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# The Impact of the crisis on European social models

## **THE SOCIAL AND EMPLOYMENT IMPACT OF THE CRISIS IN EUROPE**

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# From the financial to the fiscal crisis

- Subprime crisis
- Financial crisis
- Fiscal crisis

## From economic stimulus to austerity and structural reform

- Greece and Ireland: -18% of GDP until 2015
- Estonia: -13%
- Hungary: - 8%
- UK, Spain and Portugal: - 7%

## Cuts in social protection spending

	Social protection expenditure 2009-2010	In cash social protection spending 2009-12	In kind social protection spending 2009-12
UK	<b>-2.5</b>	16.2	7.0
Ireland	7.9	0.2	<b>-15.5</b>
Greece	<b>-4.9</b>	<b>-8.7</b>	<b>-28.9</b>
Portugal	0.4	1.3	<b>-18.8</b>
Spain	-0.1	15.0	<b>-11.9</b>
Italy	1.0	7.7	-1.6
Estonia	<b>-5.0</b>	0.4	12.8
Latvia	4.9	<b>-9.1</b>	1.3
Lithuania	<b>-9.2</b>	<b>-20.0</b>	-3.7
Hungary	<b>-2.2</b>	2.4	-4.2
Romania	-0.3	6.0	-0.7

## Social protection reforms

	Cuts in unemployment benefits a. social assistance	Cuts in child a. maternity/paternity benefits	Cuts in care and sickness benefits	Cuts in housing benefits
UK	-	X	X	X
Ireland	-	X	-	-
Greece	X	-	-	X
Portugal	X	X	-	-
Spain	-	X	X	-
Italy	-	-	-	-
Estonia	-	X	-	-
Latvia	X	X	-	-
Lithuania	X	X	X	-
Hungary	X	-	-	-
Romania	X	X	-	-

## Pension reforms

Increase of retirement age	EL, IT, ES, IE, HU, RO, LV, UK
Reduction of pension payments	EL, PT, HU, LT
Temporary pension freeze	EL, IT, PT, IE, , LT, EE
Extension of contribution periods	EL, ES, IT, RO, LV
Extension of the periods on which pension payments are calculated	EL, ES
Limitation of access to early and invalidity pensions	IT, PT, HU
Automatic adjustment to life expectancy	EL, ES, IT ( in discussion)
Introduction of minimum pensions	EL, RO

## Public sector employment

	Job cuts	Wage cuts	Pay freeze	Extension of working hours
UK	X	-	X	-
Ireland	X	X	X	-
Greece	X	X	X	X
Portugal	X	X	X	-
Spain	X	X	X	X
Italy	X	X	X	-
Estonia	-	X	X	-
Latvia	X	X	X	-
Lithuania	X	X	X	-
Hungary	X	X	X	-
Romania	X	X	-	-

## Private sector employment

	Minimum wage cuts	Minimum wage freezes	Temporary wage cuts	Cuts in overtime supplements	Flexibilisation of working time
UK	-	-	-	-	-
Ireland	X	-	-	-	-
Greece	X	X	X	X	X
Portugal	-	-	-	X	X
Spain	-	-	X	-	X
Italy	-	-	-	-	-
Estonia	-	X	X	-	-
Latvia	-	X	-	-	-
Lithuania	-	X	-	-	X
Hungary	-	-	-	-	X
Romania	-	-	X	-	X



## Labour market reforms

<b>Promotion of non-standard employment</b>		
	Promotion of fixed-term employment and agency work	EE, EL, LT, RO, PT
	Introduction of new employment contracts with less pay and job security	EL, ES
	Extension of probation periods	ET, GR, RO
<b>Reduction of job security</b>		
	Weakening of employment protection for civil servants	EL
	Weakening of employment protection for particular vulnerable groups of employees	EE, HU, RO
	Shortening of notice periods	EL, ES
	Increasing thresholds and reducing obligations for mass layoffs	EE, EL, ES, RO
	Changes in the definition of fair and unfair dismissals	ES, IT, UK
	Reduction of severance pay	EE, ES, EL, PT
	Restriction of access to court and reduction of fines for unfair dismissals	HU, UK
	Elimination or weakening of the right to be reinstated after an unfair dismissal or after a mass layoff	ES, IT, RO

