the county's total in 1912 to 46.8% in 1992). After 1989, the industrial collapse gradually changed migration flows from urban back to rural and, later—as agricultural production on reclaimed land

proved unsustainable—to various labor-intensive jobs elsewhere in Romania and abroad.

Studying the migration to Italy of a rural community of “born again” Christians from Suceava (a county neighboring Maramureș, with similar social and economic features), Rubiolo (2016) framed migration as a response from below to the neoliberal order generated from above, which had been gradually imposed as the region had been incorporated into the contemporary global regime of production, accumulation, and the division of labor. Building on earlier patterns of internal labor mobility, the villagers analyzed entered Italy’s post-Fordist productive system, with a high demand for unskilled industrial workers and construction workers as well as manual workers in the service sector and domestic workers. A feminized labor force in care services was particularly needed due to the “dismantling of Fordist welfare system, the population aging, the gendered segmentation of local labor markets and the increase in labor participation in salaried labor” (Rubiolo, 2016, p. 88). In fact, owing to neoliberal reforms in both countries, migrants played a central role in providing the cheap labor needed in Italy, as well as the material means for social reproduction in Romania.

A particular practice of migration from historical Maramureș villages was made possible by religious cooperation between Italian Catholics and Romanian Greek Catholics (Kligman and Troc, research in progress). Traditional interfaith ties were revived in the early 1990s when some Greek Catholic priests established contacts with clerics in Rome. A network was quickly initiated, and over the subsequent decades, goods, money, and people traveled between Maramureș and Italy. Starting in 1991, children mostly from rural Maramureș were sent to Italy during the summer holidays, where they lived in devout Catholic families. Thousands of children learned the Italian language during these trips, were partially acculturated, and developed long-term relationships with their hosts, who later helped them or their family members to migrate and find work in Italy. This pathway for migration challenges a limited economic perspective on migration, revealing a much broader perspective on how people can be relocated when a periphery is integrated into the global system.

The most comprehensive picture is provided by Anghel (2008, expanded into a book in 2013) who examined the migration from Borșa to northern Italy (on migration from Borșa and Năsăud to Italy, see also Ban, 2012). Employing the conceptual frame of transnationalism (Schiller and Faist, 2010; Pries, 2001), Anghel pictured the detailed tableau of the migration of this locality, including phases (before and after 2002), types (irregular versus regular), strategies for entering the country and for staying there, the role of networks and brokers, the ways in which financial resources were mobilized to start the migration, the appropriation of the new space, and the tangible results of migration at home (housing investments, businesses, new forms of display of wealth). His framework of transnational social space has the merit of bringing together a variety of facets of the migration process, as well as highlighting the new features of international migration in neoliberal contexts.

While no study has focused on the migration of Roma from Maramureș, we must turn to survey data, which can elucidate similarities and differences between the migration practices of different groups.

### **Roma and non-Roma labor migration from Baia Mare after 1990**

According to our survey, almost a quarter of all respondents ( $n=795$ ) have worked abroad at least once in the last 30 years. Roma migration matches that of non-Roma: 24% of Roma have worked abroad at least once, compared to 23% of Romanians and 22% of Hungarians, which is particularly relevant given the relative deprivation of Roma in terms of travel financing.

In terms of destination, the Roma also match the most common countries of migration of North–West migrants, especially Italy, the United Kingdom, Germany, and France. The data also reflect popular destinations for seasonal agricultural work, where the Roma have had a growing presence over the past ten years, as we know from ethnography.

While the proportion of those who migrate with the help of relatives and friends is high in all groups, the Roma stand out with 40.66%.

Additionally, the difference in the average time spent by Roma abroad is very relevant, confirming ethnographic information about their shorter and more fragmented cross-border work experiences.

A notable difference also appeared in the greater proportion of Roma working without a formal contract.

Finally, their higher proportion of financial remittances illustrates the compulsion of Roma to provide for their families' daily consumption rather than accumulation, as well as the home-orientation of their migration.

If quantitative data give us a general picture of Roma labor migration, ethnography provides a more refined picture. I will synthesize these data along the following topics: the recurrence of migration, changes in accommodation and labor trajectories over time, the use of remittances, changes in housing, perceived experiences of working abroad, and the status of building transnational social spaces.

The interviews give accounts of a high occurrence of international migration within all the Roma groups. In the case of the Craica community, for example, international migration is widespread, with many of the subjects' relatives either in temporary or long-term migration to various Western countries at the time of the research. Roma generally match the migration destinations, timing, and types of work-related activities abroad of non-Roma. In the 1990s, the destinations were Turkey, Serbia, and Israel. The migrants were mainly men, and the activities involved small trade and construction. Later, the main destinations were EU countries, mainly Italy, Germany, and the UK, with both men and women participating as individuals or as families.

The decision to migrate was triggered by the downsizing of local industry, starting in the early 1990s, but also—more specifically for the Roma—by their inability to maintain their previous housing arrangements. We have evidence of cases in which the apartments distributed during socialism (via the workplace) were lost in

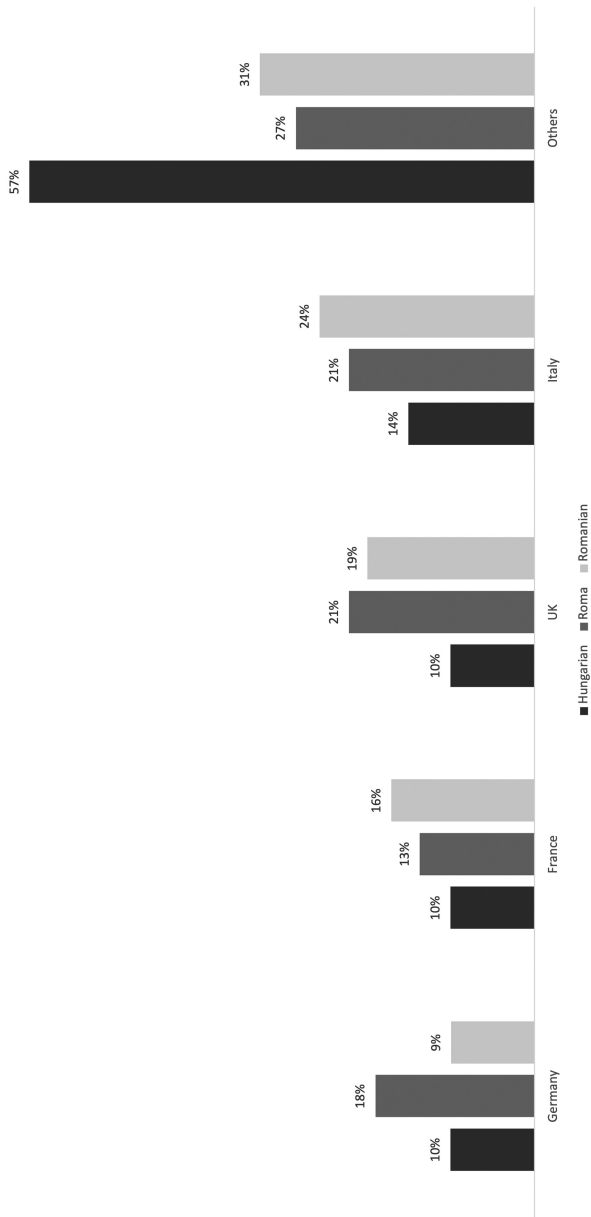
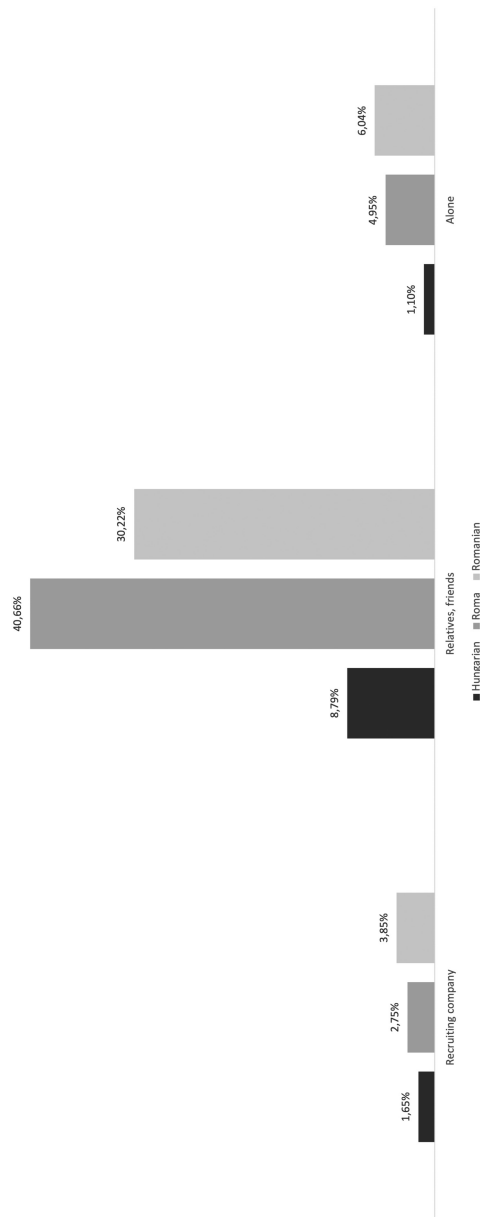


Figure 7.1 Destination countries by ethnicity. Source: Own survey.<sup>2</sup>



*Figure 7.2* Migration channels by ethnicity. Source: own survey.

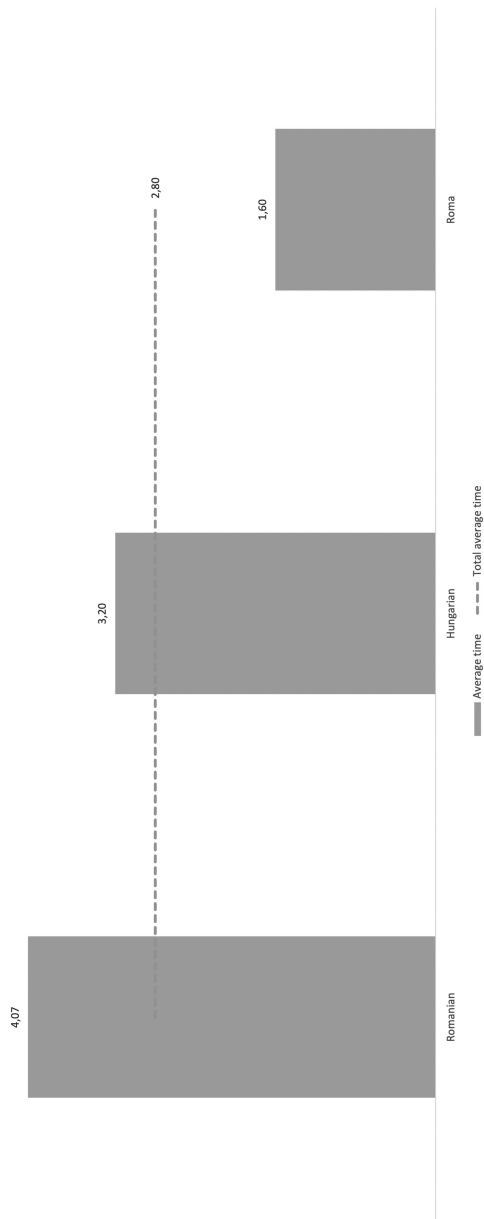


Figure 7.3 Average total time spent working abroad by ethnicity. Source: own survey.

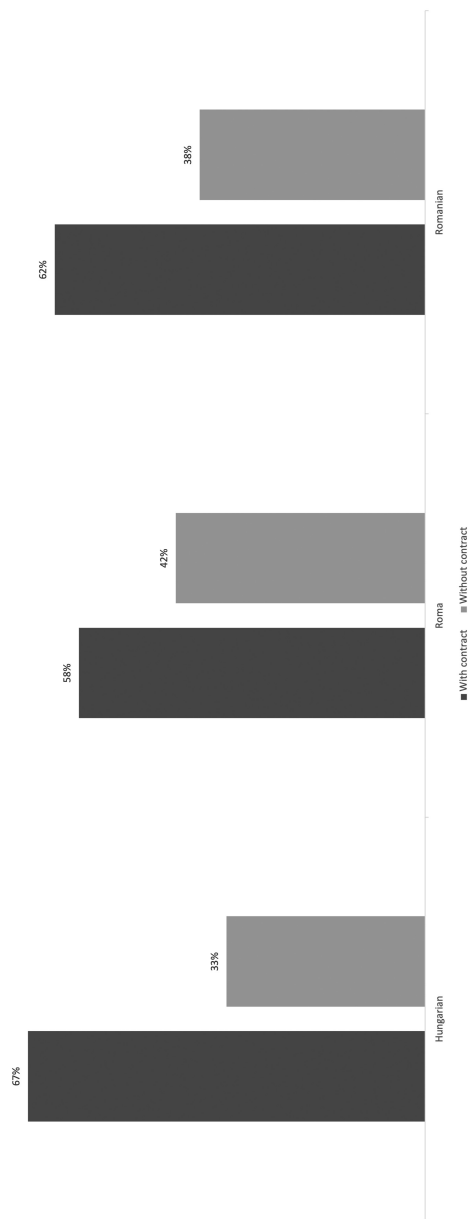
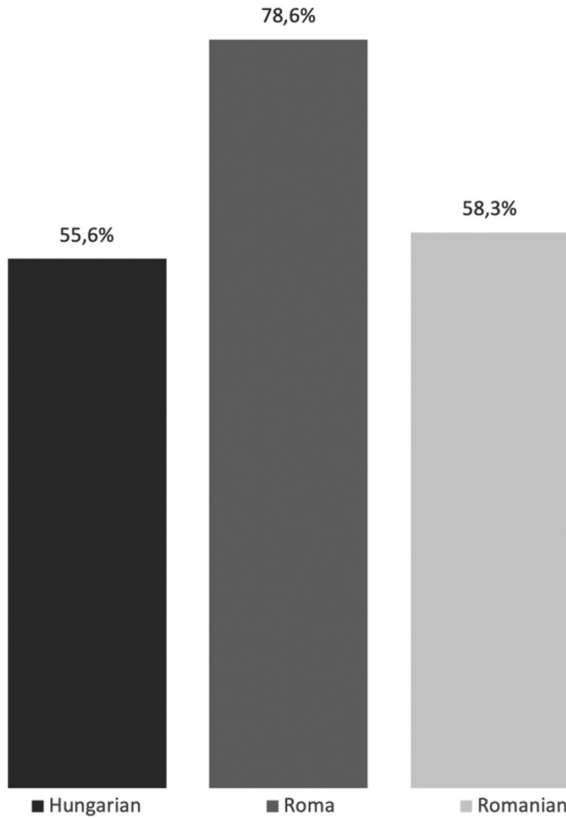


Figure 7.4 Working with or without a contract by ethnicity. Source: own survey.





