



# RE-InVEST

REBUILDING AN INCLUSIVE, VALUE-BASED EUROPE OF  
SOLIDARITY AND TRUST THROUGH SOCIAL INVESTMENTS

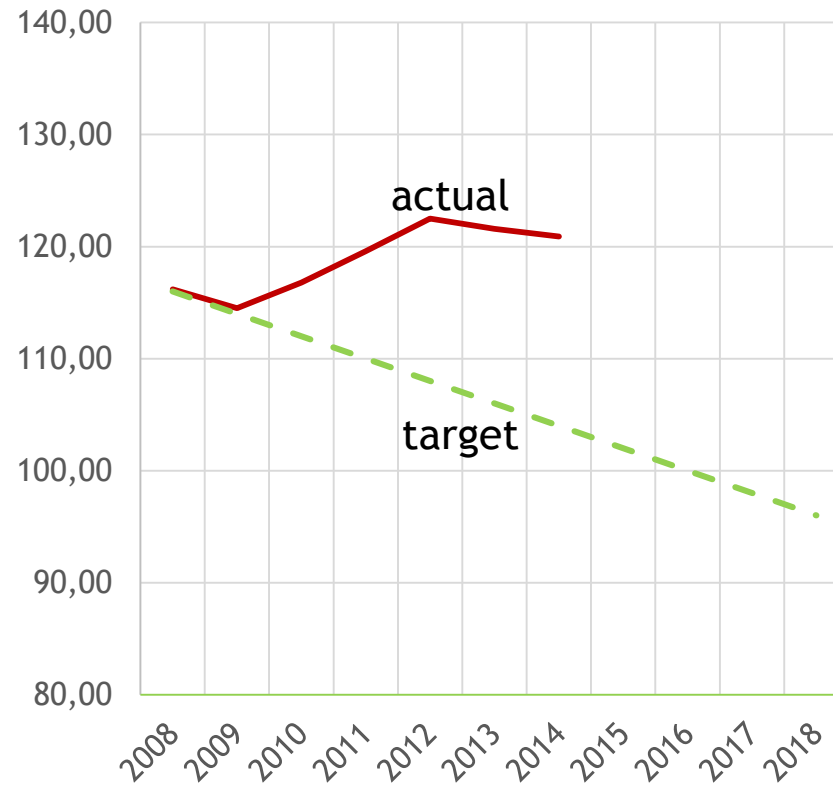
## The social damage of the crisis: first results of the Re-InVEST project

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Alliances to Fight Poverty  
Seminar Marseille 26-27 May 2016

