



LIVEWHAT

Living with Hard Times

How Citizens React to Economic Crises and Their Social and Political Consequences

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SYNTHESIS OF PROJECT MAIN FINDINGS



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How Citizens React to Economic Crises
and Their Social and Political Consequences

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**MADE IN
CRISIS**



Introduction

The present synthesis of project main findings is the outcome of 3-year-long cross-national research conducted within the framework of the EU-funded FP7 project “LIVEWHAT—LIVING WITH HARD TIMES: How Citizens React to Economic Crises and Their Social and Political Consequences.” The economic crisis that hit Europe in 2008 is without precedent in postwar economic history. The ongoing recession has left deep and long-lasting traces on economic performance and entails social hardship of many kinds. Those hardest hit are those most likely to exit the political sphere and withdraw from political engagement. Falling political participation and the rise of populist groups and rhetoric in various European countries is only one side of the story. Understanding how citizens develop resilience in difficult times—rather than opting for fatalism or rejecting any involvement in public life—is crucial for scientists, policymakers, stakeholders, and society at large. It is in this context that LIVEWHAT was born.

LIVEWHAT findings provide evidence-based knowledge about citizens’ resilience in times of economic crises, allowing for more effective policy responses to the negative consequences of such crises. The project examined the ways in which European citizens have reacted to the recent crisis that, at different degrees of intensity in different countries, struck Europe in 2008, as well as how they deal with economic crises and their consequences more generally. While the focus of the research was on citizens’ coping strategies and responses (individual and collective), LIVEWHAT also examined policy responses so as to have a baseline for assessing citizens’ resilience.

The synthesis of project findings provides an in-depth presentation of the key results and findings with the aim of helping scholars, practitioners, policymakers, and civil society actors in Europe to identify a more comprehensive and concerted problem-solving approach to tackling the negative effects of the recent crisis. The synthesis is structured as follows: Part 1 presents information about the LIVEWHAT project, its objectives, theoretical approach, research work packages, and outputs. Part 2 puts forward new comparative knowledge on policy and citizen responses to the crisis, as well as how these responses vary across countries depending on the intensity of the crisis. Key policy results are presented, which were obtained through interviews with policymakers, the study of policy and legal documents, an analysis of political claims in the media, a cross-national survey on citizens’ attitudes and responses, a set of laboratory and survey experiments with individual citizens, and an online survey of and interviews with key informants involved in social and solidarity economy actions. Finally, Part 3, building on LIVEWHAT comparative evidence, concludes by putting together key conclusions with the aim of increasing understanding about what is required to turn crisis into opportunity.

PART 1 LIVEWHAT at a glance

About LIVEWHAT

Launched in December 2013, LIVEWHAT's main aim was to provide evidence-based knowledge about citizens' resilience in times of economic crises in nine European countries: **France, Germany, Greece, Italy, Poland, Spain, Sweden, Switzerland, and the United Kingdom (UK).**

Throughout its 3-year duration, the project examined the ways in which European citizens have reacted to the crisis that, at different degrees of intensity in different countries, struck Europe in 2008. Additionally, it examined how they dealt with economic crises and their consequences more generally.

The project studied both the individual and collective responses by citizens, the private and public dimensions of such responses, and political and nonpolitical responses. LIVEWHAT not only focused on citizens' responses but also shed light on policy responses so as to have a baseline for assessing citizens' resilience in times of crisis.

Objectives

LIVEWHAT tackled the following objectives:

- To advance knowledge regarding the ways in which citizens respond to economic crises and their social and political consequences
- To contribute to placing citizens' responses to economic crises and their negative consequences on the political agenda by raising awareness about the situation of groups particularly at risk in situations of economic crisis
- To improve the problem-solving capacity of policymakers and practitioners by providing policy recommendations and a catalogue of good practices
- To help develop a more comprehensive and concerted problem-solving approach within member states and the European Union (EU) by promoting knowledge transfer and policy learning

The project's objectives were addressed by means of a variety of data and methods: a cross-national comparative dataset on economic, social, and political indicators; the analysis of policy responses, collective responses, and individual responses by private citizens to crises; lab and survey experiments designed to assess causal effects of different dimensions of crises on citizens' attitudes and behaviors; and the analysis of alternative forms of resilience in times of crisis.

Theoretical approach

LIVEWHAT's theoretical approach allowed for studying resilience along the analytical continuum between the individual level of single citizens who learn how to bounce back and downplay the costs of crises and the far-reaching forms of collective resilience aimed at entering the public domain so as to challenge inequities and foster common empowerment.

The project conceived of resilience as the capacity of European citizens to stand against economic hardship through an active process of contestation and empowerment. Going beyond previous studies that have studied the impact of economic crises on specific groups such as children, youth, and families treated as passive categories, LIVEWHAT puts citizens engaged in alternative forms of resilience at center stage.

Alternative forms of resilience include the strengthening of social and family networks and community practices to foster solidarity in the face of crises, the change of lifestyles toward more sustainable forms of consumption and production, and the development of new artistic expressions. Although these transformations in citizen practices (from adapted to alternative) are decisive for citizens' resilience in times of austerity, they have not yet been thoroughly studied.

Research work packages

LIVEWHAT undertook the following research Work Packages:

Work Package 1—Defining, Identifying, and Measuring Crises: This work package involved defining, identifying, and measuring crises by setting for than operational definition and a set of indicators that enabled the researchers to detect and compare the impact of crises on European societies.

Work Package 2—Policy Responses to Crises: The aim of this work package was to compare national policy responses to crises through interviews with policymakers and the study of secondary sources.

Work Package 3—Collective Responses to Crises in the Public Domain: This work package aimed at examining collective responses to crises in the public domain through the analysis of political claims.

Work Package 4—Individual Responses to Crises: The objective of this work package was to assess individual citizens' perceptions and responses to crises through a nationwide survey in each of the countries studied in the project.

Work Package 5—Causal Effects of Crises on Citizens’ Attitudes and Behaviors: This work package involved assessing causal effects of crises on citizens’ attitudes and behaviors by conducting laboratory and survey experiments.

Work Package 6—Alternative Forms of Resilience in Times of Crisis: The aim of this work package was to detect Alternative Action Organizations (AAOs) involved in Social and Solidarity Economy (SSE) in times of crisis through an online survey of and interviews with key informants and to explain what these initiatives suggest for the impact of crises on vulnerable groups and communities.

Project consortium

LIVEWHAT research was conducted by a team of researchers from nine European universities, namely:

Project coordinator

- Marco Giugni, University of Geneva

Partners

- Eva Anduiza, Autonomous University of Barcelona
- Lorenzo Bosi, European University Institute
- Manlio Cinalli, Fondation Nationale des Sciences Politiques
- Maria Grasso, University of Sheffield
- Maria Kousis, University of Crete
- Christian Lahusen, University of Siegen
- Maria Theiss, University of Warsaw
- Katrin Uba, Uppsala University



PART 2 Exposé of key findings

2.1 Policy responses to crises

This part draws on cross-country research that aimed to identify and inventory key changes relating to the legislation and policies enacted by policymakers as a response to the 2008 economic crisis and as a method of avoiding or limiting its negative consequences. The analysis covered the period from 2005 to 2014. It drew on the study of policy documents, jurisprudence, and interviews with key informants such as high-level public officials. The year 2005 is an important starting point because it allowed LIVEWHAT researchers to disentangle the reactions to the 2008 economic crisis and the earlier processes of legislative change. The countries studied included France, Germany, Greece, Italy, Poland, Spain, Sweden, Switzerland, and the UK.

Legislative responses

Key findings

- **Employment protection is worse in Greece, Spain, and the UK, where the short period of prior notice given when an employment contract is terminated significantly increases the insecure position of employees.** Some countries, such as Italy, provide good legal protection for only some groups of employees and have left the rights of temporary and precarious workers unprotected. The number of people in these two categories is, however, growing as a result of the economic crisis since 2008.
- **Conditions for the eligibility of unemployment benefits have become stricter.** Fewer workers are entitled to benefits. Particularly significant changes have taken place in France, Greece, Sweden, and Switzerland.
- **Protection of social rights, especially eligibility for benefits in the case of sickness leave or measures for poverty alleviation, has been relatively stable since the economic crisis of 2008.**
- **One positive change was identified: the increase of citizens' rights to social security through more flexible and inclusive parental leave systems in several examined countries (e.g., Italy, Poland).** These are expected to balance the otherwise negative trends in labor rights.

- **There is increasing willingness among the governing authorities to limit and regulate citizens' use of the freedom of assembly in many countries, and in some cases this is a direct result of the numerous street demonstrations opposing austerity policies.** From the perspective of protection of citizens' fundamental rights, these trends call for further attention by civil society groups, scholars, and politicians.

Dimensions of rights

The analysis of national legislations indicates that three areas require attention in all, or nearly all, of the nine countries under study:

- ✓ labor rights, which are described in the legislation on employment protection, regulations of unemployment benefits, and laws regulating unionization and strikes;
- ✓ social rights, especially eligibility for benefits in the case of sickness leave or measures for poverty alleviation; and
- ✓ citizens' fundamental rights of freedom of assembly, defining legal opportunities for citizens to react in public to governments' austerity programs or other policy measures.

Labor rights

In this analysis, labor rights refer to employment protection rights, rights related to unemployment benefits, and rights to unionize and strike. Employment protection is measured in terms of the dismissal process, and these rights are relatively better protected in France, Germany, and Sweden (Inventory 1). The situation is worse in Greece, Spain, and the UK, where the short period of prior notice given when an employment contract is terminated significantly increases the insecure position of employees.

Inventory 1—Procedural requirements for dismissals and compensation¹

| Country | Notice period | Entitlement to and size of severance pay | Comments |
|--------------------|---|--|---|
| France | No minimal period; depends on collective agreements, sectorial agreements, or employment contract | 1/12 of gross salary of the last 12 months or 1/3 of the salary for the last 3 months, whichever is the most beneficial for the employee | Rules differ somewhat for public employees, with different rules applying for different functions and age. |
| Germany | 4 weeks to 7 months depending on years of service | ½ to 18 months' salary | Time before age 25 is not counted for service; collective agreements apply |
| Greece | 4 weeks up to 4 months depending on years of service (until 2012 it was 6 months) | 2 to 12 months' salary when no notice has been given (changed rules since 2012) | No compensation if worked less than 12 months since 2010; manual workers have no notice period |
| Italy | No minimum; collective agreements determine, seniority applies | 2.5 to 14 months' salary for unfair dismissal | Different for companies with more than 15 workers (since 2012 the rule to rehire a person does not apply for dismissals for economic reasons) |
| Poland | 2 weeks up to 3 months depending on years of service | No state regulation; companies compensate 1 to 3 months' salary | No dismissal if one has 4 years until retirement |
| Spain | 2 weeks (15 days); it was 1 month until 2010 | ½ to 12 months' salary; for unfair dismissal, 1–24 months (was 1½–42 months until 2010) | Major changes since 2010 |
| Sweden | 4 weeks up to 6 months depending on years of service | Salary paid during notice period, no other | Notice applies from the 2nd service month; collective agreements apply |
| Switzerland | 4 weeks up to 3 months depending on years of service | Salary paid during notice period, no other | 7 days for service under 1 month; collective agreements apply |
| UK | 1 week to 3 months depending on years of service | Salary paid during notice period if the dismissal is for poor performance | Dismissal is procedurally unfair if no consultation with the individual has taken place (changed in 2013). |

Some countries, such as Italy, provide good legal protection for only some groups of employees and have left the rights of temporary and precarious workers unprotected. The number of people in these two categories is, however, growing as a result of the economic crisis since 2008. Employment protection rights are the most inclusive in France, Germany, and Sweden and the most exclusive in Spain. Poland and the UK do slightly better than Spain thanks to the longer upper limit of the notice period. Italy does provide good protection to employees on paper, but the growing numbers of precarious workers who enjoy very limited labor rights place the country in the middle position of our comparison. The changes in Greece have depleted the rights of workers since 2010, but their general protection is still better than in the Spanish case.

¹ Detailed references to legislations, as well as more specific information about the dismissal process, are given in LIVEWHAT Deliverable 2.4, “Integrated report on policy responses to crises.”

Conditions for the eligibility of unemployment benefits have become stricter (Inventory 2); fewer workers are entitled to benefits. Particularly significant changes have taken place in France, Greece, Sweden, and Switzerland. While in general changes are related to austerity policies, in Sweden (as well as in Switzerland and in Germany in the early 2000s) the economic crisis was not the direct cause of change. Rather, changes were due to the new center-right government, which came into power in Sweden in 2006.

Inventory 2 - Eligibility criteria for unemployment benefits

| Country | Coverage | The employment period needed for eligibility | Comments, changes |
|-------------|----------|--|---|
| France | 3 | 4 months of insurance (during previous 28 months, 36 if over 50) | Before 2009, 6 months during the last 22 months |
| Germany | 3 | 12 months of employment during the last 2 years | Changes in early 2000s worsened the conditions. |
| Greece | 3.5 | 4 months (125 days) during the last 14 months, excluding 2 months prior to dismissal; for the 1st time, it is required to have 200 days for the past 2 years (or 80 days/year) | Since 2014, one cannot claim the benefit for more than 400 days during the last 4 years; public sector has different rules. |
| Italy | 4.5 | 24 months of insurance and 52 weekly contributions during the last 2 years | The reform of 2012 cut the size and duration of the benefits. |
| Poland | 3.5 | 12 months employment over the last 1.5 years (employees & self-employed) | Difficult for those with short-term contracts |
| Spain | 4 | 12 months of payments to social security contributions during 6 years | Except for domestic workers, interns, and trainees |
| Sweden | 3 | 12 months of insurance payments or 6 months employment during the last year | 2-tier system: basic & earnings-related benefit; stricter rules since 2007 |
| Switzerland | - | 12 months of insurance (employed in a specific scheme) over the last 2 years | More restrictive since 2011 |
| UK | 2.5 | Less than €7,530 savings (income) or has paid enough for insurance during the last 2 tax years | Two types: income-based and contribution based |

The changes tightened the conditions for being eligible for unemployment benefits, as well as increased the obligations to report to the unemployment office. The eligibility system in the UK is seen as the least strict, but since the introduction of Work Programme in 2011, the obligations of a jobseeker have significantly increased. The Spanish example, with its easy dismissals and relatively strict eligibility rules for unemployment benefits, demonstrates the clear failure of a flexicurity system.

Moreover, strike laws and the legal framework for collective bargaining have both been under pressure during the years of crisis, and this has resulted in real changes in Spain and the UK. The legal protection of collective action—unionization and strikes—has still not changed as much as has been the case for other forms of employment protection. In countries like Spain, rights have even been broadened, such as when the authorities gave migrant workers with work permits the right to strike in 2007.

Social rights

Protection of social rights, especially eligibility for benefits in the case of sickness leave or measures for poverty alleviation, have changed since 2005. However, our findings suggest that social rights, in general, have changed less than labor rights. Rights for paid parental leave have increased or become more flexible (Poland, the UK, Sweden), whereas some sickness-related rights have become stricter (Germany, Greece, Spain), but there are also examples of how countries have tried to alleviate problems by introducing assistance and activation programs for those with low or no income (e.g., Sweden, the UK).

