

Booklet on combating hate speech

People who live
in poverty

Project implemented by

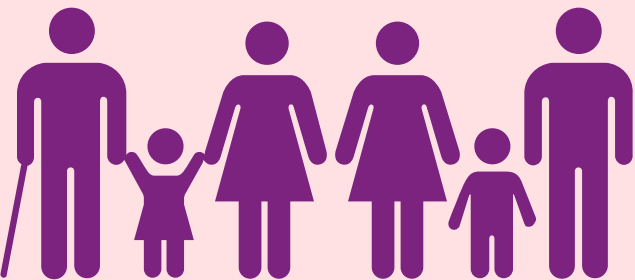


Introduction

In 2019, 21.1% of the European Union (EU) population, roughly the equivalent of 92.4 million people, was at risk of poverty or social exclusion, representing a slight decrease compared to 2018 (21.6%).

In Romania, almost 1 in 3 people are at risk of poverty and social exclusion. Having 31.2% of the population in this situation, Romania ranks second after Bulgaria, which has the highest percentage in the European Union, at 32.5%. Greece ranks third, with 30% [1].

According to the EU Agency for Fundamental Rights research, in 2016, Romania had the highest child poverty rate in the EU (49.2%), meaning one in two children [2].





Deconstructing myths

Myth: Poor people live carefree on welfare.

“Romania spends too much on social aid. Welfare recipients get too much money out of the public funds and are thriving off of other people's money.”

These are just a few ideas widespread in the political and media discourse. Social spending is frequently seen as opposed to public investments, suggesting that the wrong prioritisation of public money spending makes Romania a country of "socially assisted people/welfare recipients", which is lacking highways or public infrastructure etc.

Let's see how things actually work.

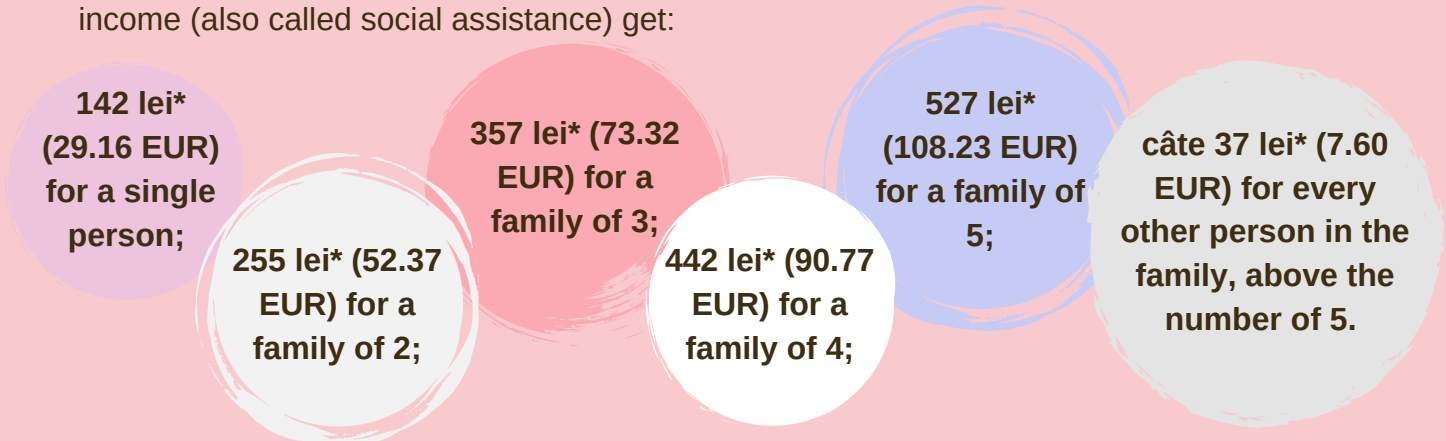


Fact:

Romania consistently spends about 15% of its GDP on social protection (15.3% in 2019, according to Eurostat)[3] – which includes social benefits, children allowances, pensions, unemployment benefits etc. It is one of the lowest percentages in the European Union – almost two times lower than the UE average which is 27% (8.1% in 2019) or compared to Western-European states, such as Germany, Finland, or France. **This percentage (15%) places us as the second-last in the EU**, while the last country is Ireland, which doesn't face the poverty issues Romania has.

