



EUROPEAN
COMMISSION

European
Research Area

Social sciences
& humanities

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

November 2016

INTRODUCTION

This policy brief draws on cross-country research related to individual perceptions, evaluations and responses to the recent economic crisis by private citizens.

Methodologically, LIVEWHAT researchers developed a survey questionnaire to address key issues relating to European citizens' perceptions and responses to the crisis. With the help of a specialized polling company (YouGov), they collected data from across the nine European countries in the project: France, Germany, Greece, Italy, Poland, Spain, Sweden, Switzerland, and the United

Kingdom. For example, our researchers examined how satisfied citizens are with government interventions in key policy areas; how citizens rate their living standards in relation to the past, and how hopeful they are that these will improve in the future. Moreover, the cross-national survey collected evidence on individuals' political attitudes and behaviors, their social relations and networks, lifestyle patterns and use of leisure time, their feelings of well-being and relative social status, and so on.

In addition to the survey, 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 get a better picture of the causal effects of different dimensions of the crisis on citizens' attitudes and behaviours.

The lab experiments (five conducted in Spain and one in Switzerland) included games, pseudo-games and vignette designs). LIVEWHAT researchers could manipulate individual economic conditions and to assess their effects. Concurrently, the survey experiments, embedded in three different online surveys, were used to treat perceptions about contextual economic conditions to see how they affect outcomes of interest.

Below we present some of the main findings of the cross-national survey and the experiments. The full findings of both the survey and the experiments are available on the [project website](http://www.livewhat.unige.ch) 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

Cross-national survey findings

Beginning with examining *satisfaction with how the government is dealing with different types of policy areas*, the figures reported in Table 1 show that, in general, citizens in countries that experienced a milder crisis tend to have higher levels of satisfaction with how the government is dealing with the economy. However, it is notable that, even in those countries where levels of satisfaction are relatively higher, only in one country (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 how the government is running the economy are still less than 30% in Poland and Sweden.

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 – the poor, unemployed, and precarious workers—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 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 and particularly for immigration and the economic policy areas, especially those relating to the support of marginalized groups such as the poor, the unemployed and those in precarious employment conditions (or ‘the precariat’).

Turning to relative economic evaluations, we can see from the figures reported in Table 2 that when asked to *compare their living standards to those of their parents*, only in Germany, Poland, Sweden, Switzerland and the United Kingdom did a majority believe their living standards were better. Only about one third of respondents agreed with this position in France, Greece and Italy and about half in Spain. Considering the advances in science and technology of the last few decades, it is telling that in about half the countries, respondents felt that their own living conditions were worse than those of their parents.

When asked about their household or economic situation compared to five years previously, only in one country (Sweden) did a majority of respondents feel the situation was better. This was followed by about half in Germany, 40% in Switzerland and the United Kingdom, 38% in Poland, falling to only about 23-4% 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 United Kingdom 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 3 reports the results from a question asking respondents to *rate living conditions in their own country and then those in the other countries in the project*. Results show that once again Greece comes at the bottom of the list with only 10% rating living conditions in their own country as good. This was followed by about 20% of Italians, 33% in Spain, 25% in Poland, 43% in France, and 70% or more in Germany. The United Kingdom, Sweden and Switzerland had the highest score at 76%.

Moving onto how Europeans see living conditions in each other's countries, we can note that living conditions in France, Germany, Sweden, Switzerland and the United Kingdom tend to be seen in quite a positive light. On the other hand, living conditions in Greece tend to be seen as fairly dire. Somewhere in the middle are Italy, Poland and Spain.

Furthermore, Table 4 shows the *proportion of individuals in various countries having to 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% of people cut recreational activities in Greece, 76% reduced the use of their car, 74% delayed utility payments, 27% had to move home as a result, 61% could not pay back loans, 17% had to sell some asset, 37% had to cut media connections, 74% did not go on holiday and 63% had to even reduce buying medicines or seeing the 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, but also 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 United Kingdom.