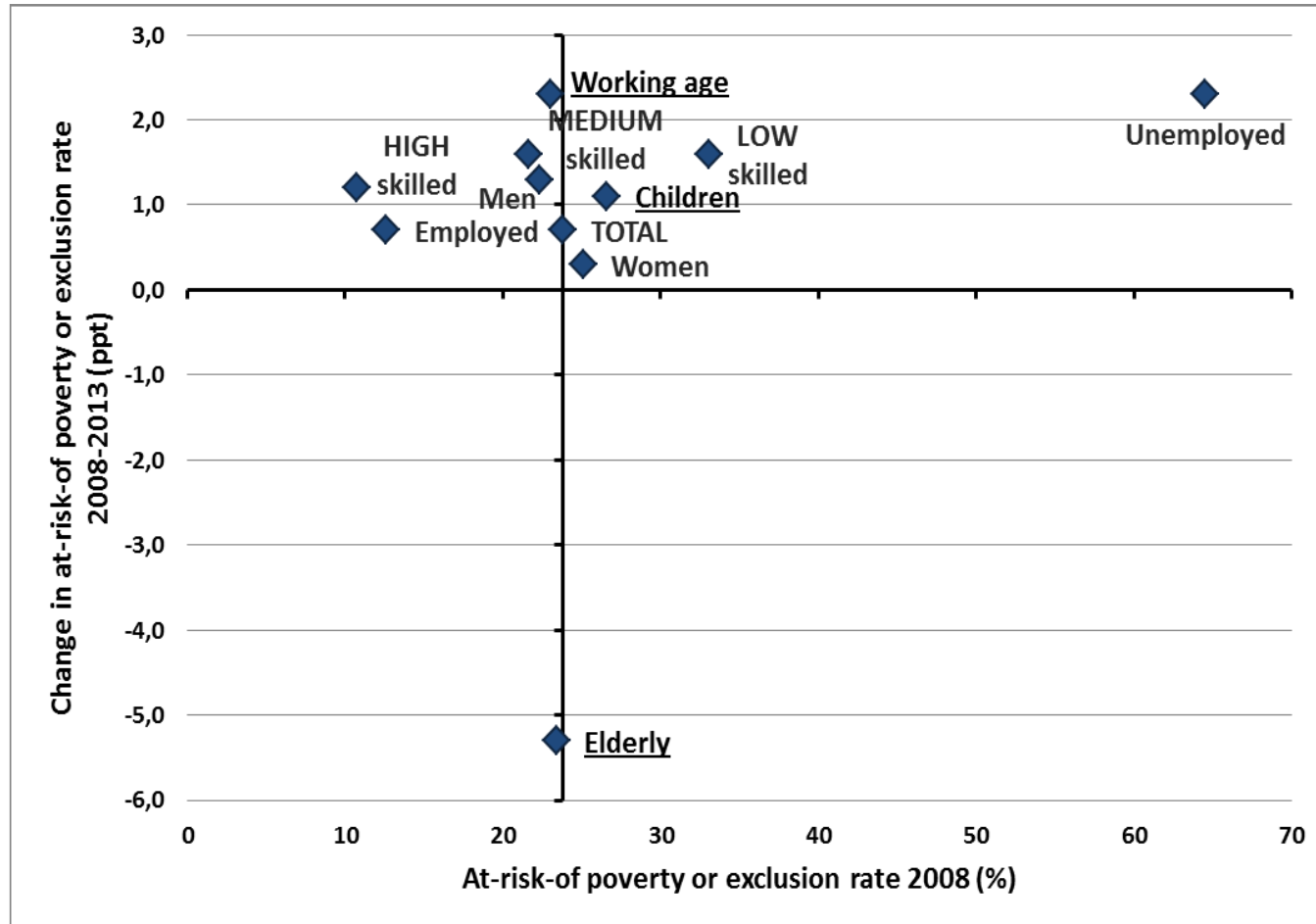


# The context

Europe 2020 in the aftermath of the crisis: EU gets off-track in relation to social inclusion target (-20 mio poor in 10 years)



# Poverty shifts to younger generations



# The context

- ▶ Macro-economic consolidation => austerity => social exclusion
- ▶ **Social Investment Package** as a response: ‘investing in people’ reconciles economic and social objectives