If we look solely at expenditure on combating poverty and social exclusion – specifically, if we exclude the spending on pensions, which are not, strictly speaking, measures to combat poverty since both the poor and the rich benefit from them - then the situation is much worse. In 2019, Romania spent only 0.1% on fighting social exclusion – 6 times less than the European average [4]. Thus, the situation is, in fact, the opposite of the public opinion - Romania spends very little on social aid.

Low spending means individuals, the so called “socially assisted”, receive insignificant amounts of money for social aid. A frequent idea reported on TV and in press articles is that social aid is too high. Let’s look at the sums the recipients of guaranteed minimum income (also called social assistance) get:



142 lei (29,16 EUR) for a single person is not only not too much - it is undoubtedly not enough to guarantee survival. Many will counter by saying that recipients collect more types of aid that end up boosting their income.

*In Romania, the minimum monthly consumption basket, per person, costs around 672.85 EUR, according to research conducted by Friedrich Ebert Foundation Romania and Syndex Romania. The exchange rate on November 8, 2022 – 1 Euro = 4.89 Lei

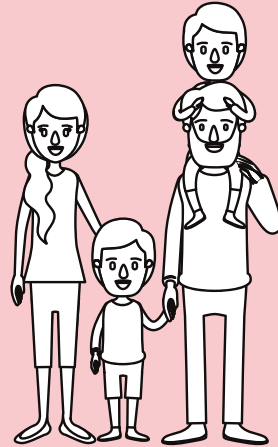


However, the money from the guaranteed minimum income can only be aggregated with a couple of other types of social benefits. And, according to legislation in place, the only two types that can be aggregated with the social benefit are these two: state child allowance and aid for supporting families. Any family with a child will receive almost automatically (you only need to submit an application) child allowance from the state, and the aid for supporting families is granted to families facing poverty, which find themselves below a level of income level.

Let's analyse the hypothetical case of a family of two adults and two children (aged above 2 years old) - they would receive a total amount of 1076 Lei (equivalent of 221 EUR), broken down as follows:

- 442 Lei guaranteed minimum income (for a family of 4);
- 484 Lei 2 children`s allowances;
- 150 Lei in aid for supporting the family.

1076 Lei for a family with two children would place that family well below the poverty line. In 2020, according to Eurostat, a family of two adults and two children with a monthly income lower than 2240 Lei is a family at risk of poverty[5].



The little amount of social benefits makes reducing poverty in Romania an inefficient effort. Only 15% of people at risk of poverty manage to overcome poverty with the help of social aid. Moreover, only 20% of children who live in low-income households are able to avoid poverty thanks to different types of social aid. In the EU, on average, reducing relative poverty among children is about 40%[6].

Consequently, contrary to what is often said, Romania spends very little on social aid and protection. The sums collected from different social aids are extremely low and fail to help people overcome poverty. What is necessary is not decreasing spending on welfare, but rather increasing it to at least the EU average. Otherwise, reducing poverty will remain a mere wish.



Myth: People experiencing poverty are lazy and don't want to work.

A common misconception is that the “socially assisted” people refuse to work. Welfare encourages unemployment – this is a claim frequently made by politicians or opinion shapers. Mass media often reports cases of entrepreneurs searching for employees in the countryside of Romania, who are just not able to find people willing to work. These entrepreneurs are turned down by welfare recipients, who, instead of working, prefer to slack off on public money.



The profile of a socially assisted individual who is lazy is also reiterated by politicians – in June 2018, the Romanian Parliament voted in favour of a law stipulating that those who refuse a job or refuse to attend vocational training courses provided by regional employment agencies, will automatically lose their right to guaranteed minimum aid. “It's official. The Parliament has adopted the Law against laziness!”, declared the one who initiated this law.

Let's see how things actually work.

