



# Think differently

Humanitarian  
impacts of the  
economic crisis  
in Europe

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# Foreword

## Time to think differently

Creating a sense of predictability and security has traditionally been attributed to what a society offers to its citizens.

Today, as the economic crisis has planted its roots, millions of Europeans live with insecurity, uncertain about what the future holds.

This is one of the worst psychological states of mind for human beings and we now see a quiet desperation spreading among Europeans, resulting in depression, resignation and loss of hope for their future.

We are also seeing signs of this quiet desperation turning more vocal through demonstrations and violence. We fear that increased xenophobia and the lack of confidence in society being able to provide jobs and security may lead to more extreme views and actions, with social unrest as a consequence.

In October 2009, the International Federation of Red Cross and Red Crescent Societies (IFRC) published its first report on the humanitarian impact of the economic crisis in Europe. At that early stage we pointed out that while a strong focus was directed towards stabilizing the macroeconomic situation of the continent, too little attention was being paid to the humanitarian consequences or the root causes of the crisis.

At that time, none of us imagined that four years later we would still be talking about an economic crisis. Neither did we expect that this crisis would take a turn for the worse, disproportionately hitting those who were already vulnerable and also impacting new groups of people who had never been affected before.

In early 2013, we again conducted a mapping of how 52 National Red Cross and Red Crescent Societies in Europe have responded to the crisis. We also asked about their observations while assisting the people behind the figures, the people most affected.

Through our network, we already knew that the situation was only getting worse in many countries, however, some of the responses still surprised and shocked us, as they highlighted worrying trends and challenges.

### Increase in food aid

Compared to 2009, millions more find themselves queuing for food, unable to buy medicines nor access health care. Millions are without a job and many of those who still have work face difficulties to sustain their families due to insufficient wages and skyrocketing prices. Many from the middle class have spiralled down to poverty. The amount of people depending on Red Cross food distributions in 22 of the surveyed countries has increased by 75 per cent between 2009 and 2012.

The mapping showed us that more people are getting poor, the poor are getting poorer and the 'social distance' to climb back into mainstream society has become farther.

We see emerging vulnerable groups of working poor contacting the Red Cross or Red Crescent for assistance at the end of the month, facing the dilemma of buying food or paying their utility bills – with the risk of being cut off if they do not, or evicted if unable to pay mortgages.

Many National Societies reported the expansion of their domestic programmes, such as the Spanish Red Cross, who for the first time ever, launched a national appeal in 2012 to assist people in their own country. Other National Societies reported that although they are trying to do their best, they are seriously concerned that they cannot do more to help all those affected.

### For decades to come

The long term consequences of this crisis have yet to surface. This report shows that problems caused will be felt for decades even if the economy turns for the better in the near future.

Unemployment alone is a ticking time-bomb. A quarter of the 52 countries in the IFRC Europe zone are currently displaying catastrophic youth

unemployment statistics, starting from one third of the young labour force to over 60 per cent.

At the other end of the age-scale, according to Eurostat, the number of unemployed people in the European Union between 50 and 64 years of age has increased from 2.8 million in 2008 to 4.6 million in 2012.

Although the Red Cross Red Crescent has not so far been extensively involved in employment issues, the potential personal and social consequences of high unemployment rates are very much a concern for us.

The mapping has showed that some National Red Cross and Red Crescent Societies are now involved in helping the unemployed in different ways, from psychosocial support to the practicalities of filling in forms for social benefits, and providing training and advice to help them return to the labour market.

### What has hit us?

The economic crisis might peak at different times in different corners of Europe, and some countries might be more affected than others, but we wonder if we as a continent really understand what has hit us, and if we are prepared for the situation we find ourselves in today?

We ask this because while we are seeing some new and encouraging initiatives, five years down the line, we are only beginning to realize that perhaps this is not yet over, and that although some countries seem to be able to improve their financial situation, the humanitarian impacts of the crisis will be felt for many years to come.

As an organization, we are committed to assisting people in both the short and longer term, and we are continually reviewing how we can adjust and adapt our assistance to the new and emerging needs, while still continuing to assist those who were already in need before the crisis.

At the same time, we see a danger in turning millions into passive recipients of help; we are committed to playing a role in preventing this by involving people more actively in finding solutions.

To do this, we all first need to **think** in a different way – and we then must **act** in a different way. There is a need for all of us to examine if our societies are geared to the present situation or how we can adjust by implementing new initiatives, early interventions, better cooperation, and more flexible and holistic approaches.

Naturally, the Red Cross Red Crescent does not have all the answers. We have begun the process of thinking differently, and in the coming months, we will explore how models developed in some European countries and other parts of the world might prove relevant in the face of the economic crisis, especially to build and foster people resilience.

We believe that firm and sustained commitment to effective resilience strategies throughout Europe is urgently needed in order to address the consequences of this crisis, if we are to collectively prevent it from turning into a social and moral crisis with wide-reaching aftermaths.

We therefore call on all stakeholders to work together with us to further capture the breath of the crisis and to find new and innovative solutions to these challenges. There is still hope, but it will take much more than bailing out banks and distributing food aid to turn things around.



**Anitta Underlin**  
**Director of Europe Zone**





# Five years on: From bad to worse

During the first half of 2013, the International Federation of Red Cross and Red Crescent Societies (IFRC) carried out a mapping exercise across the 52 National Red Cross and Red Crescent Societies in Europe and Central Asia (IFRC Europe zone). 42 National Societies responded and this report is mainly based on their answers and observations.

The purpose of the mapping exercise was to get an overview of the challenges faced now and how National Societies are responding to the crisis. This report intends to illustrate the human faces of the crisis and highlight the consequences at community and grassroots level, where the Red Cross Red Crescent has a unique insight and connection, and to portray some of the people behind the figures. In addition we examined trends and have strived to substantiate these through supporting statistics from other agencies and sources.

## Summary of responses

Almost five years after the beginning of the economic crisis, National Red Cross and Red Crescent Societies continue to report a general rise in needs from existing as well as from new vulnerable groups. In many cases, the **assistance to those affected by the crisis has increased**, but there are also examples of National Societies having **observed needs but not being able to respond adequately**, due to lack of resources or capacities. However, it should be noted that while aid and assistance are linked to both needs and resources, they are also connected to promotion/information. An increase in people receiving assistance is therefore not necessarily an expression of growing needs; it may be the result of increased funding or better information. Likewise, a reduction in services or in the number of people receiving help is not necessarily an expression of a decrease in needs.

A substantial percentage of National Societies report a growing number of people living below the poverty line and needing assistance, and also a **rise in the intensity of poverty**, whereby those who were already poor are now poorer, as well as a widening gap between the rich and the poor. This means that those living at the margins of mainstream society – and those who are socially excluded – have grown in their numbers and the distance to re-socialize, rehabilitate, find a job and re-join society has also increased.

Some National Societies also report the rise of a group of people living above the poverty line but still having difficulties to make ends meet (termed as ‘working poor’), who are becoming more vulnerable because of fiscal erosion – inflation rate (especially energy prices) rising more than salaries – or having jobs with no social security. Many of these people turn to the Red Cross Red Crescent occasionally or at the end of the month, facing the dilemma of buying food or paying bills, with the risk of being cut off if they do not or evicted if unable to pay rent or mortgages.



*At the heart of the  
Italian economy  
150,000 small and  
medium size businesses  
were closed leading to  
massive amounts of  
'new' poverty.*

Italian Red Cross

## Definitions

- **IFRC Europe zone**  
National Red Cross and Red Crescent Societies in 52 countries in Europe and Central Asia.
- **EU**  
The 28 member states of the European Union. (Most statistics do not include Croatia, which joined in 2013).
- **Eurostat**  
The statistical office of the European Union collecting statistics from the member states as well as FYR Macedonia, Iceland, Norway, Switzerland and Turkey. It is clearly indicated whether the statistics used are for all states or only for the 27 EU-countries which were members until Croatia joined in 2013.
- **Eurozone**  
The economic region formed by those member countries of the European Union that have adopted the euro. Currently 17 countries use this currency.

An additional source of vulnerability in a number of countries is the **decrease in remittances** and the related increased burden on the social welfare system due to the return of labour migrants who used to support their families by working abroad and were forced to return to their own country after losing their jobs. Not only do these migrants return to unemployment, they often have no social security either as they do not qualify for it.

National Societies note that the number of **requests from migrants** has increased and they respond with support that ranges from legal advice to healthcare provision for undocumented migrants, to home-work support for children.

Other vulnerable groups include those who have lost their job and who are not or no longer entitled to unemployment benefits, as well as single-parent families, pensioners, young people neither in education nor employment, and undocumented migrants.

The consequences of cuts in public health are severely felt with an increasing number of people coming to Red Cross or Red Crescent clinics and social centres for treatment and financial assistance to buy medicines. Likewise the numbers of people with mental health problems and people in need of psychosocial support are on the increase.

Many National Societies remark that the **economic crisis is creating the conditions for a widespread social crisis**, whereby a growing gap in the distribution of resources (the rich becoming richer and the poor becoming poorer) and the competition for shrinking resources could bring about growing xenophobia, discrimination, social exclusion, as well as abuse and domestic problems.

Overall, many National Societies think that response mechanisms to address vulnerabilities at country level (including their own) are not fully geared to support the new vulnerabilities surfacing as a consequence of the crisis nor the existing ones, as social benefits are cut or need to be shared among more people. A number of National Societies have gone or are going through a process of adaptation and reprioritization, with others mentioning the crisis as a platform to consider and discuss their **auxiliary role to public authorities in the humanitarian field** to play an even more vital role in bridging the existing gap between actual needs and national protection systems.

## Red Cross Red Crescent action

More than half of the National Societies report that they have **started new social programmes** (e.g. distribution of food, clothing, medication and hygienic product distribution, language training for migrants, learning aid for children, financial support for household expenditures, and support for medical care), or **expanded existing programmes**, adapting these to the newly identified needs and vulnerabilities.



However, more than half also report that the difficult domestic financial situation has forced them to **scale down or suspend existing programmes**, and is preventing them from initiating new ones to meet the identified needs because of insufficient funding. The situation is sometimes worsened by the increased competition for the limited resources among humanitarian actors (NGOs, charities, etc.).

*Please note some National Societies appear in both categories, as they have reduced some activities but have also started new or expanded existing activities.*

There is also a vast increase in the number of people receiving food aid.

Several National Societies have established activities aimed at tackling the **social consequences of the crisis** and fighting social exclusion by empowering people and providing skills for career development (e.g. second-hand shops aimed at social cohesion, coaching/mentoring programmes and vocational trainings for those not in a job and not receiving unemployment benefits, debt counselling centres, application form counselling, youth shelters).

## Individual donations and volunteering

The funding picture is very mixed. Some of the National Societies in the hardest-hit countries have managed to generate more funds from individuals and the corporate sector than they did previously, especially in countries with a tradition of fundraising, individual donations and corporate partnerships. Others tell the opposite story. Likewise, the picture is mixed in terms of the sense of solidarity in society and the increase/decrease of numbers of volunteers.

*The crisis seems to be reducing the level of solidarity within the society.*

Austrian Red Cross

*The most affected people are those who are already poor: the retired, the disabled, people living on social welfare.*

Romanian Red Cross

*75 per cent of people asking for food explain doing so because otherwise they could not afford to pay their rent.*

French Red Cross

*In addition to 'working poor' and elderly with small pensions, we have registered a new group of persons in need: working people who have not received their salaries in months and months.*

Slovenian Red Cross





# Trend 1: The poor getting poorer

## World reduces poverty – Europe adds to it

### KEY FINDINGS:

- The crisis has increased the number of people living in poverty.
- The gap between rich and poor is increasing.
- More people are asking for food aid as well as other kinds of assistance.
- The humanitarian impact of the crisis is being felt well beyond any economic upturn.

Five years ago it would have been unimaginable; so many millions of Europeans lining up for food in soup kitchens, receiving food parcels at home or being referred to social groceries (shops where they can buy food at highly reduced prices after being referred by social authorities). Former middle class citizens living in trailers, tents, railway stations or in shelters for the homeless, hesitating to go to the Red Cross Red Crescent and other organizations to ask for help.

When people do ask for help, it is often as a last resort. They are asking for food or medicine, or money to pay for utilities or rent in order not to be evicted from their homes. Millions are affected by the worst economic crisis in six decades; a crisis that has seen people lose their jobs and homes, although they never imagined it could happen; a crisis which has made the poor even poorer.

‘Crisis’ was supposed to mean something temporary, a bump on the road that we would get over. Who would have imagined that it would last so long and have affect so many so much? There are now more than 18 million people receiving EU-funded food aid, 43 million who do not get enough to eat each day and 120 million at risk of poverty in the countries covered by Eurostat. And while we still hope the crisis will end soon, for many it has just begun. Or is just about to begin.

Halving global poverty by 2015 was an ambitious key component of the United Nations’ (UN) Millennium Development Goals (MDGs). The UN’s definition of poverty is living on less than 1.25 US dollars per day, and this goal was already reached in 2010.

In most European countries however, poverty is defined as an income level of less than 60 per cent of the national median household income. Using this measure, poverty is widespread in Europe. Of the 52 countries included in the mapping

exercise carried out by the IFRC, 34 register double-digit figures as the proportion of poor people in their countries, whilst 9 countries have no data to show.

## And it is getting worse...

*We are trying to adjust to the new situation but it is extremely hard to find funds.*

Croatia Red Cross

The European Union (EU) statistics agency, Eurostat, has released data on the amount of people at risk of poverty or social exclusion. In 2011, a quarter of EU's population was at risk, having increased by 6 million since 2009 to 120 million in total. Whilst other continents successfully reduce poverty, Europe adds to it.

Almost half of Bulgaria's population was at risk in 2011. Seventeen EU countries record more than one-fifth of their population as poor or excluded. This includes almost one third of the population in the most recent new member state, Croatia.

Only seven of the EU countries listed a decreasing percentage, mostly modest. Romania filed a decline of 2.8 per cent but still has 40.3 per cent of its population at risk.