# The straightforward explanation: crisis as a collective setback



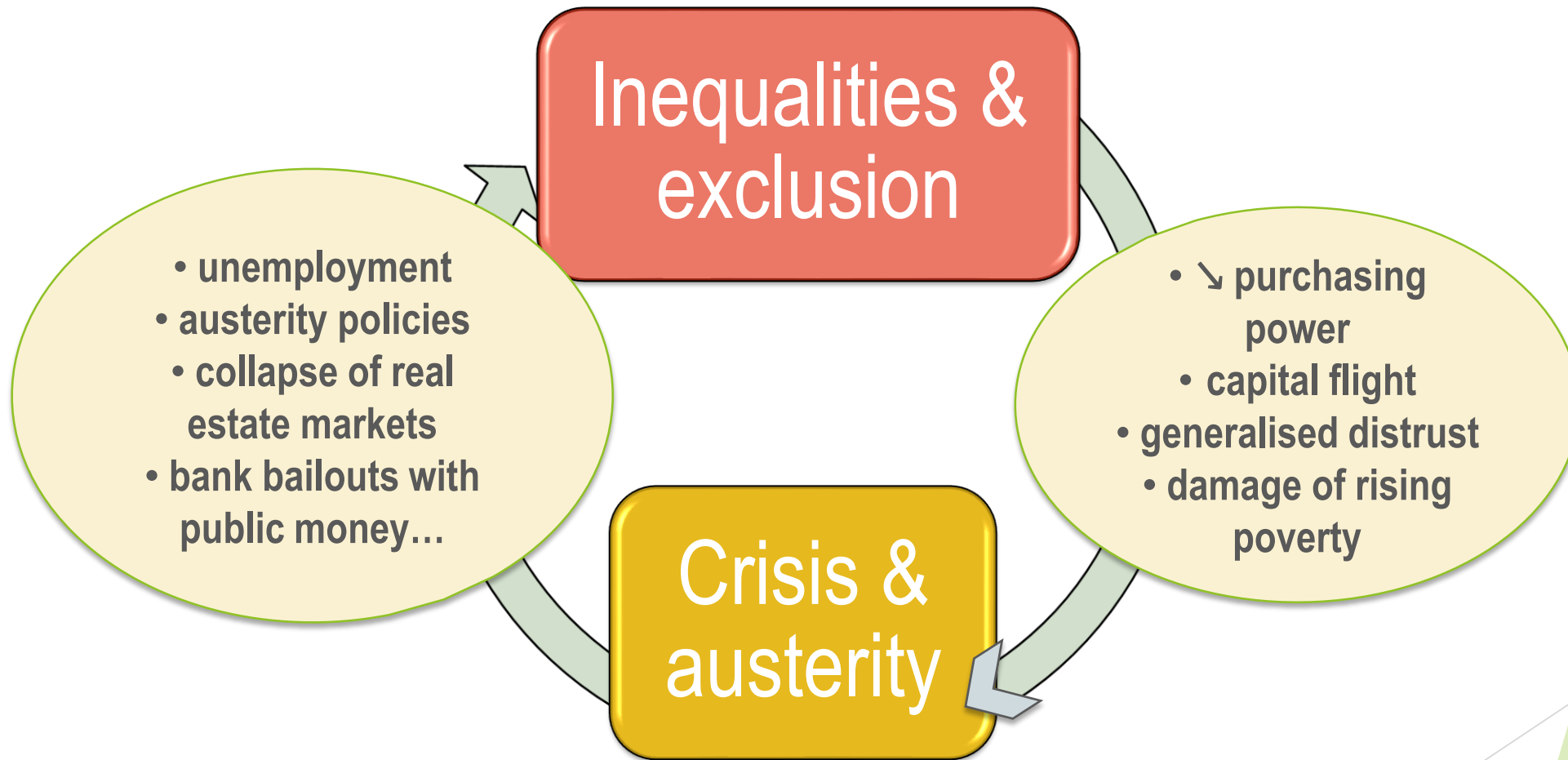
Crisis  
necessitates  
fiscal &  
monetary  
orthodoxy



