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EUROPEAN POLICY BRIEF



LIVEWHAT

Living with Hard Times

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

Policy implications of LIVEWHAT, an EU-funded research project examining citizens' resilience in times of crisis across nine countries.

Ongoing project

March 2015

INTRODUCTION

This policy brief draws on cross-country research which aims to identify key changes relating to the legislation and policies enacted by policy-makers as a response to the 2008 economic crisis, and as a method of avoiding or limiting its negative consequences.

The analysis covers the period from 2005 to 2014. It draws 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 allows us to disentangle the reactions to the 2008

economic crisis and the earlier processes of legislative change.

The countries studied comprise: France, Germany, Greece, Italy, Poland, Spain, Sweden, Switzerland, and the United Kingdom.

In the first part of this brief we offer an overview of the key areas of change highlighting specific patterns across the countries. The areas of change discussed below do not measure the outcome of reform but provide an overview of changes in citizens' labor, social and political rights as well as changes in labor, healthcare, tax, and social policies. The policy brief concludes with a consolidated list of recommendations.

Not every recommendation will be relevant for every country, but all are worthy of careful consideration.

Both the legal and the policy analysis reports are available on the project website at: www.livewhat.unige.ch

The views expressed in this document are the sole responsibility of the authors and do not necessarily reflect the views of the European Commission.

KEY FINDINGS ON RIGHTS DEPLETION

Dimensions of rights

The aim of LIVEWHAT is to provide evidence-based knowledge about citizens' resilience in times of economic crises. However, this cannot be achieved without information about the context in which citizens find themselves and an examination of how authorities and institutions first responded to the crisis. Our key observations hence encompass the broader context of particular political and legal opportunities that affect citizens' behavior and resilience in hard times.

LIVEWHAT covers a diverse range of countries, each of which represent different legal and policy approaches during the crisis. The French, German and Scandinavian (Swedish) systems are part of a civil law tradition. The systems in Greece, Poland and Switzerland have a German origin, while the systems in Italy and Spain originate in France.

The United Kingdom has a common law system without a written constitution. The differences in legal systems and legal traditions of the countries examined also affect the changes or stability of the system of labor, social and political rights. Yet it should be stressed that we have not aimed to explain the possible causal relationship between the different legal systems and the legislative changes adopted. Rather, we want to provide a comparative description of the current situation and of the changes since 2005.

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

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

The exact concerns and steps needed to address these vary between countries. We seek to reflect this variation in reviewing each area in turn below.

Labor rights

Labor rights in this analysis refer to employment protection rights, rights related to unemployment benefits, and rights to unionize and strike. Employment protection is measured in terms of dismissal process and these rights are relatively better protected in France, Germany and Sweden. The situation is worse in Greece, Spain and the United Kingdom, 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. Employment protection rights are the most inclusive in France, Germany and Sweden and the most exclusive in Spain. Poland and the United Kingdom 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 mid-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.

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. 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 to power in Sweden in 2006.

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

Moreover, strike law 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 United Kingdom. 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-permit 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, United Kingdom, Sweden), 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 of low or no income (e.g., Sweden, United Kingdom).

Rights of freedom of assembly and association

Freedom of assembly and association is one of the fundamental political rights, protected both by 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 United Kingdom (2011). In Greece, in 2009 the parliament banned the covering of activists' faces during demonstrations. Moreover, one recent decree bans 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 word ‘working day’ from the text.¹

In the United Kingdom, 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 that is 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 towards more limited opportunities for public assemblies.

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.

KEY FINDINGS ON POLICY RESPONSES

Policy areas and patterns of change

The analysis of crisis responses in the policy field indicates shifting patterns across the LIVEWHAT countries. We sought to

capture policy changes in five principal policy areas:

- Labor market policy including minimum wages, dismissals, unemployment insurance and retirement;
- Sickness benefits and healthcare services;
- Social aid including poverty measures and housing allowances;
- Tax policies;
- Family policies including parental leave, child allowances and costs of education.

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 United Kingdom have engaged in wide-ranging reforms to cut public spending. However, Poland has also taken steps towards 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.

An important finding is that 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 towards decreasing debt and consolidating budgets even if the short-term gains of reforms to attain such goals are sometimes negligible. Similar patterns can be discerned in relation to systems of unemployment insurance and sickness benefits, the reforms of which in some cases were discussed long before the crisis erupted in Europe in 2008.

¹ 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.