Rights of freedom of assembly and association

Freedom of assembly and association is one of the fundamental political rights, protected by both the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights, as well as the European Convention of Human Rights and the Charter of Fundamental Rights of the EU (since 2009, Treaty of Lisbon).

Thus, it is not surprising that all examined countries mention this right in their constitutions or in some major human-rights-related legislation. However, there are some minor differences in terms of mandatory prior notice or permission for public assemblies. In some of the examined countries these rules have been changed due to protests against austerity measures since the crisis of 2008.

Particularly important are some proposed and accepted legislative changes in Greece (2009–2013), Poland (2012), and the UK (2011). In Greece in 2009, the parliament banned the covering of activists' faces during demonstrations. Moreover, one recent decree banned the occupation of entire roads and the interruption of traffic by small gatherings in cities with a population over 100,000. In Poland, there was a discussion about whether the existing fines for organizing a spontaneous (i.e., unregistered public assembly) are consistent with the constitution, and the Constitutional Tribunal (10.07.2008) decided that they are. The ruling did not lead to a more precise definition of spontaneous manifestation, as expected by the civil society; instead, the authorities proposed to prolong the period of prior notice from three to six days before the demonstration in 2012. The proposal was heavily criticized by the OSCE and local civil society, and the accepted legislation actually shortened the notice period by removing the phrase “working day” from the text.²

In the UK, the parliament adopted the Police Reform and Social Responsibility Act, 2011, which was a direct response to the economic crisis-related Occupy movement. The law prohibited erecting or keeping erected in the controlled area of Parliament Square (i) any tent or (ii) any other structure designed or adapted (solely or mainly) for the purpose of facilitating sleeping or staying in a place for any period. Even here one can note the trend toward more limited opportunities for public assemblies.

² OSCE/ODHIR (2012), Note on the Draft Law Amending the Law on Assemblies in Poland, Opinion-Nr.: FOA-POL/207/2012 (YA) from 21 May, 2012.

Although freedom of assembly and association are well protected by the constitutions of the examined countries, the described changes indicate a clear pressure to limit these rights. While the issue of security has been the reason for prior limitations, the new contemporary proposals seem to be inspired by numerous anti-austerity protests.

Policy responses

Key findings

- **Crisis responses vary significantly across countries.** In Germany, Switzerland, and Sweden, the effects of the crisis, as well as the related policy changes, have been moderate. While France has not gone unscathed through the crisis, its policy responses have not had a fundamental impact on labor market policy and social security systems. Both Poland and the UK have engaged in wide-ranging reforms to cut public spending. However, Poland has also taken steps toward a more inclusive welfare system, for example, by the introduction of paid parental leave and more affordable childcare. At the far end of the spectrum we find Italy, Spain, and most notably Greece. The reforms in Greece have been all embracing, leaving practically no section of society unaffected.
- **The reforms adopted in the nine countries have, in many cases, no direct relationship to the recent economic crisis.** Some reforms, in particular the changes in pension systems, had been discussed for a long period of time before the crisis erupted in Europe. The crisis supplied an opportunity to adopt and implement such reforms as part of broader packages aimed toward decreasing debt and consolidating budgets, even if the short-term gains of reforms to attain such goals are sometimes negligible.

Labor policies

Minimum wages and vacation

The findings show that, with the exception of Greece, little or no changes to vacation rights and minimum wages have been enacted in the wake of the crisis (Inventory 3). In Sweden, Italy, and Switzerland (with the exception of two cantons) there is no regulation of the law concerning minimum wage. Instead, wages are regulated through collective agreements with trade unions in particular sectors of the labor market. The reluctance to introduce minimum wages in these countries has been associated with fears that such levels would be lower than minimum wages established through collective agreements in individual professional sectors. However, whether or not minimum wages are seen as a viable option among the actors in the labor market is highly dependent on the wage-setting structures already in place.

Inventory 3 - Minimum wage, vacations, and changes in these regulations

| Country | Minimum wage as % of median wage (2012) ³ | Vacations (minimum no. of days for full-time employees) | Changes |
|-------------|--|---|--|
| France | 62% | 30 days/year plus holiday allowance | No |
| Germany | (€ 8,50/h) 58% ⁴ | 24 days/year (including Saturdays); most collective agreements allow more | Minimum wage fully effective from 2016; minor changes equalizing vacation days across age groups |
| Greece | 42% | 24 days/year plus holiday allowances for vacations and public holidays | 2012: extended possibilities for employers to deny continuous days of vacation; 2013: holiday allowances abolished for public-sector employees |
| Italy | No | 28 days/year | 2011: liberalization of opening hours for private businesses |
| Poland | 47% | 20 days/year plus holiday allowances in companies with more than 20 employees | 2011: minor change to employers' compensation for public holidays |
| Spain | 44% | 30 days/year | No direct changes of minimum wage and vacations; minimum wage practically frozen since 2011 Proportion of minimum-wage earners has doubled to over 12% since 2004. |
| Sweden | No | 25 days/year | 2010: calculation of vacation for long-term illness restricted to one year (previously two) |
| Switzerland | No | 24 days/year | No |
| UK | 47% | 28 days/year | 2014: employer can choose to include bank holidays as part of a worker's statutory annual leave |

As for policies regarding vacations, with the exception of Greece, there have not been any significant changes in the countries studied by LIVEWHAT. In Greece, special allowances for Christmas and Easter holidays were reduced in 2011 and were completely abolished for public-sector employees in 2013 as part of cutting costs for public administration. In Spain, Switzerland, and the UK there were no significant changes regarding vacations during the period studied. Sweden reformed its legislation regarding vacations in 2010, restricting the vacation rights for employees who are ill for a long-term.

³ Source: <http://stats.oecd.org/Index.aspx?DataSetCode=RMW#>.

⁴ No data on relation to median salary for 2012. Estimations put the German minimum wage at 58% of the median. <http://online.wsj.com/news/articles/SB10001424052702304026304579452843363960958>.

Dismissals

With regard to rules and regulations on dismissals, Greece, Spain, and to some extent Italy have all enacted reforms since 2008 that have made it easier for employers to terminate contracts with redundant workers for economic reasons. In Greece, eligibility for severance pay upon dismissal has also been made more restrictive since 2010, excluding those who have been employed for less than 12 months. Efforts have also been made to facilitate the dismissal of public sector employees who were previously protected by law against dismissal.

In Spain, 2010 and 2012 saw important labor market reforms, including changes in regulations regarding collective bargaining, with the aim of bringing wage developments closer to the actual levels of productivity. Reforms also allow companies more leeway in using internal flexibilization measures as an alternative to dismissals. Companies are now able to unilaterally change working conditions, such as hours of work, shifts, salary amounts, and functions when there are proven economic, technical, organizational, or production reasons.

At the same time, regulations regarding dismissals for economic reasons have also been relaxed and rules for severance pay have been made less generous for employees. With the exception of Greece, Italy, and Spain, initial responses to the crisis were characterized by counter-cyclical measures, whereby the threat of dismissals was countered by different forms of subsidy to enable companies to retain their workforce or by programs aimed at assisting newly unemployed workers to find new employment. In countries such as Sweden, Poland, and more recently Switzerland, some social programs were introduced for dismissed labor.

Unemployment insurance

The insurance systems for unemployment vary across the LIVEWHAT countries, and in times of crisis such systems tend to experience additional strain. However, while wide-ranging reforms have indeed been enacted in some countries, they have not necessarily been prompted by the crisis. In Germany, Sweden, Switzerland, Italy, and the UK, no wide-ranging reforms were enacted in relation to unemployment benefits or services to the unemployed specifically as a response to the crisis. However, in Switzerland a major reform of the unemployment insurance law was enacted in 2011, introducing, among other things, stricter eligibility criteria for unemployment benefits.

Significant reforms were enacted in Swedish unemployment insurance in 2007, with increasing membership fees, reduced compensation levels, and stricter eligibility criteria. While the majority of these reforms remain, some relating to the funding of unemployment insurance were later reversed, as unwanted aspects became evident, especially the significant rise in uninsured workers.

In Greece, successive, wide-ranging restrictions on the availability and levels of benefits have been enacted as part of the crisis measures imposed on the country to reduce public spending. The most important measure that has had a negative impact on the unemployed is the reduction of the basic unemployment benefit from €461 to €360 in 2012 (i.e., 22%), and the abolition of all special allowances added to this in 2013.

Spain is also a country that, as part of further measures aimed toward budget consolidation, has introduced changes in unemployment benefits. A central aim of the 2012 labor reform was to rationalize unemployment insurance by improving targeting and conditionality. The threshold of the benefit was reduced from the seventh month to 50% of the last salary, reducing it 10 points from a previous 60% level. Additional obligations and control measures were also imposed in August 2013 on jobseekers for receiving payments. Poland, while largely maintaining eligibility criteria and benefit levels, saw a decrease in parts of the unemployment benefits concerning those living in areas with high unemployment.

Retirement

In terms of retirement, significant changes in pension policies took place in France (2010–12), Germany (2007–2009), Greece (2010–11), Italy (2011–12), Poland (2009–13), Spain (2011–13), Sweden (2011), and the UK (2011–12) (Inventory 4).

Inventory 4 - Pension reforms

| Country | Age of retirement | Effect of reforms | Comments |
|--------------------|---|--|---|
| France | 62 (gradual rise since 2010) | Negative for many | Longer min. contribution period |
| Germany | 67 (gradual rise since 2007) | Negative for a few | Early retirement cuts, 2014 including parental leave years |
| Greece | 62–65 (gradual rise to 65) | Negative for many | New taxes have significantly reduced pensions (2010, 2011, and 2012), and in 2013, the seasonal bonuses on pension payments were abolished. New method in the calculation of pension since 2011, with negative effects for most |
| Italy | 66 (men) 64 (women), gradual rise to 67 | Negative for many | Early retirement cuts |
| Poland | 65 (men) 60 (women) (gradual rise to 67) | Negative for many | Early retirement cuts, longer minimum contribution period |
| Spain | Gradual rise from 65 to 67 (2011) | Negative for many | Early retirement cuts, much longer minimum contribution period |
| Sweden | 65 (actually 64.5 due to early retirement) | Slightly negative for a few | Abolition of income-tax concessions for pensioners |
| Switzerland | 65 (men), 64 (women) | Positive for a few | Support for low-income elderly |
| UK | 65 (men), gradual rise 60 to 67 (women), later 68 for all | Negative for a few, positive for a few | Minimum years of contribution decreased (2007) then increased (2013) |

In Poland, through the pension reform in 2009, approximately 900,000 people lost their right to early retirement. The reforms limiting the possibility for early retirement were not

prompted by the crisis per se but had been discussed since the 1990s and had been postponed for years. To the contrary, reforms to equalize and increase the retirement age were a result of the crisis in the sense that credit rating and favorable pricing for national debt depended on this reform. This was also the case for the shifting structure of the financing of pensions strongly influenced by the EU as part of reducing the budget deficit. Hence, all countries except Switzerland and Sweden have adopted changes with negative effects for those who work today.

Health and care services for disabled people

Sickness benefits

In terms of the level of sickness benefits, the time period during which benefits are paid, and the conditions for receiving benefits, the general picture seems to indicate that these aspects of the welfare systems have been largely spared from wide-ranging cuts. While several systems have been made less generous, it seems that efforts toward budget consolidation have not primarily targeted social insurance benefits per se.

Germany and Switzerland do not exhibit any significant changes. In Poland, minor changes were enacted in 2013, extending the eligibility for benefits to employees on “contract of mandate,” a type of contract used in Poland that for a long time afforded employees with limited social protection. In 2014, sickness benefit levels were also equalized across professional groups at 80%, decreasing the benefits of certain groups of public-sector employees from 100%.

In France there have not been any significant changes. A 2012 reform equalized the number of qualifying days for receiving sickness benefits between public- and private-sector employees. This was subsequently revoked in 2014, so that the qualifying days in the private sector were removed and were raised from one to three days in the private sector. In Italy, several attempts have been made to more strictly control the sickness leave of public employees.

In Sweden, a major reform of the social security system was enacted in 2008; it introduced strict time limits, lower benefits, and placed greater demands on individuals to shift into other professions if rehabilitation to regain their present employment exceeded six months.

The UK stands out as the only country that applies a flat-rate sickness benefit, equal to about 17% of median gross weekly earnings for full-time employees. While there have not been any significant reforms in this system, there have been some extremely negative reactions in response to certain reforms following the crisis, especially among disabled people who have been hit by multiple cuts, the cumulative effects of which are still unclear.

In Greece, the portion of citizens without medical insurance increased drastically during the crisis among unemployed as well as self-employed individuals who, due to excessive debts, have been excluded from social insurance funds.

Health care services

In terms of healthcare, the services provided by most countries among those studied do not exhibit any wide-ranging reforms. Spain changed eligibility conditions in 2012, lowering the minimum income to become insured in the noncontributory category and denying free healthcare to foreigners living illegally in the country. Patient fees for care and pharmaceuticals have remained largely constant in these countries during the period studied.

Some countries have, however, reorganized the provisions of pharmaceuticals as part of reducing healthcare spending, which, in some cases, such as Spain and Greece, have led to increased contributions from patients. Poland reorganized its reimbursement system, though not primarily with the objective of curbing spending but, rather, to create a different structure for making pharmaceuticals available to the public.

The most radical changes have occurred in Greece, where access to healthcare has been made increasingly restrictive in the wake of the crisis, partly due to the growing portion of the citizenry without adequate health insurance and partly due to the administrative cuts, which have, according to several respondents, put considerable strains on the organization of healthcare provision, affecting the quality of services and the waiting time for medical procedures. Organizational strains on healthcare provisions have also been an increasingly prominent feature in Spain in the wake of the crisis.

When it comes to the provision of elderly care, apart from Spain (where there has been significant cuts in service provision), no significant reforms have taken place in the LIVEWHAT countries. This finding should also be understood in view of the fact that countries such as Greece, Italy, and Poland have only to a limited degree, even before the crisis, provided services such as residential care for elderly persons, with families playing a more important role.

Social aid

Poverty measures

Poverty measures vary greatly across countries, and there are also very different traditions regarding how such aid should be organized. In Italy, the social funds financing services provided by local administrations to vulnerable groups were subjected to severe cuts by more than 90%. Elsewhere, measures for poverty alleviation (social wages, basic income allowances) have improved: In Germany, rent subsidies and heating allowances increased (2000–2011); in Greece, fuel, electricity, and heating subsidies have increased since 2013, as they have in Poland since 2012. There have been no significant changes in Sweden, where the major measure is economic aid assisting those who are not eligible for sufficient aid from the social or unemployment insurances. In Spain, the system of income support is related to the public budget at the regional or local level and differs as to what services are

available and the level of support. Similarly, in Switzerland, the federal state is not involved in poverty measures; these are administered at the cantonal level.

Housing allowances

Even though in Greece the authorities stopped all housing-related auctions during 2014, the system of housing benefits for workers was abolished. In the UK, a rescue scheme for homeowners was adopted in 2008, but this did not include any help for tenants. In Italy, a plan to help low-income mortgage owners was introduced in 2009, but it was the initiative of banks rather than the state. Economic aid is generally limited to covering the absolute minimum subsistence level, and as a general characterization the data indicate that poverty-alleviation-related policies were not significantly reduced with the crisis.