*Figure 7.5* Send money home regularly by ethnicity. Source: own survey.

the 1990s, either because residents could not afford to pay the rent and utilities or because they were unable to buy them when the state decided to privatize the public housing in favor of tenants (Vincze, 2023). Being laid off was a reason for migration throughout the 1990–2010 period, while after 2010—when in the context of reindustrialization, local jobs became available to the Roma too—working abroad became an alternative that many individuals considered after harsh experiences of labor exploitation and/or poor salaries in Baia Mare. After 2007, when the migration regime changed (from irregular to legal), EU countries became the main destinations.

One of the Roma migration trends is the high recurrence of the process: when someone started to migrate, he or she went abroad whenever an opportunity arose. In the 1990s, such an opportunity was provided by compensatory payments to workers when they were laid off, which made it possible to pay for travel, visas, and other expenses. Today, a relative may provide accommodation abroad, and a temporary job opportunity may arise; perhaps someone needs to be replaced at a job or a new laboring niche is simply discovered. To a certain degree, this is also the case for non-Roma migrants; however, due to more precarious economic

conditions, Roma life circumstances are less predictable and controllable, and, accordingly, the migration process is also more erratic. Someone may be forced to migrate because they lose home accommodation arrangements or have to pay off a large debt, or, conversely, they may be prevented from migrating because their identity documents are lost, stolen, or destroyed, because of a sudden health issue, or because a minor or elder dependent cannot be left alone.

Another difference in migration patterns is related to the trajectories of accommodation and work over time. In our interviews with both Roma and non-Roma, the precariousness of accommodation abroad at the beginning of the migration process is commonly emphasized. Especially during the irregular migration regime, people lived in abandoned houses on the outskirts of cities with inadequate or no utilities or in small, overcrowded apartments, occasionally ending up on the streets. This situation has changed dramatically for non-Roma over time, while for most Roma in the slums, it has remained largely similar until the present. Regarding labor trajectories, the differences are even starker. Most interviews with non-Roma describe a clear transition from a state of uncertainty, a lack of formal contracts, and exploitative labor practices to various forms of secure working conditions. Over time, Romanians and Hungarians began to take advantage of the labor opportunities in Western countries, organizing collectively and occupying—in countries with dual labor markets—specialized niches in construction, domestic care, hospitality, or seasonal agriculture. Trajectories from an unskilled worker to an entrepreneur managing his or her business at home or abroad in construction, transport, tourism, or manufacturing are common. “Simple workers” also secured their employment status to an important extent, avoiding being employed without a formal contract and a clear working regime and planning the timeline of their work abroad with the aim of obtaining at least a minimum pension. In contrast, Roma work trajectories have largely stagnated. As small as they are, the improvements are related more to the changes in the migration regime for Romanian citizens after 2007 (which have eliminated some legal restrictions on traveling, residence, and work), as well as to the establishment, via specialized HR companies, of a whole system for providing a labor force for low-skilled jobs, mainly in agriculture, “dirty” manufacturing industries (like slaughterhouses, meat processing factories), or strenuous and unwanted jobs (demolitions, cleaning sordid public spaces). When Roma are not involved in these established routes, which provide the security of a contract, their employment remains irregular, exploitative, and unpredictable. They mentioned frequent situations of not being paid on time, being paid less than agreed upon, or not being paid at all, as well as having gaps in employment and being laid off unexpectedly. On the other hand, the volatile circumstances in their lives prevent them from keeping a job or keeping their work schedule. The result is that many Roma quit without warning or agree to engage in less regulated or legal activities (such as begging, stealing, or prostitution). These stagnant work trajectories are reflected in lower incomes than those of non-Roma migrants with comparable education and skills and thus in fewer remittances sent home.

Following a well-documented pattern, both Roma and non-Roma migrants invest their incomes in housing and durable goods at home. However, in most cases, Roma remittances are used for daily consumption and debt payments. For those living in slums, migration is particularly important because it is seen as one of the very few strategies that can provide the resources to improve living conditions; this may refer to rebuilding an old cardboard shack with bricks, insulating a hut, covering it properly or just buying a stove or furniture. The interviewees mentioned a usual situation in which one family member is almost constantly abroad, providing for daily expenses, and situations in which other family members follow them, for a shorter period, to acquire a larger amount needed to improve homes, prepare for winter or pay off a larger debt.

Regardless of how exploitative the work abroad was, the Roma evaluate their migration as a positive experience in terms of work, income, relations with employers, and the local population. This is an indirect reflection of their marginality and of the strong prejudiced and racist attitudes against them in Baia Mare. When detached from their stigmatized positioning at home and resettled in a multicultural and multiracial environment abroad, they feel that their work, as well as their personal identity, is valued differently. The time spent abroad is nostalgically recalled in interviews as a “good life” to be re-experienced as soon as the opportunity arises.

The stagnant work trajectories of the Roma resemble their weak transnational status. As we have seen, at any given time, several people in an extended family are living and working abroad. In the case of non-Roma, this situation has led to the development of a “transnational space”, i.e., long-term settlement in certain areas abroad combined with constant connections via the internet between geographically separated family members and accessible means for traveling back and forth between home and destination countries, producing a sense of social and spatial convergence. Families and communities share information instantly via social media, WhatsApp, Skype, or phone. People often come and go and send money and goods using a transport system that has been consolidated over time. This “space and time compression” is much less accessible to the Roma, who continue to experience migration as rupture or dislocation. They lack the technological means and financial resources that make this copresence across borders possible and, therefore, continue to experience migration as a brutal social and geographical separation. Information is scarce: it can take weeks for someone to learn about the whereabouts and condition of a relative abroad. In the same fashion, individuals may return home unexpectedly or change locations and work abroad without family members being aware of this for a while. Because of the lack of this technologically mediated community, they constantly yearn to reunite with their relatives, which affects their work commitments, longer-term planning for work abroad, or exploration of opportunities that require a longer stay. Some try to solve this problem by migrating with the whole family, which can cause many other difficult problems.

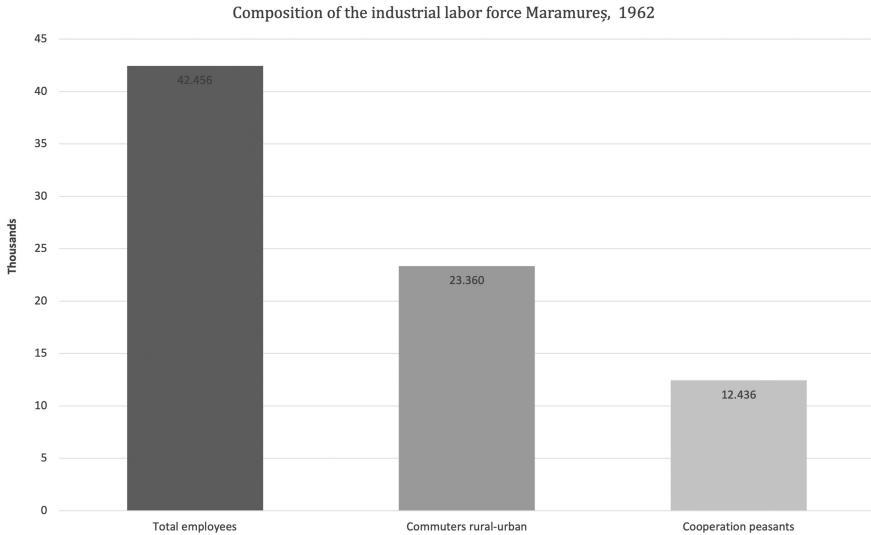
### **Labor mobility, the making of the industrial worker during socialism, and Roma integration into the labor force**

To understand the continuing differences between migration outcomes for Roma and non-Roma migrants, it is necessary to step back and consider the ways in which different groups have been incorporated into the labor force historically and how this has shaped their subsequent patterns of work and mobility.

Since the Romanian communist regime instituted severe control of the international population movement, one can hardly speak of transnational labor migration before 1989 (Horvath, 2012). In contrast, internal labor movements were more common. With its proportionally unparalleled industrial development at the European level after World War II (Chirot, 1978), which equated to a staggering rate of economic growth of 68% per decade between 1950 and 1974 (Ban, 2014), Romania also stands out in regard to for-labor population dislocations. The dominant form of migration was from rural to urban areas, and peak rates (in the 1970s, corresponding to the maturation of investments in agriculture) reached the levels of labor migration in Western economies (Petrovici, 2017).

The first wave of industrial migration to cities took place approximately between 1950 and 1965, with Transylvania and Bucharest being the destinations and Moldova and Muntenia being the sending areas. The second wave between 1974 and 1981 comprised more localized labor movements (within counties and between neighboring counties), while the third wave, starting in 1981, showed a steady decline in internal migration movements as a consequence of the economic crisis that resulted from Ceasescu's austerity policies in the last decade of Romanian socialism (Ban, 2014). At the macro level of our analysis, it is important to note that Maramureș was a sending area in the first wave of socialist migration, while the post-1965 industrialization of its cities was largely based on surplus domestic labor.

First, local industry developed from previously developed branches, namely, mining and wood processing, which required new workers. Over time, other industries, including heavy machine-building industries (related to mining technologies) and food processing and other light industry branches, were gradually initiated (CJ MM, 1984). During these later industrial developments (mainly concentrated on Baia Mare, Sighet and the mining towns), which peaked during the second wave, the need for skilled labor increased exponentially. However, due to the county's high demographics, along with higher industrial earnings, there was constant demand for industrial jobs, which led local party officials to always ask the central authorities for more industrial investment. On the other hand, the limited capital available for investing in housing limited the labor force permanently located in industrial towns, and as a result, daily commuting from nearby villages and temporary accommodation in barracks flourished. This problem was not specific to the Maramureș, as it was common in other parts of Romania (Cucu, 2019), but its volume was very significant. Taking advantage of the traditional high mobility of peasant labor (Boar, 2005), the organization of industrial work had—especially before 1965—been extremely “flexible” in terms of hiring semi-peasants



*Figure 7.6* Composition of the industrial labor force, enterprises with 500 employees or more. Source: author's synthesis from archival data.<sup>3</sup>

and temporary or seasonal workers. A survey applied to industrial units in 1963 revealed a staggering proportion of the situation: more than half of the workers commuted from the region's villages or lived in barracks, and more than a quarter were members of agricultural cooperatives, being employed in factories and mines only seasonally (Figure 7.6).

It is important to note the high proportion of “partial proletarians”, who were employed to perform mainly unskilled labor and who could be used when needed and discarded when not.

This situation changed only after 1970, when an important part of the labor force was stabilized in the cities. This was the moment when Baia Mare's population grew exponentially, with an additional 100,000 people, as did the total industrial population at the county level; thus, in 1991, one in five inhabitants were industrial workers.<sup>4</sup> New investments in machine building and manufacturing, doubled by investments in light industries to include women workers, necessitated a more skilled workforce. Consequently, the path to becoming an industrial worker and city dweller became increasingly intertwined with education for more complex manufacturing. Starting in 1964, with a high school focused on mining, technical education of various levels had grown steadily in Baia Mare: by 1984, a university, four other technical high schools, 16 vocational schools, and six foreman schools were established.<sup>5</sup> The ethnography confirms that the most common life course for the non-Roma was: enrolling in a vocational school, followed by getting a job in a factory, and being distributed an apartment in the city after marriage.

Importantly, the goal of pursuing an industrial profession was almost always a collective goal, part of the strategy of rural families to find profitable avenues for

their many children. Similarly, the urbanized worker remained closely linked to her home family and community. Captive in a web of reciprocal duties, non-Roma workers maintained regular ties to their place of origin: there, they spent most of their free time working in agriculture, caring for older relatives, and participating in rituals, in short, contributing and benefiting from the local traditional safety net. Consequently, their sense of identity and loyalty to the countryside was never completely dislodged. While the countryside was also changing (especially in collectivized villages), temporary internal migration continued, and greater mobility was preserved.

In most cases, the Roma had a different route to join the industrial workforce. The interviews with individuals older than 55 years old showed that they were integrated into industry relatively late, during the second and third waves of industrialization. Their parents were seasonal agricultural workers and/or practiced a traditional craft such as brick making, scrap collecting, or playing music. There were two categories: urban and rural Roma. Urban Roma lived in poor houses on the outskirts of the city and earned their living from odd jobs coupled with temporary employment in industry. When the city started to grow, the areas where they lived became urban development zones, their houses were demolished, and the Roma were moved to blocks of flats (See Chapter 4; Vincze, 2023). Men in particular were gaining more regular jobs in mines and factories at the time. Rural Roma who moved to the city, on the other hand, were the least integrated into collectivized agriculture (especially those who did not have land before collectivization), as well as those who lived in organic communities of artisans or traders who lost the demand for their products when formal markets and industrial goods penetrated the countryside. They were drawn to the city by the higher earnings in industry and the corresponding social benefits that came with steady employment. Unlike non-Roma, they moved with their entire extended families, weakening their ties to their villages of origin and the rural economy in general. Again, predominantly men held jobs, while women only entered the factory workforce in the last decade of socialism.

It is essential to emphasize that both men and women were employed as unskilled workers, and most of them remained at this level throughout their working careers. Unlike non-Roma, the Roma rarely completed some form of technical education prior to employment, which would have entitled them to move up the factory hierarchy and retain more secure positions during deindustrialization. At best, some were trained in the workplace, acquiring skills from the lower level of production.

In short, the Roma did not benefit from the advantages of new industrial investments and the increased complexity of production from the second wave of industrialization, which provided Romanians and Hungarians greater job security, industrial careers for workers or their children, increased incomes, and higher living standards.

### **Roma workers under postsocialism: dispossession and proletarianization**

We know from the classic industrial relations literature that to have dedicated industrial workers, employees must be deprived of access to resources other than

wages (Thompson, 1963). But more is needed. In order to produce, the workers' consensus on labor relations must also be achieved, a process that has historically been fulfilled through various benefits of wage labor, such as job stability, constant incomes, seniority benefits, paid leaves, pensions, etc. (Burawoy, 1979). These conditions were fully met in the case of the Roma during socialism. Dislocated from their former communities, they were dispossessed of their traditional life strategies, such as crafts, the collective organization of work, and community safety nets. On the other hand, they benefited from the generous policies of the socialist state relative to workers. They received apartments in new neighborhoods, the wage income of unskilled workers was less discriminatory, on a wage scale without very large differences between hierarchical positions, and they received important social benefits for underage and unemployed family dependents (see Chapter 3).

