

Dear Delegates,

In a few months time, you will be coming to the beautiful city of Cambridge, MA and will be discussing current issues in the world at MIT. It is my pleasure to introduce you to the topics that we will be discussing.

I, Jessica Pointing, am a freshman here at MIT, planning on majoring in physics (course 8) and economics (course 14)\* (here at MIT, we refer to majors as numbers). I am from England, but I went to an international high school in Copenhagen, Denmark. There, I got involved in MUN and attended national MUN conferences and conferences in other countries. MUN is a great experience, as it not only is fun but also exposes you to current important topics in the world. As an international student here at MIT, I believe it is important to get involved in activities that impact people from all over the world. I hope that you will gain a rich experience from this and will understand better the topics we discuss. I along with my co-chair Wajeeha Ahmed, a sophomore majoring in mathematics, look forward to meeting you all!

Jessica Pointing

Wajeeha Ahmed

## Topic A: Roma Communities

### Introduction

The Roma, also referred to as the Romani people, are a marginalized Indo-Aryan ethnic group existing in many European countries. Among Europe's minority groups, the Roma are the largest and the most vulnerable group (World Bank 2006). Compared with the other cultural minority groups, Roma have no historical homeland. They are believed to have migrated from northern India to Europe around the 13th century.

Europe is home to 10–12 million Roma and Travellers, yet many Europeans are unable to answer the basic question, “Who are the Roma?” It is a complex and highly contested narrative, partly because the “Roma” are not a single, homogeneous group of people. They can include Romanichals in England; Kalé in Wales and Finland; Travellers in Ireland (who are not Roma), Scotland, Sweden, and Norway; Manouche from France; Gitano from Spain; Sinti from Germany, Poland, Austria, and Italy; Ashakli from Kosovo; Egyptians from Albania; Beyash from Croatia; Romanlar from Turkey; Domari from Palestine and Egypt; Lom from Armenia, and many others. It is also partly because many of these groups have differing narratives of their history and ethnogenesis (their origins as an ethnic group).

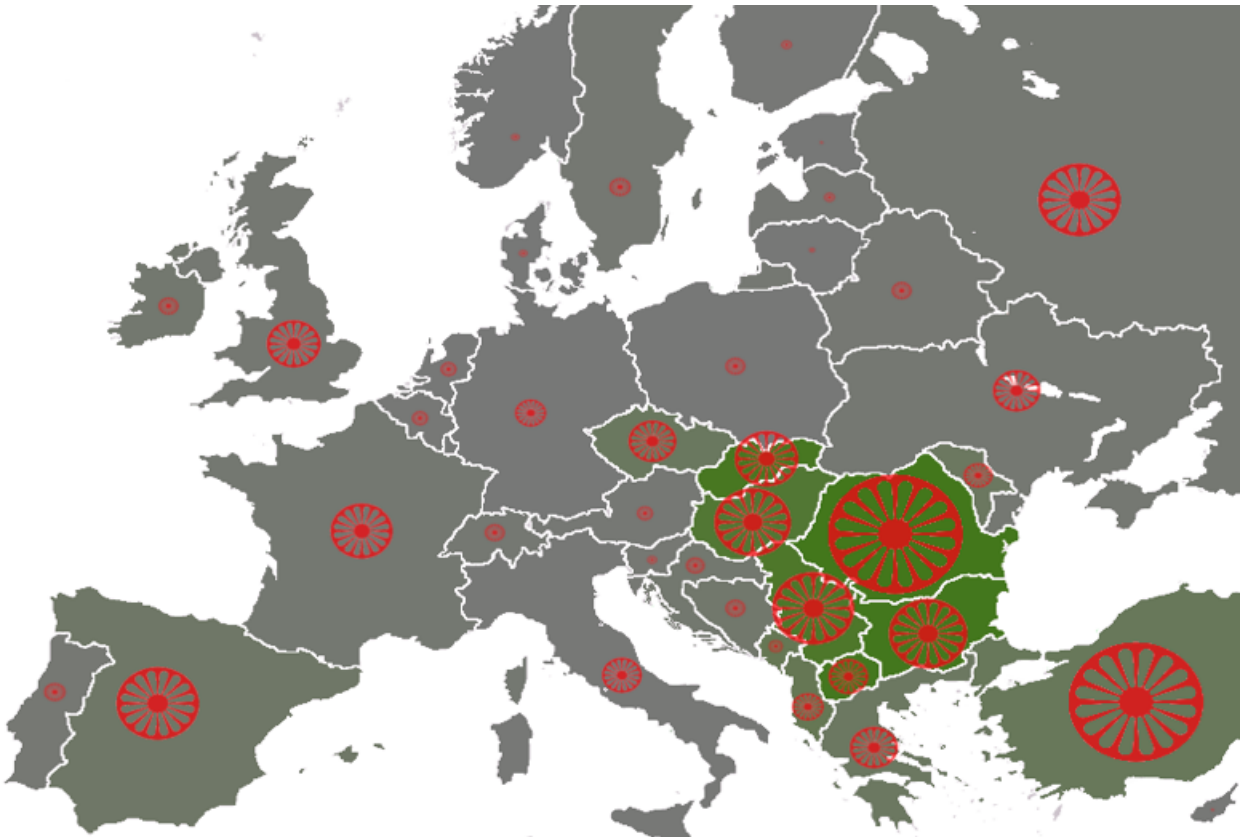
The Roma do not follow a single faith, but are Catholic Manouche, Mercheros, and Sinti; Muslim Ashkali and Romanlar; Pentecostal Kalderash and Lovari; Protestant Travellers; Anglican Gypsies; and Baptist Roma. There are variations in practises associated with birth, marriages and death, yet also linked cultures that display subtle but distinctive patterns or, as a Roma preacher once described it, “many stars scattered in the sight of God.”