The exception among these countries has been the UK, where housing benefits have decreased since 2013. Also, reforms were made in the UK to curtail the ability for lone parents to receive income support. Previously, unemployed single parents were eligible for income support until their oldest child was 16. Beginning in 2012, single parents with a youngest child aged five or above have been unable to claim income support and are expected to find employment.

Tax policies

Tax systems have been subjected to drastic reforms in response to the crisis in Greece and Spain and, to a lesser extent, Italy and the UK. In Greece, income tax was increased, and authorities also increased consumer taxes (VAT, energy) in 2005 and 2010. Italy also increased VAT and energy taxes (2011–12) and introduced tax bonuses for low-income workers (2014). Similar changes have taken place in Spain, where the VAT was increased and top income tax increased to 50%. In Spain, a trend was initiated in 2007 whereby tax rates were raised and the tax system was made more progressive, ranging from 24% up to 47% for incomes exceeding €175,000. Reforms in 2014 were, however, set to reduce the overall progressiveness of the system.

Sweden lowered its VAT in restaurants, aiming to encourage restaurants to employ more workers and thereby reduce high unemployment among the youth and newly arrived immigrants. Swedish taxes on wages have also been lowered markedly in successive steps since 2007. Sweden introduced reforms regarding income tax and VAT, though not primarily as an answer to the crisis. Recently, reforms were also introduced in Italy whereby employees with earnings less than €26, 000/year were given a tax bonus. No wide-ranging reforms were initiated in France,⁵ Germany, Poland, or Switzerland.

⁵ France, however, recently introduced a 75% tax on high-income earners.

Family policies

Parental leave

Recent developments in the field of family policies show a positive change: the increase of citizens' rights to social protection through more flexible and inclusive parental leave systems in several examined countries (e.g. Italy, Poland). These are expected to balance the otherwise negative trends in labor rights. In particular, employment protection during parental leave is strong, as in all the examined countries employers are not allowed to dismiss pregnant women or any employee on parental leave. Still, there are some problematic practices. In Spain, there are numerous cases where temporary contracts are not renewed, while in Italy women who become pregnant or stay at home with children are often dismissed with the help of a previously signed so-called *dimissioni in bianco* ("blank resignation letter"). It is important to note that only working or insured (i.e., those in the social registry) parents are eligible for paid parental leave in the majority of the countries. The rules in Switzerland are particularly strict, requiring that women must have worked for five months of the pregnancy. Only in France and Sweden are there no specific employment-related requirements for eligibility. This is particularly beneficial for immigrant families, who often do not have any working history in their new homeland.

Child allowances—Child tax credits

Child allowances have, in most LIVEWHAT countries, been left more or less unaffected by crisis measures. An important change was introduced in Spain as part of the Spanish crisis response, with the 2010 abolition of the one-time, flat-rate, universal subsidy given upon the birth of a child, amounting to €2,500. Child allowances that remain in Spain are means-tested and eligible for households with low incomes. Child allowances in Italy and Poland, as well as eligibility for tax credits, are also means-tested. However, income tax relief aimed at families is dependent on whether one actually has an income or not: People with lower income levels will get less relief, while higher earners will get tax credits that they actually do not need.

France,⁶ Germany, Sweden, and Switzerland⁷ have universal, flat-rate child allowances calculated only based on the number of children in a particular household. The flat-rate allowance in the UK was slightly restricted in 2013, excluding high-income recipients. Eligibility for the means-tested tax credit was also made more restrictive in 2012 by introducing a lower income threshold. In Germany, a €100 one-time bonus for families was paid in 2009 as part of an economic growth package in the wake of the crisis in order to boost the economy. Other than this, there were no significant changes in policy. Greece has generally moved from universal to means-tested allowances for families, which replaced the general family allowance in 2012.

⁶ France has two types of allowances: One is flat rate and universal, only calculated based upon the number of children; the other, the "coefficient familial," is means-tested, calculated by income.

⁷ In Switzerland, allowances differ across cantons and some household categories are excluded.

Costs of education

Significant changes have taken place in several countries (Inventory 9). In Italy, there were significant cuts in state-funded education during the period 2008–2012. This particularly affected universities, which in turn had to increase tuition fees. In Spain, the salaries of teachers have repeatedly been subjected to cuts, while the workload has increased as a result of austerity measures to curb public spending. In Poland, a general right to preschool was introduced in 2009, and beginning in 2017, children of age three to four years will have the right to preschool education. Changes have also taken place in Poland regarding fees, which have lowered due to reforms in 2010 and 2013. In the UK, a 2014 reform allowed children of age two to attend preschool without a fee for 15 hours/week. However, the implementation of this rule is conditioned by the availability of public funds.

On the other hand, in 2010, support for students from low-income households was abolished and finances were diverted to schools instead (except in Scotland, Wales, and Northern Ireland). In Poland, means-tested support remains available, and in Sweden, transport to school is paid by municipalities if it is considered necessary due to the distance (rural communities mainly). In Greece, drastic cuts in education have affected primary, secondary, and tertiary educational institutions through significantly reduced budgets as well as a diminishing number of job positions.

NOT

FOLLOW
YOUR
DREAMS

CANCELLED

DREAMS
ARE
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WOMEN?
MO. FUCK!



2.2 Collective responses to crises in the public domain

This part builds on cross-country research that examined how European citizens have reacted to the economic crisis by intervening as organized, collective actors through claims-making in the public sphere. Through the use of political claims analysis, the research examined national public debates about the economic crisis in nine European countries, namely, France, Germany, Greece, Italy, Poland, Spain, Sweden, Switzerland, and the UK. In particular, claims were coded by random sampling of about 1,000 claims per country selected from five newspapers in each country and covering the period from 2005 to 2014. All articles containing any of the three words “crisis,” “recession,” or “austerity” were selected and coded, to the extent that they referred to the recent economic crisis. Moreover, claims made by, or targeted at, the EU or a European actor/addressee were identified in order to capture the visibility of the EU in the national public spheres of the nine countries over the course of the economic crisis (2008–2014).

Key findings

- **National discourses have been highly competitive in environments in which actors compete for public visibility, resonance, and legitimacy.** The economic crisis has provided a political arena wherein the classic performance of contentious politics is delivered between powerful political insiders on the one hand and different types of outsider publics on the other.
- **All the nine countries examined show very low levels of European visibility in their national debates—with some variations.** The low presence of the EU in the national debates in the UK may be due to the high levels of Euroscepticism that exist in the country; the low presence of the EU in the national debates in Switzerland may be due to the country’s broader global financial interdependence. Other findings, however, are difficult to decipher: For instance, national debates in Spain and Italy (countries highly affected by the crisis) display lower degrees of European presence than those in Sweden (a country not significantly affected by the crisis).
- **The visibility of the EU and European issues in the national debates does not seem to be *directly* related to the severity of the economic crisis or to the harshness of public policy retrenchment in the different European countries.** The higher levels of EU presence in the national debates in Germany might well be linked to the country’s leading role in the EU during the economic crisis, to its position as a creditor in the debt crisis, and to the internal use that German national actors have made of the country’s leading role in the EU. In this respect, it should also be inquired whether the moderate levels of European visibility in France reflect its difficulties in co-leading the European project during crisis years.

Issues tackled in national public debates

“Who makes the claim?”

The results suggest that the economic crisis reduced the space available for economic actors in the public domain to voice their concerns. In countries hit hardest by the crisis, the percentage of claims by economic actors was three times lower than it was in countries less affected by the economic crisis (Table 1). Germany stands out for its elite-based and state-centric nature of claims-making. In this country, the public domain is especially shaped by policy actors, with only some minor interventions from economic interests and civil society. By contrast, Italy stands out for its stronger bottom-up dynamics taking place in the public domain.

Table 1 - Actors of claims about the economic crisis by strength of crisis (percentages)

| | Strong | Intermediate | Weak |
|--|--------|--------------|-------|
| State and party actors | 58.52 | 46.09 | 44.92 |
| State actors | 46.89 | 31.27 | 36.02 |
| Political parties and politicians | 11.63 | 14.82 | 8.90 |
| Economic actors | 9.28 | 20.36 | 30.81 |
| Civil society actors | 31.81 | 32.23 | 22.96 |
| Other professional organizations | 16.96 | 16.19 | 15.48 |
| Labor organizations | 10.04 | 10.61 | 4.99 |
| Group-specific organizations | 1.39 | 2.34 | 0.80 |
| Solidarity, human rights, and welfare organizations | 1.23 | 1.68 | 0.37 |
| Other civil society organizations | 2.19 | 1.42 | 1.32 |
| Unknown/unspecified actors | 0.40 | 1.32 | 1.01 |
| Total N | 100% | 100% | 100% |
| | 3018 | 1970 | 4012 |

(Pearson chi2 (16) = 627.7497, Pr = 0.000, Cramer's V = 0.1896; Pearson chi2 (6) = 496.6295, Pr = 0.000, Cramer's V = 0.1686)

Accordingly, we find the presence of a much more vociferous civil society that stands against the more silent state actors and economic interests. Poland also shows an extensive presence of civil society actors in the public domain. Yet the most noticeable figure in this case refers to the outstanding visibility of professional organizations (unequaled in any other country). This figure is thus consistent with the high visibility of economic actors in the Polish case.

Yet, only the Swedish case is characterized by a strong prevalence of economic interests on the one hand vis-à-vis both policy actors and civil society on the other. The visibility of economic actors is also evident for both Switzerland and the UK, with a stronger role for civil society actors in the UK and a stronger role of state actors in Switzerland. Lastly, France provides an interesting case for seizing the specific role of labor representatives,

group-specific organizations, and welfare NGOs of a different kind as the highest proportion of claims by civil society actors.

“What is to be undertaken?”

Claims-making over macroeconomics, labor and unemployment, social policy, economic activities, and domestic commerce have dominated national debates across all countries, irrespective of variations in the intensity of the economic crisis (Table 2). The findings show an interesting crescendo over labor and employment between countries of weak and strong crisis, respectively. It is also noticeable that a comparable pattern can be detected for other less debated issues, in particular international affairs.

Table 2 - Issues of claims about the economic crisis by strength of crisis (percentages)

| | Strong | Intermediate | Weak |
|--|---------------|---------------------|-------------|
| Socioeconomic issues | 29.16 | 18.68 | 16.35 |
| Macroeconomics | 41.82 | 54.62 | 51.07 |
| Labor and employment | 9.97 | 9.70 | 6.85 |
| Social policy | 3.74 | 2.39 | 2.69 |
| Economic activities and domestic commerce | 15.31 | 14.62 | 23.03 |
| Other issues | 70.84 | 81.32 | 83.65 |
| Rights, civil liberties, and discrimination | 1.03 | 1.47 | 0.50 |
| Health | 1.39 | 0.71 | 0.70 |
| Agriculture | 1.03 | 1.32 | 0.35 |
| Education, culture, and sports | 4.77 | 1.17 | 2.19 |
| Environment | 0.83 | 0.76 | 0.62 |
| Energy | 0.83 | 0.30 | 0.57 |
| Immigration and integration | 0.40 | 0.51 | 0.55 |
| Transportation | 2.15 | 0.36 | 1.15 |
| Law and order | 1.33 | 1.37 | 0.67 |
| Urban and regional policies | 1.76 | 4.01 | 1.52 |
| Defense | 0.17 | 0.36 | 0.17 |
| Science | 0.27 | 0.15 | 0.32 |
| Foreign trade | 0.93 | 0.25 | 1.69 |
| International affairs | 1.69 | 2.34 | 2.57 |
| Government and public administration | 9.64 | 1.78 | 2.02 |
| Public lands and water management | 0.07 | 0.05 | 0.10 |
| Other fields | 0.89 | 1.78 | 0.65 |
| Total N | 100% | 100% | 100% |
| | 3018 | 1970 | 4012 |

(Pearson chi2 (40) = 1.1e+03, Pr = 0.000, Cramer's V = 0.2533; Pearson chi2 (2) = 170.5644, Pr = 0.000, Cramer's V = 0.1419)

Spain and the UK stand out as the two opposite poles with the highest and lowest claims-making over macroeconomic issues, respectively. Italy is the country where discussion over labor and employment has been the most intense, while France stands out for its unparalleled claims-making over economic activities and domestic commerce. Lastly, German actors pay no attention whatsoever to issues of social policy.

“What led to the crisis?”

Economic causes have prevailed, especially in contexts of weak crisis, with political causes standing out in contexts of strong crisis (Table 3). Economic causes have been singled out across all the countries. The major exception to this trend is Italy, where legal, administrative, and regulatory causes have taken the lion’s share. Greece also provides some discordant voices within the group, owing to the important presence of political causes in the public debate.

| | Strong | Intermediate | Weak |
|---|---------------|---------------------|--------------|
| Economic causes | 39.53 | 58.59 | 61.57 |
| Legal, administrative, and regulatory causes | 34.01 | 22.70 | 13.66 |
| Political causes | 18.02 | 7.74 | 11.46 |
| Other diagnostic frames | 8.43 | 10.98 | 13.31 |
| Total N | 100% 1032 | 100% 1357 | 100% 1413 |

(Pearson chi2 (6) = 237.3373, Pr = 0.000, Cramer’s V = 0.1801)

“Who is to blame for the crisis?”

France and Germany show some similarities, owing to the important percentage of blame directed at economic actors. Yet, the same cannot be said about other expected combinations (Table 4). Thus, Greece, Italy, and Spain are quite dissimilar from each other (with the economic actors taking a crucial share of the blame only in Italy), while the situation in the UK is closer to that of France and Germany. Most crucially, Switzerland stands out for the highest percentage of blaming of economic actors: For every two claims reaching the public domain, there has been an economic actor being blamed.

| | Strong | Intermediate | Weak |
|-----------------------------------|---------------|---------------------|-------------|
| State and party actors | 75.65 | 59.24 | 53.02 |
| Economic actors | 16.08 | 33.30 | 41.46 |
| Civil society actors | 7.35 | 5.51 | 2.51 |
| Unknown/unspecified actors | 0.92 | 1.95 | 3.02 |
| Total N | 100% 653 | 100% 925 | 100% 398 |

(Pearson chi2 (6) = 153.4421, Pr = 0.000, Cramer’s V = 0.1935)

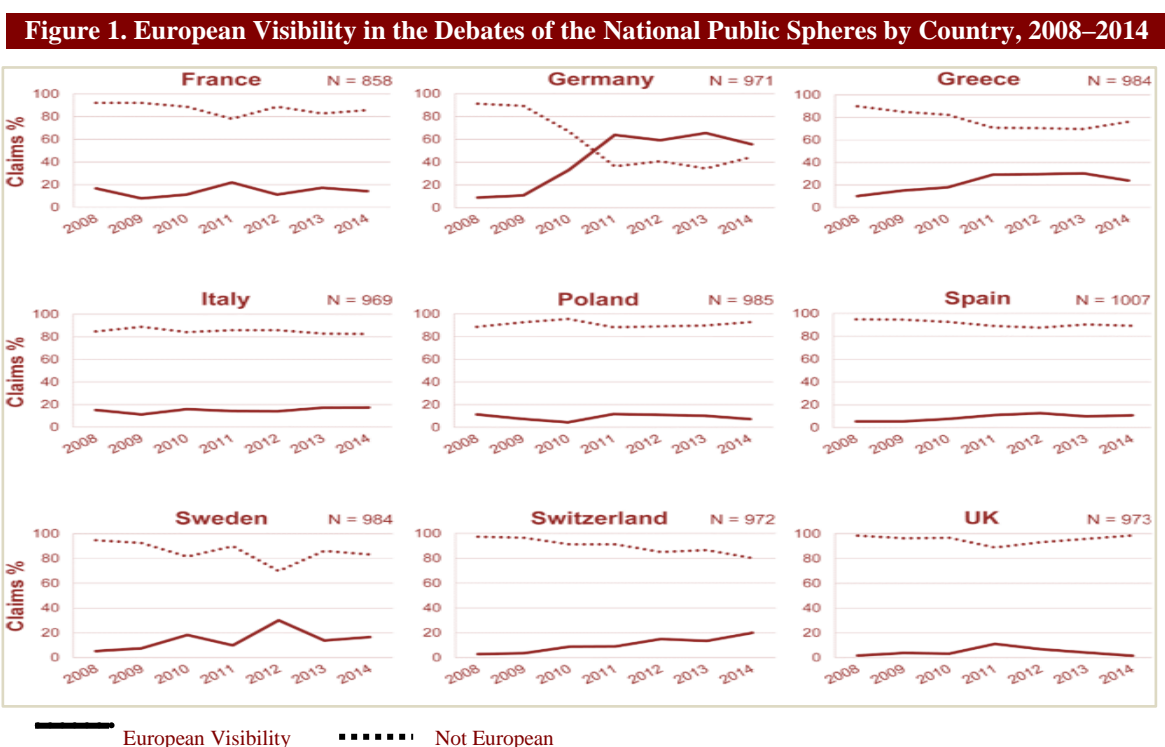
“Who is the main actor whose interests are at stake?”