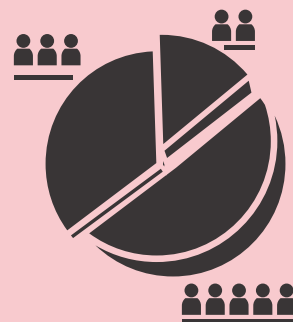
Fact:

First, we need to define what exactly the notion of work means. Because work doesn't exclusively mean labour for an employer or paid work. Work can also be done in other forms – self-employment, community work etc. According to the law, those who benefit from the guaranteed minimum wage are supposed to work a certain number of hours in the community, and to actively be searching for a job. In 2018, Law 192/2018 also introduced the obligation to do daily work, when necessary. In other words, even if they do not work a typical job, for an employer with an employment contract, people who benefit from social aid are engaged in different types of labour. The fact that local authorities fail to organise community work programs and do not motivate welfare recipients is a problem of the authorities, not a vice of the people who benefit from social aid.



Secondly, it is worth asking ourselves how true it is that socially assisted people turn down jobs. Unfortunately, even if authorities collect this data, it is only public upon request, on the basis of Law 544/200.

In 2018, after an inquiry by MEP Adrian Dohotaru, the Ministry of Labour made available the data about how many recipients of guaranteed minimum aid refused more than 3 jobs (the limit the law imposed at that time[7]). According to the response (MMJS 2017b), in the first 10 months of 2017, from a total of 325.736 beneficiaries considered fit for work, only 2.503 people refused the first offer, while 350 refused 3 offers. These numbers show that the problem of refusing jobs is a false one - only 0,76% refused an offer, and 0,11% refused 3 offers. The percentage is, consequently, minuscule. The cases presented in the media are, statistically, completely irrelevant and non-representative, but, as is often the case, mass media creates the perception of describing generalised realities.



But how is it possible that, in the context of an almost chronic labour force shortage, we continue to have people who receive social aid? If it's not the refusal of a job offer that is the primary reason for people remaining outside of the labour market and living on meagre benefits, what is the cause behind this phenomenon?

Essentially, we have two major causes.

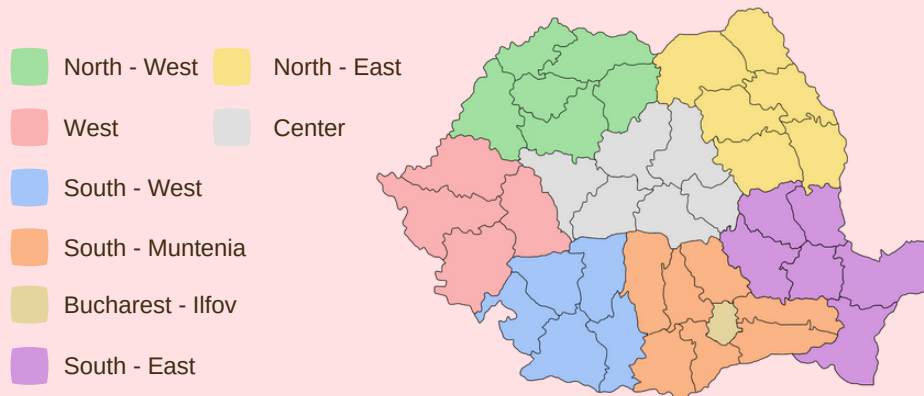
- 1 First, job opportunities are distributed extremely unevenly in Romania. Generally speaking, jobs are found more often in certain geographical areas - preponderantly, they mostly exist in richer counties and urban areas. In rural areas and poor counties, the number of jobs available is extremely limited.



VS



According to the Social Monitor[8] , in 2019, two of the country's 8 regions (Ilfov and North-West), accounted for 46% of all job vacancies. Unsurprisingly, these areas also have the smallest number of social aid recipients. Only 11% of welfare recipients live in these regions. The others, representing the majority - 89% - live in the other regions, where vacant positions are considerably fewer.



Map Source: Wikipedia [9]

Consequently, in the places that have plenty of jobs available, there are very few people who do not enter the labour market and live off social aid. The main cause of the so-called “assisted people” failing to get a job is not their indolence, but the systemic issue of the distribution of jobs in certain areas of the country.