Yet there is much that is shared between different groups of Roma. Roma have a common lexicon in differing dialects of Rromanëš, the Romani language. There are common notions around cleanliness codes and behaviors regarding what is Rromano (to behave with dignity and respect as a Roma person) and what can be seen as part of Rromanipé or the “Romani world view.”

Roma groups often have similar occupations, drawing upon traditions of peripatetic and mobile economies that exploit niche markets, such as peddling and trading certain livestock (horses, dogs, and small birds). Roma artisans have also made livings from repairing items deemed “uneconomic” to mend, such as pocket watches, tea-pots, and porcelain dishes—the originators of what is now described as the circular economy. Many Roma, Gypsies, and Travellers are engaged in recycling and have been for centuries, long before major environmental concerns. We were also healers and herbalists for the “country people.”

Mobility has, for many Roma, been part and parcel of identity. It's “not all wagons and horses,” though, and Roma have been engaged with agriculture (as they still are in many places), artisan skills and automobiles trading, road repairs and roofing. Metal work of all kinds has always been part of the Roma economy, as has craft production (baskets and bamboo furniture, knives' handles, carved and decorated wagons, fairground signs). Many groups' names actually stem from occupations—the Balkan Sepetçiler are basket-makers (from the Turkish term for woven baskets) and represent a commercial skill that was used as

the basis for organizing taxable communities in the past. Diversity in and amongst Roma groups has its origins in occupational identity, as much as in any other distinctions of culture. What “binds” or unites the communities in all this rich diversity? The idea of a common heritage of exclusion certainly contributes to the sense of shared “pasts”—the notion of always being the “outsider,” the “other.” The notion of the historical journey, the narrative of “the long road of the Roma” over 1,000 years since leaving the Indian lands, is also strong in many Roma groups as a component of identity, with good evidence to support this. Just as not all Italians are descended from Romans and Etruscans, not all Roma groups are direct descendants of Hindus from the Punjab or Ganges basin. However, the point of the “imagined community” is not that it is literally a fiction, but rather that it is symbolically meaningful and has a purpose in bringing together individuals around common ideas of heritage and belonging to which broadly, we can subscribe. The Roma, in this sense, are a people like any other, dispersed across many lands and territories over time and circumstance.



*Roma Prevalence in Europe*

### **History and Conflict Background**

Europe's largest minority group, the Romani, migrated from northwest India 1,500 years ago, according to a recent genetic study. The Romani were originally dubbed "gypsies" in the 16th century, because this widely dispersed group of people were first thought to have come from Egypt. Today, many consider "gypsy" to be a derogatory term.

In the opinion of linguists and historians, the Roma's migration from India was dependent on geography, through Mesopotamia to the Near East to the Asian parts of Turkey, where the greater part of the Roma settled and resided for three centuries (from the 12th to the 15th).