Limited room  
for social  
investment



# But crisis = endogenous ?



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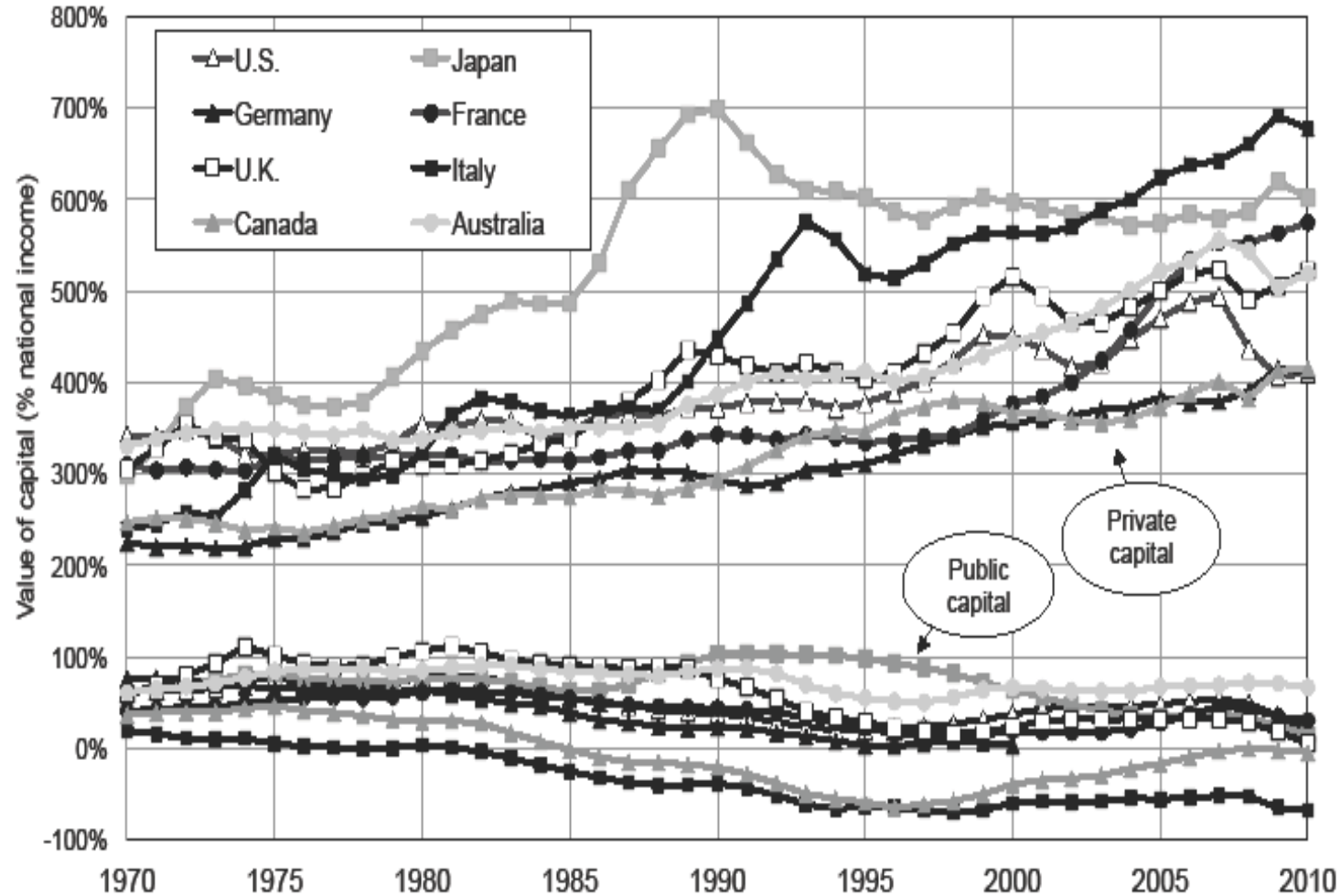
# Austerity as part of a conservative ideology rather than a sound economic policy

- ▶ Fiscal and social dumping as part of a non-cooperative anti-crisis policy  
=> collective impoverishment (loss of purchasing power, not compensated by rising exports)
- ▶ Austerity as part of a culture crisis:
  - ▶ strategy to shift burden of public debt & deficits towards the lower-income groups (⇔ alternative = wealth taxation)
  - ▶ Erosion of rights as expression of human solidarity - collective miserliness