The two countries characterized by a Continental welfare state—France and Germany—stand together on the same pole made of extensive claims-making over institutional actors. Poland confirms its strong liberal–residual developments by standing, side by side with Switzerland, on the opposite pole of scarce claims-making (Table 4 above). The countries following the Southern model—Greece, Italy, and Spain—are also similar. The UK is the only country left out from conventional knowledge, as it shows more similarities with the Southern countries than with the liberal–residual pole (as one may expect).

Yet, nation-specific figures referring to economic actors and civil society do not fit the same comparative pattern. Thus, economic actors have extensively been taken as the object of claims in Germany, Italy, Sweden, and the UK, while civil society actors bring Poland together with Greece and Italy. Another underlying finding is that in some countries, claims-making has still focused on the old cleavage between work and capital (Greece and Italy), while in others it has been rooted in a postcapitalist context (UK and Spain to a minor extent).

EU visibility in national debates

The findings reveal differentiated levels of visibility of the EU across the nine countries examined (Figure 1). The differentiated pattern of German debates stands out: European claims steeply ascended between 2008 (9%) and 2013 (66%), surpassing non-European claims and remaining stable at high levels from that year onward. Greek (10% in 2008 up to 30% in 2013) and Swiss (3% in 2008 up to 20% in 2014) European claims show steadily ascending trends.



The findings also show peaks of European claims in Sweden in 2012 (30%) and to a lesser extent in France (22%) and the UK (11%) in 2011. For the rest, Italy, Poland, and Spain present no significant variations in the low trends of European visibility. Altogether, European visibility has somehow been higher in the Italian debates (fluctuating between its lowest, 11%, in 2009 and its highest, 18%, in 2014) than in Polish (lowest, five%, in 2010 and highest, 12%, in 2011) or Spanish (lowest, 5%, in 2008 and 2009 and highest, 13 %, in 2012) debates.

NO FUTURE



2.3 Individual responses to crises

2.3.1 Cross-national survey on individual responses

This part draws on cross-country research related to individual perceptions, evaluations, and responses to crises by private citizens. LIVEWHAT researchers developed a survey questionnaire to address key issues related to European citizens' perceptions of and responses to the crisis and, with the help of a specialized polling company (YouGov), collected data from across the nine European countries in the project, namely, France, Germany, Greece, Italy, Poland, Spain, Sweden, Switzerland, and the UK. Issues examined involved the following questions: What do ordinary citizens consider a situation of economic crisis? How do they perceive it? How do they react to crises? Who is most affected by crises? To what extent are social and political attitudes related to crises? To what extent are social and political behaviors related to crises? To what extent are the family and social lives of people affected by crises? The survey was conducted in 2015 and involved a minimum of 2,000 respondents in each country.

Key findings

- **Countries tend to be differentiated in their public perceptions of the crisis and responses to it on the basis of whether the crisis was deeper or lighter.** Countries where the crisis was lighter, as might be expected, were more positive about economic conditions and less worried about the crisis. This is not surprising because they also had to suffer fewer consequences, such as having to make drastic cutbacks in consumption, including staples such as food or medications and visits to the doctor. Yet, the situation was more serious in those countries hit harder by the crisis.
- **Satisfaction levels in four policy fields—poverty, unemployment, precarious employment, and immigration—vary** by the national context and whether the country experienced a deep or lighter economic crisis. Satisfaction levels were particularly low in Southern European countries—most notably in Greece—as opposed to satisfaction levels reported in the Continental, Scandinavian, and Anglo-Saxon countries.
- **Citizens' evaluations of relative standards of living show stark differences between North and South Europe.** For example, when examining how respondents felt about their own situation relative to that of their parents, most citizens in Continental, Scandinavian, and Anglo-Saxon countries believed their living standards were better, compared to a third of respondents in the Mediterranean and Southern countries, including France, Greece and Italy, and about half in Spain.

- **Perceptions of country living conditions relative to other countries also vary across country setting.** A small to moderate proportion of citizens in Mediterranean and Southern countries rated living conditions in their own country as good, compared to an overwhelming majority in Continental, Scandinavian, and Anglo-Saxon countries. Also, reductions were more widespread in Southern European countries as opposed to the Continental, Scandinavian, and Anglo-Saxon countries of our sample, which were not much affected by the crisis.

Survey findings

Satisfaction with government in different policy areas

Beginning with examining satisfaction with how the government addresses different areas of policy, the figures reported in Table 5 show that, in general, citizens in countries that experienced a milder crisis tend to have higher levels of satisfaction with how the government addresses the economy. However, it is notable that, even in those countries in which levels of satisfaction with the way in which the government addresses the economy are relatively higher, only in one country, namely Switzerland, are more than half of respondents satisfied. As one might expect, the lowest levels of satisfaction are to be found in European countries hardest hit by the crisis, such as Greece (9.8%), Italy (14.5%), and Spain (17.7%), with France also registering low levels (15%). Despite only experiencing a weak crisis, levels of satisfaction with the government’s running of the economy are still only less than 30% in Poland and Sweden.

Table 5–Satisfaction with government in different policy areas (% satisfied)

| | <i>Fra</i> | <i>Ger</i> | <i>Gre</i> | <i>Ita</i> | <i>Pol</i> | <i>Spa</i> | <i>Swe</i> | <i>Swi</i> | <i>UK</i> |
|-----------------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------|
| Economy | 15.0 | 48.6 | 9.8 | 14.5 | 23.1 | 17.7 | 28.4 | 59.2 | 49.2 |
| Poverty | 13.0 | 20.5 | 8.8 | 12.2 | 9.2 | 9.2 | 19.2 | 32.3 | 21.2 |
| Education | 25.9 | 32.2 | 10.8 | 21.0 | 26.8 | 16.8 | 31.3 | 64.2 | 33.4 |
| Unemployment | 10.6 | 29.9 | 6.9 | 11.8 | 11.6 | 11.6 | 16.1 | 42.1 | 32.6 |
| Healthcare | 34.8 | 37.2 | 11.7 | 26.7 | 10.5 | 23.6 | 26.0 | 54.9 | 30.7 |
| Precarious employment | 14.8 | 20.7 | 8.4 | 14.8 | 9.5 | 10.7 | 22.4 | 36.3 | 21.5 |
| Immigration | 13.4 | 22.8 | 9.7 | 14.2 | 14.7 | 13.6 | 16.3 | 26.0 | 11.8 |
| Childcare | 32.5 | 30.8 | 11.2 | 22.2 | 19.6 | 18.4 | 32.6 | 40.3 | 28.0 |

Notes: % based on respondents selecting points 6 through to 10 on the 0–10 scale.

Q: How satisfied are you with the way in which your country’s government is dealing with the following on a scale from 0 to 10, where 0 means “extremely dissatisfied” and 10 means “extremely satisfied”?

In terms of the other economic policy areas linked to the possible wider economic negative effects of the crisis on citizens, particularly more vulnerable groups—poverty, unemployment, and precarious employment—we can see that once again, satisfaction levels are particularly low in Greece, below 10%. This is also the case for immigration. Across all eight policy areas, the proportion satisfied in Greece never reaches a level more than 12%,

with welfare areas of education, healthcare, and childcare scoring marginally higher than the other areas. In general, the lowest satisfaction levels can be found in southern Europe, particularly so for the areas of immigration and economic policy, particularly those related to the support of marginalized groups, such as the poor, unemployed and those in precarious employment conditions (or the *precarariat*).

Relative economic evaluations

When asked to compare their living standards to those of their parents, only in Germany, Poland, Sweden, Switzerland, and the UK did the majority believe their living standards were better (Table 6). Only approximately a third of respondents agreed with this position in France, Greece, and Italy and approximately half in Spain. Considering the advances in science and technology in the last few decades, it is quite telling that in approximately half of the countries, respondents felt that their own living conditions were worse than those of their parents. When asked about their household or economic situations compared to five years prior, only in one country, Sweden, did the majority of respondents feel the situation was better. This was followed by approximately half in Germany; 40% in Switzerland and the UK; 38% in Poland; 23–24% in France, Italy, and Spain; and at the very bottom, only 7% of respondents in Greece. The patterns are similar for the country economy evaluations, with the UK and Germany with the highest proportions—though still less than half—of individuals thinking the economy had improved in the last year and Greece with the lowest. When turning to the future, France was the most pessimistic, whereas Britain and Spain were the most optimistic countries.

| Table 6—Relative economic evaluations (% better) | | | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|-----------|
| | <i>Fra</i> | <i>Ger</i> | <i>Gre</i> | <i>Ita</i> | <i>Pol</i> | <i>Spa</i> | <i>Swe</i> | <i>Swi</i> | <i>UK</i> |
| Living standard compared to parents | 37.7 | 56.9 | 32.3 | 39.0 | 51.4 | 49.5 | 64.8 | 61.5 | 59.8 |
| Household compared to 5 years ago | 23.8 | 45.2 | 6.8 | 23.4 | 37.7 | 24.0 | 56.5 | 40.7 | 40.7 |
| Country economy compared to a year ago | 11.8 | 38.4 | 3.7 | 17.2 | 26.6 | 31.5 | 34 | 21.7 | 49.7 |
| Country economy in the future | 15.0 | 31.6 | 18.1 | 25.6 | 25.5 | 41.7 | 32.4 | 26.2 | 47.0 |

Notes: % based on respondents selecting points 6 through to 10 on the 0–10 scale.
Q: On a scale from 0 to 10 where 0 means *much worse* and 10 means *much better*

Perceptions of country living conditions relative to other countries

The results show that once again, Greece is at the bottom of the list with only 10% rating the living conditions in their own country as good (Table 7). This was followed by approximately 20% of Italians saying that living conditions in their country are good, 33% in Spain, 25% in Poland, 43% in France, and 70% or more in Germany, the UK, Sweden, and Switzerland, with the highest score at 76%.

Moving onto the ways in which Europeans see living conditions in each other's countries, we can see that the living conditions in France, Germany, Sweden, Switzerland, and the

UK tend to be seen in quite a positive light. However, living conditions in Greece tend to be seen as quite dire. Somewhere in the middle are Italy, Poland, and Spain.

| | <i>Fra</i> | <i>Ger</i> | <i>Gre</i> | <i>Ita</i> | <i>Pol</i> | <i>Spa</i> | <i>Swe</i> | <i>Swi</i> | <i>UK</i> |
|---------------------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------|
| Conditions in own country | 42.9 | 70.0 | 9.7 | 19.8 | 24.7 | 33.3 | 75.4 | 75.6 | 70.8 |
| France | | 62.2 | 71.6 | 70.2 | 74.9 | 79.3 | 62.9 | 48.9 | 73.7 |
| Germany | 71.6 | | 84.7 | 88.4 | 87.7 | 85.2 | 77.5 | 70.6 | 83.8 |
| Greece | 6.7 | 6.9 | | 8.4 | 21.2 | 5.6 | 9.4 | 5.9 | 14.8 |
| Italy | 24.9 | 37.5 | 39.1 | | 65.7 | 29.4 | 38.1 | 25.6 | 44.4 |
| Poland | 19.5 | 25.6 | 20.2 | 26.2 | | 21.2 | 23.1 | 16.4 | 24.6 |
| Spain | 27.2 | 31.6 | 35.5 | 48.8 | 48.1 | | 38.9 | 23.2 | 43.3 |
| Sweden | 76.1 | 81.6 | 86.7 | 85.7 | 84.4 | 84.4 | | 83.2 | 84.6 |
| Switzerland | 82.8 | 84.6 | 88.7 | 90.5 | 85.1 | 86.9 | 78.8 | | 86.9 |
| UK | 64.9 | 63.1 | 81.9 | 83.5 | 85.9 | 80.2 | 64.5 | 57.5 | |

Notes: % based on respondents selecting points 6 through to 10 on the 0–10 scale.
 In each country, this question will be slightly different: it first asks respondents to rate their own country, and afterwards, the other eight countries in the project, in alphabetical order.
 Q: The living conditions among European countries differ significantly at present, and we would like to have your personal evaluation of them. Please use the scale below, on which 0 means *very bad living conditions* and 10 means *very good living conditions*.

Crisis? What Crisis?

By and large, Table 8 shows that in countries experiencing a deeper crisis, the proportion of individuals who report that the crisis is very serious are higher, e.g., 89% in Greece, 79% in Italy, 73% in Spain, and 67% in France. However, these proportions are lower in those countries where the crisis is not as serious: 38% in the UK, 23% in Poland, 18% in Germany, 16% in Sweden, and 14% in Switzerland.

| | <i>Fra</i> | <i>Ger</i> | <i>Gre</i> | <i>Ita</i> | <i>Pol</i> | <i>Spa</i> | <i>Swe</i> | <i>Swi</i> | <i>UK</i> |
|---|------------|------------|------------|------------|------------|------------|------------|------------|-----------|
| We are suffering a very serious economic crisis | 66.7 | 17.5 | 88.8 | 79.0 | 23.0 | 72.7 | 16.4 | 14.3 | 38.1 |
| We are suffering a crisis, but it is not very serious | 17.2 | 31.4 | 5.1 | 11.5 | 42.0 | 18.2 | 41.3 | 51.3 | 42.6 |
| No economic crisis | 3.6 | 34.8 | 2.4 | 3.7 | 22.3 | 2.5 | 24.6 | 21.3 | 10.1 |

Notes: % based on respondents selecting specific answer options.
 Q: Some say that the UK is suffering a very serious economic crisis, others say that we are suffering a crisis but it is not very serious, and others say that there is no economic crisis. What do you think?