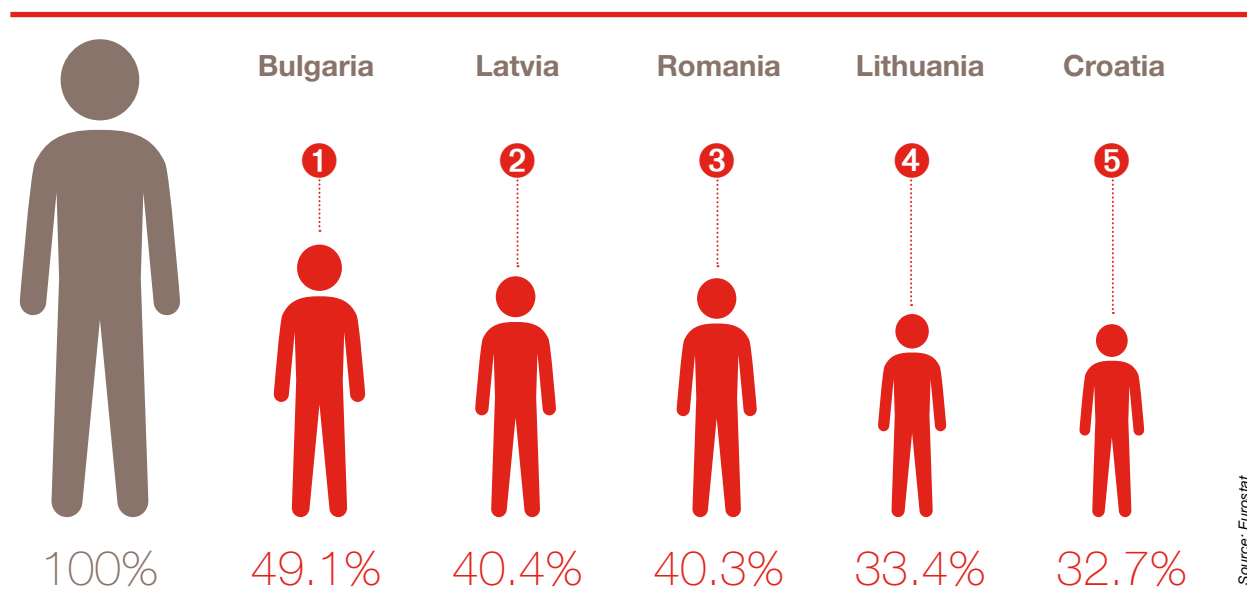
Remarkably, none of the countries most often associated with the crisis – Spain, Italy and Greece – are among the top five of those with the largest population at risk of poverty.

## Social distance growing

Poverty is on the increase in France, Romania, Spain, Sweden and many other countries as reported by National Red Cross and Red Crescent Societies through the IFRC's mapping exercise carried out in early 2013. Not only are more people falling into poverty, but the poor are getting poorer, and the sense is that the gaps between the wealthy and the poor are growing. This means that the 'social distance' required to climb back into mainstream society is growing.

**Figure 1. People at risk of poverty or social exclusion**

Percentage of total population, 2011





This – growing social distance combined with new groups of poor emerging – has spurred half of Europe's National Societies to increase their social activities or begin new ones. Others are in dialogue with authorities and partners about what they can and should do.

Even traditionally strong National Societies in countries not severely affected by the crisis are adapting and changing. For example, Danish Red Cross is now administering individual grants from a social fund, and Luxembourg Red Cross is running social groceries and considering how to respond to increasing youth unemployment figures.



### SPAIN: Down, but not out

"Naturally it has become far more difficult now," says Jose Javier Sánchez Espinosa, the deputy director of the social inclusion department of the Spanish Red Cross, talking about bringing the vulnerable back into mainstream society.

"It has always been a big challenge, but almost 50 per cent of the people who take part in our employment programme managed to find a job. That was the figure for 2009, now we are down to around 30 per cent, so it has obviously become more difficult. But it is not impossible," he adds.

Spanish Red Cross has maintained its holistic approach to helping people in need, although the number of people taking part in the social inclusion programme has increased from 900,000 people in 2008 to more than 2.4 million in 2012.

"We always strive to do more than hand-outs; we try to involve people in finding solutions for themselves, getting engaged in training or education or as volunteers to keep them as active citizens, not passive recipients of aid," Jose Espinosa says.



"Before the crisis we had the same approach assisting the poor and the homeless. As the number of poor has grown – together with the unemployment figures – we do meet a lot of scepticism when we conduct the first workshops or seminars for new groups of people. That is natural, as the situation in the country has become so serious, but then we also talk about what the options are and the possible results in a very realistic manner."

The holistic approach for each person or family in need of help is mapped out after they fill out a 'social questionnaire' used by

Spanish Red Cross staff and volunteers at the initial meeting. The questionnaire considers all aspects and issues – food, medicine, housing, schooling, finances – and makes it easier to plan which kind of assistance that particular family or person needs.

"We also follow up with everyone who has been assisted annually, and we use the findings and data to create our yearly social vulnerability report. Our 2012 report showed that the situation was worse than 2011, and again this year reveals the situation continues to worsen," says Jose Espinosa.

## From poverty to exclusion

The mapping also demonstrates that even when a country manages to overcome the worst of the crisis, the effects will be felt for many years to come. Iceland is one such example, where the Red Cross dealt with the situation in 'disaster mode' (see box on p. 54), but is now facing the issue of lack of income and devaluation of the currency, while the Red Cross in Latvia, a country widely recognized for having overcome the crisis, is still distributing food to 140,000 people, 3.5 times more than in 2009.

French Red Cross reported that people in France are increasingly sliding from a precarious but stable financial situation, to becoming financially vulnerable, from vulnerability to poverty, and from poverty to exclusion. There seems to be a general trend of a downhill slide in the underprivileged sectors of French society, where 350,000 more people have fallen below the poverty line in the years from 2008 to 2011. Unfortunately, these growing needs are met with reduced public funding.



### ITALY: Homelessness becoming a one way street

"We see those who were already poor becoming poorer. Families with children and just one income find themselves in a precarious situation; often almost all of their income goes towards rent and utility bill payment," explains Giorgio Bocca, who works for the Italian Red Cross in Milan on support and social inclusion for vulnerable people.

"If they lose their job, within a very short time they cannot make payments for even the most basic human needs."

Although much focus has been placed on the 'new poor', the Italian Red Cross has seen that ever-growing numbers of people, who were previously on the margins of society, have been pushed over the edge by the economic crisis. The number of homeless people is increasing and many are finding it difficult to purchase even basic necessities, including food.

The Italian Red Cross has established four special units in Milan – "*Unità di Strada*" – to work with the homeless. The teams are especially active during winter, operating from 9 pm until 1 am, but also during the warmer summer months. They work together with other organizations as well as the municipal council. All the people they assist have one thing in common – they cannot find work.

These Red Cross volunteers are observing that many of those they assist on a regular basis are beginning to lose hope of returning to a normal life.

"I came from Ukraine because in my country, there are no jobs," says Olga, who now sleeps rough in the centre of Milan. Olga used to work as a hospital care assistant at night, but even temporary jobs are harder to find, she explains.

Cristina Mesturini, one of the long-term volunteers with the street units, has noted the changes.

## Children at risk

Children in poor households are especially vulnerable. Recent studies by Save the Children UK show that children in poverty are missing out on holidays, school trips, warm winter coats, new shoes or clothes when grown out of old ones, and even on spending time with friends. As many as 12 per cent of parents involved in these studies said that their children regularly have to go without one of the daily meals. One in four parents admitted that they themselves skip meals or are making portions smaller to stretch food further.

Poverty can hurt children. They may even blame themselves and feel guilt if they sense that their parents are giving up something for their sake.

Children from poor families are a special concern for many of the National Societies in Europe. Their continued education is supported through homework groups and by providing school meals, as well as trying to increase tolerance and avoid social exclusion.

Many National Societies organize summer camps for children; due to the crisis some have had to cut down on their activities. Others have increased the number of such camps, but are still not able to accommodate all those who have been referred by social authorities and other organizations.

“Non-Italians, whether from the EU or not, find it difficult here. They come to work, but if they fall into poverty, other homeless people feel they are cheating them out of work opportunities or even shelter places,” she says.

While poverty has increased, social services have been reduced. Public donations of food and blankets have also fallen sharply. Italian Red Cross has been doing its best: in Milan, 50,000 people receive food aid through the Red Cross thanks to European funds – rice, pasta, cheese, biscuits, milk and grain – however, there are many more also in need.



Michele Novagalli/Italian Red Cross

“The elderly are among those worst affected,” said Manuela Locatelli, a Red Cross staff worker in east Milan.

“They often cannot afford to buy groceries and are embarrassed to have to go to public canteens in their area. We meet them in the markets late in the day, trying to buy their groceries with the few euro they have, or even collecting leftovers from boxes.”

People are trying to reduce spending wherever possible, knowing that the further they slide into poverty, the harder it will be to climb back.

“Since government social benefits have been cut, the support we provide is essential,” says Marco Tozzi, a Red Cross volunteer who focuses on more complex social cases. “Public services simply cannot respond to the ever-growing needs – active citizenship and more social volunteering programmes are just a beginning,” he adds.

*We now see  
young families  
with small children  
looking desperately  
for help.*

Lithuanian  
Red Cross

## Families moving in together

Helping poor children is one of the activities of the Bulgarian Red Cross. In 2012, more than 7,000 children were able to return to – or begin – education thanks to a programme by the Red Cross providing a free hot meal to them every day. This programme is run in partnership with a number of other organizations and continues to expand.

Spanish Red Cross puts a lot of focus on maintaining contact with the people who have taken part in their social programme, visiting them at least once a year and assessing their situation. The publication of a national social vulnerability report each year is another very useful tool for this assessment. What they have observed in the past few years is that one of the many impacts of lesser known and lesser recognized poverty is families moving in together. On return visits to elderly people, Spanish Red Cross volunteers have found that adult children, who had left home, are moving back with their parents, together with their spouses and their children to save on rent and to share whatever income or pension or benefits the family receive.

In Spain, three-quarters of the families assisted by the Red Cross would not be able to cope with a one-off unexpected expense of 600 euro. It has also been noted that 26.3 per cent of assisted people have less than three protein-rich meals per week, and 43.2 per cent cannot afford heating during winter months. Half of those assisted by the Spanish Red Cross have been unemployed for more than two years, 20 per cent for more than four years.

The picture is similar in Greece, where a number of generations from the same family are reported to be living on the reduced meagre pension of one grandparent or on the income of one breadwinner only.

Poverty is on the increase, and the poor are getting poorer.

**Table 1.** People living below the national poverty line (2008–2011)

People living below the national poverty line defined as a percentage of the country's total population

Country	2008	2011
Albania	-	-
Andorra	-	-
Armenia	27.6	35
Austria <sup>1</sup>	6.0	5.2
Azerbaijan	13.2	7.6
Belarus	6.1	7.3
Belgium	14.7	15.3
Bosnia and Herzegovina	-	-
Bulgaria	21.4	22.3
Croatia	17.3	21.1
Cyprus	15.9	14.5
Czech Republic	9.0	9.8



<b>Denmark<sup>2</sup></b>	11.8	13.0
<b>Estonia</b>	19.5	17.5
<b>Finland</b>	13.6	13.7
<b>France</b>	12.7	14.0
<b>Georgia</b>	8.4	9.2
<b>Germany</b>	15.2	15.8
<b>Greece</b>	20.1	21.4
<b>Hungary</b>	12.4	13.8
<b>Iceland</b>	10.1	9.2
<b>Ireland</b>	15.5	15.2
<b>Italy</b>	18.7	19.6
<b>Kazakhstan</b>	12.1	5.3
<b>Kyrgyzstan</b>	31.7	36.8
<b>Latvia</b>	25.6	19.1
<b>Liechtenstein</b>	-	-
<b>Lithuania</b>	20.0	20.0
<b>Luxembourg</b>	13.4	13.6
<b>FYR Macedonia</b>	28.7	30.4
<b>Malta</b>	15.0	15.4
<b>Moldova</b>	26.4	17.5
<b>Monaco</b>	-	-
<b>Montenegro</b>	4.9	9.3
<b>Netherlands<sup>3</sup></b>	7.5	8.7
<b>Norway</b>	11.4	10.5
<b>Poland</b>	16.9	17.7
<b>Portugal</b>	18.5	18.0
<b>Romania</b>	23.4	22.2
<b>Russia</b>	13.4	12.8
<b>San Marino</b>	-	-
<b>Serbia</b>	6.1	10.0
<b>Slovakia</b>	10.9	13.0
<b>Slovenia</b>	12.3	13.6
<b>Spain</b>	19.6	21.8
<b>Sweden</b>	12.3	14.0
<b>Switzerland</b>	16.2	15
<b>Tajikistan</b>	-	-
<b>Turkey</b>	17.1	-
<b>Turkmenistan</b>	-	-
<b>Ukraine</b>	7.1	7.8
<b>United Kingdom</b>	18.7	16.2
<b>Uzbekistan</b>	-	-

<sup>1</sup> Poverty line defined as 60 per cent of median income as well as 2 of 7 deprivation criteria.

<sup>2</sup> New poverty line established from 2013 as people who over a period of three years have had an income of 50 per cent or less of median income.

<sup>3</sup> Break in time series

**Table 2. S80/S20 index**

The S80/S20 Index describes inequality in income distribution by calculating the rate between the income of poorest and richest 20 per cent of the population. For example, a rate of 4 indicates that the highest paid 20 per cent earns four times more than lowest paid 20 per cent.

Country	S80/S20 Index. 2008	S80/S20 Index. 2011
Albania	-	-
Andorra	-	-
Armenia	4.5	4.6 <sup>a</sup>
Austria	3.7	3.8
Azerbaijan	-	-
Belarus	4.0	3.8
Belgium	4.1	3.9
Bosnia and Herzegovina	-	-
Bulgaria	6.5	6.5
Croatia	4.5	5.4
Cyprus	4.3	4.3
Czech Republic	3.4	3.5
Denmark	3.6	4.4
Estonia	5.0	5.3
Finland	3.8	3.7
France	4.4	4.6
Georgia	8.9	9.5 <sup>a</sup>
Germany	4.8	4.5
Greece	5.9	6.0
Hungary	3.6	3.9
Iceland	3.8	3.3
Ireland	4.4	4.6
Italy	5.1	5.6
Kazakhstan	4.2	4.3
Kyrgyzstan	6.9	5.4
Latvia	7.3	6.6 <sup>b</sup>
Liechtenstein	-	-
Lithuania	5.9	5.8
Luxembourg	4.1	4.0
FYR Macedonia	9.3	10.0 <sup>a</sup>
Malta	4.2	4.1
Moldova	6.0	5.3 <sup>a</sup>
Monaco	-	-
Montenegro	4.0	4.2 <sup>a</sup>
Netherlands	4.0	3.8
Norway	3.7	3.3

<b>Poland</b>	5.1	5.0
<b>Portugal</b>	6.1	5.7
<b>Romania</b>	7.0	6.2
<b>Russian Federation</b>	6.0	6.5 <sup>c</sup>
<b>San Marino</b>	-	-
<b>Serbia</b>	4.1	4.5 <sup>a</sup>
<b>Slovakia</b>	3.4	3.8
<b>Slovenia</b>	3.4	3.5
<b>Spain</b>	5.4	6.8
<b>Sweden</b>	3.5	3.6
<b>Switzerland</b>	5.3	4.5
<b>Tajikistan</b>	-	-
<b>Turkey</b>	7.1	7.0
<b>Turkmenistan</b>	-	-
<b>Ukraine</b>	3.9	3.6 <sup>a</sup>
<b>United Kingdom</b>	5.6	5.3
<b>Uzbekistan</b>	-	-

**a)** Data point from 2010.

**b)** Break in time series.

**c)** Data point from 2009.









# Trend 2:

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# The new poor

## Spiralling down into poverty

### KEY FINDINGS:

- National Red Cross and Red Crescent Societies report a significant number of ‘new poor’ – ordinary working people who cannot cover all their basic costs at the end of the month, and who face the dilemma of buying food or pay their rent.
- The number of people in the middle-income group continues to fall, and with little or no savings, the number of people at risk of falling below the poverty line continues to increase.
- National Red Cross and Red Crescent Societies are increasingly responding to domestic needs, although some report it has become more difficult to raise funds.