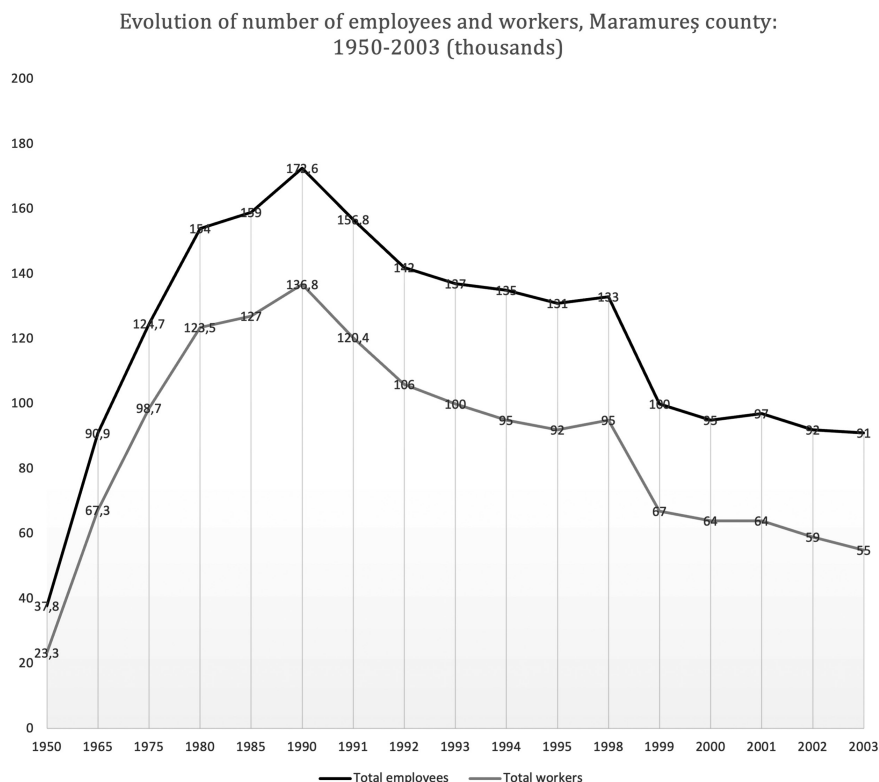
The dispossession resulted from the granular changes in the Roma's daily life and work practice. Living in the workers' districts changed their former perception of bounded communities. Apartment living concentrated family life more around the nuclear family. Stable money incomes from wages and social allowances monetized their access to most resources and affected their social relationships, gradually diminishing the economic role of kinship and family alliances within communities. New loyalties and senses of belonging were also formed, related to the workplace, work teams, or vicinity. Temporary geographic displacements, especially of men—for temporary work on construction sites across the country or military service—forced them to experience life with non-Roma and outside their communities deeply. Interviewees proudly recall their good relations with factory non-Roma colleagues or managers, or their good or bad—but always memorable—experiences during military service. All this contributed to the fragmentation and disintegration of community life.<sup>6</sup> Their new social insertion made them particularly vulnerable during deindustrialization. Next, we provide more details about this process to explain why Roma were particularly disadvantaged by it.

First, the collapse of socialist industry was not a sudden rupture. The most important employer in the city, Cuprom, closed its doors only in 2008;<sup>7</sup> another important one, Romplumb, stopped operating in 2013;<sup>8</sup> and most of the mines closed in 2007.<sup>9</sup> As a result, the loss of jobs was also gradual. Figure 7.7 shows that there were two main waves of layoffs in the county between 1990 and 1993 and between 1998 and 2000.

We received abundant testimonies in interviews and ethnography that the Roma were the first to be laid off in the wave that occurred shortly after 1990. The apparent reason was related to their lower qualifications and more dispensable jobs. However, a dormant racism during socialism that was reignited in the new social landscape looking for scapegoats for economic turbulence (Stewart, 1997) may have also played a role. Since in many situations, only one family member was employed, the loss of a job quickly led to the loss of the family's stable financial income, leading to evictions from apartments and the accumulation of debt.

Losing jobs early was in itself a loss, while their retention for a longer period by more skilled workers brought them important advantages. It is true that all jobs in the industry have become more precarious as a result of falling wages and periods





*Figure 7.7* Evolution of employees and industrial workers between 1950 and 2003 at the county level. Source: author's synthesis based on Romania's statistical yearbooks, 1958–2004.

of temporary production stoppages, but this timing has allowed workers to fight for labor rights, including collective bargaining agreements, higher financial compensation in the case of collective dismissal, or even participation in the privatization of factories. Even the legislation that was enacted shortly after 1990 and ensured the social protection of laid-off workers (Law 24/1991) significantly improved in favor of workers only in 1999 (OG 98). Accordingly, the non-Roma had more time to adapt to the new economic context and to develop alternatives to waged industrial work. Rural–urban mobility, which was never eliminated, as I have shown, played an important role: some workers relocated to their native villages to cut living expenses, while others started farming businesses on reprivatized lands or became market intermediaries between cities and villages. Consequently, they also had more resources to finance transnational labor migration and to consolidate migration networks over time.

The Roma did not have the same opportunities. More fully proletarianized under socialism, they were forced into a long-term dual dependence: on wages and

social assistance, which were unavailable or severely diminished in the postsocialist period. Some former industrial workers moved from the workers' quarters to informal settlements on the outskirts of the city, where over time, they were joined by other disadvantaged Roma of various origins, which led to the creation of slums. Dispossessed of alternative coping strategies, with no land and no proper housing and with limited geographical and occupational mobility, they became dependent on informal and exploitative labor markets both abroad and at home. At home, the reindustrialization wave of Baia Mare, which started around 2008 and offered labor-intensive, less skilled, and poorly paid jobs, found a much-needed industrial labor force in the Roma (See Chapter 6). Manufacturing factories, notably Aramis and Italsofa, which produce furniture, employ Roma men and women who work three shifts at minimum wage alongside the poorest non-Roma commuters from the countryside. They exploit both the workers' financial needs and their self-image as honorable individuals through industrial work, an image that is ever present in our interviews with the older generation of socialist workers. The income here is not enough to support their large families, who often must deal with unexpected expenses, situations of alcohol or drug abuse, and primarily debts. The most convenient way to relieve the situation is temporarily working abroad. However, their structural position at home also limits their work abroad. As we have shown, their movements are shorter and more fragmented, so they cannot evolve in their work trajectory. The same fragmented experience prevented them from learning foreign languages and, consequently, from learning to cope abroad on a more general level. Being always at the hands of non-Roma intermediaries, they are prevented from progressing and controlling their work and life circumstances, as Romanians or Hungarians do. Additionally, they cannot aspire to positions that, even if they are exploitative—such as those related to home care, domestic cleaning services, or tourism—have produced significant remittances for non-Roma. Overall, they cannot produce a sustained accumulation that would lift them out of cyclical poverty, neither through industrial work at home nor through various forms of laboring abroad, confirming Durst's (2018) diagnosis of Roma succeeding at best in "getting by" but not in "getting ahead".

## **Conclusion**

This chapter asks two research questions. Were there differences in inserting Roma and non-Roma into the industrial workforce during socialism? And did this insertion influence the subsequent trajectory of Roma's life and work in later periods, including their transnational migration experience? To answer these questions, the chapter used in-depth interviews with workers over 55 years old, archival data, and statistics. The data was used to explore the process of local industrial labor formation during the socialist period and what happened later.

The main empirical finding is that the Roma joined the labor force relatively late (mainly in the late 1970s and 1980s), rarely received technical education before employment, and were mainly employed as unskilled workers. At the same time, the Roma were dispossessed to a greater degree of their previous livelihood

strategies, community safety nets, and links with the rural world that might have provided alternative channels for accessing resources. All these remained available to the non-Roma. The Roma were also more deeply proletarianized, but also more marginally integrated into the structure of the industrial workforce. This position made them particularly vulnerable in postsocialism, being fired in the first wave of layoffs, and thus benefiting less from the financial compensation workers obtained in the late 1990s. Postsocialist layoffs had several cascading consequences. Unable to afford the housing costs, they were evicted from the workers' apartments and forced to take shelter in informal settlements on the outskirts of Baia Mare. The lack of stable jobs and stable incomes limited their access to other social benefits they enjoyed under socialism, such as health services, education, full social assistance, and full pensions. Complications such as registering at a family doctor's office or introducing co-payments for some services made access to health services more difficult. Their constant presence in emergency rooms leads to increased resentment and racist attitudes among the general population and even medical staff. Living in slums and racism in schools contribute to a high dropout rate, and the bureaucratization of access to some social services has made them inaccessible to the poorest, uneducated Roma. Many Roma entered a state of chronic financial indebtedness that brought with it various other individual or social pathologies associated with long-term poverty. As our ethnography reveals, all these difficulties directly affect the migration experiences of former Roma industrial workers and their descendants, decisively limiting their work trajectories, job stability, transnational space-making, and remittance levels.

Overall, my long-term perspective provides evidence of historical and structural explanations for the divergent path of Roma labor migration that eclipse culturalist explanations or those that tend to see the Roma situation as entirely unique. In many respects, their labor situation is similar to that of other disadvantaged minority groups who were integrated into the industrial labor force as low-skilled workers. For example, Puerto Ricans in New York were industrial workers at first but could not cope with the new economic context after the city's manufacturing industry relocated, ending up in the slums and becoming useful only in the city's informal and exploitative economy (Bourgois, 1995). Like them, the proletarianized Roma from Baia Mare try to find individual solutions in a structural context that is against them. Expelled to the margins of the city and of the labor market, both at home and abroad, they swell the ranks of a new ethnically polarized "reserve army of labor" that an increasingly racialized global capitalism needs and exploits.

## Notes

- 1 Within the team, Dana Solonean collected the interviews with non-Roma from Baia Mare, and Hestia Delibaş carried out the ethnography from the informal settlement Craica, as well as the interviews from Pirita slum and the Gării and Ferneziu neighborhoods. Sorin Gog conducted interviews with Roma over 55 years old in informal settlements.

- 2 The survey data were processed by Ionuț Foldeș.
- 3 National Archives of Maramureș (ANMM), Index number 528, Folder 12, Year 1962, pp. 160–174.
- 4 Romanian Statistical Yearbook, 1992, p. 82 and p. 316.
- 5 Romanian Statistical Yearbook, 1984. Except for the university and the high schools still active today, the technical schools gradually closed in the two decades after 1990. In 2003, only one vocational school was still functioning in Baia Mare. Romanian Statistical Yearbook, 2004.
- 6 We know today, in retrospect, that this dispossession mattered greatly, while groups that retained their communitarian solidarities and traditional economic strategies fared much better in postsocialism than those that did not, including in transnational migration (Troc, 2012).
- 7 <https://www.graiul.ro/2016/08/30/combinatul-de-odinioara/>.
- 8 <https://www.graiul.ro/2018/07/02/romplumb-furat-bucata-cu-bucata/>.
- 9 <https://www.graiul.ro/2016/06/12/valorificarea-ramasitelor-industriei-mini-ere-din-mar-amures/>.

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## 8 Migration and street work among marginalized Roma

From livelihood strategies in Romania to political realities in Norway

*Jon Horgen Friberg*

### Introduction

Since Romania and Bulgaria's accession to the EU in 2007, Norway has emerged as a new migration destination for Romanian Roma. Pushed by the devastating effects of socio-economic restructuring on their home communities during the postsocialist era, these migrants have used their new freedom of movement as EU citizens to search for new opportunities in the relatively wealthy and egalitarian Scandinavian countries, including Norway (see Chapter 7, Friberg et al., 2023). In this respect, they resemble the millions of labor migrants from new EU member states across Central and Eastern Europe who have traveled westward searching for jobs and opportunities. However, Roma migration to Scandinavia differs both from many Roma migrants going to work in other European destinations, as well as from many non-Roma migrants from Romania and other new EU member states who travel to work in Norway, in that they almost completely excluded from the formal labor market. Belonging to the most marginalized and discriminated minority in Europe, these migrants have little formal education or relevant language skills, and with Norway's tightly regulated, high-wage, skills-intensive labor market, it is almost impossible for them to access regular employment. Instead, they have found economic opportunities in various forms of informal street work, such as begging, bottle-recycling, selling magazines and flowers, or playing music in the streets. Moving back and forth between Romania and a temporary or semi-permanent residency in Scandinavia, they often live under extremely harsh conditions, with limited access to shelter, sanitation, and basic amenities. As EU citizens with a right to free movement, their presence is not formally challenged, but without regular employment, they lack access to social rights or pathways to permanent residence. With their presence, acute poverty and homelessness have re-emerged as a highly visible phenomenon in Norway.

The arrival of these new migrants was initially followed by extensive media coverage characterized by moral panic and negative stereotypes, as well as heated public debate. However, in the decade and a half that has passed since 2007, migrant Roma street workers have become a largely ignored, if not tolerated, part of everyday life and public discourse in Norway. A simple search in the Norwegian media database (Atekst) can serve as an illustration: in the two-year period of 2012–2013, as the media frenzy was at its peak, a total of 11,854 news articles had



the words “beggar” or “begging” in the title or abstract, while 12,330 articles had a title or abstract which contained the term “Roma people”. In the two-year period of 2021–2022, the same search gave only 234 hits for the term “beggars”/“begging” and only 51 hits for the term “Roma people”.

During the past decade, circular migration for street work has established itself as an economic livelihood strategy and social practice in many Romanian Roma communities and as a social and political reality in Norway. Norway is today one of the top per capita destinations for various categories of migrants, including labor migrants and refugees. However, Roma migration for street work is different from these other forms of migration in terms of its driving forces and social organization, the conditions under which the migrants live, and the political context of their reception. This chapter explores the defining features of these new migration movements in the context of Norway as a destination country.

The analyses are divided into three parts. In the first part, we analyze the social origins of the migrants in terms of their socio-economic background and living conditions in Romania and how their migration to Norway is organized and made possible at the family and community levels. In the second part, we describe the migrants’ lives on the streets of Oslo, their various sources of income, their access to places to sleep, their contact with public authorities, and their exposure to harassment and violence in Norway. In the third part, we focus on Norwegian policy responses to this new migration phenomenon and compare these responses to those of the other Scandinavian countries. We conclude by discussing the key characteristics of these new migratory patterns—from a migration perspective and a policy perspective.