Reductions in consumption

Table 9 shows the proportion of individuals in various countries who must make reductions in consumption as a result of the crisis. A sign of the severity of the crisis is that in Greece, 65% of individuals had to make reductions even in the consumption of staple foods. By and large, reductions were more present in countries hardest hit by the crisis, as might be expected: 90% reduced recreational activities in Greece, 76% reduced the use of cars, 74% delayed utility payments, 27% had to move home, 61% could not pay back loans, 17% had to sell assets, 37% had to cut media connections, 74% did not go on holiday, and 63% had to reduce buying medicines or seeing a doctor. These are stark statistics for an advanced industrialized nation and show the severity of the crisis in Greece.

Reductions were also quite widespread in Italy and Spain, particularly in terms of recreational holidays; additionally, 43% of Italians said they had to cut back on staple foods, and 40% could not buy medicines or see the doctor. On the other end of the scale, reductions were much less severe in Switzerland, Germany, Sweden, and the UK.

| | <i>Fra</i> | <i>Ger</i> | <i>Gre</i> | <i>Ita</i> | <i>Pol</i> | <i>Spa</i> | <i>Swe</i> | <i>Swi</i> | <i>UK</i> |
|--|------------|------------|------------|------------|------------|------------|------------|------------|-----------|
| Reduced consumption of staple foods | 36.2 | 18.8 | 65.0 | 42.0 | 34.7 | 27.1 | 16.8 | 24.4 | 20.2 |
| Reduced recreational activities (going out, movies, theatre, etc.) | 62.3 | 39.1 | 90.2 | 69.4 | 56.8 | 68.5 | 31.2 | 48.9 | 46.4 |
| Reduced use of own car | 47.0 | 22.3 | 75.5 | 56.4 | 40.6 | 45.6 | 19.6 | 26.7 | 27.6 |
| Delayed payments on utilities (gas, water, electric) | 25.4 | 14.0 | 73.9 | 31.5 | 40.0 | 21.9 | 10.1 | 22.4 | 16.0 |
| Moved home | 13.7 | 6.7 | 27.3 | 18.3 | 9.0 | 16.2 | 4.8 | 8.6 | 14.6 |
| Delayed or defaulted on a loan installment | 17.0 | 13.3 | 61.0 | 22.2 | 31.2 | 20.9 | 9.6 | 21.2 | 13.3 |
| Sold an asset (e.g., land, apt, house) | 11.3 | 5.1 | 17.4 | 14.1 | 12.5 | 12.3 | 5.8 | 6.7 | 7.7 |
| Cut TV/phone/internet service | 17.6 | 6.9 | 36.7 | 24.4 | 17.5 | 24.0 | 17.0 | 12.2 | 21.0 |
| Did not go on holiday | 51.4 | 36.5 | 74.1 | 61.7 | 59.1 | 53.7 | 27.4 | 38.4 | 37.3 |
| Reduced or postponed buying medicines/visiting the doctor | 31.1 | 16.6 | 62.5 | 40.4 | 40.0 | 21.0 | 15.0 | 25.2 | 10.9 |

Notes: % based on respondents selecting specific answer options.
Q: In the past 5 years, have you or anyone else in your household had to take any of the following measures for financial or economic reasons?

Approval of economic measures to deal with economic crisis

In terms of the approval of various economic measures to address the economic crisis, increasing government oversight and regulation and reducing the budget deficit tend to be the most popular options (Table 10). In particular, the latter is popular in the UK, Sweden, and France, and the former is popular in Greece, Spain, France, Sweden, and the UK. Increasing government spending is seen favorably in Greece, Poland, Spain, and the UK. Giving financial support to the banks tends to be more unpopular as a measure.

| | <i>Fra</i> | <i>Ger</i> | <i>Gre</i> | <i>Ita</i> | <i>Pol</i> | <i>Spa</i> | <i>Swe</i> | <i>Swi</i> | <i>UK</i> |
|--|------------|------------|------------|------------|------------|------------|------------|------------|-----------|
| Giving financial support to banks in trouble | 17.5 | 11.4 | 23.3 | 16.5 | 14.0 | 12.7 | 12.1 | 12.2 | 17.4 |
| Increasing government regulation and oversight of the national economy | 49.2 | 29.7 | 56.9 | 52.7 | 38.6 | 48.9 | 41.3 | 24.8 | 35.3 |
| Significantly increasing government spending to stimulate the economy | 17.9 | 24.9 | 49.3 | 37.4 | 45.9 | 41.3 | 25.7 | 18.8 | 43.9 |
| Taking steps to reduce the government’s budget deficit and debt by cutting spending or increasing some taxes | 42.9 | 27.6 | 37.0 | 32.8 | 30.3 | 33.0 | 43.0 | 24.3 | 48.1 |

Notes: % based on respondents selecting points 6 through to 10 on the 0–10 scale.
Q: In the UK’s economic conditions, do you favor or oppose the government doing each of the following? Please place yourself on a scale from 0 to 10; 0 means *strongly disapprove*, and 10 means *strongly approve*.

Citizens’ resilience in times of crisis

As for aspects of citizens’ resilience in times of crisis, Table 11 shows that when it comes to looking for creative ways to alter difficult situations, Greek, Italian, and Swiss citizens see themselves as particularly resilient. This is partially good news, as two of these countries are hardest hit by the current economic crisis. Greeks, Italian, and the Swiss also stand out with respect to seeing themselves as actively looking for ways to replace the losses encountered in life. The German, Polish, Swiss, and UK respondents see themselves as the most capable of dealing with stressful events, whereas the French, Italians, Polish, and Swiss see themselves as most active in their communities. The Germans and Swiss feel most united with the larger community in which they live.

| | <i>Fra</i> | <i>Ger</i> | <i>Gre</i> | <i>Ita</i> | <i>Pol</i> | <i>Spa</i> | <i>Swe</i> | <i>Swi</i> | <i>UK</i> |
|--|------------|------------|------------|------------|------------|------------|------------|------------|-----------|
| I look for creative ways to alter difficult situations | 50.4 | 62.9 | 72.1 | 67.0 | 59.4 | 60.5 | 54.3 | 65.8 | 55.3 |
| I actively look for ways to replace the losses I encounter in life | 48.6 | 50.4 | 68.1 | 70.1 | 50.3 | 61.0 | 26.3 | 54.8 | 47.9 |
| I have a hard time making it through stressful events | 42.7 | 32.6 | 37.0 | 36.7 | 34.6 | 53.4 | 34.8 | 32.2 | 33.4 |
| I keep myself active in the community in which I live | 47.9 | 35.6 | 35.9 | 41.1 | 40.6 | 35.2 | 24.6 | 45.0 | 32.9 |
| I feel that I do not have much in common with the larger community in which I live | 32.2 | 25.1 | 37.5 | 35.6 | 34.2 | 37.3 | 32.4 | 23.9 | 38.6 |

Notes: % based on respondents selecting specific answer options.
Q: Please rate each of the following items on a scale from 0 to 10; 0 means *completely unlike me*, and 10 means *just like me*.

2.3.2 Experimental analysis of individual responses

This part draws on cross-country research on the causal effects of different dimensions of crises on citizens' attitudes and behaviors. LIVEWHAT researchers conducted six lab and seven survey experiments with individual citizens in two countries with contrasting economic conditions, Spain and Switzerland. The aim of the experimental research was to study the causal mechanisms linking situations of economic crisis and their consequences on citizens. The field work occurred in Spain and Switzerland from June 2014 to September 2016 and combined both convenience and representative samples. With the lab experiments (five conducted in Spain and one in Switzerland), which included games, pseudo-games and vignette designs), LIVEWHAT researchers were able to manipulate individual economic conditions and assess their effects. Concurrently, the survey experiments, which were embedded in three different online surveys, were used to treat perceptions about contextual economic conditions to see how they affect outcomes of interest.

Key findings

- **Individuals' economic experiences and perceptions of the fairness of inequalities spurred by the crisis play a key role in shaping citizens' support for welfare-state redistribution.** If deprivation is deep, then frustration, distrust, and dissatisfaction might find expression in collective action and protest activity.
- **Collective action or, more generally, political participation in its different modes has been found to be significantly affected by economic crisis in different ways.** Deprivation enhances participation in collective action only when it is group-based and reduces it when it is strictly personal. This effect of collective deprivation is channelled through moral outrage and is independent from the cost of collective action.
- **The crisis affects national identity and nationalism in different ways for high-and low-status individuals.** Those belonging to the lower classes become more nationalistic when exposed to information about their country losing its economic status as a country. Conversely, individuals belonging to the upper-middle classes become less so. This aids in the understanding of the micro-mechanisms behind the idea that ethnonationalist responses to the economic crisis are widely dispersed at these times, especially among those who the economic crisis more seriously affects.
- **There is a limited effect of the level of inequality vis-a-vis support for the EU.** What matters is the priming effect of talking about poverty, which depresses some of the indicators of support for the EU and trust in its institutions.

- **Support for redistribution varies depending on the framing of the crisis exposure.** Participants who believe that crisis-related losses are mostly associated with greedy or risky behavior related to real-estate investments are consistently less willing to accept a tax increase to compensate for the income loss of those most severely affected by the crisis.

Experimental findings

Income inequality, fairness considerations, and citizens' preferences for redistribution

This lab experiment was conducted in Spain, and it aimed to study how changes in citizens' perceptions of the fairness of inequalities the economic crisis has caused affect preferences for redistribution. One of the main consequences of the crisis has been a significant increase in income inequality. A recent OECD report (2015) shows that during the crisis, income inequality increased, even if it followed a long-term trend. From 2008, the average income was dropped in all income deciles. However, those at the bottom 10% of the income structure have fared worse than the median earners and much worse than the top earners. Labour-income reduction has been mainly due to the increase in unemployment rates. Can these changes generate a change in people's preferences for redistribution? This was a central question LIVEWHAT researchers addressed in this lab experiment.

The experimental design was based on an economically incentivised game in which participants chose a preferred tax rate under different circumstances. Participants' initial endowment, the level of inequality among participants, and the source of this inequality were manipulated. Participants were offered the chance to choose a flat tax rate that would be used to redistribute what would be collected among all participants, thus reducing the initial inequality. Each participant chose the tax under different circumstances, first as an unaffected participant who was not affected by the tax they decided to choose and second as an affected participant under risk—that is, without knowing at which position in the income-inequality structure the person was. Finally, as a fully informed affected participant, that is, after having been informed about his/her actual position in the income-inequality structure. In this way, LIVEWHAT researchers were able to analyze the interaction between fairness considerations and self-interest and insurance motives. Moreover, there were two different inequality structures. Half of the participants were exposed to a high inequality structure, whereas the other half was exposed to a low inequality structure.

The results show a *significant impact* of fairness consideration on redistribution preferences. The data indicate that citizens' support for redistribution is *higher* when inequality depends on *factors outside individuals' control*, such as on changes in economic circumstances created by crises. Specifically, higher redistribution is preferred when inequality is caused by luck or social background as compared to when it is caused by

merit. However, no evidence was found with regard to higher support for redistribution in socially caused inequality than in inequality caused by luck. Similarly, the results show that, at least in this setting, the level of inequality did not trigger a statistically different level of support for redistribution.

These findings suggest that beliefs and discourses based on the attribution of the responsibility of individuals to their own fates might be a key element in shaping individuals' preferences for redistribution. In the context of the economic crisis, the conception of *who* and *why* has been mainly affected by the crisis might lead to different support for redistribution. Additionally, the results show that self-interest and, to a lesser extent, insurance motives contribute to shaping individuals' support for redistribution. However, these considerations moderate but do not suppress the effect of fairness considerations.

Deprivation and collective action

This lab experiment, which was conducted in Spain, explored the effects of economic deprivation on political participation. The economic crisis has reduced economic resources for many citizens. In Spain, public workers have suffered cuts in salaries (an average of 5%), the purchasing power of citizens and household expenditures has been severely reduced, and the poverty gap has widened (Addabbo et al. 2013). In this respect, LIVEWHAT researchers used a simulated game experiment that induced three forms of deprivation to test the extent to which a loss of resources disincentivizes political participation or, in contrast, generates perceptions of injustice and emotional reactions that encourage participation in protest.

The results show that deprivation is related to *higher levels* of protest only when it is *collective* but reduces collective action when it is personal. More specifically, deprivation (a loss of resources that affects everyone) and relative deprivation (a loss of resources that affects a random selection of participants) reduce collective action, as individuals who lose their earnings prefer to continue playing to restore their own losses instead of participating in a collective campaign to restore everyone's earnings by protesting unfair conditions. These findings are aligned with expectations regarding deprivation but are contrary to expectations regarding relative deprivation. Individuals are more likely to engage in collective action only when intergroup discrimination (when participants are deprived because of their gender) produces deprivation. The results also show that moral outrage is a key mediating factor to understanding the behavior of individuals who are collectively deprived. These effects seem to be independent of the cost of joining the protest.

Economic crisis and national identification

This survey experiment sought to assess the impact that the loss of economic status of the nation and the “blaming the EU” strategy has on three attitudes: nationalism, national identification, and national pride. Over the last few years, many European countries such as Spain have gone through severe economic crises. Some of these countries have also witnessed the electoral success of existing and new radical right parties. Media commentators have interpreted the success of these parties as a symptom of a more general *malaise*, nationalism, which has mainly touched those who are economically vulnerable. Exogenous shocks, such as economic crises, have hindered the nation’s international and internal prestige and damaged its status, making national identity less attractive.

Governments have attempted to offset the negative impact that economic crises have on citizens’ assessment of the nation by promoting nationalism to divert citizens’ attention from these problems by emphasizing aspects in which the nation excels (e.g., sports, culture) or by blaming others for the bad shape of the economy, e.g., the EU or the International Monetary Fund. Against this background, LIVEWHAT researchers addressed three questions: does nationalism increase with economic crisis? Do exonerative strategies pointing to the responsibility of a significant other for the economic crisis increase nationalism? Is the effect of an economic crisis unconditional, or is it stronger among those whom it seriously affects?

The experimental design manipulated both the loss of the nation’s economic status and the attribution of responsibilities to a third party (the EU) regarding the loss of economic status experienced in Spain. The evidence indicates that lower social class respondents identify more strongly with Spain and that they become more nationalist and prouder to be Spanish when both treatments are present. The effect is the opposite among high-income people and people who belong to the upper or upper-middle class, and there is no direct or indirect impact of blame attribution on nationalist attitudes for the unemployed. This finding appears to suggest that, in difficult economic times, people with a *low economic status seek shelter in the nation*, and people with a *high economic status turn their backs on it*.