It was world news and a wake-up call when in 2012, the Spanish Red Cross announced that the money collected during their annual flag day would go help those affected by the crisis – in Spain. Donations would be used to help the increasing number of poor, which has now reached five million people, the same as the population of Norway or Scotland.

It was also big news when international media described the increasing number of Italian middle-class men now living in trailers, institutions for the homeless or on the streets after divorces, not being able to pay for both child support to their families and for a second home for themselves.

And it was disturbing news when in July 2013, the BBC showed some of the effects of the cutbacks in health services in Greece, leaving more work to welfare organizations, charities and volunteers, and the so-called ‘Robin Hood’ doctors (see trend 3).

However, it is not only in the larger countries of southern Europe where the middle class feel the effects of this crisis. In fact, one of the most surprising and disturbing results from the mapping of National Society responses to the economic crisis is increased frequency of requests from new groups of poor and vulnerable people across Europe, and how large numbers from among the middle class seems to be spiralling into poverty.

Many of the new requests for assistance come from the ‘working poor’, defined as people who work for more than half of the year and earn less than 60 per cent of the national median income. For example, 25 per cent of the people receiving social assistance from the French Red Cross are still in work (or pensioners with some income).

*“During the 90s we did not really have a middle class due to the war, sanctions and other issues. After the war it emerged and grew, but now with the economic crisis, the middle class is suffering and shrinking again”.*

**Ljubomir Miladinovic,**  
Head of International  
Department,  
The Red Cross of Serbia

Employment is no longer a reliable guarantee for preventing poverty. In 2011 8.9 per cent of people with jobs in the EU lived below the poverty line, according to Eurostat.

## The new poor

Other new vulnerable groups range from divorced and single parents to students, and families with young children, to people who have lost their job, their small or medium-sized companies, and to families where only one parent is working. All of these groups are severely affected by fiscal erosion – inflation being higher than salary increases.

*There are new types of requests from beneficiaries regarding paying of monthly bills, for food aid and for social transportation services for elderly people.*

Portuguese  
Red Cross

Many National Societies in the Balkans, as well as France, Italy and Portugal are reporting that a ‘new kind’ of people are asking for assistance – working families who cannot cover all their basic costs, and at the end of the month face a dilemma – to buy food or to pay their rent and utility bills. Even in Germany, almost 600,000 working people had to ask for additional benefits to pay their bills in August 2012.

This fiscal erosion is causing serious challenges for many people. Commodity prices are increasing more than salaries, especially for food and energy. In Spain, energy prices rose by a whopping 50 per cent in the past years.

## Shrinking middle class

Although many middle class families are managing on a daily basis, they have no savings, no buffer. In Hungary, there are almost 350,000 people without jobs or social benefits, and more than 80 per cent of the middle class has no significant savings to meet unforeseen expenses, according to a recent study on bank accounts commissioned by PwC Hungary.

In Romania, 20 per cent of the population was classified as middle class in 2008. Today the number is about 10 per cent, the same as in Croatia and Serbia.

A Bertelsmann Foundation study published in December 2012 showed that the German middle class dwindled from 65 per cent of the population in 1997 to 58 per cent in 2012. As many as 5.5 million Germans lost their middle-class status and are now classified as low-income earners. During the same period of time, half a million new members joined the ranks of high income earners.

Middle-class households are often vulnerable. Their economy is often based on two people being in employment. One or both made redundant can bring a family to its knees in a matter of weeks, particularly if they do not have savings at all. Associated with that are often psychosocial problems (see chapter 3) and loss of social status. National Red Cross and Red Crescent Societies report about new poor who are embarrassed to tell their friends or families about their situation, about divorced men who are embarrassed to invite their children to spend time with them if they live in hostels or trailers. This is a kind of self-imposed social exclusion.

During the banking crisis in Cyprus in early 2013, the local Red Cross experienced the awkward situation of people arriving at their offices and distribution points in expensive cars asking for help. People who had suddenly lost everything, or at least lost access to whatever was left in their bank accounts, and were unable to buy food or pay all of their bills.



## MONTENEGRO: When the invisible became visible

It is not that they did not exist before, the homeless. They were there, living in the streets, barracks, bus stations and tents, but few knew their numbers or their names. Montenegro Red Cross and other organizations provided relief and blankets to them, also food, clothes and shoes.

"We cannot turn a blind eye to human suffering and needs, so we provided support to the homeless and other socially vulnerable people," says Jelena Dubak, Secretary General of Montenegro Red Cross.

"However, our activities couldn't be organized or sustainable since officially, homelessness did not exist, and there were no shelters or centres for homeless people. Our help was more on an ad hoc basis whenever anybody contacted us and asked for it," she adds.

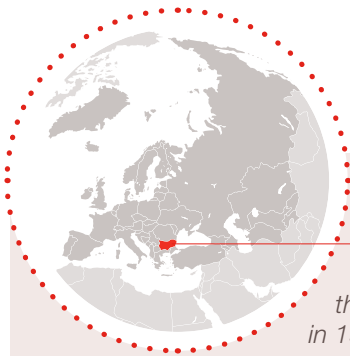
As the economic crisis took root and the homeless people grew in numbers, the government of Montenegro decided to take action. A number of working groups were established to contribute to a new law, which would recognize homelessness as an issue and homeless people as a special category of vulnerable people.

Montenegro Red Cross took part in one of the working groups and in May 2013 the new law on social and child protection was passed. Through this new law, the government committed to provide systematic support to vulnerable homeless people. There are now plans to build shelters as well as to provide other types of support.

The role of Montenegro Red Cross has also been clarified and they are now responsible for providing relief as well as psychosocial support in the new shelters. Incorporating these new activities in the society's plan of action means that capacities in this area will be strengthened.



*Azra is one of the new homeless in Montenegro, sleeping in the bus station of the capital Podgorica until the new shelters are established. Having worked as a teacher for 30 years and having lost her husband, a well-known and respected doctor, she lives on a pension of 160 euro per month, not enough to rent a place to live. "I had a lovely husband and family, and a job I loved. Now, when I am supposed to enjoy the fruits of my work, I find myself on the streets," she says. Photo: Portal Vijesti.*



### **BULGARIA: It is worst for the children**

*“My name is Maria Miteva Tenev-Tropolova and I am 47 years old. I have three adult children from a previous marriage. I married my second husband in 1993 and we have four children, the youngest one born in 2011.*

*I have been working as a kindergarten assistant for eight years, but I am currently on maternity leave. However when I can find work, I clean houses early in the morning at around 5 am, so that I can finish and take my children to kindergarten and school.*

*My husband is as an electrician and works whenever there are jobs, but we cannot manage without my extra income.*

*We have really felt the crisis during the past two years as prices for rent, food and heating have gone up. We pay 1,000 Bulgarian lev (500 euro) for our rent and utilities each month, and then there is nothing left to live on. The Bulgarian Red Cross has helped us, and we are very grateful to the director of one of the social centres, who is a unique woman. She arranged some financial help for us, but she also gave moral and psychosocial support during a time when our youngest son was very sick and we had no money. We really needed someone to talk to, it was a such difficult time.*

*Ivan, our youngest, is now two years old and attends nursery school. Nicola, who is five years old, goes to kindergarten, Nevena will be in the second grade and Paul will be in fourth next year. Our adult children left Bulgaria in 2010, when the situation worsened and unemployment rose. They are now in Italy and completely independent financially. All my children are dream kids – wanted and loved.*

*We somehow cope with the situation thanks to friends donating clothes for our children and so forth, and I do not like to complain. However, if someone gave us a hand, we would probably leave Bulgaria – the whole family, we would do it.*

*It is worst for the children. I want them to read books, to play sports and to follow their talents. I do not expect a lot and I know that holidays are just a distant dream for us, but I do believe one should not deprive children from reading a good book. There must be more to life than just surviving.*

*I teach my children not to divide people according to race, religion, status. They should believe in the good and should have a positive attitude towards all. But it is difficult for them to live among other children who are not ‘socially weak’. I try to give them self-confidence and explain to them that even if they are socially weak, this does not make them different or worse than others.*

*I would really like Bulgaria to become a better country to live in. All we need is good health and a job. I want my children to be educated. Nevena draws very well, she has talent. However, I do not have the courage to think about the future because when I think and things do not happen as I hope, I get disappointed.”*

The Bulgarian Red Cross offers a variety of social activities and social services to people in need throughout the country. One of the possibilities for many who suffer from the impact of the economic crisis is to apply for financial assistance under the Bulgarian Cross’ charity fund. For the last four years more than 1,100 people have received small grants to support their household and daily needs.

Bulgarian Red Cross is also distributing food to more than 300,000 people, running a number of social centres, providing support to elderly and orphans, and organizing a hot meal programme in schools allowing thousands of children to receive education.





Yasilena Kuritsheva/Bulgarian Red Cross

## Systems out of touch?

While both unemployment and social benefits can be useful for people during temporary crises, they also present dilemmas; in many countries benefit systems stem from a time of almost full employment and they have not been adapted to new realities. As such, in order to qualify for public social benefits, citizens must sell whatever they own of value, often belongings which they have saved up for over many years or are even still paying off.

Certain factors increase the risk of poverty for people with income and salaries, among them low educational levels, which increases the risk five-fold compared to people with higher level of education. Being employed part-time or in a job for less than a year doubles the risk. Young Europeans are more likely to be among the working poor than other age groups. Household characteristics are also very important. Single-parent households are exceptionally exposed to risk, followed by other households with dependent children, self-employed people, unpaid family workers, and migrants.

Even a country less affected by the crisis or with some economic growth can have 'pockets of poverty', usually in rural areas. While the economic crisis has not directly caused these conditions, it has made it more difficult to reduce the gaps between the rich and the poor.

*Increase in unemployment has led not only to economic difficulties, but also to a sense of social exclusion for many and lack of confidence in both society per se and the future. There are growing signs of xenophobia.*

Swedish Red Cross

Many countries in Central Asia as well as in central and eastern Europe have large rural populations, of which most are small-scale subsistence farmers. Small-scale farmers are not recorded as unemployed because they work their own plots of land, however, their income is usually extremely low. In the EU, more than half of the total population lives in regions defined as rural. Rural areas produce less in terms of GDP per person than urban areas.

Drainage of young people and migration to cities or abroad in search of better life is a wide-spread phenomenon in many deprived rural regions leading to disparities in age and gender imbalances. This disparity exacerbates poverty in areas where it is already present.

Utter poverty is the predicament of many pensioners in both central and eastern Europe and Central Asia. Most of the current pensions in these countries are paid for a lifetime of work in the former planned economies, however, they are far from sufficient to survive.

*The economic crisis has affected over 70 per cent of the adult population. There has been mass lay-offs and a decrease of the average salary by 24 per cent accompanied by an increase in living costs of about 30 per cent from 2008 to 2012.*

Romanian Red Cross

Grassroots information from National Red Cross and Red Crescent Societies indicates that the number of borderline poor, people slightly above the poverty line who are just about managing their finances has grown significantly in recent years. It does not take much to push these people below the line.



**Table 3.** Red Cross food aid distributions in 22 European countries

National Societies/Red Cross organizations	2009	2012
Austrian Red Cross	7,500	150,000
Belgian Red Cross	38,500	53,000
British Red Cross	10,000	10,000
Bulgarian Red Cross	234,783	309,206
Cyprus Red Cross Society	-	1,100
Estonia Red Cross	50,385	94,438
French Red Cross	-	250,000
Hungarian Red Cross*	607,296	264,178
Italian Red Cross*	-	378,527
Latvian Red Cross	39,479	143,385
Lithuanian Red Cross Society	101,000	96,000
Luxembourg Red Cross	-	20,000
Polish Red Cross	108,693	90,000
Portuguese Red Cross	17,233	6,000
Red Cross Society of the Republic of Moldova	13,850	15,524
Romanian Red Cross	43,314	117,246
Slovenian Red Cross	138,046	150,000
Spanish Red Cross	514,355	1,202,440
The Red Cross of Serbia	100,000	200,000
The Red Cross Society of Bosnia and Herzegovina	30,000	25,000
The Russian Red Cross	6,500	6,500
Red Cross organizations in Kosovo	19,540	43,925
<b>Total</b>	<b>2,080,474</b>	<b>3,626,469</b>
<b>No of National Societies/Red Cross organizations distributing food aid</b>	<b>18</b>	<b>22</b>
<b>Increase from 2009 to 2012</b>		<b>1,545,995</b>

\* Figures from 2011

**Table 4.** Consumer price index and average wages, 2008-2011

Index: 2005=100

Country	CPI, 2008	CPI, 2011	Average wage, 2008	Average wage, 2011	Per month	Per year	Currency	CPI change, %, 2008-11	Wage change, %, 2008-11
Austria	107	113.1	43,226	43,555		X	USD	5.7	0.8
Bulgaria*	131	143	3,590	4,668		X	EUR	9.2	30.0
France	106.1	110.1	36,671	38,128		X	USD	3.8	4.0
Georgia	129.4	159.1	535	636	X		GEL	23.0	18.9
Greece	110.6	122.9	28,878	26,295		X	USD	11.1	-8.9
Hungary	119	135.1	198,741	222,990	X		HUF	13.5	12.2
Italy	107.4	113	33,663	33,517		X	USD	5.2	-0.4
Kyrgyzstan	177	237.6	-	-				34.2	-
Latvia	128.6	145.7	8,409	8,272		X	EUR	13.3	-1.6
Netherlands	105.4	110.5	46,181	47,056		X	USD	4.8	1.9
Russia	136.4	185.4	17,290	23,693	X		RUB	35.9	37.0
Serbia	100	127.5	45,674	54,532		X	RSD	27.5	19.4
Spain	-	-	32,740	34,387		X	USD	8.5	5.0
Sweden	107.2	111.1	36,724	37,734		X	USD	3.6	2.8
United Kingdom	108.5	119.6	45,930	44,743		X	USD	10.2	-2.6

\* "The surprisingly rapid wage growth was due to a combination of factors, some of which affect the statistical average even without actual wage increases. These effects arise from job cuts being concentrated in low-paid jobs, while higher-paid jobs remained together with a reduction in undeclared wages".

"The unemployment rate more than doubled from about 5 per cent of the labour force in 2008 to over 12 per cent in 2012."

"During the crisis, the labour market seems to have adjusted via employment rather than wage cuts. This entails a high social cost".