The empirical data for this chapter are drawn from a decade-long research program into this phenomenon conducted at the Fafo Institute for Labor and Social Research. The main data source is a respondent-driven, sampling-based survey conducted among homeless Romanian migrants in Oslo ( $n=438$ ) in 2014. In both the analyses of their social origins and their situation in Norway, we compare Romanian Roma migrants with non-Roma Romanian migrants in a similar situation to explore the particularly vulnerable situation in which this group is placed. However, the chapter also draws on qualitative data consisting of extensive qualitative fieldwork in migrant-sending regions across Romania in 2015 and 2016, qualitative interviews with migrants and NGOs in Scandinavia at several different points in time, and case studies of public agencies in the Norwegian welfare state system and how they have responded to the social needs of migrant street workers conducted in 2022.

### **Understanding Roma migration in Europe**

To explore the defining features of this new migratory phenomenon, we must examine it both in terms of its driving forces and social organization as a livelihood strategy and the institutional context of reception in their destination countries. Before embarking on the empirical analysis, we therefore briefly discuss some key themes from the literature, focusing on migration as a livelihood strategy, the

Europeanization of the “Roma issue”, and securitization and welfare bordering, as well as the particular characteristics of Norway as a destination country—for immigrants in general and intra-EU migration for street work in particular.

There is a growing body of literature that examines how marginalized Eastern European Roma, as EU citizens, have used their newfound freedom of movement, as well as how they respond to and cope with the social stigma and exclusion that they face in their various destinations (Sardelić, 2017; Magazzini and Piemontese, 2019). At the micro level, this literature emphasizes how migration is often part of a “patchwork economy” (see, for example, Ravnbøl, 2019), which involves the amalgamation of disparate and unreliable income sources, both domestically and internationally, to effectively address financial indebtedness and provide support for their familial obligations. Asseó et al. (2017) offer a historical approach to Roma’s particular livelihood strategies by showing how Roma’s integration into the mobile agrarian labor market was made possible by their ability to organize large work brigades around family ties. This strategy also allowed them to maintain their internal community organization and a distinct ethnic identity under communist rule when the Roma were incorporated into the workforce on collective farms and state-owned manufacturing. Following the economic transition of 1993, the same family ties that underpinned the creation of work brigades were activated by the first Roma groups to leave Romania (Asseó et al., 2017). With this backdrop, it is perhaps unsurprising that a social network approach—focusing on how social ties within and across kin groups and communities enable, structure, and maintain migratory movements—has been particularly fruitful in studying Roma migration. For example, Pantea (2013) distinguishes between “migration poor” and “migration rich” Roma communities depending on their ability to draw on social ties to enable migration, while Cingolani (2016) shows how Roma migrants negotiate within, across, and beyond family networks to secure access to housing.

At the macro level, a different strand of literature focuses on how the international mobility of the Roma has contributed to the “securitization” and “Europeanization” of the “Roma issue” (van Baar and Ivasiuc, 2019; Vermeersch, 2012). This has led to both a proliferation of restrictive policies implicitly targeting this population, mainly in the form of administrative regulations (“securitization”) and the development of policies for “Roma integration” alongside the distribution of EU funding for “Roma inclusion” at the EU level. Especially in the aftermath of France and Italy’s policies of collective expulsion of Roma living in “illegal camps” in 2010, there was a growing concern about how anti-Roma racism and discrimination undermine the right to free movement in the European Union (Ciulinaru, 2018). Sardelić (2017) describes the Roma as the European Union’s semi-citizens, and Kóczé (2018) argues that subtle anti-Romani politics in contemporary Europe are legitimized by racialized discourses and neoliberal social and political forces which (re)create Roma as a racialized internal “other” (see also Vincze, 2014; 2015).

The subtle exclusionary processes that face Roma migrants in their Western European destinations have been described with the term “welfare bordering” (sometimes called “everyday bordering”), which underscores how bordering is a

process that happens not only at the exterior boundaries of a territory but also within state borders. With an open border between East and West in Europe, it is argued that efforts to deter the arrival of unwanted migrants such as the Roma have been relegated to various gatekeepers in the state apparatus (Guentner et al., 2016; Misje, 2020). Tervonen and Enache (2017, p. 14) describe this as “the mobilizing of local executive authorities as gatekeepers, on areas such as evictions of campsites, restricting access to emergency accommodation and the use of child protection as a tool for restricting immigration”.

From a Scandinavian perspective, Borevi (2023) argues that marginalized intra-EU migrants can be characterized as having a double *insider/outsider* legal status: they are *insiders*, because they have the right to free movement within the European Union and the European Economic Area (EEA), and their presence is not formally challenged, but they are *outsiders* because they have limited access to social rights and lose their right to stay if they become a social burden to the state (Borevi, 2023). Policy options based on either border control or regular welfare services have thus, in practice, been off the table. Instead, policy responses have focused on efforts to exclude migrants by criminalizing activities such as begging and rough sleeping in public and to alleviate acute suffering by allocating public funds to basic emergency services provided by NGOs. These policy responses have been linked with two competing understandings—or *policy frames*—informal street work and, particularly, begging as a “social problem”. On the one hand, there is a *criminal frame* that sees begging and street work as a form of criminal activity, often stereotypically attributed to Roma ethnics, with policy solutions that revolve around criminalization and punishment. On the other, there is a *social frame* that sees begging as a symptom of social inequality and marginalization, with policy solutions in the realm of social and health policies.

Being one of the top destinations, per capita, for intra-EU labor migrants as well as a major destination for refugees and asylum seekers—immigrants and their children now make up 20% of the Norwegian population. As immigration and the integration of immigrants have moved to the center of social policy discussions in Norway, there is a broad consensus among policymakers that not just stringent labor immigration and asylum policies, but also policies regulating wages, working conditions for labor migrants, and large scale social investments in the integration of refugees, is necessary to maintain the sustainability of the current welfare system (Brochmann, 2022). In this perspective, migrant street workers present a very different political challenge. Unlike labor migrants, they do not engender low-wage competition in the labor market, and the discourse of “welfare tourism” that was prevalent following the previous eastward expansion of the EU—as well as the discussions of “welfare state sustainability” regarding refugees—is in practice irrelevant in the context of migrant street workers, as they have no access to regular social rights. Nevertheless, the conspicuous presence of acute poverty in public spaces ignited fervent media coverage and emotionally charged public debates when the phenomenon first appeared in the years after 2007. In policy terms, one may argue that the novelty of this new migration phenomenon was that it is *not* to be dealt with using any of the policy tools usually employed to tackle issues of

immigration and immigrant integration, leaving the societal response to the emergence of mobile poverty up to NGOs, members of the public, and the occasional discretionary judgments of various front-line workers of the public welfare system.

### **Data and methods**

This chapter is based on research from 2014 to 2023 and draws on several different data sources. In 2014, Fafo surveyed 438 Romanian migrants in Oslo without regular housing or employment using Respondent Driven Sampling (RDS) (similar surveys were conducted in Stockholm and Copenhagen; see Djuve et al., 2015, Friberg et al., 2023). RDS was originally developed within public health and HIV research to study hard-to-reach populations (injection drug users, men who have sex with men, etc.) using network sampling (Heckathorn, 1997). However, in recent years, the RDS methodology has become increasingly popular in migration studies, where it has been successfully applied to capture migrant populations that are difficult to sample using traditional techniques (Tyldum and Johnston, 2014; Tyldum 2020). RDS allows respondents to remain anonymous and receive financial incentives to participate in the survey and recruit new respondents. The core idea of RDS is to use snowball sampling in combination with methodological and statistical elements in data collection and analysis that enable a better assessment of bias and variance (Heckathorn and Cameron 2017). To participate in the survey respondents had to be from Romania and not have a regular job or place to live in Norway. The survey was conducted in a church to create a safe and trusting environment for the respondents, and all interviews were conducted by Romanian or Romani-speaking interviewers. While most of the respondents in the survey identified as Roma ( $n=307$ ), there was a substantial minority that did not ( $n=131$ ). Although all respondents in the survey lacked regular employment or housing in Norway (as inclusion criteria) and thus were in a marginalized situation, there were considerable differences between the two groups in terms of social backgrounds, migration practices, and living conditions in Romania as well as in Norway. Because we are interested in the particularly vulnerable situation of Romanian Roma, we will in the first part of the analyses (which focuses on the migrants' backgrounds and the social organization of migration) as well as in the second part (which focuses on the migrants' life on the streets in Norway), systematically compare the situation of Roma migrants to that of their non-Roma counterparts.

In addition, the quantitative survey data is supplemented with data from qualitative fieldwork conducted in Romania and qualitative interviews in Oslo. In Romania, fieldwork was conducted in three regions (two areas surrounding Targu Jiu, one visit to Bacau, and one to Buzau) in 2014, 2015, and 2016. In Oslo, we conducted in-depth interviews with approximately 20 migrants and local NGO representatives working with migrant street workers.

The third part of the analysis (which focuses on Norwegian policy responses to migration for street work) is based on a combination of policy documents and case studies of how different public agencies in the Norwegian welfare state system respond to the social needs of migrant street workers. The case studies

were conducted in 2021 and 2022 based on 22 in-depth interviews with front-line bureaucrats in Norwegian health care services, municipal outreach services, social and employment services, and NGOs.

### **The social organization of migration from Romania to Scandinavia**

To understand how and why migration for street work in Scandinavia has emerged as a livelihood strategy among some Romanian Roma, it is important to consider two key factors. First, one must take account of how severe economic marginalization has left many Roma communities in postsocialist Romania with few other economic opportunities. Second, one must consider how kinship and community-based networks have been mobilized as a form of “migration capital”, allowing people to engage in extensive circular migration despite having few formal resources.

Since 2007, millions of Romanians have migrated to Western Europe for employment. For example, the registered population of Romanian immigrants in Norway has increased tenfold, from 1,628 in 2006 to 16,664 in 2023, and most of them have found employment in sectors such as construction, agriculture, and services. However, those who engage in circular migration for street work are not found in any registers. Our survey was designed to target migrants outside formal employment who did not have a regular place to live. The survey was intended to represent Romanian migrants outside the formal labor and housing market. Whereas 70% of this group identify as Roma, there was also a substantial minority who did not.

One difference between the two groups was their regions of origin. The majority—64%—of the Roma came from rural communities in one of three Romanian counties: Gorj, Bacau, or Buzau. A defining feature of these communities has become increasingly marginalized over the last decades. In our fieldwork in these three regions, older people would tell similar stories about how the postsocialist era—with its restructuring of the economy and strengthening of ethnic boundaries—had been marked by dwindling economic opportunities and an increasing sense of ethnic discrimination. From the closing of state mines after the 1989 revolution to land reforms and increasing mechanization of agricultural production, social changes in the postsocialist era reduced labor demand and increased marginalization (Friberg, 2020). Except for those old enough to have been employed under socialist rule, few of the Roma migrants had any formal work experience. Many had experience from informal agricultural work, but demand for this type of labor had been decimated over the last decades. Many migrants had previous migration experience—mostly from Italy or Spain, where they worked as seasonal agriculture laborers. But there too, opportunities were largely gone due to economic crisis and competition from undocumented immigrants, mostly from Africa. Many non-Roma migrants also come from the same regions, but the non-Roma migrant population had a more varied background, both in terms of where they came from and their social background.

The survey data showed that among the Roma in particular, living conditions in Romania were characterized by precarious sources of household income and deprived housing conditions. Migrant Roma in Oslo, on average, reported to have

5.2 years of schooling, and only 44% reported that they could read and write in Romanian, while 22% reported that they could speak English well enough to have a conversation with someone in Scandinavia (where most people speak English). In comparison, their non-Roma counterparts living on the streets in Oslo had over ten years of schooling; 85% reported reading and writing in Romanian, and 59% could speak English. Only 24% of the Roma had ever had formal employment, compared to 57% of the non-Roma, but almost 70% had previous migration experience.

The precarious situation of the Roma can be illustrated by their housing conditions, which were marked by overcrowding and a severe lack of public utilities, as well as their main sources of household income. Only 24% of Roma migrants in Oslo (compared to 70% among the non-Roma) reported having piped water inside their houses in Romania, and only 10% (compared to 43% among the non-Roma) reported having heating by gas or electricity. On average the Roma migrants reported to live in a household with 3.3 persons per room in the house, compared to 1.8 among the non-Roma. Remittances from abroad, child benefits, and social assistance were the most important sources of household income, sometimes in combination with some income from casual labor in the Romanian informal sector.

All in all, the continuing marginalization over the last decades meant that when Romania joined the European Union in 2007, people in these communities were in desperate need of additional sources of income, and when migration to Scandinavia emerged as a new and potentially lucrative opportunity, many were eager to try.

Economic marginalization and poverty may explain peoples' motives for migration, but they cannot explain peoples' ability to engage in migration since this usually involves considerable risk and takes significant investment and resources (Czaika and de Haas, 2012). Migrants going to Scandinavia for street work have very little savings and limited access to formal credit, and they do not have much education, formal skills, or access to networks that could link them to the formal economy. Instead, their migration practices are embedded in family ties and community-based support networks that can be mobilized as a form of "migration capital". This capital has enabled the emergence of stable and relatively large migration flows despite a lack of formal and economic resources. The mobilization of these networks has resulted in a pattern of highly clustered migration connecting local communities in the Romanian countryside with towns and cities in Scandinavia (Tyldum and Friberg, 2023).

This networked and clustered migration structure is a key difference from migration patterns among non-Roma from the same areas, which tend to be more individualized or based on weaker social ties. Both survey data and qualitative interviews showed that migration for street work among Roma is normally part of more complex livelihood strategies within extended family households. Many traveled as husbands and wives or with brothers, cousins, fathers, or mothers. This was a major difference between the Roma and the non-Roma respondents in the survey data. Whereas two-thirds of Roma respondents reported traveling with close family members, this was the case for only 18% of their non-Roma counterparts. The collective and family based nature of migration among Roma migrants was also reflected in the general gender composition of the migrant population.