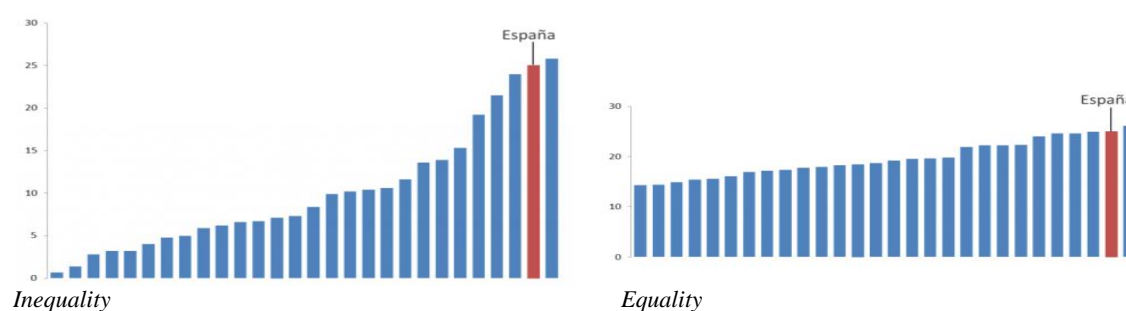
Inequalities in Europe and attitudes towards the EU

This survey experiment studied how citizens’ perceptions of inequality between member states of the EU shape attitudes toward European institutions and the process of European integration. Some scholars have offered evidence that in the process of European integration, member states have lost some of their national economic sovereignty (Scharpf 2010) and have loosened labour protection (Beckfield 2009). As a consequence, member states have been exposed to greater economic risks, including unemployment and poverty, and rising income inequality (Boje et al. 1999). The link between European integration and economic inequality suggests that citizens may hold European institutions responsible for rising inequality and may thus be less favourable of further integration (Burgoon 2013).

A handful of studies has examined the link between levels of *within-nation* inequality and attitudes toward European institutions or the degree to which citizens assign blame to European institutions for rising levels of inequality at home. Kuhn et al. (2016) find that the increase in income inequality at home is associated with increasing Euroskepticism, particularly among citizens with lower levels of formal education. Although these studies evince a link between increasing levels of income inequality and European institutions, they give us little information about how inequality at the European level—that is, between member states—influences attitudes toward Europe.

To address this issue, LIVEWHAT researchers utilized an experimental design that exposed individuals randomly to two groups of graph bars (Figure 2) picturing the poverty rates across EU countries. In the inequality treatment, the differences in poverty rates in the EU were large, whereas in the equality treatment, the differences were insignificant. The results show that perceptions of inequality *weaken* opinions toward the EU. However, differences between perceptions of inequality between member states are mostly unable to explain *detachment* from the EU, except for *trust* in the EU and European Central Bank.

Figure 2. Treatments (Spain visible)



Framing of crisis consequences and support for redistribution

This survey experiment examined whether the framing of the crisis, affecting different groups, leads to different levels of support for redistribution. Recent research argues that in the context of the economic recession, an increased number of citizens feel economically insecure. This increased insecurity triggers self-insurance motives and leads to an increase in the level of support for redistribution for self-insurance motives (Hacker, Rehn and Schlesinger 2013). However, an extensive amount of literature challenges the assumptions that citizens base their preferences for redistribution solely on their self-interests or on self-insurance motives. Some authors have claimed that individuals often consider the welfare of others in their preferences for redistribution (Fehr and Schmidt 1999).

In the context of the recent economic crisis, the risk of losing income has increased. Several discourses around the crisis have presented the distribution of this shock as

depending on four different factors: bad luck, previous socioeconomic status, lack of effort, or greed. According to these interpretations, those affected by the crisis would have varying levels of responsibility for their situations. In the first two cases, those who suffered the consequences of the economic shock had no responsibility for their fate. In contrast, when greed or a lack of effort determined who received the shock, individuals could be held responsible for their situations.

In this context, LIVEWHAT researchers differentiated between two different circumstances for each level of responsibility. They differentiated between luck and social background to verify whether there are differences in attitudes to redistribution when the cause is external to the individual but caused by luck or social circumstances. Similarly, greed and a lack of effort are two different behaviors deemed punishable. The experiment sought to assess to what extent they trigger different levels of support for redistribution.

The experiment was run in Spain and Switzerland, thus assessing the effect of more contextually rich treatments. The experimental design exposed individuals randomly to one of four arguments regarding who was most affected by the crisis (luck, social background, effort, greed). LIVEWHAT researchers looked at a very specific type of redistribution: one that compensated those who had experienced loss as a consequence of the economic crisis, which can be distinguished from other forms of redistribution or social assistance.

The evidence confirms that support for redistribution varies depending on the framing of the crisis exposure. Participants who believe that crisis-related losses are mostly associated with greedy or risky behavior related with real-estate investments are consistently *less willing* to accept a tax increase to compensate the income loss of those most affected by the crisis. All other framings of the crisis losses do *not* produce a significant change in respondents' willingness to redistribute. Additionally, the results show that when crisis losses are represented as stemming from factors that are beyond the control of individuals, there seems to be more support for redistribution, but this is only significant with respect to greed. Finally, the results show that when economic difficulties are due to greedy behaviour, the willingness to contribute via taxes to support the needed is higher than when economic difficulties are caused by a lack of effort.



THERE IS ALWAYS HOPE

2.3.3 Alternative forms of resilience

This section draws on cross-country research on alternative action organizations (AAOs) and their impact on vulnerable groups and communities. AAOs fall within the spectrum of the emerging social and solidarity economy (SSE). AAOs are everywhere and refer to varying forms of cooperative, associative, and solidarity relations. They include, for example, cooperatives, mutual associations, NGOs, self-help groups, barter networks, food banks, free medical services, soup kitchens, new cooperatives, associations of informal sector workers, social enterprises, and fair trade organizations and networks.

Although the recent economic crisis, growing inequality, and social exclusion of vulnerable groups have prompted an intense interest among scholars, practitioners, activists, and policymakers on the meaning and trajectory of the SSE as a distinctive model of economic growth, we know far less about European AAOs, how their aims and activities unfold, and how they have navigated times of crisis. To fill this void, LIVEWHAT researchers gathered data on AAOs in nine European countries: France, Germany, Greece, Italy, Poland, Spain, Sweden, Switzerland, and the UK. Methodologically, the researchers relied on the following: (i) mapping and analysis of AAOs through online media sources (a random sample of 4.297 AAOs, approximately 500 in each country, was selected and studied), (ii) conduction of an online survey based on a random sample of 500 AAOs, and (iii) qualitative personal interviews with 20 participants and initiators of AAOs in each country.

Key findings

- **The effects of the recent economic crisis—unemployment, exclusion, inequality, and poverty—have obliged European citizens to rethink the ways in which organized communities meet social needs.** The needs of large groups in society in crisis-affected and in countries less affected by crisis are neither met effectively by conventional markets nor the state. One product of this rethinking has been the emergence of AAOs—formal and informal groups with primarily social objectives—as part of a growing SSE.
- **AAOs were found to complement other channels of providing goods and services.** Recent crisis has exacerbated immediate emergency needs for vulnerable groups in all nine countries LIVEWHAT studied. The highest prevalence of increased demand for food programs (e.g., free meals food banks) and free material support (e.g., clothes, shoes) and for free health care (e.g., medical exams, medicines, vaccines) and debt counseling (e.g., mortgage problems) is reported in Greece and for homeless services in Sweden and in Greece. These social impacts have intensified the AAOs' support, including the reintegration of vulnerable groups into society and working lives and the extension of social welfare and protection through the provision of essential goods and services.

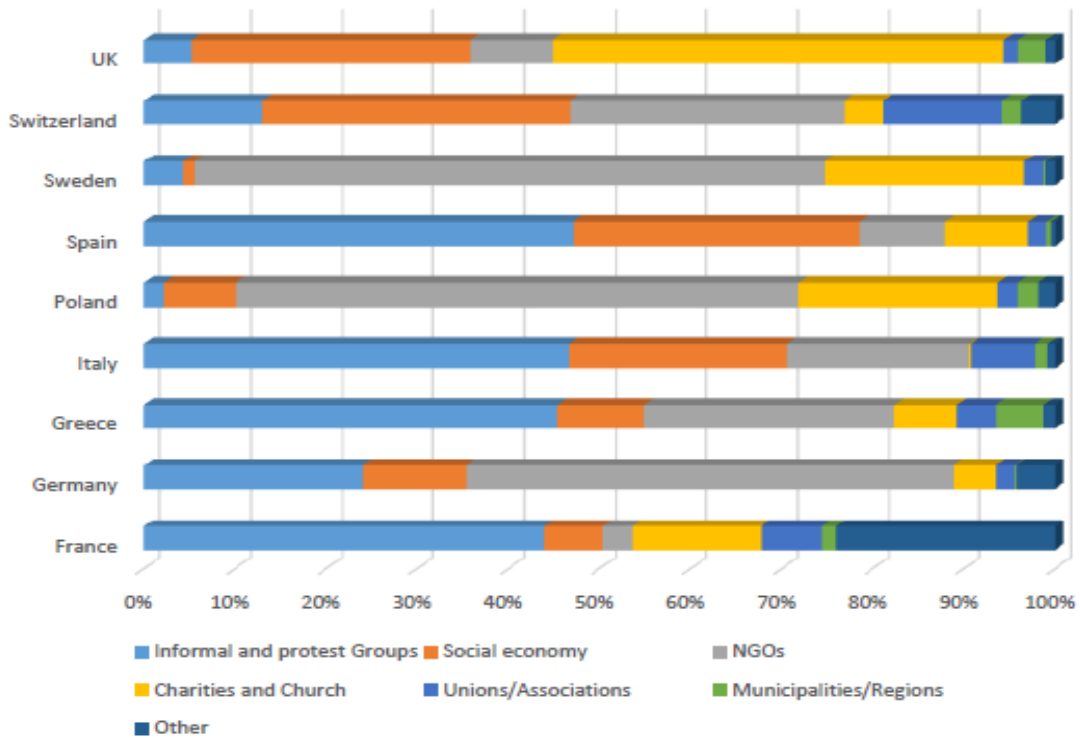
- **AAOs in all nine countries studied share common features that distinguish them from the public economy and conventional for-profit economy.** Driven primarily by social-benefit motives as opposed to capital accumulation, these organizations are largely “people-centered.” They all aim to pursue combined social and economic objectives, and they share specific operating principles based on participation, solidarity, mutual help, voluntary involvement, and collective ownership.
- **Participation and membership in AAOs contribute to an empowerment process, individually and collectively.** Participants and beneficiaries gain empowerment through their active involvement in the participatory decision-making process within and outside of the organization when they bargain with external stakeholders.

AAO findings

About AAOs

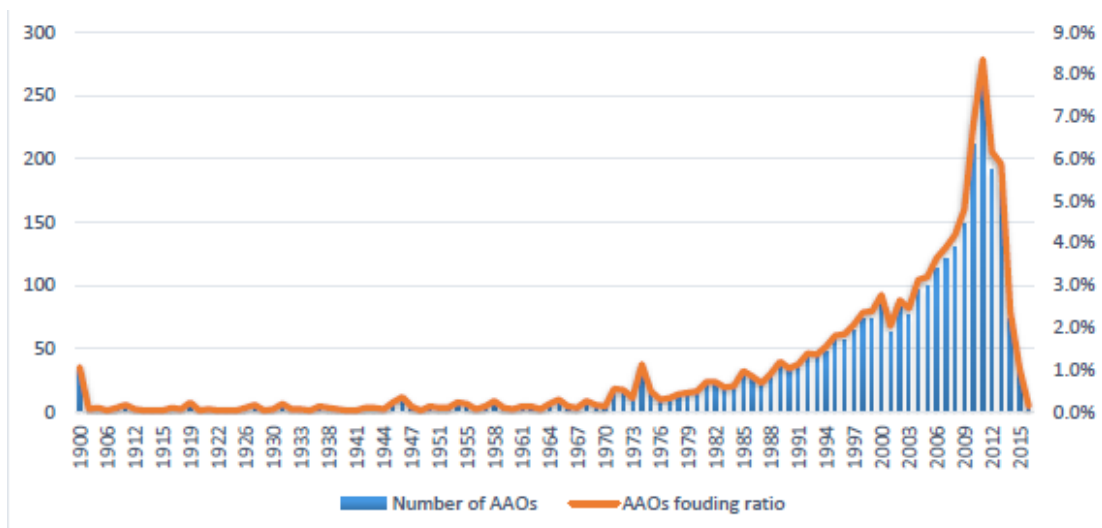
AAOs are characterized by diverse organizational forms, domains of activities, and approaches within and across countries. Figure 3 depicts the main types of AAOs in each country studied. Two clear patterns and two individual cases can be identified. The first, the “South European” pattern, representing Greece, Italy, France, and Spain, encompasses the *highest frequencies of informal and protest groups* (from 44–47%), followed by lower frequencies of NGOs (3–27%), social economy groups (6.5–31%), and church and charity organizations (0.2–14%). The second, the “non-South European” pattern, involving Sweden, Poland, and Germany, portrays the *highest frequencies of NGOs* (69–53.5%), followed by churches and charities in Poland and Sweden (22% in both) but only 4.7% in Germany. The two countries (also non-South EU) that do not follow the above patterns of prevalent organizational types are Switzerland and the UK. The highest frequency of social economy (33.7%) AAOs is seen in Switzerland, followed by NGOs (30.1%), informal/protest groups and unions and associations (13.1% in both). In contrast, charities and churches hold the highest frequency in the UK (49.5%), followed by social economy (30.7%) and low frequencies on the remaining types of AAOs.

Figure 3: AAO type per country



In terms of AAOs’ emergence, Figure 4, depicting the ratio of the AAOs’ starting year at the aggregate level, shows that generally, AAOs appear as long ago as the early 1900s, with a noticeable presence immediately after WWII and since the mid-60s. Increasing waves appear in the 70s, escalating progressively and steadily after the mid-80s and especially since the late 90s, with the highest peak during the recent crisis period. Thus, the 2008 economic crisis appears to have triggered the creation of new AAOs, as the founding ratio peaks from 2008–2013 (more than 5% every year), with subsequent decreases from 2014–15.

Figure 4: Starting year of AAO (ratio) and number of starting AAOs by year



The overall growth in the nine countries studied seems to react in quite sensitive ways to the developments of the period and the recent economic downturn affecting EU countries. The rather smooth, escalating, composite peak changes, however, when we disaggregate at the country level. At first glance, two clear patterns can be identified. One pattern is that of countries highly affected by the crisis, i.e., Spain and Greece, but also Italy and France at the threshold of the crisis and Poland, in which the starting-year ratio peaks during the crisis years. More specifically, the creation of almost half or more than half of the AAOs in Spain (50.4%), Greece (56.2%), France (49%), Italy (44.8%), and Poland (45.9%) occurred from 2008–2015. By contrast, the countries not as affected by the crisis witnessed the formation of fewer AAOs from 2008–15, i.e., Sweden (33.6%), Switzerland (24.6%), Germany (22.4%), and the UK (17.8%). Compared to the former, AAOs in the latter countries are relatively older and more institutionalized, as most were founded in the 80s and 90s, with a noticeable peak in Switzerland in the late 90s.

Activities

Because our European societies are constantly changing, AAOs' activities have been found to be varied. The data show 10 main types of alternative/solidarity activities at the aggregate level, documenting basic/urgent needs as the main activity the most prominent in frequency (52.7%), followed by culture- (46%) and economy- (42.6%) related activities. Basic/urgent needs-related activities include the provision of food, shelter, medical services, clothing, free legal advice, emergency support to groups in need (e.g., women, children, refugees), and anti-eviction initiatives. Even more revealing, however, is the cross-national comparison of the type of activities offered to address basic/urgent needs.