This period helped them in their first orientation with a new culture, and facilitated their later advance to Europe. In connection with the Mongol and Turkish expansion, they continued through Asia Minor and the Balkans, settled for a time in Greece, which explains the numerous Greek words in Romances, and then advanced up the Danube valley to Central Europe. A different branch went through Armenia, the Caucasus, later Russia and then Scandinavia. By the 15th century, the Roma were dispersed all throughout Europe, including England and Scotland.

At first these people aroused curiosity in Europe, and their exotic appearance brought forth various speculations about the reasons for their wandering life and theories about their original homeland. Europeans were patient with the nomads at first, taking them to be the penitent Christian pilgrims they passed themselves off as. Chroniclers described their looks and compared them to the Tatars. Dark skinned, they approached the cities in long caravans, some on foot, others on horseback, with wagons full of baggage, women and children. Central Europe still remembered the Tatar raids very well, and the Roma, who were well aware of their similarity to the Tatars, presented themselves as peace-loving folk and good Christians besides.

As Roma were and still are marginalized in society, Roma history and culture was and still is sidelined in mainstream science. It is known and proven since the eighteenth century that Romani, the language of the Roma, is a New-Indo-Aryan language and that its speakers are of Indian origin. However, public knowledge about the history and culture of this nation, which numerically is the largest minority in Europe, is still marginal or inexistent among ordinary people. On the other hand, national governments and international organizations are trying to overcome segregation, stigmatization and marginalization of the Roma and try to fully integrate Roma into society. One of the keys for integration is education of both Roma and non-Roma. An integral part of this educational process is mutual knowledge about the common history and culture of Roma and non-Roma in Europe.

The need is to go beyond this and to allow Roma communities to flourish, to achieve equality and emancipation from poverty, exclusion, and misery, to become full citizens in the lands that they inhabit and to achieve the kind of potential that the creative genius of their existence so far, clearly suggests they can reach.

## **The Roma Today**

### **Treatment in European Countries**

In Europe, the Roma found themselves in an entirely special situation, because their group's informal norms weren't always in harmony with the norm and value systems of the surrounding majority population, and to this day they have difficulty finding a compromise among the norms to follow. The Roma always lived in closed groups. Their entrance into the world of this majority population only intensified the closeness of their groups, and the

unfriendliness of the "Gadje" strengthened to a certain degree the solidarity between individual Romani groups.

Post-war European governments on both sides of the Iron Curtain denied the Roma Holocaust survivors any recognition or aid. In the communist bloc, some managed to reach the modest living standards of the era, most often at the price of giving up their language and identity, while the majority of Roma continued to lead poverty stricken lives on the margins of society. In many cases there were special policies towards Roma, including coerced sterilization (Czechoslovakia) or forcing them to change their names and hiding their dwellings behind concrete walls (Bulgaria). The demise of the communist regimes in 1989 in Central and Eastern Europe was followed by an upsurge of anti-Roma violence in almost every country.

Today, six million out of the estimated 10 million European Roma live in Central and Eastern Europe. Up to two million are to be found in Romania, where established Roma slave markets horrified Western travelers until as late as the 19th Century. Decades of communism and the recent admission of Eastern countries into the EU seem to have made little difference to their history of exclusion and poverty.

On the one hand, horrific discrimination against these minorities has reached sinister proportions. State-sanctioned forced evictions, threats and compulsory finger-printing have been ongoing in France and Italy, specifically, and very publicly targeting Roma communities. In Hungary and the Czech Republic mobs have attacked Roma individuals and families in organized (and unprovoked) incidents. Like in other countries, the Roma in Romania are mostly economically disadvantaged, poor, segregated from the mainstream society, non-educated and are most offended and not trusted. Although some Roma have attained better status in life, the majority remain poor and uneducated.

During his regime, President Sarkozy of France forcibly evicted Roma families from suburbs in France in a process of 'decriminalization', prompting a further wave of reactions against immigrant Roma communities in other countries. In Milan, the vice mayor, who is in charge of handling camps of immigrants is reported to have said that "these are dark-skinned people, not Europeans like you and me", pledging his "final goal" as "to have zero Gypsy camps in Milan". It seems that across Europe, public reaction to Roma minorities is one of repulsion or indifference.

The majority society was and unfortunately remains for the Roma a foreign group, which very rarely did anything good to them in the past, and for this reason the Roma treat it without hesitation as something "secondary," from which they can steal and rob without shame. Until various European societies start to treat the Roma like they belong, and the Roma feel so toward the "European" groups, each will remain in their own groups.