Another reason why the labour shortages coexist with beneficiaries of social aid is the link between demand and supply in the labour market. The labour market is not purely mathematical - if we have a vacancy and, at the same time, a job seeker, it is not mandatory for the two of them and their needs to match. In other words, the qualification and expertise of the welfare beneficiaries do not always match what the employers are looking for.

In reality:



18% of the beneficiaries of guaranteed minimum income who are looking for a job have no education;



30% have not completed secondary education,



while 37% have only finished secondary education[10].

In comparison, most job vacancies are for medium skilled individuals. The reasons why people experiencing poverty cannot finish their education are not linked to their intellectual abilities or willingness to study - they will be discussed in the next section and are also related to poverty.

Therefore, it is not laziness that keeps beneficiaries of social aid outside the labour market, but the unfavourable socio-economic context, with few and inadequate job opportunities.

Myth: Poverty is a choice. It is strictly their responsibility to overcome their condition.



One of the most common preconceptions about poverty is that it is a matter of choice - people living in poverty have a wrong mind-set, they are not trying hard enough, they do not take risks, they don't have an entrepreneurial spirit, and they do not work hard enough to overcome their poverty. It's all gone so far that, a few decades ago, the British prime-minister Margaret Thatcher described poverty as a "personality flaw". If some people get to live their lives in poverty, it is not because society does not give them opportunities, but because they lack the willingness or motivation to surpass their condition. The repercussion of this idea exempts the state and society from any responsibility, transferring all accountability to the individual.

Fact:

The truth, however, is that poverty is very often a reflection of society, not an indication of an individual's value. This phenomenon is something the individual does not have much power to change on his own, regardless of their determination or willpower.

Let's first tackle the misconception of poor people making bad decisions - they do not know how to save money, they spend irrationally and so on. A popular study[11] by Eldar Shafir and Sendhil Mullainathan shows that people living in poverty do, indeed make decisions that are often not the best, not because they are stupid, but because of the context. Namely, it is what the two researchers call the scarcity mentality.

What does it imply?

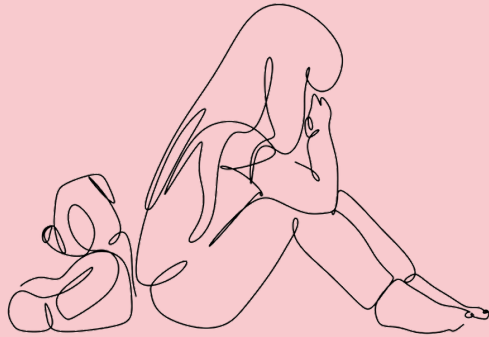


People who chronically lack material and financial means spend most of their energy managing their day-to-day survival, so they are very good at finding short-term solutions - what do we have tonight for dinner, how do we pay for this unexpected bill etc. However, the ability to think long-term is heavily and negatively impacted by this scarcity mentality. Material scarcity limits people to only focusing on immediate, urgent needs, which demand a huge level of energy.

The `mental frequency band`, as Shafir and Mullainathan call it, is used for other problems rather than strategic decisions. Therefore, it is true that poor people do not always make the best decisions, but anyone in their situation would act the same way.

It's a matter of context, not mental capacity.





Another important aspect regarding individual responsibility for poverty is related to the following fact: let's not forget that most people living in poverty are those born into low-income families. In other words, they already start with a huge disadvantage in life, compared to those born into wealthy families. It's not a child's choice to be born in a poverty-stricken family - it is something that just penalises them and affects their chances of succeeding in life.

How so?

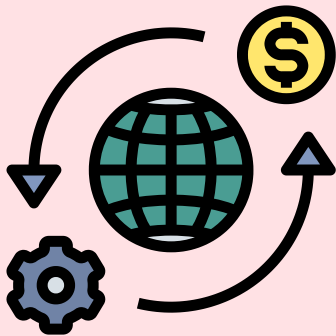
First of all, it affects their school results, which becomes a prerequisite to later success. A study conducted by FES Romania shows that only 7% of children from low-income families who cannot afford basic needs have good grades in school (averages of 9 or 10 out of 10[12]). Most of the children from low-income families, who cannot afford bills related to covering their basic needs (electricity, heating) or food - which is 38% - have an average of 5-6 in school. In contrast, for those children who come from households that can afford these needs 27% have an average of 9-10, and only 1,4% have an average of 5-6.