More importantly, the cross-national analysis in Table 12 sheds light on important similarities and differences among the nine countries concerning their specific actions within the main activity of basic/urgent needs. In terms of shelter and housing-related actions, the UK, Switzerland, Sweden, Greece, and Germany hold the highest frequencies (17–11.2%), whereas France, Poland, Spain, and Italy show the lowest (5.4–2.6%). Mental health services are highest in Poland (15.7%), the UK (13.6%), Greece (10.6%), and Sweden (8.3%) but lower in the other countries. Social support/help lines are most prominent in Sweden (62.3%) and the UK (44.4%); moderately so in Poland, Greece, and Switzerland (20.5, 19.8, and 17.5%); and least frequent in the remaining four countries. Free legal advice and consulting service actions are most prevalent in Poland (30.3%); less so in Sweden (16.9%), the UK (12.2%), and Greece (10.2%); and lowest elsewhere.

Table 12. Type of urgent basic-needs resilient activities organized by AAOs per country*

| Urgent Needs Activities | FR | GER | GR | IT | POL | SP | SE | CH | UK | Total |
|--|--------------|---------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|----------------|
| | % (N) | % (N) | % (N) | % (N) | % (N) | % (N) | % (N) | % (N) | % (N) | % (N) |
| Shelter/Housing | 2.6 (13) | 11.2 (56) | 12.8 (64) | 4.6 (23) | 5.2 (26) | 5.4 (25) | 15.3 (78) | 15.6 (52) | 17.0 (85) | 9.8 (422) |
| Social/Community Kitchens | 0.0 (0) | 4.0 (20) | 11.2 (56) | 1.4 (7) | 5.4 (27) | 3.7 (17) | 6.3 (32) | 1.5 (5) | 2.2 (11) | 4.1 (175) |
| Social Grocery | 1.2 (6) | 42.8 (213) | 6.8 (34) | 0.2 (1) | 5.2 (26) | 2.8 (13) | 2.0 (10) | 2.4 (8) | 2.2 (11) | 7.5 (322) |
| Health/Social Medicine | 7.4 (37) | 4.6 (23) | 21.6 (108) | 2.6 (13) | 16.3 (81) | 3.5 (16) | 3.7 (19) | 5.7 (19) | 16.6 (83) | 9.3 (399) |
| Mental Health | 2.0 (10) | 4.8 (24) | 10.6 (53) | 1.8 (9) | 15.7 (78) | 2.4 (11) | 8.3 (42) | 3.9 (13) | 13.6 (68) | 7.2 (308) |
| Social Support/Help Line | 9.0 (45) | 7.6 (38) | 19.8 (99) | 9.4 (47) | 20.5 (102) | 10.9 (50) | 62.3 (317) | 17.1 (57) | 44.4 (222) | 22.7 (977) |
| Clothing/Items provision | 0.6 (3) | 4.4 (22) | 24.4 (122) | 0.6 (3) | 5.8 (29) | 2.4 (11) | 6.9 (35) | 0.9 (3) | 2.0 (10) | 5.5 (238) |
| Education | 9.0 (45) | 5.4 (27) | 13.0 (65) | 10.6 (53) | 25.3 (126) | 10.0 (46) | 29.5 (150) | 9.3 (31) | 10.0 (50) | 13.8 (593) |
| Anti-Eviction | 0.0 (0) | 1.8 (9) | 4.6 (23) | 4.4 (22) | 0.6 (3) | 18.3 (84) | 0.0 (0) | 9.0 (30) | 0.0 (0) | 4.0 (171) |
| Anti-Taxation, Direct/Indirect | 0.0 (0) | 0.0 (0) | 5.2 (26) | 0.2 (1) | 0.0 (0) | 0.9 (4) | 0.0 (0) | 0.0 (0) | 0.0 (0) | 0.7 (31) |
| Emergency Refugee/Immigrant Support | 1.0 (5) | 5.4 (27) | 18.2 (91) | 2.8 (14) | 3.4 (17) | 2.2 (10) | 11.2 (57) | 2.1 (7) | 3.4 (17) | 5.7 (245) |
| Emergency Support for Women and Children | 1.4 (7) | 1.4 (7) | 4.6 (23) | 3.4 (17) | 4.6 (23) | 0.7 (3) | 6.7 (34) | 1.8 (6) | 4.4 (22) | 3.3 (142) |
| Free Legal/Consulting Services | 6.2 (31) | 3.8 (19) | 10.2 (51) | 4.6 (23) | 30.3 (151) | 9.6 (44) | 16.9 (86) | 7.5 (25) | 12.2 (61) | 11.4 (491) |
| Volunteer Call | 1.0 (5) | 0.4 (2) | 1.2 (6) | 2.0 (10) | 11.8 (59) | 1.3 (6) | 2.6 (13) | 2.1 (7) | 3.2 (16) | 2.9 (124) |
| N | (105) | (330) | (315) | (110) | (317) | (173) | (391) | (131) | (305) | (2,177) |

* Note: Alternative activities are coded as dichotomous (yes/no variables), and therefore, percentages do not add up to 100. Coding multiple categories was allowed because most AAOs engage in a variety of activities. Percentages are calculated based on the number of cases within each (country) category divided by the total number of AAOs in the country.

In addition, Sweden and Poland have the highest frequencies in educational activities (29.5 and 25.3%, respectively). It is noteworthy that Germany alone has the highest frequency in social grocery actions (42.8%), Spain leads in anti-eviction actions (18.3%), and Sweden leads in emergency support for women (6.7%); comparatively, all other countries feature very low frequencies in these respective actions. Furthermore, LIVEWHAT data reveal five specific actions in all of which Greece holds the highest frequency compared (and with considerable distance) to the other countries: i.e., clothing/items provision, health/social (free) medicine, social community kitchens, emergency refugee/migrant support, and actions against direct and indirect taxation (24.4%, 21.6%, 11.2%, 18.2%, and 5.2%, respectively). These reflect the intensity of the impact of the economic crisis (see also

below, the ‘crisis factor’), the related dramatic decline in standards of living for a considerable part of the Greek population, and the impacts of the 2015 refugee crisis in Greece.

Aims

LIVEWHAT data show that different AAOs share features that distinguish them from the public economy and conventional for-profit economy. More specifically, the three top-frequency aims of the AAOs areas follow: the promotion of alternative economic practices (32.2%), the promotion and achievement of social change (31.0%), and the promotion of positive/individual change (29.4%). Additionally, the next two prominent aims are the reduction of poverty and exclusion (27.6%) and the promotion of health, education, and welfare (26.6%). Finally, of lower frequency but important in approximately one fifth of the AAOs (ranging from 22.8%–19.4%) are the aims of promoting collective identities, community empowerment, sustainable development, self-determination, self-empowerment, and democratic practices and combating discrimination. It is noteworthy that the promotion of dignity, albeit the lowest in frequency (6.6%), appears to be the goal of AAOs and not only as a value.

In terms of prevalent solidarity approaches used in the delivery of aims and the generation of goods and services for AAOs’ participants and beneficiaries, the data show that the most prominent type is the “mutual help approach,” adopted by almost half of the AAOs (49.2%). Second in frequency are distribution-of-goods AAOs, the mission of which is the distribution of goods and services to those in need. This solidarity from above approach is mostly visible in charities and other church-related institutions. Third most frequent is an altruistic approach, in which AAOs offer help and support to others. The solidarity approach lowest in frequency is support/assistance between groups, chosen by almost one fifth of the AAOs.

Sources of resources

Although AAOs can draw resources from diverse sources, they largely depend on resources provided by their initiators and/or members. The data show that donations appear to be the most prevalent resource proxy, as reflected by the calls to donors on one third of AAO websites (33%). The importance of financial resource management is also similarly reflected in the next most prominent proxy, the existence of a treasurer/person responsible for finance or accounting, found in one fourth of AAOs (25.3%). It is also mirrored in the material on finances and financial transparency available on AAO websites (16.4%), such as financial reports, financial statements, and annual budgets. Human/staff resources follow in importance as AAO resources, as approximately one fifth of AAOs have paid staff (18.6%) and a similar portion (16%) have calls recruiting personnel through their websites.

Supporters and partners

A closer examination of the types of AAOs partners indicates that AAOs are able to draw on a diverse array of partners depending on the nature and context of their operations. Table 13 shows that informal and protest groups are more prevalent as AAO partners in Spain (35.7%), Switzerland (32.1%), Greece (29.6), and France (25.6%) but lowest in the UK (3.0%). Social-economy enterprise partners are most frequent in Spain (24.0%) and Switzerland (21.9%) and lowest in Sweden (1.2%). NGO partners are more prominent in Poland (28.1%), Switzerland (26.1%), and Greece (23.6%) but less so in Germany (8.6%) and the UK (7.4%). Charities and churches are the most frequent partners in British (25.4%) and Polish AAOs (20.5%). Union partners of the highest frequencies are found in Switzerland (35.4%), France (25.4%), and Spain (21.8%). Municipal/regional/central state agencies are more often partners of Polish (40.6%), Swiss (36.9%), and Greek AAOs (27.6%). University and cultural club partners are more prevalent as partners in Swiss (17.4%) and Greek AAOs (16.4%). Last but not least, companies constitute an engaging partner type that shows higher frequencies across Polish (36.3%), Swedish (23.2%), Swiss (21.9%), Greek (21%), and British AAOs (18.4%).

Table 13.Type of AAO partners per country*

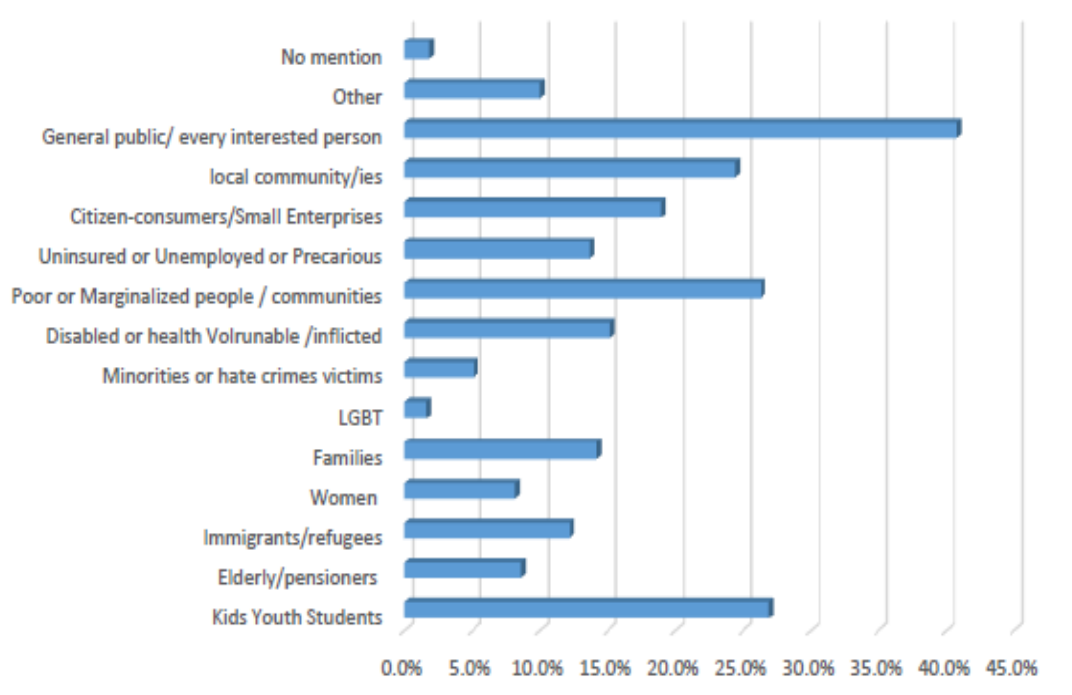
| Aim of the AAO | FR | GER | GR | IT | POL | SP | SE | CH | UK | Total |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| | % | % | % | % | % | % | % | % | % | % |
| | (N) | (N) | (N) | (N) | (N) | (N) | (N) | (N) | (N) | (N) |
| Informal and Protest Groups | 25.6 | 8.4 | 29.6 | 15.2 | 11.2 | 35.7 | 9.6 | 32.1 | 3.0 | 18.3 |
| | 128 | 42 | 148 | 76 | 56 | 164 | 49 | 107 | 15 | 785 |
| Social Economy | 11.4 | 1.8 | 4.4 | 9.4 | 2.4 | 24.0 | 1.2 | 21.9 | 2.8 | 8.1 |
| | 57 | 9 | 22 | 47 | 12 | 110 | 6 | 73 | 14 | 350 |
| NGOs | 10.2 | 8.6 | 23.6 | 12.0 | 28.1 | 17.2 | 19.8 | 26.1 | 7.4 | 16.7 |
| | 51 | 43 | 118 | 60 | 140 | 79 | 101 | 87 | 37 | 716 |
| Charities and Churches | 8.2 | 6.4 | 14.0 | 2.8 | 20.5 | 11.3 | 13.6 | 21.6 | 25.4 | 13.5 |
| | 41 | 32 | 70 | 14 | 102 | 52 | 69 | 72 | 127 | 579 |
| Unions/Associations | 25.4 | 9.0 | 16.0 | 15.8 | 17.7 | 21.8 | 8.3 | 35.4 | 5.4 | 16.4 |
| | 127 | 45 | 80 | 79 | 88 | 100 | 42 | 118 | 27 | 706 |
| Municipalities/Regions/State | 21.8 | 7.4 | 27.6 | 6.8 | 40.6 | 18.5 | 20.6 | 36.9 | 19.0 | 21.6 |
| | 109 | 37 | 138 | 34 | 202 | 85 | 105 | 123 | 95 | 928 |
| Universities/Cultural Assoc. | 13.4 | 2.0 | 16.4 | 3.2 | 13.7 | 6.8 | 9.4 | 17.4 | 9.0 | 9.9 |
| | 67 | 10 | 82 | 16 | 68 | 31 | 48 | 58 | 45 | 425 |
| Companies | 11.8 | 7.4 | 21.0 | 5.2 | 36.3 | 10.7 | 23.2 | 21.9 | 18.4 | 17.2 |
| | 59 | 37 | 105 | 26 | 181 | 49 | 118 | 73 | 92 | 740 |
| EU Agencies | 2.2 | 0.4 | 7.2 | 0.2 | 10.4 | 6.3 | 1.8 | 5.1 | 1.4 | 3.8 |
| | 11 | 2 | 36 | 1 | 52 | 29 | 9 | 17 | 7 | 164 |
| Other Transnational Agencies | 5.4 | 0.8 | 5.6 | 0.4 | 6.4 | 2.2 | 1.2 | 4.2 | 0.4 | 2.9 |
| | 27 | 4 | 28 | 2 | 32 | 10 | 6 | 14 | 2 | 125 |
| Other | 3.4 | 2.2 | 2.6 | 0.8 | 3.6 | 6.1 | 1.4 | 5.7 | 4.4 | 3.2 |
| | 17 | 11 | 13 | 4 | 18 | 28 | 7 | 19 | 22 | 139 |
| N | 500 | 498 | 500 | 500 | 498 | 459 | 509 | 333 | 500 | 4,297 |

* Note: Alternative activities are coded as dichotomous (yes/no variables), and therefore, percentages do not add up to 100. Coding multiple categories was allowed because most AAOs engage in a variety of activities. Percentages are calculated based on the number of cases within each (country) category divided by the total number of AAOs of the country.