Finally, in terms of the *approval of various economic measures to deal with the economic crisis*, Table 5 shows that increasing government oversight and regulation as well as reducing the budget deficit tend to be the most popular options. The latter in particular is popular in the United Kingdom, Sweden and France and the former in Greece, Spain, France and Sweden but also the United Kingdom. Increasing government spending is seen favorably in Greece, Poland, Spain and the United Kingdom. Giving financial support to the banks tends to be more unpopular as a measure.

Experimental findings

Income inequality, fairness considerations and citizens' preferences for redistribution

This lab experiment (Table 6) was conducted in Spain and aimed to study how changes in citizens' perceptions about the fairness of inequalities caused by the economic crisis affect preferences for redistribution. One main consequence of the crisis has been a significant increase in income inequality. A recent OECD report¹ shows that, during the crisis, income inequality increased, even if following 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 addressed by LIVEWHAT researchers in this lab experiment.

The experimental design was based on an economically incentivised game where 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 reducing thus the initial inequality.

Each participant chose the tax under different circumstances. Firstly, as an unaffected participant, not affected by the tax they decided to choose. Secondly, as an affected participant under risk – that is without

knowing in which position in the income inequality structure they were. Finally, as a fully informed affected participant that is, after having been informed about their actual position in the income inequality structure. In this way, LIVEWHAT researchers could analyse 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, while the other half was exposed to a low inequality structure.

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 brought about 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. On the other hand, no evidence was found for higher support for redistribution in socially caused inequality than in inequality due to bad luck. Similarly, results show that, at least in this setting, the level of inequality did not trigger statistically different level of support for redistribution.

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

¹ OECD (2015). *In It Together: Why Less Inequality Benefits All*, OECD Publishing, Paris.

Deprivation and collective action

This lab experiment, which was conducted in Spain, explored the effects of economic deprivation on political participation (Table 6). The economic crisis has brought a reduction in economic resources for many citizens. In Spain, public workers have suffered cuts in salaries (an average of 5%), the purchase power of citizens and household expenditure has been severely reduced, and the poverty gap has widened.²

LIVEWHAT researchers used a simulated game experiment that induced three forms of deprivation in order to test the extent to which a loss of resources disincentives political participation or, on the contrary, generates perceptions of injustice and emotional reactions that encourage participation in protest.

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. This is because 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 in line with the expectations regarding deprivation, but contrary to expectations regarding relative deprivation. Individuals are more likely to engage in collective action only when deprivation is

produced by intergroup discrimination (participants are deprived because of their gender). Results also show that moral outrage is a key mediating factor in understanding the behaviour 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 (Table 7) 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 recent years, many European countries such as Spain have undergone deep economic crisis. 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 the symptom of a more general *malaise*. Nationalism has mainly touched those in a situation of economic vulnerability.

Exogenous shocks, such as economic crises, have hindered the nation's international and internal prestige, damaging its status, and making national identity less attractive to people. Governments have tried to offset the negative economic impact of crises on citizens' assessment of the nation by promoting nationalism to divert citizens' attention from these problems. This has been achieved by emphasizing aspects where the nation excels (sports, culture, etc.) or by blaming others for the bad shape of the economy, e.g. the European Union (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 economic crisis unconditional or is it

² Addabbo, T., García-Fernández, R., Llorca-Rodríguez, C., & Maccagnan, A. (2013). “The Effect of the Crisis on Material Deprivation in Italy and Spain.” DEMB Working Papers Series N.19.

stronger among those who are more seriously hit by it? The experimental design manipulated both the loss of economic status of the nation 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 become more nationalistic and proud to be Spanish when both treatments are present. The effect is the opposite among high-income people and those belonging to the upper or upper-middle class. Here, 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 (Table 7) 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 sovereignty³ and loosened labour protection.⁴ Consequently, member states have been exposed to greater economic risks, including unemployment and poverty, and rising income

inequality.⁵ The link between European integration and economic inequality suggests that citizens may hold European institutions responsible for rising inequality and may, as a result, be less favourable to further integration.⁶

A handful of studies have 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)⁷ find that the rise in income inequality at home is associated with increasing Euroscepticism, particularly among citizens of lower levels of formal education. While these studies evince a link between rising levels of income inequality and European institutions, they tell us little 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 1) picturing the poverty rates across EU countries. In the inequality treatment, differences in poverty rates in the EU were large, whereas in the equality treatment differences were insignificant. The results show that perceptions of inequality *weaken* the opinions towards the EU. However, differences between perceptions of

3 See e.g. Scharpf, F. W. (2010). "The Asymmetry of European Integration, or Why the EU cannot be a "Social Market Economy." *Socio-Economic Review*, 8 (2): 211-250.