*Table 8.1* Key indicators on socio-economic background, housing conditions, and social organization of migration among homeless Romanians in Oslo. Weighted RDS estimates. N=438

<i>Ethnic self-identity</i>		<i>Roma</i> ( <i>n</i> = 307)	<i>Non-Roma</i> ( <i>n</i> = 131)
Share who come from Gorj, Buzau, or Bacau		64%	34%
Education, literacy, and employment and migration history	Average years of schooling	5.2	10.1
	Can read/write in Romanian	44%	85%
	Can speak (some) English	22%	59%
	Ever had formal employment in Romania	24%	57%
	Previous migration experience	69%	58%
Housing standards in Romania	Piped water in homes	24%	70%
	Heating with gas or electricity	10%	43%
	Mean number of persons per room	3.3	1.8
Sources of household income in Romania before migration	Remittances from abroad	83%	41%
	Formal work	4%	32%
	Casual work	36%	21%
	Child benefits	67%	32%
	Social assistance	44%	23%
Social organization of migration	Gender composition: share who are women	42%	8%
	Share who travels with close family members	66%	18%
	Have sent money to family in Romania	86%	55%
	Traveled by private car or minibus	72%	25%
	Borrowed money to pay for travel	79%	42%

Whereas the gender composition among the Roma was relatively even—with 58% men and 42% women—the population of homeless non-Roma was 92% men and only 8% women. Traveling with close family members not only provides practical and emotional support but also allows members of extended family households to take turns staying home taking care of children and using the same places for begging or sleeping while in Scandinavia (see also Friberg 2020; Tyldum and Friberg, 2023).

Beyond the household, their migration practices are often embedded in dense community networks through which they can access various resources, including information, credit, low-cost transportation, places to beg, and places to sleep, as well as physical protection and emotional support abroad. In many migrant-sending regions, informal shuttlebuses would go back and forth to particular locations in Scandinavia. This, too, was reflected in the survey data, where 72% of the Roma reported that they had traveled to Norway using informal transport routes, either private cars or informal minibus shuttles. Among



non-Roma, it was much more common to use regular buses or plane travel. In villages with informal shuttles going to Oslo, people could borrow money from drivers and pay upon their return, and Roma migrants thus more often traveled on credit (79%) compared to non-Roma (42%). Once in Scandinavia, people from the same villages or areas would typically stay in the same areas. At the time of our survey, people from the three main sending regions of Gorj, Bacau, and Buzau would occupy three different areas of Oslo. In case of conflicts over begging spots or places to sleep, these networks could be mobilized for protection. They were also important for finding safe places to sleep, usually in small groups camped in the forest outside the city.

Policymakers in Norway have been concerned that Roma beggars may be victims of human trafficking and are being forced to beg. However, qualitative interviews indicate that most migrants are well-informed and able to engage in migration for street work largely without becoming too dependent on middlemen. In some sense, non-Roma migrants, who were more dependent on accessing (informal) work and housing, were more at risk of being exploited by employers or housing agents. Roma migrants who make a living through street work and can find safe places to sleep outside are thus less vulnerable to some extent than other economic migrants. However, their strong dependence on informal kinship- and community-based networks was, in some sense, a double-edged sword. On the one hand, these networks offer protection and resources, allowing people to travel and generate income without being dependent on employers and middlemen. On the other hand, informal debts to people within the community could put people in a vulnerable position—especially if their income-earning activities in Norway failed—and the strong dependence on patriarchal family networks could make young women, in particular, vulnerable to exploitative relationships within families (see Tyldum and Friberg, 2023).

### **Life on the streets of Norway**

For people with little formal schooling or relevant language skills—which was the case for most of the Roma migrants in particular—it is extremely difficult to access regular employment in Scandinavia since Scandinavian labor markets tend to be highly regulated and have high thresholds for employment. Many, therefore, pursue an income through various kinds of informal street work. All the respondents in our survey were outside formal employment, but there was nevertheless a distinct difference between the Roma and non-Roma migrants in terms of how they managed to find an income in Norway. Among Roma migrants, the most common sources were collecting bottles for recycling, begging, and selling magazines, while some also played music in the streets or did various kinds of informal work. Non-Roma migrants also collected bottles but would less often beg or sell magazines or play music and more often do casual work. These differences in income-seeking strategies are related to different levels of formal education and work experience, ethnic discrimination, differences in terms of access to relevant networks, and strict social and ethnic boundaries (Friberg, 2020).

Table 8.2 Key indicators on living conditions in Scandinavia among homeless Romanians in Oslo. Weighted RDS estimates. N=438

<i>Ethnic self-identity</i>		<i>Roma</i> ( <i>n</i> = 307)	<i>Non-Roma</i> ( <i>n</i> = 131)
Income last week from	Begging	77%	15
	Collecting bottles	79%	61
	Selling magazines	39%	5
	Casual work	9%	49
	Playing music	10%	2
Sleeping arrangements	Where did you sleep last night?	8%	15%
	Apartment/house/	15%	15%
	NGO shelter/	8%	6%
	Car, trailer, etc./	34%	28%
	Outdoors in the city/	35%	34%
	Outdoors in the forest		
	Feels unsafe while sleeping in Oslo	51%	34%
Contact with Norwegian authorities and NGOs	Been woken/chased while sleeping during last week	44%	25%
	Been stopped/searched/asked for ID by police	79%	59%
	Have applied for social benefits in Norway	2%	3%
	Have used health services in Norway	32%	21%
	Used showers or received food from NGO last week	42%	30%
Experiences of harassment in Norway	Refused access to shop groceries	27%	7%
	People spitting at them in public	22%	3%
	People shouting at them in public	38%	15%
	Had belongings stolen or confiscated in Norway	61%	49%
	Afraid of being subject to violence in Norway	81%	51%

Finding safe places to sleep is a major concern among migrants going to Scandinavia who cannot access regular employment and thus cannot afford regular housing. Norway's NGOs receive public and private funding for emergency shelters and basic sanitation for homeless migrants, but capacity is far below demand. Therefore, most migrant street workers sleep outdoors—in tents, under tarps, under bridges, or in the open sky—and many hide in forests outside the city or sleep in abandoned buildings or cars brought from Romania. This was the case for both Roma and non-Roma migrants. Unsurprisingly, many migrants reported that they felt unsafe while sleeping in Norway, and the Roma felt more unsafe (51%) than the non-Roma (34%). In 2013, the municipality of Oslo introduced a ban on outdoor sleeping, which explicitly targeted foreign beggars, and many migrants sleeping outdoors reported that they had been woken up and chased, either by the police,

security guards, or others. And once again, the Roma were more exposed (44%) than the non-Roma (25%).

The police appear to be the state institution that has the most contact with migrant street workers, and Roma migrants seem to be somewhat more often subject to such stops compared to non-Roma migrants, as 79% of the Roma and only 59% of the non-Roma reported that they had been stopped and searched or asked for ID by Norwegian police. Regarding social assistance, EU citizens have extremely limited rights in Norway if they are not formally employed but may nevertheless be eligible to apply for emergency social assistance in some cases. We asked our respondents if they had ever applied for any social assistance in Norway, but very few (2% of the Roma and 3% of the non-Roma) had even tried to apply for this, and only one person in our sample had ever received any help from the public welfare office. Sleeping outdoors in all kinds of weather and doing various types of street work involved considerable risk to people's health, and about one-third of the Roma and one-fifth of the non-Roma migrants report to have used health care services in Norway—usually in the form of emergency room services. Many also access different types of basic services from various NGOs. In addition to those sleeping at NGO-run emergency shelters, 42% of the Roma and 30% of the non-Roma reported receiving food or using sanitation facilities (showers, washing clothes) at local NGOs last week.

Finally, migrant street workers are severely exposed to harassment and abuse, fueled by widespread anti-Roma sentiments. Experiences of harassment were reported by a substantial share of both Roma and non-Roma respondents, but the Roma are far more at risk. For example, 27% of the Roma had been refused access to shop groceries during the last week—compared to 7% of the non-Roma. 22% of the Roma reported that they had experienced people spitting at them, and 38% reported that people had shouted at them in public—compared to 3% and 15% among the non-Roma. As much as 61% of the Roma reported that they had belongings stolen or confiscated in Norway—often by security guards or renovation workers—compared to 49% of the non-Roma. 81% of the Roma and 51% of the non-Roma reported that they were afraid of being subject to violence in Norway.

### **Norwegian policy responses to migration for street work**

Norwegian policy responses to intra-EU migration for street work can perhaps best be understood by comparing them with those of Scandinavian neighbors. As elsewhere in Europe, policy discussions in Scandinavia over how best to respond are polarized between calls for security and control on the one hand and appeals to fight discrimination and promote social inclusion on the other. However, the three welfare states of Norway, Sweden, and Denmark vary considerably in their hostility or openness toward these new migrants. In Denmark, a criminal frame for understanding street work has been dominant, with punitive measures directed at foreign beggars and rough sleepers as the main response, combined with strict limitations on NGOs' abilities to provide basic services to migrants. In Sweden, although a criminal frame has become more prominent here as well, the social

frame has dominated, with a strong focus on tackling poverty at its roots by focusing on the provision of basic services to migrants and efforts to improve living conditions in Romania through aid (see Borevi, 2023; Friberg et al., 2023). Norway has been described as representing a middle ground between its two Scandinavian neighbors. Here, the social frame has been combined with a particular variant of the criminal frame focused on punishing exploiters of beggars. While some punitive measures have been introduced over time, they have been combined with allocating public funding toward NGOs for essential services.

When the question of begging was first put on the political agenda after Romania joined the EU in 2007 and the first Romanian migrant street workers appeared, Norway had just recently abolished its existing ban on begging two years earlier (Borevi, 2023). At that time, criminal policy tools targeted at beggars were at first taboo in Norwegian political discourse. Instead, foreign beggars were perceived as victims of exploitation and trafficking, and legislative amendments were introduced to make efforts to track down and punish the exploiters of beggars more effectively. After 2012, however, several political parties started campaigning for punitive efforts targeted directly at beggars. In 2013, the Norwegian parliament agreed to allow municipalities to introduce local bans on begging, but few municipalities chose to introduce them. The conservative minority government also tried but failed to gain enough parliamentary support to introduce a national ban on begging—which was voted down in 2015. In the capital city of Oslo, a ban on sleeping outdoors was put in place in 2014, explicitly targeting foreign beggars. Although still in place, this ban has been less strictly enforced, however, after the shift from a conservative to a social democratic city council in 2016. Police regulations have also been adapted to make it easier to expel foreign citizens apprehended for minor offenses, with the explicit purpose of targeting “criminal beggars” (Tyldum and Friberg, 2023). At the same time, substantial state funding has been directed toward NGOs to provide basic services to foreign street workers, including food, shelter, sanitation, and health care (Tyldum and Friberg, 2023), and municipality governments in major cities are actively engaged in cooperation with local NGOs to coordinate their efforts toward this group. For example, the city council in Oslo uses NGOs to distribute key cards to migrant street workers that allow free access to the city’s public bathrooms. A “shelter guarantee” was also introduced, meaning that the city would ensure all homeless people had access to shelter when winter temperatures dropped below  $-15$  degrees Celsius.

In social policy, several new government regulations have also been introduced, explicitly designed to restrict access to social assistance and social services for unemployed EU citizens—thus removing any ambiguity regarding whether EU citizens outside formal employment should be entitled to regular welfare benefits or services. However, migrant street workers may nevertheless, in some cases, be entitled to various kinds of “acute” emergency assistance, and front-line workers in the Scandinavian welfare bureaucracies are routinely confronted with their social needs, for example, when they become sick or injured, give birth, or find themselves without shelter in the cold. These bureaucrats have increasingly limited space to maneuver as government regulations on access to social services

have incrementally been tightened, but many nevertheless bend the rules to provide help. For example, healthcare professionals routinely stretch the definition of what is considered “acute” medical needs to provide care to migrant street workers. Social outreach workers actively look for loopholes, allowing them to give some minimum assistance to migrant street workers in a particularly vulnerable situation. In some places, welfare office case workers provide emergency financial help, such as buying plane tickets for migrants who cannot get home. However, the extent to which front-line welfare providers can provide even minimum services to this group depends on their discretionary judgments based on personal moral considerations, professional ethics, organizational structures, and institutional culture (see Andresen and Friberg, forthcoming).

## **Conclusion**

Over the past 15 years, Norway has emerged as a new destination for Roma migrants who make a living through street work. This chapter has explored this phenomenon both as a livelihood strategy among Romanian Roma and as a political reality in Norway, using analyses of survey data, qualitative interviews, and case studies.

The first part of the analysis showed that many of these migrants come from marginalized rural communities in Romania, with a severe lack of access to basic education, deprived housing conditions, precarious financial situation, and lack of available income sources. Although many non-Roma migrants also come from impoverished backgrounds, the Roma are in a far more disadvantaged position. Without access to basic resources that are usually necessary for embarking on international migration, the migration practices of many Roma migrants are embedded in family ties and community-based support networks that could be mobilized as a form of “migration capital”, enabling the emergence of stable and relatively large flows of migration, connecting local communities in the Romanian countryside with towns and cities in Norway. This highly clustered and networked migration structure allows people to engage in migration despite lacking formal and economic resources. It may also protect against dependency on external middlemen but simultaneously make people vulnerable to exploitation within families and kin networks. In the second part, we described life on the streets of Norway focusing on their various sources of income, their access to places to sleep, their contact with public authorities, and their experiences with harassment and violence. Most migrants make a living on the streets of Oslo through various kinds of street work, such as collecting bottles, begging, selling magazines, playing music, or doing casual labor. With a limited supply of emergency shelters, most migrant street workers in Norway sleep outdoors—in tents, under tarps, under bridges, or the open sky—hiding in the forest in abandoned buildings or cars brought from Romania—where they are vulnerable to harassment from law enforcement as well as to theft and violence from others. Migrant street workers receive no regular social assistance, but they receive some help from NGOs as well as some health care services. Although they are routinely stopped and checked for ID by police, they receive little protection from the law. Roma migrants, much more

than their non-Roma counterparts, are severely exposed to harassment and abuse, as well as to discrimination when trying to access services like grocery stores, recycling machines, etc., and many report that they are afraid of being subject to violence in Norway. Regarding policy responses, Norway represents a middle ground between its Scandinavian neighbors. In political discourse, a social frame for understanding begging and street work focusing on poverty and marginalization has competed with a criminal frame, which focuses on beggars as either perpetrators of crime or victims of exploitation. Over time, several punitive measures directed at people who beg or sleep outdoors have been introduced, but a general ban on begging has failed to gain support, and considerable public funding has been allocated to NGOs to provide basic social services to this group. Migrant street workers receive very limited help from the public welfare apparatus, and their access to health care and other emergency assistance is largely dependent upon the discretionary judgments of front-line bureaucrats. A series of regulatory changes indicate that the gradual political realization that Roma migrant street workers are a permanent feature of Norwegian public life that, to some extent, must be accommodated, has been followed by a strong commitment to make sure that they do not get access to any forms of regular social rights and services in the Norwegian welfare state apparatus.