From: ECFIN Country Focus, Vol. 10, Issue 2, June 2013

We have observed a rapid decrease in donations and have had to cut down on social activities.

Czech Red Cross

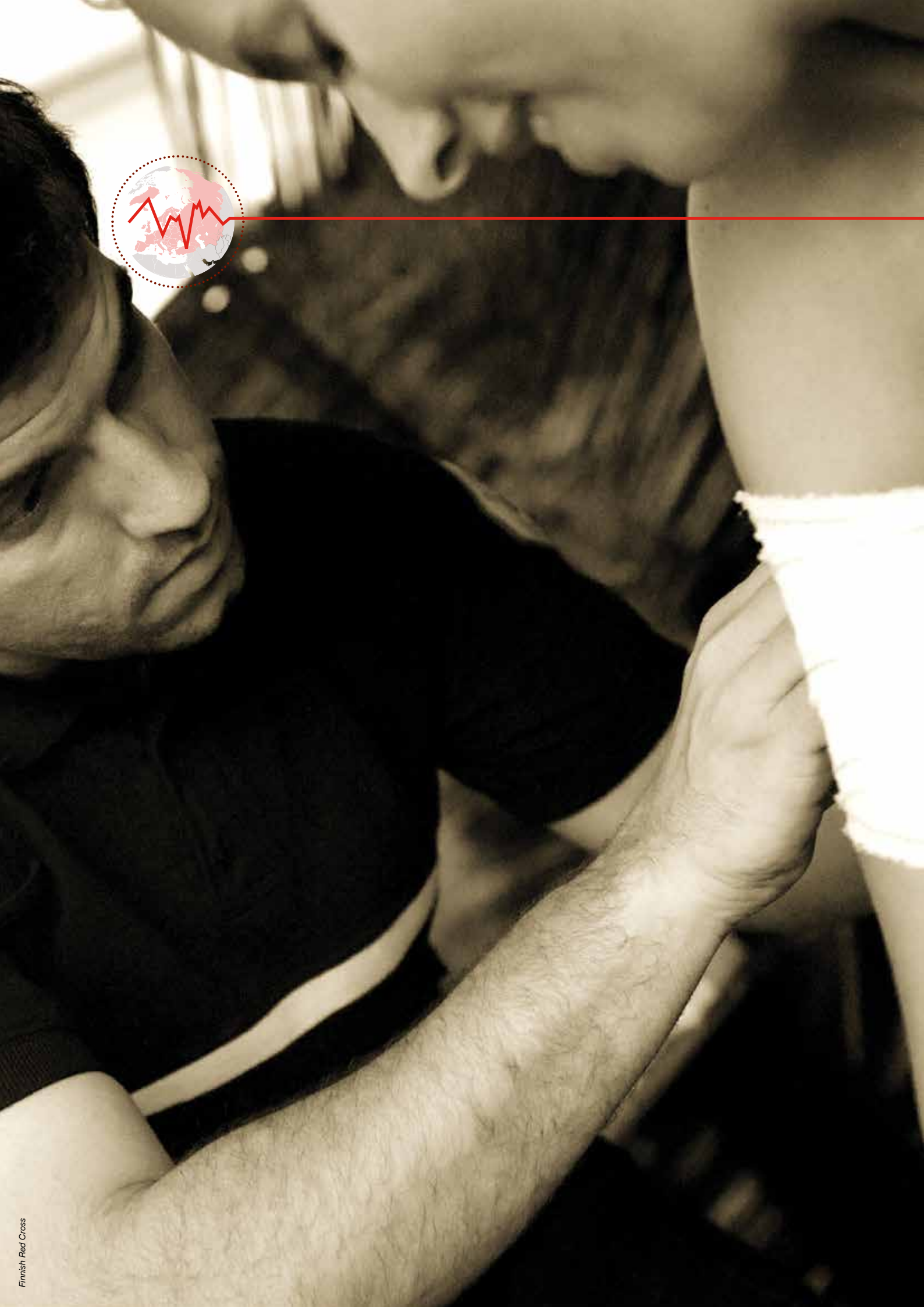
The vulnerability of the population has increased due to significant rise in prices for basic commodities.

IFRC Kosovo office





National Societies are opening an increasing number of 'social grocery' stores, where people referred by social authorities can buy food and other items at reduced prices. These stores are often staffed by volunteers. Photo: Belgian Red Cross (FR).



# Trend 3:

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## Weakening health

### Cuts can be expensive

#### KEY FINDINGS:

- Cuts in public health during times of crisis might cost more in the long run.
- National Red Cross and Red Crescent Societies report an increased need for psychosocial support to people suffering from depression and other mental health problems.
- Many people change their behaviour during crisis – some reduce spending on health, some embark on unhealthy lifestyles whereas there are also examples of the opposite: some people begin to live in a healthier way.

“How has the economic crisis affected the humanitarian needs in your country?” was one of the questions in the mapping of National Societies’ responses to the European economic crisis carried out in early 2013. On Greece, Hellenic Red Cross stated:

*“The current economic crisis has had a serious impact on public health, since it is connected to malnutrition and unhealthy living conditions, increase in unemployment, depression, increasing rates of suicides, health problems for children and adolescents, violence, drug addiction, environmental problems, and often inaccessibility to health and welfare agencies. The significant increase in poverty levels and social exclusion, the reduction in social welfare budgets and the transfer of responsibility for health and social care provision from the state to private organizations, communities and families, create challenges to cope with the new circumstances.”*

The Greek health crisis has been well documented as one of the unintentional consequences of the austerity measures and budget cuts. Patients are asked to pay cash for their medicines and they must bring their own syringes when admitted to hospitals, and the partly dysfunctional public healthcare system has become inaccessible to many citizens.

More than half of unemployed Greeks no longer have health insurance and many are now being served by organizations and ‘underground’ groups of aptly named ‘Robin Hood’ doctors, feeling the humanitarian imperative to do something.

According to the Ministry of Health, suicide rates in Greece have grown drastically by as much as 40 per cent between January and May 2011 compared to the same period in 2010, a fifty-year high. Suicide rates among women have more than doubled. Before the crisis, Greece was a country with exceptionally few people taking their own lives and there is still a lot of stigma connected with



it in orthodox sectors of the society, meaning that it is likely that a number of suicides go unreported. Given that there can be 15–20 times as many attempts as actual suicides, the number of people crying out for help is alarming.

Many European countries affected by the crisis have also seen a rise in the number of suicides and suicide attempts since 2008, after a long period of decrease. This is a clear sign that the number of people suffering from depression and other mental health problems is also on the rise.

Several National Societies replied that they have seen a drastic increase in people needing psychosocial support as they find it difficult to cope with the crisis. Problems arise from sudden change in life situation, dignity, social exclusion and a feeling of failure, or uncertainty – one of the worst psychological states of mind for a human to be in: when we do not know what will happen next or how we can influence our situation.

### Children of the recession

The IFRC Psychosocial Support Centre has been assisting a number of National Red Cross and Red Crescent Societies, providing training kits on general psychosocial support and on lay-counselling. National Society psychosocial support is provided through daily contact with people affected, during food distribution, at social groceries, in social centres and through clinics and health centres.

**Table 5. Reduction in public spending on health**

Countries with a reduction in per capita public spending on health (national currency units), 2008–2011.

2008	2009	2010	2011
<b>Andorra</b>	<b>Andorra</b>	Albania	<b>Andorra</b>
France	Bulgaria	<b>Armenia</b>	<b>Armenia</b>
Luxembourg	<b>Croatia</b>	<b>Croatia</b>	<b>Czech Republic</b>
Malta	<b>Estonia</b>	<b>Czech Republic</b>	Germany
	Hungary	<b>Estonia</b>	<b>Greece</b>
	<b>Ireland</b>	Finland	<b>Ireland</b>
	<b>Latvia</b>	<b>Greece</b>	Netherlands
	<b>Lithuania</b>	Iceland	Portugal
	FYR Macedonia	<b>Ireland</b>	Slovakia
	Romania	<b>Latvia</b>	<b>Spain</b>
	San Marino	<b>Lithuania</b>	United Kingdom
		Montenegro	
		Slovenia	
		<b>Spain</b>	

Source: Calculations based on WHO National Accounts.

Note: Countries shown in bold experienced reduced spending in more than one year.



The Finnish National Institute for Health and Welfare has systematically followed Finnish children from the time they were born in 1987 until their 21<sup>st</sup> birthday in 2008. They are referred to as the ‘children of the recession’ because of the severe economic crisis which Finland went through in the 1990s.

According to the study, one in five have received psychiatric treatment or consumed pharmaceuticals to treat mental disorders, anxiety or abnormal behaviour. They are also displaying delayed symptoms of the distress of their parents struggling to cope with the crash of the Finnish economy twenty years ago.

The study reveals that certain negative factors – such as lack of education as well as problems with mental health or unemployment – carry a high risk of being transmitted from parents to their children when families go through extreme difficulties in life.

The recession in the 90s in Finland was dealt through strict measures of austerity. Exploding unemployment figures and crashing family finances collided with a set of deep cutbacks in basic public services. What is happening today in some other European countries mirror Finland’s approach to their economic crisis at that time.

*Youth seem to be more divided and there is a worrying development of a growing number of young people with difficulties finding additional training or employment after finishing their compulsory education.*

Finnish Red Cross

## Pushing the panic button

Although humanitarian organizations, charities and civil society feel the imperative to fill the gaps created when governments cut funding for health or social welfare, their interventions are very often far from enough. Furthermore, cutting public health is very short-sighted as the costs will be higher in the long run.

Latvia was one of the first countries to be hit by the crisis in late 2008, and although officially out of the crisis now, the effects are still being felt.

“Latvia was truly wobbling on the brink of a cliff then and the government pushed the panic button. Costs were cut all across the board, health costs included,” says Viktors Jaksons, the President of Latvia Red Cross.

Jaksons is also a former minister of health in his country and a long-time member of the World Health Organisation’s Executive board.

“In 2009 we cut our health budget by 18.9 per cent. The biggest reductions, up to a third, were made to treatment costs. Wages, as well as staff were cut and all planned new operations cancelled. Co-payments by patients shot up with out-of-pocket payments reaching almost 40 per cent of total costs per patient. This made health services far too expensive for many, not only the poorest,” Dr Jaksons describes.

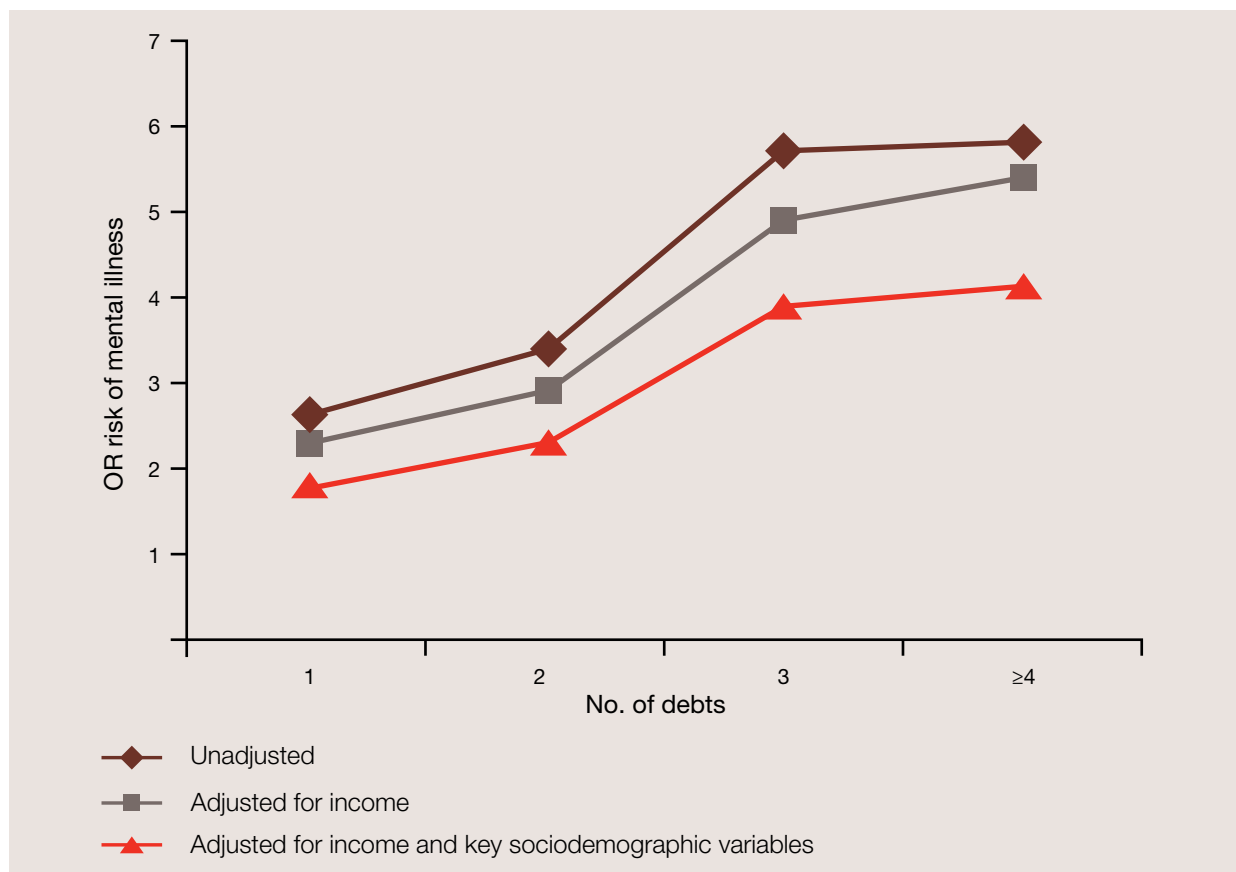
Because of the steep salary cuts and work overload, many public health professionals emigrated or joined private clinics, increasing the pressure of those who stayed. In fact, so many left public service that despite rising costs to access health care, queues for treatment just grew longer and longer.

“With lower salaries and waiting lists flooded with patients, the medical profession lost much of its prestige. Frankly, even the dedication to serve patients was suffering in the midst of all this. Many of the problems arising from the budget cuts will be with us for a long time. It will be more challenging to increase life expectancy, to decrease mortality and morbidity. Chronic diseases will continue to be an additional burden,” Viktors Jaksons says.



Latvian Red Cross

**Figure 2.** Odds ratios (OR) for risk of mental illness in people with increasing number of debts



The data were derived from a nationally representative sample of 8,600 people living in the United Kingdom. Key sociodemographic variables used for adjustment were age, ethnicity, marital status, household size, household tenure, education, social class, employment status, urban or rural, and region. Source: Jenkins et al.

Document reference: *Impact of economic crises on mental health*; WHO; 2011.

“Trust, once lost, is difficult to rebuild. The general public’s trust towards public health structures was seriously damaged in Latvia. Restoring an adequate pool of medical staff for the country will also take time, effort and reconstruction of trust between professionals and the public health system.”