It is said that "nothing works in favour of the poor man". This is also the case of education - poverty discourages education. And this doesn't only apply to school results. Poverty stops many young people from finishing their studies, which will dramatically affect their future. Data from Eurostat shows us that the school drop-out rate is especially high in poor regions [13].

Young people dropping out of school are 2-3 times more numerous in the North-East (17.4%) or South-East (20.9%) than in Bucharest-Ilfov region, the wealthiest one. Eurostat also shows that more than a quarter of young people from rural areas dropped out of school in 2017, which is a percentage 6 times higher than those from cities of 50.000 inhabitants or more[14]. We are facing a vicious cycle – those who are experiencing poverty cannot access education. Not because they do not want it, but because poverty is an obstacle to education. And those who do not finish their education have extremely high chances of living in poverty for the rest of their lives.

Therefore, poverty is neither the result of some personal flaws, nor of bad choices. The mind-set and choices people make are massively influenced by the socio-economic context they find themselves in. Their 'freedom of choice' is purely theoretical - practically, it is extremely hard for someone who is living in poverty to break the inherent social and psychological burdens that come with this status and to overcome their condition.



Poverty is a product of a context, so the only way to reduce it and lift people out of it is to change the context. Though, the change of context means deconstructing the idea that poverty is a choice, or the result of vices, and it also involves the state assuming an active role in fighting this phenomenon.

Footnotes:

[1] Eurostat, Over 20% of EU population at risk of poverty or social exclusion in 2019, ec.europa.eu

[2] FRA, Combating child poverty: an issue of fundamental rights, 2018, p. 16, fra.europa.eu

[3] Eurostat, 2019, [spr_exp_sum], Last update: 07-01-2022, appsso.eurostat.ec.europa.eu

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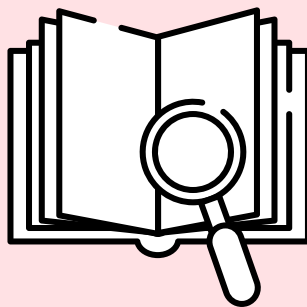
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[6] Dragos Adascalitei, Cristina Rat, Marcel Spatari, Îmbunătățirea protecției sociale în România, translated title: Improving social protection in Romania, Friedrich-Ebert-Stiftung 2020, library.fes.de

[7] MMJS, Răspuns la întrebarea „Planul de acțiuni sau de lucrări de interes local conform art.6 din Legea nr. 416/2001 și încadrarea în muncă a beneficiarilor de ajutor social, translated title: "Answer to the question "Plan of actions or works of local interest according to art.6 of Law 416/2001 and the employment of social aid beneficiaries"Ministry of Labour and Social Justice, 21 november 2017, cdep.ro

[8] Monitor social, Mitul “asistaților sociali care nu doresc să muncească” eliminat de statisticile oficiale, translated title: The myth of "welfare recipients who do not want to work" removed from official statistics, monitorsocial.ro

- [9] Wikipedia, *Regiuni de dezvoltare - Development regions of Romania* - Wikipedia By Andrein - Own work, CC BY-SA 3.0, commons.wikimedia.org
- [10] Diana Oncioiu, *Cifrele spun o altă poveste: "România degeaba" nu există*, translated title: The numbers tell a different story: 'Romania for nothing' does not exist, 28 november 2018, beta.dela0.ro
- [11] Eldar Shafir și Sendhil Mullainathan, *Scarcity. The True Cost of Not Having Enough*, 2014
- [12] Gabriel Badescu, Daniel Sandu, Daniela Angi, Carmen Greab, *Studiu despre tinerii din România, 2018-2019*, translated title: Study about youth in Romania, 2018-2019, library.fes.de
- [13] Eurostat, 2019, [edat_lfse_16], Last update: 18-10-2021, appsso.eurostat.ec.europa.eu
- [14] Eurostat, [EDAT_LFSE_30], last update: 19/10/2021, ec.europa.eu





Additional resources

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