We started by asking what the defining features of this new migration phenomenon are in the context of Norway as a modern migration destination. Based on the empirical analyses presented above, we argue that intra-EU circular migration for street work is distinct from other contemporary migration flows on two different levels. First, they differ from other migration streams in terms of these migrants' ability to mobilize resources, tolerate hardship, and navigate a hostile social environment, thus facilitating mobility among people who otherwise would not be able to engage in economic migration and maintain a semi-permanent presence in Norway despite lack of access to employment, housing, or social support. This makes this type of migration extremely difficult to regulate for policymakers and suggests that marginalized Roma migrants who make a living through street work will continue to be a permanent feature in Norwegian public life despite a broad political consensus that they are unwanted. Second, these new migratory movements differ from other migration streams by the Norwegian political systems' almost complete inability and unwillingness to respond or engage forcefully, despite representing the most acute form of poverty and social deprivation in an otherwise wealthy and egalitarian welfare state. This is in stark contrast with how social problems are usually dealt with in Norway. This unwillingness cuts across the political spectrum and is unlikely to change in the foreseeable future.

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# 9 Poverty and the Roma as a lasting entanglement in Central and Eastern Europe

*Angéla Kóczé*

## Introduction

This chapter critically examines the conceptualizations of Roma-related poverty research, their accompanying methodological parameters, and the empirical findings obtained in Central and Eastern Europe in academia or civil society. Parallel to these scientific inquiries, Roma poverty has been conceptualized, diagnosed, and measured by several international organizations (IOs), including the World Bank (WB), the United Nations Developmental Programme (UNDP), the European Commission, the Council of Europe (CoE), the Organization for Security and Cooperation in Europe (OSCE), and the Open Society Institutions (OSI, which later became Open Society Foundations, OSF). My paper aims to cross-read and re-examine these studies through their epistemological and methodological threads, which have suggested policy interventions informed by particular understandings of the causes of poverty among the Roma across Central and Eastern European countries. This chapter demonstrates that the issue of poverty in Romania needs to be linked with the wider political economies of Roma in Central and Eastern Europe.

I argue that scholars such as Nancy Fraser have advanced our understanding of the ways in which neoliberal racial capitalism generates and reproduces inequalities, marginalization, and exclusion, thereby perpetually fostering and consolidating racialization (Fraser, 2016). She proposes an understanding that differs from the exploitation-centered conceptions of capitalism, which, according to her, cannot explain its persistent entanglement with racial oppression. This nuanced approach helps us decipher the reproduction of extreme poverty in the era of neoliberal capitalism when “Roma inclusion” was high on the developmental agenda. In addition, this approach enables us to reveal that the dominant explanations for why most Roma people are poor and have been trapped in poverty for many generations reflect the broader political-economic dynamics, relations, and ideologies that prevail at a particular historical juncture.

For more than three decades in Central and Eastern Europe, various research tracks have problematized and framed Roma poverty through the lens of culturalist, functionalist, and structuralist theories. This chapter reviews the most significant studies and approaches that have been developed regarding the poverty of the Roma in the region. At the same time, after 1989, in Central and Eastern European countries, alleviating poverty was placed on the national and transnational political

agenda as a developmental issue. This was manifested in the launching of the Decade of Roma Inclusion (2005–2015) by the World Bank and Open Society Institute, which explicitly aimed to reduce the socio-economic gap between the Roma and non-Roma. Later, this effort was reinforced by the growing political concerns of the European Commission and, in 2011, resulted in the adoption of several documents, including the EU Framework for National Roma Integration Strategies up to 2020, followed by the new Strategic Framework for Roma Equality, Inclusion and Participation for 2020–2030. I review studies and documents on Roma poverty while cross-examining them with the broader political economy and its policy implications.

My argument is built upon critical scholarships that explain why the racialized structural poverty of the Roma that accumulated over several decades has hardly ever been mitigated by any developmental initiatives. The major developmental research and policy approaches in the region have centered on economic growth as the primary tool for improving progress and simultaneously reducing poverty. However, three decades of research and policy implementation have shown that although economic growth has been achieved at the national and regional levels, it has not had a sizeable impact on reducing the percentage of people living in entrenched, extreme poverty.

This paper is divided into three interrelated parts. The first section provides an overview of the theoretical conceptualizations of poverty and their impact on Roma-related research in Central and Eastern Europe. The second part reveals the interrelation between poverty studies and the anti-poverty policies suggested by international organizations in the context of neoliberal capitalism. The third section elucidates how one may understand the reproduction and entrenchment of Roma poverty through the lens of racial capitalism.

### **Theoretical conceptualization of poverty in Central and Eastern Europe**

The first part of my chapter provides an overview of theoretical conceptualizations of poverty and the ways in which they connect to understanding “Roma poverty”. Categorizing the dominant approaches and their intersectional dynamics, such as *culturalist*, *functionalist*, and *structuralist*, I relate them to sociological and anthropological schools focusing on ideas, patterns, and explanatory frameworks that have explained the perennial and entrenched poverty of the Roma in Central and Eastern Europe. General poverty research differentiates between subjective and objective poverty based on the definition of poverty thresholds. It distinguishes among relative, absolute, and ultra-poverty and reveals the difference between unidimensional and multidimensional poverty. Such scholarly approaches explain the cause of this phenomenon in various ways and consequently influence the perceptions of the experts who design various anti-poverty policies. Matache and Barbu (2021) provide the most extensive discussion on the theorization of Roma poverty through the lens of human rights, structural injustice and racism, the wealth gap, and poor neighborhoods, which constitute racialized poverty.

I attempt to combine the various categorizations of poverty theories that impact “Roma poverty” studies. These can be categorized into three prominent theoretical families: 1) cultural-behavioral, 2) functionalist, and 3) structural. According to David Brady, theory as a conceptual framework should provide some guiding principles that (a) “enable predictions and specific testable implications across a range of settings and/or (b) explanation of specific cases” (Brady, 2019, p. 157). In most cases, social scientists start by identifying a social problem, such as poverty, and then conduct research to measure and explain it accordingly. However, the operation of value assumptions is still overlooked and unproblematized (Townsend, 1979). Townsend indicates that policy prescriptions are imbued with theoretical conceptualization, and specific measurements imply a theory (explanatory frame) based on values. Consequently, no value-free anti-poverty policy exists since theory is embedded in the conceptualization, measurement, and formulation/implementation of policy. Advancing David Brady’s (2019) classification of theories of poverty, I added two crucial categories, cultural and functional, which intersect with his categories of behavioral and political. Given the overlapping spectra of these categories, I merged them accordingly as *Cultural-Behavioral* and *Functionalist*. The third category, *Structural*, remained a common type. Most of the poverty research agenda has centered around these categories, which have also resonated with poverty-centered Roma-related studies.

### ***Cultural-behavioral theories***

Cultural-behavioral theories explain the cause of poverty as cultural and behavioral, the latter of which is more scientifically acceptable (for instance AEI-Brookings, 2015; Sawhill, 2003 cited in Brady, 2019, p. 158; Lewis, 1959; 1966; 1968). According to behavioral theories, poor people are trapped in poverty because they engage in counterproductive behavior or risk, such as single motherhood, unemployment, or any other “social deviancy”, which significantly increases the likelihood of poverty (Bertrand et al., 2004; Durlauf, 2011 cited in Brady, 2019, p. 158). According to this literature trope, poverty is high and dense in a context where people are engaged in problematic behavior. Furthermore, this approach implies that poverty is reproduced by the mechanism of risky and deviant behaviors that are disproportionally prevalent among racialized minorities. In addition, this type of study suggests that we need to change these people, reducing their risky and deviant behaviors and activities to reduce poverty (for example, AEI-Brookings, 2015; McLanahan, 2009). As McLanahan (2009) argues,

“to break the intergenerational cycle of poverty, we will need to find a way to persuade young women from disadvantaged backgrounds that delaying fertility while they search for a suitable partner will have a payoff that is large enough to offset the loss of time spent as a mother or the possibility of forgoing motherhood entirely”.

( McLanahan, 2009, p. 128)

This implies that changing young, disadvantaged women's behavior and cultural values will improve their social and economic status.

The cultural-behavioral approach also focuses on the "incentive" that influences poor people's behavior. Typically, this incentive could be a generous social benefit, particularly with the presumption that it might encourage "moral hazards and welfare dependency and disincentivize against poverty-reduction behaviors like work and marriage" (Brady, 2019, p. 158). Banerjee and Duflo changed this perspective and argued that a dysfunctional market and problematic policies discourage poor people from investing in productive activities that would give them a better economic perspective (Banerjee and Duflo, 2011).

While a range of new literature on the culture of poverty (Lamont and Small, 2008; Harding, 2010; Small, Harding and Lamont, 2010) offers more sophisticated knowledge, Roma-related poverty studies are more entrenched in the outdated model of "culture of poverty" coined by Oscar Lewis (1959, 1966, 1968). Essentially, Lewis argues that people who have been poor for generations constitute a separate culture that perpetuates itself over time despite structural changes. Although several scholars, including Valentine (1968) and Gans (1995), have critiqued "the culture of poverty" for "blaming the victims", this knowledge is widespread. It has also influenced contemporary neoliberal discourse, reinforcing the practice of "blaming the victim" against people in poverty. Contrary to the "culture of poverty", which emphasizes the essentialized cultural values of poor people, there is an essential development among behavioral scholars exploring how poverty shapes behavior to reproduce intra- and intergenerational poverty. According to this emerging scholarship, poverty imposes enormous cognitive and emotional burdens, stress, and trauma, which contribute to behaviors that reinforce poverty (for example, McEwen and McEwen, 2017; McLoyd et al., 2016). Consequently, the pervasive structure of poverty damages children's cognitive development and learning skills, which leads to low educational attainment (Guo and Harris, 2000; Sharkey, 2013).

The concept of a "culture of poverty" was also solidified in Central and Eastern European social science research practice. In Romania after 1989, similar to the Hungarian social science research trajectory (Ladányi and Szelényi, 2001b), scholars have argued (Péter, 2003; Pásztor, 2003; Stănculescu, 2004 cited in Horváth, 2013) that the political transition from state socialism to liberal democracy led to a new type of poverty in which ethnicity and gender play a more restructuring role than they did during communism (Horváth, 2013, p. 20). As noted by Anikó Horváth (2013, p.21), "Stănculescu identifies four types of poverty in Romania and states that cultural characteristics of those living in extreme poverty hinder families from improving their social status" (Stănculescu, 2004, p. 43 cited in Horváth, 2013, p.21). Horváth provides another example to explicate the culturalist approach in Romania in the research of László Péter (2003), in which he discusses the survival strategies of the "new poor". He distinguishes between "passive" and "active" coping strategies and deploys them in the following way: Those opting for "passive" strategies try to reduce their consumption, while those employing "active" coping try to increase their income (2003, p. 26). He concludes that the

Roma still used their mental scheme that was developed in the former regime and were inclined to opt for “passive” strategies based on the degree of their poverty. Those who are deeply entrenched in poverty are more likely to stay “passive” than those who are less trapped in poverty (Péter, 2003, p. 31). Horváth notes that both Stănculescu and Péter base their arguments on detailed quantitative and qualitative methods without understanding the complexities of the situation or the historical and longitudinal aspects of poverty (Horváth, 2013, p. 21). Furthermore, “Stănculescu’s and Péter’s analysis produces shortcomings that are similar to those found in Oscar Lewis’ ‘culture of poverty’ theory” (Horváth, 2013, p. 22).

### *Functionalist theories*

Several studies that focus on Roma poverty echo some functionalist assumptions that society’s structures and processes exist because they serve important functions for society’s stability and continuity. In line with this view, functionalism assumes that social stratification exists because it plays essential roles in the system. This early explanation was developed by Kingsley Davis and Wilbert Moore (Davis and Moore, 1945) and later by other sociologists in the form of logical assumptions implying that stratification is both necessary and inevitable. A strong internalized assumption regarding inequality is deeply attributed to individual ability. The functionalist approach assumes that people move up the economic ladder and are highly paid based on their abilities, skills, knowledge, and, more generally, their merit. This implies that if people do not move up the ladder, they lack the necessary merit, but this lacks any consideration of the multidimensional approach to stratification and other structural obstacles that inhibit social mobility.

Peter Townsend (1979) notes that in all societies, different social positions with various pleasantness and difficulties exist. To ensure that all the positions are filled, certain rewards must be associated with them in which motivation has an important role. However, as Wesolowski (1962) and others have explained, the centrality of motivation depends on other contextual issues, which makes it difficult to test functional theory. The functionalist approach, which has dominated the sociological imagination and played an important role in establishing social stratification based on inequalities of status, as Townsend (1979) articulated, has partly provided a sociological and political convenience that has been closely paired with the ideology of “meritocratic equality of opportunity” (Townsend, 1979, p. 84). As he further explains, “sociological studies tend to be preoccupied with occupational ranking and movement between ranks instead of the actual distribution and accumulation of resources and, indeed, the connections between the two” (Townsend, 1979, p. 85). Mark Abrahamson harshly criticized the functionalist approaches for “an undue predisposition to assume consensus” and “an implicit ideological conservatism which supports the status quo” and identified this approach as linked to “establishment sociology” (Abrahamson, 1973, p. 1236).

Another line of functionalist thinking focuses more directly on poverty than generally on social stratification. According to this view, poverty exists because it serves certain positive functions for our society. Herbert Gans (1972) described fifteen

sets of functions, including the following: (1) poor people do the dirty, dangerous, menial, and undignified work that other people do not want to do; (2) programs that help poor people provide many jobs for the people employed by the programs; (3) poor people purchase goods, such as day-old bread and used clothing, that other people do not wish to purchase and thus extend the economic value of these goods; and (4) poverty helps to maintain the status of nonpoor people (Gans, 1972). According to Gans' argument, the middle and upper classes have a personal stake in neglecting poverty to maintain their status and perpetuate/naturalize poverty through their lack of interventions. Later, in 1995, he further developed poverty's positive functions and connected it to deserving and undeserving poor people (Gans, 1995).

In Central and Eastern Europe, several studies have measured Roma poverty and described inequality in a way that inherently creates a market-friendly condition for economic growth by supporting the status quo and abandoning interventions to eliminate extreme inequality. I think those studies that simply measure the poverty of the Roma without a wider relation to macro-political economies and without considering the context and ability to convert income poverty to a more complex system of access to various services and social goods support the social hierarchy. This approach implicitly accepts social inequality as a normative foundation of the market-driven capitalist society. I also consider a functionalist approach when mainly anthropological studies embellish the poverty of the Roma by the distinctive Romani culture, thus legitimizing inaction and exonerating policymakers to address long-term deprivation.