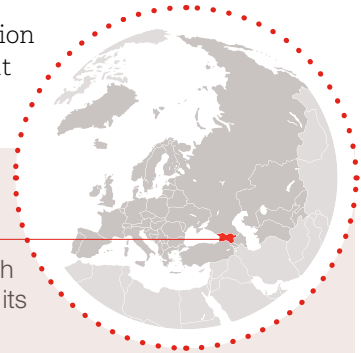
### Cut the ‘fat’, not the rest

Latvia and Greece are not the only countries which have cut health budgets. In Spain, budgets have been cut by 14 per cent with devastating effects including increase in diseases. Swedish Red Cross reports that although salaries have in fact increased, certain vulnerable groups are affected by regulatory changes in health care and unemployment insurances, with reduced compensation levels or limiting the time they can be accessed.

*The Body Politics*, a book by David Stuckler and Sanjay Basu published in May 2013 looks into past and present economic meltdowns and reaches a clear conclusion based on a wide analysis of data. Economic disasters can affect public health to the extent that people die as a consequence, but it does not have to be like this.

According to Stuckler and Basu, evidence from the Great Depression which lasted from 1929 until deep into the 30s, from the post-communist mortality crisis in Russia, and from the Asian currency crisis in the late 1990s, right up to the early stages of the current European crisis, all show that if social security nets operate well and public health costs remain untouched, even the most dramatic economic crisis will not have significant negative health effects.

In fact, they might even have positive effects. Some studies show the population of Iceland has improved its health after the crisis, perhaps due to the fact that fast-food chains left the country, because of soaring prices of imported items



### GEORGIA: Helping elderly out of isolation

Low pensions, too little focus on the situation of the elderly, inadequate health care – something needed to be done. And so Georgia Red Cross established its first social day care centre for the elderly in Kutaisi in 2005.

It quickly became a success as it not only provided medical and food aid to some of the elderly in the district but also engaged them in helping each other to pay utility bills, in house cleaning and gardening. In addition, different social clubs were established for singing and playing, and for handicraft and other small income generating activities.

The concept of social day care centres for the elderly soon spread, first to the capital Tbilisi, then to other regions of the country, and today Georgia Red Cross runs twelve centres in different regions. From being a donor-funded activity in one place, it is now an activity integrated in Georgia Red Cross, and it is so popular that local authorities have begun supporting the centres by accommodating them or supporting activities financially.

There are more than 700,000 elderly people in Georgia. According to the Social Assistance and Employment State Agency (SAESA) only two thirds of the elderly are eligible for social assistance. However, even many of those eligible do not have access to this assistance, due to demands for informal payments, high prices of medicines and denial in provision of services or disrespectful treatment by medical staff. In addition, elderly people meet challenges such as social isolation due to poverty and changes of family traditions and patterns.

Despite the difficult situation for elderly people in Georgia, their problems are given low priority in the local social strategies and only few local organizations represent, advocate for and mobilize local support for elderly people. The social day care centres help putting more focus on the plight and situation of the elderly.

*One day Mr Ivan Gogshelidze's neighbour told him about the social day care centre in Tbilisi and encouraged him to come along. Mr Ivan had been working as a director of a public school for years but had been forced to leave due to staff cuts caused by the economic crisis. A redundancy which not only caused financial problems, but also made him feel worthless to society.*

*Mr Ivan decided to give the social day care centre a try and felt comfortable from day one. He soon began to teach young volunteers how to play 'Fanduri', a traditional Georgian music instrument, and was inspired to craft by hand a number of new musical instruments. He soon became a choir leader, and a history teacher for children from socially vulnerable families.*

*When he fell ill, his students would visit him regularly, and when he was ready to go back to the centre, the youths would take turns to escort him during the harsh winter making sure he would not fall. He wanted to go there as he feels he is fulfilling a purpose in life. (Photo: Georgia Red Cross).*





such as tomatoes and onions. Instead, home cooking had a revival, especially eating fish, thereby also supporting local industry.

The evidence from the same crises also shows that when social nets are slashed and public health costs cut, immediate threats to human health appear, as well as a build-up towards long-term negative health outcomes.

The IFRC believes drastic cuts in public health and social welfare should be avoided. Whereas all systems can be streamlined and made more effective, serious budget cuts in health are not advisable during times when mental health problems are on the increase and people might consider saving on private costs for health. Public health should be exempt from budget cuts as savings would create more problems and cost more in the long run.

Prevention is still better – and cheaper – than treatment and cure, and the IFRC strongly supports the WHO call for health systems to move towards universal coverage, defined as “access to adequate healthcare for all at an affordable price”.

National Red Cross and Red Crescent Societies can work as auxiliaries to the public authorities in the humanitarian field and together with other organizations to fill gaps, but this is only done after close dialogue with authorities and when roles and responsibilities and finances are clearly defined. The overall responsibility of providing and ensuring health services still lies with the governments.



Loss of trust in health services specifically, and in authorities more generally, is one aspect of the budget cuts; the behavioural change of individual citizens is another. When we lose our jobs and money, trust and belief, we are at risk of becoming more inactive physically and eating unhealthily, more prone to drug and alcohol abuse and we tend to isolate ourselves socially.



### GREECE: A patient and a gentleman

The story of Mr Konstantinos, a 60 year old Greek man, is the story of the country's crisis and of one person receiving the Hellenic Red Cross' support in his time of need.

After the hospital had diagnosed Mr Konstantinos with a severe infection on his lower left leg, he contacted the nursing department of the Red Cross to receive free medical treatment as he was not able to pay for any private or even public hospital services in Athens.

His infection was severe and needed special cleaning and expensive medicine. Additionally he needed an angiology expert to attend to him and this was made possible through the Hellenic Red Cross nursing service.

Mr Konstantinos began his visits to the nursing department in late April, and day-by-day he got to know the Red Cross nurses and volunteers better. He also impressed them with his politeness and personality, they described him as a true gentleman going through a difficult situation. The nurses found out that he was a formerly well-known and highly respected businessman, a manufacturer of leather goods.

For weeks Mr Konstantinos declined the offer from the nurses to come to his house to provide home medical service, which surprised them, given his age and the condition his leg was in. However, in June he finally told the nurses, that he had refused their offers and sidestepped questions about his address because he was in fact homeless, and had been for the past year.

He had lost everything: income, housing, car, even his public health insurance papers, since he no longer had the ability to pay health insurance fees.

His final visit to the Hellenic Red Cross nursing services was to be in July, as the recovery of his leg infection was tremendous. However, it was only his last medical visit, because even after his treatment was completed, he continues to pop in at the health station for a chat with the nurses and volunteers who have now become his good friends.



The Hellenic Red Cross is one of the organizations now offering free health services to the most vulnerable at their three health stations in various parts of the country. In 2012, the main priorities of the nursing department were the reduction of child mortality and the improvement of maternal health.

Last year more than 6,300 children were examined by Red Cross paediatricians and almost 1,000 mothers contacted the health stations or received home visits. As many as 3,500 children of vulnerable and unemployed families were vaccinated against a number of diseases and more than 3,000 students were tested for TB.



# Trend 4: Migration and mobility

## Earning money – at a price

### KEY FINDINGS:

- All across Europe, National Red Cross and Red Crescent Societies are involved in assisting migrants and asylum seekers, be it advocating for their rights and dignity, helping them to integrate into host communities or providing services which are not otherwise available.
- A number of National Societies are reporting that the public stance on migrants has toughened during the economic crisis and that implementation of already existing laws is problematic.
- Falling levels of overseas remittance is a serious problem, not only for individuals and families but also for communities and countries.

Gulby Dondova smiles most of the time. Her house in the outskirts of Kyrgyzstan's capital Bishkek is small and crowded with three children and her daughter-in-law also living there. Her three adult sons are migrants, living in Russia and Kazakhstan, where hundreds of thousands of Kyrgyz people try to find work to send money back home.

Gulby stays in close contact with her three sons by skypeing them once a week from the internet café some kilometres away. She also has enough energy to volunteer with the Red Crescent Society of Kyrgyzstan, assisting migrants.

However, not everybody is as resourceful as Gulby and her family. Thousands of migrants face problems being cheated by employers or syndicates, or getting on the wrong side of the authorities simply because they are not fully aware of the rules and the laws in the country they travel to.

National Red Cross and Red Crescent Societies work closely together to assist migrants – before they leave home, while they are abroad, and when they return. An EU-funded programme in Central Asia provides training and support to thousands of migrants from Kyrgyzstan, Tajikistan and Uzbekistan taking up work in Kazakhstan and Russia, and all the National Societies in the Commonwealth of Independent States (CIS) are now cooperating to find common approaches, advocate on behalf of migrants and share materials and experiences.

Labour migration has become the major response to the social, demographic and economic challenges and survival strategy for the majority of families in Central Asia and Southern Caucasus region. Lack of competitive and reasonable employment opportunities in domestic labour markets and growing poverty in



countries like Kyrgyzstan and Tajikistan on one side, and growing economies of Kazakhstan and Russia on the other side, are the main push and pull factors for economically motivated migration within the region.

In Russia alone around 12 to 14 million people – 10 per cent of the population – are migrants, the majority of them from neighbouring countries. Whereas policies and laws are in place to help migrants, it is often the implementation of the laws that present a problem; i.e. migrants have the right to health care, but there are numerous examples of migrants receiving insufficient health care or being denied it entirely.



### **SWEDEN: Red Cross defends migrants' rights**

When a Latin American woman holding a permanent residence permit in Sweden recently visited her home country she was shocked to see the state of her diabetic mother. Not only did she appear undernourished, she also had ulcers on her legs; a sure sign of inadequate care. The daughter was left with no choice but to take her mother back with her to Sweden to make sure that she was well cared for.

This story is one example of how someone would come to Sweden and stay without a residence permit. According to estimates, Sweden is currently hosting 35,000 undocumented migrants.

There are many other stories and reasons, some are rejected asylum seekers who have decided to go underground. Many enter the country illicitly to escape danger, or are in search for a job and a better life. Lacking other options, some use human trafficking networks to get there.

In most countries, undocumented migrants are 'outlaws' without any rights. In Sweden, the Red Cross is one of the most vocal civil society players fighting to ensure some basic humanitarian rights.

"For the Red Cross, it is clear that all people must have access to healthcare on equal terms. Through our daily work, we see how children and adults are suffering unnecessarily because often they cannot access the treatment and care they need," says Ingela Holmertz, Swedish Red Cross' National Director.

"Access to healthcare cannot be a tool to control migration. Access to healthcare is a human right," she adds.

In parallel with providing healthcare and other services, raising awareness and advocating for a change in legislation has been a major goal for the Red Cross in Sweden. One result has been that a new law introduced on 1 July 2013 now assures undocumented migrants the same legal rights as asylum seekers, such as access to subsidized healthcare that cannot be deferred.

"The Swedish Red Cross welcomes the new law as a step in the right direction, but emphasizes that all people in Sweden should have equal access to healthcare," Ingela Holmertz says.

Even with the change of law, Swedish Red Cross still deals with situations where undocumented migrants have been denied the treatment they are entitled to. "This illustrates another challenge – concerned authorities need to adapt their regulations and routines to provide equal and proper treatment," Ingela Holmertz explains.

As a result of the economic crisis in Europe, in addition to the 35,000 undocumented migrants, Sweden has received a large number of people from across the EU looking for work. Unfortunately, many of them end up living on the streets and without means to support themselves. Large numbers of them also face the same challenges as undocumented migrants and come to the Red Cross for help and advice.



## Tougher stance

All across Europe, National Red Cross and Red Crescent Societies are involved in assisting migrants and asylum seekers, be it advocating for their rights and dignity, helping them to integrate into host communities or providing services which are not otherwise available, such as help with homework for unaccompanied minors or running health clinics for undocumented migrants.

A number of National Societies are reporting that the public stance on migrants has toughened during the economic crisis, among them the Austrian Red Cross, which states that:

*“The government, together with EU governments and EU agencies is strongly supporting the tendency to externalize the EU asylum system and thereby they are trying to keep migrants (among them potential asylum seekers) outside the EU territory. Revisions of the asylum code usually bring tougher measures for asylum seekers and more obstacles for family reunions. In general terms the economic crisis seems to be reducing the level of solidarity within society.”*

The economic crisis in Europe has affected the patterns of economic migration with more people seeking jobs in countries not affected by the crisis or in growing economies. In June 2013 Organisation for Economic Co-operation and Development (OECD) reported that migration in the European Union picked up again after three years of continuing decline.



Karin Tengby/Swedish Red Cross

Even if the flow of people is on the increase, employment prospects remain bleak, even worse than before. According to the OECD, half of unemployed immigrants in Europe are still looking for a job after more than 12 months in their new country.

Today, thousands of economic and undocumented migrants from hard-hit countries are living under the open skies, in tents or huts in the parks, wastelands, forests and camping sites of Europe; trying simultaneously to keep their heads above water and support their families back home. At the same time, many eastern European countries have drastically reduced their social housing and emergency shelter programmes and as a result, the area is now heavily influenced by the emergence of informal settlements.

### More mobility

The open borders within the EU where some countries are more affected by the crisis than others have also increased the general workers mobility. Most significant is the increased flow of job seekers from southern European countries, particularly to Austria, Germany and Switzerland.

Despite the doubling of Greeks seeking work in other European countries since the onset of the crisis, remittance flowing into Greece has, according to World Bank figures, crashed from almost 2.7 billion US dollars in 2008 to a mere 618 million in 2012, as fewer have been able to find work. Migration to Spain, a traditional destination for migrants, peaked in 2007 to 2008. In 2011, after being battered by the economic crisis, the number of migrants had been reduced by almost 40 per cent. While the 2012 overall unemployment figure in Spain was at 26 per cent, the corresponding figure for foreign residents was 36.5 per cent, according to the same statistics.

Lithuania and Romania have lost 12 per cent of their population in a decade, mostly due to migration. Latvia's population has declined by 13 per cent. Bulgaria, Serbia, and more recently, Hungary, are also losing capable workers to migration. Countries like Austria, Germany, the Netherlands, Norway, Russia, Sweden, and Switzerland are at the receiving end of this intra-European migration.

### Opportunities and exploitation

According to the latest available World Bank data (2011) there are 10 countries among the 52 in Europe and Central Asia which are exceptionally dependent on remittances as part of their country's Gross Domestic Product (GDP).

Tajikistan derives 46.7 per cent of its GDP from remittances. Kyrgyzstan is next with 27.6 per cent and Moldova third most dependent with 22.8 per cent. The corresponding figure for Armenia is 19.1, Kosovo 17.4, Bosnia and Herzegovina 10.7, Georgia 10.6, Albania 9.0 and both Montenegro and Serbia 7.6 per cent.

