

Social Welfare Issues in Southern Europe

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Chapter 1 **Introducing social welfare issues in Southern Europe**

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1 Introducing social welfare issues in Southern Europe

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Global economic recession: impacts and responses in Southern Europe¹

The global recession that was ushered in by the global bank Lehman Brothers filing for bankruptcy in September 2008 had a significant impact on all the European countries. However, the pace at which the crisis developed and the recovery progress that followed varied. Thus, most Southern European countries whose gross domestic product (GDP) was greater than the EU28 average were negatively affected by the crisis (Eurostat, 2021). From the outset Greece, Italy, Portugal and Spain (together with non-Southern European Ireland) were associated with a weaker position due to their mounting sovereign debts, large fiscal deficits and national banks on the brink of failure (Cabral et al., 2013). Greece, for instance, registered a decrease in GDP of approximately 30% between 2008 and 2013. Italy and Spain experienced similar declines in GDP, yet of the two Spain was able to recover more swiftly (Eurostat, 2021). Negative impacts in other countries, such as Cyprus, emerged later, in 2012, when pressure on Cyprus's banking sector started to mount (Cleridesa and Constantinos, 2009). On the other hand, Malta remained largely unscathed by the crisis. After experiencing a brief decline in GDP in 2009, Malta recovered quickly and recorded rapid economic growth. Between 2012 and 2015, GDP increased by 20% and investments in infrastructure accelerated (Eurostat, 2021). Unemployment increased among all the European countries during the recession, but once again the effect was much more pronounced in Southern Europe (with the exception of Malta) in comparison to the EU28 average. By 2013, more than one-quarter of the active workforce was unemployed in Greece and Spain, while Cyprus and Portugal recorded an unemployment rate of 16% (ibid.).

Not only did the extent of the impact of the crisis differ, so too did the responses adopted by the Southern European countries. Italy was able to cope by exploiting its own resources, given its long-standing high level of debt financed chiefly by domestic lenders. Cyprus, Greece, Portugal and Spain drew on the European Financial Stability Mechanism (which later became the European Stability Mechanism, ESM)² (ECA, 2015). Greece, Portugal, and Cyprus had to seek bailouts from the joint European Union (EU) and

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International Monetary Fund (IMF) Economic Adjustment Programmes (EAPs), which came with a set of conditions attached, including severe reductions in public spending. In Greece, the EAP ran from May 2010 to August 2018 (European Commission, 2020a), and involved a sharp reduction in public spending of 36% during that period. In Portugal, the EAP lasted from May 2011 until June 2014 (European Commission, 2020b), with total cuts in government spending of 10% between 2011 and 2016. Cyprus's EAP lasted from May 2013 until March 2016 (European Commission, 2020c); public spending declined by 12% during the period. Spain's 18-month EAP included the recapitalization of financial institutions (European Commission 2020d), while there was a 7% cut in government spending in 2013 compared to the previous year. In Italy, overall government spending did not decline, although growth was almost non-existent. Meanwhile, Malta experienced steady year-on-year growth between 2010 and 2015.

The impact of the recession on the population – manifested as increased precariousness through loss of income and unemployment, rising indebtedness and deterioration in standards of living across all of Europe – is well documented. Implications include the threat to mental health, the prevalence of anxiety and depression, substance use disorder and suicide (Frasquilho et al., 2016). Other less-documented consequences of the recession include an increase in the incidence of cardio-vascular (Osman and Osman 2017) and infectious diseases. Children (Rajmil et al. 2020), people on low incomes and the unemployed (Madureira-Lima et al., 2018), ethnic minorities, migrants and refugees (Kentikelenis et al., 2015; Razum and Stronks, 2014; European Commission, 2014) were among the vulnerable groups that were markedly affected. The economic crisis also increased pre-existing inequalities, e.g. health inequalities (Maynou and Saez, 2016; see also Chapter 7 in this volume).

Negative effects were especially prominent in the countries of Southern Europe, particularly Greece. Furthermore, the recession was not the only shock to confront the region in the past decade. Civil conflicts in Africa and the Middle East triggered a migration crisis, leading to an unprecedented surge in the flow of refugees into the countries of the North Mediterranean (IOM, 2019). Ongoing social and economic challenges exacerbated societal divides and heightened tensions, eroded solidarity and polarized politics in Europe (McKee et al., 2017).

As in previous economic crises, there were some positive changes in behaviours, largely attributed to a decrease in purchasing power. Most notably, smoking and alcohol consumption rates increased (Harhay et al., 2014; Dom et al. 2016). These changes have, however, had uneven impacts within groups in the population. For example, Dom et al. (2016) found that the consumption of alcohol in harmful quantities increased within specific population subgroups, such as those with pre-existing vulnerabilities and those experiencing job loss and long-term unemployment. There was also a notable decrease in the number of road traffic deaths (Stuckler et al., 2011). Nonetheless, such

positive effects are bound to be short term unless sustained by broader policy and welfare measures.

Theoretical influences

One of the main theoretical sources of inspiration informing the analytic discussion of aspects of social welfare in this volume is Gøsta Esping-Andersen (1990). His three models of social welfare in advanced capitalist societies – liberal (e.g. the USA), corporatist-statist (e.g. Germany) and social democratic (e.g. Sweden) – imply the juxtaposition of decommodified and egalitarian welfare with liberal trickle-down economic systems.