# Public disinvestment versus private accumulation

Figure 5.5. Private and public capital in rich countries, 1970-2010

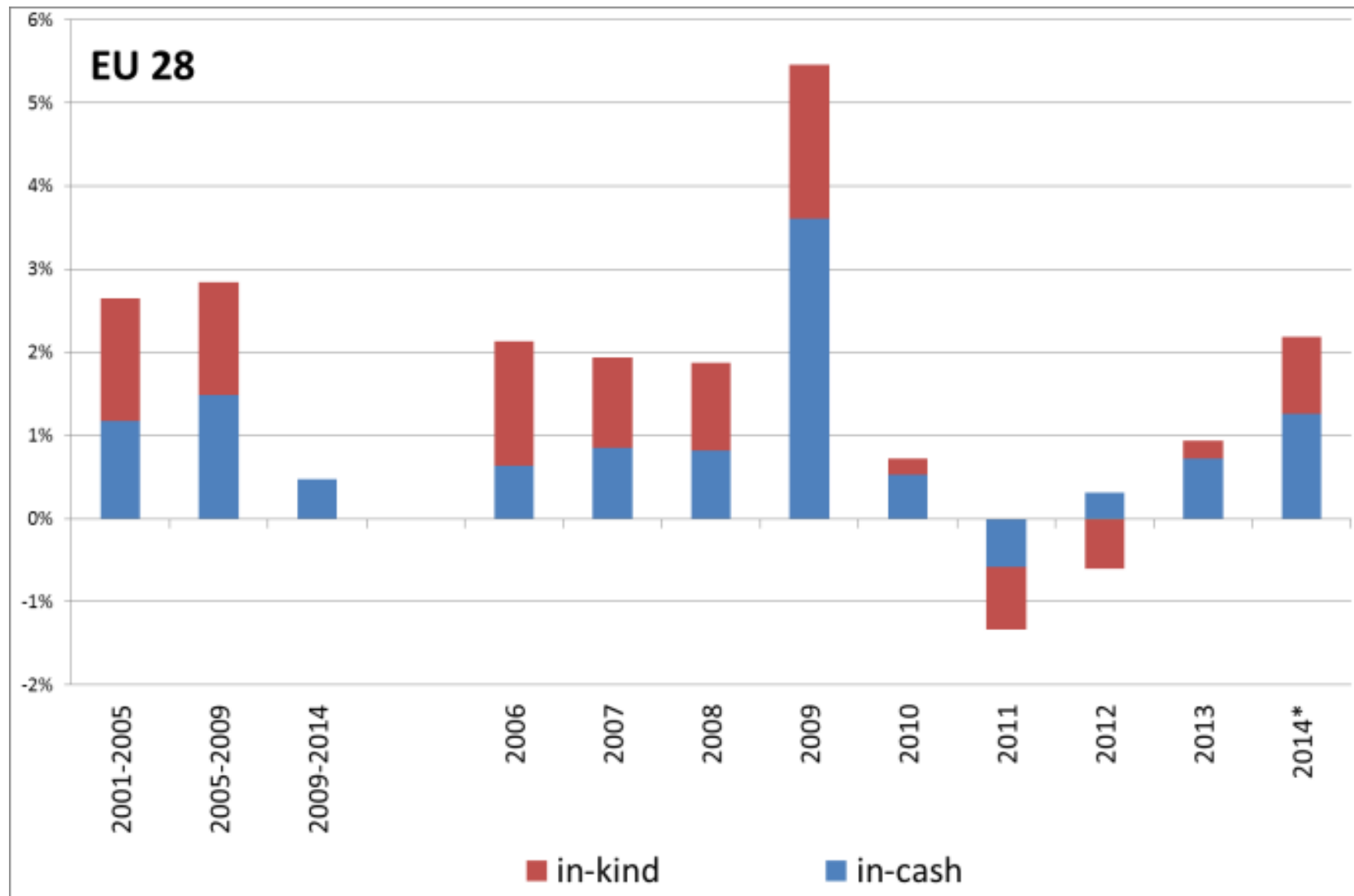


In Italy, private capital rose from 240% to 680% of national income between 1970 and 2010, while public capital dropped from 20% to -70%. Sources and series: see [piketty.pse.ens.fr/capital21c](http://piketty.pse.ens.fr/capital21c).