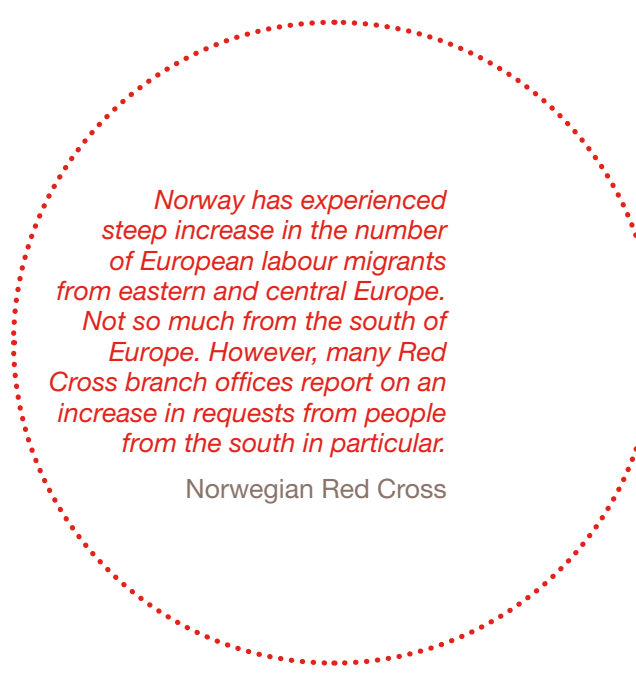
Moldova has traditionally been a major exporter of labour, especially to EU-countries in southern Europe, with Italy mentioned as the most frequently sought host country. Between 2010 and 2011, Moldova increased its remittance income from 1.35 billion to 1.6 billion euro. This figure is exceptionally high, and roughly one-third of Moldovans are working or seeking employment abroad.

Because of the economic crisis in Italy, Moldovans have more recently turned to the east instead. In 2011 more than 60 per cent of remittance income sent by Moldovans abroad came from Russia and Ukraine.

Remittance income comes with a price. Many Moldovan children grow up without their mothers present, because women especially are abroad earning much-needed money as cleaners or domestic workers.

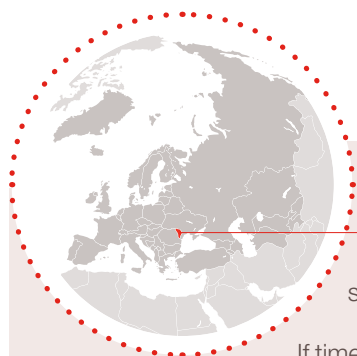
Human trafficking is another price tag attached to the current situation. Moldovans without working visa pay sums of 3,800 euro or more to human traffickers to gain access to countries abroad where they can seek work. Female migrants predominantly work in the informal sector – often in unregulated professions such as domestic work, agriculture or other services – which makes them particularly vulnerable to exploitation and abuse. The majority of the victims of human trafficking are women and girls, who usually have to pay the traffickers first before actually earning anything for themselves or their families.

National Red Cross and Red Crescent Societies in Armenia, Belarus, Bosnia and Herzegovina, Croatia, Georgia, Kosovo, Kazakhstan, Kyrgyzstan, Montenegro, Russia, Serbia, Tajikistan and Uzbekistan are among those who implement programmes in the area of anti-trafficking and/or migration. Several other National Societies are leading the way in providing health services for undocumented migrants and addressing issues of increasing xenophobia, often fuelled by the consequences of the economic crisis.



*Norway has experienced steep increase in the number of European labour migrants from eastern and central Europe. Not so much from the south of Europe. However, many Red Cross branch offices report on an increase in requests from people from the south in particular.*

Norwegian Red Cross



### **MOLDOVA: “We need five more years in Italy”**

Abaclia is a village with some 5,000 inhabitants, located about 100 kilometres south from the Moldovan capital Chisinau, close to the Ukrainian border.

If times were as they used to be, some 3,000 Abaclians would be working abroad as migrants, some with documents, some without.

But times have changed, and at least 500 villagers have already returned home, unable to continue working in today’s crisis-hit Europe – 30 year-old Eduard Gurin and his wife, 24 year-old Ludmila, have returned from Italy because they could not find work.

“Maybe only 1,000 of those still abroad have proper jobs. I assume that around 1,500 are just hoping for the best, living in parks and if they are lucky, doing the occasional odd job,” Ludmila says.

This young couple represents the Moldovan middle-class. Eduard has a degree in agriculture, Ludmila majored in hotel and tourism at the Chisinau Academy of Economics.

Today they are staying in Abaclia with 25 hectares of fertile fields, but no machinery to work the land and no money to buy what is needed.

Ludmila’s mother went to Italy in 2002 and found a job taking care of an elderly lady. Living with the lady, the mother does not have to pay rent and is able to send money home. She has three daughters to educate and their weddings to pay for.

#### **Both a blessing and a curse**

Eduard went to Italy in 2002, working in the construction business in Rome until 2008. After losing his permanent job he continued to look for another year but was forced to return home in 2009.

Eduard and Ludmila were married the same year and obtained legal residence and work permits in Italy, because Ludmila’s mother was already living there. After the wedding they returned to Italy and stayed there from 2010 to 2013. Eduard worked in agriculture, but eventually lost his job. Ludmila worked in a bar, but the bar closed.

The young Gurins searched for jobs in Moldova, but local wages are very low. They decided to work the land instead and wait out the economic crisis.

“We have five or six people hired every day to work the land and need to pay large sums of money to rent agricultural equipment. Almost all we get from selling our produce goes to pay for costs,” Eduard explains.

“We need another five years in Italy with good jobs in order to become self-sufficient farmers; we need a new tractor, a cultivator, cooling storage for the fruits and some smaller equipment,” Ludmila says.





With approximately 1,500 villagers abroad not having proper jobs, the micro economy of Abaclia loses millions of euro every year. “Of course, this begins to show as the recession continues.”

Natalia Ivanova, part-time director of the Basarabeasca branch of the Moldovan Red Cross says that instead of trying to get to Italy, Moldovans are nowadays going to Russia and Turkey to work. She feels that migration is both a blessing and a curse. It brings much needed money to one of the poorest countries in Europe, but Moldova also loses able people as some of them decide to stay abroad for good.

Mrs Ivanova explains that one of her neighbours paid 5,000 euro to human traffickers to get to Italy, but found no work there at all. Consequently, she was unable to pay the criminals and killed herself out of desperation.

“There are two more motherless children in this world,” she says.





# Trend 5:

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# Unemployment

## Dignity and desperation

### KEY FINDINGS:

- National Red Cross and Red Crescent Societies are increasingly involved in programmes that assist unemployed people.
- The potential social consequences of high unemployment rates are a growing concern.
- Some National Societies have experienced a vast increase in the number of volunteers, some wanting to use their time meaningfully, others hoping to gain skills that will help them find a job.

Among all the tragic stories in the media about suicides connected to the economic crisis, unemployment and forced evictions, there were two that especially touched people worldwide. First was that of a 77-year old pensioner who shot himself in front of the Greek parliament after having written a suicide note stating that he would end his life in what he described as a dignified way rather than start digging for food from garbage cans and becoming a burden on his children.

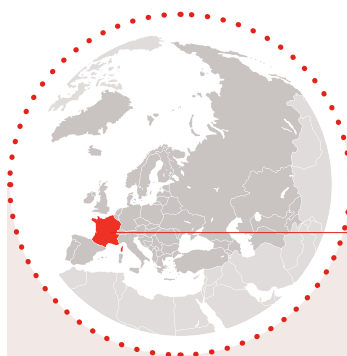
The second was the couple from a traditionally wealthy coastal town in Italy who hung themselves in their garage, leaving a note asking for forgiveness, not being able to face their new life situation with no jobs and no money. Adding to their troubles was the new pension-reform which meant the husband would have to pay private contributions for another five to six years instead of one to two years to be eligible for pension – money he did not have.

Friends and neighbours described the couple as dignified but desperate. The husband did not want charity but a job. The brother of the wife also committed suicide when he heard the news about his sister and brother-in-law.

Sadly, there are many more stories like these. The Italian economy shrunk by almost 1 per cent in the last quarter of 2012. Between 100,000 and 150,000 small and medium sized companies have closed down since the onset of the crisis, and unemployment rates have soared. Many people who once enjoyed a comfortable lifestyle and who were looking forward to retirement now face financial and personal ruin.

### Long term unemployment on the rise

Behind all the figures are these human stories of heartbreak. People who feel that they lose their dignity when they lose their jobs and need to ask for help; young people who lose their self-confidence when they cannot find jobs after



### **FRANCE: *Service Civique* opens new doors**

Young French people, from 16 to 25 years of age, are entitled to enter the *Service Civique* and work voluntarily for non-profit organizations or public entities, with no questions asked about diplomas or skills. *Service Civique* has been in existence since 2010 and is guaranteed by a special law.





Since then, some 42,000 young people have used the opportunity and done their service with one of the 4,460 organizations involved in the programme. Approximately 600 volunteers have chosen to work with the French Red Cross.

Anyone taking part is guaranteed at least 24 hours of work per week for a period varying between six to twelve months. Voluntary commitment can either be in France or overseas.



Pascal Bacheval/J French Red Cross

During the time of their engagement each volunteer receives a compensation of 571 euro per month. Of this amount 467 euro comes from the French government, and 106 euro from the hosting organization. If the individual in question is facing severe social and financial difficulties, an additional 106 euro can be added.

Volunteers are also covered by the French national social security plan in case of illness, and they earn benefits for their pension plan.

The French Red Cross has included *Service Civique* in its Strategy 2015. "Through voluntary service, the French Red Cross offers young people a new form of community work that extends to areas of public interest," states the document. "We offer young people an opportunity to dedicate a stage in their life to serving the community, in order to help them towards their social and vocational integration."

So far, a total of 200 local and regional branches of the French Red Cross, together with their healthcare and social service facilities, have implemented one or more of four alternative standard projects created for the purpose.

There is a set of criteria for these four projects. Each must produce benefits for the society and at the same time include an added educational value for the volunteers. Projects must be action-oriented and allow contact with the general public and/or those assisted through the service. All activities must be complementary but linked to what 'regular' French Red Cross volunteers and staff are already doing.

"I remember one of our first volunteers in *Service Civique*, Marjorie," says Caroline Soublie, head of the French Red Cross's youth and volunteering department. "By chance, she met an employee of one of our retirement homes located in the same street as she lived as a vagrant, and they discussed the idea of her volunteering at the home. Marjorie got involved, assisted and accompanied the elderly in their daily life, and started proposing cultural and recreational activities. She also began discovering new sides of herself, receiving thanks and smiles from the elderly and she has since begun training in the area of home care services."

After 'graduation' from *Service Civique*, French Red Cross volunteers are encouraged to enter some form of vocational or other training.

"So far, most of *Service Civique* volunteers of the French Red Cross have used the opportunity available to them and are being trained to become nurses, social workers, or nursery staff," says Lucie Bodet, coordinator of the programme at the French Red Cross.

finishing training or education; middle-aged people who can no longer pay their mortgages or provide for their families; elderly people who know that finding a new job after having turned 50 or 60 is almost impossible.

According to ILO, jobseekers find it increasingly difficult to obtain employment, given the limited number of jobs created in the present context. As a result, long-term unemployment (jobseekers without work for more than one year) is on the rise. As of the third quarter of 2012, there were 11 million long-term unemployed in the EU alone. This is 1.3 million more than the year before and 5.2 million more than in 2008. The figure has almost doubled. In most EU countries, more than 40 per cent of the unemployed are without work for more than one year.

*There has been an increase in the number of requests from long term unemployed, single parents, homeless and undocumented foreigners.*

Hellenic Red Cross

Unemployment does not automatically lead to depression and desperation, abuse and ruin, but for most people it means not only the loss of income but also of dignity and self-confidence. A study by a psychiatrist from a drug rehabilitation centre in Greece showed that a one per cent increase in unemployment can lead to increases in drug and alcohol abuse and a greater number of people suffering depression and committing suicide.

### Significant changes in work markets, trends

Whereas Red Cross Red Crescent is not normally engaged in employment and labour market issues, the social consequences of high unemployment rates are very much a concern at individual, community and society levels.

Many National Societies report that an increasing number of unemployed people are contacting them for relief and support and for help filling in forms for social benefits. Others have experienced a vast increase in the number of volunteers, some wanting to use their time meaningfully, others hoping to train or qualify for a job. A number of National Societies have embarked on different kinds of projects to help the unemployed with advice or training, among them Finland, France, Iceland and Spain through their youth centres.

National Societies also observe and report some of the changes in the work market. In Germany almost half (45 per cent) of new contracts offered since 2008, are so-called 'mini-jobs' – meaning short-term contracts. Whereas mini-jobs are better than no jobs and also present certain flexibility, these jobs are often without any social security. One fourth of working people in Germany earn low-wages, and the number of employed people who cannot live on their income is constantly rising. In August 2012 almost 600,000 Germans with social insurance had to ask for additional benefits, and 1.33 million people with work are not earning enough to make a living on their own. This is happening in a country not often associated with the crisis and one of only five EU countries witnessing higher employment rates than before the crisis.

In other places unemployment rates are soaring to alarming levels. At the same time as the IFRC was conducting a mapping amongst National Red Cross and Red Crescent Societies in early 2013, youth unemployment rates were reported at more than 30 per cent. A few months later these had risen to higher than 50–60 per cent in some countries.

According to ILO, over 26.3 million Europeans were unemployed in February 2013, 10.2 million more than in 2008. Importantly, while the deterioration of employment paused during 2010–2011, it has gained momentum over the past year.

As of February 2013, the EU unemployment rate stood at 10.9 per cent. This means that it remains 4.1 percentage points above the pre-crisis rate (February 2008). The unemployment rate in the eurozone increased even faster, reaching a historical high of 12 per cent in February 2013.

## Unease could result in unrest

Apart from the consequences on a personal level, there is a risk that the high unemployment rates could lead to social unrest. The graph from ILO shows that the risk for social unrest has increased 12 per cent in Europe from 2011–2012, something the International Red Cross and Red Crescent Movement warned of in the beginning of 2013.