### *Structural theories*

Structuralism refers to macro theories and their prime assumption that human behavior must be understood in the context of the social system (social structure) in which it exists. People in poverty are not independent actors with neutral values, nor are they just making independent decisions; their behavior is shaped by the social forces and conditions in which they live. This approach is exemplified by Marxist scholars, for whom those institutions, culture, and ideas, which they term the superstructure, cannot be understood separately from the basic social structures of capitalist society. These ideas are sometimes criticized as a top-down, deterministic approach focused on structures and institutions rather than individuals. Structuralist scholars prefer positivist methodologies, mainly quantitative data collection and analysis, that offer a quantifiable solution for describing but not analyzing the dynamics of poverty (Emigh and Szélenyi 2001).

### *Synthesis of structural and cultural forces*

William Julius Wilson—who has been highly debated in Central and Eastern Europe—succinctly identified *social structure* as social positions, roles, and networks of social relationships that are arranged in various social institutions such as the economy, polity, education, and the organization of family (Wilson, 2010, p. 201). According to his definition,



*social structure* could be a labor market that offers financial incentives and threatens financial punishments to compel individuals to work; or it could be a “role” associated with a partner social position in an organization such as a church, family, or university (e.g., pastor, head of household, or professor) that carries certain power, privilege.

(Wilson, 2010, p. 201)

Regarding poverty, the impact of social, economic, and political structures creates a specific social circumstance that affects human behavior. When discussing the poverty of racialized groups, Wilson suggested distinguishing two types of structural forces, namely, *social acts* and *social processes*, noting, “The term *social acts* refers to the behavior of individuals who occupy particular positions within society” (Wilson, 2010, p. 201). These acts are the specific incidents in which someone is stigmatized, racialized, discriminated against, or excluded in various forms of actions, such as hiring, job promotions, and admission to educational institutions. The other structural forces are *social processes*, which refer “to the ‘*machinery*’ of society that exists to promote ongoing relations between members of the larger group” (Wilson, 2010, p. 201). Here, Wilson refers to the racialized processes that institutionalize and solidify racial discrimination and exclusion. Racialized group differences are embedded in institutional structures, mechanisms, and policies, so according to Wilson, poverty-related research must pay attention not only to the direct and visible forces of racism, discrimination, and segregation but also to the indirect political and economic forces that contribute to racial exclusion. Wilson’s contribution synthesizes structuralist and culturalist approaches by offering a holistic approach<sup>1</sup> that recognizes the complicated matrix of structural and cultural factors that create and reproduce racial inequality (Wilson, 2010, p. 214).

Wilson’s earlier publications (1978, 1987) sparked heated discussion among scholars who conducted Roma-related research. He also theoretically influenced the research carried out by Iván Szelényi and his research partners in Central and Eastern Europe in the late 1990s. Szelényi and his group were confident that the “transition from socialist redistribution to capitalist markets offer an ideal site to consider hypotheses about the relationship between markets, inequality, and poverty” (Emigh, Fodor, and Szelényi, 2001, p.11).

### *Underclass debate*

Szelényi and his research team (Emigh, Fodor, and Szelényi, 2001) used the concept of “underclass” mobilized by Wilson (1987) and originally coined by Gunnar Myrdal (a Swedish and multinational economist) for the American public in his 1963 book called *Challenge to Affluence* to describe the victims of deindustrialization/postindustrialization. His short, rather explanatory definition of “underclass” “is an “underprivileged class of unemployed, unemployable and underemployed who are more and more hopelessly set apart from the nation at large and do not share its life, its ambitions, and its achievements” (Myrdal, 1963, p. 10). Myrdal did not refer to this population’s race, gender, or any other cultural-behavioral characteristic than

what implies their hopelessness and destitute situation. Moreover, Myrdal shows the social and economic gap between those living in long-term concentrated poverty and those who are better off. In his seminal book, Herbert J. Gans (1995) analyzes the origins and racialization of the term “underclass” in US public discourse. His fears and concerns have been transferred and vigorously used by scholars in the region who have argued against the application and extension of the underclass in postsocialist countries while concealing the devastating process of racialization and structural racism.

Michael Stewart proposed one of the most publicly articulated critiques (2001, pp. 133–155), formulating four stark arguments against the theoretical framework and terminology of “underclass”. (1) He articulates a cautionary note that the concept of “underclass” has been used and misused by the American new-right rhetoric to attack those who are “welfare dependent” and those who are involved in criminality (Stewart, 2001, p. 137). He suggests using terminology that is conceptually and politically more neutral, such as “*social exclusion*”. (2) Stewart critiques the conceptual language borrowed from American social science, such as “ghetto” and “underclass”, and shows the differences between the Black population in the United States and the Roma in postsocialist countries. (3) He deploys several examples from history to demonstrate that, over the centuries, unemployment, poverty, and social exclusion have always been presented as social problems; however, they have always been solved by economic growth and social transformation as well as the flexibility and resilience of the Roma to survive. (4) He suggests that the application of “underclass” exaggerates the situation of the Roma because they can refute the assumption of classifiers by proving that the Roma can survive and use “cultural resources” to find their way in a difficult situation.

In response, János Ladányi and Iván Szelényi (2001a) offered a detailed and sharp answer to Stewart’s critique, which is summarized as follows. First, they explicitly reject the idea of a “culture of poverty” that makes the Roma responsible for their own poverty. Second, they associate with scholars from Gunnar Myrdal to Julius Wilson, who reject the “culture of poverty” theory based on essentialism. Third, they explain that they are using the concept of “underclass” to explain the racialized structural changes that lead to their marginalization. Fourth, they understand Stewart’s concern that the concept of “underclass” could be misused; however, they believe that the majority population projects their prejudice toward the Roma and makes them responsible for their situation. Hence, the Roma is used as a scapegoat to explain social problems. Therefore, the question is not who is responsible for the abuse of the category of “underclass” but rather how scholars use it.

Contrary to Stewart’s fear, Ladányi and Szelényi (2001a) understand the concept of explaining the process of racialization in which social and ethnic disadvantages intersect and create a specific mechanism that renders the Roma at the bottom of the social hierarchy. They also reveal that structural and behavioral advantages and disadvantages always occur in highly complex interactions, whereas structural advantages are more decisive than behavioral advantages. Poverty, long-term employment, social stigmatization, and racial discrimination have behavioral consequences that can be modified and changed through structural changes. Moreover,

one of the main critiques of the perspective that is explicitly represented by Stewart is that it undermines the racialization of Roma by rejecting any conceptual framework and concepts such as “underclass” that would unveil the deeply racialized structural process. The authors criticize that such approaches offer a rather neoliberal solution to the problem by emphasizing the (automatically) corrective measures of the market to alleviate poverty and suggesting a more neutral concept of “social exclusion”, which conceals the process of racialization.

Szelényi and Ladányi (2001a) used their research results to elucidate the underclass formation that is linked to the economic integration of postsocialist countries and refuted the corrective nature of the market by emphasizing the following:

Based on our representative research in 2000 carried out in Bulgaria, Hungary, and Romania, we asked people, who identified themselves as Roma, whether they are starving. In Bulgaria, 70 percent; in Hungary, 25 percent; and in Romania, 70 percent of the sample answered yes. To the question of whether they are living better or worse in 2000 compared with 1988. In Bulgaria, 88 percent, in Hungary, 74 percent, and in Romania, 83 percent stated that they lived worse in 2000 than in 1988. According to the World Bank measure, 56 percent of Bulgaria, 53 percent in Hungary, and 65 percent in Romania of Roma lived under the poverty line (in the non-Roma population, this was around 10 percent who lived under the poverty line).

(Szelényi and Ladányi, 2001a, p. 98)

The underclass debate from the early 2000s is significant, and I have paid more attention to it because it has influenced the poverty-related Roma research trajectories, which centered more around the concept of “social exclusion”. This debate also resonates with William Julius Wilson’s reflection on how public discourse changed in the United States in the 1970s and 1980s regarding the perception of spatial concentration of poverty by the neo-conservatives (Wilson, 1987, pp. 3–19). Hence, Democratic left-liberal scholars and experts had difficulty articulating their position. As he explains, “liberals became increasingly reluctant to articulate and publicly debate the desperate situation in inner-city ghettos. Their reaction was confused and defensive” (Wilson, 1987, p. 15). In his analysis, Wilson tried to reconcile the dilemmas that have been created by the essentialist, culture-centric neo-conservative interpretation of entrenched poverty by providing an alternative explanation, as Szelényi and his research team did, by making a stronger claim that underclass formation in Central and Eastern Europe is linked to the process of racialization (Emigh, Fodor, and Szelényi, 2001, p. 5.) The latter strongly argues that

the process of racialization, the presentation of a social phenomenon such as poverty as if it were biologically determined, may lock certain groups into underclass positions. When an ethnic minority is concentrated in poverty, there may be a tendency toward the formation of an underclass if poverty is racialized.

(Emigh, Fodor and Szelényi, 2001, p. 5.)

Contrary to the moralizing neo-conservative interpretation, underclass theory attempts to problematize the detrimental racialized structural forces on individual behavior, which has been treated as taboo by color-blind social theories.<sup>2</sup>

### **Roma poverty conceptualized by international organizations**

International organizations' approaches to Roma poverty have always reflected their institutional mission and ideological standing. The World Bank specifically theorized Roma inclusion as a "developmental challenge" and "macroeconomic necessity" in Europe (Ram, 2017, p. 567). In 2005, in the spirit of developmentalism, the World Bank co-founded the Decade of Roma Inclusion (2005–2015) with the Open Society Foundation.

In their declaration, the Decade of Roma Inclusion stated, "The Decade is a political commitment by countries to reduce disparities in key economic and human development outcomes for Roma through implementing policy reforms and programs designed to break the vicious cycle of poverty and exclusion" (Declaration, 2005). After ten years, Bernard Rorke (2015) critiqued the Decade of Roma Inclusion as an initiative that could not deliver the social, economic, and structural transformation that was needed "to lift millions [of Roma] out of poverty, undo centuries of exclusion, and eliminate popular prejudice and structural discrimination" (Rorke, 2015, p. 61). However, he recognizes that the Decade was an essential step in framing poverty in policy terms and placed on the European political agenda by the founders and the participating member states<sup>3</sup> with the support of numerous international organizations.<sup>4</sup>

The UNDP, Regional Center in Bratislava, was one of the founding international organizations that established a research framework of Roma poverty and provided a conceptualization for approaching sectoral (employment, education, health, and housing) and crosscutting (anti-discrimination, gender-equality, poverty-reduction) issues. The UNDP research from 2002 entitled *The Roma in Central and Eastern Europe: Avoiding the Dependency Trap* (UNDP, 2003) became the basis for monitoring and developing comparable and disaggregated data in the participating states over the Decade of Roma Inclusion. The UNDP ambitiously set the tone by forecasting the institution of the Decade and emphasizing the importance of Roma inclusion in the EU integration process, which must be guided. As stated,

Without proper integration and an overall development framework to guide the process, the opportunity provided by EU accession may quickly disappear. The risk is that, if postponed, the cost of finding solutions for marginalized groups will be immeasurably higher and will have few chances of success.

(UNDP, 2002, p. 5)

Furthermore, the report implied a securitization of the marginalization of the Roma by emphasizing that "The human security costs of exclusion will spiral, potentially resulting in political extremism and setbacks for the democratic process" (UNDP, 2002, p. 5).

Furthermore, the UNDP provided subtle support to dismantle welfare provisions that strengthen the assumed poverty dependency of the Roma, as explained:

Roma household incomes are highly dependent on welfare payments and other central government transfers (e.g., pensions of child benefits), while participation in the formal economy is relatively limited. This makes Roma's participation in social protection systems asymmetrical (i.e., as a group, they receive more than they pay). This asymmetry is an important cause of social tensions and, ultimately, exclusion.

(UNDP, 2002, p. 6)

While the report provided important data for analyzing poverty and quality of life for the Roma over five countries, their theoretical approach assumed that generous welfare and provisions trigger moral hazards and welfare dependency, which ultimately discourage work and create conflicts. This approach resonates with poverty scholars who have studied how incentives influence the behavior of people in poverty (for example, Katz, 2013; O'Connor, 2001). These studies test and explain whether welfare support triggers moral hazards and welfare dependency. The 2002 UNDP foundational research regarding household incomes and poverty focused on understanding the link between sources of household incomes and dependency on social welfare payments and was directed by questions such as "What is the magnitude of dependency on social welfare? How does it affect recipients' life strategies? What is the impact of this dependency on relations with the majority populations?" (UNDP, 2002, p. 39). The underlying theory of the UNDP has remained within the scope of behavioral-cultural theories that tend to present welfare incentives as the primary source of dependency without discussing market-driven exclusions and inefficiencies or a lack of welfare provisions. Their approach is intertwined with neoliberal efforts to legitimize the strip down of the welfare system that presumably fosters a "dependency culture" (UNDP, 2002, p. 51).

The publication of the UNDP in 2002 significantly contributed to the subsequent reports of the World Bank (Ringold et al., 2005), which, in addition to the bulk of statistical data that has supported the recurring arguments about the poverty of Roma, also suggested the idea that economic growth and a self-regulated free market will revive the economy in postsocialist countries, which will then trickle-down to address poverty even in the lowest segment of society (Deepak, 2013). At the same time, the UNDP transferred "human development frameworks" into Roma-poverty-related discussions in Central and Eastern Europe from developing countries. This trope of argumentation stems from Amartya Sen's (1999) seminal research on capabilities and associated human development frameworks that have highlighted the significance of women's agency, which must be fostered by education and employment. Women's status can influence the overall social well-being of their marginalized communities, and international organizations have widely advocated this belief through the discourse of the "empowerment of Romani women".