## **Living Conditions**

According to a study by the UNDP, the World Bank and the European Union Agency for Fundamental Rights (FRA), a survey conducted in 84,000 households in 11 countries across the continent revealed grim prospects for Roma communities: only 15% of young Roma adults surveyed finish upper-secondary general or vocational education, compared with more

than 70% of the majority population living nearby. Less than 30% of Roma surveyed are in paid employment. And about 45% of them live in households lacking at least one of the following: an indoor kitchen, loo, shower or bath, or electricity.

Most Roma families live in small shacks with no electricity or running water, and international institutions calculate that Roma poverty rates are up to 10 times higher than those of the majority. Conditions in Roma settlements on the edges of town and villages rival Africa or India for their deprivation. And most Roma in Eastern Europe (where the majority of Europe's Roma live) are now worse off than under communism, which, for all its faults, at least guaranteed work, housing and welfare. It also stamped down on hate crimes that now flare up in regular intervals.

There is low school participation of Roma children in preschool and primary schools. Data shows that 80% of Roma children cannot enroll in pre-school education for different reasons. Moreover, the culture (or subculture) of these has different origins as Roma parents show indifference towards children's education. Preschool education is completely free, there are kindergartens with 4 hours program that could be attended without being affected by the precarious financial situation. Similar situation holds true for primary education. Poor access to school (no roads leading to school), absence of public transportation or expensive transportation fees from home to school, high costs of schooling, need for these children to help in domestic chores and in income-generating activities for the family, language barrier leading to irrelevant classroom experience are all factors that hamper the participation of Roma children in regular, mainstream schooling.

Roma people who are not registered and have no identity card also cannot benefit from social services. With the strong feeling of being discriminated and rejected, Roma parents would keep their distance from the majority and are not actively involved in any social activities including education (Fleck 2008). This affects their self-esteem (very low self-esteem) (Roma Resources 2000).

Unfortunately, even in classrooms, Roma children are not spared. Some subtle forms of discrimination include bullying, ignoring of Roma children and preventing other children from interacting with them. With this situation and very little relevance of classroom experiences to their lives, Roma children tend to give little importance to schooling. Roma children are often considered 'dirty', 'smelly' and 'lacking basic social skills' by their classmates and teachers because of their lifestyle at home due to low school attendance. How could we bind the children of other nationalities to interact with them in the conditions described?

Consequently, many Roma people drop out of school. Poverty keeps the Roma children from getting a good education. They are poor because they do not have steady jobs. They don't have steady jobs because they do not have a good education background. Without a good educational background, they can't work and they remain poor or become even poorer. These negative prejudices are the forces that drive the unending cycle of poverty and discrimination of the Roma people. Returning to the specification: we have a phenomenon of unlearned helplessness, perpetuated from one generation to another. Change should be welcomed in the education of adult Roma population.

## Discussion Points

- Ø Educational rights of the Roma: how best to ensure basic education?
- Ø Social inclusion, discrimination and crime
- Ø Cultural integration, integration policies, preserving an identity
- Ø Does *Multiculturalism* provide an effective model for integration of Roma communities?
- Ø Proposals for technological innovations for development

At a social and educational level, there are concerns for the integration of Roma children and youth. Yet, social inclusion as a process is multi-sectoral and multidimensional.

The majority of European people show rejection and discrimination towards the Roma and the Roma themselves retreat and segregate themselves from the society. What are some effective solutions for reaching out from both sides? While the majority group with all good intentions reach out to the minority group, the minority group should also show desire to be part of the society and do their share of the process. Should the initiatives be one way or both ways, and how so? What new initiatives can prove fruitful given the lack of effectiveness of previous ones (see recommended readings for examples of past policies).

One of the effective arms of social inclusion is education. Social inclusion should start with educational inclusion which demands an overhaul of the system, structure, manpower, policies toward the multicultural (or intercultural) principle of education. Looking at the present initiatives of Romania, these major aspects are being addressed gradually but not within the principles of multicultural education.

So what can be done further? Recognition of the history of the effects of discrimination is a vital process. It's only through recognizing the problems faced by Roma alongside those of their fellow countrywomen and men that we will really understand how to combat Europe's despicable history and current negative attitudes. Yet, much more action is needed and we are yet to figure out a tangible solution for what is frequently dubbed as *Europe's biggest societal problem*.