Maurice Roche (2010) built on Esping Anderson's work with a focus on the EU and proposed the Southern and Eastern welfare models over and above the liberal, corporatist-statist and social democratic models identified by Esping-Andersen. Roche identified the United Kingdom, Germany and Sweden as representing the liberal, corporatist-statist and social democratic models, respectively, while the Czech Republic and Italy represent the Eastern and Southern welfare models. In these contexts, health care tends to be universalistic, but income maintenance is fragmented, generally benefiting those within the official labour market (Briguglio, 2014). A number of differences have emerged: countries such as Greece, Portugal and Spain – which acceded to the European Community in the 1980s following the collapse of the authoritarian governments in those states – share welfare policies that bring together universalistic health and education and policies related to income maintenance involving employers, reminiscent of the corporatist-statist model (Hantrais, 2007). In such countries, social assistance and personal welfare services are characterized by slow development; albeit that Hantrais (2007) professed that these countries would eventually catch up with other European countries through the adoption of welfare provisions that feature more commonalities with other European countries.

In this volume, the discussion of welfare in Southern Europe also draws on commonalities identified by Maurizio Ferrera (1996) among Spain, Italy, Portugal and Greece. These include the roles played by patronage, clientalism and the family (particularly in its traditional form) in the provision of welfare. Michael Briguglio (2014) elaborates further by acknowledging the contribution made by the church.

Notably, Manuela Arcanjo (2011) disputes the existence of a Southern European welfare model, arguing that Mediterranean countries are grouped in different clusters. Broadening her analysis beyond the Southern European region, she also argues that numerous countries in Europe have adopted hybrid welfare models and that welfare models are not static: countries reposition themselves in the wake of welfare state reforms. For example, between 1990 and 2006, Sweden adopted measures to contain expenditure on pensions, health care and unemployment, while Portugal broadened its public services through the introduction of a more comprehensive and generous welfare system.

Scope and objectives

Drawing on the above proposals and disputes and driven by an interest in examining the state(s) of social welfare in Southern Europe a decade after the financial crisis, this volume brings together case study-informed analyses. Throughout the volume, yet with different research interests and informed by a variety of perspectives, contributors hailing from diverse sciences and humanities engage with a critical examination of socio-economic developments and issues a decade after the financial crisis, ensuing policies of austerity and respective impacts on select aspects of social welfare. The focus is on the identification and understanding of pronounced changes and processes that occurred in the state of welfare in different Southern European countries, particularly those resulting from the impact of the economic crisis, globalization, precariousness and migration.

The overarching objectives guiding the volume's discussion are (i) to identify similarities and differences between the way in which different Southern European countries engage with specific welfare aspects; (ii) to understand if and to what extent such engagement distinguishes Southern Europe in terms of welfare from the rest of the continent; and (iii) to contribute empirically and theoretically informed reflections pertinent to Southern European welfare a decade after the financial crisis.

Albeit beyond the scope of this volume, this last objective in particular has potential contributions for theoretical, empirical and policy engagement with the coronavirus disease (COVID-19) pandemic crisis that was ongoing at the time when this volume was being concluded, and its welfare aftermath.

Most chapters adopt a comparative approach towards welfare issues affecting a number of Southern European countries, including Greece, Italy, Portugal, Spain and the small (island) EU member states Malta and Cyprus. Consequently, the discussion's framework is multidisciplinary and comparative, drawing on sociology, social policy, economics, education, politics and social movements.

Organization of the book

The volume is thematically structured.

The theme running through Part I is welfare states in Southern Europe. In line with the macro approach deployed in this introduction, yet primarily informed by economics, the chapters that follow discuss, respectively, the welfare state under pressure as informed by Mark Baimbridge and Dzheren Khadzhieva's analysis of the case of Greece, and Lino Briguglio's comparative case study of social governance in six Southern European EU member states, namely Cyprus, Greece, Italy, Malta, Portugal and Spain.

Part II, which examines employment and education, features the case of Portugal in Cala Valadas's analysis of employment policy and the translation of external pressures into policies and processes. Luca Verzelloni broadens the

section's discussion to Italy, Portugal and Spain with his comparative analysis of access to labour justice in the three countries. The focus then shifts to education. In this regard, Peter Mayo, Maria Brown and Michael Briguglio flag rhythms of life, environmental sustainability and migration as distinctive and pertinent issues in education in Southern Europe.

The theme of Part III in this volume is health and sexuality. Marina Karanikolos et al. discuss the impact of austerity policies on health systems in Southern Europe. Joanne Cassar contributes with a comparative study of sexuality education policies in six Southern European countries, namely Cyprus, Greece, Italy, Malta, Portugal and Spain. Andreana Dibben's chapter on reproductive politics concludes the section with an analysis of policy responses to teenage pregnancy and motherhood.

Part IV – globalization, social movements and migration – debates the impact of authorities and civil society on welfare in a globalized and digitalized context. More specifically, Jesús Sabariego proposes a technopolitical approach to analyse the impact of the use of internet social media by recent global social movements in Portugal and Spain on public awareness of democracy and human rights. In the last chapter, authored by the editors of this volume, findings of a qualitative study involving the inter-governmental state entity FRONTEX and non-governmental organizations involved search and rescue are discussed to understand interactions between states and NGOs concerning migrants in distress in the Southern European Mediterranean Sea.

Throughout the volume the discussions engage with concepts that include austerity, poverty, social exclusion, gender norms, risks, politics, governance, social investment, social movements, migration, diversity and sustainability. Consequently, we hope that this volume will support and enhance the quality and sustainability of activism, research, undergraduate and post-graduate studies, as well as wide-ranging policymaking, monitoring and evaluation.

Notes

- 1 The authors are indebted to Karanikolos et al. who provided some of the information and references included in this section in Chapter 7 in this volume and – given their usefulness in reviewing the socio-economic state of affairs in Southern Europe in relation to the financial crisis – consented for them to be used to inform the writing of this Introduction.
- 2 Other EU countries that received ESM assistance during the economic crisis included Ireland, Romania, Latvia and Hungary (ECA, 2015).

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