Beneficiaries and participants

Figure 5 below depicts 15 different types of beneficiaries/participants at the aggregate level. The most outstanding beneficiary group for almost half of the AAOs (40.8%), is the “general public and every interested person,” an unexpected finding that reflects unmet needs for a wider beneficiary group during hard economic times. The next three most prominent groups, mentioned by approximately one fourth of all AAOs, are “children, youth and students” (26.9%), the “poor or marginalized people and communities,” including the homeless and he imprisoned (26.3%) and local communities (24.4%). This finding is also noteworthy, reflecting again the unmet needs of young people, a more vulnerable segment of the population. Lower in frequency are citizen-consumers/small enterprises (18.9%), the disabled/health vulnerable (15.2%), families (14.2%), the uninsured/unemployed or precarious workers (13.7%), and immigrants/refugees (12.2%). New labor conditions and refugee crises are two issues that concern European AAOs; thus, approximately 15% have as beneficiaries the precarious, uninsured workers or unemployed people, and refugees and immigrants. The elderly/pensioners (8.6%), women (8.2%), and minorities/hate crime victims (5.1%) are AAO beneficiaries at a much lower frequency.

Figure 5. Type of beneficiaries and participants



The crisis effect

The findings of the qualitative interviews with AAO participants and initiators show that the economic crisis has provided AAOs with an opportunity for experimentation and diversification of the scope of their activities. In Italy, social turbulence due to the crisis is providing opportunities to politicize its economic struggles and express them through radical initiatives. In countries less heavily affected by the economic crisis, there is still an increase in social demand for the supportive action of solidarity groups and an alternative economy due to unemployment and social anxiety. In Germany, the crisis is motivating society towards a value shift but also encourages solidarity towards those – individuals, groups, and whole nations—who are most seriously affected by it.

The refugee crisis is usually mentioned by German and Swedish AAOs representatives as being related to the economic crisis and as relevant to the intensification of AAOs' activity. In Sweden, an indirect effect of the economic crisis is that groups of beneficiaries have changed as a result of immigration, with immigrant populations increasingly becoming the main beneficiaries of AAOs. The reverse is observed in Italy and Greece, where the financial crisis urges interest and participation of the native population in supporting structures and programs used by immigrants only before the crisis.

In addition, the crisis context negatively influences the operation of AAOs because their funds are reduced and participation is becoming unstable, whereas demand increases. In France, associations that are mainly political and that receive extensive state funding have suffered the most in the crisis. In Spain, the decline in funding together with increased complexity of the bureaucracy has resulted in drastic reductions in AAO personnel. Volunteering is also attenuated, and commitment on participation is reduced, which is mentioned both in Greek and Spanish interviews. In Poland, a country that has not been harmed by the recent economic crisis, AAOs view state and EU funding as becoming less accessible and their networks with other European countries as languishing. In the UK, on the other side, there is reported a desire to move beyond the austerity idea of plugging a sort of gap in the welfare state towards a far more positive and empowering notion of people gaining skills, social connections, and advice in a community setting.



PART 3 Main conclusions

LIVEWHAT conclusions may be summarized as follows:

Work package on Policy Responses to Crises: LIVEWHAT data indicate that policy responses and citizens' understandings and experiences of the crisis vary by the national context in which they are situated—specifically whether the country experienced a heavy or lighter economic crisis. In particular, LIVEWHAT data show that the crisis has effectively supplied an opportunity to adopt and implement welfare retrenchment and labor-market flexibilization reforms in most countries, especially in southern Europe. Although the European Social Model is nevertheless resilient in a number of countries in Northern and Scandinavian Europe, the changes are particularly severe in those countries that implemented an austerity package under the direct influence of the Troika (the International Monetary Fund, the European Central Bank, and the European Commission), such as Greece. The countries under severe market pressure, such as Italy and Spain, have also introduced radical reforms. The changes were less severe in countries in which the debt crisis was less acute, such as Sweden and Germany. The extent of these adjustments and reforms has induced certain setbacks to the European Social Model.

The paradox is that the European Social Model served its function in the early period of the crisis (2007–2009), when most European countries increased social expenditures to cushion the social shock of the crisis and when institutional schemes—such as active labor market policies, training, and social dialogue—were used actively to negotiate alternatives to massive layoffs, a solution that worked well, for instance, in continental European countries. The debt crisis, however, led in a different direction and generated an “austerity turn” followed by a radical transformation of social policies as a way to curb the deficits, although it is recognized that social policy was not among the causes of the crisis. We might thus ask whether these changes do not contradict the place that the European Social Model should have in European construction.

The 2013 Communication of the European Commission on “Strengthening the Social Dimension of the Economic and Monetary Union” is an important initiative in terms of forging the European Social Model. The Communication stresses that “the EU in defining and implementing its policies and activities, is obliged, under the Treaties, to take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion and a high level of education, training and protection of human health” (which corresponds to Article 9 of the Treaties). This Communication may be seen as an attempt to shift the social-policy agenda away from mainly austerity exercises towards forward-looking elements. However, it is difficult not to see the discrepancy between rhetoric and practice. As an

example, the strengthening of European social dialogue proposed at the EU level contrasts with the national policy responses to limit collective bargaining, especially in the countries advised by the Troika, as LIVEWHAT data indicate. Under the pressure of the economic crisis, we witnessed most European countries changing—often hastily—several elements of what the Communication puts forward and what lies at the heart of the European Social Model: social protection, pensions, public services, workers’ rights, job quality, and social dialogue.

Even though social policy has not been eroded everywhere in Europe, we might question the survival of the European Social Model if its dismantling continues, especially in southern European countries.

Work package on Collective Responses to Crises in the Public Domain: The analysis of collective responses in the public domain suggests that during the period 2005–2014, national public debates in almost all of the nine countries examined have largely been dominated by political entrepreneurs, such as the economic organizations, at the expense of labor movements and other civil-society organizations. Such an erosion of the contribution of labor and civil-society actors and of ordinary citizens to public debates seems problematic from the normative point of view of democratic inclusion and from the point of view of the democratic quality of public debates.

Policy and media actors should give more space to these unheard public entities to voice their claims and positions on various aspects of the economic crisis. By doing so, they could turn public discourse from a de facto exclusive practice only for insiders into a more democratic and less top-down process.

LIVEWHAT evidence shows that the recent crisis has had no significant effect in terms of advancing the presence of the EU and European issues in national debates. Quite importantly, the results also confirm the uncontested primacy of national communicative flows in every country, leaving limited visibility for the EU or European protagonists and subjects. Hence, a Europeanized political communication in which national actors make claims within a European frame of reference transcending geographical boundaries has proved rather weak from 2008–2014 when the economic crisis reached its peak. Apart from the limited presence of the EU and European actors, it also seems that issues of representation of a clear-cut European public in the politics of dealing with the crisis have largely been neglected. This is part and parcel of the broader EU democratic deficit that has become more acute during the crisis years. The latter is related to a lack of responsiveness of the EU and accountability in the wider context of how the EU has responded to the economic crisis.

At the end of the day, a *European* response to the crisis can only be the outcome of a democratic interplay between the integration of governments and actors across boundaries and the integration of peoples and public spheres.

Establishing a more visible dialogue with citizens on the impacts of the economic crisis may have a tangible effect in the long term; for instance, this could be accomplished by developing better communication on how the EU has addressed and is still addressing the economic crisis, by organizing public deliberation events, and by forging strong transnational partnerships for EU communication and exchanges between European citizens, policy actors, and stakeholders.

Work package 4 on Individual Responses to Crises: Underpinning LIVEWHAT evidence is a deep-seated economic divide between the fiscally pious nations of the Alps and the profligate countries in the South. In recent years, notions of a North-South divide within the EU—and in particular within the Eurozone – have increasingly gained attention in the European discourse. The North-South divide, in LIVEWHAT research, is apparent in four key areas.

First, citizens were asked to report their satisfaction with governmental policies in four fields: poverty, unemployment, precarious employment, and immigration. The results show that satisfaction levels in all four policy fields are particularly low in southern European countries as opposed to satisfaction levels reported in the continental, Scandinavian, and Anglo-Saxon countries. Second, when citizens were asked to compare their living standards to those of their parents, most citizens in Continental, Scandinavian, and Anglo-Saxon countries believe their living standards were better vis-à-vis a third of the respondents in the Mediterranean and southern countries. Third, citizens were asked to rate living conditions in their own country and then those in the other countries in the project. The results show once again that a small to moderate proportion of citizens in Mediterranean and southern countries rate living conditions in their own country as good vis-à-vis an overwhelming majority in continental, Scandinavian, and Anglo-Saxon countries. Fourth, the proportion of individuals in various countries had to make reductions in consumption as a result of the crisis. The results show again that reductions were more widespread in Southern European countries as opposed to continental, Scandinavian, and Anglo-Saxon countries.

Crucially, the intensification of the North-South divide in terms of citizens' living standards and consumption styles during the crisis years points to a general redistributive problem in the EU that will persist in the long term if adequate social and economic responses are not provided.

Certainly, traces of a North-South divide in the Eurozone with regard to economic fundamentals such as (youth) unemployment, purchasing power, income per capita or GDP per capita have existed long before the 2008 economic crisis unfolded. However, the dividing lines always seemed bridgeable for the South as the European project promised from the mid-1990s on a convergence and the prospect of growth and prosperity. The customs union, the Single Market, and the Economic and Monetary Union are all major stages in this process.

The recent crisis seems to have reversed this positive development and has since cast serious doubt on the European integration model of convergence. Even if there is finally light at the end of the tunnel of the Euro crisis, visible scars will remain, as this division does not only reflect pure economic performance but the resurgence of nationalist stereotyping at the expense of European solidarity. In hindsight, it is obvious that the policy framework associated with European Union integration must be reshaped to avoid a persistent divergence in the way European citizens perceive their and others' living conditions and governmental interventions amid the crisis. With exchange-rate rigidity and fiscal austerity in the Eurozone, it may take considerable time for the southern European countries more severely affected by the crisis to recover. In turn, this can have severe social repercussions, eroding Europe's social and political fabric. Hence, unless it changes, the evolving policy framework within the Eurozone with its emphasis on stabilization rather than loosening the growth constraints is likely to cement Eurosceptic arguments and the populist fringes that oppose it as the principal source of stagnation and further intensify the North-South divide.

If the aim of post-crisis European integration is to rekindle the bond between institutions and its citizens, starting by recognizing the need for a European-wide framework to strengthen social safety nets to fight poverty and promote more and better jobs to combat precariousness is not simply a clever tactic. In the long run, it may contribute to forging Europe's democratic future.

Work package on Causal Effects of Crises on Citizens' Attitudes and Behaviors: LIVEWHAT experimental data confirm expectations from group conflict theory about how nationalism increases during economic times, particularly among the most vulnerable. Economic crises depreciate the appeal of the nation due to the loss of international and internal prestige. People belonging to a high-income group or the upper social class will become less attached to the nation due to the nation's loss of status and because they will become more distant from the typical members of the nation. However, people belonging to low-income groups or the lower social class will become more attached to the nation because they become more like to the average citizen, an individual who has lost economic status due to the economic crisis. Importantly, these effects are magnified when the EU is seen as responsible for this situation. The strategy of blaming the other has been usually seen as a strategy to avoid voters' punishment in the ballot box. However, blame attribution can also have spill-over effects on citizens' nationalist attitudes, which governments should also consider.

All of these developments have left European citizens with a vague feeling that the EU is no longer the guarantee for prosperity it once seemed to be. In the absence of any deeper political integration that could provide greater democratic representation and control over an ever-expanding supranational governance and in the face of major divisions among EU actors over what to do and how to do it, the EU has ended up governing by an "one size fits one" mode – thus failing to build greater legitimacy through more politicized

public debates over the rules, processes, or other means by which to govern Europe and the Eurozone.

Present times are not dangerous times yet, but as nationalism is rising and placing increasing pressure on member-state politics, it will become more and more difficult to resolve the crisis with innovative ideas about European unification because polarization will increase rather than decrease. In this respect, the EU requires processes that work in ways that encourage inclusiveness of the victims of crisis. Here, the challenge is to find new ways of moving from a regulatory to a redistributive regime and bringing in national parliaments, the civil society, and citizens into the EU policy-making process.

Work package on Alternative Forms of Resilience: LIVEWHAT evidence on the growing presence of the social and solidarity economy in countries most severely affected by the crisis indicates the real possibility of social changes that are conducive to more human-oriented growth models. In the face of public cuts and austerity measures, the state has proved rather weak to providing strong social safety nets, especially for those groups that have been particularly affected by the crisis. These and other concerns related to market and state failures have opened up the space for rethinking resilience and social assistance. Social economy and solidarity actions are fundamentally about citizens bouncing back from hard times and reasserting social control over the economy by rethinking economic practices in terms of democratic self-management and active citizenship.

Analyzing social and solidarity economy and its alternative potential, examining its regional manifestations and variations, and identifying public policies and legal arrangements that can enable social and solidarity economy may provide a way forward for inclusive growth.

The crisis has prompted major policy rethinking across Europe. This is welcome, necessary, and overdue. It is our collective responsibility to take a hard look at the failings of the recent past to build a resilient future for European citizens.

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Recommended further reading

Reports

(downloadable from <http://www.livewhat.unige.ch/?p=452>)

- LIVEWHAT D2.3. “Report on Legal Analysis of Rights Depletion” (part of Work Package 2 – Policy Responses to Crises).
- LIVEWHAT D2.4. “Integrated Report on Policy Responses to Crises” (part of Work Package 2 – Policy Responses to Crises).
- LIVEWHAT D3.2. “Citizens’ Responses to the European Economic Crisis in the Public Domain” (part of Work Package 3 – Collective Responses to Crises in the Public Domain).
- LIVEWHAT D4.2. “Integrated Report on Individual Responses to Crises” (part of Work Package 4 – Individual Responses to Crises).

- LIVEWHAT D5.3. “Integrated Report on Causal Effects of Crises on Citizens’ Attitudes and Behaviors” (part of Work Package 5 - Causal Effects of Crises on Citizens’ Attitudes and Behaviors).
- LIVEWHAT D6.4. “Integrated Report on Alternative Forms of Resilience in Times of Crisis” (part of Work Package 6 - Alternative Forms of Resilience in Times of Crisis).

Policy briefs

(downloadable from <http://www.livewhat.unige.ch/?p=450>)

- LIVEWHAT First Policy Brief
- LIVEWHAT Second Policy Brief
- LIVEWHAT Third Policy Brief
- LIVEWHAT Fourth Policy Brief
- LIVEWHAT Fifth Policy Brief

Handbook

(downloadable from <http://www.livewhat.unige.ch/?p=457>)

- LIVEWHAT Handbook of Good Practices

Synthesis of Project Main Findings

LIVEWHAT project

LIVING WITH HARD TIMES

HOW CITIZENS REACT TO ECONOMIC CRISES
AND THEIR SOCIAL AND POLITICAL CONSEQUENCES



Project website: www.livewhat.unige.ch