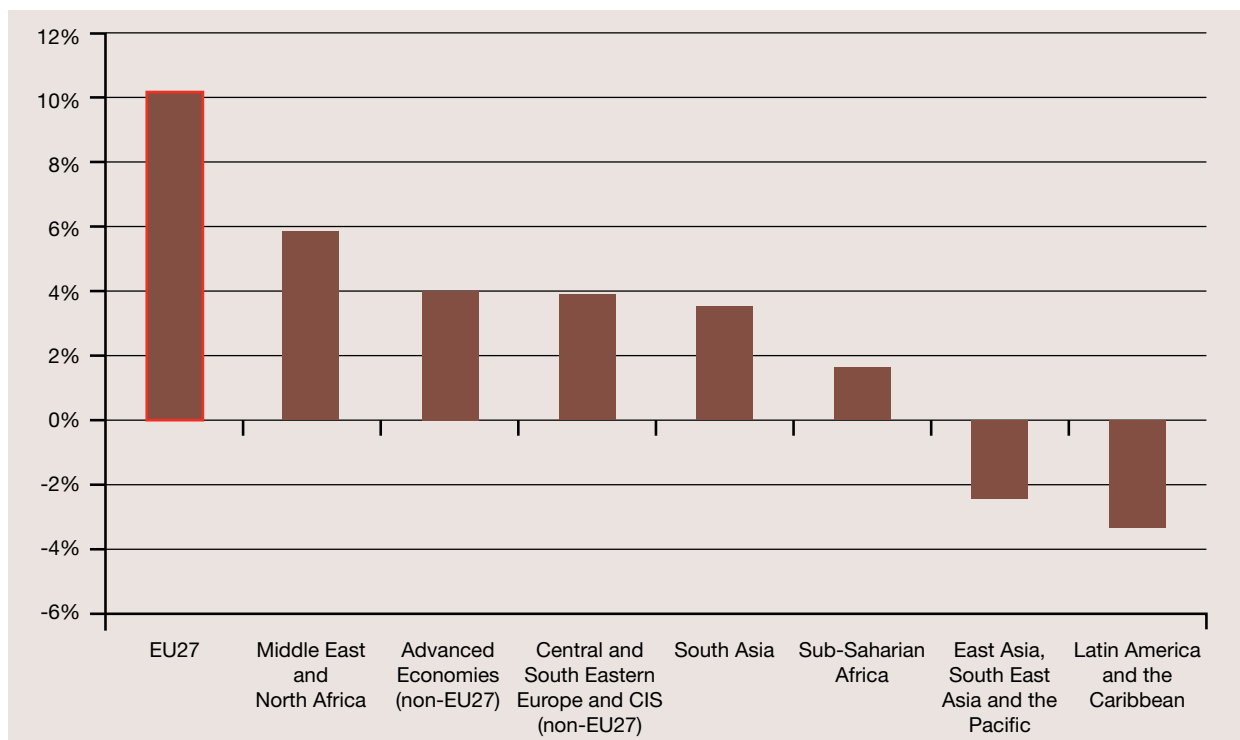
“If the unemployment numbers do not start to come down, then people will become more uneasy,” says Bekele Geleta, the secretary general of the IFRC.

“I do not rule out social exclusion, tensions, uneasiness and unrest, because if people don't have anything to do, and if people don't see anything in the future, there is mental agitation, there is political agitation,” he said.

*There has been a significant increase of volunteers because of increased solidarity and increase in unemployment and free time.*

Hellenic Red Cross

**Figure 3.** Changes in the risk of social unrest between 2006-2007 and 2011-2012



Note: The scale of the index goes from 0 per cent to 100 per cent, with 100 per cent being the highest risk of social unrest. The graph refers to the percentage points increase or decrease in the risk of social unrest. The bars refer to simple averages across regions.

Source: ILS calculations based on Gallup World Poll Data, 2013.

The risk of social unrest is a composite indicator estimated by the Institute on the basis of survey data covering several dimensions of people's perception of their lives. These dimensions include, in particular, confidence in government, perceptions regarding whether living standards are improving or not, and people's assessment regarding the state of the labour market (see ILO, World of Work Report 2012). The estimated risk of social unrest is therefore qualitative in nature. Importantly, evidence suggests that changes in the risk of social unrest – as estimated – are strongly associated with changes in unemployment rates and in income inequality (as measured by the Gini coefficient). By contrast, changes in the risk of social unrest are weakly associated with fluctuations in economic growth.

The Director General of the International Committee of the Red Cross (ICRC), Yves Daccord, spoke along similar lines during a meeting organized by the Finnish Red Cross in July 2013.

“Europe has a long record of maintaining a plausible trust in the future of its young people, even during turmoil. Not anymore. With prices rising and rampant unemployment, young urban people no longer see any future for themselves, and governments start losing credibility and legitimacy,” he said, warning that something drastic could happen in Europe.

“We will see something happen. Not necessarily a repeat of what has happened elsewhere, where people have cried out for freedom, but we will see something. There is going to be lots of pressure directed towards governments and lots of pressure towards the Red Cross to reposition itself according to the new European reality.”

Youth unemployment is of particular concern all over Europe with staggering statistics, in some countries reaching more than 60 per cent. This trend is well established for countries like Spain and Greece, but countries like Serbia, and Bosnia and Herzegovina are now also presenting figures indicating youth unemployment rates of over 50 per cent. Even stronger economies such as Sweden and Luxembourg have youth unemployment rates nearing 20 per cent, and only five of the countries with available statistics have single digit figures.

### Fiscal erosion tipping families over the edge

Although the older generation seems to fare better than youth in general according to the latest OECD report, the +50 generation out of work is of real concern for the IFRC. Many of them are breadwinners and their redundancies have consequences for entire families. At the same time, social welfare systems are often strained and/or based on pre-crisis reality, where unemployment rates were much lower. In a number of countries, unemployed people need to sell any assets of real value they have in order to qualify for social benefits.

**Table 6. Youth unemployment**

Unemployed people between 15 and 24 years as a percentage of the total labour force (which excludes people undergoing education or training).

Country	2008	2012
Albania	27.1	22.0
Andorra	-	-
Armenia	46.5	39.1
Austria	8.0	8.7
Azerbaijan	-	-
Belarus	12.5 <sup>1</sup>	17.5
Belgium	18	19.8
Bosnia and Herzegovina	47.3	58.4
Bulgaria	11.9	28.1
Croatia	21.9	43.0
Cyprus	9.0	27.8



<b>Czech Republic</b>	9.9	19.5
<b>Denmark</b>	8.0	14.1
<b>Estonia</b>	12.1	20.9
<b>Finland</b>	16.5	19.0
<b>France</b>	19.3	24.6
<b>Georgia</b>	32.4	34.6
<b>Germany</b>	10.6	8.1
<b>Greece</b>	22.1	55.3
<b>Hungary</b>	19.9	28.1
<b>Iceland</b>	8.2	13.6
<b>Ireland</b>	13.3	30.4
<b>Italy</b>	21.3	35.3
<b>Kazakhstan</b>	8.1	3.9
<b>Kyrgyzstan</b>	22.2	43.5
<b>Latvia</b>	14.5	28.4
<b>Liechtenstein</b>	-	-
<b>Lithuania</b>	12.2	26.4
<b>Luxembourg</b>	17.3	18.0
<b>Macedonia</b>	58.4	53.0
<b>Malta</b>	12.2	14.2
<b>Moldova</b>	13.1	11.8
<b>Monaco</b>	-	-
<b>Montenegro</b>	30.1	37.8 <sup>2</sup>
<b>Netherlands</b>	6.3	9.5
<b>Norway</b>	7.3	8.6
<b>Poland</b>	17.2	26.5
<b>Portugal</b>	20.2	37.7
<b>Romania</b>	18.6	22.7
<b>Russia</b>	15.4	14.9
<b>San Marino</b>	-	-
<b>Serbia</b>	32.7	51.2
<b>Slovakia</b>	19.3	34.0
<b>Slovenia</b>	10.4	20.6
<b>Spain</b>	24.6	53.2
<b>Sweden</b>	20.2	23.7
<b>Switzerland</b>	7.0	9.2
<b>Tajikistan</b>	-	-
<b>Turkey</b>	18.4	15.7
<b>Turkmenistan</b>	-	-
<b>Ukraine</b>	13.3	17.3
<b>United Kingdom</b>	15.0	21.0
<b>Uzbekistan</b>	-	-

<sup>1</sup> Statistics from 2008.

<sup>2</sup> Statistics from 2011.

The rate at which unemployment figures have risen in the past 24 months alone is an indication that the crisis is deepening, with severe personal costs as a consequence, and possible unrest and extremism as a risk. Combined with increasing living costs, this is a dangerous combination.

Romanian Red Cross has noted that average salaries have decreased by as much as one quarter since the onset of the crisis, while living costs have increased by almost a third. This fiscal erosion means that the crisis has affected 70 per cent of the population; Romanian Red Cross is presently distributing food to 94,000 families.

In June 2013 Spanish Red Cross reported more than 1.8 million active age households have no one with a job.



### **BELGIUM: Counting every euro**

“Never did we imagine that we would have to ask for help to survive,” says 30 year old Sigrid from Charleroi in central Belgium.

“My husband worked as a bricklayer, and I was working too. Together we made more than 5,000 euro per month. Then we lost a child and fell into depression; we could not work for a while. My husband lost his job and the three month’s salary his boss already owed him at that time – all this happened in the course of just two weeks. Almost overnight we found ourselves without money, nothing. Debt accumulated and quickly reached more than 9,000 euro with our car loan and mortgage.”

Sigrid and her husband had bought a house, which they were renovating themselves. After a debt mediator was appointed to help them, the house had to be sold at auction and they now live in social housing with their two small children. A social worker referred them to one of the 24 social groceries run by the Belgian Red Cross and staffed by volunteers, where they can buy food and other necessities at reduced prices.

“We are entitled to purchase 44 euro of items every month. It may not seem much, but it allows me to make ends meet and buy milk, diapers and other things which are expensive at full price. Today we live day-by-day, counting every euro, and always in fear that our children might get sick...”

Sigrid and her family agreed to tell their story and participate in the yearly fund-raising campaign “*La Quinzaine*” where Belgian Red Cross collects money on the streets during a two-week period. Some of the money raised goes towards the social groceries. Other funds go to support the 80 Red Cross centres which now provide food to more than 24,000 people in Belgium.

“People who are affected are referred to us by authorities, but more and more we see unemployed or retired people, as well as students who cannot manage – especially with the high cost of energy – coming directly to us to ask for help. We are also contacted by single mothers, women who have work but do not earn enough to pay for food and other costs for the entire month,” says Nancy Ferroni from the Belgian Red Cross.





# Dealing with the crisis

## Iceland: switching into disaster mode



In the gloomy autumn of 2008 the people of Iceland were traumatized practically overnight as the economy of the country broke down. In the space of just a few short days, Iceland's three biggest commercial banks crashed and went into receivership. The bubble which seemed like it could expand forever simply burst.

*The situation can only be described as if the whole population was traumatized.*

Icelandic Red Cross

The country's payment system teetered on the edge of collapse. A population accustomed to easy credit for anything from groceries to luxury cars faced the very real threat of being unable to use its plastic cards for anything, even cash was in short supply.

Iceland's external debt at the time was 50 billion euro – for a population of just 315,000. More than 80 per cent of the debt was caused and held by the banking sector. In comparison, Iceland's gross domestic product in 2007 was 8.5 billion euro.

On 6 October 2008, the Icelandic parliament rushed through emergency legislation giving the government unprecedented powers over the banks and the running of the economy.

On the night of 8 October, the Icelandic Central Bank gave up and abandoned the Icelandic Krona. The Krona sunk like a rock in water, and trading of the currency was practically halted. The next morning many affluent Icelanders, loaded with foreign currency loans, woke up poor and bewildered.

"We quickly realized that instead of anything resembling a financial 'collapse', this was a large scale disaster of historic proportions traumatizing the whole population. Because of this, we at the Icelandic Red Cross switched to full blown disaster mode," says Sólveig Ólafsdóttir, communication manager at the Icelandic Red Cross.

"Our 24-hour Red Cross Helpline, 1717, was ringing red hot with calls from people who probably never in their wildest imagination had thought of calling for help. The number of calls soon more than doubled and stayed that way for about two years," she says.

The Icelandic Red Cross embarked on several new programmes catering for new groups of people affected, especially those who almost overnight found themselves unemployed. People facing financial ruin and individuals living through a daylight nightmare of deep anxiety were also included.

### Mass gathering centres

The Icelandic Red Cross contacted other Nordic National Societies for advice. They too had responded to severe economic crises in their own countries during the 90s. It also looked at its own capacity in the light of the reality, compared it with the assistance other agencies and organizations were providing and eventually decided to focus on psychosocial support.



A series of television spots, where the Red Cross psychologists discussed trauma and how to deal with it, were produced and aired on the country's main state-run television station.

In Iceland, the role of the Red Cross within the civil protection system during possible disasters is clearly defined and it was decided to respond to the economic crisis by the same means, basing actions on the disaster response expertise of the National Society.

"In March 2009 we opened a mass gathering centre in the capital Reykjavik where people were provided with psychosocial support and counselling. The centre started recreational programmes so that the unemployed could set up a schedule for their days and fill the void. Financial counselling was another important element, as well as providing information on people's rights and assistance available with the existing social security network," Sólveig Ólafsdóttir explains.

After initial success in Reykjavik, these programmes were rolled out to other branches.

"A strong emphasis was put on volunteering, and volunteers took care of daily chores and played a decisive role in peer support, whereas paid programme managers were hired to coordinate these centres."

Icelandic Red Cross also worked closely with authorities in the fields of unemployment and welfare for vulnerable groups. One of the programmes included three months of one-on-one mentor support for socially excluded unemployed people.

"An agreement with the authorities addressed social isolation and over-dependence on welfare systems trying to activate jobless people. We made a contract with the Directorate of Labour and had a representative in the so-called Welfare Watch, a committee that was established by the Ministry of Welfare and remains active even today. A special programme was designed for young unemployed and free-of-charge summer activities were offered to parents who could no longer afford recreational summer holiday activities for their children," recalls Sólveig Ólafsdóttir.

Icelandic Red Cross has now switched back into normal mode. The strategy was to respond as the organization would to a sudden disaster but as time has passed, this has become a normalized situation.

In the meantime, the economic crisis has left the Icelandic Red Cross with dwindling revenues and the challenge of adjusting to the new reality.

## **Serbia: food, tolerance and self-help**

In times of economic crisis, Red Cross often faces the dilemma of increasing humanitarian challenges and needs on the one hand, and reduced financial resources on the other.

This has been the recent experience of The Red Cross of Serbia, which has been working hard to maintain at least the same level of income from existing sources while responding to growing demands.



The official unemployment rate in Serbia stands at 28.3 per cent nationally, but may be much higher in the provinces. The continuous deterioration of the labour market also means more poor people. In 2008, six per cent of the population were below the poverty line. By 2011, it had grown to 10 per cent and is now expected to be even greater.

The Red Cross of Serbia responds to the crisis in a number of ways:

- Soup kitchens established during the 90s have provided food for a varying number of people over the past two decades, but numbers have increased in recent years. They now provide food for 34,000 people. Around 12,000 of those are younger than 18 years old, mostly children of parents who lost their jobs during the economic crisis. The needs are higher, but funds remain limited.
- In 105 municipalities where there are no soup kitchens, the Red Cross has managed to hand out food and hygiene parcels to more than 40,000 families during the past three years with some financial support from the state.
- Red Cross summer schools are organized for 3,000 vulnerable children each year. Other support to children such as assistance in education is also provided.
- Over the past two years, the Red Cross in Belgrade has been assisting homeless people by offering psychosocial support, help in obtaining personal documents, transportation to medical centres, and distributing items that homeless people themselves consider as most needed (flashlights, warm underwear, raincoats, canned food). These services are funded by organizing music concerts where the public donates money to this cause.
- A home care programme for 6,000 people is mainly carried out by volunteers while supervised by professional staff.
- Numerous local branches implement a programme which aims to prevent violence among youth through developing respect for diversity, tolerance, and overall humanitarian thinking among school children.