## Further Reading and Exploration (Strongly recommended)

Dazed, 10-minute documentary: *Life is Tough in Albania's Roma Camps*, August 2014,  
<http://www.dazeddigital.com/artsandculture/article/21301/1/life-is-tough-in-albanias-roma-camps>

Gypsies, Roma, Travellers: An Animated History, June 9, 2013,  
<https://www.youtube.com/watch?v=Q6wSLfGBVGY>

Ronald Lee, *A New Look at Our Romani Origins and Diaspora*, December 26, 2013,  
<http://kopachi.com/articles/authors/ronald-lee/a-new-look-at-our-romani-origins-and-diaspora-by-ronald-lee/>

World Bank, *Handbook for Improving the Living Conditions of the Roma*, 11/6/2014,  
<http://documents.worldbank.org/curated/en/2014/01/20356975/handbook-improving-living-conditions-roma>

United Nations, *The Role of the United Nations in Advancing Roma Inclusion*, February 2013,  
<http://www.europe.ohchr.org/Documents/Publications/RomaInclusion.pdf>

Will Kymlicka, Queen's University, *Multiculturalism: Success, Failure and the Future*, February 2012, <http://www.migrationpolicy.org/research/TCM-multiculturalism-success-failure>

UNDP, Tatjana Peric, *The Housing Situation of Roma Communities: Regional Roma Survey 2011*,  
<http://www.undp.org/content/dam/rbec/docs/The-housing-situation-of-Roma-communities.pdf>

UNDP, Dotcho Mihailov, *The Health Situation of Roma Communities: Analysis of the Data from the UNDP/World Bank/EC Regional Roma Survey*,  
<http://www.undp.org/content/dam/rbec/docs/The-health-situation-of-Roma-communities.pdf>

World Bank, *Gender Dimensions of Roma Inclusion: Perspectives from Four Roma Communities in Bulgaria*, January 2014,  
<https://www.wdronline.worldbank.org/bitstream/handle/10986/17545/846930REVISED00lish0Roma0Gender0ENG.pdf?sequence=1>

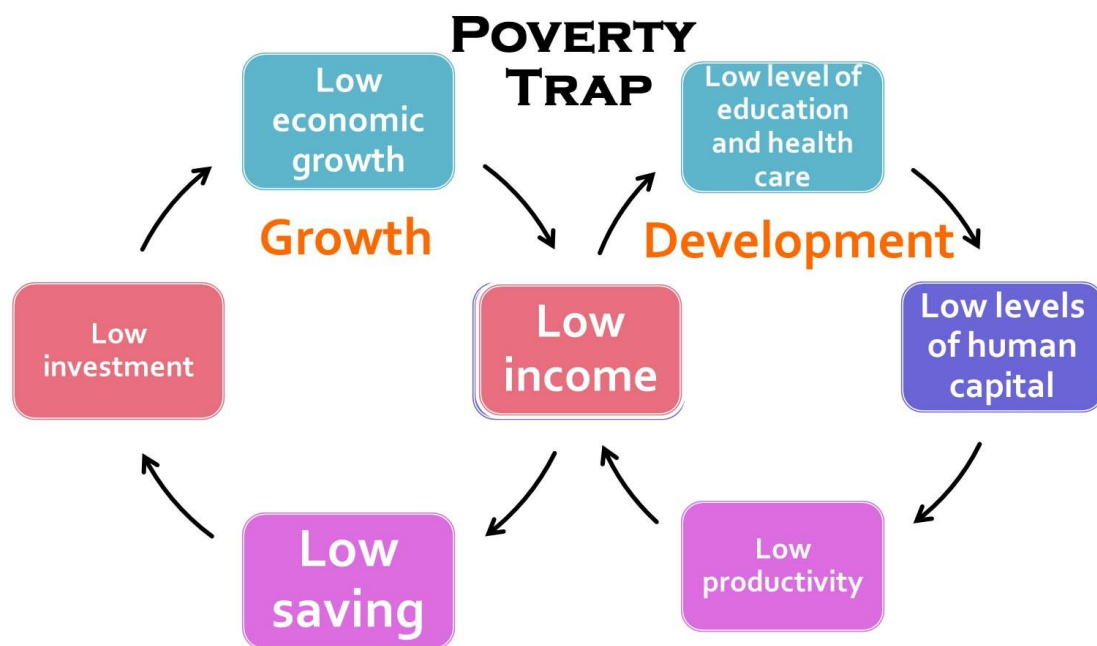
European Commission, Proposal for a Council Recommendation on Effective Roma Integration Measures in the Member States, February 2013,  
[http://ec.europa.eu/justice/discrimination/files/com\\_2013\\_460\\_en.pdf](http://ec.europa.eu/justice/discrimination/files/com_2013_460_en.pdf)