Labor policies

Minimum wages and vacation

Our 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. In Sweden, Italy and Switzerland² 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 on the labor market is highly dependent on the wage-setting structures already in place.

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 United Kingdom there have been 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 in the long-term.

Dismissals

With regard to rules and regulations of dismissals Greece, Spain and to some extent Italy have all enacted reforms since 2008 which 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, the amount of salaries 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 where 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 in 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, while 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 United Kingdom 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.

² With the exception of two cantons.

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 were becoming 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 which has had a negative impact on 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 since 2013.

Spain is also a country which, 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 rationalise 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 on job-seekers since August 2013 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 (2007-9), Greece (2010-11), Italy (2011-12), Poland (2009-13), Spain (2011-13), Sweden (2011) and the United Kingdom (2011-12). 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 favourable 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 European Union 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 as efforts of 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 to benefits to employees on 'contract of mandate', a type of contract used in Poland which for a long time afforded employees with limited social protection. In 2014, levels of sickness benefit were also equalized across professional groups at 80%, by 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 United Kingdom stands out as the only country which applies a flat rate of 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 has 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 Greek citizens without medical insurance has increased drastically during the crisis, among unemployed but also among 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 non-contributory category and denied free healthcare to foreigners living illegally in the country. Patient fees for care and pharmaceuticals have in these countries remained largely constant 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 system of reimbursement but not primarily with the objective of curbing spending, but 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 LIVEMWHAT 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%.³

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 increased since 2013; and in Poland since 2012. There are no significant

³ These cuts included the fund for equal opportunities, the fund for youth policies, the fund for does not self-sufficient and the fund for the inclusion of immigrants.

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 region 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 but 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 United Kingdom, a rescue-scheme home-owners was adopted in 2008, but this does 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 United Kingdom, where housing benefits have decreased since 2013. Also, reforms were made in the United Kingdom curtailing the ability for lone parents to receive income support. Previously, unemployed single parents were eligible for income support until their oldest child was 16. From 2012, single parents with a youngest child aged five or above will be unable to claim income support and will be 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 United Kingdom. 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 where 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 are 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, but 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,⁴ Germany, Poland and Switzerland.

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 (Italy, Poland). These are expected to balance the otherwise negative trends of the labor rights. In particular, employment protection during parental leave is strong, since in all the examined countries employers are not allowed to dismiss pregnant women or any employee on parental leave.

Still, there some problematic practices. In Spain, there are numerous cases where temporary contracts are not renewed, while in Italy women who fall pregnant or stay at home with children are often dismissed with the help of previously signed so-called

⁴ France however recently introduced a 75% tax on high income earners.

dimissioni in bianco ('blank resignation letter').

It is important to note that only working or insured (i.e. those in 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 work during five months of the pregnancy. Only in France and Sweden there are 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 abolition in 2010 of the one-time flat rate universal subsidy given upon the birth of 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,⁵ Germany, Sweden and Switzerland⁶ have universal flat-rate child allowances calculated only on the number of children in a particular household. The flat rate allowance in the United Kingdom was slightly restricted from 2013, excluding high income recipients. Eligibility for the means-tested tax credit was also made more restrictive in 2012 by introducing a lower

⁵ France has two types of allowances. One is flat rate and universal, only calculated on the number of children. The other, the 'coefficient familial' is means-tested, calculated on income.

⁶ In Switzerland allowances differ across cantons and some categories of households are excluded.

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.

Costs of education

Significant changes have taken place in several countries. 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 work-load has been increased as a result of austerity measures to curb public spending. In Poland, a general right for pre-school was introduced in 2009, and from 2017, children of age three to four years have a right for pre-school education.

Changes have also taken place in Poland regarding fees, which have become lower due to reforms in 2010 and 2013. In the United Kingdom, a 2014 reform opened up for children of age two to attend pre-school 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 or Northern Ireland). In Poland, means-tested support is 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 affected primary, secondary and tertiary educational institutions through significantly reduced budgets as well as diminishing a number of job positions.

POLICY IMPLICATIONS

On rights depletion

► Since the crisis and its immediate aftermath, certain labor rights have become under jeopardy. Compared to ten years ago, there is less protection against dismissals and there are tightened conditions for receiving unemployment benefits in almost all the countries examined by LIVEWHAT. Particularly significant changes have taken place in crisis-affected countries such as Greece and Spain.