Source: Piketty (2013)



# Social disinvestment



How European societies disinvest in  
people's basic capabilities and  
undermine their human rights

# Labour markets

- ▶ Overall unemployment rate in ES 25%; youth unemployment over 50% in ES, GR - and over 30% in six countries
- ▶ Expenditure on Active Labour Market Policies per job seeker declined between 2007-2012; improvement since 2013 ?
- ▶ Shift to ‘cheaper’ activation measures (less training & work experience programmes; more pressure on job seekers, sanctions, degressive benefits).  
*“Treatment quality varies a great deal! If you behave well they let you alone. If not, they bully you.”*  
(older job seeker, Austria)

# Education

- ▶ Closure of small rural schools (Roma)
- ▶ Increased pupil / teacher ratios
- ▶ ES: suppression of school grants; reduced subsidies for school meals
- ▶ Rising tuition fees become a barrier to higher education (AT)

*My son has dropped out of school and enrolled in the army for the next couple of years. This way he earns money at least. (...) He would have liked to study, of course. Even if he was no good at school, he could have managed his Matura (school-leaving certificate post-18 tr.). But under these conditions I can't even finance his studies anyway. (laughing) Goodbye, school. So turning his back on school was that much easier.*

(single mother, Austria)

# Education (continued)

## Dis-qualification of immigrants

*“I arrived in 2004. I was lucky, I quickly received papers. I studied a lot, but it was hard to find a job that fits my profile. In my country, I had a good job, I was a journalist. After my arrival in Belgium, I started as a cleaning lady. I like to clean, but not as a job.*

*I was traumatized, was overwhelmed with stress, and was often ill.”*

(Asylum seeker, Antwerp)

# Housing

Financial and housing bubbles

=> evictions in BE tripled in 7 years

=> 244,000 evicted families in ES 2008-2012

*“A family pays 800 EUR rent for an apartment in an old mansion which is in a very bad state. There are severe humidity problems and both mother and the children have allergic reactions. Nothing in the house has been done. The walls haven’t been painted, there’s no wallpaper, and there are no plinths in the house. The youngest child starts to crawl and likes to put his hands on the wall. Each time his hands are full of calk and they have to avoid putting his hands into his mouth.”*

(Immigrant family, Antwerp)

# Health care

- ▶ Budget cuts: e.g. IE -27% since 2008
- ▶ restricted access => waiting lists (CY: average waiting time 7 months for appointment in public hospital)
- ▶ higher personal contributions (IT: demand -30% in some regions)  
*“The prescription charges, it’s scandalous what they are charging now. I was supposed to be taking medication for epilepsy and now I don’t bother taking it.”* (Paul, IE)
- ▶ diminished availability (PT: bankruptcies of pharmacies; GR: closure of preventive health centres, reduction of beds, shortage of medicines like insulin)
- ▶ Consequences
  - ▶ GR: unmet needs +50%;
  - ▶ ES: increases in HIV, tuberculosis...
  - ▶ GR, ES, IE: increased suicide rates (IE +57% among men between 2008-2013)



# Social assistance

- ▶ Overburdened social services (more clients, less resources)
- ▶ Commodification: private services are required to tender (in competition with commercial services) for the work they were doing in the past => loss of autonomy
- ▶ Increased ‘contractualisation’ of assistance (‘activation’, ‘participation act’): *‘You are no longer a person and you have to comply with that rule because that’s what it says’* (woman, late 50’s, single, NL)

*“Threats and intimidation were an integral part of their way of working. The officials were often ambivalent. They did not really believe in the measures that they were being required to impose on their clients, and they were under pressure to meet their targets. There was often an arbitrary element: many of the measures had no basis in law. All of that has a stigmatising effect on those who need to live on welfare. It’s all one-way traffic: there is just no scope for responding to claimants’ needs. You are put in a position of dependency: you are supposed to be grateful that you are receiving any benefit payments at all.”*

(immigrant, NL)

# Conclusion ?

*“Many now argue that the initial human rights impacts of the financial crisis have been further exacerbated by the subsequent policy responses of Member States. Thus, what had begun as a financial crisis is seen as rapidly turning into a global human rights crisis, and together with the food crisis, energy crisis and climate crisis, in some more dramatic commentaries it is suggested that we may be facing a crisis of civilisation.”*

DG IPOL (2015), The impact of the crisis on fundamental rights across member states in the EU