4 Beckfield, J. (2009). "Remapping Inequality in Europe The Net Effect of Regional Integration on Total Income Inequality in the European Union." *International Journal of Comparative Sociology*, 50 (5–6): 486–509.

5 Boje, T. P., Van Steenberghe, B. & Walby, S. (1999) "Introduction." In Boje, T. P., Van Steenberghe, B. and Walby, S. (eds) *European Societies: Fusion or Fission?*, London, Routledge.

6 Burgoon, B. (2013). "Inequality and Anti-Globalization Backlash by Political Parties." *European Union Politics*, 14 (3): 408–435.

7 Kuhn, T., van Elsas, E., Hakhverdian, A., & van der Brug, W. (2016). "An Ever Wider Gap in an Ever Closer Union: Rising Inequalities and Euroscepticism in 12 West European Democracies, 1975–2009." *Socio-Economic Review*, 14 (1): 27-45.

inequality between member states are mostly unable to explain *detachment* from the EU, except for *trust* in the EU and in the European Central Bank.

POLICY IMPLICATIONS

► The findings of the cross-national survey indicate that countries tend to be differentiated in their public perceptions of the crisis – and their responses to it – on the basis of whether the crisis was deeper or lighter. Countries where the crisis was lighter, as might be expected, are more positive about economic conditions and less worried about the crisis. This is not surprising, since they suffered fewer consequences such as having to make drastic cutbacks in consumption, including staples such as food or medications and visits to the doctor. On the other hand, the situation is more serious in those countries harder hit by the crisis. As such, the findings have shown that understandings and experiences of the crisis vary by the national context and whether the country experienced a deep or lighter economic crisis – pointing also to a deep North-South split in Europe.

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 our research, is seen in four key areas.

First, when citizens were asked to report their satisfaction with governmental policies in four fields: poverty, unemployment, precarious employment, and immigration. Results show that satisfaction levels in all four policy fields are particularly low in Southern European countries – most notably in Greece – as opposed to satisfaction levels reported in the Continental, Scandinavian, and Anglo Saxon countries of our sample.

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 respondents in the Mediterranean and Southern countries including France, Greece and Italy, and about half in Spain.

Third, when citizens were asked to rate living conditions in their own country and then those in the other countries in the project. 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 in Anglo Saxon countries.

Fourth, when the proportion of individuals in various countries having to make reductions in consumption as a result of the crisis is taken into consideration. Results show again that 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.

Clearly, although global in character, the crisis has revealed more about the North-South divide in Europe that we could ever see. 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 should be 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. A divided Europe feeds parochialism, stereotyping and, ultimately, extremism. Therefore, pro-Europe policy-makers must stop accepting the North-South divide at face value. Examining its causes and impact will expose the poverty of Eurosceptic arguments; the technocratic agenda that has driven European policy-making will also receive a reality check.

With hindsight, it is obvious that the policy framework associated with EU integration has to be reshaped to avoid a persistent divergence in the way European citizens perceive their and others' living conditions and governmental interventions amid the crisis. Underpinning all these explanations is a deep-seated economic divide between the fiscally 'pious' nations above the Alps and the more 'profligate' countries to the South. With exchange rate rigidity and fiscal austerity in the Eurozone, it may take considerable time for the Southern European countries hit hardest by the crisis to recover. This in turn can have severe social repercussions, eroding Europe's social and political fabric.

In all likelihood, a prolonged period of stagnation or low growth will lead to significant social and political changes within the divergent countries and, in turn, to instability in the EU and the Eurozone. 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.

Just staying the course on budget discipline and structural reforms will not suffice to counter the Eurosceptic agenda. 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 for strengthening social safety nets to fight poverty, promote more and better jobs to combat precariousness, and implement a true common European immigration and asylum policy is not only clever tactics. In the long run, it may contribute to forging Europe's social dimension and democratic future.