The rights to unionize and strike have not changed as significantly as other labor rights. This could be the result of opposition from organized labor or the fact that some more fundamental rights are more difficult to change due to the legal traditions of the examined countries. This is also demonstrated by the incremental changes in the regulations of public assemblies (Spain, Greece, the United Kingdom), which limit citizens' freedom of assembly, especially using some forms of action or restricting the areas accessible to protestors.

► We hear little about the limitation of citizens' fundamental rights in contemporary Europe. However, our findings suggest that there is increasing willingness among the governing authorities to limit and regulate citizens' use of the freedom of assembly in many countries. In some cases, this is a direct result of the numerous street demonstrations opposing austerity policies. So far, many of the most restrictive proposals have been defined as unconditional (France, Spain, Greece). From the perspective of protection of citizens' fundamental rights, these trends call for further attention by civil society groups, scholars and politicians.

On policy responses

► The findings on policy responses show that there have been significant changes in the four examined fields – labor, health, tax, and social policies – but variations across countries as well as in policies themselves are very large. Still, one could find two

common trends in the crisis-related changes. First, reforms in many countries have directly targeted the situation of public sector employees. Second, indirect effects of the structural changes in the labor market, i.e. precarization, combined with less unemployment insurance and social benefits, might have negative long-term effects on large sectors of society. Further research should show how these groups cope with these challenges and enhance their resilience.

► Irrespective of their relation to the crisis as such, a predominant trend in all nine countries is that the reforms enacted have aimed to flexibilize the workforce, often in a way that the burden of reforms has been placed on the employee side rather than on the side of businesses or indeed the state. This has been the case in Sweden, Switzerland, the United Kingdom, Poland, Germany, France and Italy. Whereas some countries notably Germany, Sweden and to a limited extent Poland and Italy, digressed slightly from this path in their immediate responses to the crisis by reintroducing some services for the unemployed, the overarching and pervasive development indicates a movement away from a rights-based understanding of labor market relations, to one where competitiveness and growth are achieved by narrowing the distribution of such rights.

► The welfare retrenchment that has been initiated and its possible effects on citizens must be understood in the light of changing structures on the labor market, namely the precarization of labor. Even slight changes in levels and conditions of eligibility for sickness and unemployment benefits will have potentially more palpable effects for a workforce that is increasingly less likely to be granted access to such systems. Hence, although the majority of the national reforms directly worsened the situation of public sector employees, there are negative long-term impacts for those in the beginning of their labor career. The reality is that many of these workers, due to limited work intensity, will not acquire sufficient entitlement to social security benefits. This calls for careful consideration of how to improve social protection for these workers.

► More than in other European countries, in the countries particularly hit by the economic crisis such as Spain, Italy, and especially Greece the demands for budget discipline have further aggravated the effects of the crisis on living standards, with a deterioration of the main socio-economic indicators (e.g. disposable income and poverty rates). Concurrently, they have expanded the structural gaps in their systems of social protection. Thus, it might be necessary that social protection is approached through a comprehensive strategy, concentrating efforts on structural improvements rather than on ad hoc measures.

Yet, in the interim, emergency measures are needed to respond to immediate needs. In this respect, in analyzing options for the future, more efforts are needed to increase targeting of social protection to the most vulnerable. Better targeting enables an improvement in the poverty-reducing effects of social protection and the optimization of government spending in this area.

► Some countries (e.g. Switzerland, Germany) fared better than others during the economic crisis due to differences in economic policies, social safety nets, institutional and policy capacity as well as other factors. In this respect, more and better coordination between countries may help EU Member States benefit from each other's policy experiences and impact evaluations, especially those countries with unsustainable social systems such as Greece and Spain.

negative consequences on the political agenda by raising awareness about the situation of groups particularly at risk in situations of economic crisis;

c). to improve the problem-solving capacity of policy-makers and practitioners by providing policy recommendations and a catalogue of good practices;

d). to help develop a more comprehensive and concerted problem-solving approach within Member States and the European Union by promoting knowledge-transfer and policy-learning.

Scientific approach and methodology

LIVEWHAT's theoretical approach allows 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 conceives 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, change of lifestyles toward more sustainable forms of consumption and production, developing 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.

PROJECT

Objectives

LIVEWHAT is an EU-funded research project on policy responses and citizens' resilience in times of crisis. The project has four main objectives:

a). to advance knowledge regarding the ways in which citizens respond to economic crises and their social and political consequences;

b). to contribute to placing citizens' responses to economic crises and their

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