The Red Cross schools programme on humanitarian values involves more than 800 trained volunteers and teachers working in 260 schools and reaching more than 22,000 students. The topics covered include non-violent communication, personal and group identity, gender equality, children's rights, prevention of stigma and discrimination, and prevention of cyber bullying.

"The economic crisis has also meant that we needed to expand our activities for the elderly," says Vesna Milenovic, Secretary General of The Red Cross of Serbia, adding:

"Budget cuts and austerity measures combined with the rising cost of healthcare and social services due to the population ageing mean that it is no longer possible to cover the needs through public funding alone. New models of solidarity need to emerge and our focus has been on creating self-help groups to ensure the elderly can be active citizens. Another

focus has been on advocating for the rights of the elderly with any relevant institution, governmental body or through the media."

Among the activities are telephone circles, where elderly people call each other every day to check that everything is okay, and a telephone help-line, where elderly volunteers provide advice and support to other elders calling in. Red Cross volunteers work together with medical institutions, collecting prescriptions and delivering the medication to older people living in rural areas.

The Red Cross of Serbia has also initiated 48 self-help groups bringing together 462 senior citizens throughout Serbia. The groups are organized in different environments and settings, and are diverse in terms of ethnicity, nationality, education and professional background, including displaced people and refugees.

Self-help groups create a kind of open environment which offers different options to different people, opportunities to widen and renew their social networks and are a vehicle for raising issues at community level to influence the local decision making process. They also enable people to share information and skills.

"Responding to all the needs emerging because of the economic crisis is not easy. Thanks to our strong network of branches, staff and volunteers, we have been able to adjust and to expand some activities, but we are also aware that we could do so much more," says Vesna Milenovic.

## Spain: Now more than ever

When the Spanish Red Cross teamed up with a national TV station in early 2013 on a campaign to raise awareness and funds for those who were at risk of losing their homes, they were in for a surprise: almost one in three calls to the donation hotline were not donors, but instead people who were asking for help to pay their rent or mortgage.

"It just shows the increasing demand for support," says Jose Javier Sánchez Espinosa, the deputy director of the Spanish Red Cross social inclusion department.

During a six month period since the launch of this programme, Spanish Red Cross has come into

contact with more than 6,000 families who are struggling to keep their houses.

“We try to help early, as soon as economic difficulties arise. Using our ‘social questionnaire’ we get an overview of the family’s situation and make a plan for how we can help. Often we can provide food or other assistance, which means the family can save some money to pay for utilities and rent,” says Jose Espinosa.

“It is often too late or at least very difficult, once the legal process of eviction has begun. It is much better with early intervention; then there are actually many chances to help a family to keep their home”.

### First domestic appeal

It is likely that no other Red Cross or Red Crescent National Society has expanded and changed its services as much as the Spanish Red Cross has since the onset of this crisis. The number of people assisted has increased from 900,000 to 2.4 million in the past four years. In 2012 Spanish Red Cross launched their

first national appeal called ‘Ahora más que Nunca’ (Now more than ever) to assist people affected by the crisis, and the money collected through the annual national fundraising day in October 2012 was allocated to the domestic appeal.

“We have reinforced and expanded our traditional programmes for the most vulnerable, among them the homeless and elderly, and then we have initiated a number of new programmes, such as ‘Keep Your Home’. We presently provide food-aid to 1.3 million people as well as other material assistance to families. In addition, we run programmes for migrants, children, the elderly, and unemployed people, especially for those households which have nobody earning a wage or salary” explains Espinosa.

“We help children from socially disadvantaged families with their homework and

*In Spain over 1.7 million households have all their active members unemployed. In 55.1 per cent of households assisted by the Red Cross all members are without jobs.*

Spanish Red Cross



Belgian Red Cross



we have also begun providing food to groups of children, as we realized many of them came to school without having eaten breakfast.”

### In it for the long run

In all their assistance, the Spanish Red Cross maintains a holistic approach, looking at all aspects of a family’s situation to see how the help can be optimized and how the family members can be involved in finding solutions. Keeping in contact with the people they have helped and analysing their situation on an annual basis enables the Spanish Red Cross to produce social vulnerability reports, which not only highlight results and trends but also give an overall assessment of vulnerability.

Expanding its activities so drastically has meant involving 200,000 volunteers, finding new ways to raise funds and expanding its membership.

“Despite the economic situation people are showing a great deal of solidarity. The number of members who donate regularly has grown to more than a million. The number of people wanting to volunteer has also increased; people with work who want to help the less fortunate, people who receive some support

and want to help others in similar situation, unemployed with some spare time,” says Espinosa.

Responding to the crisis on domestic soil has also taught the Spanish Red Cross some valuable lessons.

“One is that you are in it for the long run, it is not only a question of a couple of months. Another lesson is that although money is essential to carry out your activities you need to look at capacity and approach at the same time; it is all linked. And whereas it is fulfilling to help people in crisis, and help them to help themselves, it is also tough when you are in daily or frequent contact with them – many countrymen are suffering these years,” he says.

The highly specialized psychosocial support teams of the Spanish Red Cross, who previously were at the ready to be dispatched to international disasters, are also now working domestically, providing assistance to people affected by the crisis, as well as staff and volunteers of the Spanish Red Cross. Few of these volunteers ever expected that their skills would be needed at home on such a wide scale.



Jarkko Mikkonen/Finnish Red Cross



# Recommendations and commitments

**In order to act differently, we must first think differently.** Better understanding of how individuals, families, civil societies and institutions can adapt to today's realities and strengthen resilience is needed. National and local government, corporations including the banking sector, humanitarian organizations and citizens must think of innovative ways to find sustainable and long term solutions to mitigate the humanitarian impacts of this economic crisis.

To prevent the economic crisis from turning into a social and moral crisis, the **IFRC recommends that:**

- **Social safety nets are guaranteed**  
*Social safety nets prevent people sliding down into poverty. Once they have fallen into poverty, it is becoming increasingly difficult to return to mainstream society, and many will suffer negative effects in the long term unless mitigating action is taken.*
- **Drastic or indiscriminate cuts to healthcare and social service budgets are avoided**  
*Individual and community resilience is needed to overcome the crisis. Health cuts might lead to higher financial and personal costs in the long run, making full recovery from the crisis slower or even incomplete.*
- **Provision of mental healthcare services are increased**  
*As psychosocial and mental health problems are usually increasing during times of crisis, there is additional need to provide sufficient healthcare, not a reduced one.*
- **Cooperation internationally and nationally to ensure the rights of migrants and to promote respect for diversity, non-violence and social inclusion is enhanced**  
*Although economic development in some countries as well as open borders provide opportunities for migrants, they are often among the worst affected by discrimination following the onset of a crisis. Consistent efforts must be made to ensure that existing laws are respected, or that protection is put in place where it is absent, as per commitments made by states at the 31<sup>st</sup> International Conference of the Red Cross and Red Crescent in 2011.*
- **Active labour market support is continued and expanded**  
*Having to face the impact of the economic crisis, many Europeans are currently being left behind; inactive, unemployed, dependent, excluded and deprived. Youth employment schemes are now high on the EU agenda but additional initiatives for other generations are needed as well.*
- **Private and civil society sector work together to fund and promote voluntary service as an integral component to social and health systems**  
*Voluntary service can yield complementary and specific benefits for both society and individuals, especially in times of crisis.*

**The Red Cross Red Crescent commits to:**

- **Share knowledge, experience and ideas in response to the economic crisis**  
*The IFRC will ensure that systems are in place to enable National Red Cross and Red Crescent Societies to share information and experiences with each other, with a focus on exchange on knowledge, good practice and lessons learnt, as well as learning from other agencies active in this area.*
- **Strengthen and expand existing social programmes that assist those in greatest need**  
*This crisis has led to growing humanitarian needs in many countries requiring National Red Cross Red Crescent Societies to respond by expanding existing social activities or implementing new ones. The dilemma of growing needs and shrinking funds has challenged National Societies to mobilize resources from new and non-traditional donors.*
- **Find creative solutions to the new humanitarian challenges caused by the economic crisis**  
*Needs have not only increased, but also have a new face; we must adapt our programmes and approach to respond to these changes in new and innovative ways together with authorities and other partners, i.e. through holistic approaches and early interventions.*  
*The IFRC will examine how it can best support National Societies that request assistance or guidance in adapting their activities to the new reality of humanitarian response.*
- **Continue to actively involve those affected by the economic crisis in finding solutions.**  
*Even as the numbers of people in need continue to grow we must actively involve and assist those affected in finding and deciding short or longer term solutions.*
- **Continue to highlight the challenges faced by individuals and communities most severely affected by the economic crisis**  
*The humanitarian impact of the economic crisis is often hidden behind numbers. Working closely with the people affected, National Red Cross and Red Crescent Societies will ensure that they are not forgotten, and that their concerns and solutions are brought to the attention of decision makers.*
- **Cooperate with governments and other partners mitigating humanitarian consequences of this economic crisis**  
*In their role as auxiliaries to the public authorities, National Red Cross and Red Crescent Societies will continue to work closely with others to strengthen individual and community resilience with the aim of mitigating the humanitarian impact of the crisis.*

# In a Better World

As a quintessential middle-class man, teaching English in his hometown, Normunds Kvilis had a small but stable salary. Shortly after a market economy was introduced in his home country Latvia, he decided to enter the emerging real estate market. He did well. At one point his net worth was well over two million euro, and his company had five employees and fifteen sales representatives.

When the Latvian economy hit the wall in 2008/2009, with all bubbles bursting simultaneously, he began what he calls his 'series of mistakes'.

"The real estate market died out almost overnight, but I continued to keep up appearances. I mortgaged my assets and continued as if nothing had happened. When the bank finally took all I had, I made my final mistake in mortgaging the flat where my mother lived, where I too had stayed following my second divorce."

That was the grand finale of Normunds Kvilis' spiralling down from riches to rags. One afternoon in 2012 he found himself out on the street penniless and homeless, and he started drinking.

Latvia still has a system that, in order to 'officially exist', people have to register at one residential address. This address cannot be a poste restante box, nor can it be the address of a night shelter or other temporary lodging. Normunds now lives at a friend's flat, but he does not have an address he can register himself to. Because Normunds and many like him cannot register, they cannot be legally employed. Without the possibility of getting legal work, Normunds'

*The gap between wealthy and socially vulnerable people has increased significantly.*

Latvian Red Cross



chances of earning enough money to rent a flat are slim and without a flat and an address, he cannot register.

This strange and vicious cycle is one example of how difficult it can be to climb back into mainstream society after falling into poverty.

“Preventing people from rising above the poverty line in this way is an insane waste of both resources and potential, regardless of the causes. New thinking is required from governments and other players,” says Ketija Talberga, director of the Red Cross social centre in Jurmala, where Normunds turned up hungry and drunk one day.

He is now living a healthier life and is discussing with the Latvian Red Cross how his professional knowledge and experience can be used for the benefit of other socially vulnerable people.

Normunds is one of the five people who share part of their stories in the video **In a Better World**, which is included with this report. Maurizio from Italy also had a company which went bust, and he now lives in a camper van – his former holiday home. Jorge from Portugal was never able to find a job after finishing his degree, and still lives with his parents. Elena from Moldova and Meerby from Kyrgyzstan both went abroad to look for jobs, but both had to return for different reasons. Meerby had a small

baby, which a childless couple offered to buy when she had no money.

These are stories of ordinary Europeans who talk about the impact of the economic crisis on their own lives. How they have managed to cope. How they hope for better times – for a better world – especially for their children.



Jarkko Mikkonen/Finnish Red Cross





# Sources

**Table 1**

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**Table 2**

- Eurostat: “[Income quintile share ratio](#)”
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- Turkey: [TurkStat](#) (Income and Living Condition Survey- Quintiles/deciles ordered by Household Disposable Income)

**Table 3**

- Source: IFRC and national society records.

**Table 4**

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### Table 5

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### Table 6

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*There has been a change of profile of people who seek to volunteer for the Red Cross. In some cases their willingness to volunteer is hiding their own need for support.*

Portuguese Red Cross

*Three million people are now living under the official poverty line, including 439,000 children. More than 400,000 households are jobless – no one in the family is employed.*

Hellenic Red Cross

*Politicians and authorities have expressed increasing expectations that actors such as the Red Cross assume a greater role and responsibility in the welfare in Sweden.*

Swedish Red Cross

# The Fundamental Principles of the International Red Cross and Red Crescent Movement

**Humanity** The International Red Cross and Red Crescent Movement, born of a desire to bring assistance without discrimination to the wounded on the battlefield, endeavours, in its international and national capacity, to prevent and alleviate human suffering wherever it may be found. Its purpose is to protect life and health and to ensure respect for the human being. It promotes mutual understanding, friendship, cooperation and lasting peace amongst all peoples.

**Impartiality** It makes no discrimination as to nationality, race, religious beliefs, class or political opinions. It endeavours to relieve the suffering of individuals, being guided solely by their needs, and to give priority to the most urgent cases of distress.

**Neutrality** In order to enjoy the confidence of all, the Movement may not take sides in hostilities or engage at any time in controversies of a political, racial, religious or ideological nature.

**Independence** The Movement is independent. The National Societies, while auxiliaries in the humanitarian services of their governments and subject to the laws of their respective countries, must always maintain their autonomy so that they may be able at all times to act in accordance with the principles of the Movement.

**Voluntary service** It is a voluntary relief movement not prompted in any manner by desire for gain.

**Unity** There can be only one Red Cross or Red Crescent Society in any one country. It must be open to all. It must carry on its humanitarian work throughout its territory.

**Universality** The International Red Cross and Red Crescent Movement, in which all societies have equal status and share equal responsibilities and duties in helping each other, is worldwide.

The **International Federation of Red Cross and Red Crescent Societies (IFRC)** is the world's largest volunteer-based humanitarian network, reaching 150 million people each year through our 187 member National Societies. Together, we act before, during and after disasters and health emergencies to meet the needs and improve the lives of vulnerable people. We do so with impartiality as to nationality, race, gender, religious beliefs, class and political opinions.

Guided by *Strategy 2020* – our collective plan of action to tackle the major humanitarian and development challenges of this decade – we are committed to ‘saving lives and changing minds.’

Our strength lies in our volunteer network, our community-based expertise and our independence and neutrality. We work to improve humanitarian standards, as partners in development and in response to disasters. We persuade decision-makers to act at all times in the interests of vulnerable people. The result: we enable healthy and safe communities, reduce vulnerabilities, strengthen resilience and foster a culture of peace around the world.

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