► Reinforcing the cross-national survey data, LIVEWHAT experimental research brings to light important insights regarding citizens' support for redistribution and crisis' impact on support for nationalism and the EU. Findings provide clear evidence that 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, frustration, distrust and dissatisfaction might be expressed in collective action and protest activity.

The evidence presented shows that collective action, or more generally political participation in its different modes, has been significantly affected by the economic crisis in different directions. Moreover, deprivation enhances participation in collective action only when it is group-based, but reduces it when it is strictly personal. This effect of collective deprivation is channelled through moral outrage, and it is independent from the cost of collective action.

As the crisis continues and disillusionment sets in, the effects of rising nationalisms and putting increasing pressures on member-state

politics, become to unfold. The experimental findings show that the crisis affects national identity and nationalism in different ways for high status and low status individuals. Those belonging to the lower classes become more nationalistic when exposed to information about their country losing economic status as a country. Conversely, individuals belonging to middle upper classes become less so. This helps us to understand the micro-mechanisms behind the idea that ethno-nationalist responses to the economic crisis spread around at these times, especially among those more seriously hit by the economic crisis.

LIVEWHAT results confirm expectations from group conflict theory regarding how nationalism should increase during these economic times, particularly among those most vulnerable. Economic crises depreciate the appeal of the nation, because of the loss of international and internal prestige. People belonging to a high-income group or to the upper social class will become less attached to the nation because of the nation's loss of status, and because they become more distant to the typical member of the nation. However, people belonging to low-income groups or to the lower social class will become more attached to the nation because they turn closer to the mean citizen, an individual who has lost economic status due to the economic crisis.

Crucially, 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. Yet, blame attribution can also have spill-over effects on citizens' nationalist attitudes that governments should also consider.

What these implications suggest is that the combination of economic crisis, deprivation, defend of national interest at the popular level, and incomplete integration at the European

level constitutes a particularly damaging cocktail for EU democratic legitimacy. Historically, the project of European integration was the vehicle for building bridges across borders and links between individuals in different countries. Jean Monnet summarized this intention in the phrase "we are uniting people, not forming a coalition of states". The progress was slow, gradual, and not without crises, but it has transformed Europe.

The EU has become an increasingly important factor in citizens' daily lives. The domain for European policy making has grown. Yet, the public has come to perceive the EU as more and more remote (read: technocratic) and national governments as less and less responsive to their concerns – often as a result of EU mandates. This has translated into increasingly volatile national politics, with the electoral cycling of incumbent governments and the growth of populism, as extremist parties with anti-Euro and anti-EU messages get attention, votes, and seats in the European and national parliaments.⁸

Such toxic politics have been fueled by the EU's North-South divide, as seen by the survey findings above, and EU's poor economic performance. Citizens have been split between core and periphery countries, winners and losers, over the policies' effectiveness and/or appropriateness as well as their economic outcomes. All 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

⁸ Bosco, A. and Verney, S. (2012) "Electoral Epidemic: The Political Cost of Economic Crisis in Southern Europe, 2010-11." *South European Society and Politics* 17 (2): 129-154.

in the face of major divisions among EU actors over what to do and how, the EU has ended up governing by an “one size fits one” mode. It has thus failed to build greater legitimacy through more politicized public debates over the rules, processes, or other means by which to govern Europe and the Eurozone.

The question is then: Can the EU rebuild public trust and support for European Integration? The most common objection to democratizing policy making in the EU is the absence of *demos* or a public sphere. It is claimed that respecting and tolerating political opponents is only possible within nation-states, where intense and exclusive bounds between individuals reflect the culture and identity of similar values and preferences.

However, this analysis mistakes the results of a historic process for its precondition. Value and preference consensus is the result of common deliberation and democratic institutions are a necessary condition to make it possible. It is not by coincidence that ethnic strife and violent conflict is more frequent in dictatorial regimes because democratic institutions enable the process of deliberation, which leads to consensus.

Overcoming the fragmentation of Europe’s polity would require institutions that allow European-wide policy deliberation. Yet, this is apparently not possible as long as there is no European public sphere that facilitates the same intensity of communication flows across borders as within nation states. It is not possible as the crisis continues and disillusionment sets in.