## Collective bargaining reforms

<b>Decentralising collective bargaining</b>		
	Elimination or suspension of national collective agreements	IE, RO
	Suspension of the favourability principle	EL, ES
	Approval of exceptions and divergences	IT
<b>Weakening of collective bargaining</b>		
	Suspension or reduction of extension procedures	EL, HU, PT, RO
	Limitation of the ,after effect' of expired collective agreements	EE, EL, ES
	Limitation of arbitration	EL
<b>Interventions in collective bargaining</b>		
	Suspension of existing agreements	EL
	Limitation of the duration of agreements	EL, RO
<b>Weakening of trade unions</b>		
	Higher thresholds for representativeness of trade union organisations and abolishment of tripartite institutions	RO, HU
	Promotion of alternative forms of employee representation at the cost of works councils and trade unions	EL, HU, PT

# Poverty

	Risk of poverty (2011)	Poverty change 2008-2011	Poverty threshold 2008-2011	Poverty if anchored in 2005
UK	23.1	-0.1	-7.7	-0.6
Ireland	29.9	6.0	-10.7	3.7
Greece	31.0	2.9	-7.0	5.1
Portugal	24.4	-1.6	-0.7	-1.7
Spain	27.0	4.1	-7.9	5.7
Italy	24.5	-0.8	-0.5	2.2
Estonia	23.1	1.3	-6.7	2.2
Latvia	40.1	6.3	-17.4	-
Lithuania	33.4	5.8	-12.5	-
Hungary	31.0	2.8	-0.2	0.8
Romania	40.3	-3.9	15.5	-

## Inequality

	Gini coefficient	Change in gini coefficient 2008-11	Top 10% 2007-10	Bottom 10% 2007-10
UK	0.33	-2.7	0.0	-1.0
Ireland	0.33	<b>11</b>	<b>-3.0</b>	<b>-7.0</b>
Greece	0.33	0.3	<b>-4.0</b>	<b>-8.0</b>
Portugal	0.34	-4.5	-2.0	2.0
Spain	0.34	<b>8.6</b>	<b>-1.0</b>	<b>-14.0</b>
Italy	0.31	2.9	-1.0	-6.0
Estonia	0.31	3.2	<b>-3.0</b>	<b>-6.0</b>
Latvia	0.35	-4.8	-	-
Lithuania	0.33	-3.3	-	-
Hungary	0.27	<b>6.3</b>	-4.0	-4.0
Romania	0.33	-7.8	-	-

# GDP

	2007	2008	2009	2010	2011	2012	2013	2008/9-13
UK	2.7	-0.1	-4.8	1.8	0.9	0.0	0.9	+1.3
Ireland	5.6	-3.5	-5.1	-0.8	1.4	0.7	0.5	- 6.8
Greece	4.3	1.3	-3.1	-4.9	-7.1	-6.4	-4.4	-25.9
Portugal	2.4	0.0	-2.9	1.9	-1.6	-3.2	-1.9	-7.7
Spain	3.6	0.9	-3.7	-0.3	0.4	-1.4	-1.4	-6.6
Italy	1.5	-1.3	-5.5	1.8	0.4	-2.2	-1.0	-7.8
Estonia	6.9	-6.1	-14.1	3.3	8.3	3.2	3.0	-2.4
Latvia	10.0	-4.2	-17.7	-0.9	5.3	3.8	4.1	-9.6
Lithuania	9.8	2.9	-14.9	1.5	5.9	3.6	3.1	-0.8
Hungary	0.80	0.8	-6.6	1.3	1.6	-1.7	-0.1	-5.5
Romania	6.3	7.3	-6.6	-1.1	2.2	0.2	1.6	-3.7

# Unemployment

	2007	2008	2009	2010	2011	2012	Youth unemployment
UK	5.3	5.6	7.6	7.8	8.0	7.9	21.0
Ireland	4.7	6.4	12.0	13.9	14.7	14.7	30.4
Greece	8.3	7.7	9.5	12.6	17.7	24.3	55.3
Portugal	8.9	8.5	10.6	12.0	12.9	15.9	37.7
Spain	8.3	11.3	18.0	20.1	21.7	25.0	53.2
Italy	6.1	6.7	7.8	8.4	8.4	10.7	35.3
Estonia	4.6	5.5	13.8	16.9	12.5	10.2	20.9
Latvia	6.5	8.0	18.2	19.8	16.2	14.9	28.4
Lithuania	3.8	5.3	13.6	18.0	15.3	13.3	26.4
Hungary	7.4	7.8	10.0	11.2	10.9	10.9	28.1
Romania	6.4	5.8	6.9	7.3	7.4	7.0	22.7

THANK YOU FOR YOUR INTEREST!

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