## Topic B: The Role of Micro-credit/micro-finance in the Millennium Development Goals

One of the UNDP's main goals is to achieve the millennium development goal (MDGs). These were established in 2000 in order to reduce poverty, increase the number of children enrolled in education, empower women etc. You can read more about the MDGS here: <http://www.undp.org/content/undp/en/home/mdgoverview/>

One important step initiated by Dr. Mohammad Yunus (who later won a Nobel Peace Prize in 2006) is the lending of small loans – known as microcredit. It is difficult for the poor to become less poor because they are trapped in a 'poverty cycle'. This means that the poor have certain social characteristics, which leads them to become poorer, and this results in a perpetuating cycle of poverty. The diagram below illustrates this.



Source: Jinukk's Site

In order to break this cycle, intervention at one of the steps is needed. This is where microcredit can come in. Microcredit can lead to higher incomes, which can lead to higher levels of education and health care, which can lead to higher levels of human capital, which can lead to higher levels of productivity, which can again lead to higher levels of income. Higher levels of income can also lead to higher levels of saving, which can lead to higher investment and higher economic growth – which should reduce poverty. Moreover,

microcredit is sometimes focused towards women, and hence this can empower women in the community. Microcredit, therefore, can be a means to achieve the development goals.

### **So how does microcredit lead to higher levels of income? What is microcredit?**

In the US and other developed countries, people take the banks for granted. It is possible for people to take a loan from the bank to pay for his/her house (in this case it is a mortgage), a car etc. Then when you take the loan, interest gets added to the loan. The interest is a percentage of the loan that you have to pay back with the loan. For example, if you borrow \$1000 from the bank and there is a 5% interest per year, then at the end of the year you owe the bank \$1050. Loans are important for businesses and entrepreneurship. If you start a business, you may not have the initial money to start it, so you borrow from the bank and hope that the business will result in revenue that will enable you to pay back the money and the interest and make profit.

The problem, however, is that these banks only provide money to those who already have money! They are not going to give the money to someone who will not be able to pay back, and who doesn't have collateral (possessions that the borrower gives to the lender if the borrower cannot pay back the loan). Hence, poor people are unable to borrow money, and are unable to start businesses or pay for school etc.

Microcredit tries to solve this. A microfinance institution (MFI) is similar to a bank and provides loans but these loans are targeted to poor people. Whilst a bank may allow someone to borrow thousands of dollars, a MFI will typically lend hundreds or tens of dollars instead – hence the word 'micro'. In addition, MFIs will have lower interest rates, so that the poor will be able to pay back. This results in poor people being able to borrow money – the idea is that they will then start 'microbusinesses' and gain some money. Through this, they will be able to support their family and have money to consume things they need.

### **How has the UN been involved with microcredit?**

The most significant UN resolution on microcredit was perhaps the proclamation of 2005 being the year of microcredit. You can read more about it on the official website (<http://www.yearofmicrocredit.org/>). During the year, information was collected in order to better understand microcredit, awareness was raised in the public, and microcredit was basically encouraged in the developing countries. The UNCDF (United Nations Capital

Development Fund) operated out of UNDP country offices, financing stand-alone capital infrastructure schemes etc. but now is heavily involved in microfinance.

### **This sounds great; what is there to discuss then?**

Recently, microcredit has been under attack. There are many problems with microcredit and these problems are manifesting themselves in the developing countries. Here are some of the problems:

- Politicians want more government control on MFIs and this has resulted in more regulations, for example in India. As a result, the ability for MFIs to lend to the poor has greatly been diminished. So, how involved should governments be?
- Some MFIs have been accused of not actually wanting to help their poor clients, but instead are setting up these institutions to make profit. For example, this happened in the district of Rustenburg in South Africa. The large banks there poured in vast amounts of microcredit in order to gain profits, clearly exploiting and casting devastation on the indebted mineworkers and families<sup>1</sup>. How can we ensure that MFIs are not exploiting the poor?
- The burst of more microbusiness in an area may result in less income for already existing struggling businesses. Therefore, economic growth will actually slow down. Moreover, micro-businesses may result in lower income for stable and sustainable businesses – this would also slow down economic growth – do the benefits of microbusinesses outweigh the potential slowdown of economic growth elsewhere in the area?
- There are still some poor people that micro-credit can not help. In low population areas, how can a person thrive in their business? How can we reach areas like these?
- Some places need subsidies (money given by the government to some firm or other body). But when subsidies are used, there are opportunity costs (the next best alternative foregone when an economic decision is made). In other words, are the subsidies worth more than spending the money in another area, for example education?