Present times are not dangerous times yet. But, as nationalisms rise – putting increasing pressures on member-state politics – it will become harder to resolve the crisis with innovative ideas about European unification because polarization will increase.

Against this background, the European Parliament needs to get some ‘size’ in Eurozone governance, by bringing in national parliaments and national citizens into the deliberation process. The EU must also develop better linkages between EU and national level representative institutions, and more points of access for citizens in Brussels, to ensure greater responsiveness to citizen input, whether expressed at the national or EU levels. Today, uniting citizens across Europe means establishing a democracy that allows them to take their destiny into their own hands.

The EU additionally requires processes that work in ways that encourage inclusiveness of the victims of crisis. Here, the challenge is to find new ways of addressing a general redistribution problem in the EU that will persist in the long term if adequate social and economic responses are not provided, and of governing the Eurozone that work effectively and respond to the will of the citizens. The emergence of EU redistributive policies calls for a bigger effort to integrate civil society in the decision-making process. Think-tanks and NGOs do have the experience and technical resources to provide much needed advice, but social movements and educational institutions might have a say too.

European unification has been a historically unprecedented experiment. Moving on from a regulatory to a redistributive regime holds challenges for the EU. First and foremost, it requires that certain conditions be in place to make democratic choice by citizens possible. EU institutional actors must seize the moment. With democratic legitimacy in peril, more needs to be done to ensure that citizens have more say over EU policies and politics.

THE 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 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 EU 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 coordinator

Marco Giugni, Marco.Giugni@unige.ch

Université de Genève

Consortium

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

Project duration: December 2013 – November 2016.

Funding scheme: LIVEWHAT has received funding from the European Union's Seventh Framework Programme for research, technological development and

demonstration under grant agreement n°
613237.

Budget: EC contribution: 2,499.366EUR.

Project website: www.livewhat.unige.ch

ANNEX

Table 1: 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>
The 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"?

Table 2: 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'

Table 3: Perceptions of country living conditions relative to other countries (% good)

	<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 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 the country of survey, and afterwards, the other eight countries in the project, in alphabetical order.

Q: The living conditions among European countries differ quite a lot today, and we would like to get your personal evaluation. Please use the scale below, where 0 means 'Very bad living conditions' and 10 means 'Very good living conditions'.

Table 4. Reductions in consumption (% yes)

	<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 instalment	17.0	13.3	61.0	22.2	31.2	20.9	9.6	21.2	13.3
Sell 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/ economic reasons?

Table 5: Approval of economic measures to deal with economic crisis (%approve)

	<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 some 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, where 0 means 'Strongly disapprove' and 10 means 'Strongly approve'.

Table 6. Lab experiments

Experiment	# of participants	Dates	# of sessions	Main findings
Experiment : Inequality, fairness and preferences for redistribution	Spain 212	17/06/2015 to 19/06/2015	10	There is no impact of varying level of inequality on preferences for redistribution. Higher redistribution is preferred when inequality is caused by luck or social background as compared to when it is caused by merit.
Game experiment				There is a sizeable impact of self-interest and a smaller impact of insurance motives.
Experiment : Deprivation and collective action	Spain 301	18/02/2016 to 27/04/2016	5	While personal deprivation reduces collective action, group deprivation increases collective action, mediated by moral outrage. The effect is independent from the cost of collective action.
Simulated game experiment				

Table 7. Survey experiments

Survey Experiment	# of participants	Dates	Main findings
Experiment: Economic crisis and national identification	Spain 763	1/06/2016 to 7/06/2016	Lower social class respondents identify more strongly with Spain and become more nationalist when they perceive a loss of economic status of the country. Arguments pointing to the EU as responsible for the situation. Higher status individuals respond in the opposite way.
Vignette experiment			
Experiment : Inequalities in Europe and attitudes towards the EU	Spain, first round Qualtrics sample 783	1/06/2016 to 7/06/2016	Unequal and equal distributions of poverty treatments had similar effects when compared to the control group, suggesting that what matters is not the level of inequality but poverty.
Vignette experiment	Spain, second round Qualtrics sample 865	14/06/2014 to 18/06/2014	

Figure 1. Treatments (Spain visible)