In the 1990s, the World Bank made alleviating poverty its top priority, which converged with the turn toward market-friendly structural adjustment practices that adopted an extremely narrow global poverty line. Jason Hickel (2019) sharply critiques the calculation of poverty lines from a political, economic, and methodological perspective. He explains that the dominant model of poverty reduction, which is supported by international organizations such as the World Bank, is based on the idea of the need to generate economic growth regardless of the extent of inequality. Hickel succinctly argues,

While the majority of new income produced by growth is captured by the richest (the richest 1 percent captured 27 percent of net income from 1980 to 2016), the hope is that a sufficient amount will ‘trickle down’ to the poor.  
(Hickel, 2019, p. 417)

He also critiques the World Bank’s poverty line that has been applied in the region (Malmberg et. al., 2000), which does not reflect basic human needs, health, or even survival. Based on this consideration, the expert used the higher poverty line of \$4.30 per person per day to show the disparities between countries and between Roma and non-Roma within the countries.<sup>5</sup> Hickel demonstrated that the lower poverty line of \$2.15 used by the World Bank in 2003 did not provide basic survival nutrition but obscured the extreme inequality between the Roma and non-Romani people. Therefore, at the poverty line of \$4.30, 80% of Roma households in Bulgaria, 40% in Hungary, and almost 70% in Romania are poor. The difference between the Roma and non-Roma is greater in Hungary than in Romania or Bulgaria. In Hungary, 40% of Roma households are poor, compared to 6.9% of non-Roma households. The World Bank Study concluded that the “main correlates of poverty for Roma and non-Roma alike are the employment status of the head of the household, educational achievement of the household head, and the number of children” (Ringold et al., 2003, p. 30), without problematizing or reflecting on the deep structural inequality of postsocialist capitalism. However, the study acknowledges that the probability of being poor is greater for the Roma than for non-Roma, regardless of their level of education and employment status (Ringold et al., 2004, p. 31).

As noted by Melanie H. Ram, the World Bank’s commitment was mainly pushed by the diligent analytical work of its staff members (Ram, 2017, p. 570). Their most significant study was published in 2000 in the *Roma and the Transition in Central and Eastern Europe* (Ringold 2000), which was followed by *The Roma in an Expanding Europe: Breaking the Poverty Circle* (Ringold et al. 2005). Both reports present the situation of the Roma as a population trapped in poverty and welfare dependency and consider both obstacles to their social inclusion. A lack of critical interrogation of the market transition to capitalism, deindustrialization, structural unemployment, or any other related effects that accelerated the precarious situation of the vast majority of Roma after 1989 have led to a noncomprehensive understanding of social exclusion. The report *The Roma in an Expanding Europe: Breaking the Poverty Circle* explains Roma poverty in the following way:



"For several interwoven reasons, Roma poverty is rooted in their unfavorable starting point at the outset of the transition from planned to market economies. Low education levels and overrepresentation among low-skilled jobs led to disadvantages on the labour market, which are compounded by discrimination and low expectations of employers. Roma have thus had more difficulty re-entering the job market than other groups and have become caught in a vicious circle of impoverishment. Additional barriers include a lack of access to credit and clear property ownership. These factors, combined with an *overdependence on welfare, create a poverty trap that precludes many Roma from improving their living conditions or starting their own businesses.*"

(Ringold et al, 2005, xiv–xv, emphasis added).

Following the rhetoric of the World Bank report, the poverty and dependency of the Roma on social welfare are complex and extensive, and changing these aspects would be complicated. The main obstacles are the disadvantages and labor discrimination of Roma without any critique of the exclusionary social and economic forces of market capitalism. These policies suggested by the World Bank align with neoliberal governmental technologies that rely on self-responsibilities, activation, self-empowerment, and self-reliance, which undermine state-supported collective welfare protection.

Later, in 2011, the Regional Roma Survey 2011 was a collaboration between the UNDP and the European Union's Fundamental Rights Agency (FRA) with the support of the World Bank and the European Commission (Directorate General-Regional and Urban Policy). Two complementary surveys were conducted to map the current socio-economic situation of Roma households in select EU and non-EU countries. The first was implemented jointly by the UNDP, the World Bank, and the European Commission, and the second was the FRA Roma pilot survey, both of which were conducted in 2011 and included a common core component addressing key questions of education, employment, housing, health, free movement, migration issues, and discrimination experiences. The UNDP survey focused on social and economic development aspects, and the FRA survey focused on the fulfillment of key fundamental rights. The surveys applied the same sampling methodology across countries, allowing for the development of a common dataset on core indicators. Notably, the 2011 survey was designed based on the conceptual approach developed in 2004 by the UNDP in its first comprehensive regional survey of Roma at risk of marginalization and non-Roma living proximity (UNDP, 2014).

In addition to the 2011 survey, the UNDP Bratislava Regional Center as a multilateral collaboration with the Center for Policy Studies (CPS) at Central European University (Budapest, Hungary) and two programs of the Open Society Foundations (Roma Initiatives Office and Making the Most of EU Funds for Roma program) engaged in a discussion about shaping European policy debates and knowledge on the Roma, thus acknowledging that a contextual inquiry on the key factors perpetuating Roma marginalization at the municipal and community level would contribute to the value and the exploratory power of these 2011 household surveys (Szalai and Zentai, 2014). These centers and programs selected three countries:



Hungary, Romania, and Serbia, including several municipal and local communities, to explore the economic, political, demographic, and social forces that shape practices and consequences of social exclusion and potential pathways to inclusion. The Romanian country report prepared by Enikő Vincze and her research team was highly articulated and nuanced on how racialization affects the reproduction of marginalization. As she explained, “Roma are rarely considered as ‘ethnic other’, but instead are inferiorized as ‘another race’ that is radically different from ‘us’ (civilized ethnic Romanians, Hungarians or Germans)” (Vincze, 2014, p. 94).

### **Poverty of the Roma through the lens of racial capitalism**

Neoliberalism has a contradictory Janus face. On the one hand, it perceives poor, marginalized people as free agents who have the ability and capacity to escape poverty via the market (Katz, 2013). In this regard, this vision could seem very empowering because it rejects cultural pathological theories and perceives poor people as being equal to the rest of society. This “positive” approach is based on the logic that everyone is a free and equal agent who can make a market-driven decision that ultimately improves their lives. Therefore, according to this theory, poor people are free to do the same as others do. On the other hand, neoliberalism constructs poor people as deficient, immoral, undeserving individuals who do not take full responsibility for their own fate (Feldman, 2019). As Katz (2013) explains in his seminal work, the undeserving people constructed by neoliberalism do not deserve compassion and sympathy because they brought their poverty on themselves, either through laziness and immorality or because they are culturally or mentally deficient. According to this extensive view, poverty is a personal failure that legitimizes the lack of welfare and desensitizes middle-class people to providing support and solidarity.

Over the last three decades, significant “social investment” as an anti-poverty strategy has been evaded, targeting those who are deeply stigmatized as undeserving/racialized poor, such as the Roma population in Central and Eastern Europe. Vincze succinctly explained that in postsocialist Romania, the inclusion and exclusion of the Roma aligned with the global trends of neoliberalism, and “inclusion and exclusion (of Roma) reflected a new social order, which has also manifested in spatial (urban) arrangements” (Vincze, 2014, p. 95). This trend creates the order of privileges and refusals. The order of privileges includes those who win the privatization and marketization of public goods and incorporates people, places, and societal areas that might bring profit to capital. This constitutes a population and a geographical location that deserve development and are worthy of social and financial investment. In contrast, there is an order of refusals in which people in power classify poor people as “surplus”, “redundant”, or “needless” who can be exploited and neglected. Furthermore, they do not receive investments or development projects (Vincze, 2014, p. 96). Hence, developmental policies and programs are mainly created as an opportunity for the middle class to participate in these projects as managers, professionals, and trainers and are likely to recruit target groups that “deserved to be invested”. Consequently, those who are living in extreme poverty

and perceived as undeserved are unlikely to be identified as targets of developmental programs. This logic has sustained and reproduced the radical poverty of marginalized Roma by delegitimizing their participation in social investment. Vincent Fang argues that we need a radical shift from general anti-poverty programs that function as a charity paradigm,

which centers on goodwill-based private and official donations, to a justice paradigm, where it is widely recognized that extreme poverty is a grave injustice in an affluent world and requires extensive institutional reforms, active civic participation, and possibly global wealth redistribution to be eradicated.

(Fang, 2021, p. 46)

This justice-centered approach transcends national borders and resonates with Nancy Fraser's theoretical frame of triad dimensions: redistribution, recognition, and representation (Fraser, 2005). Fraser's triad dimensions proved highly relevant to Europe's Roma population (van Baar and Kóczé, 2020, p. 328). On the one hand, social and economic restructuring deteriorated structural violence against the Roma in the form of entrenched, racialized poverty. On the other hand, it provided a human rights-based approach and cultural emancipatory discourse to enhance the politics of recognition with limited participation<sup>6</sup> in policy and decision-making. Since 1989, there has been a dominant trend in Roma-related affairs in the post-socialist context, namely to decouple the politics of recognition from the politics of redistribution and participation (van Baar and Kóczé, 2020). However, the logic of decoupling has created one-sided, either/or binary choices that lack a comprehensive understanding of the situation.

Nancy Fraser's three-dimensional approach is an essential frame of reference for discussing the failures of redistribution, recognition, and representation of the Roma in the broader context of postsocialism and neoliberalism. Building on Fraser's concepts and connecting them to the racialized poverty of the Roma in Central and Eastern Europe provides a new conceptualization that advances our understanding of how neoliberal racial capitalism generates and reproduces inequalities, marginalization, and exclusion, thereby fostering and consolidating racialization (Fraser, 2016). Moreover, Fraser's approach differs from the exploitation-centered conceptions of capitalism, which, according to her, "can illuminate its persistent entanglement with racial oppression" (Fraser, 2016, p. 173). This nuanced approach helps us to understand the reproduction of extreme poverty in the era when "Roma inclusion" was high on the developmental agenda. As Fraser suggested, we need to expand our view of capitalism as an institutionalized social order that transcends a mere economic system and builds on expropriation, not exploitation.

Fraser's contemplation brings us back to the seminal work of Black scholars, such as Oliver Cox, Cedric J. Robinson, and others who have critiqued Marxism for failing to account for the racial character of (postsocialist European) capitalism (Kelley, 2017). The neoliberal racial capitalism that gradually unfolded in Central and Eastern Europe after 1989 imposed a systemic condition of crisis

and structural violence that rendered and normalized the vast majority of disenfranchised Roma as racialized “subhumans” and “nonhumans”. In Central and Eastern Europe, the vast majority of Roma still face massive inequalities regarding education, employment, housing with running water, access to health care, far greater exposure to environmental disasters and poisoned water, and much more. Neoliberal capitalism has failed to deliver on its promises of equality and equal opportunity for the Roma through the ethos of meritocracy and competitiveness, which does not account for historical injustice and accumulated structural violence.

## Conclusion

This chapter provides an overview of the theoretical conceptualizations of Roma poverty, categorizing the dominant approaches and their intersectional dynamics such as *culturalist*, *functionalist*, and *structuralist*. These general poverty-related theories have informed and shaped explanatory frameworks that explained the poverty of the Roma in Central and Eastern Europe. In most cases, there is a strong culturalist influence that contributes to the naturalization of Roma poverty. Furthermore, international organizations such as the UNDP and the World Bank, in addition to providing a rich dataset for policy-making and monitoring, have strengthened the idea that economic growth and a self-regulated free market will revive the economy in postsocialist countries, which will address poverty and consequently improve the situation of the Roma. These attitudes have discouraged the use of address exclusionary mechanisms and delayed affirmative intervention.

The neoliberal racial capitalism that gradually unfolded in Central and Eastern Europe after 1989 imposed a systemic condition of crisis and structural violence that rendered and normalized the vast majority of disenfranchised Roma as racialized “subhumans” and “nonhumans”. The theory of racial capitalism provides a conceptual language to diagnose the massive inequalities that the majority of Roma face in terms of education, employment, housing with running water, access to health care, far greater exposure to environmental disasters and poisoned water, and much more. In this volume, the complex approach of the PRECWORK project highlights a more historically embedded social stratification, generational educational disinvestment, and asymmetrical power relations that help to describe the racialized trajectories of the Romani people.

## Notes

- 1 Wilson defines *culture* as “the sharing of outlooks and modes of behavior among individuals who face similar place-based circumstances (such as poor, segregated neighborhoods). Therefore, when individuals act according to their culture, they are following inclinations developed from their exposure to the traditions, practices, and beliefs among those who live and interact in the same physical and social environment (Hannerz, 1969). This definition is not limited to conceptions of culture defined in the simple and traditional terms of group norms, values, and attitudes toward family and work. It also includes cultural repertoires (habits, styles, and skills) and the microlevel

processes of meaning-making and decision-making that is, the way that individuals in particular groups, communities, or societies develop an understanding of how the world works and make decisions based on that understanding” (Wilson, 2010, p. 202).

- 2 Dena Ringold, World Bank Human Development Economist for Europe and Central Asia Region, confirms that both the growing quantitative household surveys and qualitative studies show that the Roma are overrepresented among poor people. She succinctly states that “Regardless of methodology, data quality and comparability across countries results are similar. Even in countries with significant shares of other ethnic minorities, Roma are more likely to be among the poorest groups in the population” (Ringold, 2002, p. 31).
- 3 Bulgaria, Croatia, the Czech Republic, Hungary, Montenegro, Romania, Serbia, Slovakia, and the former Yugoslav Republic of Macedonia. In the following years, Albania joined the Decade in 2008, and Bosnia and Herzegovina and Spain joined in 2009. Slovenia, the United States, and Norway joined the Decade as observers in 2009, 2012, and 2013, respectively.
- 4 The founding international partner organizations of the Decade were as follows (in alphabetical order): the Contact Point for Roma and Sinti Issues of the Office for Democratic Institutions and Human Rights of the Organization for Security and Co-operation in Europe, the Council of Europe, the Council of Europe Development Bank, the European Roma Information Office, the European Roma Rights Centre (ERRC), the European Roma and Travellers Forum, OSI, UNDP, and the World Bank, with the European Commission participating from the beginning of the Decade as an observer. While the Roma Education Fund (REF) has served as an international partner of the Decade since its establishment in 2005, international partners joining later included the European Network Against Racism, the Forum of European Roma Young People, the International Romani Union, the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Children’s Fund (UNICEF), the World Health Organization (WTO), and the United Nations Human Settlements Programme.
- 5 Based on the expert’s opinion, the higher \$4.30 absolute poverty line is more appropriate than the lower line in 1990s postsocialist countries.
- 6 Huub van Baar and Peter Vermeersch (2017) critically conceptualize the limited representation of the Roma as “operational representations” which are “discursive, visual, and material frames that contribute to making the Roma ‘visible’, ‘legible’, and ‘governable’”. This situation leads to the ‘avisuality’ of Roma in which Roma are made visible but nevertheless remain in certain ways overlooked and ignored. The term of ‘avisuality’ was coined by media scholar Akira Lippit (2005, p. 32, cited in van Baar and Vermeersch, 2017, p. 131).

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