---

<sup>1</sup> Bateman, Milford. "Microcredit Has Been a Disaster for the Poorest in South Africa." *The Guardian*. N.p., 19 Nov. 2013. Web. 27 Nov. 2014.

- Most importantly, there is some evidence that microfinance is actually leading to more debt. There are some people who will not be able to pay back the loan. If a person borrows money, and does not do anything with it, they are then in a more worse situation. They would have been better off without the microcredit. There have been many instances where poor people are committing suicide as a result of too much debt. Is micro-credit actually just putting poor people into debt?

- What is the actual affect of microcredit on poverty? In fact, MIT economists were the first to publish a randomised, controlled study, which looked at the affect of microcredit on poverty. They found that microcredit had no effect on the indicators of poverty, such as household spending and whether children were attending school<sup>2</sup>.

### **Possible solutions:**

- Instead of lending money, can the money just be provided for free? i.e. grants. This will help poor people start businesses without the risk of having to pay back the money with interest. This could also be in preparation for micro-credit – they learn how to use the money instead of getting involved in the risk immediately. For example, the BRAC Income Generation for Vulnerable Groups Development program in Bangladesh helped more than 660,000 poor women by providing free food, training, health care, and savings to BRAC's mainstream microcredit program<sup>3</sup>.

- Instead of subsidising micro-credit, could the money be used for infrastructure, education, health care. Improvements in these areas will also foster business activity.

- Creating reforms that actually create an incentive for micro-credit rather than regulating it could be an action taken by the government.

- Focus on employment instead of creating business

---

<sup>2</sup> Roodman, David. "Microcredit Doesn't End Poverty, despite All the Hype." *Washington Post*. The Washington Post, 10 Mar. 2010. Web. 27 Nov. 2014

<sup>3</sup> About Microfinance | Kiva." *Kiva*. N.p., n.d. Web. 25 Nov. 2014.  
<<http://www.kiva.org/about/microfinance>>.

**Conclusion:**

As we discuss about microcredit, we should consider several points. We should consider the evidence that micro-credit has reduced poverty, and the evidence that micro-credit has not done so. We should also consider the tension between the government and MFIs in some countries. Moreover, can lenders of microcredit be involved in microfinance for the benefit of the poor or themselves? How can we regulate this? What's the impact of microcredit on other local businesses? You should also consider the main MFIs in the developing countries. For example, the Grameen Bank founded in 1983 in Bangladesh, which is recognised internationally. We have provided some articles and videos below, which should help in understanding the topic better. We look forward to meeting you all!

**Videos:**

Video about the bad effect of microcredit in India:

<https://www.youtube.com/watch?v=JzF6thf5GqA>

Short Video explaining microcredit:

<https://www.youtube.com/watch?v=bpSNM625LFU>

Video also explaining microcredit:

[https://www.youtube.com/watch?v=\\_LK4XMF2u8Y](https://www.youtube.com/watch?v=_LK4XMF2u8Y)

**Further reading:**

- <http://www.kiva.org/about/microfinance>
- [http://www.washingtonpost.com/opinions/microcredit-doesnt-end-poverty-despite-all-the-hype/2012/01/20/gIQAtrfqzR\\_story.html](http://www.washingtonpost.com/opinions/microcredit-doesnt-end-poverty-despite-all-the-hype/2012/01/20/gIQAtrfqzR_story.html)
- <http://www.theguardian.com/global-development-professionals-network/2013/nov/19/microcredit-south-africa-loans-disaster>
- [http://www.unep.org/training/programmes/Instructor%20Version/Part\\_2/Activities/External\\_Drivers/Finance/Core/About\\_Microfinance\\_and\\_Microcredit.pdf](http://www.unep.org/training/programmes/Instructor%20Version/Part_2/Activities/External_Drivers/Finance/Core/About_Microfinance_and_Microcredit.pdf)
- [http://www2.crcna.org/pages/sea\\_cycleofpoverty.cfm](http://www2.crcna.org/pages/sea_cycleofpoverty.cfm)